

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 69-167)

FOR RELEASE September 2, 1969

CORTLANDT INVESTING REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8678) in which it ordered the revocation of the registration of Cortlandt Investing Corporation, New York broker-dealer firm ("Cortlandt"), because of fraud in the offer and sale of stock of Old Empire, Inc. ("Empire") in 1962-63 and the entry of an injunction against Cortlandt. The Commission for similar reasons barred Melvin Cantor, president and sole stockholder of Cortlandt, from further association with any broker-dealer. It also barred Max Reiter, a salesman for Cortlandt, and Edgar F. Isaacs and Harold J. Rau, co-managers of the Dover, Del., branch office of Laird, Bissell & Meeds, for fraud in connection with transactions in Empire stock, but with the provision that after nine months those individuals may seek permission to become associated with a broker-dealer in a non-supervisory capacity.

According to the Commission's decision, respondents made fraudulent representations and predictions and distributed market letters containing misrepresentations concerning, among other things, future increases in the market price of Empire stock, the company's financial condition, past and projected sales and earnings and future dividend payments, and the purchase of Empire stock by Rau. In addition, Cortlandt and Cantor previously were permanently enjoined by a Federal court order (with their consent) from violations of the Commission's net capital and hypothecation rules.

INTERSERVICE FILES FOR OFFERING AND SECONDARY. Interservice Corporation, 666 Euclid Avenue, Cleveland, Ohio 44114, filed a registration statement (File 2-34428) with the SEC on August 27 seeking registration of 125,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Fulton, Reid & Staples, Inc., 2100 East Ohio Building, Cleveland, Ohio 44114; the offering price (\$12.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in operating a chain of 13 restaurants all of which are located in nationally known franchise motor inns. Net proceeds of its sale of additional stock will be added to the company's general funds and will be available for general corporate purposes, including expenses in connection with opening additional restaurants and cocktail lounges in motor inns and for working capital purposes. The company has outstanding 300,000 common shares, of which Michael J. Zappone, board chairman owns 29.49% and Ramon S. Panetti, president, and Charles J. O'Toole, secretary, 28.05 each. They propose to sell 10,000, 8,000 and 7,000 shares, respectively.

ORTHO INDUSTRIES TO SELL STOCK. Ortho Industries, Inc., 49 Lawton St., New Rochelle, N.Y. 10801, filed a registration statement (File 2-34429) with the SEC on August 27 seeking registration of 150,000 shares of common stock, to be offered for public sale on a "best efforts, all or none" basis through Monarch Funding Corp., 79 Wall St., New York, N.Y. The offering price (\$4 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$17,500 for expenses and to sell it, for \$100, five-year warrants to purchase 10,000 shares.

The company is engaged in the design, manufacture and sale to medical professionals of custom molded orthopedic shoes and heel stabilizers. Of the net proceeds of its stock sale, \$70,000 will be used to purchase production and office equipment, \$75,000 for advertising, marketing and promotion, and \$60,000 for salaries; the balance will be added to the company's general funds and used for working capital and general corporate purposes. The company has outstanding 439,759 common shares, of which Dr. Jack Silverman, board chairman, and Irene B. Silverman, own 21.4% each, Dr. Kenneth J. Silverman, president, and Charles G. Silverman, executive vice president 14.2% each and General Technology Equities, Inc. 15.6%.

JERSEY CENTRAL POWER & LIGHT TO SELL BONDS. Jersey Central Power & Light Company, Morristown, N.J. 07960, filed a registration statement (File 2-34430) with the SEC on August 27 seeking registration of \$10,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. A subsidiary of General Public Utilities Corporation, the company will use the net proceeds of its bond sale for payment of a portion of its short-term bank loans outstanding at the time of the sale of the bonds (estimated at \$39,000,000), which loans were incurred for construction purposes or to reimburse the company's treasury for expenditures therefrom for construction purposes. Construction expenditures are estimated at \$72,100,000 for 1969.

