

# 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 January 26, 1970

**CONSOLIDATED SECURITIES (FLA.) SUSPENDED.** The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-8805) suspending the operations of Consolidated Securities Corp. ("Consolidated"), Pompano Beach, Fla., broker-dealer firm, for a period of 45 days, commencing January 27, for violations of the registration and anti-fraud provisions of the Federal securities laws in connection with the offer and sale of stock of Old Florida Rum Company, Nick P. Christos, president of Consolidated and a director of the issuer, was suspended from association with any broker-dealer firm for a period of 60 days, also commencing January 27. Both Consolidated and Christos consented to the imposition of these sanctions, without admitting or denying the violations.

According to the Commission's decision, Consolidated and Christos offered and sold some 700,000 shares of the issuer's stock between April 1967 and June 1968, on behalf of the issuer, its president and certain other officials, in violation of the Securities Act registration requirement. Moreover, while participating in the distribution of such stock, Consolidated bid for and purchased issuer's stock for its own accounts, and Christos caused it to do so, in violation of Rule 10b-6 under the Exchange Act.

In a separate action before the U. S. District Court in Tampa, Fla., Old Florida Rum Corporation and John A. Snively, Jr., its president, both of Winter Haven, Fla., and Nick P. Christos, a director, of Pompano Beach, consented to a court order of permanent injunction against violations of the Securities Act registration provisions in the offer and sale of stock of that company (See Lit Release No. 4524).

**GENERAL AMERICAN TRANSPORTATION SEEKS ORDER.** General American Transportation Corporation, of Chicago, has filed an application with the SEC under the Trust Indenture Act of 1939 seeking a determination that the trusteeship of Chemical Bank under two certain trust agreements is not so likely to involve a material conflict of interest as to disqualify the Bank from serving as trustee under both; and the Commission has issued an order giving interested persons until February 6, 1970, to request a hearing thereon.

Chemical Bank now serves as trustee under the Lease and Agreement comprising General American's Equipment Trust, Series 50, under which \$1,875,000 of certificates remain outstanding. The company also wishes to appoint Chemical Bank as trustee under a new Equipment Trust Agreement, Series 66, under which about \$50,000,000 of certificates are expected to be issued. According to the application, the Series 50 certificates are, and the Series 66 certificates will be, secured by a separate lot of identified railroad cars, so that should the trustee have occasion to proceed against the security under one of these trusts, such action would not affect the security, or the use of any securities, under the other trust. Thus, the existence of the other trusteeship should in no way inhibit or discourage the trustee's actions.

**MAINE YANKEE ATOMIC POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16589) authorizing Maine Yankee Atomic Power Company, Augusta subsidiary of Northeast Utilities and New England Electric System, and certain other utility companies ("sponsors"), to add Bangor-Hydro Electric Company to the group of sponsor companies. In December, the Commission authorized Maine Yankee to issue and sell from time to time up to \$120,000,000 of its subordinated notes and for the sponsors to acquire such notes in percentages identical to their ownership of Maine Yankee common stock (44%). Maine Yankee may now sell to the additional sponsor company, Bangor-Hydro Electric Company, which owns 7% of Maine Yankee's common stock, 7% of such notes.

**CONSOLIDATED NATURAL GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16590) modifying its prior order authorizing Consolidated Natural Gas Company, New York holding company, to issue a maximum of \$85,000,000 of short-term notes to be outstanding at any one time, including \$25,000,000 of commercial paper. The modification permits Consolidated to increase the number of customers to whom commercial paper may be reoffered by the dealer from 100 to 200 and permits certificates of notification with respect to sale of commercial paper to be filed 30 days after the closing of each calendar year.

**KENTUCKY CO. ENJOINED; RECEIVER APPOINTED.** The SEC Chicago Regional Office announced January 15 (LR-4525) that the U. S. District Court (WD Ky.) issued a preliminary injunction against violations by The Kentucky Company of the Commission's financial reporting rules and appointed Thomas Carroll as receiver for the firm.

