

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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DECISION IN ADMINISTRATIVE PROCEEDINGS

SEC EXAMINER CENSURES TWELVE "TIPPEES". SEC Hearing Examiner Warren E. Blair has filed an initial decision in administrative proceedings under the Securities Exchange Act in which he ordered that the following firms be censured for violations of the Federal securities laws in connection with their 1966 transactions in Douglas Aircraft stock: Investors Management Co., Inc., Madison Fund, Inc., J. M. Hartwell & Co., Hartwell and Associates, Park Westlake Associates, Van Strum & Towne, Inc., Fleschner Becker Associates, A. W. Jones & Co., A. W. Jones Associates, Fairfield Partners, Burden Investors Services, Inc., and William A. M. Burden & Co. The Examiner discontinued the proceedings as to Anchor Corporation and J. M. Hartwell & Co., Inc., and he dismissed the action as to Dreyfus Corporation. His decision is subject to review by the Commission, either on its own motion or on petition of a party.

The Examiner found that the censured organizations violated the anti-fraud provisions of the Federal securities laws in June 1966 in connection with their sales of nearly 153,000 shares of stock of Douglas Aircraft Co., Inc. The violations involved the disclosure to these twelve respondents in June 1966, by institutional salesmen of the broker-dealer firm of Merrill Lynch, Pierce, Fenner & Smith, Inc. of material, non-public, corporate information reflecting unexpected and substantial decreases in the current and prospective earnings of Douglas Aircraft, and the subsequent use of that non-public information by the twelve respondents, without prior disclosure thereof, in connection with their sales of Douglas stock. (For prior action with respect to the Merrill Lynch firm, see Release 34-8459 of 11/25/68 and the SEC News Digest of 11/26/68).

According to the Examiner's decision, the rationale of the Commission's 1961 decision in Cady, Roberts & Co. and the 1968 decision of the Court of Appeals for the Second Circuit in SEC v. Texas Gulf Sulphur Co., is applicable to "so-called 'tippees' falling within the description of persons who through an insider became aware of information which should be used 'only for a corporate purpose' and not for personal benefit of anyone." The Examiner found that Merrill Lynch became a Douglas corporate insider "because of its position as managing underwriter of the proposed Douglas debenture offering," and that "those who were aware of the capacity in which Merrill Lynch was acting for Douglas may be deemed to have had actual or constructive knowledge that Merrill Lynch" had become a Douglas insider. The Examiner found that the twelve respondents failed to disclose the information received from Merrill Lynch salesmen when they sold Douglas stock on June 21, 22 and 23, 1966, and that their failure to do so gave rise to violations of Section 17(a) of the Securities Act of 1933 and of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

The Examiner rejected the respondents' contentions that no sanctions should be imposed; but he also found mitigating circumstances in the fact that "the record does not evidence deliberate intent by respondents to flout the law for financial gain" and because it also appeared that respondents had not "engaged in previous misconduct." The Examiner also viewed the publicity attendant upon these proceedings as a further sanction and would "in like manner to that found in Cady, Roberts 'induce a more careful observance of the requirements of the anti-fraud provision in the area in question.'"

With respect to Anchor Corporation and J. M. Hartwell & Co., Inc., the Examiner concluded that no sanction was necessary in the public interest because they were involved in the proceedings only because they were in a control relationship with other respondents. The Examiner dismissed the proceedings as to Dreyfus Corporation after finding that the company made no use of the information given to one of its junior analysts by Merrill Lynch.

COMMISSION ANNOUNCEMENT

TFS MANAGEMENT CO. WITHDRAWS REGISTRATION APPLICATION. The SEC has issued an order under the Investment Advisers Act (Release IA-264) permitting TFS Management Corp., Philadelphia, Pa., to withdraw its application for registration as an investment adviser, on condition that the firm may not re-apply for registration for 60 days. The Commission's staff learned that the firm's registration application omitted to state material facts concerning an associated person, his prior employment and background. The firm urged that such omission was inadvertent; and it represented that that person is not and shall not be an employee, officer, director or shareholder and consented to the 60-day prohibition against reapplying for registration.

