

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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FOR RELEASE September 16, 1966

**SEC PROPOSES RULE RE OFF FLOOR TRADING IN NYSE STOCKS.** The SEC has announced a proposal for the adoption of a new Rule 19b-1 under the Securities Exchange Act (Release 34-7954); and the Commission invites the submission of views and comments upon the proposal not later than October 17, 1966.

The proposed rule is related to a proposal of the New York Stock Exchange to amend its Rule 394 to add a new paragraph (b) which would permit NYSE members to solicit qualified non-member market-makers to participate in the execution of orders for listed securities off-the-floor of the Exchange under designated conditions.

The NYSE Rule, which the Commission finds "to be necessary and in the public interest," will become effective by formal action of its Board of Governors at the request of the Commission pursuant to Section 19(b) of the Exchange Act and upon adoption by the Commission of rules fixing minimum capital requirements for such non-member market-makers and providing for identification of such firms and the securities in which they make markets.

The purpose of the proposed SEC Rule 19b-1 is to establish minimum capital requirements for non-member market-makers who may be solicited to do business under Rule 394(b) and to identify such firms. These financial requirements are designed to assure that off-board trading is extended "only to those non-member market-makers who can reasonably be expected to add substantially to the depth and liquidity of the Exchange market." They would be required to maintain (A) a net worth of not less than \$1,500,000; or (B) a minimum net capital of \$250,000 for each security as to which it is qualified as a non-member market-maker.

**TRADING IN UNDERWATER STORAGE SUSPENDED.** The SEC has suspended over-the-counter trading in the common stock of Underwriter Storage Company of Washington, D. C., for the ten-day period September 16, 1966, to September 25, 1966, inclusive. The Commission stated that information has come to its attention as a result of an investigation into trading in the shares of Underwater Storage, which indicates that incomplete and misleading information and rumors concerning the financial condition and business operations of the company have been publicly disseminated. The company has advised the Commission that it will issue promptly a clarifying statement with respect to these matters. Thereafter the Commission will consider whether and when the suspension may be lifted.

**TWO TRADING BANS CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Westec Corporation for the 10-day period, September 18-27, 1966, inclusive, and over-the-counter trading in securities of Continental Vending Machine Corporation for the 10-day period, September 19-28, inclusive.

**SEC ORDER CITES FIVE.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the following individuals: Richard N. Cea, James C. Conklin, Kenneth E. Fisher, Robert E. Kness, and Frank P. Wayhart. Also named as a respondent is Keystone State Investment Securities Company, Inc., of Monroeville, Pa., of which Fisher is president and Conklin vice president (Keystone's stock is owned by Fisher and his wife and Conklin).

The proceedings are based upon staff charges that the five individuals, during 1963 and 1964 and while associated with the Pittsburgh firm of C. A. Benson & Co., engaged in activities violative of the anti-fraud provisions of the Federal securities laws. The allegations involve transactions in securities of Copter Skyways, Inc., Fieldbrook Foods, Inc., Mr. Hot Cup, Inc., Home Makers Savings Corporation and Wyoming Nuclear Corporation, executed by the respondents for customers of Benson & Co. The broker-dealer registration of Benson & Co. was revoked by the Commission on April 8, 1966.

A hearing will be scheduled, by further order, to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, all for the purpose of determining whether the alleged violations in fact occurred and, if so, whether any action of a remedial nature should be ordered by the Commission.

**SEC COMPLAINT NAMES GRR DEVELOPMENT, GOLDEN RULE REALTY.** The SEC Seattle Regional Office announced September 9 (LR-3580) the filing of a complaint seeking to enjoin violations of the Securities Act registration and anti-fraud provisions by G.R.R. Development, Inc., also known as Golden Rule Realty and Development, Inc., a California corporation, G.R.R. Development, Inc., an Oregon corporation, Pioneer Mortgage Bankers, a Nevada corporation, Colman Carl Christensen, John C. Wagner and Gordon Z. Jongeward, in the issuance of promissory notes of the defendants in exchange for real estate and given to real estate agents for their commissions.

