

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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FOR RELEASE February 28, 1966

WALDMAN REGISTRATION SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7828) suspending the broker-dealer registration of Waldman & Co., 27 William St., New York, pending final determination whether the firm's registration should be revoked. In its decision, which affirmed a ruling by Hearing Examiner Warren E. Blair (see News Digest of January 6, 1966), the Commission concluded that the Waldman firm, in the offer and sale of speculative securities of two companies, used high-pressure selling techniques and made false and misleading statements and predictions concerning, among other things, future market price, earnings, dividends, book value, and listing on exchange, even after it had been preliminarily enjoined from making such representations. The Commission further concluded that it was satisfied on the record that Waldman & Co. has engaged in such misconduct that public investors would be jeopardized by its continuing dealings with them during the more extended interval which development and determination of the issues relating to revocation would entail. The companies were Development Corporation of America and United Utilities Corp.

EISENBERG REHEARING PETITION DENIED. The SEC has issued an order (Release 34-7829) denying a petition of Ben Eisenberg for rehearing and reargument upon its decision and order of December 15 (Release 34-7770) which found Eisenberg a cause of the order of that date revoking the broker-dealer registration of R. A. Holman & Co., Inc., of New York and expelling the Holman firm from NASD membership.

RULE PROPOSED ON UTILITY DIRECTORS. The SEC today announced a proposal for amendment of its rules under the Holding Company Act with respect to bank officials serving as officers and directors of subsidiaries of registered public utility holding companies; and it invited the submission of views and comments thereon not later than March 28 (Release 35-15412).

Section 17(c) of the Act prohibits any registered holding company or any subsidiary company thereof from having as an officer or director any "executive officer, director, partner, appointee, or representative of any bank, trust company, investment banker, or banking association or firm" except as permitted by rule or regulation of the Commission "as not adversely affecting the public interest or the interest of investors or consumers." Rule 70 sets forth exemptions granted by the Commission from Section 17(c). Subsection (a)(4)(C) thereof provides an exemption in the case of a public-utility subsidiary company for persons whose only financial connection is with a commercial banking institution having its principal offices within the territory in which such company (or such company together with its wholly-owned subsidiary companies) carries on operations as a public-utility company.

It is proposed to amend the rule so as to permit a public-utility subsidiary company to have as a director or officer a person affiliated with a commercial bank whose principal office is located in the service area of an associate public-utility company, provided that the service areas of both such companies are located entirely within the same State.

VANITY FAIR FILES FOR SECONDARY. Vanity Fair Mills, Inc., 1047 N. Park Rd., Wyomissing, Reading, Pa., filed a registration statement (File 2-24538) with the SEC on February 24 seeking registration of 405,806 outstanding shares of common stock, to be offered for public sale by the present holders thereof. Eastman Dillon, Union Securities & Co., Philadelphia National Bank Bldg., Philadelphia, Pa. 19107, is listed as the principal underwriter. The public offering price (\$43 per share maximum*) and underwriting terms are to be supplied by amendment.

The company produces women's intimate apparel designed to sell primarily in the medium-to higher-price ranges. It has outstanding 1,862,300 common shares, of which management officials, their spouses and minor children own 102,382 shares. The prospectus lists two selling stockholders, as follows: Francis Murphey (director), John R. Young (director) and Provident National Bank, trustees under deeds of trust dated August 21, 1951, offering 143,238 of 450,000 shares held; and Francis Murphey, Bayard L. England (director) and Provident National Bank, trustees under the will of John E. Barbey, deceased, 262,568 of 447,276. Upon completion of the proposed sale, the selling stockholders will own 26.4% of the company's outstanding stock. John E. Barbey, Jr. (owner of 294,702 shares), is the beneficial owner of 144,702 of the shares being registered; and Tenacre Foundation (owner of 191,370 shares) is the beneficial owner of 63,790 shares being registered. Manford O. Lee is board chairman and president.

GAMBLE-SKOGMO PROPOSES OFFERING. Gamble-Skogmo, Inc., 15 N. Eighth St., Minneapolis, Minn. 55403, filed a registration statement (File 2-24540) with the SEC on February 24 seeking registration of \$10,000,000 of subordinated income notes (7% maximum), due 1976. The notes are to be offered for sale (at 100% of the principal amount) primarily to customers, franchised dealers and employees (\$5,000,000 of the notes are to be reserved for a 30-day period for offering to franchised dealers and employees). The offering is to be made through selected employees, and may be made through security dealers.

The principal business of the company is wholesale and retail merchandising. Net proceeds of its note sale will be used to retire short-term debt and for expansion. In addition to indebtedness and preferred stock, the company has outstanding 3,088,885 common shares, of which management officials own 36.7% (including 28.6% which is under direct or indirect control of B. C. Gamble, board chairman, through ownership by himself, his wife, associates and affiliates). C. C. Raugust is president.