HOLDING COMPANY ACT RELEASES

DELMARVA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16769) supplementing its order of June 23 authorizing Delmarva Power and Light Company, Wilmington, Del. holding company, to issue and sell 130,000 shares of cumulative preferred stock (\$100 par), at competitive bidding. The earlier order provided that the preferred stock could be redeemed at any time, in whole or in part, on 30 days' notice. It is provided in the supplemental order that Delmarva shall not prior to July 21, 1975, refund the preferred stock by the issuance of debt securities at a lower interest cost or of other preferred stock at lower dividend costs.

OVER

GULF POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16771) authorizing Gulf Power Company, Pensacola, Fla. subsidiary of The Southern Company, to issue and sell \$16,000,000 of first mortgage bonds, at competitive bidding. Gulf Power will use the net proceeds to finance, in part, its 1970 construction program (estimated at \$21,292,000), to pay outstanding short-term notes incurred for construction purposes and for other corporate purposes.

JERSEY CENTRAL POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16772) giving interested persons until July 23 to request a hearing upon an application of Jersey Central Power & Light Company, Morristown subsidiary of General Public Utilities Corporation, to issue and sell, or to renew, up to \$48,000,000 of short-term promissory notes to a group of banks. Jersey Power will use the net proceeds for construction expenditures and/or to repay other short-term borrowings, proceeds from which were similarly applied.

INVESTMENT COMPANY ACT RELEASE

PACIFIC COAST MUTUAL FUND RECEIVES ORDER. The SEC, on its own motion, has issued an order under the Investment Company Act (Release IC-6095) declaring that Pacific Coast Mutual Fund, Inc., Glendale, Calif., has ceased to be an investment company.

COURT ENFORCEMENT ACTIONS

RICHTER & CO. ENJOINED. The SEC Chicago Regional Office announced June 22 (LR-4650) that Henry J. Richter & Co., of St. Louis, and Henry J. Richter, consented to the issuance by the Federal court in St. Louis of a final judgment permanently enjoining the defendants from violating the anti-fraud and net capital provisions of the Federal securities laws. A receiver previously was named for the firm on motion of the Commission.

T J RICHMOND ENTERS GUILTY PLEA. The SEC New York Regional Office announced June 23 (LR-4651) that Theodore J. Richmond of Passaic, N. J., entered a plea of guilty before the Federal court in New York on June 19, to one count of an indictment charging violations of the Securities Act registration provisions in the offer and sale of securities of Manufacturers Credit Corp. and ten other affiliated companies.

UNLAWFUL ACTIVITIES IN "SHELL COMPANIES" CHARGED TO FIFTEEN. The SEC New York Regional Office announced June 24 (LR-4652) the filing of a complaint in Federal court in New York, charging violations of the registration and anti-fraud provisions of the Federal securities laws by the following, incident to the transfer of control by Harwyn Industries Corporation of four companies whose shares were "spun off" to stockholders of Harwyn Industries: Harwyn Industries Corporation, Harvey R. Siegel, Irving L. Gartenberg, all of New York City, Adademic Development Corporation of Queens, New York, Hyman Temkin of West Orange, N. J., James W. Feeney of Babylon, N. Y., Xanadu Properties, Inc., Ramon N. D'Onofrio both of Mill Neck, N. Y., JKM Industries, J. Kevin Murphy both of Van Nuys, Calif., Motel Trailer Distributors, Inc. of New York City, Stephen Kirshner, Wayne Slockbower both of Chappaqua, N. Y., FSI, Inc. of Mechanicsville, Pa. and Harold C. Yates of Camp Hill, Pa.

SHEETS & OSTERLOH FOUND GUILTY. The SEC Denver Regional Office announced June 25 (LR-4653) that a Federal court jury in Lincoln, Nebr., had returned a guilty verdict against Harry Duane Sheets of Fremont, Nebr., and Donald L. Osterloh of Mead, Nebr., on charges of violating the Securities Act anti-fraud provisions in the sale of interests in oil wells and leases of Mid-Continent Oil Corp.

SEC SUIT NAMES RICHWOOD INDUSTRIES. The SEC Seattle Regional Office announced June 25 (LR-4654) that a complaint had been filed in the Federal court in Seattle, seeking to enjoin Richwood Industries, Ltd. (a B. C. corporation), Lewco Investments, Ltd. (also a B.C. corporation), Lewis Dillman, of Vancouver, and Frank J. Wald of Seattle, from violations of the Securities Act registration requirements in the offer and sale of stock of Richwood Industries.