**NATIONAL AVIATION SEEKS ORDER.** National Aviation Corporation, New York, closed-end non-diversified management investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to purchase up to \$1,750,000 of convertible subordinated debentures (due 1991) of United Aircraft Corporation, during the existence of an underwriting agreement with respect to a proposed public offering of \$60,663,300 of such debentures. The Commission has issued an order (Release IC-4702) giving interested persons until October 3 to request a hearing thereon. The application states that Howard E. Buhse, a director

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of National Aviation, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the principal underwriters of the public offering. In view thereof, any purchase of the United debentures by National Aviation is prohibited by the Act absent the issuance of an exemption order by the Commission.

**SUSAN ROBERTS OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Susan Roberts, Inc., of Brooklyn, N. Y. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification and offering circular filed June 24, 1966, the company, which manufactures and sells a line of cosmetics, proposed the public offering of 100,000 common shares at \$3 per share. M. A. Allan & Co., Inc., was named as underwriter on a "best efforts" basis. The Commission asserts in its suspension order that it has reasonable cause to believe that the offering circular contained false and misleading statements of material fact with respect, among other things, to the company's financial condition and operating results and the speculative aspects of the offering.

**COUNSELORS CAPITAL FUND PROPOSES OFFERING.** Counselors Capital Fund, Inc., 615 S. Flower St., Los Angeles, Calif., filed a registration statement (File 2-25514) with the SEC on September 14 seeking registration of 150,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum\*). E. R. A. Financial Services, of the Los Angeles address, is its principal underwriter and investment adviser.

Organized under Delaware law in August 1966, the Fund will become an open-end investment company whose investment objective is "to obtain long-term appreciation of capital by investing in various types of securities including common and preferred stocks, bonds and other debt obligations." The investment adviser is 80%-owned by Economic Research Associates, of which Harrison A. Price (Fund president) serves as president. Charles B. Jones (vice president of the Fund) owns the remaining 20%.

**HAFEN LEAVITT PLEADS GUILTY.** The SEC Denver Regional Office announced September 14 (LR-3581) that Hafen W. Leavitt of Idaho Springs, Colo., pleaded guilty (USDC, ND Iowa) to violating the Securities Act anti-fraud and registration provisions in the sale of securities in a mining venture designated as "Quickie Iron Mining Company." Leavitt was placed on probation for three years.

**COMPLAINT CITES FINANCIAL ENTERPRISES, OTHERS.** The SEC Denver Regional Office announced September 14 (LR-3582) the filing of a complaint (USDC, Colo.) seeking to enjoin Financial Enterprises, Incorporated, Maynard H. Beam (aka Hank Beam), Gordon Marquette (aka Frank Overhulser) and Beam and Associates, all of Denver, from further violations of the anti-fraud provisions of the Federal securities laws in the sale of notes of Financial Enterprises and participating interests in a trust, of which Beam and Associates is the trustee.

**ALABAMA POWER FILES FINANCING PROPOSAL.** Alabama Power Company, 600 N. 18th St., Birmingham, Ala. 35202, today filed a registration statement (File 2-25518) with the SEC seeking registration of \$33,500,000 of first mortgage bonds (due 1996) and 70,000 shares of cumulative preferred stock, \$100 par. The securities are to be offered for public sale at competitive bidding. A subsidiary of The Southern Company, the company will use the proceeds of this financing (together with \$4,000,000 to be received from the sale of additional common stock to the parent and \$25,000,000 from internal sources) in connection with its 1966 construction program, which is estimated to cost \$89,262,000.

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the September 8 News Digest.

Mc Donald's Corp Aug 66(12,13) 1-5231-2	Jones & Laughlin Steel Corp Aug 66(7,13) 1-463-2
Household Finance Corp Aug 66(7,13) 1-75-2	Missouri Edison Co Aug 66(7) 2-18052-2
International Silver Co Aug 66(8) 1-3348-2	Gorton Corp Aug 66(7,13) 0-2232-2
Nashua Corp May 66(11,13) 0-1023-2	Hardlines Distributors Inc Aug 66(8) 0-2158-2
Longines Wittnauer Watch Co Inc Aug 66(1) 1-3386-2	Nonon RR Aug 66(7,13) 1-3345-2
Alterman Foods Inc Aug 66(8,11) 1-5063-2	Bristol-Myers Co Aug 66(3,13) 1-1136-2
Gamble Skogmo Inc Aug 66(7) 1-3478-2	Hudson Pulp & Paper Corp Aug 66(7,13) 1-3546-2
MCA Inc Aug 66(13) 1-4243-2	1-T-E Circuit Breaker Co Aug 66(3) 1-3784-2
Investment Corp of Fla May 66(2,3,7,9,13) 0-1796-2	Joy Mfg Co Aug 66(12) 1-3156-2
Jun 66(7,13) 0-1796-2	Investors Equity Securities Inc Amend #1 for June 66(12,13) 0-2005-2
Lows Boston Theatres Co Aug 66(11,12) 1-1644-2	
Missouri Pacific RR Co Aug 66(3) 1-2139-2	