FRANK B. HALL FILES FOR OFFERING AND SECONDARY. Frank B. Hall & Co., Inc., 67 Wall St., New York, N.Y. 10005, filed a registration statement (File 2-34431) with the SEC on August 27 seeking registration of 375,000 shares of common stock, of which 100,660 are to be offered for public sale by the company and 274,340 (being outstanding shares) by the present holders thereof. The offering is to be made through Allen & Company Incorporated, 30 Broad St., and American Securities Corporation, 25 Broad St., both of New York, N.Y.; the offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell 25,000 shares to the Allen firm and to grant it an option to purchase 25,000 shares.

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The company is engaged in the general insurance brokerage and agency business. It also acts as average adjusters, life and employee benefit plan consultants and places most other types of insurance. Part of the net proceeds of its sale of additional stock will be applied to the partial repayment of the company's indebtedness to banks; the remainder will be applied to working capital and may be used in connection with possible acquisitions. The company has outstanding 1,074,714 common shares, of which management officials as a group own 629,250 shares. James Stewart is board chairman and Melvin A. Holmes president. Stewart proposes to sell 10,500 shares of 64,500 shares held, Holmes 4,200 of 40,500, Charles A. Severs and Edwin G. Stephens, vice presidents, 45,000 shares each (the largest blocks) of 75,000 shares held by each, and 23 others the remaining shares being registered.

THAYER INTERNATIONAL FILES FOR OFFERING AND SECONDARY. Thayer International Ltd., 498 7th Avenue, New York, N.Y., filed a registration statement (File 2-34432) with the SEC on August 27 seeking registration of 200,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Cantor, Fitzgerald & Co., Inc., 232 North Canon Drive, Beverly Hills, Calif. 90210; the offering price (\$13 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Cantor firm, for \$200, five-year warrants to purchase 20,000 shares.

The company directly and through subsidiaries designs and sells ladies' knitwear apparel, sold under the names "Knits by Thayer," "St. Andrews," "St. Moritz" and Giancarlo" to some 9,000 department stores and specialty shops. The bulk of the net proceeds of its sale of additional stock will be used for start-up expenses and development of the company's new "popular price" (\$20 to \$70 retail) lines under its "Roncelli Sportswear" label; the balance will be added to its working capital and used to expand its purchases from contractors in Hong Kong, Taiwan, Italy and England. The company has outstanding 461,000 common shares, of which Milton D. Skurka, president, owns 98%; he proposes to sell 100,000 shares of 450,000 shares held.

COMPUTER SOFTWARE SYSTEMS TO SELL STOCK. Computer Software Systems, Inc., 460 Summer St., Stamford, Conn. 06901, filed a registration statement (File 2-34434) with the SEC on August 27 seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Newburger, Loeb & Co., 5 Hanover Square, New York, N.Y. 10004. The offering price (\$14 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Newburger firm, for \$187.50, five-year warrants to purchase 18,750 shares, exercisable initially (after one year) at 110% of the offering price.

Organized in March 1967, the company is primarily engaged in providing computer services simultaneously to computer users on a remote access/immediate response basis, frequently referred to as "time sharing." Of the net proceeds of its stock sale, \$500,000 will be applied to finding and developing new locations for the installation of additional time sharing computers for the rental of additional space and possible leasehold improvements to house such equipment and to defray "start up" costs relating thereto, and \$1,750,000 to absorb initial operating losses of additional facilities which may be put into service by the end of 1970; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 745,500 common shares, of which Robert H. Bernard, president, owns 13.2% and management officials as a group 45.7%. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of \$3,850,000*; the present shareholders will then own 75%, for which they paid prices ranging from \$.014 to \$6.67 per share.

