

# 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. 66-22)

FOR RELEASE February 2, 1966

AMERICAN-IDEAL STANDARD INTERNATIONAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4498) exempting the American-Ideal Standard International, Inc., New York, from all provisions of the Act, subject to certain conditions. According to the application, Standard International was organized by American Radiator & Standard Sanitary Corp. under Delaware law, to provide assistance in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by the President in February 1965, while at the same time continuing the foreign expansion and development of operations of the parent company. It proposes to sell an aggregate of \$15,000,000 principal amount of its guaranteed sinking fund debentures to a group of underwriters for offering outside the United States.

KELLER CORP., OTHERS ENJOINED. The SEC Chicago Regional Office announced January 26 (LR-3413) the entry of a Federal court order (USDC, SD Ind.) enjoining The Keller Corp., Mid-Continent Securities Corp., Earl Bullock, F. Ray Bess, Walter C. Olsen, and Leonard J. Thornburg from further violating the anti-fraud provisions of the Securities Act and registration requirements of the Investment Company Act.

INDICTMENT NAMES ALBION SECURITIES OFFICERS, OTHERS. The SEC New York Regional Office announced January 27 (LR-3414) the return of a 30-count indictment (USDC, ED NY) charging 13 individuals with conspiracy to violate and violations of the Securities Act anti-fraud provisions in the sale of common stock of Edlund Engineered Products, Inc., by Albion Securities Co., Inc., a defunct New York broker-dealer. The individuals named are Leonard Ross, Miami Beach, Fla.; John Francis Dailey, Jr., Chappaqua, N. Y.; Stanley Kanarek, N. Bellmore, L. I.; Anthony Gravino, Forest Hills, N. Y.; Lewis Cohen, Woodmere, L. I.; D. Richard Engel, Brooklyn, N. Y.; George A. Rein, New York; Aaron Lichtenstein, a/k/a Aaron Lang, Brooklyn, N. Y.; James E. De Pasquale, New York; Murray Z. Peters, Bronx, N. Y.; Herbert E. Edlund, Ft. Lauderdale, Fla.; William H. Buchanan, N. Miami, Fla.; and Rohland D. Collins, Miami Beach, Fla.

TOWN & COUNTRY MOBILE HOMES FILES FOR SECONDARY. Town & Country Mobile Homes, Inc., 912 First-Wichita National Bank Bldg., Wichita Falls, Tex. 76301, filed a registration statement (File 2-24447) with the SEC on January 27 seeking registration of 200,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. A. G. Edwards & Sons, 409 N. Eighth St., St. Louis, Mo. 63101, is listed as the principal underwriter. The public offering price (\$10.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized under Texas law in October 1965, the company succeeded to the business of five companies (organized between 1956 and 1959) and is engaged in the design, manufacture and sale of low- to medium-priced mobile homes under the name "Town and Country." In addition to indebtedness, the company has outstanding 500,000 common shares, all of which are owned by management officials. The prospectus lists four selling stockholders, including J. A. Beaty (executive vice president), offering 60,000 of 155,000 shares held; and Mrs. Billineil Neely (wife of the secretary-treasurer), 105,000 of 155,000. The remaining two sellers are offering 27,500 and 7,500 shares. Sam Donnell is board chairman and Barry B. Donnell is president.

CAMPBELL SOUP FILES STOCK PLAN. Campbell Soup Company, 375 Memorial Ave., Camden, N. J. 08101, filed a registration statement (File 2-24448) with the SEC on January 27 seeking registration of \$30,000,000 of participations in its Employee Savings and Stock Bonus Plan, together with 854,092 shares of capital stock which may be acquired thereunder.

ISRAEL PROPOSES BOND OFFERING. The State of Israel filed a registration statement (File 2-24450) with the SEC on January 27 seeking registration of \$100,000,000 of 20-year, 4-3/4% dollar coupon bonds to be issued in three series: Series A, 1966; Series B, 1967; and Series C, 1968; maturing serially from 1986 to 1988. The bonds are to be offered for sale to "banks, insurance companies, labor unions, and employee benefit funds," at 100% of the principal amount, through Development Corporation for Israel, 215 Park Ave. South, New York, which will receive a 6% selling commission. The offering is to be on a "best efforts" basis. Israel will apply the net proceeds of this financing to its development program which, according to the prospectus, is directed toward the ultimate achievement of a self-supporting economy.