OVER

LEVIN-TOWNSEND COMPUTER PROPOSES OFFERING. Levin-Townsend Computer Corporation, 445 Park Ave., New York, filed a registration statement (File 2-24541) with the SEC on February 24 seeking registration of 200,000 shares of common stock. The stock is to be offered for public sale through Bache & Co. Inc., 36 Wall St., New York 10005. The public offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment. Bache & Co. Inc., has purchased from Howard S. Levin (president of the company) and James E. Townsend (executive vice president), for \$1,430 and \$1,070, respectively, five-year non-transferable options which entitle that firm to purchase 5,720 common shares from Levin and 4,280 shares from Townsend at prices ranging from 107% to 128% of the initial public offering price of the shares being registered.

Organized under New Jersey law in 1963, the major portion of the company's business is the leasing of electronic data processing equipment for its own account and under an Agency Agreement with Greyhound Leasing and Financial Corp. (a subsidiary of the Greyhound Corp.) pursuant to which it negotiates leases, renewals and dispositions of computer equipment acquired or owned by the Greyhound subsidiary. Net proceeds of the company's stock sale will be used to acquire additional computers for leasing. In addition to indebtedness, it has outstanding 702,132 common shares, of which management officials own 60.8% (including 33.3% owned by Levin and 25% owned by Townsend).

COLEMAN CO. FILES STOCK PLAN. The Coleman Company, Inc., 250 N. St. Francis Ave., Wichita, Kansas 67201, filed a registration statement (File 2-24542) with the SEC on February 23 seeking registration of 20,000 shares of common stock, to be offered pursuant to its Employees' Stock Purchase Plan.

MEAD CO. FILES STOCK PLAN. The Mead Corporation, 118 W. First St., Dayton, Ohio 45402, filed a registration statement (File 2-24543) with the SEC on February 24 seeking registration of 15,000 memberships in the company's Employees Stock Purchase Plan, together with 135,000 shares of common stock which may be acquired thereunder.

UNDERWRITERS INVESTMENT PROPOSES OFFERING. Underwriters Investment Corporation, 1200 W. Third Ave., Columbus, Ohio, filed a registration statement (File 2-24544) with the SEC on February 24 seeking registration of 500,000 shares of Class A common stock. The stock is to be offered for public sale at \$4.75 per share through company salesmen, who will receive a \$.475-per-share selling commission.

Organized under Ohio law in 1961, the company's principal asset is its 78.4% interest in Pan-Western Life Insurance Company, an Ohio life insurance subsidiary organized in 1961. Of the net proceeds of the company's stock sale, \$500,000 will be invested in Pan-Western and the balance will be used to acquire other insurance companies. The company has outstanding 83,897 Class A and 581,413 Class B common shares. Of such stock, all of the Class A and 376,413 Class B shares were issued in exchange for stock of Pan-Western, and management officials acquired the remaining 205,000 Class B shares at \$1 per share. The Class B stock is convertible into Class A on a share-for-share basis. William L. Martin is president of the company and subsidiary.

GREAT PLAINS NATURAL GAS PROPOSES OFFERING. Great Plains Natural Gas Co., 200 Kiewit Plaza, Omaha, Nebr. 68131, filed a registration statement (File 2-24546) with the SEC on February 25 seeking registration of 200,000 shares of Class A stock, to be offered for public sale (15,625 shares are to be reserved for sale to Henningson, Durham & Richardson, Inc. ("HD&R"), and a number of shares, to be supplied by amendment, are to be reserved for sale to employees of or persons designated by such company). The offering is to be made through underwriters headed by Storz-Wachob-Bender Co., Farnam at 37th St., Omaha, Nebr., and First Nebraska Securities Corp., 1001 O St., Lincoln, Nebr. The public offering price (\$8.75 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under Minnesota law in 1962, the company holds franchises to supply natural gas to three West-Central Minnesota towns and one North Dakota town ("Four Towns"). HD&R (its sole stockholder) proposes to assign franchises to the company to supply natural gas to 13 other towns in Southwest Minnesota. Net proceeds of the company's stock sale (together with proceeds from the sale of \$1,800,000 of bonds, \$900,000 of notes and \$250,000 from the sale of 200,000 additional Class B shares to HD&R) will be applied to the completion of transmission lines and gas distribution systems for the Four Towns. The balance of the proceeds will be added to working capital and used for future expansion of the company. The prospectus states that HD&R invested \$10,000 in the company's stock, which is represented by 1,250 outstanding Class A shares. Charles W. Durham is board chairman and president of the company, as well as president and principal stockholder of HD&R.

