

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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SEC DELEGATION RULES MODIFIED. The SEC today announced the issuance of amended rules (Release 33-4946) delegating additional authority to its staff. Under the new rules, authority is delegated to issue orders scheduling hearings on requests for confidential treatment of material filed with registration statements and reports under the Securities Act and the Securities Exchange Act, and to deny such requests in certain cases; to deny certain applications for extensions of time within which to file certain documents or reports under the Exchange Act; to deny requests for extensions of time for mailing of certain reports to stockholders and the filing of registration statements and reports under the Investment Company Act; to issue orders for private investigations pertaining to proxy contests and tender offers; to grant staff motions to discontinue administrative proceedings against particular respondents in certain limited situations; and to grant requests for submission of late or additional briefs or acceptance of other materials in administrative proceedings.

FLEMING-JONES REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-8513) revoking the broker-dealer registration of Fleming-Jones Securities, Inc., of Nashville, Tenn., and barring its president and secretary-treasurer, William J. Fleming, II, and Robert E. Jones, respectively, from further association with a broker or dealer. The action was based upon Commission findings that the Fleming-Jones firm, aided and abetted by Fleming and Jones, violated the Commission's record-keeping and net capital rules. The firm and the two individuals failed to file answers to the order for proceedings, which alleged these violations, and were deemed to have defaulted.

PANELGRAPHIC TO SELL DEBENTURES. Panelgraphic Corporation, 12 Kulick Road, Fairfield, N. J. 07006, filed a registration statement (File 2-31580) with the SEC on January 30 seeking registration of \$600,000 of convertible subordinated debentures, due 1984, to be offered for public sale at 100% of principal amount. The offering is to be made by Milton D. Blauner & Co., 115 Broadway, New York 10006, which will receive a commission of 7.5%.

The company is engaged in the business of engineering, manufacturing and selling instrument and console panels, nameplates, dials, tapes and schematics - its lines serve to instruct and/or identify, and in certain instances, decorate products of customers who are primarily in the computer and electronics industry. Of the net proceeds of the company's debenture sale, \$200,000 will be used for the purchase of equipment and leasehold improvements; the balance will be added to working capital and used for general corporate purposes, including the carrying of increased amounts of inventories and receivables. The company now has outstanding 430,000 common shares, of which Edward E. Finney, president and board chairman, owns 30.5% and management officials as a group 57.6%.

LATINO PRODUCTS TO SELL STOCK. Latino Products Incorporated, 74 Verdi St., Farmingdale, N. Y., filed a registration statement (File 2-31584) with the SEC on January 31 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made by Granite Securities Corporation, 500 5th Ave., New York, N. Y., which will receive a 60c per share commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$100, five-year warrants to purchase 10,000 common shares, exercisable after one year at \$6 per share; the underwriter will pay Arman Speer \$6,000 and issue 1,000 warrants to him in consideration for his services as a finder.

Organized under New York law in September 1966 as "Sun-Drop Products Inc.," the company is engaged in the business of producing and selling dehydrated foods and drinks. According to the prospectus, it is currently producing only instant cocktail mixes and institutional beverage mixes, but it intends, during the first nine months of 1969, to market a line of Latin dehydrated foods and drinks. Of the net proceeds of its stock sale, \$50,000 will be used as down payment on an automatic packaging machine and \$175,000 for advertising; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 235,000 common shares, of which Henry Medina, president, owns 22.3% and management officials as a group 67%.

PRODUCTION OPERATORS TO SELL STOCK. Production Operators, Inc., 7928 Cook Road, Houston, Tex. 77036, filed a registration statement (File 2-31585) with the SEC on January 31 seeking registration of 200,000 shares of common stock, to be offered for public sale through Russ & Company, Incorporated, Alamo National Bank Building, San Antonio, Tex. 78205, and two others. The offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

A wholly-owned subsidiary of United States Finance Company, Inc., the company was organized under Florida law in 1968 as successor to a business conducted since 1962 by a Texas corporation of the same name. The company is primarily engaged in the compression of natural gas on a contract basis for companies in the business of producing natural gas. Of the net proceeds of its stock sale, \$1,558,000 will be used to retire the entire debt of the company to its parent, \$822,250 to repay the outstanding balance of its short-term bank indebtedness, incurred to acquire additional compression equipment, and \$950,000 for fabrication of additional compression units; the balance will be used for working capital and general corporate purposes. In addition to indebtedness, the company has outstanding 1,000,000 common shares (with a 17c per share book value). Paul W. Pigue, Jr., is president.

