

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D. C. 20549

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 65-10-15)

FOR RELEASE October 21, 1965

ARMSTRONG, JONES & CO. CITED. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Armstrong, Jones & Co., 1366 Penobscot Bldg., Detroit. The proceedings are based upon staff charges that the said firm and certain individuals engaged in acts and practices violative of the registration, anti-fraud and other provisions of the Federal securities laws. The acts and practices complained of involve transactions in the stock of Alexander Hamilton Life Insurance Company; but the operations of and conduct of the insurance business of that company are in no way involved in the proceedings against the broker-dealer firm. Other allegations involve the firm's transactions in securities of Windsor Raceway Holdings Limited.

The individual respondents named in the Commission's order are Thomas W. Itin, George A. Reuter and Rene F. Campeau, president, vice president and former executive vice president, respectively, of the broker-dealer firm, and E. Keith Owens, Charles H. Bruce and Robert O. Safford, board chairman, president and vice president, respectively, of the Insurance Company. From April 1964 to January 1965 Bruce and Safford also served as directors of the broker-dealer firm.

A hearing will be ordered later to take evidence on the staff charges and afford Armstrong, Jones & Co. and the individual respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the alleged violations in fact occurred and, if so, whether any remedial action may be appropriate.

FOUR BROKER-DEALER REGISTRATIONS CANCELLED. The SEC has issued orders under the Securities Exchange Act cancelling the broker-dealer registrations of the following firms, which are no longer engaged in the securities business:

Carnes and Co., Inc., Suffolk, Va. The firm was permanently enjoined by Federal court order in 1964 from violating certain provisions of the Federal securities laws, and a receiver was appointed. Stephen D. Carnes, Jr., president and principal stockholder, was sentenced to a 3-year prison term following his guilty plea to a criminal information charging him with violations of the Securities Act anti-fraud provisions.

Robert Colucci, doing business as Luccis & Co., Toronto, Ontario. Colucci is serving a 6-month jail sentence following his conviction in March 1965 of criminal intent to deceive the public in the offer and sale of securities.

Robert M. Hiner, doing business as Hiner & Co., Washington, D. C. Hiner was permanently enjoined by Federal court order in 1962 from violations of the Securities Exchange Act.

Sire Plan Portfolios, Inc., New York. Albert Mintzer, president and controlling stockholder, received a 5- to 10-year prison sentence in 1964 after having been found guilty of misappropriating funds. The firm, together with five affiliated corporations under the control of Mintzer, is now involved in Chapter X re-organization proceedings.

NEES ACQUISITION PROPOSAL DISMISSED. In a decision under the Holding Company Act announced today (Release 35-15332), the SEC dismissed an application of New England Electric System, Boston holding company, seeking Commission approval of NEES' proposal to acquire the assets of Western Massachusetts Companies ("WMC"), also of Boston. Those assets consist substantially of the common stock of Western Massachusetts Electric Company.

Stating that the NEES proposal "is an offer to buy that which is not far sale," the Commission also denied motions of NEES for a hearing on its application, consolidated with the pending proceedings upon a proposal of WMC to offer its common shares in exchange for the outstanding common shares of The Connecticut Light and Power Company (Hartford) and The Hartford Electric Light Company (Wethersfield, Conn.). A hearing upon the WMC exchange proposal is scheduled for October 25. If the WMC proposal is approved by the Commission and stockholders of the two Connecticut companies, the latter will become subsidiaries of WMC, which will change its name to Northeast Utilities and register with the Commission as a holding company.

The proposal of NEES contemplated that it would issue 3,903,018 shares of its common stock to WMC and assume all WMC's liabilities whereupon WMC would be liquidated and its shareholders would receive $1\frac{1}{2}$ shares of NEES common for each share of WMC. The proposal was unanimously rejected by the Trustees of WMC and NEES was so advised on September 15. A renewed offer was rejected on September 28.

NEES had urged that the Commission must choose between the competing proposals; but its argument, the Commission stated, "misconceives the nature of our authority under the Act." The Commission further observed: "In their discretion pursuant to their authority under the declaration of trust and as a matter of business judgment, the trustees of WMC have determined that the NEES proposal is not in the interest of WMC and its shareholders, and for present purposes that decision is conclusive. We cannot require the trustees of WMC to accept or even to reconsider the NEES proposal. Nor can we require the WMC trustees to litigate before us the comparative merits of the NEES proposal which they have declined to accept. There is, accordingly, appropriately pending before us only the exchange proposal to which the management of WMC and of the Connecticut companies have agreed."