SANTA FE NUCLEAR TO SELL STOCK. Santa Fe Nuclear, Inc., 101 West Marcy St., Santa Fe, New Mexico 87501, filed a registration statement (Release 2-34435) with the SEC on August 27 seeking registration of 350,000 shares of common stock, to be offered for public sale through Doherty & Co., 209 Gold Avenue S.W., Albuquerque New Mexico. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in August 1967 for the primary purpose of exploring for uranium. Of the net proceeds of its stock sale, \$2,000,000 will be used to purchase a working interest in the Gageby Creek Gas Field, Wheeler County, Texas, \$600,000 for overriding royalties and \$150,000 for drilling on the Green River Prospect (Utah); the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 926,677 common shares, of which John N. Eddy, president, owns 14%.

SIRCO INTERNATIONAL FILES FOR OFFERING AND SECONDARY. Sirco International Corp. 700 South Fulton Avenue, Mt. Vernon, N.Y. 10050, filed a registration statement (File 2-34436) with the SEC on August 27 seeking registration of 200,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by Burt J. Siris, the company's president and principal stockholder. The offering is to be made through underwriters headed by Walston & Co., Inc., 74 Wall Street, New York, N.Y.; the offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the design, import and manufacture of popular-priced ladies and children's handbags and related articles. Of the net proceeds of its sale of additional shares, \$1,000,000 will be used to retire short term indebtedness and bankers acceptances as they mature, \$111,954 to repay loans from the wife and children of Siris, and the balance for general corporate purposes. The company has outstanding 300,000 shares, of which Siris owns 99%.

CAROUSEL CANDY FILES OFFERING PROPOSAL. Carousel Candy Co., Inc. 393 Sagamore Avenue, Mineola, New York filed a registration statement (File 2-34437) with the SEC on August 27 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering is to be made on a best efforts, all or none basis by Austin, James & Co., Inc. 12 William Street, New York, N.Y.; which will receive a selling commission of 25¢ per share plus \$22,500 for expenses. The underwriter also will be entitled to purchase, for \$200, six-year warrants for the purchase of 20,000 shares, exercisable after one year at \$2.50 per share.

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The company is engaged in the packaging, marketing, sale and distribution of candy, confectioneries and other related products. Of the net proceeds of its stock sale \$175,000 will be used to increase its inventory of nuts and seeds, \$200,000 for working capital, and the balance for other corporate purposes. The company has outstanding 400,000 common shares, of which Saul M. Hershkowitz, president, owns 97%.

LEISURE MOBILE SYSTEMS FILES FOR OFFERING AND SECONDARY. Leisure Mobile Systems, Inc., 867 High St., Worthington, Ohio 43085, filed a registration statement (File 2-34438) with the SEC on August 27 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through Lomasney & Co., which will receive a \$1 per share commission plus \$20,000 for expenses. The company has agreed to sell the underwriter, for \$200, five-year warrants to purchase 20,000 shares, exercisable after one year at prices ranging from \$11 to \$14 per share.

The company was organized in July to acquire all the outstanding capital stock of Kru-Bol Enterprises, Inc., which is engaged in the construction of single family dwellings in addition to the development of real estate; Walter Krumm Realty, Inc., engaged in the sale of real estate on a commission basis; L-Cart, Inc. engaged in the manufacture of mobile homes; and Highland Mobile Homes, Inc., engaged in the operation of retail sales lots for mobile homes. Of the net proceeds of its sale of additional stock, \$300,000 will be used to develop or purchase mobile home parks, subdivisions and sales lots, \$300,000 to acquire or pay start-up costs of a new plant to manufacture mobile homes in the South, \$300,000 for construction of a mobile home plant in Elkhart, Indiana and to purchase equipment and machinery, \$75,000 to improve existing plant facilities in Elkhart and \$100,000 to establish franchise operations for the development of mobile home parks and retail sales lots; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 500,000 common shares (with a 59¢ per share net tangible book value), of which Walter T. Krumm, board chairman and president, and Edward S. Bolen, treasurer, own 26% each and management officials as a group 71%. Each propose to sell 21,500 shares of his holdings of 131,875 shares; two others will sell the remaining shares being registered. Purchasers of the shares being registered will acquire a 31% stock interest in the company for their investment of \$2,000,000 (they will sustain an immediate dilution of \$7.59 in per share book value from the offering price); the present shareholders will then own 69%, which they acquired in exchange for all the capital stock of the four named companies, which had a net tangible book value of \$293,481 as of May 31.