SECURITIES ACT REGISTRATIONS

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

Creative Management Associates, Inc., New York 10022 (File 2-37746) - 50,000 shares
 Continental Telephone Corporation, Clayton (St. Louis), Mo. 63105 (File 2-37747) - 250,000 shares
 Season-All Industries, Inc., Indiana, Pa. 15701 (File 2-37770) - 62,650 shares
 Overhead Door Corporation, Dallas, Tex. 75240 (File 2-37759) - 40,000 shares
 Leisure Technology Corp., Lakewood, N. J. 08701 (File 2-37764) - 125,000 shares

CONTINUED

A. O. SMITH TO SELL DEBENTURES. A. O. Smith Corporation, 3533 North 27th St., Milwaukee, Wis. 53216, filed a registration statement (File 2-37743) with the SEC on June 25 seeking registration of \$35,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004, and Robert W. Baird & Co., Incorporated, 731 N. Water St., Milwaukee, Wis. 53201. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the production of automobile and truck frames, custom-engineered and specialty electric motors, commercial and residential water heaters, agricultural storage structures and petroleum meters. Part of the net proceeds of its debenture sale will be used to retire bank debt incurred in 1970 (\$18,600,000 at May 31) for working capital purposes; the balance will be added to the company's general corporate funds. In addition to indebtedness, the company has outstanding 2,471,616 common shares, of which Smith Investment Company owns 53%. Arthur O. Smith and Lloyd B. Smith, board chairman, together with family members and trusts, own 17½% each of the outstanding capital stock of Smith Investment. Urban T. Kuechle is president of the company.

OWENS-ILLINOIS SHARES IN REGISTRATION. Owens-Illinois, Inc., Owens-Illinois Bldg., Toledo, Ohio, filed a registration statement (File 2-37744) with the SEC on June 25 seeking registration of 300,000 shares of common stock. These shares are issuable pursuant to options granted or to be granted to certain of the company's officers and key management employees under its 1970 Stock Option Plan.

LOGITEK PROPOSES OFFERING. Logitek, Inc., 42 Central Drive, Farmingdale, N. Y. 11735, filed a registration statement (File 2-37745) with the SEC on June 25 seeking registration of 100,000 shares of common stock and warrants to purchase 100,000 shares of common stock, to be offered for public sale in units, each consisting of one share and one warrant, and at \$4 per unit. The offering is to be made on a "best efforts, all or none" basis by Charisma Securities Corporation, which will receive a 40¢ per share selling commission plus \$10,000 for expenses. The company has agreed to sell the underwriter, for \$100, five-year warrants to purchase 10,000 shares, exercisable after 18 months at from \$4.40 to \$5.60 per share.

The company is engaged in the design, development and production of electronic controls and sensors. Of the net proceeds of its stock sale, \$75,000 will be applied to payment of accounts receivable and chattel mortgage financing, proceeds of which have been used for working capital; the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 669,565 common shares (with a 40¢ per share tangible book value), of which Herbert L. Fischer, president, owns 66% and management officials as a group 90%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.38 in per share book value from the offering price.

CONTINENTAL TELEPHONE SHARES IN REGISTRATION. Continental Telephone Corporation, 222 South Central, Clayton (St. Louis), Mo. 63105, filed a registration statement (File 2-37748) with the SEC on June 25 seeking registration of 873,444 shares of common stock. Of these shares, 750,000 may be issued or delivered from time to time by the company, in connection with its continuing acquisition program, in exchange for all or part of the business and assets or shares of capital stock of other companies, and 123,444 shares are issuable upon exercise of stock options assumed in connection with the acquisition of Vidar Corporation.

FRANK B. HALL & CO. SHARES IN REGISTRATION. Frank B. Hall & Co. Inc., 67 Wall St., New York, N. Y. 10005, filed a registration statement (File 2-37749) with the SEC on June 25 seeking registration of \$10,000,000 of notes, 100,000 shares of preferred stock and 250,000 shares of common stock. These securities may be offered from time to time by the company in the acquisition of other businesses or properties.

In a separate registration statement (File 2-37750) filed with the SEC on June 25, the company seeks registration of 75,000 shares of common stock. These shares are issuable upon exercise of options granted or to be granted pursuant to the company's Stock Option Plan.

