

# SECURITIES AND EXCHANGE COMMISSION 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)  
SEC

(Issue No. 68-161)

FOR RELEASE August 16, 1968

**P. A. KOSTERMAN SUSPENDED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-8383) suspending Pierre A. Kosterman from association with a broker-dealer for 30 days, commencing August 23. The action was based upon findings that Kosterman, former vice president of Hagen & Co., Inc., of Portland, Oregon, aided and abetted that firm's violations of the said Act in that, among other things, he sold securities, including stock of Health Accounting Services Inc., to customers at prices which were unreasonable and excessive and purchased securities from customers at unreasonable prices. Without admitting the violations charged to him, Kosterman consented to the Commission's findings and to the 30-day suspension order, which provides that he may not thereafter associate with a broker-dealer except in a non-supervisory capacity and under appropriate supervision. Kosterman is now associated with another firm and, according to the decision, his present employment provides appropriate post-suspension supervision. The broker-dealer registration of Hagen & Co. was revoked by the Commission in May 1968.

**OHIO EDISON SEEKS ORDER.** Ohio Edison Company has applied to the SEC for authorization under the Holding Company Act to issue and sell from time to time prior to March 31, 1969, up to \$40,000,000 principal amount of unsecured notes to banks (including \$28,609,218 which may be issued pursuant to the exemption provided by Section 6(b) of the Act, of which at July 1 there had been issued \$23,000,000); and the Commission has issued an order (Release 35-16140) giving interested persons until September 9 to request a hearing thereon. Ohio Edison will use the proceeds of its note sale to finance in part its 1968 construction program, estimated at \$75,000,000.

**NORTHERN ENTERPRISES RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5470) declaring that Northern Enterprises, Inc., Minneapolis, is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding or trading in securities, either directly, through majority-owned subsidiaries, or through controlled companies conducting similar types of businesses.

**REAL ESTATE PROPERTIES RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5471) exempting Real Estate Properties Corporation ("REPC") and the Dyson-Kissner Corporation ("Dyson-Kissner"), both of New York, from certain provisions of the Act with respect to REPC's proposed purchase of the common and preferred stock of The Garden City Company from Dyson-Kissner. REPC and Dyson-Kissner own, respectively, 50.2% and 15.1% of the outstanding voting securities of Garden City. Dyson-Kissner desires to divest itself of its Garden City shares and REPC is willing to purchase such shares. The proposed purchase price is \$1,220,490.88.

**ROWE PRICE FUND PROPOSES OFFERING.** Rowe Price Inflation Fund, Inc., 1 Charles Center, Baltimore, Md. 21201, filed a registration statement (File 2-29866) with the SEC on August 14 seeking registration of 1,000,000 shares of common stock. The shares are to be offered for public sale at net asset value (\$10 per share maximum\*). Organized under Maryland law in August 1968, the Fund is a diversified open-end investment company. Rowe Price Management Company, Inc., a subsidiary of T. Rowe Price and Associates, Inc., is the investment adviser. T. Rowe Price is president of the Fund and of the investment adviser.

**PAGE AIRWAYS PROPOSES OFFERING.** Page Airways, Inc., 1265 Scottsville Road, Rochester, N. Y. 14624, filed a registration statement (File 2-29867) with the SEC on August 14 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Allen & Co. Inc., 30 Broad St., New York 10004. The offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters up to \$15,000 for expenses and to sell the Allen firm 30,000 common shares at the public offering price less the underwriting commission.

The company is principally engaged in the sale of private and business airplanes and the rendering of airplane support services, including sale of service parts, engines and electronic equipment, repair and maintenance service, and airplane fueling and storage at airports. Of the net proceeds of its stock sale, the company will use \$84,000 towards payment of outstanding indebtedness and will add the balance to working capital for use in financing the company's operations and the expansion of business mainly resulting from its additional airplane distributorship and for increased inventories of airplanes, spare parts and aviation electronic equipment. The company may use up to \$250,000 of the proceeds in preliminary planning for a new airplane leasing and/or financing program under consideration. In addition to indebtedness, the company has outstanding 900,000 common shares, of which James P. Wilmot, board chairman, owns 60%, Gerald G. Wilmot, president, 20% and John L. Wilmot, secretary-treasurer, 20%.