SAP'S FOODS FILES FOR OFFERING AND SECONDARY. Sap's Foods, Inc., 2741 Central Avenue, Columbus, Ind. 47201, filed a registration statement (File 2-34439) with the SEC on August 28 seeking registration of 180,000 shares of common stock, of which 160,000 are to be offered for public sale by the company and 20,000 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Thomson & McKinnon, Inc., 2 Broadway, New York, N.Y. and J.J.B. Hilliard, W.L. Lyons & Co., 545 South Third St., Louisville, Ky. 40202; the offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the production and sale of an assortment of donuts; it also produces and sells breakfast rolls, coffee cakes, and a variety of other pastries. Of the net proceeds of its sale of additional stock, \$274,551 will be used to retire certain loans incurred by the company to finance the purchase of equipment, \$89,499 to pay the balance due for construction of an addition to the company's plant, \$312,950 to purchase a conveyor system and certain donutmaking and bakery equipment, \$278,000 to finance additions to and remodeling of certain areas of the company's plant and \$100,000 for expenses incurred in remodeling and equipping a restaurant to be opened in September; the balance will be added to the company's general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 256,536 common shares, of which Philip R. Essex, president, owns 70.2%; he proposes to sell 20,000 shares of 180,045 shares held.

L E MYERS CO. FILES FOR OFFERING AND SECONDARY. The L.E. Myers Co., 550 West Jackson Blvd. Chicago, Ill. 60606, filed a registration statement (File 2-34440) with the SEC on August 28 seeking registration of 825,000 shares of common stock, of which 240,000 are to be offered for public sale by the company and 585,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York, N.Y.; the offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in the statement are 82,800 shares issuable under options issued to company employees.

The company performs construction services for electric utilities. Of the net proceeds of its sale of additional stock, \$3,000,000 will be used to acquire new construction equipment, both for replacements and additions; the balance will be added to the general funds of the company and will be available for use as working capital and other corporate purposes. The company has outstanding 1,733,855 common shares, of which management officials as a group own 63.5%. Newton D. Rich is board chairman, Albert L. Nelson vice chairman and Kurt Brammer president. Harris Trust and Savings Bank, Trustee f/b/o Newton D. Rich u/t/a dated 4/29/58, proposes to sell 226,000 of 452,065 shares held; Kurt Brammer 105,200 of 210,450; and the said Bank and Albert L. Nelson, Co-trustees f/b/o Albert L. Nelson u/t/a dated 5/20/58, 92,000 of 184,000; eleven others will sell the balance of the shares being registered.

NARDIS OF DALLAS FILES FOR SECONDARY. Nardis of Dallas, Inc., 1300 Corinth St., Dallas, Texas 75215, filed a registration statement (File 2-34441) with the SEC on August 28 seeking registration of 200,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Walston & Co., Inc., 74 Wall Street, New York, N.Y. The offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of knitted ladies ready-to-wear. It has outstanding 520,000 common shares, of which Richard S. Gold, board chairman and chief executive officer, and Allen J. Gold, president, own 41.67% each; each proposes to sell 100,000 shares.

DINERS' CLUB SHARES IN REGISTRATION. The Diners' Club, Inc., 10 Columbus Circle, New York, N.Y. 10019, filed a registration statement (File 2-34442) with the SEC on August 28 seeking registration of 84,447 outstanding shares of common stock. The shares were issued in connection with several transactions in which the company acquired businesses now operated as subsidiaries; the recipients thereof may offer the shares for sale from time to time, at prices current at the time of sale (\$21 per share maximum*). The largest block (58,710 shares) is owned by F.T. Ventures, Inc. The company has 2,423,557 shares outstanding.

