

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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POLYCARPO REGISTRATION REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8468) revoking the broker-dealer registration of Lionel D. Polycarpo (d/b/a L. D. Polycarpo Company), South Dartmouth, Mass., for violations of the anti-fraud and other provisions of the Federal securities laws. By reason of his failure to appear at the hearing, he was deemed in default and, under the Commission's rules, the allegations against him were deemed to be true.

According to the Commission's decision, Polycarpo failed and, despite repeated customer demands, refused to deliver to customers securities for which they had paid, converted customers' funds to his own use, induced customers to sell securities in order to purchase others which he failed timely to purchase and deliver, sent false confirmations to customers, and made materially false and misleading statements concerning, among other things, his financial condition, the use of funds and securities received from customers, the availability of securities ordered and paid for by customers, the delays in the completion of transactions for customers, and the dates on which purchases were effected.

Polycarpo also violated the Commission's net capital, record-keeping and financial reporting rules. Moreover, in June when law suits involving securities transactions were pending against him resulting in attachment liens being filed against his property, Polycarpo filed a notice of withdrawal from registration as a broker-dealer which falsely denied that he was involved in any legal proceeding or that there were any unsatisfied judgments or liens against him. Such notice also failed to disclose that he was indebted to several customers in a total amount exceeding \$30,000 for customers' funds which he had converted to his own use.

RAPPAPORT PROMOTED. SEC Chairman Cohen announced today that the Commission has designated Sheldon Rappaport as Associate Director (Markets and Regulation), Division of Trading and Markets. Mr. Rappaport, who has been serving as Special Counsel in that Division, succeeds Eugene H. Rotberg, who has been appointed Treasurer of the World Bank.

Mr. Rappaport joined the Commission's staff in 1961 as an attorney assigned to the Special Study of Securities Markets. Upon the completion of the Study, Mr. Rappaport transferred to the Division of Corporate Regulation and served in that Division until he was promoted to Special Counsel in the Office of Policy Research in October, 1963. In April 1966, he was reassigned to the Division of Trading and Markets and was subsequently promoted to Special Counsel in the office of the Associate Director (Markets and Regulation). He received his B.A. from Temple University in 1961 and his LL.B. from the University of Pennsylvania Law School in 1955.

AMERICAN ELECTRIC POWER RECEIVES ORDER. The SEC has issued a supplemental order under the Holding Company Act (Release 35-16244) modifying the conditions under which American Electric Power Company, Inc., New York holding company, may issue and sell short-term notes (including commercial paper) pursuant to the Commission's order of December 1967 (Release 35-15917). More particularly, it is now provided that the filing of certificates under Rule 24 with respect to the commercial paper notes will be made on a quarterly basis.

EUGENE ROSS GUILTY. The SEC New York Regional Office announced December 12 (LR-4182) that Eugene Ross, former president of Ross Securities, Inc., had been found guilty, after a two-week, non-jury trial, of conspiracy to violate the Securities Act anti-fraud provisions. Michael Skolnick was acquitted; previously, Neil James Shanman and Albert Wasserman entered guilty pleas.

SEA WORLD TO SELL STOCK. Sea World, Inc., 1720 S. Shores Drive, San Diego, Calif., filed a registration statement (File 2-31012) with the SEC on December 12 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by E. F. Hutton & Co., Inc., 61 Broadway, New York 10006. The offering price (\$32 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of providing entertainment, recreation and educational services to the "leisure time" market. Its principal activity is the operation of a marine park ("Sea World") in San Diego. It proposes to establish a second marine park to be located in the Cleveland, Ohio suburban area; and some \$2,000,000 of the net proceeds of its stock sale will be applied to the acquisition of property and initial construction costs of such park. An additional \$1,500,000 will be used to develop an amusement ride park to be located in the greater Los Angeles area, \$700,000 for construction of a new airport restaurant, and \$515,000 for a "Sky-Tower" at Sea World. The balance of the proceeds will be added to working capital. The additional funds required for the construction program will be obtained from long-term institutional financing, internally generated funds and possible additional equity financing. In addition to preferred stock and indebtedness, the company has outstanding 651,350 common shares, of which management officials own 47.6% and Boston Capital Corporation 26%. George D. Millay is president and Milton C. Shedd board chairman.