UNITED STATES PLYWOOD FILES FOR SECONDARY. United States Plywood Corporation, 777 Third Ave., New York 10017, filed a registration statement (File 2-24452) with the SEC on January 28 seeking registration of 235,345 outstanding shares of common stock. The present holder thereof, Lewers & Cooke, Ltd., may offer such stock for public sale from time to time on the New York Stock Exchange at prices prevailing at the time of sale (\$50 per share maximum\*).

The company is engaged principally in the manufacture, purchase and sale of plywood. In addition to indebtedness and preferred stock, it has outstanding 6,512,742 common shares, of which management officials own 1.34%. S. W. Antoville is board chairman and Gene C. Brewer is president. Lewers & Cooke acquired all of the stock being registered in May 1965 in exchange for all of the outstanding stock of its operating subsidiaries, which are engaged in merchandising building materials.

OVER

**APPALACHIAN POWER PROPOSES OFFERING.** Appalachian Power Company, 40 Franklin Rd., Roanoke, Va., filed a registration statement (File 2-24453) with the SEC on January 28 seeking registration of \$30,000,000 of sinking fund debentures (due 1996), to be offered for public sale at competitive bidding. A subsidiary of American Electric Power Co., Inc., the company will use the net proceeds of its debenture sale in connection with its construction program. Its 1966 construction expenditures are estimated at \$32,130,000.

**INTERNATIONAL HARVESTER FILES STOCK PLAN.** International Harvester Corporation, 401 N. Michigan Ave., Chicago, Ill. 60611, filed a registration statement (File 2-24454) with the SEC on January 28 seeking registration of \$9,000,000 of participations in its Savings and Investment Program, together with 514,000 shares of common stock that may be acquired pursuant thereto.

**COMPUTER APPLICATIONS FILES FOR SECONDARY.** Computer Applications Incorporated, 555 Madison Ave., New York 10022, filed a registration statement (File 2-24455) with the SEC on January 28 seeking registration of 11,968 outstanding shares of common stock. The present holders thereof may offer such stock for public sale from time to time on the American Stock Exchange at prices then prevailing (\$25 per share maximum\*).

The company provides analysis, programming and operations services to industry and government related to the utilization of advanced electronic data processing equipment and techniques. In addition to indebtedness, it has outstanding 996,069 common shares, of which management officials own 31.6%. John A. DeVries is president and board chairman. The prospectus lists four selling stockholders, including J. P. Porteous, offering 7,349 of 14,349 shares held. The remaining sellers are offering shares ranging in amounts from 640 to 1,110. The shares owned by the selling stockholders represent stock acquired by them when the company acquired the stock of Peninsula Tabulating Service, Inc., in August 1965.

**COMPUTING AND SOFTWARE FILES FOR SECONDARY.** Computing & Software, Inc., 8155 Van Nuys Blvd., Panorama City, Calif. 91402, filed a registration statement (File 2-24456) with the SEC on January 28 seeking registration of 110,000 outstanding shares of common stock. The present holder thereof proposes to offer such stock for public sale through underwriters headed by Hill Richards & Co., Inc., 621 S. Spring St., Los Angeles, Calif. 90014. The public offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to deliver to the principal underwriter five-year warrants to purchase 12,000 shares of its common stock.

Organized under California law in January 1966, the company succeeded to the business of Telecomputing Services, a wholly-owned subsidiary of Whittaker Corp. (the selling stockholder). It provides services such as business and scientific problem analysis, and computation and data processing. The company has outstanding 720,000 common shares, all owned by the selling stockholder. William M. Duke is board chairman and Norman E. Friedmann is president of the company.

