

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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COURT ENJOINS HAYNES OIL. The SEC Atlanta Regional Office announced December 23d (LR 2804) the entry of a court order (USDC, Jacksonville, Fla.) preliminarily enjoining Byron Haynes, dba Haynes Oil and Gas Company, of Jacksonville, from further sale of oil interests in violation of the Securities Act registration requirements. Haynes consented to the court order.

PLEAS ENTERED BY GRANT AND TRAFICANTE. The SEC Chicago Regional Office announced December 16th (LR 2805) that Harry L. Grant and Emil Traficante, both of Chicago, had entered pleas of guilty to twelve counts of indictment (USDC, Chicago) charging violations of Securities Act and Mail Fraud Statute in the sale of oil interests.

HUMAN RELATIONS RESEARCH FOUNDATION, OTHERS ENJOINED. The SEC Seattle Regional Office announced December 17th (LR 2806) the entry of a Federal court order (USDC, Portland, Oregon), upon a stipulation by the parties, enjoining violations of the Securities Act registration and anti-fraud provisions in the offer and sale of securities by Charles M. Simmons of Hillsborough, California; Charles M. Simmons II of Los Angeles, California; William F. Gressinger of Portland, Oregon; Francis A. Butterworth of San Jose, California; Human Relations Research Foundation, a Washington corporation; Simmons Institute, Inc., a California corporation; Simmons Institute of Human Relations, a Washington corporation; Transamerica Property Corporation, an Oregon corporation; La Pine Acres, Inc., an Oregon corporation; and Universal Mortgage Company, a California corporation. The court order further provides that a receiver will be appointed for Human Relations Research Foundation if a petition for reorganization under Chapter X of the Bankruptcy Act is not filed for said Foundation by that date.

HOWARD P. CARROLL CONVICTION AFFIRMED. The SEC San Francisco Regional Office announced December 20th (LR 2807) that the Court of Appeals for the Ninth Circuit had affirmed the convictions of Howard P. Carroll (of Denver) and H. Carroll and Co. as to three counts of a six-count indictment charging a scheme to defraud in the sale of Comstock, Ltd., stock. The court reversed conviction on three counts of the indictment on the ground that prosecution is barred by the statute of limitations.

DATA-CONTROL SYSTEMS FILES STOCK PLAN. Data-Control Systems, Inc., East Liberty St., Danbury, Conn., filed a registration statement (File 2-21978) with the SEC on December 24th seeking registration of 18,000 shares of common stock, to be offered pursuant to its employee stock option plan.

TRIBUNE OIL PROPOSES OFFERING. Tribune Oil Corporation, 25 Broad St., New York, filed a registration statement (File 2-21972) with the SEC on December 24 seeking registration of 377,018 shares of capital stock. Tribune proposes to issue to Maracaibo Oil Exploration Corporation for distribution among its stockholders in proportion to their respective interests (excepting Alfred J. Williams, Maracaibo president and holder of 113,982 shares of Maracaibo stock) who has waived his rights to share in such distribution), warrants evidencing the right to subscribe for one share of Tribune stock for each share of Maracaibo stock held. The exercise or subscription price is 50¢ per share; the record date is to be supplied by amendment; and no underwriting is involved.

Tribune was organized under Delaware law in October 1963 by Henry W. Reed, board chairman, R. F. Lollar, president, and twelve other promoters, for the purpose of acquiring all of the assets of Maracaibo, except for \$245,500 in cash and the corporate name of Maracaibo. In consideration therefor, Tribune will pay Maracaibo \$491,000 in cash and assume its indebtedness, and will issue to Maracaibo \$5,892,000 of 5% subordinated debentures due 1979, and will deliver the subscription warrants for distribution to Maracaibo shareholders. Tribune will carry on the business Maracaibo initiated, to wit, the production of crude oil and natural gas. Proceeds paid in on initial subscriptions for its stock, and on exercise of the subscription warrants, will be applied to the purchase of Tribune debentures "for credit at cost against sinking fund obligations, if any are purchasable in the market at 65% of principal amount or less during the period from September 9 to September 30, 1964, or at Tribune's own election to make such purchases prior to that period, but not before the expiration" of the warrants. These proceeds will be a minimum of \$56,991, and will aggregate \$245,500, if all warrants are exercised. At the price of 65 such purchases would result in the retirement at between \$87,000 and \$377,000 of debentures.

Of the 113,982 outstanding shares, all held by promoters, Lollar owns 13.16%, John V. Ballard, vice president, 17.55%, and management officials as a group 55.7%.

