

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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SEC

(Issue No. 67-242)

FOR RELEASE December 18, 1967

R. J. HENDERSON CO. SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8208) suspending R. J. Henderson & Co., Inc., of Los Angeles, from membership in the Pacific Coast Stock Exchange for a period of 120 days, commencing January 2, 1968; suspending its president, Robert J. Henderson, from Exchange membership for the same period; suspending Henderson Co.'s broker-dealer registration and its membership in the NASD for five business days (January 2-8, inclusive); suspending Henderson from association with any broker-dealer firm for the 120-day period of his suspension from the Exchange; and invoking sanctions against four other individuals. During the period of his suspension, Henderson is not to receive by way of dividends, salary or otherwise any remuneration from Henderson Co. attributable to the period of his suspension.

The foregoing action was based upon offers submitted by Henderson Co. and the five individual respondents for the settlement of private administrative proceedings in which it was charged that they had violated provisions of the Federal securities laws in the sale of stock of Allied Empire, Inc. (and its predecessor, Allied Television Film Corporation), during the period May 1961 to April 1963. In the settlement offers, which the Commission accepted, the respondents consented to findings of securities violations and to the imposition of the indicated sanctions, but without admitting or denying the charges. Two other respondents, Warren W. Webster and Philip Nasser, were suspended from association with a broker-dealer firm for 180 days and 12 months, respectively, effective January 2; and Aaron M. Binder and William H. Hodges, III, may not become associated with such a firm without obtaining the prior consent of the Commission.

On the basis of the allegations in the order for proceedings and the settlement offers, the Commission found that the respondents violated Sections 5(a) and (c) of the Securities Act and Sections 10(b) and 15(c)(1) of the Securities Exchange Act and Commission rules thereunder in connection with transactions in Allied stock. According to the decision, they induced customers to purchase Allied stock without disclosing that the issuer and registrant were under common control and that registrant had an interest and was participating in a secondary distribution of Allied stock; executed sell orders for themselves and associated persons while recommending the purchase of the stock to customers who were not informed of such selling activities; effected transactions in Allied stock to create actual and apparent trading and artificially raise and maintain the price of such stock; represented to customers that transactions in the stock were being effected at "the market price," when in fact no market existed other than the one created, dominated and controlled by registrant; and offered and sold such stock at excessive and unreasonable prices. In addition, respondents made false and misleading statements concerning, among other things, the source of the stock being sold, Allied's earnings and sources of financing, the present and prospective value, the split of, and the safety of an investment in Allied shares, the existence and terms of outstanding options to purchase such shares, and the nature and extent of Allied's current and future investments in other companies and plans for its future operations. Moreover, they bid for and purchased Allied stock while participating in its distribution; and during June-December 1961 they sold Allied stock in violation of the Securities Act registration requirement.

EASTERN UTILITIES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15919) authorizing Blackstone Valley Electric Company, Brockton Edison Company, and Montaup Electric Company, subsidiaries of Eastern Utilities Associates ("EUA"), Boston holding company, to sell to banks (and/or, in the case of Blackstone, to EUA) an aggregate of \$12,800,000 of additional promissory notes during the period ending December 20, 1968. According to the application, Blackstone proposes to borrow \$2,900,000, Brockton, \$5,500,000, and Montaup, \$4,400,000. The proceeds from the sale of the proposed notes will be used in part to pay outstanding notes, and the balance to finance construction expenditures. Aggregate construction expenditures in 1968 for these companies are estimated at \$7,200,000.

FOUR TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of Fastline, Inc., Westec Corporation, Pakco Companies, Inc., and Continental Vending Machine Corporation, for the further ten-day period December 19-28, 1967, inclusive.

IONICS FILES FOR SECONDARY. Ionics, Incorporated, 65 Grove St., Watertown, Mass. 02172, filed a registration statement (File 2-27844) with the SEC on December 14 seeking registration of 76,473 outstanding shares of common stock. Of this stock, 24,000 shares were issued and sold to Rowe Price New Horizons Fund, Inc., and 10,000 shares to Keystone International Fund, Inc., pursuant to separate written agreements between the company and each of such purchasers; 42,473 shares were purchased from certain stockholders of General Ionics Corporation who received such shares in a liquidating distribution made by General Ionics after the sale of substantially all of its assets to the company. The shares may be offered for public sale by the holders thereof from time to time in the over-the-counter market or otherwise at prices prevailing at the time of sale (\$56.25 per share maximum*).

