

# 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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**NASD DISCIPLINARY ACTION SUSTAINED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7823) sustaining action by the NASD which had censured Kenneth B. Stucker Investment Securities (a sole proprietorship of Kenneth B. Stucker), 9705 Northeast Second Ave., Miami Shores, Fla., fined him \$200, and assessed him with costs of \$280. Such action was based upon NASD findings that Stucker had violated its Rules of Fair Practice by failing to maintain proper records and effecting transactions in securities of Old Florida Rum Co. at prices which were "unfair and not reasonably related to the current market in view of all the relevant circumstances" and reflected mark-ups ranging from 8.5% to 25% computed on the basis of Stucker's costs in contemporaneous purchases.

**RIKER VIDEO PROPOSES OFFERING.** Riker Video Industries, Inc., Norden Lane, Huntington Station, New York, filed a registration statement (File 2-24495) with the SEC on February 15 seeking registration of 128,000 shares of common stock. The stock is to be offered for public sale at \$7.50 per share through underwriters headed by Michael G. Kletz & Co., Inc., Time and Life Bldg., Rockefeller Center, New York, which will receive a \$.75-per-share commission.

Organized under New York law in November 1965, the company has acquired the business of Riker Industries, Inc., for \$1,411,000. It designs and manufactures television systems and individual instruments used in the transmission by broadcasters of television programs. Net proceeds of the company's stock sale will be used to repay a \$500,000 bank loan incurred in the acquisition and for working capital. In addition to indebtedness and preferred stock, the company has outstanding 327,000 common shares, of which Erwin Lane (board chairman) owns 61%. The outstanding shares were issued for an aggregate of \$386,594. H. Charles Riker is president.

**PARKVIEW DRUGS FILES EXCHANGE PROPOSAL.** Parkview Drugs, Inc. ("Parkview"), 6000 Manchester Trafficway Terrace, Kansas City, Mo., filed a registration statement (File 2-24496) with the SEC on February 15 seeking registration of 730,392 shares of common stock. Of such stock, 551,170 shares are to be offered by Parkview's wholly-owned subsidiary, Parkview Drugs of Colorado, Inc. ("Parkview-Colorado"), in exchange for all of the outstanding 2,204,677 common shares of GEM International, Inc., on the basis of 1/4 share of Parkview common for one share of GEM common. Such offering is to be made in accordance with the terms of a Plan of Reorganization and Exchange Agreement dated February 7, 1966, between Parkview, Parkview-Colorado and GEM. It is proposed that GEM will merge into Parkview-Colorado, which will be the surviving corporation. Of the remaining 131,250 shares are to be offered by Parkview-Colorado (after consummation of the merger) upon conversion of \$3,750,000 of GEM's 5-3/4% subordinated convertible debentures (due 1979). Such debentures are convertible at the rate of 35 Parkview shares for each \$1,000 principal amount of a GEM debenture converted prior to May 1, 1967. Parkview is also registering 44,972 shares, to be offered pursuant to restricted and qualified stock options (29,871 of such shares underlie options which are to be substituted for options to purchase GEM shares). The remaining 3,000 shares being registered underlie 3,000 warrants to be substituted for outstanding GEM warrants to purchase 12,000 common shares of GEM at \$11 per share. The warrants for Parkview stock are exercisable at \$44 per share until February 1, 1967. The prospectus also covers the possible reoffering of the 3,000 shares, issuable upon exercise of such warrants, and the warrants to purchase such shares, by recipients thereof.

Parkview is engaged in the retail drug business. GEM, whose principal executive office is in St. Louis, operates a chain of closed-door membership department stores. In addition to indebtedness, Parkview has outstanding 688,414 common shares, of which John Small (president) and Phillip Small (board chairman) own 21.5% and 14.6%, respectively.

**XEROX FILES STOCK PLAN.** Xerox Corporation, 700 Midtown Tower, Rochester, N. Y. 14604, filed a registration statement (File 2-24497) with the SEC on February 15 seeking registration of 600,000 shares of common stock, to be offered pursuant to its 1963 Employees' Stock Option Plan.

**U. S. REDUCTION FILES FOR OFFERING AND SECONDARY.** U. S. Reduction Co., 4610 Melville Ave., East Chicago, Ind., 46312, filed a registration statement (File 2-24498) with the SEC on February 16 seeking registration of 320,000 shares of common stock. Of this stock, 80,000 shares are to be offered for public sale by the company and 240,000 shares (being outstanding stock) by the present holders thereof. Glore Forgan, Wm. R. Staats, Inc., 135 S. La Salle St., Chicago, Ill. 60603, is the principal underwriter. The public offering price (\$16 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in producing secondary aluminum alloys. Net proceeds of its stock sale, together with \$750,000 from bank loans and other sources, will be initially added to working capital. According to the prospectus, the company has expended during its past three fiscal years approximately \$1,200,000 in excess of provisions for depreciation for the construction of new facilities and for the improvement and expansion of capacities at existing facilities, and it plans to spend between \$900,000 and \$1,000,000 for such purposes during the current fiscal year. In addition to indebtedness, the company has outstanding 267,000 common and 447,468 Class B shares, of which management officials own 69,000 and 29,400 shares, respectively. The prospectus lists seven selling stockholders, including Betty Jane Bergman (wife of Edwin A. Bergman, president), offering 138,937 shares; Henry Lindenberger Trust, 59,063; and Edwin A. Bergman, 21,000. These three sellers are offering their entire common holdings.

