

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

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

(Issue No. 67-23)

FOR RELEASE February 3, 1967

**ARKANSAS P&L SEEKS ORDER.** Arkansas Power & Light Company, public-utility subsidiary of Middle South Utilities, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to sell at competitive bidding \$30,000,000 of first mortgage bonds (due 1997) and to issue to Middle South an additional 240,000 shares of its common stock aggregating \$3,000,000 in par value. The Commission has issued an order (Release 35-15653) giving interested persons until March 2 to request a hearing thereon. As reported in the SEC News Digest of January 26, Arkansas Power will use the net proceeds of its bond sale, together with funds derived from its operations, in connection with its 1967 construction program (estimated at \$57,400,000) and for other corporate purposes. As of November 30, 1966, the earned surplus of Arkansas Power amounted to \$22,768,659. It proposes to transfer \$3,000,000 of its earned surplus and credit such amount to its common stock capital account. It is stated that the issuance of additional common stock to the parent company will permit Arkansas Power to convert into capital a portion of its earned surplus which has been permanently invested in betterments and improvements of its physical properties.

**AMERICAN RESEARCH AND DEVELOPMENT SEEKS ORDER.** American Research and Development Corporation and its vice president, Henry W. Hoagland, have applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed sale by Hoagland of 1,000 common shares of Ionics, Inc., to American Research at \$4.50 per share. The Commission has issued an order (Release IC-4831) giving interested persons until February 23 to request a hearing thereon. Under Section 2(a)(3) of the Act, Hoagland is an affiliated person of American Research.

**ROBERT G. WILLIAMS GUILTY.** The SEC Denver Regional Office announced January 30 (LR-3638) that Robert G. Williams, Dallas, was found guilty of criminal contempt (USDC, Denver) by reason of two securities transactions effected by Williams in violation of a 1963 court order enjoining him from further violations of the Securities Act registration and anti-fraud provisions in the sale of investment contracts of Black Angus Steak Houses, Inc. Williams was sentenced to six months' imprisonment.

An open-end investment company, the Fund is designed to enable investors to participate "in the ownership of a selected and supervised security portfolio, at a reasonable cost." Its investment objective is to seek appreciation of capital. Mitchell, Morse & Schwab, Inc., is the Fund's investment adviser and distributor. The Fund has outstanding 10,000 capital shares, issued at \$10 per share. Management officials of the Fund own 65% of the outstanding stock. Desmond W. Mitchell is president of the Fund and the investment-advisory firm.

**SOUTHERN NATURAL GAS PROPOSES BOND OFFERING.** Southern Natural Gas Company, Watts Bldg., Birmingham, Ala., today filed a registration statement (File 2-25946) with the SEC seeking registration of \$40,000,000 of first mortgage pipe line sinking fund bonds, due 1987. The bonds are to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005, and Halsey, Stuart & Co. Inc., 123 S. La Salle St., Chicago, Ill. 60690. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The principal business of the company is the interstate transmission and sale of natural gas, at wholesale to other companies and municipalities and gas districts, and directly to certain industrial users. Net proceeds of its bond sale will be used to repay some \$35,000,000 of bank borrowings, which were incurred in connection with its pipeline expansion programs, and added to working capital. The company has applied to the Federal Power Commission for authority to install three additional facilities to expand its pipeline system and to connect new gas supplies. The aggregate cost of such facilities is estimated at \$54,000,000. In addition to indebtedness, the company has outstanding 9,977,563 common shares.

**BROADWALL SECURITIES, OTHERS SENTENCED.** The SEC Atlanta Regional Office announced January 26 (LR-3639) that the following defendants were sentenced on their convictions for conspiracy to and violations of Securities Act anti-fraud provisions in the sale of common stock of Bankers Intercontinental Investment Co., Ltd., and Florida Patsand Corp. (USDC, SDNY): Broadwall Securities, Inc., fined \$10,000; Charters & Co. of Miami, Inc., fined \$10,000; Arnold Mahler, president of Broadwall, sentenced to 18 months' imprisonment; Fred Cimino, former salesman of Broadwall, sentenced to 18 months' imprisonment; Norman Babat, former salesman of Broadwall, sentenced to one year in prison, eight months of which was suspended, and placed on probation for two years on condition that he not re-enter the securities business; Alexander Lapidus, former salesman of Broadwall, sentenced to one year in prison, which was suspended, and placed on probation for two years on condition that he not re-enter the securities business; Michael A. Light, fined \$2,500 and sentenced to three years in prison; Michael F. Dermer, a principal of Charters & Co., sentenced to two years' imprisonment; and Arthur Kapplow

OVER

and Hugh L. Strump, principals of Charters & Co., each sentenced to 18 months in prison. Jack Einiger, former bookkeeper of Broadwall, was fined \$500 and placed on probation for five years on his plea of guilty to a charge of conspiring to give false testimony to officers of the Commission who conducted the investigation leading to the indictment in this case.

**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 "\*\*\*"):

<u>File</u> <u>NO.</u>	<u>O- Registrant</u>	<u>Location</u>
2357	Aristo Foods, Inc**	Topeka, Kansas
2360	Assoc. Mortgage Co's Inc**	Washington D.C.
2364	Boonton Electronics Corp**	Parsipanny, N.J.
2363	BuiltwellHomes, Inc**	Adrian, Ga.
2361	Cardinal Petroleum Co**	Billings, Mont.
2348	Data Documents, Inc**	Omaha, Neb.
2349	Graphic Controls Corp**	Buffalo, N.Y.
2365	Kentucky Fried Chicken Corp**	Nashville, Tenn.
2351	Northern Utilities Inc**	Portland, Me.
2353	Opticks, Inc**	Dallas, Texas
2358	Pacific Outdoor Adv. Co**	Los Angeles, Calif.
2350	Technibilt Corp	Glendale, Calif.
2347	Universal Life Holding Corp	Peoria, Ill.
2355	Western Iowa Pork Co	Harlan, Iowa

**SECURITIES ACT REGISTRATIONS.** Effective February 2: John Nuveen & Co. Sponsor of Nuveen Tax-Exempt Bond Fund, Series 13, 2-25689.  
Effective February 3: First Florida Bancorporation, 2-25768 (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.

---oooOooo---