The company is engaged in the manufacture and sale of selective membranes, and equipment incorporating such membranes, used for desalting water and in processing certain foods and chemicals and the conduct of research related thereto, granting licenses under its own patents, and the manufacture and sale of power supplies and auxiliary equipment for use in certain electrochemical processes and with high intensity light

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sources. In addition to indebtedness, the company has outstanding 811,089 common shares, of which the American Research and Development Corporation owns 26.9% and management officials own 3.0%. Russell L. Haden, Jr. is president and Edwin R. Gilliland is board chairman. General Ionics had engaged in the manufacture and sale of domestic and industrial water conditioning (or "water softening"), equipment and the processing and sale of chemicals and resins for use in such equipment, the custom fabrication of components for nuclear power reactors and industrial stainless steel products and equipment, and the design, manufacture and sale of industrial heat-transfer equipment.

NATHAN'S FAMOUS FILES FOR OFFERING AND SECONDARY. Nathan's Famous, Inc., 1310 Surf Ave., Brooklyn, N.Y. filed a registration statement (File 2-27850) with the SEC on December 14 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$8.00 per share. Of this stock, 150,000 shares are to be offered by the company and 150,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Michael G. Kletz & Co., which will receive a 72¢ per share commission. The company has agreed to sell to the underwriter, for \$150, 15,000 three-year common stock purchase warrants, exercisable at \$8.80 per share.

The company operates three restaurants in New York specializing in fast food service. Of the net proceeds of its sale of additional stock, \$400,000 will be used for the acquisition and improvement or construction of two additional restaurants in New York City and \$500,000 for the initiation and development of franchise operations and the expansion of its package food operations to include sales of such items to non-affiliated retail outlets; the balance will be added to general corporate funds and used for working capital. In addition to indebtedness, the company has outstanding 762,129 common shares and 50 Class B shares, of which management officials own 68% of the common shares and all of the Class B shares. Nathan Handwerker is board chairman. The prospectus lists nine selling shareholders. Murray Handwerker (president), Sol Handwerker, and Mrs. Lewis Sternshein propose to sell 37,500 each of their holdings of 190,532 shares each; the others propose to sell shares ranging in amount from 1,500 to 9,000 shares.

SUPREME EQUIPMENT FILES FOR OFFERING AND SECONDARY. Supreme Equipment & Systems Corp., 170 - 53d St., Brooklyn, N. Y. 11232, filed a registration statement (File 2-27851) with the SEC on December 15 seeking registration of 112,500 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 12,500 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006. The public offering price (\$9.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the development, manufacture and sale of office filing equipment. Net proceeds of its sale of additional stock will initially be added to working capital and may be used to finance the development of additional or improved electro-optical storage and retrieval systems and the marketing and manufacturing of these and other existing products or to prepay some or all of its notes payable to banks. In addition to indebtedness, the company has outstanding 499,220 shares of common stock, of which management officials own 68.4% (including 47.9% owned by Philip Frederick, board chairman and president). The prospectus lists two selling stockholders. Jacob A. Lichtenfeld (a director) proposes to sell 5,000 of his holdings of 30,700 shares, and Morris Handler 7,500 of 21,500 shares.

M. P. C., INC. PROPOSES OFFERING. M. P. C., Inc., 2 Park Ave., New York 10016, filed a registration statement (File 2-27852) with the SEC on December 15 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5.00 per share. The shares are to be offered on a "best efforts, all or none" basis through underwriters headed by March Planning Corporation (a wholly-owned subsidiary of the company), of the above address, which will receive a 25% per share commission. The company has agreed to pay the underwriter \$17,500 for expenses.

