

# 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 May 4, 1966

**M. J. MERRITT FIRM REVOKED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7878) revoking the broker-dealer registration of M. J. Merritt & Co., Inc., of 54 Wall Street, New York City, for fraud in the offer and sale of stock of Minerals Corporation of America, Inc. The firm's request for withdrawal from registration was denied. The Commission found that the president of the firm, Matthew J. Merritt, Jr., two other officers and a third controlling person, together with ten salesmen, participated in or aided and abetted the firm's violations of the anti-fraud provisions of the Federal securities laws; and each was held to have been a cause of the revocation order.

According to the Commission's decision, the firm engaged in a "scheme to defraud investors" in the 1960-61 sale of Minerals stock by means of "boiler room" activities and through "fraudulent representations and predictions." Repeated local and long-distance telephone calls were made to customers, who were induced to purchase the stock by misrepresentations and omissions of material facts concerning (among other things) the issuer's earnings, dividends, financial condition and prospects as well as the future market price of the shares. These misrepresentations continued after Macksey Corporation and Greene-Macksey Corporation (Florida real estate ventures) were merged with the issuer in June 1960.

The two officers named by the Commission as causes were Charles Nardi, vice-president, and James S. Vickers, secretary-treasurer. Henry G. Vickers was found to be a controlling person and a cause of the revocation order (Commissioner Wheat dissented as to this finding). The salesmen also listed as causes were: John Costiera (also known as John Costa), Edward Abramson, Lloyd Fetner, Robert Sharon, Burton W. Teague, Jules Winters, Robert Hines, Earle Sperer, Paul Walker and Richard Treistman.

**SEACREST INDUSTRIES FILES FOR OFFERING AND SECONDARY.** Seacrest Industries Corporation, 150-A E. First St., Mount Vernon, N. Y., filed a registration statement (File 2-24929) with the SEC on April 29 seeking registration of \$500,000 of convertible subordinated debentures and \$250,000 of 8% short-term, non-negotiable promissory notes. The debentures and notes are to be offered for public sale at 100% of their principal amounts, through company officers and employees, the latter to receive a 6 $\frac{1}{4}$ % commission on the debentures and 5% commission on the notes. The interest rate and maturity date of the debentures are to be supplied by amendment. The company is also registering 39,000 shares of common stock, which are subject to options to purchase such stock at \$1 per share. Upon exercise of the options, the recipients of the stock may offer the shares for public sale in the over-the-counter market at the prevailing price (\$3 per share maximum\*).

The company sells directly to consumers and to dealers frozen foods and other staples for home consumption under the "freezer food plans." Net proceeds of this financing will be used to reduce indebtedness and for working capital. In addition to indebtedness, the company has outstanding 426,820 common shares, of which management officials own 32.6%. The prospectus lists four option holders (including Sam Hirschorn and Colonial Commercial Corp., who propose to offer 18,000 shares each). Eugene Lissauer is president.

**INTERSTATE SECURITIES FILES FOR SECONDARY.** Interstate Securities Company, 3430 Broadway, Kansas City, Mo. 64111, filed a registration statement (File 2-24933) with the SEC on May 2 seeking registration of 4,911 outstanding shares of 5 $\frac{1}{2}$ % cumulative convertible preferred stock, \$20 par; 6,064 outstanding shares of 6% cumulative convertible junior preferred stock, \$100 par; and 254,437 outstanding common shares. The securities were issued in connection with the recent merger of Interstate Securities Co., a Missouri corp., into Federal Services Finance Corp., a Delaware corp., which became the surviving corporation with its name changed to Interstate Securities Co. The present holders of the securities may offer the shares for public sale from time to time on the over-the-counter market at prices prevailing at the time of sale (\$20 per 5 $\frac{1}{2}$ % preferred share, \$100 per 6% preferred share, and \$11 per common shares\*).

The surviving company is engaged in the financing business and in writing life insurance. In addition to indebtedness and preferred stock, it has outstanding 956,067 common shares. The prospectus lists 23 selling stockholders, including George D. Gee (board chairman), who is offering 5,779 common shares, Paul Hamilton, Jr. (president), 15,140 common, R. C. Kemper, Sr. (director) 46,014 common, and John N. McLucas (director), 54,381 common. All of the selling stockholders are offering all shares held by them.