OVER

SEC JOINS REPUBLIC ALUMINUM PROCEEDING. The SEC has filed notice of appearance in the Chapter X proceedings for the reorganization of Republic Aluminum Company (formerly Bauer Aluminum Company) in the U. S. District Court in Dallas. The Debtor produces aluminum extrusions for manufacturers of finished goods. An unaudited balance sheet as at August 31, 1965, attached to its petition, shows total assets of \$1,552,736, including machinery and equipment of \$672,665, accounts and notes receivable of \$361,220, inventories of \$257,334, and leasehold improvements of \$102,507. Liabilities totaled \$1,957,508, including \$500,365 of secured notes payable, \$891,930 of unsecured notes payable, \$177,393 of equipment lease obligations and \$335,228 of trade accounts payable. Assets totaling approximately \$1,200,000 are pledged to secure a \$380,000 face amount 9.7% note due Texas Western Financial Corp., while other creditors are secured by assets the amount of which is not known. Aluminum suppliers, to whom approximately \$866,000 is owed, were given unsecured 6% promissory notes in April 1965. These notes are payable \$21,000 monthly. At the end of 1961, the Debtor had working capital of about \$190,000. Although sales increased from \$1.1 million in 1960 to \$5.5 million in 1964, the Debtor now has a working capital deficiency of about \$1,050,000.

The Debtor has outstanding 57,986 shares of 6-1/2% cumulative convertible \$1.80 par value preferred stock which is owned by one person who, with his family, owns 50,029 shares of the Debtor's common stock. Approximately 600 public investors hold the remaining 492,596 outstanding shares of the Debtor's common stock.

MISSISSIPPI POWER SEEKS ORDER. Mississippi Power & Light Co. Jackson, Miss., an electric utility subsidiary of Middle South Utilities, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to make certain amendments to its Articles of Incorporation and to solicit proxies in connection therewith. The Commission has issued an order (Release 35-15331) giving interested persons until November 8 to request a hearing thereon. According to the application, the charter amendment is to provide for an increase in the company's authorized preferred stock from 104,476 to 204,476 shares in order to make possible the issue and sale in 1966 of 100,000 shares of a new series of preferred stock. An affirmative vote of the holders of at least two-thirds of all outstanding shares of the company's preferred and common stock, as well as the affirmative vote of the holders of at least two-thirds of all outstanding preferred shares voting separately from the common stock as one class, will be required for the adoption of the proposed amendments. It is stated that Middle South Utilities, holder of all of the company's outstanding common stock, will vote such stock in favor of the charter amendment.

GOLCONDA MINING HEARING CANCELLED. The SEC today announced the issuance of an order under the Investment Company Act (Release IC-4382) permitting Golconda Mining Corporation, of Wallace, Idaho, to withdraw its application for exemption from the said Act and cancelling the adjourned hearing thereon scheduled for October 25. Counsel for Golconda has advised that the company intends to file a notification of registration as an investment company under the Act, which notification is now in preparation and will be filed promptly.

OLD HICKORY COPPER ENJOINED. The SEC New York Regional Office announced October 19 (LR-3349) the entry of a Federal court order (USDC SDNY) permanently enjoining further violations of the Securities Act registration requirement in the sale of stock of Old Hickory Copper Company by the said company, its president and director Albert C. Tucker, and directors Mark J. Phaff, Edwin Compton and Louis Christie.

DAYTON AVIATION VOTING TRUST FILES. Trustees under the Dare Voting Trust involving common stock of Dayton Aviation Radio and Equipment Corporation, Troy, Ohio, filed a registration statement (File 2-24136) with the SEC on October 19 seeking registration of voting trust certificates for 2,703,080 shares of such stock.

NIAGARA MOHAWK POWER FILES STOCK PLAN. Niagara Mohawk Power Corporation, 300 Erie Blvd., West, Syracuse, N. Y., 13202, filed a registration statement (File 2-24140) with the SEC on October 20 seeking registration of \$7,133,333 participations in its Employee Savings Fund Plan, and 400,000 shares of common stock that may be acquired thereunder.

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

File No.	C- Registrant	Location
1783	American National Trust	Indianapolis, Inc.
1784	California Liquid Gas Corp.**	Sacramento, Calif.
1787	Creative Playthings Inc.**	Cranbury, N.J.
1785	Culligan, Inc.**	Northbrook, Ill.
1789	Kent Washington, Inc.**	Washington, D. C.
1786	Kirsch Co.**	Sturgis, Michigan
1788	Winchell Donut House, Inc.**	South El Monte, Cal.

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's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the October 1 News Digest.