The company is engaged in the sale of mutual fund shares and life insurance. Of the net proceeds of its stock sale, \$100,000 will be used to open four new offices to be located in Cherry Hill, N. J., Nassau County, N. Y., Washington, D. C. and Miami, Fla. and \$310,000 has been allocated for hiring and training of new personnel and for salaries; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 200,000 shares of common stock, of which A. Fred March (board chairman and president) owns 30.7% and Flora March (secretary), 26.3%. According to the prospectus, upon completion of the offering, there will be 300,000 shares outstanding. Of this stock, the public will acquire 100,000 shares (33.3%) for which they will have paid \$500,000; the 200,000 shares (66.6%) were purchased by the eight holders thereof for \$72,551.21.

WALTER E. HELLER SHARES IN REGISTRATION. Walter E. Heller & Company, 105 W. Adams St., Chicago, Ill. 60690, filed a registration statement (File 2-27827) with the SEC on December 8 seeking registration of 187,500 shares of \$4.07 cumulative convertible voting preferred stock (and a maximum of 816,177 common shares into which they are convertible). Pursuant to a plan and agreement of reorganization (and subject to shareholder approval on December 18, 1967), the company proposes to acquire the assets, business and name of Art Metal, Inc. On the date of closing, Heller will issue to Art Metal shares of the said preferred stock at the rate of one preferred share for each two shares of Art Metal capital stock. The preferred shares are convertible into Heller common at the rate of 4-6/17 common shares for each share of voting preferred stock. The 187,500 preferred shares may be offered for public sale by the recipients thereof on the New York Stock Exchange or otherwise, at prices current at the time of sale (\$74.00 per share maximum*).

Heller is engaged principally in providing working funds for industry by financing the sales and other operations of a widely diversified group of clients. In addition to indebtedness, it has outstanding 8,458,509 common shares, of which Walter E. Heller (board chairman) owns 5.50%. Norman B. Schreiber is president. Art Metal manufactures office furniture.

TEXAS P&L PROPOSES BOND OFFERING. Texas Power & Light Company, Fidelity Union Life Bldg., 1511 Bryan St., Dallas, Texas 75201, filed a registration statement (File 2-27853) with the SEC on December 15 seeking registration of \$25,000,000 of first mortgage bonds, due 1998, to be offered for public sale at competitive bidding.

The company is an electric utility subsidiary of Texas Utilities Company. On November 30, 1967, the parent made a cash contribution of \$7,000,000 to the common stock capital of the company and the company repaid \$5,000,000 of short-term loans then outstanding. The balance, together with the net proceeds of the bond sale and funds derived from the company's operations, will be used for the construction of new facilities and for other corporate purposes. The company's construction expenditures are estimated at \$50,000,000 for 1967, \$66,400,000 for 1968 and \$67,500,000 for 1969. T. L. Austin, Jr. is president.

OKLAHOMA GAS & ELECTRIC PROPOSES BOND OFFERING. Oklahoma Gas and Electric Company, 321 N. Harvey Ave., Oklahoma City, Okla. 73101, filed a registration statement (File 2-27854) with the SEC on December 15 seeking registration of \$25,000,000 of first mortgage bonds, due 1998, to be offered for public sale at competitive bidding.

An electric utility, the company will apply the net proceeds of its bond sale to its construction expenditures, estimated at \$47,000,000 for 1968, \$48,000,000 for 1969, and \$55,000,000 for 1970. W. A. Parker is president.

SOUTHEASTERN PUBLIC SERVICE FILES FOR SECONDARY. Southeastern Public Service Company (formerly The Southeastern Corporation), 70 Pine St., New York 10005, filed a registration statement (File 2-27848) with the SEC on December 13 seeking registration of 45,962 shares of common stock. The prospectus states that the company recently acquired all the outstanding common stock of Farrens Tree Surgeons, Inc., a Florida corporation, and Blume System Tree Experts, a Texas corporation, in exchange for 77,500 shares of Southeastern common, as well as all of the assets and business of Pressure Concrete Constr. Co., a Delaware corporation, in exchange for 73,850 common shares. Pressure Concrete Constr. Co. was subsequently liquidated and in connection therewith 70,157 shares were transferred to E. L. Culver and 3,693 shares to three other individuals. This offering relates to 45,962 shares acquired pursuant to such acquisitions. These shares may be sold by the present holders thereof from time to time on the New York Stock Exchange or otherwise at prices current at the time of sale (\$16.50 per share maximum*).