**OCCIDENTAL PETROLEUM PROPOSES RIGHTS OFFERING.** Occidental Petroleum Corporation, 10889 Wilshire Blvd., Los Angeles, Calif. 90024, filed a registration statement (File 2-24947) with the SEC on May 3 seeking registration of \$62,000,000 of convertible subordinated debentures (due 1991). The debentures are to be offered for subscription by stockholders at the rate of \$100 principal amount of debentures for each 14 shares held, the record date and subscription price to be supplied by amendment. Any unsubscribed debentures are to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004, and two other firms. The interest rate, offering price, and underwriting terms are also to be supplied by amendment.

The company is engaged in the exploration for and the development and exploitation of natural resources and in manufacturing and marketing fertilizers and agricultural chemicals. Of the net proceeds of its debenture sale, approximately \$9,000,000 will be used for additions and expansions of phosphate rock production and beneficiation facilities in Northern Florida, and the balance of the proceeds may be used for certain other projects which the company has under consideration. In addition to indebtedness, the company has outstanding 8,541,627 common shares, of which management officials own approximately 11.9%. Armand Hammer is president.

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**BOEING PROPOSES RIGHTS OFFERING.** The Boeing Company, 7755 E. Marginal Way, Seattle, Wash. 98124, filed a registration statement (File 2-24948) with the SEC on May 3 seeking registration of 2,167,415 shares of capital stock. The stock is to be offered for subscription by stockholders at the rate of one new share for each eight shares held on May 27. Any unsubscribed shares are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005, and Drexel Harriman Ripley Securities Corp., 60 Broad St., New York 10004. The offering price (\$80 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company manufactures passenger and cargo commercial jet aircraft and is a participant in U. S. Government missile, space and military aircraft programs. Net proceeds of its stock sale will be used in connection with the company's facilities expansion program, with emphasis on increased production capacity for commercial jet transports and military helicopters and on research and developmental facilities in support of its missile and space programs. According to the prospectus, at March 31, 1966, there was approximately \$290,000,000 under approved facilities budgets, substantially all of which will be expended in 1966 and 1967. It is further stated that facilities expenditures in addition to the presently budgeted amounts are expected to be substantial during and after such period and are dependent on decisions relating to new models of commercial jet transport aircraft, the outcome of the supersonic jet transport competition, and the degree of success achieved in obtaining new Government contracts in the aerospace and related fields. In addition to indebtedness, the company has outstanding 17,312,104 common shares (as adjusted to reflect a recent 2-for-1 stock split). William M. Allen is president.

**COSMOPOLITAN HOTEL OF DALLAS RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4587) declaring that Cosmopolitan Hotel Company of Dallas, Inc., Dallas, Tex., has ceased to be an investment company. The applicant represents that it was dissolved on April 29, 1960, and that its assets are held solely for purposes of distribution to two of its debenture holders.

**METROPOLITAN EDISON SEEKS ORDER.** Metropolitan Edison Company, Berks County, Pa., has applied to the SEC for an order under the Holding Company Act authorizing it to sell \$15,000,000 of first mortgage bonds (due 1996) at competitive bidding; and the Commission has issued an order (Release 35-15460) giving interested persons until May 26 to request a hearing thereon. As reported in the SEC News Digest of April 21, the company will use the net proceeds of this financing to reimburse its treasury in part for the cost of construction prior to 1966. Its 1966 construction program is expected to cost \$26,500,000.

**DANIEL E. ARMEL, OTHERS SENTENCED.** The SEC Chicago Regional Office announced April 29 (LR-3497) that Daniel E. Armel received a 15-year prison sentence, following his conviction of violating and conspiring to violate the Securities Act anti-fraud provisions in the sale of Certified Credit Corporation's 5% Thrift Certificates, participating preferred stock and Class "B" common stock, as well as the common stock of Certified Credit and Thrift Corp. and Certified Mortgage Corp. In connection with the sale of such securities, the following defendants also received sentences: Robert Savage and Carl Tresemer, officers of Certified Credit, each received a one-year suspended sentence and were placed on two years' probation; Donald Hathaway and Jack Singleton, certified public accountants, each received one-year prison sentences and were fined \$5,000 and \$2,500, respectively; and Commonwealth Securities Corp., a registered broker-dealer, was fined \$110,000.

**INSURANCE INVESTMENT SECURITY INJUNCTION EXTENDED.** The SEC Denver Regional Office announced May 2 (LR-3498) the entry of a Federal court order (USDC, Colo.) extending, until a final determination of the issues in this action, a prior order temporarily enjoining Insurance Investment Security, Inc., John K. Galbraith, Richard M. Sherman, Gordon Marquette, Richard Coons and Valeria Galbraith from further violations of the anti-fraud provisions of the Federal securities laws in the sale of 8% preferred notes of Insurance Investment Security.

