

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. 66-56)

FOR RELEASE March 23, 1966

DU PONT RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4548) authorizing E. I. du Pont de Nemours and Co. (29%-owned by Christiana Securities Co.) to acquire from Imperial Chemical Industries Limited its 42.4% interest in the outstanding common stock of Compania Sud-Americana de Explosivos for \$2,100,000. Because of intercompany affiliations, the transaction is prohibited by the Act unless the Commission grants such exemption on the basis of a showing that the terms of the transaction are fair and reasonable and involve no overreaching on the part of any person concerned.

MAYFLOWER INVESTORS SEEKS ORDER. Mayflower Investors, Inc., Chicago, Ill., has applied to the SEC for an order under the Investment Company Act exempting it from provisions of Section 7 of the Act until such time as the Commission has acted on a prior application for an order declaring that it is not an investment company. The Commission has issued an order (Release IC-4551) giving interested persons until April 11 to request a hearing thereon.

MEYER, KVASNICKA & MURPHY GUILTY. The SEC San Francisco Regional Office announced March 18 (LR-3462) that, following a jury trial (USDC, Los Angeles), John C. Meyer, Virgil D. Kvasnicka, and Eugene M. Murphy were convicted of violations of the Securities Act anti-fraud and registration provisions in the sale of oil and gas interests in leases located in Oklahoma.

STANFORD SENTENCED. The SEC Washington Regional Office announced March 21 (LR-3463) that George W. Stanford, former president of the Stanford Corp., was sentenced to a \$1,000 fine and imprisonment for a term of from eight to 24 months (USDC DC). The prison sentence was suspended and Stanford was placed on probation for three years. He had previously entered a plea of guilty of violating the Securities Act registration provisions in the sale of convertible debentures of Macinar, Inc.

DALLAGO, TESSLER, OTHERS INDICTED. The SEC today announced (LR-3464) the return of an indictment (USDC DC) charging Alfred Dallago, Benjamin Tessler, J. Gilbert Brown, Peter A. Cattano, Sr., and Albert Lewis with violations of and conspiracy to violate the anti-fraud and false statement provisions of the Federal securities laws in the sale of common stock of Lancer Industries, Inc.

FINE ORGANICS FILES FOR OFFERING AND SECONDARY. Fine Organics, Inc., Molnar Rd., Lodi, N. J., filed a registration statement (File 2-24679) with the SEC on March 21 seeking registration of 275,000 shares of common stock. Of such stock, 185,000 are to be offered for public sale by the company and 90,000 shares (being outstanding stock) by the present holders thereof, Nicholas M. Molnar, board chairman and president. The offering is to be made at \$5 per share through underwriters headed by Van Alstyne, Noel & Co., 40 Wall St., New York 10005, which will receive a \$.42-per-share commission. The company has also agreed to deliver to the principal underwriter, upon completion of this financing, 5-year warrants to purchase 20,000 common shares, exercisable at prices ranging from \$5.35 to \$6.40 per share. The prospectus states that John Buell, a finder, will be paid a fee of \$4,000 by the company and will receive from the selling shareholder an option to purchase 5,000 common shares.

The company is engaged in the manufacture of organic chemicals and industrial solvents and cleaners. Of the net proceeds of its sale of additional stock, approximately \$600,000 will be expended for additional land and production facilities and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 645,000 common shares, all of which are owned by management officials. Molnar, the selling stockholder, presently owns 581,800 common shares.

KANSAS GAS AND ELECTRIC PROPOSES BOND OFFERING. Kansas Gas and Electric Company, 201 N. Market St., Wichita, Kans. 67201, filed a registration statement (File 2-24680) with the SEC on March 22 seeking registration of \$16,000,000 of first mortgage bonds (due 1996), to be offered for public sale at competitive bidding. Net proceeds of its bond sale (together with other funds) will be used by the company to meet expenditures for its construction and to repay some \$1,500,000 of loans made for such purpose. The company estimates that its 1966-67 construction program will cost \$40,000,000.

OPTICAL SCANNING PROPOSES OFFERING. Optical Scanning Corporation, 47 Spencer Ave., Fairless Hills, Pa. 19030, filed a registration statement (File 2-24681) with the SEC on March 22 seeking registration of 200,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Clark, Dodge & Co., Inc., 61 Wall St., New York 10005, and First of Michigan Corp., Buhl Bldg., Detroit, Mich. 48226. The public offering price (\$21 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the design, manufacture, sale and lease of optical scanning systems which electro-optically read pencil marks from sheets of paper for the acquisition and transfer of information into data processing systems. It is the successor to the business of Digitek Corp., a company organized in 1960. Of the net proceeds of the company's stock sale, approximately \$300,000 will be used to purchase equipment; approximately \$50,000 will be used to finance the expense of moving to a new production facility in the fall of 1966; \$400,000 may be applied to the construction cost of the new facility; \$1,060,000 will