COWLES COMMUNICATIONS FILES FOR OFFERING AND SECONDARY. Cowles Communications, Inc., 488 Madison Ave., New York 10022, filed a registration statement (File 2-24547) with the SEC on February 25 seeking registration of 200,000 shares of common stock. Of such stock, 100,000 shares are to be offered for public sale by the company and 100,000 shares (being outstanding stock) by the present holders thereof. Goldman, Sachs & Co., 20 Broad St., New York 10005, is the principal underwriter. The public offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in activities in the publishing and broadcasting fields, including publication of "Look" and "Family Circle" magazines and the operation of television and radio stations in Des Moines and Memphis. Net proceeds of its sale of additional stock will be available for capital expenditures and working capital requirements. In addition to indebtedness, the company has outstanding 2,944,415 common shares. Management officials own 39.5% and the Des Moines Register and Tribune Co. owns 13.6% of such stock. The two selling stockholders are Gardner Cowles (board chairman), offering 50,000 of 428,798 shares held; and Palmer K. Leberman (director), 50,000 of 151,385. M. C. Whatmore is president.

DATA DOCUMENTS FILES FOR SECONDARY. Data Documents, Inc., 1213 Jackson St., Omaha, Nebr., filed a registration statement (File 2-24548) with the SEC on February 25 seeking registration of 96,000 shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Storz-Wachob-Bender Co., 3624 Farnam St., Omaha, Nebr. The public offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company produces tabulating cards. In addition to indebtedness, it has outstanding 445,000 common shares, of which management officials own 48.1% and Kidder, Peabody & Co., Inc., owns 13.8%. The prospectus lists 25 selling stockholders, including John E. Cleary (president), offering 20,000 of 60,000 shares held, and Warren E. Buffett (board chairman), 19,267 of 57,525. The remaining sellers are offering shares ranging in amounts from 250 to 9,000.

SOUTHEASTERN TIMBERLAND TRUST PROPOSES OFFERING. Southeastern Timberland Trust, Warm Springs, Ga., filed a registration statement (File 2-24549) with the SEC on February 25 seeking registration of 250,000 shares of beneficial interest in the Trust. The shares are to be offered for public sale at \$4.80 per share; and the offering is to be made on a "best efforts" basis through Georgia Timberlands Management Co., Warm Springs, Ga., which will receive a \$.72-per-share selling commission. The prospectus states that since the inception of the trust the said underwriter has had "the obligation to subscribe to and has subscribed to 10% of the number of shares sold or subscribed to on behalf of the Trust during each calendar year at a price of \$1.70 per share." The underwriter also provides management investment-advisory and other services to the Trust.

Organized in 1962, the Trust was formed for the purpose of providing investors "with an opportunity to own an interest in various real properties throughout the Southeast, principally consisting of timberlands." At present it owns approximately 20,265 acres in Georgia and Alabama. The Trust has outstanding 537,125 shares, of which management officials own 12.84%. Stephen O. Spooner, Sr., is chairman of the trustees and Elmer Loftin is president of the Trust. Loftin is also president of the management company.

COMMODORE EXCHANGE FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4527) authorizing Theodore T. Miller to exchange his holdings of common stock of W. R. Grace & Co. having current market value of about \$60,000 for shares of common stock to be issued by Capital Exchange Fund, Inc., Boston open-end diversified investment company. The Fund shares are to have an aggregate asset value equal to the market value of the Grace & Co. shares. According to the application, Miller is an "affiliated person" of the Fund within the meaning of the Act.

UNITED GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15413) authorizing certain financing transactions by United Gas Corp. (Shreveport, La., gas-utility subsidiary of Pennzoil Co.) and four of its subsidiaries, United Gas Pipe Line Co., United Overseas Production Corp., UGC Instruments, Inc., and Duval Corp. According to the application, the parent company proposes to sell up to \$50,000,000 of unsecured notes pursuant to bank commitments. Of the proceeds thereof \$10,100,000 will be used to carry out its construction program, \$17,150,000 will be available for future investments, and \$22,750,000 will be used to purchase certain notes and stock from the subsidiaries (for details, see SEC News Digest of February 7).

LOUISIANA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15414) authorizing the Louisiana Power & Light Co., New Orleans electric-utility subsidiary of Middle South Utilities, Inc., to sell at competitive bidding \$35,000,000 of first mortgage bonds (due 1996). Louisiana Power will use the net proceeds of its bond sale to finance its construction program (estimated to cost \$50,000,000 in 1966), to repay some \$15,000,000 of bank loans, and for other corporate purposes.

BANLIFE CORP. SEEKS EXEMPTION. Banlife Corporation, of Wilmington, Del., has applied to the SEC for an order under the Securities Exchange Act of 1934 exempting it from the registration requirements of Section 12(g) thereof; and the Commission has issued an order giving interested persons until March 14, 1966, to request a hearing upon the exemption application.

According to the application, Banlife shareholders, at a special meeting held on December 29, 1965, approved a plan for liquidation and dissolution of the company; and the company has been dissolved and its assets have been distributed to shareholders.