The company is engaged in a general insurance brokerage and agency business. It has outstanding 1,209,749 common shares.

ERVIN CO. FILES FOR OFFERING AND SECONDARY. The Ervin Company, 4037 East Independence Blvd., Charlotte, N. C. 28205, filed a registration statement (File 2-37751) with the SEC on June 25 seeking registration of 495,000 shares of common stock, of which 450,000 are to be offered for public sale by the company and 45,000 (being outstanding shares) by the holder thereof. The offering is to be made through underwriters headed by Dominick & Dominick Incorporated, 14 Wall St. New York, N. Y. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a volume developer of planned communities. Its principal activities include construction and sale of single family dwellings within planned communities, and the building, leasing and sale of town-house and garden apartments, office buildings and shopping centers both within and outside such communities. Part of the net proceeds of its sale of additional stock will be used to retire short-term bank indebtedness incurred to meet increased working capital requirements for development projects, and the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,861,972 common shares, of which Charles C. Ervin, board chairman, owns 72%. Calvin J. Harris is president. Ervin proposes to sell 45,000 shares of 1,340,797 shares held.

LENOX FILES FOR SECONDARY. Lenox, Incorporated, Prince & Meade Sts., Trenton, N. J., filed a registration statement (File 2-37752) with the SEC on June 26 seeking registration of 70,362 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$40 per share maximum*).

The company is principally engaged in the manufacture and marketing of fine china dinnerware and giftware and related items. In addition to indebtedness, it has outstanding 1,573,055 common shares. Frank D. Turner may sell 31,726 of 80,341 shares held, the Sam Avedon Estate 11,000 of 30,898 and 26 others the remaining shares being registered.

NOVA SCOTIA TO SELL DEBENTURES. Province of Nova Scotia (U.S. Agent: D.S. Armstrong, Canadian Consulate General, 680 Fifth Ave., New York, N. Y. 10019), filed a registration statement (File 2-37753) with the SEC on June 26 seeking registration of \$25,000,000 of debentures, due 1976, to be offered for public sale through underwriters headed by Halsey, Stuart & Co., Inc., 123 South La Salle St., Chicago, Ill. 60690, and Royal Securities Inc., 2 Wall St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. Of the net proceeds of its debenture sale, the Province will use \$8,000,000 for loans for housing, \$5,000,000 for highway construction, \$5,000,000 for assistance to universities and the remainder for general Government purposes.

CHARTER MEDICAL FILES FOR OFFERING AND SECONDARY. Charter Medical Corporation, 577 Mulberry St., Macon, Ga. 31201, filed a registration statement (File 2-37754) with the SEC on June 26 seeking registration of 230,000 shares of common stock, of which 218,004 are to be offered for public sale by the company and 11,996 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Drexel Harriman Ripley Incorporated, 60 Broad St. New York, N. Y.; the offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in August 1969, the company owns and operates five hospitals, six nursing homes, a construction company and a medically oriented data processing-accounting service. Of the net proceeds of its sale of additional stock, \$1,579,000 will be used to retire indebtedness incurred in connection with the purchase of certain hospitals and nursing homes, \$750,000 may be used for construction of a 100-bed hospital in Columbus, Ga., and \$311,063 will be used as first payment due on the purchase of a hospital in Raleigh, N.C.; the balance will be added to the company's working capital and used for general corporate purposes including possible acquisitions. In addition to indebtedness, the company has outstanding 549,301 common shares (with a \$7.35 per share net tangible book value), of which William A. Fickling, Jr., president, and William A. Fickling, Sr., a director, own 13.9% each and management officials as a group 36.8%. A. L. Herring proposes to sell 7,523 of 30,092 shares held and Laura E. Hall 4,473 of 17,893.

BELL TELEPHONE (PA.) TO SELL DEBENTURES. The Bell Telephone Company of Pennsylvania, One Parkway, Philadelphia, Pa. 19102, filed a registration statement (File 2-37756) with the SEC on June 26 seeking registration of \$100,000,000 of debentures, due 2006, to be offered for public sale at competitive bidding. A subsidiary of AT&T, the company will apply part of the net proceeds of its debenture sale toward repayment of outstanding notes payable (bank loans and commercial paper), expected to approximate \$97,000,000 at the time of the sale of the debentures, and to apply the remainder toward repayment of advances from AT&T, expected to approximate \$63,000,000 at such time. Construction expenditures were \$224,000,000 for 1969 and are estimated at \$270,000,000 for 1970.