LEA-RONAL FILES FOR OFFERING AND SECONDARY. Lea-Ronal, Inc., 272 Buffalo Avenue, Freeport, New York, 11520 filed a registration statement (File 2-34443) with the SEC on August 28 seeking registration of 275,000 shares of common stock, of which 25,000 are to be offered for public sale by the company and 250,000 (being outstanding shares) by The Lea Manufacturing Company (the latter owns 270,375 or 30.1% of the outstanding Lea-Ronal shares). The offering is to be made through underwriters headed by Walston & Co., Inc., 74 Wall Street, New York, New York; the offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are principally engaged in the development, production and marketing of a diversified line of electroplating processes and metal finishing products which have a variety of industrial applications. Of the net proceeds of its sale of additional shares, \$200,000 will be used for the purchase and installation of equipment at its Freeport facilities and for the additional facility now under construction at such location, and the balance for working capital. The company has outstanding 896,925 common shares, of which Barnet D. Ostrow, president, and Fred I. Nobel, executive vice president, own 22.4% each.

SUMMIT NATIONAL PROPOSES OFFERING. Summit National Holding Company and Summit National Life Insurance Company 1815 West Market St., Akron, Ohio, 44313, filed a registration statement (File 2-34444) with the SEC on August 28 seeking registration of 12,000 shares of common stock with common stock purchase warrants attached, to be offered for public sale in units, each consisting of one share with warrants to purchase two additional shares. The offering is to be made through underwriters headed by Fulton, Reid & Staples, Inc., 1717 East 9th St., Cleveland, Ohio 44114; the offering price \$6 per unit maximum*) and underwriting terms are to be supplied by amendment.

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The sole business of Summit National Holding Company/of all the outstanding shares (excepting directors' qualifying shares) of Summit National Life Insurance Company, a legal reserve life insurance company, and Summit National Operating Company which performs services for the Insurance Company. Net proceeds of its stock sale will be used to acquire other businesses, preferably other life insurance companies and for the working capital needs of Insurance Company. Holding Company has outstanding 724,378 common shares of which Investors, Inc., owns 10.66% and management officials as a group own 11.8%. Guy Gundaker, Jr., is board chairman and president.

APPLIED LEARNING SYSTEMS TO SELL STOCK. Applied Learning Systems, Inc., 12139 Riverside Drive, North Hollywood, Calif. 91607, filed a registration statement (File 2-34445) with the SEC on August 28 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through underwriters headed by Union Western Securities Corporation, 6505 Wilshire Blvd., Los Angeles, California, which is to receive a commission of 50¢ per share. The underwriters also will be entitled to purchase, for \$500, five-year warrants for the purchase of 5,000 shares, exercisable after one year at from \$5.35 to \$6.40 per share. Michael Krauss, a brother-in-law of Ralph and Erwin Pearlman, president and vice-president, respectively, will receive 2,800 shares from the two Pearlman as a finder's fee.

The company is principally engaged in the operation of three private neighborhood centers or clinics in Southern California for supplementary instruction in reading, writing, and other basic academic skills; a fourth clinic is operated under a franchise from the company. The company also derives revenues from royalties on the sale of teaching programs and from consulting fees. The net proceeds of its stock sale will be used for various purposes related to the company's business, including the development of additional teaching programs and for teacher training and the expansion of facilities. The company has outstanding 397,800 common shares, of which the two Pearlman own 46.25% each.

APPALACHIAN POWER RECEIVES ORDER. The SEC has issued a supplemental order under the Holding Company Act (Release 35-16462) authorizing Ohio Power Company, subsidiary of American Electric Power Company, Inc., to issue and sell up to \$18,765,000 of additional short-term notes to sixty-one Ohio banks. This is part of \$74,600,000 of short-term notes authorized by the Commission July 1 (Release 35-16419).

SECURITIES ACT REGISTRATIONS. Effective August 29: Belden & Blake & Co. Ltd. Partnership No. 33 and No. 34, 2-33973 & 2-33997; The Connrex Corp., 2-34000 (40 days); Illinois Central Industries, Inc., 2-33612; Tower Products, Inc., 2-33999 (90 days).

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.