OVER

be used to retire certain indebtedness; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 166,667 common shares. In March 1966, at the time the predecessor company was merged into the company, 50,000 company shares were issued to John W. Busby (president) in exchange for his 30% interest in the predecessor (received for his "technological concepts, his assignment to Digitek of all rights to any patents that might be granted, and nominal cash investment"). American Research and Development Corp., received 116,667 of the company's shares in exchange for its 70% interest in Digitek acquired for \$100,000. Simultaneous with this offering, American Research proposes to surrender for cancellation \$1,125,000 of indebtedness in exchange for 52,333 company shares at the rate of \$21.50 per share.

ORANGE AND ROCKLAND UTILITIES PROPOSES RIGHTS OFFERING. Orange and Rockland Utilities, Inc., 10 N. Broadway, Nyack, N. Y. 10960, filed a registration statement (File 2-24682) with the SEC on March 22 seeking registration of 150,000 shares of convertible cumulative preference stock, Series A. The stock is to be offered for subscription by common stockholders of record April 15. Any unsubscribed shares are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. The subscription and dividend rates, public offering price (\$35 per share maximum*) and underwriting terms are to be supplied by amendment.

The company will use the net proceeds of its stock sale to reduce short-term bank notes incurred for construction (estimated at \$48,000,000 for the period 1966-68). In addition to indebtedness and preferred stock, the company has outstanding 4,151,376 common shares, of which management officials own 6.9%. Charles H. Tenney II is board chairman and Charles L. Hulswit is president.

LEASEWAY TRANSPORTATION FILES FOR SECONDARY. Leaseway Transportation Corp., 21111 Chagrin Blvd., Cleveland, Ohio 44122, filed a registration statement (File 2-24683) with the SEC on March 22 seeking registration of 296,833 outstanding 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 Hayden, Stone Inc., 25 Broad St., New York. The public offering price (\$25.25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company furnishes services in motor vehicle transportation and leasing. In addition to indebtedness, it has outstanding 3,768,904 common shares, of which management officials own 39.65%. The prospectus lists 16 selling stockholders, including Mitchell B. Howe (director), offering 70,000 of 234,729 shares held; Francis J. O'Neill (board chairman), 70,000 of 726,240; and William J. O'Neill (president), 70,000 of 531,105. The remaining sellers are offering shares ranging in amounts from 309 to 30,000.

FORT WORTH STEEL FILES FOR SECONDARY. Fort Worth Steel and Machinery Company, 3600 McCart St., Fort Worth, Tex. 76101, filed a registration statement (File 2-24684) with the SEC on March 22 seeking registration of 50,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through Eppler, Guerin & Turner, Inc., First National Bank Bldg., Dallas, Tex. 75202. The public offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in manufacturing and selling mechanical power transmission equipment, machinery for handling bulk materials, and machinery for specialized uses in vegetable oil and feed mills. It has outstanding 634,680 common shares, of which management officials own 16.27% and Jaco Realty Co., owns 15.88%. J. D. Brance (board chairman) is the selling stockholder and presently owns 53,094 common shares. J. I. Jackson is president.

THOMAS C. CHRISTIE INDICTED. The SEC Seattle Regional Office announced March 18 (LR-3465) the return of an indictment (USDC, Seattle) charging Thomas C. Christie with violations of the anti-fraud provisions of the Securities Exchange Act in the purchase and sale of securities. Christie entered a plea of guilty and was released on a \$5,000 personal recognizance bond pending sentence.

SANCTION PROPOSED FOR F R BURNS CO. SEC Hearing Examiner Sidney L. Feiler has filed an initial decision in proceedings involving F. R. Burns & Company and Floyd R. Burns, its president, of Oklahoma City, Okla. The Examiner ruled that Burns & Co. and Burns violated provisions of the Commission's net capital, financial reporting and recording-keeping rules as well as the provisions of Regulation T, and that they also effected transactions for customers resulting in excessive profits to the firm. By reason of these violations, the Examiner ruled that Burns & Co.'s broker-dealer registration should be suspended for 90 days and that Burns should be barred from association with a broker or dealer for 90 days. He cited certain factors which mitigated against revocation and a permanent bar. The respondents have fifteen days to petition the Commission for review of the Examiner's decision.

UNITED SECURITY LIFE SUSPENSION CONTINUED. The SEC has issued an order suspending exchange and over-the-counter trading in securities of United Security Life Insurance Company for a further 10-day period, March 24-April 2, 1966, inclusive.

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 March 1 News Digest.