LORD & RODES REGISTRATION CANCELLED. The SEC has issued an order cancelling the broker-dealer registration of Lord & Rodes, Inc., of Peoria, Ill. The firm and its president, George R. Rodes, were enjoined by Federal court order in September 1965 from engaging in the securities business while the firm was insolvent and in violation of the Commission's net capital rule. Paul Cation, Esq., was appointed receiver for the firm.

LOS ANGELES LAND AND INVESTMENT, PRESIDENT ENJOINED. The SEC San Francisco Regional Office announced February 23 (LR-3438) the entry of a Federal court order (USDC, Hawaii) permanently enjoining Los Angeles Land and Investments, Ltd., Honolulu, and James R. Light, its president, from further violations of the Securities Act registration provisions in the sale of interests in certain land situated in Los Angeles County, Calif. The defendants consented to the entry of the injunction.

RALPH L. SCHIFFER, OTHERS INDICTED. The SEC Washington Regional Office announced February 25 (LR-3439) the return of an indictment by a federal grand jury (USDC, Philadelphia) charging Ralph L. Schiffer (president, National Industries, Inc.), Louis Mayo, Jr. (secretary of National Industries and president of Mayo & Co., Inc.) and Joel Pollack (sales manager of Mayo & Co.) with violating and conspiring to violate the Securities Act anti-fraud provisions in the sale of common stock of National Industries by Mayo & Co., a Philadelphia broker-dealer.

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 February 4 News Digest.

Florida East Coast RY Co Jan 65(4,12)	1-2100-2	Ohio Brass Co Amend #1 for Dec 65(3)	1-47-2
Wards Co Inc Jan 66(7,11,13)	2-23334-2	Masco Corp Amend #1 for Sept & Dec 65 (13)	1-2736-2
Kellwood Co Jan 66(12,13)	0-172-2	Redman Industries Inc Jan 66(12)	1-4998-2
Plasticrete Corp Jan 66(7)	0-1574-2	Uarco Inc Jan 66(11,13)	1-5081-2
Data-Control Systems Inc Jan 65(7,11)& Jan 66(11)	1-4764-2	Maryland Cup Corp Jan 66(11,13)	1-4430-2
Renwell Industries Inc Nov 65(12,13)& Dec 65(12,13)	0-924-2	Great American Industries Inc Jan 66(2,13)	1-3782-2
Webcor Inc & Subsidiary Co Jan 66(2)	1-3897-2	Photon Inc Jan 66(12)	0-1025-2
Belock Instrument Corp Jan 66(13)	1-3882-2	Bush Terminal Co Jan 66(7)	1-3047-2
Dayco Corp Jan 66(8,12,13)	1-1089-2	Crown Zellerbach Corp Jan 66(4,12)	1-2823-2
Marsh Supermarkets Inc Feb 66(12)	0-1532-2	Plastic Applicators Inc Jan 66(4,7,13)	2-15680-2
Hanover Equities Corp Jan 66(3,12,13)	0-884-2	Seismograph Service Corp Jan 66(7)	0-852-2
Hydromatics Inc Jan 66(6,12)	1-4397-2	Swingline Inc Jan 66(7) Dec 65(1,3,4,11,13)	1-4548-2 1-4548-2
Paddington Corp Jan 66(7)	1-4226-2	Western Air Lines Inc Jan 66(7,8,13)	1-1521-2
American Educational Life Ins Co Jan 66(4)	2-15597-2	Dunham-Bush Inc Jan 66(11,12,13)	0-431-2
Albertson's Inc Jan 66(2,13)	0-1552-2	Eltra Corp Jan 66(11,12,13)	1-1842-2
Bobbie Brooks Inc Jan 66(12,13)	1-4168-2	Pakco Cos Inc Dec 65(2)	0-592-2
Midwestern Corp Feb 66(3)	0-1070-2	Conductron Corp Jan 66(1,2,7,11,13)	1-5043-2
Zurn Industries Inc Amend #1 for Jan 66(13)	0-1569-2	Murdock Acceptance Corp Feb 66(11)	2-12276-2
Mercantile Financial Corp Amend #1 for Jan 66(13)	0-909-2	Quik-Chek Electronics & Photo Corp Dec 65(2,13)	2-19024-2
Purity Stores Inc Amend for Jan 66(10,13)	0-1116-2	Automatic Radio Mfg Co Feb 66(11)	1-4433-2
Atico Financial Corp Amend #1 for Dec 65(7)	1-4666-2		

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended February 24, 1966, 41 registration statements were filed, 13 became effective, 2 were withdrawn, and 308 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective February 25: Campbell Soup Co., 2-24448; Components, Inc., 2-24413 (Apr 7). Effective February 28: Kin-Ark Management Corp., 2-24407 (90 days); Presidential Life Insurance Co., 2-24018 (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.