

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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SECURITIES OFFERINGS REPORTED. The SEC today announced that new corporate securities offered for cash sale in the first quarter of 1967 totaled \$5.4 billion (according to preliminary estimates). The amount offered substantially exceeded the quarterly volume in any recent year and approximated the previous quarterly record volume issued in early 1961. Offerings were generally higher throughout most of 1966 but were somewhat restricted in the latter part of the year due to the especially tight credit market conditions then prevailing. Undoubtedly, some of the recent record sales volume reflects some carryover from late 1966. The preponderance of new offerings continues to be in the form of debt issues--\$5.0 billion out of the total of \$5.4 billion in the first quarter of this year. New bonds, notes and debentures publicly offered amounted to \$1.3 billion more than in the comparable period a year ago--which was also a period of exceptionally high activity for such financing. The dollar volume of public sales of such debt issues in early 1967 substantially exceeded that of the record April-June, 1961 period--\$3.1 billion as compared with \$2.3 billion.

Private placements of debt issues with financial institutions in the first quarter amounted to nearly \$1.9 billion. This total was up substantially from similar placements in late 1966 but well below the volume of \$2.6 billion in the first quarter of 1966. Stock offerings in early 1967 were substantially below a year ago, although up somewhat from the rate in the second half of last year. The total of \$385 million in the January-March period of 1967 compares with almost three-quarter billion a year earlier and \$3.75 million in the final quarter of 1966. The data on common stocks do not cover registered secondary distributions which totaled \$320 million. They also do not cover sales of investment company shares which, according to the Investment Company Institute, totaled \$1.1 billion, \$300 million less than the same period last year. For further details, see Stat. Release No. 2200.

SEC RULES AGAINST J. C. PAPPAS. In a decision under the Securities Exchange Act announced today (Release 34-8060), the SEC found that John C. Pappas, while employed in 1961 by A. T. Brod & Company, made false and misleading representations and predictions in the offer and sale of stock of Agricultural Research Development, Inc., concerning the issuers process for pork production, franchises sold by the issuer and their profit potential, and future market price of the stock. The Commission rejected certain arguments advanced by Pappas in extenuation, and his contention that the public interest does not require that he be precluded from working in the securities business. (Previously, in September 1963, pursuant to an offer of settlement, the Commission suspended Brod from NASD membership for 40 days.)

CORROON & REYNOLDS GRANTED EXEMPTION. The SEC today announced a decision under the Investment Company Act (Release IC-4931) granting an application of Corroon & Reynolds Corporation, of New York, for exemption from the Investment Company Act. Applicant is deemed not to be an investment company within the meaning of the Act by reason of the fact that at least 90% of the value of its investment securities since May 13, 1966, has been represented by stock of a single insurance company, Reliance Insurance company of Philadelphia. Its exemption application was filed on February 24, 1965, and was based on the fact that Corroon & Reynolds was an investment company beginning on January 17, 1964, when it acquired the Reliance stock; and it requested a retroactive exemption from the Act for the 13-month period between such acquisition and the February 24, 1966, filing date.

According to the Commission's decision, between January 17, 1964, and May 13, 1966, the market value of the Reliance stock owned by applicant fluctuated above and below 90% of the value of applicant's investment securities, but was never below 85.94%. On the latter date pursuant to applicant's stated program of expanding its insurance brokerage business it sold around \$450,000 of its investment securities other than Reliance stock. This sale was made to raise cash to consummate the acquisition for about \$1,000,000 of three companies engaged in such business and related activities, which was effected around July 1966. At all times since the sale of those securities, the market value of applicant's Reliance stock has exceeded 90% of the total investment securities held by it.

Under the circumstances, and in view of applicant's present non-investment company status and its qualification or near qualification for such status during the brief period for which the retroactive exemption is requested, the insurance business exigencies surrounding its acquisition of the Reliance stock, the Commission concluded that it was appropriate to grant it retroactive exemption from the Act.

TRADING IN NYLO-THANE PLASTICS SUSPENDED. The SEC announced April 27 that it had issued an order temporarily suspending over-the-counter trading in the common stock of Nylo-Thane Plastics Corporation of Farmingdale, New York, for the ten-day period April 28 through May 7, 1967, inclusive.