OVER

JOHN HANCOCK PLANS FILES. John Hancock Distributors, Inc., 200 Berkeley St., Boston, Mass. 02117, sponsor of the John Hancock Investment Plans for the Accumulation of Shares of John Hancock Growth Fund, Inc., filed a registration statement (File 2-31586) with the SEC on January 31 seeking registration of \$100,000,000 of systematic investment plans. The sponsor is a subsidiary of John Hancock Advisers, Inc., which is a subsidiary of John Hancock Mutual Life Insurance Company and investment adviser to the Fund.

TALCOTT NATIONAL TO SELL DEBENTURES. Talcott National Corporation, 1290 Avenue of the Americas, New York, N. Y. 10019, filed a registration statement (File 2-31587) with the SEC on January 31 seeking registration of \$35,000,000 of convertible subordinated debentures, due 1994, to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., and Goldman, Sachs & Co., 55 Broad St., both of New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

Organized under New York law in 1968 to become the parent of James Talcott, Inc., the company is engaged principally in the business of commercial financing, factoring, equipment financing and leasing, real estate mortgage financing, consumer financing, rediscounting for other finance companies and (through a recently acquired subsidiary) in the manufacture and sale of replacement parts for lift trucks. Of the net proceeds of its debenture sale, \$10,000,000 will be used by the company to make a contribution to the capital of the Talcott subsidiary, thereby expanding that company's borrowing base, and \$6,000,000 for the purchase from that subsidiary of all the outstanding capital stock of Lift Parts Mfg., Inc.; the balance will enable the company to make acquisitions and further investments in the subsidiary. In addition to indebtedness and preferred stock, the company has outstanding 2,900,144 common shares, of which management officials as a group own 7%. Herbert R. Silverman is board chairman and Kenneth B. Wackman president.

BEACON RESOURCE PROPOSES OFFERING. Beacon Resources Corporation, 312 Union Center Building, Wichita, Kans. 67202, filed a registration statement (File 2-31588) with the SEC on January 31 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Love, Douglas & Roberts, Inc., 80 Broad St., New York, N. Y. 10005. The offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under Delaware law in February 1967, the company is engaged in the sale and management of oil and gas drilling programs for investors. Of the net proceeds of its stock sale, \$400,000 will be added to working capital and will be available to increase the company's geologic capability, to finance its acquisition of an inventory of undeveloped proven, semi-proven and wildcat oil and gas leases and to hold the same primarily for sale to future programs, or for other disposition, and \$400,000 to evaluate and possibly to purchase developed oil and gas properties on behalf of the company; the balance will be used as general working capital. In addition to preferred stock, the company has outstanding 284,300 common shares (with a 40¢ per share book value), of which John P. Jennings, president, owns 35%, Westamerica Securities, Inc., 22% and management officials as a group 71%. Purchasers of the shares being registered will suffer an immediate dilution of \$2.90 in the per share book value from the public offering price.

MOTIVATIONAL MARKETING TO SELL STOCK. Motivational Marketing Industries, Inc., 109 Lester St., Wallington, N. J. 07055, filed a registration statement (File 2-31589) with the SEC on January 31 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on an "all or none" basis through Dunhill Securities Corporation, 21 West St., New York, N. Y., which will receive a 50¢ per share commission plus \$15,000 for expenses. The company has agreed to sell to Dunhill Securities and to Ernest Milchman, a finder, for \$1,000 each, five-year warrants to purchase 10,000 common shares each, exercisable after 13 months at \$3 per share.