OVER

NEW ZEALAND PROPOSES BOND OFFERING. The Government of New Zealand filed a registration statement (File 2-24499) with the SEC on February 16 seeking registration of \$20,000,000 of 20-year bonds (due 1986). The bonds are to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York, and Baring Brothers & Co., Ltd. The interest rate, public offering price and underwriting terms are to be supplied by amendment. New Zealand will use the net proceeds of its bond sale in its program of capital works and expenditures.

HEWLETT-PACKARD FILES STOCK PLAN. Hewlett-Packard Company, 1501 Page Mill Rd., Palo Alto, Calif., filed a registration statement (File 2-24500) with the SEC on February 16 seeking registration of 100,000 shares of common stock, to be offered pursuant to its 1966 Incentive Stock Option Plan.

LTV AEROSPACE PROPOSES OFFERING. LTV Aerospace Corporation, P. O. Box 5003, Dallas, Texas 75222, filed a registration statement (File 2-24501) with the SEC on February 16 seeking registration of 500,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004. The public offering price (\$30 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized under Delaware law in December 1964, the company succeeded to the business of designing, developing and producing aerospace products and related operations of Ling-Temco-Vought, Inc. Net proceeds of its stock sale will be added to general funds. In addition to indebtedness and preferred stock, the company has outstanding 343,107 common and 2,693,575 Class B common shares. Ling-Temco-Vought owns all of its outstanding Class B (which is convertible into common) and preferred stock. W. Paul Thayer is president of the company.

PEPSICO OVERSEAS RECEIVES EXEMPTION ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4515) exempting PepsiCo Overseas Corporation, a New York subsidiary of PepsiCo., Inc., from all provisions of the Act. The subsidiary was recently organized to raise funds for use in financing requirements of the parent company's expanding foreign operations in a manner which will assist in improving the United States' balance of payments, in compliance with the voluntary cooperation program instituted by President Johnson in February 1965. It intends to issue and sell \$30,000,000 of its guaranteed debentures (due 1981) to a group of underwriters for sale outside of the United States.

FIRST NEW ENGLAND SECURITIES, PEARSON CITED. The SEC Boston Regional Office announced February 15 (LR-3428) the filing of a complaint (USDC, Boston) seeking to enjoin First New England Securities Co., Inc., a registered broker-dealer of Southbridge, Mass., and Walter D. Pearson, its president, from further violations of the anti-fraud and bookkeeping provisions of the Securities Exchange Act.

FANSTEEL METALLURGICAL FILES STOCK PLAN. Fansteel Metallurgical Corporation, 1 Tantalum Pl., N. Chicago, Ill. 60064, filed a registration statement (File 2-24502) with the SEC on February 16 seeking registration of 50,000 shares of common stock, to be offered pursuant to its Qualified Stock Option Plan for Key Employees.

NIPPON T&T PROPOSES OFFERING. Nippon Telegraph & Telephone Public Corporation, No. 1, 1-chome Uchisaiwai-cho Chiyoda-ku, Tokyo, Japan, today filed a registration statement (File 2-24503) with the SEC seeking registration of \$15,000,000 of 6½% guaranteed telegraph and telephone dollar bonds (due 1981), to be offered for public sale through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York, and two other firms. The bonds are to be unconditionally guaranteed as to payment of principal and interest by Japan. The public offering price and underwriting terms are to be supplied by amendment.

The company furnishes public telephone, telegraph and related communication services in Japan. It is wholly owned by the Government. Net proceeds of the company's bond sale will be used primarily for additions and improvements to its telephone facilities. Its current five-year expansion program calls for the expenditure of approximately \$5,245 million. Teiji Owada is board chairman and Shigeru Yonezawa is president.

PINAL COUNTY DEVELOPMENT TRADING BAN CONTINUED. The SEC has issued an order suspending over-the-counter trading in bonds of Pinal County Development Association for a further ten-day period, February 18-27, 1966, inclusive.

SECURITIES ACT REGISTRATIONS. Effective February 16: Daylin, Inc., 2-24438 (Mar 28); J. C. Penney Co., Inc., 2-24428. Effective February 17: Inflight Motion Pictures, Inc., 2-24360 (May 19); Mutual Real Estate Investment Trust, 2-23315 (90 days); Southern California Life Insurance, 2-24100 (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.