**NASD MOTION TO DISMISS GRANTED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7808) denying a petition of Sunshine Securities, Inc., of Long Island, N. Y., and Lillian Grossbard, its president, to review an action of the NASD. In June 1964, the NASD expelled Sunshine Securities from membership and revoked Grossbard's registration as a representative, based upon findings that they had violated certain of the NASD Rules of Fair Practice. Commission review of this NASD action was not sought. Subsequently, in September 1965, the SEC dismissed its own administrative proceedings against Sunshine Securities, based upon a charge of failure by Sunshine Securities to file its financial report for 1963 - the dismissal being based upon various mitigating circumstances. Thereupon, Sunshine and Grossbard requested the NASD to reconsider and vacate its 1964 order, asserting that the original NASD decision was inconsistent with the Commission's subsequent dismissal of its own administrative proceeding. NASD denied this request; and Sunshine Securities and Grossbard thereupon petitioned the Commission for review of such denial. The Commission sustained the NASD's denial.

**EXEMPTION SOUGHT BY 3 TELEPHONE COMPANIES.** The SEC has scheduled a consolidated hearing for March 7, 1966, upon applications of the following companies for exemption from the registration provisions of Section 12(g) of the Securities Exchange Act of 1934:

- Jamestown Telephone Corporation, Jamestown, N. Y.
- Meadville Telephone Company, Meadville, Pa.
- Home Telephone Company of Ridgway, Ridgway, Pa.

Absent the requested exemption, each of the three companies would be required to register by virtue of the fact that each has outstanding a class of preferred stock held by more than 750 shareholders, as follows: Jamestown, 24,500 preferred shares held by 1,311 stockholders; Meadville, 72,000 preferred shares held by 1,062 stockholders; and Home, 26,000 preferred shares held by 926 stockholders. The common stock of each company is held by less than 750 holders, as follows: Jamestown, 78,900 common shares held by 266 stockholders; Meadville, 52,720 common shares held by 319 stockholders; and Home, 23,080 common shares held by 264 stockholders.

Each of the applicant companies urge (1) that the filing of a Form 10 registration statement would subject it to an expense of approximately \$25,000; and (2) that by reason of the number and nature of public investors, the limited amount of trading interest in its preferred shares and the regulation of its activities by the state public utilities commission, granting of the requested exemption would not be inconsistent with the public interest or the protection of investors. According to the applications, the common and preferred shares of each of the three companies have been sold in limited amounts, exclusively to residents of the state, and largely within the community served; and during the years 1962-63, only 137 shares of Jamestown preferred, only 231 shares of Meadville preferred, and only 120 shares of Home preferred were traded.

Granting of the requested exemption would exempt the three companies from the Commission's proxy rules; and it also would provide an exemption from the reporting and related provisions of the Commission's "insider trading" rules. However, each of the companies states in its application that any order of exemption issued by the Commission may include provisions for compliance with the proxy and insider trading rules; for the filing of Form 9-K semi-annual financial reports, as well as a Form 8-K report upon the occurrence of any event which under the Commission's rules would require such a report; for the filing with the Commission of copies of all reports filed by it with the state utilities commission; and for disclosure in reports to stockholders of any and all transactions between management (and members thereof) and the issuing company.

**NASD CENSURE AFFIRMED.** The SEC today announced a decision (Release 34-7809) affirming action by the NASD which had censured the firm of M. S. Wien & Co., Inc., of Jersey City, N. J., for its failure to settle a \$2,893 balance claimed by another firm as a result of a "buy-in." In 1963, Wien & Co. had purchased 4,500 shares of stock of American Boatbuilding Corporation from another firm and had sold 1,500 such shares to a third firm acting as agent for yet another firm. The last firm refused delivery because the shares were subject to an investment restriction, and eventually "bought in" 1,500 shares. The other firms involved refused to settle the "buy-ins." While finding that none of these firms had acted in bad faith, the NASD concluded that they nevertheless had violated the NASD rule requiring members to "observe high standards of commercial honor and just and equitable principles of trade;" and it censured them. Only Wien & Co. sought review of the NASD action. The Commission held that Wien & Co. was under a duty either to make a good delivery or to settle the "buy-in" and that, while the ultimate responsibility for the failure to consummate the transactions may have rested with the originating firm, this could not excuse Wien & Co.'s failure to perform its obligation under its sales contract.