Marrud, Inc, Feb 66, (3,6,11)	1-4981-2	Avondale Mills, Feb 66, (7,10)	0-733-2
Owens Illinois Inc, Feb 66, (4,7,13)	1-2454-2	Burton Mfg Co, Feb 66, (2,13)	0-1479-2
Reliance Life Ins Co of Ill, Feb 66, (7,13)	2-21245-2	Allen Electric & Equipment Co, Feb 66, (12)	1-2884-2
Pennsylvania Pwr & Lgt Co, Feb 66, (12)	1-905-2	Holland Furnace Co, Jan 66, (1,2,4,7,9,10,12,13)	0-54-2
Stainless Steel Products, Inc, Feb 66, (12,13)	0-1506-2	Pittsburgh Steel Co, Feb 66, (6)	1-196-2
Brooklyn Union Gas Co, Feb 66, (12,13)	1-722-2	Valley Fair Corp, Feb 66, (2, 13)	0-1636-2
Burroughs Corp, Feb 66, (7)	1-145-2	Atlantic Refining Co Amd #1 - 8K for Jan 66(7)	1-1196-2
Bonanza Airlines, Inc, Feb 66, (3,13)	1-5100-2	Zion Foods Corp Amd #2 - 8K for Aug 65 (13)	1-4560-2
B. Brody Seating Co, Feb 66, (7,8)	0-1990-2	Pocket Books, Inc Amd #1 - 8K for Feb 66 (13)	0-389-2
Com-Tech Products Corp, Feb 66, (12)	2-22798-2	DPA, Inc - Amd #1 - 8K for Jan 66, (12)	2-23115-2
Giannini Scientific Corp, Feb 66, (4,7,13)	0-1400-2	Interphoto Corp Amd #1 - 8K for Jan 66 (7)	1-4864-2
Kavanagh-Smith & Co, Feb 66, (11)	0-180-2	International Breweries, Inc. Feb 66, (2,12)	1-3905-2
Rowe Furniture Corp, Feb 66, (11)	0-232-2	Gains Guaranty Corp., Feb 66, (3,7,12,13)	0-938-2
Henry I. Siegel Co, Inc, Feb 66, (11,12)	1-4885-2	Frontier Airlines, Inc., Feb 66, (12)	1-4877-2
General Brewing Corp, Feb 66, (3)	0-1395-2	General Electric Co., Feb 66, (3,8)	1-35-2
Johnson Service Co, Feb 66(3)	1-5097-2	Gyrodyn Co. of America, Inc., Feb 66, (7,8,13)	0-1684-2
Levitt & Sons Inc, Feb 66, (7,12)	1-4770-2	International Railways of Central America, Feb66,(6)	1-1444-2
Marion Laboratories, Inc, Feb 66, (12,13)	2-23862-2	Washington Natural Gas Co., Feb 66, (12)	0-951-2
Nalco Chemical Co, Feb 66,(12)	1-4957-2	Chesebrough-Pond's Inc., Feb 66, (3)	1-4641-2
Tremco Mfg Co, Feb 66, (11,13)	0-291-2	Cott Corporation, Feb 66, (12)	1-4532-2
Cavitron Ultrasonics, Inc, Feb 66, (2,13)	0-2022-2	Dan River Mills, Inc., Feb 66, (3,7,8)	1-3912-2
Community Research & Development Inc, Feb 66, (2,12,13)	0-1743-2	Illinois Central RR Co., Feb 66, (1,12)	1-2148-2
Merck & Co, Inc, Feb 66, (12)	1-3305-2	Southern Md. Agricultural Assn. of Prince George's City Md., Inc. Feb 66, (2,7,13)	0-1393-2
Sheraton Corp of America, Feb 66, (7,13)	1-3330-2	Canadian Gridoil Ltd., Feb 66, (1,13)	1-5191-2
Cummins Engine Co, Inc, Feb 66, (13)	1-4949-2	The Marley Co., Feb 66, (11,13)	0-166-2
Doeskin Products, Inc, Feb 66, (13)	0-1494-2	Evans, Inc., Feb 66, (12)	0-1500-2
Iowa Southern Utilities Co, Feb 66, (13)	0-849-2	Hamilton Management Corp., Feb 66, (2)	0-1628-2
Kelly Girl Service, Inc, Feb 66, (2,7)	0-1088-2	Hartfield Stores Inc., Feb 66, (12,13)	1-4091-2
Scientific Data Systems, Inc Feb 66, (4,7,12,13)	0-382-2	Seilon, Inc., Feb 66, (2,3,8,13)	1-1497-2
Camco, Inc, Feb 66, (7,13)	0-6-2	United Gas Corp., Feb 66, (12,13)	1-3257-2
Caribbean Shoe Corp, Feb 66 (11)	0-108-2	Automatic Data Processing, Inc., Feb 66 (7)	0-1906-2
First Virginia Corp, Feb 66, (12,13)	0-1002-2	Gulf American Land Corp., Feb 66, (12,13)	1-4470-2
Trailer Train Co, Feb 66, (7)	2-20540-2		
Braun Engineering Co, Feb 66, (12,13)	0-841-2		
Collins Radio Co, Feb 66, (4,7,12)	1-4248-2		
Harnischfeger Corp, Feb 66, (7)	1-1288-2		