The company is a holding and operating company engaged in business primarily of a service nature, including the operation of freezer and cold storage facilities, the manufacture and sale of ice, and similar operations. In addition to indebtedness and preferred stock, it has outstanding 1,440,872 common shares, of which management officials own 2.1%. Charles J. Gregory is president.

CRUCIBLE STEEL PROPOSES BOND OFFERING. Crucible Steel Company of America, Four Gateway Center, Pittsburgh, Pa. 15230, filed a registration statement (File 2-27856) with the SEC on December 15 seeking registration of \$30,000,000 of sinking fund bonds (Series E), due 1992. The bonds are to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Lazard Freres & Co., 44 Wall St., both of New York. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is a producer of special purpose steels, including stainless, high-speed, tool, die valve and other high alloy steels. Net proceeds of its bond sale will be added to general funds to be available if needed for expenditures for plant and equipment, for additional working capital and the possible acquisition of other businesses. In addition to indebtedness, the company has outstanding 4,266,918 common shares, of which Hunt Foods and Industries, Inc. owns 22.9% and management officials own less than 1%. John C. Lobb is president and Joel Hunter is board chairman.

AUTOMATED DATA ASSOCIATES PROPOSES OFFERING. Automated Data Associates Incorporated, 1320 Lawrence St., Rahway, N. J. 07065, filed a registration statement (File 2-27858) with the SEC on December 15 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$3.50 per share. The offering is to be made through underwriters headed by Myron A. Lomasney & Co., 67 Broad St., New York 10004, which will receive a 35c per share commission. The company has agreed to sell to the underwriter, for \$250,000 five-year common stock purchase warrants, exercisable initially at \$4.00 per share, and to pay to the underwriter \$7,500 for expenses.

The company is a general purpose data processing service bureau engaged in the business of selling computer data processing, computer programming and systems design, and related consulting services primarily in connection with management information systems to a variety of commercial users. Of the net proceeds of its stock sale, \$277,500 will be used to expand the company's business and \$45,000 to retire a 6% promissory note held by Eugene K. Twining (one of the original stockholders of the company); the balance will be added to working capital and be used primarily for the purpose of developing new computer programs and increased service capabilities. In addition to indebtedness, the company has outstanding 250,000 common shares, of which management officials own 65% (including 22% each held by Richard L. Campbell, president, and Norman S. Nolan, vice president, and 21% held by Richard A. Ritchings, secretary and treasurer). According to the prospectus, after completion of the sale the company will have 450,000 shares outstanding, of which 250,000 (55.6%) will be owned by the present shareholders who paid \$126,367, and 200,000 (44.4%) will be owned by the public investors who will have paid \$700,000 therefor.

AMERICAN GAS PLAN DISAPPROVED. In a decision under the Holding Company Act announced today (Release 35-15921), the SEC expressed disapproval of certain terms of a plan of liquidation of American Gas Company, Omaha, filed pursuant to Section 11(e) of the Act. The Commission indicated, however, that it could approve the plan if modified to conform to its determination as to fairness.

Previously, the Commission had approved a cash distribution of \$4 per \$20 of American Gas debentures outstanding. Under Part II of the plan, which the Commission disapproved, the remaining \$1,793,520 principal amount of outstanding debentures would be retired through distribution of 1,380,000 (69%) of the 1,990,500 shares of common stock of its subsidiary, American Gas Company of Wisconsin, Inc., together with a cash payment of about \$97,000. The remaining 610,500 shares (35%) of the subsidiary's stock would be distributed to American Gas shareholders. Under the company's plan, 12 shares of the subsidiary's stock plus \$.86 in cash would be distributed for each \$20 of debentures outstanding. This distribution assumed a valuation of \$1.23 per share for the subsidiary's stock.