**WILLIAMS BROS. PROPOSES RIGHTS OFFERING.** Williams Brothers Company, 326 National Bank of Tulsa Bldg., Tulsa, Okla. 74103, filed a registration statement (File 2-24457) with the SEC on February 1 seeking registration of \$28,829,200 of convertible subordinated debentures (due 1988). The debentures are to be offered for subscription by common stockholders at the rate of \$200 principal amount for each 9 shares held at the close of business on March 4. Any unsubscribed debentures are to be offered for public sale through underwriters headed by White, Weld & Co., Inc., 20 Broad St., and Reynolds & Co., 120 Broadway, both of New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the business of engineering and constructing pipelines and related facilities. Net proceeds of its debenture sale (together with \$28 million to be borrowed from banks and certain of its general funds) will be used to purchase \$57.6 million of common stock of William Brothers Pipe Line Co. The Pipe Line Co. was recently organized by the company and has entered into a contract dated November 30, 1965, for the purchase of the properties (other than cash and marketable securities) of Great Lakes Pipe Line Co. for an aggregate price of \$287.6 million. In addition to indebtedness, the company has outstanding 1,297,319 common shares. John H. Williams is president.

**MASS. ELECTRIC PROPOSES BOND OFFERING.** Massachusetts Electric Company, 441 Stuart St., Boston, Mass. 02116, filed a registration statement (File 2-24458) with the SEC on February 1 seeking registration of \$10,000,000 of first mortgage bonds, Series I, due 1996. The bonds are to be offered for public sale at competitive bidding. A subsidiary of New England Electric System, the company will apply the net proceeds of its bond sale to the payment of short-term notes incurred for prior construction and other capitalizable expenditures or to reimburse its treasury therefor. The company expects to expend approximately \$62,000,000 for construction from December 1, 1965, through December 31, 1968.

**DOYLE DANE BERNBACH FILES STOCK PLAN.** Doyle Dane Bernbach Inc., 20 W. 43rd St., New York 10036, filed a registration statement (File 2-24459) with the SEC on February 1 seeking registration of 172,775 shares of common stock, to be offered pursuant to its Qualified Stock Option Plan.

**SUPER STORES FILES FINANCING PROPOSAL.** Super Stores, Inc., 1310 Telegraph Rd., Prichard, Ala. 36611, filed a registration statement (File 2-24460) with the SEC on February 1 seeking registration of \$1,000,000 of convertible subordinated debentures (due 1981) and 100,000 shares of common stock. The securities are to be offered for public sale in units consisting of \$10 principal amount of debentures and one common share, through underwriters headed by Courts & Co., 11 Marietta St., Atlanta. The offering price (\$19.50 per unit maximum\*) and underwriting terms are to be supplied by amendment. Of the common stock, 50,000 shares (being outstanding stock) are to be offered by the present holder thereof.

The company owns and operates a chain of 38 variety stores in four southern states and known as "Super 5 & 10 Stores." Three stores have been opened in 1966 and leases have been executed for 10 additional stores scheduled for opening during the balance of this year. The company will use \$880,000 of the proceeds of this financing to furnish and equip 8 of the 10 stores and to defray similar costs incurred in connection with the three stores already opened this year. Approximately \$400,000 will be used in connection with the company's building projects, including the construction of a warehouse and regional office building in Lakeland, Fla. In addition to indebtedness, the company has outstanding 252,785 common shares, of which management officials own 78.1%. Growth Capital, Inc., is the selling stockholder; it now owns 101,855 common shares. Morris Loeb is president and board chairman of the company.

**TWO INVESTMENT COMPANIES RECEIVE ORDERS.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4500) permitting Drexel Harriman Ripley, Inc., to perform investment advisory services for The Finance Company of Pennsylvania, Philadelphia mutual fund, until a new investment advisory contract can be submitted to the latter's shareholders for their approval at their next annual meeting on April 19. The Commission also has issued an exemption order under the Act (Release IC-4501) permitting the said Drexel firm to perform investment advisory services for Drexel Equity Fund, Inc., also a Philadelphia mutual fund, until a new investment advisory contract can be submitted for shareholder approval at the March 24 meeting of the Fund's shareholders.