**KIRSCH TO SELL DEBENTURES.** Kirsch Company, 309 N. Prospect St., Sturgis, Mich. 49091, filed a registration statement (File 2-36050) with the SEC on January 22 seeking registration of \$10,000,000 of convertible subordinated debentures, due 1995, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture of a complete line of drapery hardware. Of the net proceeds of its debenture sale, \$3,500,000 will be used to retire short-term notes to banks incurred in connection with recent acquisitions; the balance will be added to the company's general funds and used for working capital and to finance future capital expenditures and acquisitions. In addition to indebtedness, the company has outstanding 1,599,326 common shares, of which management officials as a group own 19.7%. John W. Kirsch is board chairman and Charles E. Kirsch president. The Kirsch family has a 36% stock interest in the company.

OVER

**NUCLEONIC PRODUCTS FILES FOR OFFERING AND SECONDARY.** Nucleonic Products Company, Inc., 6660 Variel Ave., Canoga Park, Calif. 91303, filed a registration statement (File 2-36051) with the SEC on January 22 seeking registration of 160,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 40,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Union Western Securities Corporation, 8648 Wilshire Blvd., Beverly Hills, Calif.; the offering price (\$5 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell Union Western Securities, for \$300, five-year warrants to purchase 6,000 shares, exercisable at 120% of the offering price; it has also agreed to pay \$8,000 to Harvey A. Glaser, as a finder's fee, and to sell him like warrants to purchase 2,500 shares.

The company is engaged in the distribution of a broad line of electronic components and base materials manufactured by others in accordance with engineering data and specifications provided by the company. Of the net proceeds of its sale of additional stock, \$350,000 will be used to repay a portion of the short-term bank borrowings incurred to replenish working capital used toward construction of its plant and administrative offices; and the balance will be added to the company's general funds and used for working capital and other corporate purposes. The company has outstanding 404,000 common shares, of which Anthony J. Jolles, president, and David H. Taylor, board chairman, own 22.6% each, Thomson-C.S.P., 47.5% and management officials as a group 100%. Jolles and Taylor propose to sell 20,000 shares each of 91,500 shares held each.

**TRI-VEC TO SELL STOCK.** Tri-Vec, Inc., 1795 S. Patrick Drive, Indian Harbour Beach, Fla., filed a registration statement (File 2-36052) with the SEC on January 22 seeking registration of 65,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on an "all or nothing" basis through Benjamin Werner Co., 19 Rector St., New York, which will receive a 50c per share selling commission plus \$13,000 for expenses. The company has agreed to sell the Werner Firm, for \$65, five-year warrants to purchase 6,500 shares, exercisable after one year at \$5.50 per share.

Organized in June 1968 as Illuminating Triangle Signs, Inc., the company is in the developmental stage. It intends to develop, manufacture and sell an advance warning device to indicate temporary highway obstructions and designed to promote highway safety. Of the net proceeds of its stock sale, \$115,700 will be applied to the acquisition of equipment and additional production facilities intended to automate the manufacture of products proposed to be marketed; and the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 241,424 common shares (with a 3c per share net tangible book value), of which John Michael Kiniry, president, owns 19.3%, management officials as a group 71.2% and Frederick Hartley Stewart 28.2%. Purchasers of the shares registered will acquire a 21% stock interest in the company for their investment of \$325,000 (they will sustain an immediate dilution of \$4.19 in per share book value from the offering price); present shareholders will then own 79%.

**METALCRAFTERS SPECIALTIES TO SELL STOCK.** Metalcrafters Specialties, Inc., 9 Bruckner Blvd., Bronx, N.Y. 10454, filed a registration statement (File 2-36054) with the SEC on January 22 seeking registration of 100,000 shares of common stock, to be offered for public sale through Milton D. Blauner & Co., Inc., 115 Broadway, New York 10006. The offering price (\$7 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to deliver to the Blauner firm, to Magnus & Co., Inc. and to Stuart Sosler (a finder) five-year warrants to purchase 4,500, 4,500 and 1,000 shares, respectively.

Organized in January 1967, the company is engaged in the design, manufacture (by a foreign non-affiliated contractor) and distribution of automobile bumper guards. Net proceeds of its stock sale will be used to reduce current short-term bank indebtedness and for working capital in connection with the company's proposed sales expansion. The company has outstanding 201,500 common shares (with a \$161,747 aggregate book value), of which H. Russell Cammer, president, owns 41.5% and management officials as a group 100%.