OVER

ZALE CORP. SHARES IN REGISTRATION. Zale Corporation, 512 S. Akard St., Dallas, Tex. 75201, filed a registration statement (File 2-31013) with the SEC on December 12 seeking registration of 83,900 outstanding shares of common stock, to be offered for public sale by the holders thereof from time to time at prices current at the time of sale (\$4,834,750 maximum*). The 13 selling stockholders acquired 168,236 shares in connection with the company's acquisition in August 1968 of Gray Mercantile Company and O. G. Wilson and Sons, Inc., of which they propose to sell 83,900 shares. The largest block, 17,409, is to be sold by Sam Graber.

ACTION INDUSTRIES FILES FOR OFFERING AND SECONDARY. Action Industries, Inc., 1020 Saw Mill Run Blvd., Pittsburgh, Pa. 15220, filed a registration statement (File 2-31014) with the SEC on December 12 seeking registration of 232,500 shares of common stock, of which 200,000 are to be offered for public sale by the company and 32,500 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Moore, Leonard & Lynch, Inc., 1003 Union Trust Bldg., Pittsburgh, Pa. 15219; the offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in selling a wide variety of hardware, housewares, electrical items, garden and outdoor living articles, paint and paint supplies and toys. It plans to construct and equip a manufacturing, warehousing and office facility in Harmar Township, near Pittsburgh, at a total cost estimated at \$3,800,000 (to be financed in part through \$2,700,000 of mortgages). Of the net proceeds of its stock sale, \$1,100,000 will ultimately be used to pay the balance of the costs of this expenditure program; the balance will be available for working capital purposes. The company now has outstanding 425,000 shares, of which Amos Comay, board chairman and chief executive officer, owns 30.6% (and proposes to sell 20,000 shares), S. Bob Buchwach, president, 30.5% (he proposes to sell 12,500 shares) and Ernest S. Beraz, senior vice president, 30.7%.

BUTLER FUND PROPOSES OFFERING. The A. J. Butler Fund Inc., 50 Broadway, New York 10004, filed a registration statement (File 2-31015) with the SEC on December 11 seeking registration of 500,000 shares of capital stock, to be offered for public sale at \$10 per share. The offering is to be made on a "best efforts" basis by A. J. Butler & Co., 50 Broadway, New York, which will receive an 85c per share selling commission.

The Fund was organized under Delaware law in October 1968 as a diversified closed-end management type investment company. The Butler Management Co., Inc., is manager and investment advisor of the Fund, Abbey J. Butler is president of the Fund and of the advisor, Joseph Palmeri vice president and Robert C. Von Ohlen secretary; together they own the advisor. Butler is also senior partner of the underwriter.

MANHATTAN INDUSTRIES FILES FOR OFFERING AND SECONDARY. Manhattan Industries, Inc., 1271 Avenue of the Americas, New York 10020, filed a registration statement (File 2-31016) with the SEC on December 12 seeking registration of 208,500 shares of common stock, of which 80,000 are to be offered for public sale by the company and 128,500 (being outstanding shares or issuable upon conversion of debentures) by the present holders thereof. The offering is to be made through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004; the offering price (\$38 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells, under its Manhattan, Lady Manhattan and related names, men's and ladies' shirts, sportshirts and related apparel. Net proceeds of its sale of additional stock will be used to reduce some \$12,235,000 of short-term indebtedness incurred for working capital purposes. In addition to indebtedness and preferred stock, the company has outstanding 1,148,827 common shares, of which Laurence C. Leeds, Jr., president, owns 13.7% and management officials as a group 21.69%. S. J. B. Corp. proposes to sell all of 27,124 shares held, Mandale Inc. all of 23,355, Codman Kruger 25,000 of 56,403 and eight others the remaining shares being registered. Robert L. Leeds, Jr. is board chairman and chief executive officer.