American Safety Table Co., Inc., Mar 66, (7)	1-4805-2	Crystal Oil and Land Co Feb 66, (7,8,13)	1-4892-2
Brunswick Corp., Feb 66, (13)	1-1043-2	Triumph Storecrafters Corp Feb 66, (11)	2-16599-2
International Utilities Corp., Feb 66, (12)	1-116-2	Technology Inc, Feb 66 (12)	2-24141-2
Litton Industires, Inc. Feb 66, (4,13)	1-3998-2	Valley Bancorporation, Mar 66, (11)	2-20928-2
Allegheny Airlines Inc., Feb 66, (7)	1-3631-2	Weingarten Markets Realty Co Feb 66, (8)	2-14373-2
Bendix Corp., Feb 66, (11,13)	1-952-2	Manhattan Cons Mines Dev Co, Feb 66, (12)	1-2306-2
D. Kaltman & Co., Inc., Oct 65, (13)	1-3947-2	U. S. Finance Co, Inc Feb 66, (7,13)	2-17252-2
American Republic Corp., Sep 65, (2,13)	0-1196-2	Fidelity National Corp, Feb 66, (7)	2-22676-2
Atlantic Thrift Centers, Inc., Feb 66, (1)	1-4622-2	Howell Instruments, Inc Feb 66, (11,13)	2-17152-2
Borden Co., Feb 66, (3)	1-71-2	The Prudential Oil Corp, Feb 66, (3,13)	2-20716-2
Dragon Consolidated Mining Co., Feb 66, (11)	1-355-2	Omark Industries, Inc, Feb 66, (12)	0-1824-2
Empire Mines Co., Feb 66,(11)	1-364-2	Trans-Canada Pipe Lines Ltd Feb 66, (7,8)	2-12927-2
Mid-America Pipeline Co., Mar 66, (2,4,7,9,10,11,13)	0-487-2	Timely Clothes, Inc, Feb 66, (1)	2-6471-2
Ohio Brass Co., Feb 66, (3)	1-47-2	Volt Technical Corp, Oct 65, (2,13)	2-19724-2
Far West Financial Corp., Feb 66, (12)	1-4923-2	Atlas Bradford Co, Feb 66, (8,13)	0-1017-2
Foremost Dairies, Inc., Feb 66, (2,13)	1-3884-2	Interchemical Corp, Feb 66 (2,7,13)	1-965-2
Hertz Corp., Feb 66, (7,13)	1-1149-2	Interchemical Corp, Feb 66, (2,7,13)	1-965-2
Miller Bros. Hat Co., Inc., Feb 66, (3)	0-1681-2	Lowe's Companies Inc, Feb 66, (4,7,9,13)	0-94-2
American Export Isbrandtsen Co., Inc. Feb 66, (7,13)	1-5054-2	Affiliated Investments, Inc Feb 66, (10,11)	0-1905-2
Santa Fe Drilling Co., Feb 66, (4,7)	1-4827-2	King-Seeley Thermos Co, Feb 66, (12,13)	1-3270-2
Acme Precision Products, Inc. Feb 66, (7)	1-3327-2	Louisiana-Delta Offshore Corp, Feb 66, (2,13)	0-1664-2
Allied Finance Co., Feb & Mar 66, (7,11,13)	0-1974-2	Sierra Elec Corp, Feb 66(8)	2-16355-2
Century Geophysical Corp., Feb 66, (12)	1-4520-2	Varian Associates, Feb 66, (4,11,13)	1-4213-2
Consumer's Cooperative Assoc. Feb 66, (7,8)	2-7250-2	Williams-McWilliams Industries, Inc - Amd #1 - 8K for Feb 66, (1)	1-3933-2
I. Gordon Realty Corp Feb 66, (7,13)	2-18335-2		
Alico Land Dev Co, Feb 66 (12)	0-261-2		
Genisco Technology Corp, Feb 66, (11)	1-4853-2		

SECURITIES ACT REGISTRATIONS. Effective March 22: Astrex, Inc., 2-24423 (40 days); General Telephone & Electronics Corp., 2-24593 (40 days); The National Sugar Refining Co., 2-24636 (40 days); Vanity Fair Mills, Inc., 2-24538 (May 2).

NOTE TO DEALER. 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.