This action was based upon information coming to the Commission's attention which raises serious questions as to the adequacy and accuracy of information disseminated by the company concerning a compound to accelerate the curing of rubber, which Nylo-Thane Plastics Corporation proposes to develop and manufacture. Accordingly, the Commission is of the view that securities of Nylo-Thane cannot be evaluated by present holders and prospective purchasers on an informed and realistic basis.

Under the circumstances the Commission deemed it necessary and appropriate in the public interest and for the protection of investors to suspend trading in the securities pending clarification of the matter and adequate public dissemination of all the pertinent information.

OVER

SUSPENSION OF TRADING IN TWO STOCKS CONTINUED. The SEC has issued orders suspending exchange and/or over-the-counter trading in securities of Rand Development Corporation and American Steel & Pump Corporation, for the further ten-day periods April 30-May 9 and May 1-10, respectively.

PURITAN FUND SEEKS ORDER. Puritan Fund, Inc., Boston mutual fund, has applied to the SEC for an exemption order under the Investment Company Act permitting the issuance and delivery of its redeemable securities to Chautauqua Cabinet Company, a New York corporation, in exchange for substantially all the assets of Chautauqua and at a price other than the offering price listed in its prospectus; and the Commission has issued an order (Release IC-4935) giving interested persons until May 19 to request a hearing thereon. Chautauqua, whose securities are held by six individuals and five trusts, is to be liquidated; and in the process thereof the Puritan Fund securities issued in the exchange for its assets will be distributed to the eleven holders. Its assets approximated \$280,000 on January 31.

BROAD ST. INVESTING SEEKS ORDER. Broad Street Investing Corporation, New York mutual fund, has applied to the SEC for an exemption order under the Investment Company Act permitting the issuance of its shares at a price other than the offering price listed in its prospectus, in exchange for the assets of E. H. Holding Corporation, a New York corporation; and the Commission has issued an order (Release IC-4936) giving interested persons until May 19 to request a hearing thereon. The EHH stock is owned by four individuals. Its assets approximated \$436,000 on February 27. Upon consummation of the exchange offer, EHH is to be liquidated, whereupon the mutual fund shares received in the exchange will be distributed to the four stockholders.

COLONIAL EQUITIES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4937) declaring that Colonial Equities, a Massachusetts business trust, of Boston, has ceased to be an investment company and that its registration as such is no longer in effect. The Trust was succeeded by Colonial Equities, Inc., which is registered as an investment company.

PUTNAM INCOME FUND RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4938) permitting The Putnam Income Fund, Inc., Boston, to issue its shares at net asset value for substantially all of the assets of Liberty Fuel Company.

BURROUGHS CORP. PROPOSES OFFERING. Burroughs Corporation, 6071 Second Ave., Detroit, Mich. 48232, filed a registration statement (File 2-26438) with the SEC on April 27 seeking registration of \$30,000,000 of Sinking Fund Debentures due June 1, 1992. The debentures are to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York 10005; the interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, manufacture, distribution and servicing of a wide variety of business machines, including adding and calculating equipment, accounting machines and electronic data processing equipment. The company also manufactures and distributes a line of business forms, office accessories and supplies. Net proceeds of its debenture sale will be applied to the reduction of short-term borrowings, incurred to finance the company's increased working capital requirements and an increase in its investment in equipment placed on lease as well as investment in plant facilities. In addition to indebtedness, the company has outstanding 8,186,803 common shares, of which management officials own some 2%. The prospectus lists Ray W. Macdonald as president.

DECORATOR INDUSTRIES FILES FOR SECONDARY. Decorator Industries, Inc., 1401 Forbes Ave., Pittsburgh, Pa. 15219, filed a registration statement (File 2-26440) with the SEC on April 27 seeking registration of 80,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through Arthurs, Lestrangle & Co., 2 Gateway Center, Pittsburgh, Pa. and Hayden, Miller & Co., 650 Union Commerce Bldg., Cleveland, Ohio. The offering price (\$10.50 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in the statement are 8,000 shares underlying six-year purchase warrants to be sold by the company to the underwriters at 25¢ per warrant.

The company's principal business is the manufacture of "Made to Your Measure" draperies, distributed nationally through its own sales force of about 1,500 accounts. Its principal customers are department stores, specialty fabric shops, interior decorators and furniture stores. The company has outstanding 200,000 common shares, of which Earl Rappaport, president, owns 117,180 and Saul Rappaport, vice president, 58,590 shares. They propose to sell 48,000 and 24,000 shares, respectively. Two others propose to sell 4,000 shares each.