ONTARIO TO SELL DEBENTURES. Province of Ontario (U. S. Agent: R. H. Stapleford, Government of Ontario, 680 Fifth Ave., New York, N. Y. 10019), filed a registration statement (File 2-37757) with the SEC on June 26 seeking registration of \$75,000,000 of debentures, due 2000, to be offered for public sale through underwriters headed by Drexel Harriman Ripley, Incorporated, 60 Broad St., New York, N. Y. 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment. The Province will advance the net proceeds of its debenture sale to The Hydro-Electric Power Commission of Ontario pursuant to a request of that Commission. Such proceeds will be added to the said Commission's cash resources for use, among other things, for capital expenditures in connection with its present capital construction program, estimated at \$512,000,000 for 1970.

W. R. GRACE FILES FOR SECONDARY. W. R. Grace & Co., 7 Hanover Sq., New York, N. Y. 10005, filed a registration statement (File 2-37758) with the SEC on June 26 seeking registration of 210,000 shares of common stock, to be issued in connection with the company's acquisition of the business and assets of Lawrence Maid Footwear, Inc. and Superior Shoe Company. Stephen F. LoPiano, Jr. (as trustee of the James L. Forma, Sr. Family Trust) will receive 89,250 shares and four others the remaining shares being registered. The company is engaged in activities in the fields of chemicals, agricultural chemicals and products, consumer foods and services, petroleum and extractive industries, paper and steamship operations.

CITIZENS BANCSHARES OF FLORIDA PROPOSES EXCHANGE OFFER. Citizens Bancshares of Florida, Inc., 6015 Washington St., Hollywood, Fla., filed a registration statement (File 2-37760) with the SEC on June 26 seeking registration of 598,668 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of common stock of the following Banks at the indicated exchange rates: 2 Bancshares shares for each share of Citizens National Bank of West Hollywood, 5 shares for each 3 shares of Citizens National Bank of Hollywood, 7 shares for each 4 shares of Citizens National Bank of Miami and 3 shares for each 2 shares of Citizens National Bank of Davie. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding shares of each affiliating bank.

Bancshares was organized in March for the purpose of becoming a bank holding company and making the exchange offer. Henry D. Perry is board chairman, and Henry D. Perry, Jr., vice chairman and Chas. W. Lantz president.

NORTHERN NATURAL GAS PROPOSES OFFERING. Northern Natural Gas Company ("Northern Natural"), 2223 Dodge St., Omaha, Neb., filed a registration statement (File 2-37755) with the SEC on June 26 seeking registration of \$40,000,000 of Northern National subordinated debentures, due 1990, and warrants to purchase 800,000 shares of capital stock of Mobil Oil Corporation, to be offered for public sale in units, each consisting of a \$1,000 Northern Natural debenture and warrants to purchase 20 Mobil Oil shares. The offering is to be made through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York, N. Y. 10005; the offering price (\$1350 per unit maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the transmission, distribution and sale of natural gas. Part of the net proceeds of its offering will be used to repay some \$48 million of short-term borrowings which were incurred in connection with the company's 1970 expansion program and the balance will be used for current cash requirements. In addition to indebtedness and preferred stock, the company has outstanding 9,521,391 common shares. Mobil Oil on December 31, 1969 had 102,690,269 shares outstanding, of which Northern Natural Gas owns 1,533,000 shares.

AUTOMATED INSTRUCTION TO SELL STOCK. Automated Instruction, Inc., 510 Sylvan Ave., Englewood Cliffs, N. J., filed a registration statement (File 2-37761) with the SEC on June 26 seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by Graham Loving & Co., 767 Fifth Ave., New York, N. Y. The offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$25,000 for expenses and to sell it, for \$150, five-year warrants to purchase 15,000 shares, exercisable after one year at 120% of the offering price.