Organized under New Jersey law in December 1967, the company is engaged in business involving the design, manufacture, sale and service of premium (incentive merchandise offered at discount or free) programs as a device to increase the sales of the products of the company's clients. Of the net proceeds of its stock sale, \$125,000 will be used for inventory, \$120,000 for increased activity in the credit card and mail order fields and \$65,000 in the development of a rotational molding system; the balance will be added to working capital and used for general corporate purposes including expansion. The company has outstanding 235,000 common shares (with a 20 $\frac{1}{2}$ ¢ per share book value), of which Abe Simon, board chairman, Stanley J. Wisniewski, president, and Howard I. Greenfield, vice president, own 33-1/3% each. Purchasers of the shares being registered will sustain a dilution of \$3.61 in book value from the public offering price.

CYBER-TRONICS SHARES IN REGISTRATION. Cyber-Tronics, Inc., 4 Nevada Drive, New Hyde Park, N. Y. 11040, filed a registration statement (File 2-31590) with the SEC on January 31 seeking registration of 150,000 shares of common stock, to be offered in exchange for the outstanding 6-3/4% convertible subordinated notes, due 1976 (convertible at \$13.35 per share), in a ratio to be supplied by amendment. The company has outstanding 1,696,409 common shares.

HOME OIL FILES OFFERING PROPOSAL. Home Oil Company Limited, 304 Sixth Avenue, S. W., Calgary 1, Alberta, Canada, filed a registration statement (File 2-31591) with the SEC on January 31 seeking registration of 800,000 Class A shares, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., and Wood, Gundy & Co., Inc., 40 Wall St., both of New York, N. Y. The offering price (\$46.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the exploration for and the production and transportation of petroleum, natural gas, and associated substances; it also has interests in certain crude oil pipeline gathering systems in Alberta, and investments in Trans-Canada Pipe Lines Limited, Calgary Power Ltd., Atlantic Richfield Company and Sinclair Oil Corporation. During 1968, the company acquired 100% of the outstanding shares of Union Petroleum Corporation, which is engaged in the wholesale marketing and transportation of liquid petroleum gases in the United States; and it also has a 50% interest in Hardisty Storage, Ltd., which has facilities for the underground storage of liquid petroleum gases. The net proceeds of the company's stock sale will be

applied to the reduction of bank indebtedness, expected to approximate \$50,000,000 at the time of such sale. The borrowings and other funds were applied to various capital expenditures, including particularly the acquisition of stock of Atlantic Richfield and Sinclair Oil. In addition to indebtedness, the company has outstanding 3,805,804 Class A shares and 2,295,899 Class B shares; Cygnus Corporation Limited owns 43.6% of the Class B shares. Robert Arthur Brown, Jr., is president.

COMPUTER TRAFFIC CONTROLS TO SELL STOCK. Computer Traffic Controls, Inc., Burlington, Mass., filed a registration statement (File 2-31592) with the SEC on January 31 seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by Diamond and Company, 55 Broad 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 Diamond firm \$15,000 for expenses, and to sell it, for \$500, five-year warrants for the purchase of 15,000 shares.

The company was formed in May 1968 to offer problem solving systems analyses and engineering services in the field of ground transportation, so as to control the flow of vehicles and cargo with, as well as into and out of urban centers. Of the net proceeds of its stock sale, \$100,000 will be used for research and development and the purchase of electronic instrumentation and equipment for engineering research; the balance will be added to the general funds of the company and will be available for general corporate purposes such as operating and administrative expenses and initial setup of marketing campaign. The company now has outstanding 422,500 common shares (with a book value of 1.2¢ per share), of which International Management Group, Inc., of New York, owns 21.7%, the Diamond firm and J. Streicher & Co., also of New York, 16.1% each, and management officials as a group 32%. William H. Rood is president.

