

# 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 May 25, 1960

**VIOLATIONS CHARGED TO HEFT, KAHN & INFANTE.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 to determine whether Heft, Kahn & Infante, Inc., 43 N. Village Ave., Rockville Center, N. Y., made fraudulent representations in the sale of U. S. Communications Corporation stock or otherwise violated provisions of the Federal securities laws and, if so, whether its broker-dealer registration should be revoked.

A hearing is scheduled for May 31, 1960, in the Commission's New York Regional Office on the initial question whether Respondent's registration should be suspended pending Commission decision on the ultimate questions of revocation and whether Respondent should be suspended or expelled from membership in the National Association of Securities Dealers, Inc.

Respondent's registration application listed Michael Infante as president, Morton H. Kahn as vice-president, and Donald S. Heft as secretary; and each was listed as a director and owner of 10% or more of the company's common stock. An amendment filed on September 28, 1959, reported Max Axman as a director and owner of 10% or more of the outstanding stock; and in an amendment filed March 21, 1960, it was reported that Kahn had become president and Heft vice president, and that Infante and Axman were no longer connected with the company. Respondent, together with Infante, Heft, Kahn and Axman, were enjoined by Federal court order of January 29, 1960, from further violations of the Commission's net capital rule.

In its order, the Commission asserts that during the period December 1, 1959, to February 16, 1960, Respondent, Infante, Heft, Kahn and Axman, in connection with their offer and sale of U. S. Communications stock, "engaged in acts, practices, and a course of business which operated as a fraud and deceit upon certain persons," in that they made false and misleading representations to purchasers of the stock with respect to the large backlog of U. S. Communications' orders, the rapid rise in the price of its stock within a short period of time, and the estimated earnings per share on said stock for the year 1960. It is also asserted (1) that during the period January 15 to March 10, 1960, Respondent engaged in the conduct of a securities business in violation of the Commission's net capital rule and (2) that during the same period it extended credit in connection with approximately 113 purchases of securities in violation of Regulation T, in that it failed to cancel or liquidate purchases of securities in cash accounts within the period prescribed by Regulation T. Infante, Heft, Kahn and Axman are said to have caused Respondent to engage in the said violations of Regulation T and the net capital rule.

**A J INDUSTRIES SHARES IN REGISTRATION.** A. J. Industries, Inc., 6327 Santa Monica Blvd., Los Angeles, filed a registration statement (File 2-16624) with the SEC on May 24, 1960, seeking registration of 210,000 shares of common stock.

According to the prospectus, these shares will be issued pursuant to existing agreements of the company and offers to be made by the company in exchange for stock of the Lansing Company, a Michigan corporation, and for certain assets of B & N Manufacturing Co., Inc., an Indiana corporation. The actual number of shares to be so issued will be determined by a formula based upon the closing market price of Industries stock on specified dates.

Industries is engaged principally in the manufacture of heavy duty truck, bus and truck-trailer parts and assemblies, fabrication of structural steel, manufacture of aircraft components, steel and aluminum windows and aluminum curtain walls, production of electric power at Juneau, Alaska, and mining exploration in Mexico. It also is making plans for development of a tract of commercial-industrial real estate ten miles east of the civic center of Los Angeles and in developing a residential tract at Oceanside, Calif. Its principal stockholder is Wendell S. Fletcher, a vice president, who owns 280,105 shares, or 12½%. Under the said agreements, the company proposes to issue 176,667 shares to stockholders of Lansing Company in exchange for all the latter's outstanding shares, and 33,333 shares to B & N Mfg. as a part of the consideration for the purchase of certain machinery, equipment, inventory, tools and dies, and other assets. The purchase agreement with respect to Lansing was entered into with Daniel P. Schertzing and James D. Reasoner, majority stockholders, to purchase about 60% of its stock. Lansing is located in Lansing, Mich., and is engaged in the manufacture and sale of wheelbarrows, various types of standard hand trucks and four-wheel platform trucks and special purpose material handling equipment. B & N is located in Elkhart, Ind., and is engaged in the manufacture, distribution and sale of laminated wood and metal exterior doors for mobile homes.