Organized in October 1968, the Company has developed and is marketing a system to teach touch typing, utilizing automated audio-visual aids; and it is nearing completion of the development of a similar system to teach keypunch operations. Of the net proceeds of its stock sale, \$200,000 will be used for development and marketing of additional vocational teaching systems and \$245,000 to expand the marketing of its touch typing system by opening approximately five regional offices and the development and adaptation of the system for foreign markets; and the balance will be added to the company's working capital. The company has outstanding 600,000 common shares (with a 22¢ per share net tangible book value), of which Donald J. Macksoud, president, and Robert J. Macksoud, vice president, own 30% each. Purchasers of the shares being registered will acquire a 20% stock interest in the company for their investment of \$900,000*; present shareholders will then own 80%, for which they paid \$249,207 or 42¢ per share.

XTRA FILES FOR SECONDARY. XTRA, INC., 150 Causeway St., Boston, Mass., filed a registration statement (File 2-37762) with the SEC on June 25 seeking registration of 16,217 outstanding shares of common stock. These shares may be offered for sale from time to time by the holder thereof, Edgar R. Kelley, Jr. The company is engaged in renting truck trailers to railroads or customers of railroads in connection with trailer-on-flat-car or "piggyback" operations. In addition to indebtedness, it has outstanding 2,251,111 common shares.

SEAGRAVE FILES FOR SECONDARY. The Seagrave Corporation, 350 Fifth Ave., New York, N. Y. 10001, filed a registration statement (File 2-37763) with the SEC on June 26 seeking registration of 149,764 shares of common stock, of which 67,968 are outstanding shares and may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$14,625 per share maximum*). The remaining 81,796 shares may be or have been issued upon exercise of stock options.

The company is engaged in operations in seven areas of business; architectural products; glass products; leather products; paint, industrial finishes and chemicals; foam products; fire apparatus; and advanced technology. In addition to indebtedness and preferred stock, it has outstanding 1,171,296 common shares. Samuel L. Baraf may sell 12,140 of 18,140 shares held, Elgin Pension Plan all of 12,240 shares held and 17 others the remaining shares being registered.

FIRST AT ORLANDO PROPOSES EXCHANGE OFFER. First at Orlando Corporation, First National Bank Bldg., Orlando, Fla., filed a registration statement (File 2-37765) with the SEC on June 26 seeking registration of 189,000 shares of common stock. It is proposed to offer these shares in exchange for all of the 45,000 outstanding shares of common stock of Citizens Bank of Gainesville, at the rate of 4.2 shares for each Bank share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding Bank stock.

First at Orlando is a bank holding company with 12 member banks; and it has filed applications with the appropriate authorities for permission to acquire the outstanding shares of three banks located in the Daytona Beach area. The company has outstanding 4,114,776 common shares. William H. Dial is board chairman and president.

CENTRAL COLORADO BANCORP PROPOSES EXCHANGE OFFER. Central Colorado Bancorp, Inc., ("Bancorp") 2339 East Platte Place, Colorado Springs, Colo. 80909, filed a registration statement (File 2-37766) with the SEC on June 26 seeking registration of 337,143 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of the following banks (except for shares already owned by Bancorp), at the rate indicated: 1.5003692 Bancorp shares for each of the 159,720 shares of Central Colorado Bank, 3.2298734 Bancorp shares for each of the 25,000 shares of Academy Boulevard Bank, and 27.6600000 Bancorp shares for each of the 592 shares of Rocky Ford National Bank. Effectiveness of the exchange offers is contingent upon acceptance by holders of at least 67% of the outstanding shares of the Central Bank and 67% of the outstanding shares of Academy Bank plus the number of additional shares necessary to provide qualifying shares for the directors of Central Bank and Academy Bank.

Bancorp presently owns a controlling interest in one bank located in Colorado, the Rocky Ford National Bank. Assuming that all outstanding shares of each of the offeree banks not already owned by Bancorp are exchanged, Winford M. Griffin and Billie H. Smartt, directors, will own 14.15% and 10.64%, respectively, of Bancorp's outstanding common shares. R. Keith Hook is president.

