

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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SEC ORDER CITES HADSON OHIO OIL CO. The SEC has ordered administrative proceedings involving Hadson Ohio Oil Company (Hadson) and its wholly owned subsidiary, Hadson Ohio Oil Management Company (Management Company) both of Columbus, Ohio. The proceedings relate to (a) a registration statement on Form 10 filed by Hadson in July 1965 which registered its 255,000 issued and outstanding shares of common stock pursuant to Section 12(g) of the Securities Exchange Act of 1934; and (b) a registration statement on Form S-1 under the Securities Act of 1933 filed by the Management Company in January 1965, seeking registration of 400 units of participating interests in a 1965 Oil Exploration Program to be offered at \$5000 per unit. The Commission's Division of Corporation Finance questions the adequacy and accuracy of certain information in each registration statement; and a consolidated hearing has been scheduled for March 22, 1966 in the Commission's Washington Office to take evidence with respect thereto.

The staff alleges that in 1964 Hadson made an intrastate offering of 180,000 shares to residents of Ohio and that both registration statements fail to disclose that the prospectus used in that offering was materially misleading and that this resulted in a contingent liability to Purchasers of Hadson's shares in that offering. The Division also alleges that financial statements of Hadson included in said prospectus and in the two registration statements filed with the Commission, reflect interests in certain oil and gas properties carried at \$200,000 in excess of the cost of these interests to Hadson.

It also is alleged by the Division that Hadson failed to disclose material facts in the registration statement on Form 10 concerning three oil exploration programs conducted in 1964 and 1965, including the fact that by March 24, 1965, Hadson had an interest in 44 completed wells of which 33 were dry holes. Hadson also is alleged to have failed to disclose its net estimated proved crude oil and natural gas reserves.

According to the Management Company's prospectus, each purchaser of a participating interest in the Program would commit a certain sum of money toward the acquisition of prospective oil and gas properties and the exploration thereon for oil and gas, principally in Ohio and West Virginia. The Management Company proposes to enter into an exploration agreement with Hadson, which has agreed to subscribe to participations in the Program equal to 1/3 of the commitments of all other participants. The Commission's staff questions the disclosure in the Management Company's prospectus, including the failure to disclose the contingent liability of Hadson to its shareholders referred to above; the risks involved in exploring for oil in Ohio; and the expenditure of some \$300,000 by Hadson in connection with earlier exploration programs, the number of successful well completions, if any, and the amount of money received by the participants in these exploration programs. Gerald N. Eason, Chairman of the board of both companies, and Harry G. Hadler, president of both companies, are substantial shareholders of Hadson, according to the prospectus.

PITNEY-BOWES FILES STOCK PLAN. Pitney-Bowes, Inc., Walnut and Pacific Sts., Stamford, Conn., filed a registration statement (File 2-24635) with the SEC on March 14 seeking registration of \$1,300,000 of participation in The Pitney-Bowes Stock Purchase Plan, together with common stock which may be acquired pursuant thereto.

UNITED GAS FILES STOCK PLAN. United Gas Corporation, 1525 Fairfield Ave., Shreveport, La., filed a registration statement (File 2-24637) with the SEC on March 14 seeking registration of \$23,500,000 of participation in its Employees Stock Purchase Plan, together with 500,000 shares of common stock which may be acquired thereunder.

RANDOLPH COMPUTER PROPOSES OFFERING. Randolph Computer Corporation, 200 Park Ave., New York 10017, filed a registration statement (File 2-24634) with the SEC on March 14 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006. The public offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under Delaware law in 1965, the company is engaged in the business of purchasing and leasing electronic data processing equipment. Net proceeds of its stock sale will be used to finance the purchase of such computer equipment, as needed. In addition to indebtedness, the company has outstanding 427,500 common shares, of which management officials own 13% and Wertheim & Co. owns 41%. An aggregate of 425,000 shares (as adjusted for a 2-for-1 stock split in March) were sold at \$10 per share in September and November 1965. John M. Randolph is board chairman and president.