CENTRAL BANCORP PROPOSES EXCHANGE OFFER. Central Bancorp., Inc., 1313 N. W. 36th St., Miami, Fla. 33142, filed a registration statement (File 2-31017) with the SEC on December 12 seeking registration of 1,048,100 shares of common stock. It is proposed to offer these shares in exchange for (a) all the outstanding shares of capital stock of Central Bank and Trust Company ("Central"), at the rate of 5 Bancorp shares for each Central share and (b) all the outstanding shares of capital stock of Central Bank of North Dade ("North Dade"), at the rate of 2 Bancorp shares for each North Dade share. The exchange offer is predicated upon acceptance by holders of 80% each of the outstanding shares of Central and North Dade. Holders of about 75.2% of the voting stock of Central and about 75.33% of the voting stock of North Dade have indicated their intention to tender their shares.

Central Bancorp was organized under Florida law in December 1967 for the purpose of becoming a bank holding company. E. Albert Pallot is board chairman and chief executive officer of Bancorp and vice board chairman of Central and North Dade, and Stanley H. Wolff is president of Bancorp, and president and board chairman of Central and North Dade.

R. J. COMMUNICATION PRODUCTS FILES FOR OFFERING AND SECONDARY. R. J. Communication Products, Inc., 9827 N. 32nd St., Phoenix, Ariz. 85028, filed a registration statement (File 2-31018) with the SEC on December 12 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Young, Smith & Peacock, Inc., 3443 North Central Ave., Phoenix, Ariz. 85012. The offering price (\$12.50 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Young firm \$14,000 for expenses and to sell it, for \$50, five-year warrants to purchase 5,000 common shares. The statement also relates to 25,000 outstanding shares of common stock (representing part of 75,000 shares issued in July 1967 and February 1968 upon conversion of an aggregate of \$300,000 of 7% convertible subordinated notes). These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale.

The company is engaged in the design, manufacture, marketing and servicing of mobile communication components and systems, incremental digital magnetic tape recorders and data-to-tape systems, and in the design and development of a retail station data acquisition system and tape system and CATV components and equipment. Of the net proceeds of its sale of additional stock, \$100,000 will be used for retirement of the company's bank loans, \$450,000 for the development of products and for related start-up marketing costs, \$200,000 for the purchase of additional engineering and manufacturing test equipment and manufacturing production equipment and \$100,000 for the manufacture of customer evaluation of the company's retail station data acquisition system; the balance will be used for additional working capital. The company has outstanding 351,000 common shares, of which Ronald E. Jachowski, president, owns 39.2% and management officials as a group 66.3%. Robert C. Townsend proposes to sell 3,500 shares of 10,000 shares held and sixteen others amounts ranging from 400 to 2,700 shares.

USIPCA PROPOSES OFFERING. USIPCA, Suite 1130, 208 S. LaSalle St., Chicago, Ill. 60604, filed a registration statement (File 2-31019) with the SEC on December 12 seeking registration of \$17,000,000 of limited partnership interests, to be offered for sale to selected persons at \$50,000 per unit through underwriters headed by H. L. Federman & Co., Inc., 50 Broadway, New York. Net proceeds of this offering will be transferred to an Israeli partnership, LAPCA, (75% of which is to be owned initially by USIPCA and 25% to be owned by Lapidoth Israel Oil Prospectors Corporation, Ltd. ("Lapidoth"), and together with \$5,000,000 to be contributed by Lapidoth, will be used to conduct a venture for the acquisition of licenses and permits, the geological and geophysical surveying, the exploration for, and the production of oil, gas and other minerals and hydrocarbons in the State of Israel. Participants may ultimately receive from USIPCA ordinary shares of Lapidoth or shares of a new Israel corporation to be formed. Lapidoth is approximately 70% owned by the Israeli government. USIPCA was organized under Illinois law in November 1968 as a limited partnership between Israel Petroleum Corporation of America, Inc. ("IPCA") as the general partner and the participants as the limited partners. IPCA was organized as a privately owned Delaware corporation in May 1968 to conduct negotiations leading to the LAPCA partnership agreement and to organize USIPCA.