SHAKESPEARE FILES FOR OFFERING AND SECONDARY. Shakespeare Company, 241 E. Kalamazoo Ave., Kalamazoo, Mich. 49006, filed a registration statement (File 2-31593) with the SEC on January 31 seeking registration of 342,600 shares of common stock, of which 250,000 are to be offered for public sale by the company and 92,600 (being outstanding shares) by the present holder thereof). The offering is to be made through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004, and Robert W. Baird & Co., Inc., 731 N. Water St., Milwaukee, Wis. 53201; the offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally a manufacturer of sporting goods (including fishing tackle); it also manufactures a variety of industrial products. The net proceeds of its sale of additional stock will be added to the general funds of the company; some \$1,500,000 will be used for further expansion of monofilament extrusion facilities and \$1,400,000 to purchase the assets of the Ski Division of G. M. Plastic Corporation; and the balance will be applied in reduction of outstanding short-term notes. In addition to indebtedness, the company has outstanding 1,951,290 common shares, of which management officials own 10.4% and Pittsburgh Coke & Chemical Co. 12.4%. The latter proposes to sell 92,600 of its holdings of 242,600 shares. Henry G. Shakespeare is board chairman and Stephen W. Trehwella is president and chief executive officer.

MAXSON ELECTRONICS SHARES IN REGISTRATION. Maxson Electronics Corporation, Great River, New York 11739, filed a registration statement (File 2-31594) with the SEC on January 31 seeking registration of 64,356 shares of capital stock. These shares are issuable upon exercise of warrants and an option. The company has outstanding 1,474,631 common shares.

GOLDEN CYCLE FILES FOR SECONDARY. The Golden Cycle Corporation, 115 Barnes Ave., Colorado Springs, Colo. 80909, filed a registration statement (File 2-31595) with the SEC on January 31 seeking registration of 109,038 outstanding shares of common stock, to be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$60 per share maximum*). Since January 1965 the company's business has consisted principally of the transportation, moving and storage of household goods and related activities; it also engages in mineral exploration. The company has outstanding 1,205,054 common shares, of which Pert & Company of New York owns 20% and management officials as a group 29%. American Diversified Enterprises, Inc., proposes to sell 74,000 of 228,873 shares held and Maurice Goodman, board chairman, 30,378 of 114,203; two others propose to sell the remaining shares being registered.

GULF & WESTERN FILES. Gulf & Western Industries, Inc., 437 Madison Ave., New York, N. Y. 10022, filed two registration statements with the SEC on January 31, as follows: File 2-31596: seeking registration of \$30,000,000 of 5½% convertible subordinated debentures, due 1987; and File 2-31597, seeking registration of \$9,922,500 of 5½% convertible debentures due 1993. The \$30,000 of 1987 debentures are to be issued in exchange for convertible notes issued to Investors Stock Fund, Inc., and Investors Variable Payment Fund, Inc., in November 1967; the debentures (or the common shares issuable upon conversion thereof) may be offered for sale from time to time by the recipients thereof. The \$9,922,500 of 1993 debentures are to be offered in exchange for any or all of the outstanding common stock of Chicago Thoroughbred Enterprises, Inc., in the ratio of \$10,761.90 of debentures for each share of CTE common.

SERIO EXPLORATION FILES FOR OFFERING. Barnett Serio Exploration Company, 331 Market St., Natchez, Miss. 39120, filed a registration statement (File 2-31598) with the SEC on January 31 seeking registration of 600 units of participation in the Serio Fund - 1969 (Series A). The Fund is a limited partnership to be formed between Barnett Serio Exploration Company ("SERIO") as general partner and purchasers of Fund units ("Venturers") as limited partners. The Fund's sole purpose will be to invest payments made by SERIO and the moneys subscribed by Venturers in a limited partnership (the "Drilling Partnership"), in which SERIO will serve as General Partner and the Fund as Limited Partner. The Drilling Partnership will conduct oil and gas operations on behalf of the Fund. The units are to be offered for public sale of \$5,000 per unit through Kohlmeier & Co., of New Orleans, La. 70130. S. Barnett Serio is president of SERIO.