**WESTERN PROGRESS PROPOSES OFFERING.** Western Progress Corporation, Mid-Monmouth Industrial Park, Eatontown, N. J. 07724, filed a registration statement (File 2-36055) with the SEC on January 22 seeking registration of 100,000 shares of common stock and 100,000 common stock purchase warrants, to be offered for public sale in units, each consisting of 100 shares and 100 warrants. The offering is to be made on a best efforts basis through Untermeyer & Carton, Inc., 714 Summerfield Ave., Asbury Park, N. J., which will receive a 5% selling commission plus \$2,500 for expenses; the offering price (\$2 per unit maximum\*) and underwriting terms are to be supplied by amendment.

Organized in May 1969, the company is engaged in the processing and distribution of coffee, the operation of coffee and other vending machines and the sale of franchises for office coffee brewing machines. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes, including development of the franchise program, expansion of its business by acquisition of additional sales personnel, coffee brewing and vending machine locations, the purchase of additional vending machine and coffee brewing equipment, and the payment of current operating expenses. The company has outstanding 885,000 common shares, of which Heidi Rudd (wife of Lloyd K. Rudd, president), owns 69.5% and management officials as a group 77.5%. Verner E. Gooderham is board chairman. Purchasers of the shares being registered will acquire a 10% stock interest in the company for their investment of \$200,000\*; present stockholders will then own 90%, for which they will have paid \$166,000, or 18c per share.

**RECREATION AFFILIATES TO SELL PREFERRED.** Recreation Affiliates International Ltd., 1174 East 2700 South, Salt Lake City, Utah 84106, filed a registration statement (File 2-36056) with the SEC on January 22 seeking registration of 10,000 shares of preferred stock (\$100 par), to be offered for public sale at \$200 per share. The offering is to be made through company salesmen, who will receive a \$30 per share selling commission.

Organized in October 1969, the company is still in the organizational stage. It plans to organize group buying programs for its members, arranging for use of recreation facilities and other recreation-oriented activities. Net proceeds of its stock sale will be used to increase the company's working capital

and used for general corporate purposes. The company has outstanding 5,000 common shares, all of which are owned by Manico, Ltd. A Grover Gifford is president. Upon completion of this offering, purchasers of the shares being registered will own 10,000 preferred shares for their investment of \$2,000,000\*; Manico will then own 5,000 common shares acquired at a cost of \$10,000.

**MANHATTAN PONDERAY PROPOSES OFFERING.** Manhattan Ponderay Exploration Company, Inc., 2600 Wilshire Blvd., Los Angeles, Calif. 90057, filed a registration statement (File 2-36057) with the SEC on January 22 seeking registration of \$2,000,000 of preformation limited partnership interests in Manhattan Ponderay Drilling Fund--1970 (the "Partnership"), to be offered for public sale at \$5,000 per unit. The offering is to be made on a best efforts basis through Merrill Luther, Kalis & Co., Inc., 210 W. 7th St., Los Angeles, Calif., which will receive a 6-1/2% selling commission; if subscriptions of not less than \$500,000 are secured, the underwriter will receive a 1/3 interest in Manhattan Ponderay's net interest in revenues from participant wells. The Partnership will engage in drilling for oil and gas in the United States and Canada. Manhattan Ponderay, the General Partner, is jointly owned in equal shares by Manhattan Continental Development Corporation and Ponderay Exploration Company, Ltd. Robert C. Katz is president of the general partner and of Manhattan Continental and Joe L. Milner is executive vice president of the general partner and president of Ponderay, Ltd.

**DESIGNER MARKETING TO SELL STOCK.** Designer Marketing Associates, Inc., 29-33 W. 36th St., New York 10001, filed a registration statement (File 2-36058) with the SEC on January 22 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Nadel & Co., 170 Broadway, New York. The offering price (\$7.50 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Nadel firm \$25,000 for expenses and to sell that firm 20,000 shares at 10c per share.

The company was organized in August 1969 to engage in the business of designing, manufacturing and marketing costume jewelry under license from "name" designers. Of the net proceeds of its stock sale, \$200,000 will be used to design and prepare sample lines, license fees and sample costs; \$500,000 to increase working capital for the purchase of inventory and to carry accounts receivable and \$250,000 for initial trade and consumer advertising; and the balance will be added to the company's working capital and used for general corporate purposes, including the purchase of manufacturing facilities. The company has outstanding 210,000 common shares, of which Al Kevelson, board chairman, and William J. Spencer, president, own 11.8% each and management officials as a group 95%. Purchasers of the shares being registered will acquire a 49% stock interest in the company for their investment of \$1,500,000\*; present shareholders will then own 51%, for which they paid \$200,000 in cash and \$10,000 in services, or \$1 per share.