OVER

STATE LOAN & FINANCE FILES FOR SECONDARY. State Loan and Finance Corporation, 1200 Eighteenth St., N.W., Washington, D. C., filed a registration statement (File 2-21973) with the SEC on December 24th seeking registration of 309,000 outstanding shares of Class A common stock, to be offered for public sale by the present holders thereof. The offering will be made through an underwriting group headed by Johnston, Lemon & Co., 900 Southern Bldg., Washington, D. C. and Eastman, Dillon, Union Securities & Co., of 400 N. Washington, Alexandria, Va. The public offering price (maximum \$23 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the consumer finance (small loan) business. It is a holding company and through subsidiaries operates 533 loan offices located in thirty states and the province of Ontario, Canada. In addition to various indebtedness and an issue of preferred stock, the company has outstanding 3,661,018 shares of Class A and 321,300 shares of Class B common stock, of which management officials as a group own 12.30% and 37.67%, respectively. Davis Weir, president and board chairman, owns 19.60% of the outstanding Class B shares and his wife 27.83%; and Paul H. Williams, executive vice president, owns 14.43% of the outstanding Class B shares and his wife 16.25%.

The selling stockholders are The Riggs National Bank of Washington, D. C., and Ellsworth C. Alvord, executors of the estate of Charles Delmar, deceased, who was vice chairman of the board at the time of his death, August 17, 1963. Upon sale of the 309,000 shares, the estate will continue to own 12,635 of the Class A stock. Principal voting rights are vested in the Class B stock. (Class A stockholders are entitled, among other things, to elect not less than 20% of the board of directors, but in no event less than two directors).

SUPERMARKETS OPERATING FILES FOR OFFERING AND SECONDARY. Supermarkets Operating Co., 1416 Morris Ave., Union, N. J., filed a registration statement (File 2-21974) with the SEC on December 24th seeking registration of 137,250 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the issuing company and 37,250 (being outstanding shares) by the present holders thereof. The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment. Robert Garrett & Sons of Garrett Bldg., Baltimore, and G. H. Walker & Co., Inc., of 45 Wall St., N. Y., are listed as the principal underwriters.

The company and subsidiaries engage in the operation of a chain of 21 supermarkets in New Jersey, New York and Pennsylvania under the franchise name "Shop-Rite." It also operates a chain of ten drug and home centers in New York and Jersey. Net proceeds of the company's sale of additional stock will be added to working capital, to be available for general corporate purposes including the opening or acquisition of additional stores. In addition to indebtedness, the company now has outstanding 809,460 common shares, of which management officials as a group own 62%. Alex Aidekman, board chairman, owns 186,150 and proposes to sell 5,000 shares; Milton Perlmutter owns 170,742 and proposes to sell 5,000 shares; and the remaining 27,250 shares are to be offered for sale by 12 other stockholders.

KERR-MCGEE OIL FILES STOCK PLAN. Kerr-McGee Oil Industries, Inc., Oklahoma City, Okla., filed a registration statement (File 2-21975) with the SEC on December 24th seeking registration of 181,535 shares of Kerr-McGee common stock, to be offered pursuant to the company's 1963 Employee Stock Option Plan.

LUSK CORP. FILES FOR OFFERING AND SECONDARY. The Lusk Corporation, 6910 East Broadway, Tucson, Ariz., filed a registration statement (File 2-21976) with the SEC on December 24th seeking registration of 61,567 shares of common stock. Of this stock, the company proposes to offer 50,900 shares to certain holders of outstanding warrants. The warrants are exercisable at \$5 per share until November 15, 1964, and at \$6 per share thereafter and until December 15, 1966. The remaining 10,667 shares are not outstanding and may be offered for public sale by the holders thereof in the over-the-counter market at prices current at the time of sale.

The company is engaged primarily in the planned development of residential communities (principally in the Tucson and Phoenix areas but more recently expanded into Indianapolis and Albuquerque). According to the prospectus, the company is considering the possible expansion into other major metropolitan areas in California and the Midwest. The company's president, Robert F. Lusk, Jr., owns 808,425 shares (70%) of the outstanding stock of the company. Management officials own warrants for 12,934 shares. The 10,667 shares may be sold by a group of ten shareholders.

SECURITIES ACT REGISTRATIONS. Effective December 26. Strong Cobb Arner, Inc. (File 2-21551).

* As estimated for purposes of computing the registration fee.

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