**WALL AND LUND GUILTY.** The SEC Denver Regional Office announced May 2 (LR-3499) that Charles L. Wall, of Los Angeles, Calif., Howard L. Lund and Kenneth V. Lund, of Salt Lake City, were found guilty by a jury (USDC, Utah) of violating and conspiring to violate the anti-fraud provisions of the Securities Act in the sale of investment certificates issued by Guaranty Trust Deed Corp.

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*"):

File No. O-	Registrant	Location
2065	Dolomite Glass Fibres**	Rochester New York
2066	Cosmos Ind., Inc **	Brooklyn, N.Y.
2068	Princess Homes, Inc**	Selingsgrove, Penna
2070	Intl. Seaway Trading Corp**	Cleveland, Ohio
2072	Skaggs Drug Centers **	Salt Lake City, Utah
2073	First Bancorporation**	Reno, Nevada

**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. The caption of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with requested material when mailed.

Central Wisconsin Bankshares Inc. Amd #1 to 8K for Jan 66 (7) 0-949-2	Longines Wittnauer Watch Co., Inc. Dec 65 (1) 1-3386-2
Charter Co. Amd #1 to 8K for Feb 66 (7) 0-1825-2	The Midwestern Indemnity Co. Apr 66 (11) 2-20971-2
Cryogenic Engineering Co. Mar 66 (7,8) 2-19267-2	Acushnet Process Co. Apr 66 (11) 2-9265-2
Jupiter Corp. Mar 66 (4,12,13) 1-4605-2	Americana Life Insurance Co. Apr 66 (11) 2-23154-2
Kayser-Roth Corp. Mar 66 (11,13) 1-415-2	Baxter Laboratories Inc. Mar 66 (4,7,12,13) 1-4448-2
Medco, Inc. Mar 66(7,13) 1-4724-2	Bramalea Consolidated Developments Ltd. Mar 65 (11,13) 2-18142-2
Acme Markets, Inc. Mar 66 (7) 1-311-2	General Battery and Ceramic Corp. Feb 66 (2,7,13) 1-4657-2
Alpha Portland Cement Co. Mar 66 (7,13) 1-954-2	Unarco Industries, Inc. Mar 66 (13) 1-3296-2
Cincinnati Union Terminal Co. Apr 66 (11) 1-839-2	Empire Life Insurance Co. (Calif.) Mar 66 (7,9) 2-20749-2
Empire Financial Corp. Apr 66 (11) 0-1193-2	Teleflex Inc. Mar 66 (4,7,13) 0-908-2
Lihue Plantation Co., Ltd. Mar 66 (11) 13-25-2	Braun Engineering Co. Mar 66 (11) 0-841-2
Cousins Properties, Inc. Mar 66 (7,11,13) 2-20111-2	Crucible Steel Co of America Mar 66 (3) 1-762-2
Diana Stores Corp. Apr 66 (7,13) 1-3214-2	Electro-Voice Inc. Mar 66 (3) 1-4655-2
U. S. Filter Corp. Mar 66 (4,8,11,13) 1-4097-2	Frontier Refining Co. Mar 66 (3,13) 0-1986-2
Lafayette Radio Electronics Corp. Feb 66 (8) 1-4325-2	Great Plains Dev. Co. of Canada Ltd. Mar 66 (11) 2-8366-2
Mass. General Life Insurance Co. Mar 66 (11) 2-20854-2	Metal Bellows Corp. Mar 66 (11) 2-18837-2
The Goldfield Corp. Mar 66 (2,7,13) 1-2618-2	American M.A.R.C., Inc. Mar 66 (11,13) 1-4220-2
Morse Electro Products Corp. Mar 66 (2,11) 1-4414-2	Simplex Wire & Cable Co. Mar 65 (11) 0-1003-2
Zimoco Petroleum Corp. Mar 66 (6,13) 2-24176-2	Grow Chemical Corp. Amd #1 to 8K for Aug 65 (7) 1-4596-2
R. J. Enstrom Corp. Mar 66 (7) 0-586-2	Hallicrafters Co. Amd #1 to 8K for Feb 66 (3) 1-4533-2
Gulf American Land Corp. Mar 66 (12,13) 1-4470-2	Commonwealth Loan Co. Jan 66 (11) 2-4342-2
Houston Oil Field Material Co., Inc. Mar 66 (12,13) 0-1427-2	Magnetic Controls Co. Mar 66 (8,11,13) 0-1424-2
Westinghouse Air Brake Co. Jan 66 (7,13) 1-3626-2	American Credit Corp. Mar 66 (7,13) 1-4491-2
American Safety Table Co., Inc. Apr 66 (7,13) 1-4805-2	
GTI Corp. Mar 66 (4,7,8,12,13) 1-4289-2	