Automatic Retailers of Amer Inc  
Aug 66 (7) 1-4762-2  
Chelsea Inds Inc  
Aug 66 (4,7,8,13) 1-4917-2  
Cone Mills Corp Aug 66 (8) 1-3634-2  
Crown Cork & Seal Co Inc  
Aug 66 (8) 1-2227-2  
Interco Inc Aug 66 (13) 1-91-2  
Internatl Breweries Inc  
Aug 66 (2,13) 1-3905-2  
F L Jacobs Co Aug 66 (7,8,13) 1-2645-2  
Swank Inc Aug 66 (4,13) 0-432-2  
Trane Co Aug 66 (3) 1-2860-2  
Western Empire Life Ins Co  
Aug 66 (1) 2-15283-2  
Wichita River Oil Corp  
Aug 66 (12) 1-1637-2

Appalachian Power Co  
Aug 66 (12,13) 1-3457-2  
Boston Edison Co Aug 66 (12,13) 1-2301-2  
Genl Mills Inc Aug 66 (7,12) 1-1185-2  
Hawaiian Pacific Inds Inc  
Feb 66 (2) 0-2001-2  
Jul 66 (13) 0-2001-2  
Apr 65 (2) 0-2001-2  
E J Korvette Inc Aug 66 (7,8) 1-4037-2  
Procter & Gamble Co Aug 66 (8) 1-434-2  
Revco D S Inc  
Aug 66 (7,8,12,13) 1-5025-2  
Unishops Inc Aug 66 (12,13) 1-4814-2  
Vulcan Mold and Iron Co  
Aug 66 (7,13) 0-483-2  
Wash Natural Gas Co  
Aug 66 (4,7,13) 0-951-2  
Wellco Re-Search Inds Inc  
Aug 66 (12,13) 2-19017-2

Cott Corp Aug 66 (12) 1-4532-2  
Elizabethtown Water Co  
Aug 66 (12,13) 0-628-2  
Internatl Packers Ltd  
Aug 66 (7,13) 1-3557-2  
Ky Investors Inc Aug 66 (7) 0-1999-2  
Management Assistance Inc  
Aug 66 (7,8,13) 0-2017-2  
North American Car Corp  
Aug 66 (7,11) 1-4977-2

Marshall Inds Aug 66 (13) 0-1746-2  
Swift & Co Aug 66 (12) 1-1168-2  
Turn Inds Inc Aug 66 (11) 0-1569-2

Electrographic Corp  
Aug 66 (11) 1-2544-2  
Genl American Oil Co of Tex  
Aug 66 (12) 1-4056-2  
The Perkin-Elmer Corp  
Aug 66 (7,8,13) 1-4389-2  
Philip Morris Inc Aug 66 (13) 1-194-2  
Rogers Corp  
Aug 66 (7,10,11,12,13) 1-4347-2  
Sinclair Venezuelan Oil Co  
Aug 66 (13) 1-1155-2  
The Singer Co Aug 66 (7,13) 1-4327-2  
White Consol Inds Inc  
Aug 66 (2,7,11,13) 1-826-2

Columbia Pictures Corp  
Aug 66 (7,13) 1-3108-2  
Hudson Ohio Oil Co Aug 66 (2) 0-1603-2  
Kennesaw Life & Accident Ins Co  
Aug 66 (1,7,9,11,13) 0-710-2

Magnasync Moviola Corp (Formerly  
Magnasync Corp) Aug 66 (2,12) 2-16177-2  
Pan American World Airways Inc  
Aug 66 (4,7,8,13) 1-3532-2  
Richardson-Merrell Inc  
Aug 66 (3) 1-1029-2  
United Air Lines Inc Aug 66 (13) 1-2637-2  
U S Inds Inc Aug 66 (3,4,7,13) 1-3772-2  
Universal Chemicals Inc  
Aug 66 (3,13) 2-23215-2  
Walworth Co Aug 66 (7,8,13) 1-798-2  
Wheeling Steel Corp Aug 66 (13) 1-2394-2  
Pan American Sulphur Co  
Aug 66 (12,13) 1-4319-2