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For further details, call ST. 3-7600, ext. 5526

**N. J. POWER PROPOSES BOND OFFERING.** New Jersey Power & Light Company, 400 East Main St., Denville, N.J., filed a registration statement (File 2-16625) with the SEC on May 24, 1960, seeking registration of \$5,000,000 of First Mortgage Bonds, series due 1990, to be offered for public sale at competitive bidding. Net proceeds will be applied to the cost of the company's 1960 construction program or to reimburse its treasury for expenditures for that purpose including the payment of bank loans subsequent to March 31, 1960. The 1960 construction expenditures of the company are estimated at \$7,750,000.

**VARIAN ASSOCIATES FILES FOR RIGHTS OFFERING.** Varian Associates, 611 Hansen Way, Palo Alto, Calif., filed a registration statement (File 2-16626) with the SEC on May 24, 1960, seeking registration of 216,645 shares of capital stock. The company proposes to offer this stock for subscription by stockholders of record July 14, 1960, at the rate of one new share for each 15 shares then held. The subscription price and underwriting terms are to be supplied by amendment. Dean Witter & Co. heads the list of underwriters.

The company is principally engaged in the design, manufacture and sale of microwave tubes, electronic instruments, vacuum equipment and electronic systems and components, for military, commercial and industrial use. It has outstanding 3,134,204 shares of stock in addition to various indebtedness. Of the net proceeds of the sale of additional stock, about \$2,500,000 will be used in its building construction program at Palo Alto; \$2,000,000 for the purchase of machinery and equipment required for fabrication and processing of high power klystron tubes; and \$1,700,000 for the purchase of other machinery and equipment to expand productive capacity in other product areas. In addition, \$1,300,000 will be used to retire outstanding bank borrowings and the balance for working capital purposes.

The prospectus lists Edward L. Ginzton as board chairman and H. Myrl Stearns as president. Management officials own 19.9% of the outstanding stock.

**ASTROTHERM CORP. FILES FINANCING PROPOSAL.** Astrotherm Corporation, 1625 Bellefontaine St., Indianapolis, Ind., filed a registration statement (File 2-16627) with the SEC on May 24, 1960, seeking registration of \$308,000 of 8% Subordinated Convertible Debentures due July 1970, 154,000 common shares, and 46,200 common stock purchase warrants. The company proposes to offer these securities in units (3080) at \$200 per unit, each consisting of \$100 principal amount of debentures, 50 common shares, and 15 warrants (exercisable initially at \$2 per share). The offering is to be made by Ross, Lyon & Co., Inc., Blobus, Inc., and Harold C. Shore & Co., for which a \$30 per unit commission is to be paid.

According to the prospectus, the company has sold to a limited group, including the underwriters and/or their officers and directors, \$150,000 of 6% convertible notes due August 1961, convertible into 100,000 common shares, and also an aggregate of 60,000 warrants, for a total cash payment of \$155,000. The notes have been converted, and the 100,000 shares and 60,000 warrants (and shares issuable upon exercise of the warrants) also are included in the registration statement.

Astrotherm was organized under Delaware law in March 1960 as successor by merger effective May 16, 1960, to the business and property of Monument Engineering Co., Inc. It is engaged in the designing, engineering, and manufacturing, for both military and commercial application, of proprietary and non-proprietary aircraft and missile components and assemblies. The company has outstanding various indebtedness and 400,000 common shares (including the 100,000 issued upon conversion of the notes). Of the net proceeds of the sale of additional stock, \$195,000 will be used to repay loans from Mercantile Discount Corp.; \$56,000 to repay loans from management officials and principal stockholders; \$60,000 for additional laboratory and test equipment; and the balance for working capital purposes.