EXAMINER'S DECISION WOULD REVOKE ABBETT, SOMMER. SEC Hearing Examiner David J. Markun has filed an initial decision in an administrative proceeding under the Securities Exchange Act involving Abbett, Sommer & Co., Inc., of Fort Worth, Texas, and others. The decision, which is subject to review by the Commission either on its own motion or on petition of a party, orders that the broker-dealer registration of Abbett, Sommer & Co., Inc., be revoked and that it be expelled from membership in the NASD and finds Abbett, Sommer Mortgage Corporation a cause of the revocation. Charles W. Sommer III, owner, a director and formerly president of the registrant, is ordered barred from association with a broker-dealer and Kyle M. Drollinger, Jr., formerly a registered representative and corporate secretary of the registrant, is ordered suspended from association with a broker-dealer for 60 days.

The order is based upon findings that respondents at varying times within the period December 1960 to April 1965 violated the registration requirements of Section 5(a) and 5(c) of the Securities Act and the anti-fraud provisions of the 1933 and 1934 Acts in the sale of mortgage note investment contracts issued by Century Trust Company of Dallas, Tex. The registrant and respondent Sommer were also found to have violated the record-keeping requirements of Section 17(a) of the Exchange Act and Rule 17a-3 and 17a-4 thereunder.

THREE TRADING SUSPENSIONS CONTINUED. The SEC has ordered the further suspension of over-the-counter trading in the common stock of Omega Equities Corporation for the ten-day period February 8-17, 1969, inclusive, and in the common stock of Dumont Corporation and Majestic Capital Corporation for the ten-day period February 9-18, 1969, inclusive.

UNLISTED TRADING AND DELISTING REPORTED. The SEC has issued an order under the Securities Exchange Act of 1934 granting applications of the New York Stock Exchange to strike from listing and registration the specified securities of the following companies, effective at the opening of business February 7, 1969, by reason of the fact that fewer than 50,000 shares of the respective securities are publicly held: C.I.T. Financial Corporation, \$5 cumulative preference, 1965 Series; Corning Glass Works cumulative preferred, 3 3/4% Series (1945 and 1947); Cyclops Corporation \$6 convertible preferred, Series A; Erie and Pittsburgh Railroad Company capital stock; Food Fair Stores, Inc. \$4.20 dividend cumulative preferred, 1951 Series; Fruehauf Corporation 4% cumulative preferred; H. J. Heinz Company 3.65% cumulative preferred; Ingersoll-Rand Company 6% cumulative preferred; May Department Stores Company \$3.75 cumulative preferred (1945 and 1947), \$3.40 cumulative preferred and 3-3/4% cumulative preferred (1959); Metropolitan Edison Company cumulative preferred, 4.45%, 4.35%, 3.85% and 3.80% Series; Panhandle Eastern Pipe Line Company 4% cumulative preferred; Pittsburgh Coke & Chemical Company \$4.80 cumulative preferred and \$5 preferred; TRW, Inc. 4% cumulative preferred; United States Tobacco Company 7% non-cumulative preferred; and Universal Leaf Tobacco Co., Inc., 8% cumulative preferred.

The Commission also has issued an order granting an application of the Detroit Stock Exchange to delist the common stock of Vinco Corporation, also effective December 7. The company is in the process of liquidation. (Release 34-8524)

SECURITIES ACT REGISTRATIONS. Effective February 5: Michigan Avenue Financial Group, Inc., 2-30765. Effective February 6: Academy Computing Corporation, 2-30680 (90 days); The Acme Shear Co., 2-30682 (90 days); Dorr-Oliver Inc., 2-30586 (40 days); Exotech Inc., 2-30701 (90 days); General Health Services, Inc., 2-30750 (90 days); Giffen Industries, Inc. 2-30297 (90 days); Herman Marcus, Inc., 2-30608 (90 days); Informatics, Inc., 2-31112 (40 days); Kalvar Corp., 2-31437; Interstate United Corp., 2-31187 (March 18); Suitomat Corp., 2-30549 (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.

JANUARY OFFERING PROPOSALS AT NEW HIGH. Securities Act

registration statements filed with the SEC in January 1969 reached a new high of 344, exceeding by 152 the 192 filings in January 1968 and by 183 the 161 filings in January 1962. Statements processed and cleared during January numbered 284 (9 were withdrawn); and at the month-end a total of 1163 statements were pending and under examination as compared with 1112 at the close of business December 31, 1968.

*As estimated for purposes of computing the registration fee.