Consol Royalty Oil Co  
Aug 66 (12) 1-615-2  
Curtiss-Wright Corp Aug 66 (3) 1-134-2  
Haverhill Gas Co Aug 66 (11,13) 0-1166-2  
G C Murphy Co Aug 66 (8) 1-2563-2  
Pa Power & Lgt Co Aug 66 (12) 1-905-2  
Superior Oil Co Aug 66 (12) 1-4744-2  
Trans-Beacon Corp Aug 66 (2,3,12) 1-2342-2  
Computer Sciences Corp  
Aug 66 (11,13) 1-4850-2

Edgewater Steel Co Aug 66 (3) 0-890-2  
Gulf American Land Corp Aug 66 (12) 1-4470-2  
Houston Fearless Corp Aug 66 (7) 0-1347-2  
Hydrometals Inc Aug 66 (2,13) 1-2837-2  
Middlesex Water Co  
Aug 66 (7,11,12,13) 0-422-2  
Natl Dairy Products Corp  
Aug 66 (3) 1-1146-2  
Pepsi Cola Genl Bottlers Inc  
Aug 66 (7) 1-5105-2  
Spector Inds Inc Aug 66 (2,7,13) 1-5206-2  
Tidewater Oil Co Aug 66 (8) 1-160-2  
Trans World Airlines Inc  
Aug 66 (11,13) 1-975-2  
Uncle John's Restaurants Inc  
Aug 66 (1,7,12,13) 0-2201-2

Aeronca Inc Aug 66 (6) 1-4005-2  
Avco Corp Aug 66 (8) 1-124-2  
Countrywide Realty Inc  
Aug 66 (11,13) 1-4282-2  
General Development Corp  
Aug 66 (3,7) 1-4080-2  
Giannini Controls Corp  
Aug 66 (7,13) 1-4291-2  
Robbins & Myers Inc  
Aug 66 (4) 0-288-2  
Rochester Gas & Electric Corp  
Aug 66 (13) 1-672-2  
The Rowan Controller Co  
Aug 66 (13) 2-18216-2  
Struthers Scientific & Internatl Corp  
Aug 66 (11,13) 2-19179-2  
Struthers-Thermo Flood Corp  
Aug 66 (11) 2-23219-2  
Struthers Wells Corp  
Aug 66 (11,13) 1-4454-2  
Weingarten Markets Realty Co  
Jun 66 (7) 2-14373-2

Arrow Hart & Hegeman  
Elec. Co  
Aug. 1966 ( 12) 0-385-2  
Cambridge Parkway  
Properties, Inc  
Aug. 1966 ( 2) 1-5104-2  
Consolidation Coal Co  
Aug. 1966 ( 11,13) 1-83-2

General Motors Corp  
 Aug. 1966 ( 3 ) 1-143-2  
 Iowa Public Service Co  
 Aug. 1966 ( 8 ) 1-5131-2  
 Walter Kidde & Co Inc  
 Aug. 1966 ( 2,13 ) 1-3226-2  
 Martinall Ind., Inc  
 Aug. 1966 ( 12,13 ) 2-5489-2  
 F. H. McGraw & Co  
 Aug. 1966 ( 9,13 ) 0-939-2  
 New Hampshire Ball Bearings  
 Inc  
 Aug. 1966 ( 10 ) 1-5289-2  
 Paramount Pictures Corp  
 Aug. 1966 ( 12 ) 1-3535-2  
 Pioneer Natural Gas  
 Aug. 1966 ( 7 ) 0-525-2  
 Pueblo Supermrkts.  
 Aug. 1966 ( 2,7,11,  
 13 ) 1-5160-2  
 Shamrock Oil & Gas Corp  
 Aug. 1966 ( 7,13 ) 1-22598-2  
 Texas Gulf Sulphur Co  
 Aug. 1966 ( 4,7 ) 1-1065-2  
 H. Warshaw & Sons  
 Oct. 1965 ( 11 ) 0-1823-2