Brown Co. Mar 66 (13)	1-5077-2	American Pipe & Constr. Co. Mar 66 (3,11)	0-218-2
Chemical Products Corp. Apr 66 (11)	0-794-2	Canadian Gridoil Ltd. Apr 66 (11)	1-5191-2
Gulf Life Insurance Co. Mar 66 (11,13)	2-10307-2	Dallas Transit Co. Mar 66 (2,8,13)	2-5366-2
Princess Homes, Inc. Mar 66 (7,8,12)	0-2068-2	HM Liquidating Corp. Mar 66 (11)	0-1628-2
Sealed Power Corp. Apr 66 (11,13)	0-419-2	Old Town Corp. Mar 66 (6,12)	1-3601-2
Pacific Southwest Airlines Mar 66 (2,4,7,12,13)	1-5080-2	Neiman-Marcus Co. May 65 (11)	0-1443-2
Houdaille Industries, Inc. Mar 66 (4,7)	1-328-2	American Tobacco Co. Apr 66 (13)	1-92-2
Libbey-Owens-Ford Glass Co. Apr 66 (11,13)	1-924-2	Associated Truck Lines Inc. Mar 66 (7)	0-901-2
Hurletron Inc. Mar 66 (2,13)	0-698-2	Knapp-Monarch Co. Apr 66 (11)	1-3407-2
Monroe Chemical Co. Mar 66 (1,11,12,13)	1-199-2	Timely Clothes, Inc. Mar 66 (11,13)	2-6471-2
Ludlow Typograph Co. Mar 66 (8,11)	0-257-2	Halle Brothers Co. Mar 66 (4,7,13)	0-1380-2
Warner Electric Brake & Clutch Co. Mar 66 (7)	0-534-2	Inland Container Corp. Amd #1 to 8K for May 65 (12)	0-1001-2
Allen Industries, Inc Apr 66 (11,13)	1-2344-2	International Breweries, Inc. Amd #1 to 8K for Feb 66 (12,13)	1-3905-2
Oct 65 (12,13)	1-2344-2	Amd #1 to 8K for Mar 66 (2,13)	1-3905-2
United Exposition Service Feb 66 (2,7,9,13)		"21" Brands, Inc. Amd #1 to 8K for Mar 66 (13)	1-5218-2
Grow Chemical Corp. Amd #1 for Apr 65 (2)	1-4596-2	American Motors Corp. Amd #1 to 8K for Mar 66 ( )	1-622-2
Amd #1 to 8K for Jun 65 (13)	1-4596-2	Fred Meyer, Inc. Amd #1 to 8K for Mar 66 (4)	0-995-2
American Life Companies, Inc. Dec 65 (11,13)	0-1283-2	Rio Algom Mines Ltd. Amd #1 to 8K for Mar 66 (12)	1-4398-2
Hazeltine Corp. Apr 66 (12)	1-230-2	Brunswick Corp. Amd #1 to 8K for Mar 66 (4)	1-1043-2
Vahlsing, Inc. Mar 66 (2,13)	0-174-2	Thrift Plan of Reda Pump Co. Amd #1 to 8K for Mar 66 (7,12,13)	2-13744-2
Peoples Telephone Corp. Mar 66 (2,13)	0-426-2		
Trans-Continental Telephone & Electronics, Inc. Mar 66 (2,13)	0-1545-2		
Water Wonderland Corp. Feb 66 (11,13)	1-5-2		

**SECURITIES ACT REGISTRATIONS. Effective May 2:** Consolidated Oil & Gas, Inc., 2-24587; Graniteville Co., 2-24653; Nytronics, Inc., 2-24727 (June 13); Southern California Edison Co., 2-24835; Sun Oil Co., 2-24870; Tenneco Inc., 2-24858.

**Effective May 3:** Burndy Corp., 2-24849; Community Public Service Co., 2-24798; European Investment Bank, 2-24875 (40 days); Joseph Magnin Co., Inc., 2-24758 (40 days); McCulloch Oil Management Co. of Calif., Inc., 2-24640 (June 13); Piasecki Aircraft Corp., 2-24370; Pneumo Dynamics Corp., 2-24805 (June 13); Trans World Airlines, Inc., 2-24831 (40 days); Weyerhaeuser Co., 2-24865.

**Withdrawn May 2:** Performing Arts Development Corp., 2-23882.

**Withdrawn May 3:** Private Air Travel, Inc., 2-22503.

**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.