Southwest Indemnity & Life Insurance Co	Sept. 1965 (12)	2-16349-2	Lenox, Inc	Sept. 1965 (2,13)	1-4856-2
Astrex, Inc	Sept. 1965 (3)	1-4530-2	Movie Star, Inc	Sept. 1965 (11)	1-4585-2
Calbiochem	Sept. 1965 (7,13)	0-443-2	Spencer Gifts, Inc	Sept. 1965 (13)	2-19723-2
Ryan Aeronautical Co	Sept. 1965 (8)	1-2679-2	Stanley Aviation Corp	Sept. 1964 (2,9,11,13)	1-4153-2
Ogden Corp	Sept. 1965 (11,13)	1-3122-2	Tyco Laboratories, Inc	Sept. 1965 (11)	1-4153-2
Richardson-Merrell Inc	Sept. 1965 (3)	1-1029-2		Sept. 1965 (2,13)	2-22638-2
Seaboard World Airlines, Inc	Sept. 1965 (2,13)	1-3689-2	Adams-Millis Corp	Sept. 1965 (12)	1-880-2
Tenney Engineering, Inc	Sept. 1965 (2)	1-4142-2	Amalgamated Leather Companies, Inc	Sept. 1965 (12,13)	0-811-2
Witco Chemical Co Inc	Sept. 1965 (12,13)	1-4654-2	Barton Distilling Co	Sept. 1965 (7,12,13)	2-14212-2
AVM Corporation	Sept. 1965 (2,7,13)	0-439-2	A. M. Castle & Co	Sept. 1965 (2,4,7,9,13)	1-505-2
Puget Sound Power & Light Co	Sept. 1965 (3,7)	1-4393-2	Head Ski Company, Inc	Sept. 1965 (4,11,13)	1-3015-2
United Industrial Corp	Sept. 1965 (8)	1-4252-2	Mankato Citizens Tel. Company	Sept. 1965 (8,13)	0-673-2
Blue Bell, Inc	Sept. 1965 (12)	0-105-2	Oceanarium, Inc	Sept. 1965 (8)	0-1524-2
Detroit Mobile Homes, Inc	Sept. 1965 (4,7)	1-4818-2	Phila. Electric Company	Sept. 1965 (12,13)	1-4101-2
Eastern Airlines, Inc	Sept. 1965 (7)	1-3049-2	Phila. Electric Power Co	Sept. 1965 (12,13)	1-1392-2
Equitable Savings & Loan Assoc.	Sept. 1965 (3)	0-1345-2	St. Lawrence & Adirondack Ry Co	Sept. 1965 (11)	1-1618-2
Florida Power & Light Co	Sept. 1965 (12)	1-3545-2	Scot Lad Foods, Inc	Sept. 1965 (4,11,13)	2-17818-2
I B Kleinart Rubber Co	Sept. 1965 (8)	1-1003-2	Alabama Great Southern RR Co	Sept. 1965 (7,13)	1-745-2
Laurentide Financial Corp Ltd	Sept. 1965 (7,11,13)	1-4862-2	Angelica Uniform Co	Sept. 1965 (11,13)	0-4-2
Reda Pump Co	Sept. 1965 (7)	1-3566-2	Cin New Orleans & Tex Pac Ry Co	Sept. 1965 (7,13)	1-746-2
Rak-O-Kut Co, Inc	August 1965 (2,7,13)	2-15650-2	Half-Coil Corporation	Sept. 1965 (11)	1-4149-2
Southern Union Gas Co	Sept. 1965 (7,13)	0-1103-2	Honegger's & Co, Inc	August 1965 (11,13)	2-14504-2
Genuine Parts Co	Sept. 1965 (11,13)	0-397-2	Hycon Mfg. Co	Sept. 1965 (11,13)	1-4375-2
H. K. Porter Co, Inc	Sept. 1965 (3)	1-4157-2	American Electronics Inc	Sept. 1965 (4,6,7,8)	1-3954-2
Public Service Elec. & Gas Co	Sept. 1965 (7,13)	1-973-2	Calif. Water Service Co	Sept. 1965 (8)	0-464-2
Taylor Wine Company, Inc	Sept. 1965 (13)	2-19788-2	Lehn & Fink Products Corp	Sept. 1965 (7,13)	1-109-2
Allen Organ Co	Sept. 1965 (3)	0-275-2	Penna. Electric Co	Sept. 1965 (7,13)	1-3522-2
Bemis Bro. Bag Co	Sept. 1965 (11,13)	0-1387-2	The Upjohn Company	Sept. 1965 (12)	1-4147-2
Industrial America Corp	August 1965 (2,7,13)	2-17262-2	Abbott Laboratories	Sept. 1965 (3,12,13)	1-2189-2
			Albertson's Inc	Sept. 1965 (2,7,9,11,13)	0-1552-2
			Murphy Oil Corp	Sept. 1965 (12,13)	1-4857-2
			Ocean Drilling & Exploration Co	Sept. 1965 (4,7,8,13)	0-366-2
			Pitts. Steel Co	Sept. 1965 (6)	1-196-2

