

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)
SEC

(Issue No. 67-133)

FOR RELEASE July 13, 1967

7 FIRMS, 11 INDIVIDUALS DISCIPLINED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8118) in which it revoked the broker-dealer registrations of -

- (a) Atlantic Equities Company, Washington, D. C.
(Milton I. Klein, president, Earle I. Runner, Jr., general manager, Barbara J. Black, former president, and Howard James Hansen, syndicate manager)
- (b) Lenchner, Covato & Co., Inc., Pittsburgh, Pa.
(Nicholas Covato, Joseph S. Lenchner, and Norman C. Eisenstat, officers)
- (c) John Randolph Wilson, Jr., dba John R. Wilson, Jr. Co., Washington, D. C.
(also expelled from membership in the NASD)
- (d) Shawe & Co., Inc., Washington, D. C.
(Irvin B. Shawe, vice president, and Walter Ladusky, president)
- (e) Klein, Runner & Company, Inc., Chevy Chase, Md.
(Milton I. Klein and Earle I. Runner, Jr., officers)

denied an application for broker-dealer registration filed by -

- (f) Howard James Hansen, dba H. J. Hansen and Company, Washington, D. C.
and suspended from NASD membership for 90 days, effective September 18 -

- (g) Strathmore Securities, Inc., Pittsburgh, Pa.
(Auldus H. Turner, Jr., an officer)

Requests of the Atlantic, Lenchner and Wilson firms for withdrawal of their broker-dealer registrations were denied.

The sanctions imposed were based upon Commission findings of violations of the registration, anti-fraud, and anti-manipulative provisions of the Federal securities laws in the offer and sale of stock of Siltronics, Inc., pursuant to a claimed Regulation A exemption from registration, and also, in the case of Atlantic, of violations of the net capital and record-keeping requirements of the Securities Exchange Act. Each of the named individuals, as well as Ethel I. Weber, manager of the Pittsburgh office of Blair F. Claybaugh & Company (whose registration was previously revoked), was found to be a cause of the sanction imposed upon the firm with which he or she was associated, except that Nicholas Covato was not barred from engaging in the securities business.

All of the above respondents, except Black of Atlantic, Klein, Runner & Company and the Hansen firm, were found by the Commission to have participated in various stages of a scheme to defraud in connection with the 1961 offering of 150,000 shares of Siltronics stock at \$2 per share. This involved the stimulation of demand for the stock by optimistic and fraudulent representations, withholding of two blocks of stock and thereafter distributing the shares at artificially inflated prices, and bidding for or purchasing the stock during the distribution. The Commission also found that a Regulation A exemption from registration was not available because certain terms and conditions of that Regulation were not complied with (among other things, the offering exceeded the \$300,000 limitation for Regulation A offerings to the extent that purchasers paid more than \$2 per share for the shares withheld from the offering) and that, accordingly, the offering also violated the Securities Act registration requirement.

Upon the basis of the record evidence, the Commission concluded that the extent of Strathmore's participation in the scheme to defraud was not as great as that of the other firms. The Commission also observed, as to Covato and Eisenstat of the Lenchner firm, that the basis of the cause findings against them was their failure to act after a transaction had been consummated in which they personally played no part and of which they had no knowledge until later in the day. However, Eisenstat's future employment by a broker-dealer is subject to the Commission finding of March 1966 that he was a cause of the revocation of the registration of another firm which had acquired Lenchner Co. subsequent to the events involving the Siltronics offering.

The Commission found that Black aided and abetted Atlantic's net capital violations and made fictitious entries in its books in order to conceal its true financial condition. The registration of Klein, Runner & Company was revoked because of the violations of its officers while associated with Atlantic, and registration was denied to the Hansen firm because of Hansen's violations while associated with Atlantic.

GUARDIAN SECURITIES FIRM REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8119) revoking the broker-dealer registration of Guardian Securities Corporation, of Miami, Fla., and expelling it from NASD membership, for violations of the Federal securities laws. Bar orders were issued against Harold J. Brooks, president of the firm, Alan S. Rader, alleged to be a controlling person, and Albert Levine, manager of the firm's New York branch office. All consented to the imposition of these sanctions by the Commission, but without admitting or denying the alleged violations.

The Commission ruled that during the period from February 15 to September 27, 1965, the Guardian Securities firm and the three individuals engaged in acts and practices violative of the registration, anti-fraud and anti-manipulative provisions of the securities laws in connection with the offer, sale and delivery of securities of National Trust Life Insurance Company of America, Forward Industries, Inc., Keystone Electronics, Haven Industries, Odell, Inc., Dodge Corporation, Valtronics, and Kennedy Construction Co., Inc. In addition, the firm, Brooks and Rader violated Regulation T and the SEC record-keeping rules,

OVER

and failed to disclose that Rader directly or indirectly controlled the firm. Each of the individual respondents was barred from association with any broker-dealer firm, except that, after six months, Brooks may apply to the Commission for permission to engage in the sale of mutual funds in a non-supervisory capacity upon making a satisfactory showing that he will be adequately supervised.