**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 caption of the several items of the form was included in the January 3 News Digest.

Papert Koenig Lois Inc Dec 65(12)	1-4997-2	Caran Inc Oct 65(4,13)	1-4506-2
United Founders Corp Dec 65 (7,8)	0-974-2	Cold Lake Pipe Line Co Ltd Dec 65(7,11,13)	2-16095-2
Sealed Power Corp Jan 66(7)	0-419-2	Aero-Flow Dynamics Inc Dec 65(2,13)	1-690-2
National General Corp Dec 65(3)	1-3675-2	Fawick Corp Dec 65(7)	1-257-2
Trans-Canada Pipe Lines Ltd Dec 65(7,8)	2-12927-2	Woodward Governor Co Dec 65(11)	0-92-2
Exeter Oil Co Ltd Dec 65(2,8)	1-1877-2	Worthington Corp Dec 65(13)	1-437-2
Louis Lesser Enterprises Inc Dec 65(3)	1-4783-2	Reliance Universal Inc Amend #1 for Nov 65(7,13)	0-165-2
Barton's Candy Corp Dec 65(11)	1-4281-2	American Heritage Life Ins Co Amend #1 for Nov 65(4,13)	2-12874-2
Colt Industries Inc Dec 65(6,7,11,12,13)	1-64-2	Daryl Industries Inc Jan 66(11)	1-4321-2
National Home Products Inc Dec 65(7,12,13)	2-18089-2	Lynch Communication Systems Inc Dec 65(12,13)	0-399-2
Amer Pipe & Constr Co Dec 65(3,9)	0-218-2	District Wholesale Drug Corp of Wash Dec 65(7,13)	2-18917-2
Chicago Great Western RY Co (Del) Dec 65(12,13)	1-3937-2	Birdsboro Corp Dec 65(3)	1-4302-2
United Air Lines Inc Dec 65(7)	1-2637-2	Gulf & Western Industries Inc Nov 65(11,13)	1-2712-2
Anderson Electric Corp Dec 65(7,10,13)	1-4956-2	Merchants Refrigerating Co Dec 65(12,13)	1-4029-2
Pittston Co Dec 65(7)	1-304-2	Empire Life Ins Co (Calif) Dec 65(7,9)	2-20749-2
Rapid American Corp Dec 65(2,9,13)	1-750-2	Eversharp Inc Dec 65(12,13)	1-1140-2
Universal Controls Inc Dec 65(3)	1-4133-2	Great Eastern Life Ins Co Dec 65(1,7)	2-12650-2
Desoto Chemical Coatings Inc Dec 65(4,7,13)	1-1915-2	Flour Mills of America Inc Dec 65(1)	1-3253-2

**SECURITIES ACT REGISTRATIONS.** Effective February 1: Atlantic City Electric Co., 2-24421; Citizens Financial Corp., 2-24263 (May 1); R. J. Enstrom Corp., 2-24357 (40 days); Texas Electric Service Co., 2-24384.

Effective February 2: General Mills, Inc., 2-24435 (Mar 15); Mayflower Life Insurance Co. of Illinois, 2-24280 (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.

TRADING IN UNITED SECURITY LIFE SUSPENDED

The Commission announced today that it has suspended over-the-counter trading in the common stock of United Security Life Insurance Company, Inc. of Birmingham, Alabama, for the ten day period from February 2, 1966 through February 11, 1966, inclusive.

The Commission stated that information has come to its attention which indicates that there are substantial questions with respect to the valuation and propriety of certain loans and securities carried on the books as admitted assets of the company, and as to whether the capital and surplus of the company may thereby be impaired. Under the circumstances the Commission deemed it necessary in the public interest to suspend trading in the company's stock pending clarification of these matters and adequate public dissemination of information concerning the company's financial status.

Under Section 15(c)(5) of the Securities Exchange Act of 1934, as amended, it is unlawful for any broker or dealer to make use of mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, the securities subject to the Commission's suspension order.