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:

Carrier Corporation, Syracuse, N. Y. 13201 (File 2-36053) - 500,000 shares  
Nationwide Corporation, Columbus, Ohio 43216 (File 2-36050) - 260,000 shares

**HAWAIIAN ELECTRIC ACQUISITION APPROVED.** The SEC today issued a decision under the Holding Company Act (Release 35-16592) approving the proposed acquisition by Hawaiian Electric Company, Inc., of all of the outstanding shares of the common stock of Hilo Electric Company.

Hawaiian Electric renders electric service on the Island of Oahu and Hilo Electric on the Island of Hawaii, State of Hawaii. As at June 30, 1969, Hawaiian Electric had consolidated net utility plant of \$227,946,000 and, for the year then ended, consolidated revenues of \$62,626,000. Its 3,659,798 shares of outstanding common stock are listed on the New York Stock Exchange. As of the same date, Hilo Electric had net utility plant of \$26,290,000 and, for the year ended, revenues of \$6,401,000. Its 525,000 shares of outstanding common stock are listed on the Honolulu Stock Exchange.

Under the proposal, Hawaiian Electric will issue 528,780 shares of its common stock for the outstanding 525,000 shares of Hilo Electric, on the basis of 1.0072 shares of Hawaiian Electric for each share of Hilo Electric. The Commission ruled that the proposed exchange ratio is fair and reasonable to the stockholders of both companies and that the proposed exchange otherwise meets the applicable standards of the Holding Company Act.

**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 "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 January 13 News Digest.

8K Reports for Dec '69

|   |          |  |          |
|---|----------|--|----------|
| Seatrains Lines Inc. (4,7,<br>13)       | 1-5957-2 | Universal Container Corp.<br>(12,13)     | 1-4277-2 |
| Southern Pacific Trans. Co.<br>(7)      | 1-6146-2 | Western Nuclear Inc.<br>(4,7,13)         | 1-4360-2 |
| TSC Ind. Inc. (1,3,4,7,11,<br>13)       | 1-5554-2 | Wolverine World Wide Inc.<br>(12,13)     | 1-6024-2 |
| 20th Century Fox Film Corp.<br>(7,8,13) | 1-3695-2 | Responsive Environments<br>Corp. (12,13) | 0-3103-2 |
| Recere Racing Assoc. Inc. (8)           | 01590-2  | Rucker Co. (12,13)                       | 1-5733-2 |
|   |          | Southwest Marketing Corp.                |          |

8K Reports for Dec '69 (Con't)