DETECTO SCALES FILES FOR OFFERING AND SECONDARY. Detecto Scales, Inc., 540 Park Ave., Brooklyn, N.Y., filed a registration statement (File 2-24630) with the SEC on March 11 seeking registration of 275,000 shares of common stock. Of such stock, 125,000 shares are to be offered for public sale by the company and 150,000 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Burnham and Co., 60 Broad St., New York 10004. The public offering price (\$9 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the design, manufacture and sale of scales for home, commercial and industrial use. Net proceeds of its sale of additional stock will be applied to the payment of the balance

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due on the purchase of Para Manufacturing Co., Inc., and to the repayment of bank indebtedness. The balance will be added to working capital. The company acquired all of the preferred and 80% of the common stock of Para Manufacturing in November for \$549,923, of which \$400,000 was paid in cash and the balance was represented by installment notes. In addition to indebtedness, the company has outstanding 249,997 common and 249,997 Class A shares, of which management officials own 112,173 shares of each class. The prospectus lists ten selling stockholders, including Harriet Goodwin, offering 23,724 of 38,913 common shares held; Samuel M. Jacobs (president), 26,399 of 43,297 common; and Maxwell E. Jacobs (executive vice president), H. J. Rothstein and J. L. Wacht, as trustees for the wife and children of Harry M. Jacobs, 30,883 of 50,652 common. The remaining sellers are offering common shares ranging in amounts from 1,701 to 19,884. Maxwell and Samuel Jacobs own an aggregate of 381,450 shares of the common and Class A stock (including the shares held as trustees or co-trustees), or approximately 76.3% of the total outstanding shares. Upon completion of the public offering, they will own 42.4% of the then outstanding shares.

HARLEY-DAVIDSON FILES FOR OFFERING AND SECONDARY. Harley-Davidson Motor Co., 3700 W. Juneau Ave., Milwaukee, Wisc. 53201, filed a registration statement (File 2-24633) with the SEC on March 14 seeking registration of 118,052 shares of common stock. Of such stock, 85,000 shares are to be offered for public sale by the company and 33,052 shares (being outstanding stock) by the present holders thereof. Robert W. Baird & Co., Inc., 731 N. Water St., Milwaukee, Wisc. 53201, is the principal underwriter. The public offering price (\$19.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells motorcycles and golf cars. Net proceeds of its sale of additional stock (together with certain borrowings) will be used to reduce some \$4,250,000 of short-term loans incurred in part to finance temporarily its expansion program. In addition to indebtedness, the company has outstanding 628,554 common shares, of which management officials and certain members of their families own 28%. The prospectus lists seven selling stockholders, including Gordon M. Davidson (vice president) and First Wisconsin Trust Co., trustees under the will of Walter Davidson, deceased, offering the entire holdings under the will of 16,509 shares. The remaining sellers are offering shares ranging in amounts from 1,000 to 4,919. Wm. H. Davidson is president.

INSURANCE INVESTMENT, OTHERS CITED. The SEC Seattle Regional Office announced March 10 (LR-3454) the filing of a complaint (USDC, Boise, Ida.) seeking to enjoin Insurance Investment Corp.; Philip Holzapple, individually and d/b/a Phill Holzapple Agency; Harry March; William L. Chaney; Insurance Securities Corp.; Wayne Hofhines; and Emmett Cleaver from further violations of the Securities Act anti-fraud provisions in the sale of stock of Insurance Investment Corp.

WHITWORTH SENTENCED. The SEC Denver Regional Office announced March 10 (LR-3455) that Eugene Whitworth of Pocatello, Ida., was sentenced to two years imprisonment following his plea of guilty to violating and conspiring to violate the Securities Act anti-fraud provisions in the sale of stock of Paramount Holding Company (USDC, Cheyenne, Wyo.).

SEABOARD WORLD AIRLINES PROPOSES RIGHTS OFFERING. Seaboard World Airlines, Inc., John F. Kennedy International Airport, Jamaica, Long Island, N. Y., filed a registration statement (File 2-24638) with the SEC on March 14 seeking registration of \$13,420,000 of convertible subordinated debentures (due 1981). The debentures are to be offered for subscription by common stockholders at the rate of \$100 principal amount of debentures for each 35 shares of common stock held. Any unsubscribed shares are to be offered for public sale through underwriters headed by Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 10005. The record date, interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the transportation by aircraft of freight and mail on a regularly scheduled basis, and conducts passenger and cargo charter flights. Net proceeds of its debenture sale (together with some \$9,245,000 of borrowings) will be used to prepay some \$18,900,000 of long-term indebtedness, and the balance will be applied to the purchase of aircraft. In addition to indebtedness, the company has outstanding 4,616,176 common shares. Richard M. Jackson is president and board chairman.

SECURITIES ACT REGISTRATIONS. Effective March 14: Big Horn National Life Insurance Co., 2-24154 (Jun 14); Craddock-Terry Shoe Corp., 2-24437 (Apr 13); Massey-Ferguson Ltd., 2-24519 (Apr 25); Security Capital Life Insurance Co., 2-24353 (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.

*As estimated for purposes of computing the registration fee.

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