**PRINCETON TIME SHARING SERVICES PROPOSES OFFERING.** Princeton Time Sharing Services, Inc., Alexander Road, Princeton, N. J. 08540, filed a registration statement (File 2-29868) with the SEC on August 14 seeking registration of 150,000 shares of common stock and 75,000 common stock purchase warrants, to be offered for public sale in units, each consisting of one common share and one-half warrant, and at \$6 per unit. The offering is to be made through underwriters headed by Mayflower Securities Co., Inc., 32 Broadway, New York, which will receive a 60¢ per share commission. The company has agreed to pay the Mayflower firm \$15,000 for expenses.

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Organized under Delaware law in June 1968, the company proposes to offer conversational time sharing, remote access batch processing and conventional service bureau computer services. The company will add the net proceeds of its stock sale to working capital to be available for general corporate purposes, including rental payments required pursuant to its lease agreements for its IBM computer and real estate, preparation of the building for the installation of the computer, purchase of furniture and fixtures, initial advertising and promotion expenses, salaries, and business organization expenses. The company has outstanding 225,000 common shares (with a 97¢ per share book value), of which Theodore A. Dolotta, president, John J. Leahy, Joel Leichter and Carl S. Witonsky, vice presidents, own 14.44% each and Mayflower Securities 11.44%; management officials as a group own 70.44%. In addition, the four named officers own warrants to purchase 16,250 common shares each. Upon completion of the offering, company officials and certain other stockholders, including Mayflower Securities and Richard D. Wellbrock, will own 44% of the outstanding common stock, for which they paid \$16,500, while the purchasers of the shares being registered will own 40%, for which they will have paid \$900,000.

**MARINE RESOURCES PROPOSES OFFERING.** Marine Resources, Inc., 150 Winton Road North, Rochester, N. Y. 14610 filed a registration statement (File 2-29869) with the SEC on August 14 seeking registration of 320,000 shares of common stock, to be offered for public sale at \$4.50 per share. The offering is to be made through underwriters headed by Woolard & Co. Inc., 150 S. LaSalle St., Chicago, Ill. 60603, which will receive a 36¢ per share commission. The company has agreed to pay up to \$5,000 of expenses for underwriter's counsel and has granted the Woolard firm a three-year warrant to purchase 20,000 common shares, half exercisable at \$4.82 per share and half at \$5.13 per share.

The company was organized under New York law in January 1968 to engage in the business of producing and selling products and services in the field of oceanography and water-related activities. It has just commenced business operations<sup>and</sup> has had virtually no sales or earnings. Of the net proceeds of its stock sale, the company will use \$520,000 in connection with the facility to be established in Florida (\$275,000 for design, construction, testing and marketing of submarine prototypes and \$245,000 for underwater transducers), \$375,000 for design, construction, testing and marketing of electronic products to be assembled or produced at its California facility and \$160,000 for development of its technical services operation to be established in Rochester, N. Y.; the balance will be applied to working capital and used for general corporate purposes. The company has outstanding 546,000 common shares (with a 17½¢ per share net asset value), of which Robert J. Fortin, president, owns 25.82%, F. Robert Hill, vice president, 15.66% and Clinton B. Hutto, board chairman, 9.52%. Upon completion of the offering, the present stockholders will own 63% of the outstanding common stock, for which they paid \$112,520, while the purchasers of the shares being registered will own 37%, for which they will have paid \$1,440,000.