DIVERSIFIED SYSTEMS PROPOSES OFFERING. Diversified Systems Corporation, Two Penn Center Plaza, Philadelphia, Pa., 19102, filed a registration statement (File 2-37767) with the SEC on June 26 seeking registration of 100,000 shares of common stock and warrants to purchase 100,000 shares of common stock, to be offered for public sale in units, each consisting of one share and one warrant and at \$5 per unit. The offering is to be made by Charles Plohn & Co., 200 Park Ave., New York, N. Y., which will receive a 50¢ per unit commission plus \$10,000 for expenses. The company has agreed to sell the underwriter 10,000 shares at 10¢ per share, non-transferable for two years.

Organized in January 1969, the company proposes to create and sell various franchise programs which will entitle independent entrepreneur to operate franchised businesses. Of the net proceeds of its stock sale, \$150,000 will be allocated to the opening of units (Doughnutterys or London Smoke Shops) and \$100,000 for payment of indebtedness, of which \$50,000 is represented by short-term bank loans incurred for working capital purposes and \$50,000 principally to accounts payable; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 125,000 common shares (with a 20¢ per share net tangible deficit in book value), of which Alvin M. Weiss, board chairman, Harold Weiss, president, and Paul C. Astor, a director, own 22.7% each. Purchasers of the shares being registered will acquire a 43% stock interest in the company for their investment of \$500,000 (they will sustain an immediate dilution of \$3.43 in per share book value from the offering price); present shareholders will then own 53%, for which they paid \$145,040.

QUAKER STATE OIL TO SELL DEBENTURES. Quaker State Oil Refining Corporation, Oil City, Pa., 16301, filed a registration statement (File 2-37768) with the SEC on June 26 seeking registration of \$20,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., and Kidder, Peabody & Co. Incorporated, 20 Exchange Place, both of New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the manufacture and marketing of high quality automotive lubricants, gasoline, fuel oils and other petroleum products. Net proceeds of the company's debenture sale will be used toward the construction of a new refinery and related services facilities at Congo, Hancock County, West Virginia (whose cost is estimated at \$34,000,000). In addition to indebtedness, the company has outstanding 7,418,440 common shares.

CONTINENTAL CAN TO SELL DEBENTURES. Continental Can Company, Inc. 633 Third Ave., New York, N.Y. 10017, filed a registration statement (File 2-37769) with the SEC on June 26 seeking registration of \$60,000,000 of sinking fund debentures, due 1990, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Lehman Brothers, One William St., both of New York, N. Y. 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of packaging products and the conduct of operations related thereto. Net proceeds of the company's debenture sale will be added to its general funds and will be available for its general corporate purposes. In addition to indebtedness and preferred stock, it has outstanding 19,899,937 common shares. Ellison L. Hazard is board chairman and president.

HOWARD INDUSTRIES TO SELL STOCK. Howard Industries, Inc. 6721 N. W. 36th Ave., Miami, Fla. 33147, filed a registration statement (File 2-37771) with the SEC on June 26 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Edwards & Hanly Securities, Inc., 55 Broad St., New York, N. Y. 10004. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Edwards firm \$25,000 for expenses and to sell it, for \$100, five-year warrants to purchase 10,000 shares.

The company and its subsidiaries manufacture and sell a broad line of aluminum windows and sliding glass doors; in addition, it manufactures and sells jalousies, divider screens and wall systems. Of the net proceeds of its stock sale, \$100,000 will be used to reduce bank loans and \$80,000 to repay officers' loans; \$100,000 may be used to move into and equip a new facility which the company is contemplating leasing; the balance will be added to the company's working capital and used for general corporate purposes, including possible acquisitions. The company has outstanding 200,000 common shares (with a \$3.08 net tangible book value), of which Marvin J. Zuckerman, president, owns 46.875% and Milton R. Zuckerman, secretary-treasurer, and Sarah Zuckerman 43.75%.

SECURITIES ACT REGISTRATIONS, Effective June 29: Allied Products Corp., 2-37685 (40 days); Arrow Electronics, Inc., 2-37698; Consolidated Natural Gas Co., 2-37587; Harmony Gold Mining Co. Ltd., 2-37637; Life Investors Inc., 2-37613; R. J. Reynolds Industries, Inc., 2-37594; Summit Association, Inc., 2-37600 (40 days); St. Regis Paper Co., 2-37398.
Withdrawn June 23: Collision Devices, Inc., 2-36200; Factsystem Inc., 2-36929; The First Nat'l Bancorporation 2-37308; Pat Circle Inc., 2-35866.

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.

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