SECURITY BENEFIT LIFE TO SELL VARIABLE ANNUITIES. Security Benefit Life Insurance Company ("SBL"), 700 Harrison St., Topeka, Kans. 66603, filed a registration statement (File 2-31020) with the SEC on December 12 seeking registration of \$2,500,000 of individual variable annuity contracts, \$2,500,000 of pension trust variable annuity contracts and \$5,000,000 of group variable annuity contracts under its SBL Variable Annuity Account, a unit investment trust. The variable contracts are designed for sale to individuals as private retirement plans where there is no special tax treatment of the stipulated payments. Security Benefit Life is a mutual life insurance company. J. H. Abrahams is board chairman and president of Security Benefit Life.

HEURISTIC CONCEPTS TO SELL STOCK. Heuristic Concepts Inc., 2836 Third Ave., Bronx, N. Y. 10455, filed a registration statement (File 2-31021) with the SEC on December 12 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, all or none" basis by Willard Securities, Inc., 445 Park Ave., New York, which will receive a 50¢ per share selling commission. Subject to the sale of all the shares, the company has agreed to pay the underwriter \$13,000 for expenses, to issue to it at no cost five-year warrants to purchase 18,000 common shares, exercisable after one year at \$5.50 per share, and to pay \$6,700 to Carl Bildner (an employee of an affiliate of the underwriter) as a finder's fee and to issue him at no cost like warrants to purchase 2,000 shares.

The company was organized under New York law in May 1968 to provide various training, systems analysis and consulting services in the field of electronic data processing and to carry on related executive recruitment and employment businesses. It is intended that the training and employment programs will be directed primarily towards disadvantaged or previously unskilled persons in major cities. Of the net proceeds of its stock sale, \$210,000 will be used in connection with the opening of two wholly-owned and 3 franchised electronic data processing schools, \$200,000 for the establishment of management consulting and software services, \$203,000 for executive recruitment, \$95,000 to redeem the company's 8% notes, due June 1969, to four shareholders, and \$100,000 for rental and furnishing of corporate headquarters in New York City and administrative offices elsewhere; the balance will be added to working capital and used for general corporate purposes. The company has outstanding 512,900 common shares (with a 29¢ per share book value), of which Nathan Berkowitz, president, and Stephen Neuman, vice president, own 11.5% each and Abraham Katz, treasurer, 10.4%. Upon completion of this offering, the purchasers of the shares being registered will own 28% of the then outstanding shares, for which they will have paid \$1,000,000 or \$5 per share, and the present shareholders will own 72%, for which they will have paid \$187,000, or 36¢ per share.

PUBLIC SERVICE OF OKLA. TO SELL BONDS. Public Service Company of Oklahoma, 600 S. Main St., Tulsa, Okla. 74102, filed a registration statement (File 2-31023) with the SEC on December 13 seeking registration of \$25,000,000 of first mortgage bonds, Series K, due 1999, to be offered for public sale at competitive bidding. An electric utility, the company will use the net proceeds of its bond sale to finance a part of its construction expenditures, including the payment of some \$11,900,000 of short-term borrowings incurred and to be incurred therefor prior to December 31. The company's construction program is estimated at \$38,530,000 for 1969 and \$29,600,000 for 1970.

UNLISTED TRADING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8471) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Control Data Corporation.

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 December 3 News Digest.