The prospectus lists Viorel N. Suciuc as president and board chairman. He and Robert L. Sink, administrative vice president, each own 118,296 of the outstanding shares.

**NORTHWEST NATURAL GAS PROPOSES OFFERING.** Northwest Natural Gas Company, 920 S. W. Sixth Ave., Portland, Oregon, today filed a registration statement (File 2-16628) with the SEC seeking registration of 60,000 shares of \$100 par preferred stock, to be offered for public sale through an underwriting group headed by Lehman Brothers. The dividend rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the stock sale will be used (a) to retire \$5,000,000 of bank loans obtained for temporary financing of a part of the company's construction program and (b) for application to construction expenditures. The Company's construction expenditures are estimated at \$8,200,000 for 1960.

**SEC ENTERS PICKMAN TRUST DEED CORP. CASE.** The SEC has filed a motion in the U. S. District Court in San Francisco to dismiss the proceedings under Chapter XI of the Bankruptcy Act for an "arrangement" with creditors of Pickman Trust Deed Corporation, unless the debtor's petition is amended to conform with the requirements of Chapter X of the Act. The Commission's petition urges that the Chapter X procedures, including provision for an independent trustee and for an investigation of possible causes of action available to the debtor, provide better safeguards for the interests of public investors than are provided under Chapter XI. (Release CR-136).

**TWO PREFERRED STOCKS DELISTED.** The SEC has issued an order (Release 34-6277) granting applications of the New York Stock Exchange to delist the 6% non cumulative preferred stock of American Ice Company and the \$3.50 preferred stock of United Whelan Corporation, effective at the close of the trading session June 3, 1960.

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Only 6,162 shares of American Ice preferred held by 189 holders and 11,950 shares of United Whelan preferred held by 224 holders were outstanding as of a recent date.

DELISTING TWO STOCKS PROPOSED. The Pacific Coast Stock Exchange has applied to the SEC to delist the common stocks of Associated Dry Goods Corporation and West Indies Sugar Corporation (the Associated stock to remain listed on the New York Stock Exchange); and the Commission has issued orders (Release 34-6277) giving interested persons until June 10, 1960, to request a hearing thereon. Trading on the applicant Exchange in the Associated stock is said to be nominal; and stockholders of West Indies have approved a liquidation plan.

MONSANTO CHEMICAL FILES STOCK PLAN. Monsanto Chemical Company, 800 North Lindbergh Blvd., St. Louis, Mo., today filed a registration statement (File 2-16629) with the SEC seeking registration of 350,000 shares of common stock, being the number of shares issuable pursuant to the company's 1960 Stock Option Plan.

CORRECTION. In the SEC News Digest of May 23d, the reference to the purchase by Arnoux Corporation of the remaining "15%" of Astra Technical Instrument Corp. stock should have been "51%".

NEW PLAN FOR PHOTOCOPY SERVICE. In order to provide faster photocopying services to the public, the Commission has entered into a contract with Cooper-Trent, Inc., of Washington, D. C. On June 1, 1960, Cooper-Trent, Inc., will become responsible for making photocopies, for sale to the public, of public records on file with the Commission in Washington, D. C. A new price list based on the contract (expected to vary little from current charges) will be available about June 1, 1960. Orders from the public for photocopies should continue to be directed to the Public Reference Unit, Securities and Exchange Commission, Washington 25, D. C.

PIPE LINE BOND OFFERING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14233) authorizing Michigan Wisconsin Pipe Line Company to issue and sell at competitive bidding \$30,000,000 of First Mortgage Pipe Line Bonds due 1980. Net proceeds of the bond sale will be utilized to finance, in part, the company's 1960 construction program which is estimated to cost \$74,000,000.

TRADING IN SKIATRON STOCK SUSPENDED. The SEC has issued an order (Release 34-6278) suspending trading in the common stock of Skiatron Electronics and Television Corporation on the American Stock Exchange and over-the-counter market for a further ten-day period May 26 to June 4, 1960, inclusive.

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