**GRAYBAR ELECTRIC FILES STOCK PLAN.** Graybar Electric Company, Inc., 420 Lexington Ave., New York 10017, filed registration statements with the SEC on August 14 seeking registration of 250,000 Voting Trust Certificates (File 2-29870) and the underlying 250,000 shares of common stock (File 2-29871). The shares are reserved for issuance under the company's Common Stock Purchase Plan.

**TRUCKERS AID PROPOSES OFFERING.** Truckers Aid Corp., 74-05 Metropolitan Ave., Middle Village, N. Y. 11379, filed a registration statement (File 2-29872) with the SEC on August 14 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through Charles Plohn & Co., 200 Park Ave., New York 10017, which will receive a 50¢ per share commission and \$5,000 for expenses. The company will issue to the Plohn firm a five-year option to purchase 15,000 common shares at \$5 per share and has agreed to pay David L. Kagel \$5,000 as a finder's fee.

Organized under New York law in June 1968, the company is engaged in providing the owners of trucks with a means for obtaining emergency road and repair service through independent, non-affiliated garages and service stations with whom the company has contracted to perform such services. Of the net proceeds of its stock sale, the company will use \$50,000 for advertising, promotion and hiring of additional sales personnel, \$160,000 to establish sales and dispatching offices in Philadelphia, Newark, Upper New York State and Boston (\$40,000 each), and \$30,000 to purchase equipment (primarily tow trucks); the balance will be added to working capital and used for general corporate purposes and expansion. The company has outstanding 100,000 common shares (with a 38¢ per share book value), of which Sal Zunno, president, and Joseph Scarp, a director, own 25% each, and Vincent W. Filippazzo and Nicholas Teodora, directors, 20% and 10%, respectively. Upon completion of the offering, the present shareholders will own 50% of the outstanding common stock, for which they paid \$44,850, while the purchasers of the shares being registered will own 50%, for which they will have paid \$500,000.

**PANTEPEC INTERNATIONAL PROPOSES OFFERING.** Pantepec International, Inc., 37 Lewis St., Hartford, Conn. 06103, filed a registration statement (File 2-29873) with the SEC on August 14 seeking registration of voting trust certificates for 1,154,662 shares of capital stock and warrants to purchase voting trust certificates for an additional 577,331 capital shares. The certificates and warrants are to be offered for subscription by capital stockholders in units, each consisting of one voting trust certificate for one capital share plus a warrant to purchase an additional certificate for one-half share, and at the rate of one unit for each five shares held. The record date and offering price (\$2.625 per share maximum\*) are to be supplied by amendment. Also included in this statement are voting trust certificates for 248,775 capital shares, of which 218,775 are issuable upon exercise of stock options held by The Catawba Corporation and 30,000 are issuable upon exercise of a stock option held by Continental Communications Corporation.

The company holds directly or indirectly licenses or interests in licenses to explore for oil and gas in Australia, Canada, Libya, Venezuela and the Philippines and minerals in Australia; and it also holds interests in mining claims in the U.S. The company will add the net proceeds of this offering to its funds to be used for payments required under agreements with American Mining & Exploring Company, repayment as required of some \$215,200 of outstanding demand loans and for current operations of the company. The company has outstanding 5,524,537 common shares, of which Pancoastal, Inc., owns 22.7%. James W. Buckley is president.

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**WISCONSIN ELECTRIC TO SELL STOCK.** Wisconsin Electric Power Company, 231 West Michigan St., Milwaukee, Wisc. 53201, filed a registration statement (File 2-29874) with the SEC on August 15 seeking registration of 1,357,632 shares of common stock. The shares are to be offered for subscription (at \$25 per share maximum\*) by common stockholders at the rate of one new share for each ten shares held of record September 5, 1968. No underwriting is involved.

An electric utility, the company will use the net proceeds of its stock sale to pay a major part of the estimated \$34,000,000 of outstanding short term borrowings, incurred in connection with construction expenditures in 1968. Construction expenditures for 1968 are estimated at \$98,000,000. The company has outstanding 13,576,321 common shares.