NINE STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC proposing the offering of securities pursuant to employee savings, profit-sharing, stock option or other plans, as follows:

Sun Oil Company, Philadelphia, Pa. 19103 (File 2-26427) - 247,250 shares
 Genesco, Inc., Nashville, Tenn. 37202 (File 2-26432) - 400,000 shares
 Crowell Collier and Macmillan, Inc., New York 10022 (File 2-26433) - 528,577 shares
 The Thomas & Betts Co., Elizabeth, N. J. 07207 (File 2-26434) - 39,562 shares
 DeSota Chemical Coatings, Inc., Des Plaines, Ill. (File 2-26436) - 120,000 shares
 Burroughs Corporation, Detroit, Mich. 48232 (File 2-26439) - 300,000 shares
 American Sugar Company, New York 10005 (File 2-26447) 250,000 shares
 Consolidated Coal Company, Pittsburgh, Pa. 15219 (File 2-26448) - 300,000 shares
 United Financial Corp. of Calif., Los Angeles (File 2-26437) - 100,000 shares

CHESAPEAKE INSTRUMENT SHARES IN REGISTRATION. Chesapeake Instrument Corporation, 100 Atwell Rd., Shadyside, Md. 20867, filed a registration statement (File 2-26444) with the SEC on April 27 seeking registration of 756,500 shares of common stock.

The company is engaged in research, development and manufacture in the fields of electroacoustics and electronics. Of the shares being registered, 612,510 are or will be outstanding shortly after the subject registration statement becomes effective. 596,500 shares will be acquired in exchange for a like number of shares of the company's Class A (preferred) stock; 10,000 shares were acquired in 1962 upon conversion of certain of the company's then outstanding debentures; 5,650 shares were acquired upon the exercise of options granted under the company's Employee Stock Option Plan. Said shares may be offered to the public by certain stockholders in the over-the-counter market or otherwise, at such prices (\$4 per share maximum*) as then prevail. Among the prospective selling shareholders are Lexter & Co. (formerly Drexel & Co.) of Philadelphia, 70,000 shares; Robert F. Shapiro, of New York, 63,750, and Albert Susman of Dallas, 63,750. They are now the principal shareholders of the company. The remaining 144,350 shares are issuable under the company's Employee Stock Option Plan. The prospectus lists James O. Olfson as president and John H. Remer as board chairman.

ALGONQUIN FUND FILES FOR OFFERING. Algonquin Fund, Inc., 80 Federal St., Boston, Mass. 02110, filed a registration statement (File 2-26441) with the SEC on April 27 seeking registration of 100,000 shares of common stock. The Fund is a newly-formed diversified investment company seeking capital growth possibilities. Ralph S. Henry is president. The Fund employs Trust Management Corp. as its adviser; and Trust Securities Corporation will serve as underwriter. Henry is president of the underwriter and board chairman of the adviser. Shares will be offered at net asset value (\$10 per share maximum*), with an 8 $\frac{1}{2}$ % commission to the underwriters on purchases under \$10,000.

FOREIGN ISSUERS RULES ADOPTED. The SEC today adopted Rules 3b-4, 12g3-2, 13a-16 and 15d-16, amendments to Rules 13a-11 and 15d-11, new Form 6-K and amendments to Forms 20 and 20-K under the Securities Exchange Act of 1934. The Commission also announced the repeal of Forms 21 and 21-K under the Act. The primary purpose of this action was the implementation of the provisions of Section 12(g) of the Act (as amended by the Securities Acts Amendments of 1964) with respect to foreign issuers whose securities are traded in the over-the-counter market. However, certain revisions were also made in the reporting requirements of foreign issuers reporting pursuant to Section 13 or 15(d) of the Act.

Foreign issuers whose securities are traded in American markets, and which have \$1,000,000 or more of total assets and 500 or more holders of a class of equity securities at the end of a fiscal year ending after November 30, 1966, are required to register such securities under Section 12(g) of the Act unless exempted under the new rules. New Rule 12g3-2, however, provides an exemption from Section 12(g) if the class of equity securities is held by fewer than 300 persons resident in the United States. Foreign issuers presently reporting pursuant to Section 13 or 15(d) of the Act are also exempt from Section 12(g) for the duration of their present reporting obligation, except for North American issuers having securities listed on a national securities exchange.