Based upon its analysis, the Commission concluded that the fair valuation of the subsidiary's stock was \$1 per share. On this basis, it concluded that debenture holders should receive a total of 1,696,520 shares (85%) of the subsidiary's stock (plus the cash distribution), and that the remaining 15% should be distributed to American Gas shareholders. Under this suggested distribution, debenture holders would receive 15 shares of the subsidiary's common stock, plus \$.86 in cash, for each \$20 of debentures held. The Commission, however, concluded that American Gas was not obligated to pay a premium on the retirement of its bonds and debentures (the Commission previously had approved the retirement of \$700,000 of bonds at their principal amount, plus interest, but had reserved decision on the question paying a premium).

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 December 4 News Digest.

W R Grace & Co Nov 67 (13)	1-3720-2	Republic Steel Corp Nov 67 (7)	1-2388-2
Hickok Electrical Instrument Co Nov 67 (7,9)	0-147-2	Rheem Mfg Co Nov 67 (1)	1-2850-2
Holly Sugar Corp Nov 67 (7,8)	1-2270-2	Rogers Corp Nov 67 (7)	1-4347-2
Hunt Foods and Ind Inc Nov 67 (11,13)	1-3982-2	Rucker Co Nov 67 (4,7,13)	0-2624-2
Illinois Central Ind Inc Nov 67 (12)	1-4710-2	Ryder System Inc Nov 67 (12)	1-4364-2
Illinois Central RR Co Nov 67 (12)	1-2148-2	Schlumberger N V Nov 67 (6K)	1-4601-2
Imperial-Eastman Corp Nov 67 (2,7,13)	0-2691-2	Simplex Paper Corp Nov 67 (3,13)	0-363-2
International Pipe & Ceramics Corp Nov 67 (3)	1-4669-2	Stanley Home Products Inc Nov 67 (1)	0-1349-2
Investors Unlimited Inc Nov 67(3,12,13)	0-2202-2	Stanray Corp Nov 67 (12)	1-3613-2
Jewel Copanies Inc Nov 67 (7)	1-385-2	Super Food Services Inc Nov 67 (11,13)	1-5171-2
Kayser-Roth Corp Nov 67 (11,13)	1-415-2	Trailer Train Co Nov 67 (7,13)	2-20540-2
La Crosse Telephone Corp Nov 67(7,13)	0-762-2	Transwestern Pipe Line Co Nov 67 (4,7,8,13)	1-4443-2
Leasco Data Processing Equipment Corp Nov 67 (3,8,13)	1-5288-2	Union Elec Co Nov 67 (7,13)	1-2967-2
Leece-Neville Co Nov 67 (11)	1-5107-2	Universal Container Corp Nov 67 (12,13)	1-4277-2
Levingston Shipbuilding Co Nov 67 (8)	0-2891-2	Vulcan Corp Nov 67 (2,7,13)	1-5463-2
MacAndrews & Forbes Co Nov 67 (12)	1-1222-2	Wil Tek Inc Nov 67 (12)	0-2401-2
The E F Mac Donald Co Nov 67 (7,13)	0-1425-2	Cinerama Inc Amend #1 to 8K for Jul 67 (7)	1-4107-2
Macoid Ind Inc Nov 67 (11,13)	1-4615-2	Adams Dana Silverstein Inc Nov 67 (7,9)	2-27128-2
R H Macy & Co Inc Nov 67 (7,11,13)	1-556-2	Addison-Wesley Publishing Co Inc Nov 67 (2,7,13)	0-248-2
Marine Midland Corp Nov 67 (13)	1-2940-2	Aero-Flow Dynamics Inc Nov 67 (2,4,11,12,13)	1-690-2
Nordon Corp Ltd Nov 67 (1)	1-547-2	Aeronca Inc Nov 67 (6)	1-4005-2
Oneida Ltd Nov 67 (4,13)	1-5452-2	Aircraft Mechanics Inc Nov 67 (4,12)	0-2576-2
Pacific Standard Life Insurance Co Feb thru Nov 67 (2,7,11,12,13)	2-22128-2	Allied Chemical Corp Nov 67 (8)	1-1269-2
Phillips Petroleum Co Nov 67 & 13)	1-720-2		

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended December 14, 1967, 45 registration statements were filed, 59 became effective, 2 were withdrawn, and 472 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective December 15: Topsy's International, Inc., 2-27562 (90 days); The Bendix Corp., 2-27782.

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.