Century Acceptance Corp  
 Aug. 1966 ( 4,7,13 ) 0-373-2  
 Genl. Tel. Co of Indiana  
 Aug. 1966 ( 7,13 ) 0-1210-2  
 MacAndrews & Forbes Co  
 Aug. 1966 ( 12 ) 1-1222-2  
 Natural Gas Pipeline  
 Co of America  
 Aug. 1966 ( 7,8,11,  
 12,13 ) 2-16243-2

Park Premier Mining Co  
 Sent. 1966 ( 11 ) 1-1701-2  
 Peoples Gas Light & Coke Co  
 Aug. 1966 ( 12 ) 1-1573-2

Pitts. Plate Glass Co  
 Aug. 1966 ( 7,8,13 ) 1-1687-2  
 The Rouse Co  
 Aug. 1966 ( 3,13 ) 0-1743-2  
 Russell Mills, Inc  
 Aug. 1966 ( 1,11 ) 0-1790-2  
 Rust Craft Greeting  
 Cards Inc  
 Aug. 1966 ( 7,11 ) 0-1537-2  
 Union Oil Co of Calif.  
 Aug. 1966 ( 2,9,13 ) 1-554-2  
 Union Tank Car Co  
 Aug. 1966 ( 7,13 ) 1-1207-2  
 United Western Life Insur. Co  
 Aug. 1966 ( 9 ) 2-23316-2

American & Effird Mills, Inc  
 Aug. 1966 ( 11,13 ) 0-79-2  
 Edison Bros. Stores Inc  
 Aug. 1966 ( 8 ) 1-1394-2  
 Franchard Corp  
 Aug. 1966 ( 3 ) 0-855-2  
 Hayden Publishing Co  
 Aug. 1966 ( 10 ) 2-19382-2  
 Hertz Corp Aug. 1966  
 Aug. 1966 ( 4,13 ) 1-1149-2  
 Howell Elec. Motors Co  
 Aug. 1966 ( 7,11,13 ) 1-3450-2  
 Mid-Continent Mfg.  
 Co  
 Aug. 1966 ( 12,13 ) 0-1952-2  
 Penna. Life Co  
 Aug. 1966 ( 1 ) 0-96-2  
 Recognition Equipment Inc  
 Aug. 1966 ( 7,13 ) 0-2038-2  
 Roblin Steel Corp  
 Aug. 1966 ( 9,13 ) 1-5213-2  
 Scientific Data Systems, Inc  
 Aug. 1966 ( 12 ) 1-5250-2

Scioto Downs, Inc  
 Aug. 1966 ( 1 ) 0-1365-2  
 Simon & Schuster Inc  
 Aug. 1966 ( 8, 12,13 ) 0-389-2  
 Standard Thomson Corp  
 Aug. 1966 ( 8 ) 1-3448-2  
 United States Banknote  
 Corp  
 Aug. 1966 ( 3 ) 0-1630-2  
 U. S. Shoe Corp  
 Aug. 1966 ( 2,7,11,  
 12, 13 ) 1-4009-2  
 Vulcan Materials Co  
 Aug. 1966 ( 8 ) 1-4033-2  
 Wisconsin Michigan Power Co  
 Sept. 1966 ( 7,8 ) 0-319-2

American Export  
 Isbrandtsen Lines, Inc  
 Aug. 1966 ( 4,7,8,  
 13 ) 0-2097-2  
 Analex Corp  
 Aug. 1966 ( 10,12 ) 1-4849-2  
 Atco Chemical Industrial  
 Products Inc  
 Aug. 1966 ( 11 ) 1-4099-2  
 C-E-I-R-, Inc  
 June 1966 ( 2,12,13 ) 0-1190-3  
 Chromally American Corp  
 Aug. 1966 ( 3 ) 1-4073-2  
 GF Ind., Inc  
 Aug. 1966 ( 7,11 ) 1-4273-2

**SECURITIES ACT REGISTRATIONS. Effective September 15:** Barnett National Securities Corp., 2-25313 (40 days); The Gorton Corp., 2-25381; O'Neil Fund, 2-24291; Philippine Long Distance Telephone Co., 2-24466 (Oct 26); Signode Corp., 2-25362.

**NOTE TO DEALERS.** The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

\*As estimated for purposes of computing the registration fee.