A further exemption from Section 12(g) is provided for foreign issuers with no present reporting obligation if they or an official or agency of their government furnish the Commission certain information which, during their last fiscal year, they made public pursuant to the laws of their country of domicile or organization, filed with a foreign stock exchange which made it public, or distributed to their security holders. The exemption will continue so long as such information continues to be furnished promptly after it is made public abroad. The issuer (or government official or agency) must also furnish a list of its foreign disclosure requirements as described above, stating when and by whom the information is required to be made public, filed with an exchange, or distributed to security holders and must update this list, if necessary, promptly after the end of each fiscal year. The initial information and list should be accompanied by notice to the Commission that they are being furnished pursuant to the exemptive rule. None of this material will be deemed to be "filed" under or subject to the liabilities of Section 18 of the Act. The furnishing of the material will not, for any purpose, constitute an admission that the issuer is subject to the Act. Companies which have been complying with the Commission's request (Release 34-7867 of April 21, 1966) for the voluntary furnishing of the above described information may obtain the exemption by furnishing whatever information meeting the above criteria it may not previously have furnished, supplying the list of its foreign disclosure requirements, and notifying the Commission that it is claiming the exemption. Foreign issuers which have not previously furnished any of the specified information should do so by June 30, 1967.

The Commission has granted all foreign issuers an extension of the time for filing registration statements under Section 12(g), or qualifying for an exemption, until June 30, 1967. The new rules will become effective on May 31, 1967, amended Form 20-K will be applicable only to annual reports covering fiscal years ending after December 31, 1966, and amended Form 20 will be applicable to registration statements filed on or after June 30, 1967.

The new Form 6-K is a current report form on which foreign private issuers reporting pursuant to Section 13 or 15(d) of the Act, but not filing current reports on Form 8-K, will furnish certain information which they make public pursuant to the laws of their country of domicile or organization, file with a foreign securities exchange which makes it public, or distribute to their security holders. These reports will be furnished promptly after the information is made public abroad. This information will not be deemed to be "filed" for the purpose of Section 18 of the Act, or otherwise subject to the liabilities of that section. Form 6-K will be used for reports furnished after May 31, 1967, the effective date of Rules 13a-16 and 15d-16 pursuant to which the reports will be furnished.

Forms 20 and 20-K have been revised to encompass issuers formerly using Forms 21 and 21-K; in addition, they have been modified principally to conform the financial requirements more closely to Regulation S-X and to call for more information regarding management remuneration and other benefits.

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 captions of the several items of the form was included in the April 3 News Digest.

AIC Corp. Mar67 (7,13) 0-184-2
 AMK Corp. Mar67 (4,7,8,13) 1-2704-2
 Airpax Electronics, Inc. Mar67 (7) 0-1482-2
 American Greetings Corp. Mar67 (4,7,12,13)
 0-1502-2
 Bristol Brass Corp. Mar67 (4,7,13) 0-1200-2
 Browning Arms Co. Jan67 (13) 0-1275-2
 Browning Arms Co. Jan66 (13) 0-1275-2
 Browning Arms Co. Mar63 (13) 0-1275-2
 Browning Arms Co. Dec63 (13) 0-1275-2
 Bucyrus Erie Co. Dec66 (4,13) 1-871-2
 Bullion Monarch Co Mar67 (12) 1-3896-2
 California Shopping Centers, Inc.
 Mar67 (10,11,13) 2-24968-2
 Central Telephone Co Mar67 (7,13) 0-751-2
 Charles Town Racing Assoc Inc. Mar67 (12)
 0-1433-2
 Columbia Accident & Health Insurance Co
 Mar67 (7) 2-24739-2
 Cott Corp Mar67 (2,12) 1-4532-2
 Cudahy Company Mar67 (6) 1-529-2
 Denver & Rio Grande Western RR Co
 Mar67 (9) 1-1129-2
 Documentation Inc. Mar67 (13) 0-1566-2
 Fansteel Metallurgical Corp Mar67 (7,13)
 1-2331-2
 Farmers Union Cooperative Marketing Assoc.
 Mar67 (8,11) 2-22230-2
 Fed-Mart Corp. Mar67 (7,8,12,13) 0-29-2
 Frontier Airlines, Inc. Mar67 (12,13) 1-4877-2
 General Mills, Inc. Mar67 (13) 1-1185-2
 Gulf & Western Industries, Inc. Mar67 (4,7,13)
 1-2712-2
 Horace Mann Life Insurance Co. Mar67 (7)
 2-21057-2
 Houston Oil Field Material Co., Inc. Mar67 (3)
 0-1427-2
 I. Gordon Realty Corp Feb67 (2,13) 2-18335-2
 Kennesaw Life & Accident Ins. Co. Mar67 (8,12)
 0-710-2
 Lane Wood, Inc. Mar67 (2,13) 0-2044-2
 Lehigh Valley Industries, Inc. Mar67 (7,8,11)
 1-155-2
 Liquidonics Industries, Inc. Mar67 (7,13)
 0-2273-2