**WASHINGTON NATURAL GAS TO SELL BONDS.** Washington Natural Gas Company, 815 Mercer St., Seattle, Wash. 98111, filed a registration statement (File 2-29875) with the SEC on August 15 seeking registration of \$7,500,000 of first mortgage bonds, due 1993, to be offered for public sale through underwriters headed by Dean Witter & Co., 14 Wall St., New York 10005, and Kirkpatrick, Pettis, Smith, Polian, Inc., 540 Omaha National Bank Bldg., Omaha, Nebr. 68102. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its bond sale to pay some \$7,000,000 of outstanding short-term bank loans incurred for construction purposes. Construction expenditures are estimated at \$4,900,000 during the last four months of 1968 and at \$16,000,000 for 1969.

**NUVEEN FUND SEEKS ORDER.** Nuveen Tax-Exempt Bond Fund, Series 19, another of a series of similar funds organized by John Nuveen & Co. (Inc.), Sponsor, has applied to the SEC for an order under the Investment Company Act exempting the Fund from the \$100,000 net worth provisions of the Act; and the Commission has issued an order (Release IC-5473) giving interested persons until August 27 to request a hearing thereon. It is contemplated that the Sponsor will deposit with the trustee a minimum of \$11,000,000 of municipal bonds and will receive in exchange therefor certificates of undivided interest in the Fund, which will be offered for public sale pursuant to a Securities Act registration statement filed with the Commission on July 18.

**SIX SUSPENSIONS CONTINUED.** The SEC has issued orders under the Securities Exchange Act further suspending trading in securities of the following companies for the periods specified: Alscope Consolidated, Ltd., and Zimoco Petroleum Corp., for the period August 17-26, 1968, inclusive; Leeds Shoes, Inc., and BSF Company, August 18-27, inclusive; and Rover Shoe Company and Royston Coalition Mines, August 19-28, inclusive.

**NEW ENGLAND TELEPHONE AND TELEGRAPH TO SELL DEBENTURES.** New England Telephone and Telegraph Co., 185 Franklin St., Boston, Mass. 02107, filed a registration statement (File 2-29879) with the SEC on August 16 seeking registration of \$125,000,000 of debentures, due 2008, to be offered for public sale at competitive bidding. A subsidiary of AT&T and an associated company of the Bell System, the company will use the net proceeds of its debenture sale to repay some \$115,000,000 of advances from AT&T, made in connection with the company's construction program, and the remainder for general corporate purposes.

**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 "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the August 5 News Digest.

Woods Corp Jun 68(2,9,13)	1-5338-2	Richmond Life Ins Co Amd #2 to 8K for Apr 68 (1,11)	2-22461-2
General United Group Inc Amd #1 to 8K for Jun 68 (7,13)	0-2008-2	Eastern Air Devices Inc Amd #1 to 8K for Dec 67 (13)	1-4490-2
Franklin National Invmt Corp Amd #1 to 8K for Jun 68 (2,12)	0-2854-2		

**SECURITIES ACT REGISTRATIONS.** Effective August 15: American Electronic Laboratories, Inc., 2-29315 (40 days); American Standard Inc., 2-29564 & 2-29565; Canadian International Power Co. Ltd., 2-29506 (Sep 25); Consolidated Analysis Centers Inc., 2-29100 (Nov 1); Educators Life Separate Account A, 2-29622 (40 days); Hach Chemical Co., 2-29304 (90 days); Horace Mann Life Insurance Co. Separate Account B, 2-28144; Interco Inc., 2-29557; Life Insurance Co. of North America Separate Account A, 2-29623 (40 days); MGIC Investment Corp., 2-29058 (90 days); National Beef Packing Co., 2-29314 (90 days); Pergamon Press, Inc., 2-29230 (90 days); The L. M. Rosenthal Fund, 2-27787; Vornado, Inc., 2-29587; Western International Hotels Co., 2-29329 (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.