Communications Satellite Corp Sept 65 (3)	1-4929-2	R. V. Weatherford Co Oct 64 (11)	0-1782-2
Consumer's Cooperative Assoc. Sept 65 (8)	2-7250-2	Alterman Foods Inc Sept 65 (12)	1-5063-2
El Paso Natural Gas Co Sept 65 (7,12,13)	1-2700-2	Chatham Corporation Sept 65 (2,3,13)	0-1540-2
Scurry-Rainbow Oil Ltd Sept 65 (7,13)	1-3777-2	The Deltona Corp Sept 65 (7)	1-4719-2
Bliss & Laughlin Industries Inc Sept 65 (4,7,13)	1-2321-2	Highway Trailer Industries Inc Sept 65 (1,13)	1-1030-2
Cnenango & Unadilla Tel Corp Sept 65 (4,13)	1-4948-2	Kirby Petroleum Co (Nev) Sept 65 (2,7,13)	1-4035-2
Civic Finance Corp Sept 65 (4,7,11,13)	0-1016-2	Franchard Corp Sept 65 (3,7,13)	0-855-2
Kaiser Aluminum & Chemical Corp Sept 65 (3,7)	1-3605-2	Herman & Appley Inc Sept 65 (2,7,8,13)	2-19232-2
Levine's Inc Sept 65 (12,13)	1-4609-2	Iowa Southern Utilities Co Sept 65 (13)	0-849-2
Fairchild Hiller Corp Sept 65 (2,3,4,7,8,11,13)	1-3102-2	L. S. Starrett Co Sept 65 (11)	1-367-2
Home Tel & Tel Co of Va Sept 65 (7,13)	0-455-2	Tennessee Life Insurance Co Sept 65 (13)	2-21717-2
MSL Industries Inc. Sept 65 (2,7,13)	1-3205-2	Allied Mills Inc Sept 65 (1,11)	1-90-2
Channing Financial Corp Sept 65 (3)	0-987-2	Continental Mortgage Investors Sept 65 (11,13)	1-5079-2
Continental Securities Corp Sept 65 (7,13)	2-23494-2	Eversharp Inc Sept 65 (1,4,7,13)	1-1140-2
Interstate Securities Co Sept 65 (12)	0-185-2	Hurleton Inc Sept 65 (9,13)	0-693-2
Coro Inc. Sept 65 (11)	1-1609-2	Acme Precision Products Inc Sept 65 (2,13)	1-3327-2
Eckerd Drugs of Florida Inc. Sept 65 (7)	1-4844-2	American Beverage Corp Sept 65 (12)	1-324-2
Household Finance Corp Sept 65 (4,7,8,11,13)	1-75-2	Braun Engineering Co Sept 65 (12,13)	0-841-2
Berkshire Frocks Inc Sept 65 (11,13)	1-4525-2	Deltown Foods Inc Sept 65 (12)	1-4891-2
Computer Sciences Corp Sept 65 (7,13)	1-4850-2	Electro-Voice Inc Sept 65 (13)	1-4655-2
Food Fair Stores Inc Sept 65 (11,13)	1-2956-2	Fair Lanes Inc Oct 65 (3,13)	2-15478-2
Koppers Co Inc Sept 65 (7,13)	1-3224-2	Lukens Steel Co Sept 65 (7,11,13)	1-3258-2
Spiegel Inc Sept 65 (12,13)	1-2169-2	Ramer Industries Inc Sept 65 (1)	1-4646-2
Cities Service Co Sept 65 (7,8,11,13)	1-1093-2	Allis-Chalmers Mfg Co Sept 65 (3)	1-2199-2
Duke Power Co of North Carolina Sept 65 (12,13)	1-4928-2	American Zinc, Lead & Smelting Co Sept 65 (7)	1-59-2
General Development Corp Sept 65 (3,7,12)	1-4080-2	Bacharach Industries Instrument Sept 65 (7)	2-19300-2

SECURITIES ACT REGISTRATIONS. Effective October 20: Donohoe Construction Co., Inc., 2-23788; Georgetown Racing, Inc., 2-23821 (90 days).
Effective October 21: The Ceco Corp., 2-24041; First Equity Security Investment Corp., 2-23333 (Jan 21); Raychem Corp., 2-24114.
Withdrawn October 20: Valley Co., 2-23917.

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.