

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D.C. 20549

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 66-122)

FOR RELEASE June 28, 1966

J. BRAD DAVID LTD. REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7904) revoking the broker-dealer registration of J. Brad David, Ltd., of 14 Maiden Lane, New York, for fraud in the offer and sale of stock of American Fun Fair, Inc., in January 1963. Its president, Donald Hecht, was found to be a cause of such revocation. According to the Commission's decision, the firm through Hecht sold 1,500 shares of the company's stock to nine persons. Of the five purchasers who testified, four paid \$5 per share and one \$4.62½ per share. The Commission ruled that Hecht made false and misleading representations, including predictions of increases in the company's earnings and in the price of its shares with "no reasonable basis" therefor (the company was virtually insolvent and had made no product sales). Hecht also falsely represented that the company was about to acquire another company or would itself be acquired by a company listed on the New York Stock Exchange.

ALL AMERICAN ENGINEERING FILES FOR SECONDARY. All American Engineering Company, P. O. Box 1247, Wilmington, Del. 19899, filed a registration statement (File 2-25165) with the SEC on June 22 seeking registration of 57,318 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale at prices current at the time of sale (\$15 per share maximum*).

The major portion of the company's income is derived from Government-sponsored contracts in the space technology, missile, and aircraft fields. In addition to indebtedness, it has outstanding 460,077 common shares, of which management officials own approximately 11.14%. The prospectus lists 12 selling stockholders, including Madeleine McAlpin Vanderpool & Malcolm E. McAlpin, trustees u/w of Madeleine E. McAlpin f/b/o Malcolm E. McAlpin, et al. Trust, 11,464; and Steadman Science and Growth Fund, Inc., assignee of Aden and Co., 28,662. The remaining selling stockholders are offering shares ranging in amounts from 1,146 to 5,732. All of the shares being registered were acquired by the selling stockholders upon conversion of \$500,000 of the company's 6% subordinated convertible debentures. Charles W. Wendt is president.

DIAMOND CRYSTAL SALT SHARES IN REGISTRATION. Diamond Crystal Salt Company, 916 S. Riverside Ave., St. Clair, Mich., filed a registration statement (File 2-25169) with the SEC on June 23 seeking registration of 112,810 shares of common stock. Of this stock, 89,110 shares are to be offered pursuant to the company's Stock Option Plans; and 23,700 shares (being outstanding stock) may be offered for public sale by the present holders thereof in the over-the-counter market, at prices current at the time of sale (\$13.75 per share maximum*).

The company is engaged in the production of salt. In addition to indebtedness, it has outstanding 1,305,990 common shares, of which management officials own 21% (including 17.6% owned by Charles F. Moore, president and board chairman) and Moore Investment Co. 26.8%. The prospectus lists ten selling stockholders, including Spencer S. Meilstrup (senior vice president), who is offering, 5,000 of 15,988 shares held; and Henry & Harriet Whiting Foundation, 4,000 of 32,074.

NORTH AMERICAN CAR PROPOSES OFFERING. North American Car Corporation, 77 S. Wacker Dr., Chicago, Ill. 60606, filed a registration statement (File 2-25175) with the SEC on June 24 seeking registration of 300,000 shares of convertible preferred stock. The stock is to be offered for public sale through underwriters headed by Glore Forgan, Wm. R. Staats Inc., 135 S. LaSalle St., Chicago, Ill. 60603, and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The dividend rate, public offering price (\$50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of leasing specialized types of railway cars to shippers and railroads. Net proceeds of its stock sale will be applied to its car acquisition program, estimated to cost \$50,000,000 in 1966. In addition to indebtedness, the company has outstanding 3,232,794 common shares, of which management officials own about 3%. E. C. R. Lasher is president.

ACUSHNET PROCESS FILES FOR OFFERING AND SECONDARY. Acushnet Process Company, Belleville Ave., New Bedford, Mass., filed a registration statement (File 2-25178) with the SEC on June 24 seeking registration of 252,700 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 152,700 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by Paine, Webber, Jackson & Curtis, 24 Federal St., Boston, Mass. 02110. The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of designing, producing and selling rubber, synthetic rubber and other elastomeric products. Of the net proceeds of its sale of additional stock, \$2,000,000 will be used to expand its plant and to purchase additional manufacturing equipment and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,617,606 common shares, of which management officials own 21.42%. The prospectus lists nine selling stockholders, including Richard B. Young (president) and Samuel S. Dennis 3d, trustees under declaration of trust established by Edith B. Young f/b/o Richard B. Young and Edith E. Harris, 39,000 of 259,692 shares held. Richard B. Young also proposes to sell 39,000 of his holdings of 202,710 shares; and as Trustee under Clause V of the will of Philip E. Young f/b/o Edith E. Harris, he proposes to sell 29,000 of 145,608 shares held in the estate. The remaining sellers are offering shares ranging in amounts from 4,000 to 20,000.

