

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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ROSE AND FLEISHMAN BARRED. The SEC has issued an order under the Securities Exchange Act (Release 34-7971) barring Elliot Rose and Martin A. Fleishman, former general partner and salesman, respectively, of Waldman & Co., New York, from future association with any broker-dealer firm. The two respondents failed to file an answer as directed in the order for proceedings. Thus, under the Commission's rules they may be considered in default and the allegations against them as set forth in the order may be deemed to be true. Accordingly, the Commission found that in 1964 and 1965 Rose and Fleishman violated the anti-fraud provisions of the Federal securities laws in that, among other things, they engaged in high pressure sales efforts and made false and misleading statements in the sale of common stocks of Development Corporation of America and United Utilities Corporation of Florida. In February 1966 the Commission suspended Waldman's broker-dealer registration pending final determination of whether such registration should be revoked. The action is pending against that firm and certain other individual respondents.

PENN ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15578) authorizing the Pennsylvania Electric Company, Johnstown, Pa., to sell at competitive bidding \$25,000,000 of first mortgage bonds (due 1996). The company proposes to use the net proceeds thereof in connection with its construction program (estimated to cost \$53,000,000 in 1966).

BROAD STREET INVESTING SEEKS ORDER. Broad Street Investing Corporation, New York, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares at net asset value, without a sales charge, in exchange for the assets of Nichols Securities Corp.; and the Commission has issued an order (Release IC-4718) giving interested persons until October 27 to request a hearing thereon. The application states that the value of cash and securities owned by Nichols approximates \$3,452,092.

NATIONAL AVIATION RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4719) authorizing National Aviation Corporation, New York closed-end, non-diversified management investment company, to purchase up to \$1,000,000 of convertible subordinated debentures (due 1986) of Sanders Associates, Inc., during the existence of an underwriting agreement with respect to a proposed public offering of \$17,500,000 of such debentures. The application states that Howard E. Buhse, a director of National, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the principal underwriters of the public offering. In view thereof, any purchase of said debentures by National is prohibited by the Act absent the issuance of an exemption order by the Commission.

JOSEPH L. DuBOVY AND WIFE ENJOINED. The SEC Boston Regional Office announced October 7 (LR-3594) the entry of a Federal court order (USDC, Portland, Me.) enjoining Joseph L. DuBovy, a/k/a Joseph L. Rothbort, and his wife Marlene R. DuBovy, a/k/a Marlene Rothbort, both of New York, from further violations of the Securities Exchange Act anti-fraud provisions. The defendants consented to the entry of the order.

ALLEGHENY PEPSI COLA BOTTLING SHARES IN REGISTRATION. Allegheny Pepsi-Cola Bottling Company, 2216 N. Charles St., Baltimore, Md. 21218, filed a registration statement (File 2-25602) with the SEC seeking registration of 10,526 outstanding shares of common stock. The present holder thereof, L. W. Mitchell, vice president, may offer the shares for public sale from time to time at prices current at the time of sale (\$9 per share maximum*).

The company also filed a registration statement (File 2-25603) covering 73,200 shares of common stock. Of this stock, 54,450 shares are to be offered in exchange for 10-year warrants, at the rate of 25 shares for each outstanding warrant, and the remaining 18,750 shares are to be offered in exchange for underwriters' warrants, at the rate of 0.625 common share for each original right represented by the underwriters' warrants to purchase one common share. The prospectus states that the company has outstanding 2,178 ten-year warrants, with rights to purchase 112,168 common shares, and underwriters' warrants to purchase 31,827 shares. The 10-year warrants were issued in 1962 with \$4,500,000 of 6 $\frac{1}{4}$ % subordinated debentures and the underwriters' warrants were sold to underwriters in connection with a 1960 public offering of securities of the company.

The company is engaged primarily in the production, packaging and distribution of Pepsi-Cola products and other carbonated beverages. In addition to indebtedness, it has outstanding 672,423 common shares, of which management officials own 48%. Morton M. Lapides, board chairman, and his wife own 42% of the outstanding stock. Gilbert B. Redmond is president.

CAROLINA T&T PROPOSES RIGHTS OFFERING. Carolina Telephone and Telegraph Company, 122 E. St. James St., Warboro, N. C. 27886, filed a registration statement (File 2-25604) with the SEC on October 10 seeking registration of 716,868 shares of common capital stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each ten shares held. Any unsubscribed shares are to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005. The record date, offering price (\$16.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The registration statement also covers 1,197,027 rights to be received by Southern Bell Telephone and Telegraph Company pursuant to said rights offering. Ten rights will be required to purchase one share of Carolina Telephone stock. Southern Bell, which owns 1,197,027 company shares (16.7%), proposes to offer such rights for public sale at competitive bidding.

The company is engaged in the business of furnishing communication services. Net proceeds of its stock sale will be applied toward the reduction of \$11,950,000 of indebtedness. The company estimates that its 1967 construction expenditures will be \$30,300,000. In addition to indebtedness, it has outstanding 7,168,676 common shares, of which management officials own 1.7%. H. Dail Holderness is president.

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 October 4 News Digest.

Boston Insur Co Amd #1 to 8K for Jun 66 (13)2-7621-2	Wheeler Corp Mar. 1966 (7,13) 1-2483-2 Apr. 1966 (7,13) 1-2483-2 June 1966 (7,13) 1-2483-2 Jul 1966 (7,13) 1-2483-2
Unarco Inds Inc Amd #1 to 8K for Aug 66 (4,7,13)1-3295-2	The Williamsburg Life Insur. Co Sept. 1966 (2,7,11) 0-1501-2
Computer Equipment Corp Amd #1 to 8K for Jun 66 (13)0-625-2	Atlas Chemical Ind., Inc Sept. 1966 (7) 1-177-2
Leeds & Northrup Co Sept. 1966 (11) 1-5192-2	North American Van Lines, Inc Sept. 1966 (11) 0-599-2
Marathon Oil Co Sept. 1966 (7,13) 1-451-2	North Central Airlines, Inc April 1966 (11,12) 0-831-2 Aug. 1966 (12) 0-831-2
Movie Star Inc Sept. 1966 (11) 1-4585-2	Stop & Shop Inc May 1966 (7,13) 1-1722-2
Lee Natl. Corp Sept. 1966 (8) 1-344-2	Cyclops Corp Sept. 1966 (12) 1-2858-2
Mayfair Ind., Inc Amend #1 to 8K for July 1966 (2) 0-219-2	Universal Controls, Inc Sept. 1966 (11,13) 1-4133-2
Medco, Inc Sept. 1966 (7,13) 1-4724-2	Process Corp Aug., 1966 (8) 1-167-2
Clear Creek Corp Sept. 1966 (6) 0-1379-2	Dayton Aviation Radio & Equipment Corp Sept. 1966 (11) 0-1765-2
Phila. Transportation Co Sept. 1966 (3) 1-3565-2	Nuclear Corp of America Sept. 1966 (12,13) 1-4119-2
Marine Midland Corp Sept. 1966 (13) 1-2940-2	Baifield Ind., Inc Aug. 1966 (2) 1-5223-2
Precision Automotive Components Co Aug. 1966 (2) 2-19540-2	Pako Corp Sept. 1966 (7,13) 0-160-2
Robert Reis & Co Sept. 1966 (6) 0-2175-2	

SECURITIES ACT REGISTRATIONS. Effective October 10: Electro-Nectic Steel, Inc., 2-24705 (Dec 31); Giddings & Lewis Machine Tool Co., 2-25522 (40 days).
Withdrawn October 10: CATV of Rockford, Inc., 2-24271.

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.