Castle & Cooke Inc Dec 68 (3,7,11,13)	1-4455-2	Corinthian Broadcasting Corp Nov 68 (11,13)	1-5454-2
Indianapolis Water Co Nov 68 (3)	0-1035-2	Handy & Harman Nov 68 (7,13)	1-5365-2
Southwest Airmotive Co Nov 68 (2,13)	0-3002-2	The Sherwin-Williams Co Nov 68 (4,7,13)	1-4851-2
Archer-Daniels Midland Co Nov 68 (11,13)	1-44-2	Simon & Schuster Inc Nov 68 (8)	0-389-2
Lytton Financial Corp Oct 68 (2,3,10,11,13)	1-5042-2	Ohio Water Service Co Nov 68 (7)	0-498-2
Ortronix Inc Nov 68 (13)	0-1704-2	American Tobacco Co Nov 68 (13)	1-92-2
Electronic Research Associates Inc Nov 68 (7)	1-4373-2	Mercury Chemical Corp Nov 68 (11)	2-24062-2
Gateway Sporting Goods Co Nov 68 (7,8)	1-4766-2	Fair Lanes Inc Nov 68 (11)	0-1858-2
Arkansas Louisiana Gas Co Nov 68(7)	1-3751-2	American Cyanamid Co Nov 68 (3)	1-3426-2
Puget Sound Power & Light Co Nov 68 (7,13)	1-4393-2	Guld & American Corp Nov 68 (7,12,13)	1-4470-2
Inflight Motion Pictures Inc Nov 68 (11)	1-5245-2	Rohr Corp Nov 68 (7,8,10,12,13)	1-3801-2
Butler Aviation International Inc Nov 68 (8)	1-5658-2	North American Rockwell Corp Oct 68 (8)	1-1035-2
Circuit Foil Corp Nov 68 (7)	1-4379-2	Sandgate Corp Sep 68 (2,4,7,9,13)	2-27938-2
		Hershey Foods Corp Amtd #1 to 8K for Nov 67(2,4,7,13)	1-183-2
		Spector Industries Inc Amtd #3 to 8K for Jan 68	1-5206-2
		Brogan Associates Inc Amtd #2 to 8K for Sep 68 (9)	2-28229-2

TRADING IN COMSTOCK-KEYSTONE SUSPENDED. The SEC today announced the issuance of an order temporarily suspending over-the-counter trading in securities of Comstock-Keystone Mining Company (now known as Memory Magnetics International, Inc., "MMI"), a Nevada corporation, for the ten-day period December 17 (12:00 Noon) to December 26, 1968, inclusive.

The suspension was ordered by reason of the dissemination by the company of financial and other information containing false and misleading information about the company, its operations, financial condition and future prospects. The Commission has ordered an investigation by its staff to ascertain the facts with respect thereto.

Trading in Comstock securities previously was suspended by the Commission during the period July 22 to October 6, 1968, inclusive. In announcing on September 30 that trading in the securities could resume on October 7, 1968 (Release 34-8418), the Commission reported that Comstock had engaged a public accounting firm to audit its books and records. Although it was then anticipated that the results of this audit would be made public shortly, the audit report has not yet been made public.

SECURITIES ACT REGISTRATIONS. Effective December 16: Armin Poly Film Corp., 2-29809 (90 days); Baltimore Gas and Electric Co., 2-30818; Doremus & Co., 2-30785 (90 days); Einson Freeman and De Troy Corp., 2-29729 (90 days); Harvey Radio Co., Inc., 2-30619; Hyatt International Corp., 2-29943 (90 days); One Stop Food Marts, Inc., 2-29069 (Mar 17); Ponderosa System, Inc., 2-30125 (90 days); Programming Techniques, Inc., 2-30062 (90 days); Servitech, Inc., 2-30209 (90 days); Stuart Hall Co., Inc., 2-29998 (40 days); Toro Manufacturing Corp., 2-30829; Youth Dynamics, Inc., 2-30139 (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.