WEST PENN POWER SEEKS ORDER. West Penn Power Co., Greensburg, Pa. subsidiary of Allegheny Power System, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$13,000,000 of short-term notes to banks; and the Commission has issued an order (Release 35-15789) giving interested persons until August 3 to request a hearing thereon. West Penn proposes to use the net proceeds from the sale of the notes for construction and to repay other short-term bank borrowings incurred therefor.

COLUMBIA NATIONAL CORP. FILES EXCHANGE PLAN. Columbia National Corporation ("Columbia"), 88 East Broad St., Columbus, Ohio 43215, filed a registration statement (File 2-26881) with the SEC on June 30 seeking registration of 147,510 common shares. These shares are to be offered in exchange for 156,925 (57.8%) of the outstanding shares of Standard Annuity and Life Insurance Company ("Standard") of Champaign, Ill., at the rate of 0.94 Columbia share for each outstanding share of Standard. Columbia has entered into an agreement with Annuity Agency Company ("Annuity"), an Illinois corporation, pursuant to which it proposes to acquire all assets of Annuity in connection with its liquidation and dissolution, in exchange for 159,350 Columbia shares. The principal asset of Annuity consists of 114,575 or 42.2% of the outstanding common shares of Standard.

Organized under Ohio law in 1964, Columbia is a holding company the sole business of which to date has been the ownership of the outstanding shares of Columbia National Life Insurance Company. The purpose of the exchange offer is to acquire shares of Standard in sufficient number to give Columbia a majority of such shares. In addition to indebtedness, Columbia has outstanding 809,076 common shares, of which management officials own 18,000 shares (2.4%). Leon Landon is board chairman and president.

HANDLEMAN FILES FOR SECONDARY. Handleman Company, 670 East Woodbridge, Detroit, Mich. 48226, filed a registration statement (File 2-26906) with the SEC on July 12 seeking registration of 332,750 outstanding shares of common stock. The shares are to be offered for public sale by the holders thereof through underwriters headed by E. F. Hutton & Company, Inc., One Chase Manhattan Plaza, New York 10005. The public offering price (\$35.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company's business is divided into three major divisions: (1) the Phonograph Record Division, which consists of the phonograph record wholesale merchandising operations and the three phonograph record distributors; (2) the Drug and Toileteria Division; and (3) the Canadian Retail Division, which consists of a 17-unit chain of discount retail outlets for drugs and health and beauty aids operating in Canada. In addition to indebtedness, the company has outstanding 1,231,302 common shares. The prospectus lists 12 selling stockholders, including Paul Handleman (board chairman), who proposes to sell 50,000 of his holdings of 98,880 shares, David Handleman (president), 40,000 of 84,969, and Joseph Handleman (chairman of the Executive Committee) and Moe Handleman (executive vice president), 50,000 shares each of 101,753 and 129,011 shares, respectively.

MEDTRONIC FILES FOR OFFERING AND SECONDARY. Medtronic, Inc., 3055 Old Highway No. 8, Minneapolis, Minn. 55418, filed a registration statement (File 2-26903) with the SEC on July 12 seeking registration of 104,000 shares of common stock. Of this stock, 30,000 shares are to be offered for public sale by the company and 74,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Dain, Kalman & Co., Inc., 110 S. 6th St., Minneapolis, Minn. 55402. The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture, sale and service of electronic devices for use in medicine and medical research. In addition to indebtedness, it has outstanding 1,285,506 common shares, of which management officials own 33.47% (including 19.4% owned by Earl E. Bakken, president). Net proceeds of the company's sale of additional stock will be used for the payment of \$300,000 of short-term bank indebtedness incurred for plant additions, and the balance will be used to aid in financing the company's European branch office and for carrying increased inventories and accounts receivable. The prospectus lists three selling stockholders. Wilson Greatbatch, Inc., wholly-owned by Wilson Greatbatch, a director of the company, and his wife, proposes to sell 34,000 of its holdings of 96,000 shares, Palmer J. Hermundslie, vice president and a director, 30,000 of 170,098, and Dr. William Chardack, 10,000 of 60,000. Wilson Greatbatch, Inc. holds the license of the United States Patent under which the company manufactures its principal product, the implantable heart pacemaker. Dr. Chardack acquired his holdings of 60,000 shares from the company in exchange for certain patents and patent applications and the use of his name.