|  |                      |  |           |
|--|----------------------|--|-----------|
| Stewart Sandwiches Inc.<br>(12,13)                         | 2-32498-2            | Digitek Corporation (11)                 | 0-3261-2  |
| Virginia Telephone &<br>Telegraph Co. (7,13)               | 0-763-2              | Gordon Jewelry Corp (7)                  | 1-4540-2  |
| Washington Sientific Ind.<br>Inc. (11,13)                  | 0-619-2              | Great Commonwealth Life Ins<br>Co. (3)   | 2-24061-2 |
| Westvaco Corp. (13)  | 1-3013-2             | Higbee Co (3)                            | 0-1406-2  |
| Search Invest. Corp.<br>(4,11,13)                          | 0-1690-2             | Kayser-Roth Corp (7,13)                  | 1-415-2   |
| Structural Foam Prodnuts Inc.<br>(2) Aug 69                | 2-30565-2            | Mill Factors Corp (3)                    | 1-4340-2  |
| Vista International Corp.                                  | 2-32226-2            | Nationwide Industries Inc.<br>(3,6)      | 0-3626-2  |
| Volume Shoe Corp.  | 0-1961-2             | C S Company Nov 69 (○)                   | 0-1910-2  |
| Waltham Ind. Corp.   | 1-5870-2             | Heck's Inc. (7,8)                        | 1-6096-2  |
| Worldwide Energy Co.LTD.<br>(7,12)                         | 2-16095-2            | Deposit Guaranty Corp<br>(2,3,7,12,13)   | 2-31707-2 |
| Perfection Enterprises Inc.<br>Oct. 69(2,7,13)             | 2-31257-2            | Ideal Basic Industries, Inc.<br>(3,12)   | 1-4070-2  |
| RLI Corp. (2,13)   | 2-32225-2            | Jahncke Service, Inc.<br>(1,3,8,12)      | 0-2512-2  |
| G.T. Schjedahl Co.<br>(11,13)                              | 0-45-2               | Kaiser Cement & Gypsum Corp<br>(3,7,13)  | 1-4598-2  |
| Pancho's (2,13)  | 2-32378-2            | Kayot, Inc. (11)                         | 2-30783-2 |
| Time-Sharing Terminals<br>Inc.(2,7,10,13)                  | 2-32177-2            | Lockheed Aircraft Corp<br>(3,7,13)       | 1-2193-2  |
| Universal Systems Inc.<br>(1,2,12,13)                      | 2-30809-2            | Macoid Industries, Inc. (11,13)          | 1-4615-2  |
| Swift & Co.<br>Amdt.#1 for Nov 69(13)                      | 1-5929-2             | Minnesota Enterprises, Inc.<br>(3,4,11)  | 1-103-2   |
| Micamatix Corp.<br>Amdt.#1 for Oct. 69<br>(1,7,8)          | 1-6118-2             | Hughes & Hatcher Inc. (8)                | 1-3387-2  |
| Whale, Inc. Amdt.#1 Nov. 69<br>(2)                         | 1-45;7-2             | Management Assistance Inc.<br>(8,9,13)   | 0-2017-2  |
| Rex-Noreco Inc. Amdt. 1<br>for Nov 69 (11)                 | 1-6144-2             | Mobile Home Communities (12,13)          | 2-32844-2 |
| Wolf Corp. Amdt.#1 for<br>69                               | 0-294-2              | Omega Equities Corp (3,13)               | 0-188-2   |
| Pacific Electricord Corp.<br>Amdt.#1 for Oct. 69(9)<br>(2) | 0-2999-2<br>0-3765-2 | Optical Scanning Corp (11)               | 0-2262-2  |
| The UpJohn Co.<br>(2,12,13)                                | 1-4147-2             | Hershey Foods Corp (7,12)                | 1-183-2   |
|  |                      | International Tape Cartridge Corp<br>(7) | 0-3193-2  |
|  |                      | Laguna Niguel Corp (4,11,13)             | 1-4871-2  |
|  |                      | Fred Meyer, Inc. (7)                     | 0-995-2   |
|  |                      | Shakespeare Co (11)                      | 0-3358-2  |
|  |                      | Singer Co (7)                            | 1-4327-2  |
|  |                      | Soo Line Railroad Co (12,13)             | 1-4452-2  |
|  |                      | Hitachi, Ltd. 6K Dec 69                  | 2-21475-2 |
|  |                      | Knight Newspapers Inc. (3,13)            | 1-6021-2  |
|  |                      | Providers Benefit Co (7)                 | 0-3647-2  |
|  |                      | Stokely-Van Camp, Inc. (12)              | 1-2944-2  |
|  |                      | Curtiss Wright Corp (3,8)                | 1-134-2   |

**CORRECTION RE WHITE SHIELD OFFERING.** The SEC News Digest of January 13 reported the proposed offering by F.O.F. Proprietary Funds Ltd. of 101,899 shares of White Shield Corporation stock; the correct figure is 202,899.

**SECURITIES ACT REGISTRATIONS. Effective January 23:** The California Portland Cement Co., 2-35436; The Computat Scientific Systems, Inc., 2-34189 (90 days); The Cyrogenic Engineering Co., 2-33799 (90 days); The Datamedia Computer Service, Inc., 2-33815 (90 days); The Intercontinental Growth Plans, Inc., 2-34416 (Apr 23); The Katy Industries, Inc., 2-35327; The White Consolidated Industries, Inc., 2-34194.

**Withdrawn January 22:** Bankers National Life Insurance Co., 2-29150.

**Withdrawn January 23:** Celebrity Systems, Inc., 2-33444; Maremont Corp., 2-21561.

**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.