OVER

AMERICAN & FOREIGN POWER FILES FOR SECONDARY. American & Foreign Power Company Inc., 100 Church St., New York 10007, filed a registration statement (File 2-25179) with the SEC on June 24 seeking registration of 325,000 outstanding shares of common stock. The present holder thereof, Electric Bond and Share Co., may offer the stock for public sale from time to time on the New York Stock Exchange at prices current at the time of sale (\$18.375 per share maximum*).

The company is a holding company which operates utility properties through subsidiaries in foreign countries. In addition to indebtedness and preferred stock, it has outstanding 7,408,993 common shares, of which Bond and Share owns 4,445,591 shares. Henry B. Sargent, president of the company, and three other officers are also officials of Bond and Share.

AMERICAN PLAN FILES FINANCING PROPOSAL. The American Plan Corporation, American Plan Bldg., Westbury, Long Island, N. Y. 11590, filed a registration statement (File 2-25183) with the SEC on June 24 seeking registration of \$1,100,000 of ten-year 6% subordinated convertible debentures (due 1976) and 110,000 shares of common stock. The securities are to be offered for public sale in units consisting of \$1,000 of debentures and 100 shares. The offering is to be made through Shaskan & Co., Inc., 67 Broad St., New York. The registration statement also includes 50,000 outstanding common shares, which may be offered for public sale by the present holder thereof through the said underwriting firm. The public offering prices of the units (\$1,600 per unit maximum*) and of the stock (\$10 per share maximum*), as well as the underwriting terms, are to be supplied by amendment. The company has sold to the underwriter, for \$1,500, warrants to purchase 30,000 common shares.

The company is primarily engaged in the production and servicing of physical damage insurance covering private passenger automobiles, mobile homes and trucks (the major portion of the insurance is generated by banks and installment finance companies). Of the net proceeds of this financing, the company will use \$1,500,000 to purchase from its 86%-owned subsidiary, American Fidelity Fire Insurance Co., 15,000 shares of that company's new authorized noncumulative preferred stock, and the balance will be used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 400,000 common shares (as adjusted to reflect a recent 100% stock dividend). All of the company's outstanding stock is owned by Mark M. Hart, board chairman, who proposes to sell 50,000 shares. Mortimer Weinberg is president.

DIXIE LAND REGISTRATION SUSPENDED. SEC Hearing Examiner Samuel Binder, has filed an initial decision under the Securities Act involving a registration statement filed by Dixie Land and Timber Corporation ("Dixie"), of Atlanta, Ga. The Examiner's decision includes a stop order suspending Dixie's registration statement, based on his findings that the company's statement and prospectus contain materially false and misleading statements concerning the company's business and property, its financial condition, its subsidiaries, its earnings, its income, the market for its securities, its contingent liability for sales of unregistered securities, and the independence of its accountants. In addition he found that Dixie's accountants failed to observe generally accepted accounting principles and to conform to generally accepted auditing standards. The Examiner's order may be appealed to the Commission within fifteen days.

Dixie's registration statement related to 4,082,032 shares of common stock, of which 3,021,072 shares were to be offered for public sale at \$1 per share. It also covered 5,917,968 outstanding shares (as well as certain bonds) which the Examiner found had been sold in violation of the registration and anti-fraud provisions of the Federal securities laws.

According to the Examiner's decision, Dixie had never shown a profit; on the contrary, it had sustained substantial losses in each year of its operations (it was organized in 1959). Nevertheless, its stock was offered to the public at constantly ascending prices ranging from \$1 per share in 1959 to \$3.40 per share shortly prior to the filing of its registration statement with the Commission in September 1964. During that period, the Examiner held, Dixie employed a series of prospectuses in the prior offering and sales of its stock which "contained false^{and} misleading statements of material facts and omitted to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading. Specifically, Dixie's state prospectuses dated October 5, 1961, November 19, 1962 and October 31, 1963 present false and misleading statements concerning its financial condition and assets particularly in regard to 'Land & Timber', 'Machinery', 'Survey Costs' and in addition such documents were materially misleading with regard to registrant's description of business and description of property. Moreover, Dixie's state prospectuses contained materially false and misleading statements regarding its subsidiaries. In addition, the state prospectuses contained false and misleading statements concerning the income of the company."

In essence, the Examiner held, Dixie's registration statement and prospectus filed with the Commission repeated the same or substantially similar false and misleading statements as those which had appeared in the earlier prospectuses. The Examiner also found and concluded that Hemrick & Co., who certified Dixie's financial statements, was not independent.

SECURITIES ACT REGISTRATIONS. Effective June 27: Continental Telephone Corp., 2-25039 (40 days); General Baking Co., 2-25142; National Equity Life Insurance Co., 2-24081 (90 days); Southwest Gas Corp., 2-24913; West Coast Airlines, Inc., 2-25023 (90 days).

Effective June 28: British Columbia Hydro and Power Authority Province of British Columbia, 2-25111 (90 days); Optical Coating Laboratory Inc., 2-24978 (90 days); Standard Computers Incorporated, 2-24966 (Sept 28).

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.