ASHLAND OIL PROPOSES OFFERING. Ashland Oil & Refining Company, 1409 Winchester Ave., Ashland, Ky. 41101, filed a registration statement (File 2-26904) with the SEC on July 12 seeking registration of \$60,000,000 of sinking fund debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10005 and Lehman Brothers, One William St., New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in producing, refining and distributing petroleum products and related items and, in recent years, has participated in the exploration for and production of crude oil and natural gas and the manufacture of chemicals, petrochemicals and other specialty products. Of the net proceeds received from the debenture sale, \$51,000,000 will be used to repay all of the revolving notes outstanding under its Bank Credit Agreement and the balance will be added to general corporate funds and used for working capital

purposes. Approximately \$34,700,000 of such notes represent loans made to finance the cash portion of the purchase price of \$64,500,000 in the recent acquisition of the chemical operations and related chemical properties of Archer-Daniels-Midland Company, Minneapolis, Minn. In addition to indebtedness and preferred stock, the company has outstanding 18,125,014 common shares, of which management officials own 4.2%. Rexford S. Blazer is board chairman and Orin E. Atkins is president.

CHADWICK-MILLER FILES FOR SECONDARY. Chadwick-Miller, Inc., 164 A St., Boston, Mass. 02210, filed a registration statement (File 2-26907) with the SEC on July 12 seeking registration of 270,000 outstanding shares of common stock. The shares are to be offered for public sale by the holders thereof through underwriters headed by Shields & Company Inc., 44 Wall St., New York 10005. The public offering price (\$14.00 per share maximum*) and underwriting terms are to be supplied by amendment. The selling stockholders have agreed to pay to Mr. Jack O. Cohen a finder's fee of \$25,000.

Incorporated under Massachusetts law in June 1967 to carry on the combined businesses of three Massachusetts corporations, Silvercraft Company, Incorporated, Chadwick-Miller Importers, Inc. and Super Add-A-Matic Corp., the company is engaged in the marketing and distribution of such low cost articles as stationery and notion items, giftwares and housewares, including manual adding machines, high intensity lamps, plug-in electric automobile vacuum cleaners and ceramic mugs. Most of the articles sold by the company are manufactured for it abroad and imported by the company, which sells largely to mail-order houses, general retailers and wholesalers. The company acquired substantially all of the assets and assumed all of the liabilities of the three corporations, for which it issued 900,000 shares of common stock (constituting all of the presently outstanding common stock); these shares were distributed by the acquired corporations in liquidation to the three selling stockholders, all of whom are directors of the new company. Oscar Miller (president) and Maurice Miller (executive vice president and treasurer) each propose to sell 108,000 of their holdings of 360,000, and George A. Guild, 54,000 of 180,000 shares.

TOLEDO EDISON FILES FOR OFFERING. The Toledo Edison Company, 420 Madison Ave., Toledo, Ohio 43601, filed a registration statement (File 2-26908) with the SEC today seeking registration of \$35,000,000 of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding.

An electric utility, the company will add the net proceeds from the bond sale to its general funds to be used in part to repay some \$10,150,000 of bank borrowings incurred in connection with the financing of the company's construction program, and the balance will be used to defray a portion of the cost of its 1967-68 construction program (estimated at \$60,000,000). John K. Davis is president.

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 July 7 News Digest.

AMP Inc & Pamcor Inc		Clark Cable Corp June 67 (7,13)	1-4425-2
June 67 (7,13)	1-4235-2	Conde Nast Publications Inc	
American Greetings Corp		June 67 (11,12)	0-1985-2
June 67 (11)	0-1502-2	Continental Securities Corp	
Bangor Punta Corp		May 67 (2,11,13)	2-23494-2
June 67 (2,7,12,13)	1-4972-2	Continental Steel Corp	
Boeing Co June 67 (12)	1-442-2	June 67 (12,13)	1-2330-2
California Packing Corp		Crescent Corp	
June 67 (11,12,13)	1-502-2	June 67 (1,3,12)	1-3425-2
Cambridge Electric Light Co		De Vilbiss Co June 67 (1)	1-3351-2
June 67 (7)	2-7909-2	Dillingham Corp June 67 (7)	1-4581-2
Capital Finance Corp		Electronic Computer Programming Institute	
June 67 (7,8)	0-813-2	Inc June 67 (13)	1-5359-2
J I Case Co June 67 (12)	1-138-2	Erie Technological Products Inc	
Century Acceptance Corp		June 67 (7,8,13)	0-520-2
June 67 (4,7,13)	0-373-2	Ero Industries Inc	
Clark Equipment Credit Corp		June 67 (11,13)	1-3936-2
June 67 (7,13)	2-17988-2	Farnland Industries Inc	
Columbia Broadcasting System Inc		June 67 (7,8)	2-7250-2
June 67 (11,13)	1-2931-2	Gulf Resources Inc	
		June 67 (12)	0-2294-2

SECURITIES ACT REGISTRATIONS. Effective July 11: Packer's Super Markets, Inc., 2-26690 (40 days). Effective July 12: Foremost-McKesson, Inc., 2-26783 (40 days); Movielab, Inc., 2-26632 (40 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.