Little Miami RR Co. Apr67 (11,13) 1-810-2
 Litton Industries, Inc. Mar67 (7,8) 1-3998-2
 Louis Lesser Enterprises Inc. Mar67 (7,8)
 1-4783-2
 Lubrizol Corp. Apr67 (11,13) 1-5263-2
 McCall Corp. Mar67 (8) 1-471-2
 Monarch Marking System Co. Mar67 (7,8) 0-106602
 Morrison-Knudsen Co., Inc. Feb67 (12,13) 0-880-2
 Mount Vernon National Life Insurance Co.
 Mar67 (12) 2-22273-2
 Oxford Mfg. Co., Inc. Mar67 (7,13) 1-4365-2
 Panacolor, Inc. Mar67 (7,13) 0-536-2
 Recognition Equipment Inc. Mar67 (7) 0-2038-2
 St. Paul Ammonia Products, Inc. Mar67 (4,7,13)
 0-1794-2
 7 Up Bottling Co. of Los Angeles, Inc.
 Mar67 (13) 1-5347-2
 Shawmut Association, Inc. Mar67 (11) 0-2151-2
 Shinn Industries, Inc. Mar67 (8,13) 0-2329-2
 Southern Counties Gas Co. of Calif.
 Mar67 (11,12,13) 2-4622-2
 Tel-A-Sign, Inc. Mar67 (11) 1-4078-2
 Teledyne, Inc. Mar67 (7,13) 1-5212-2
 Texas Industries, Inc. Feb67 (7) 1-4887-2
 Thomas Industries, Inc. Jan67 (7) 0-1126-2
 Towle Manufacturing Co. Mar67 (7,11,13) 0-454-2
 Trak Electronics Co., Inc. Mar67 (11,13) 0-2401-2
 Trans-Coast Investment Co. Mar67 (3) 0-1021-2
 Triumph Industries, Inc. Jan67 (7) 0-2406-2
 Universal Marion Corp. (Fla) Mar67 (7,10,13)
 1-4194-2
 The Upjohn Co. (Del) Mar67 (12,13) 1-4147-2
 Valley Metallurgical Processing Co., Inc.
 Apr66 (2,4,7,13) 1-5133-2
 Wabash Magnetics, Inc. Feb67 (13) 1-5298-2
 Wells Industries, Corp. Mar67 (7,13) 1-4696-2
 Western Power & Gas Co., Inc. Mar67 (7,8,13)
 0-954-2
 Woodall Industries, Inc. Mar67 (8,12,13) 1-2696-2
 Amendments to 8 K
 John Fluke Mfg. Co. Inc. Jan66 (7) 0-125-2
 Ryan Consolidated Petroleum Corporation
 Nov66 (2,7) 0-869-2

SECURITIES ACT REGISTRATIONS. Effective April 27: Beneficial Finance Co., 2-26351 (40 days); Brown & Sharpe Manufacturing Co., 2-26307 (40 days); Cle vite Corp., 2-26322; Columbia Broadcasting System, Inc., 2-26308; Conrac Corp., 2-26146; Cryplex Industries Inc., 2-24371 (40 days); The Leece-Neville Co., 2-26177 (40 days); Jas. H. Matthews & Co., 2-26032; Mountain Fuel Supply Co., 2-26302; Quaker State Oil & Refining Corp., 2-26291; Summers Electric Co., 2-26099 (July 27); Tenneco, Inc., 2-26380; Time, Inc., 2-26189; White Consolidated Industries, Inc., 2-26139 (40 days); WFC Air Freight, 2-26148 (July 26).
 Effective April 28: Diamond Akali Co., 2-26341 (40 days); Ford Motor Co., 2-26393 & 2-26394.

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.