

# 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 SEC Publications Unit cite number)

(Issue No. 69-4)

FOR RELEASE January 7, 1969

**ATLAS HOTELS TO SELL STOCK.** Atlas Hotels, Inc., 500 Hotel Circle, San Diego, Calif. 92110, filed a registration statement (File 2-31210) with the SEC on December 30 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$13.25 per share through underwriters headed by Roberts, Scott & Co., Inc., 530 B Street, San Diego, Calif. The underwriters will receive a \$1 per share commission plus \$7,500 for expenses. The company has agreed to sell the Roberts firm, for \$100, five-year warrants to purchase 10,000 shares, exercisable after one year at \$14.18 per share.

The company is engaged chiefly in the operation of motor hotels, four in San Diego and a fifth in Los Angeles. In September, pursuant to a plan of reorganization, it acquired the assets and liabilities of Town and Country Development, Inc., Mission Valley Development, Inc., and Sample-Brown Enterprises, Inc., in exchange for 757,403 common shares (less 16,293 held in the treasury). Of the net proceeds of its stock sale, \$900,000 will be used to retire short term indebtedness assumed in connection with the said reorganization; the balance of the proceeds will be added to the company's working capital and will be utilized in the construction of new facilities (including a proposed high-rise hotel). In addition to indebtedness, the company has outstanding 1,200,500 common shares, of which Ella Mae Brown, board chairman, owns 35.7% and management officials as a group 75.3%. C. Terry Brown is president.

**SOUTHERN DISCOUNT FILES FOR OFFERING AND SECONDARY.** Southern Discount Company, 919 West Peachtree St., N.E., Atlanta, Ga. 30309, filed a registration statement (File 2-31211) with the SEC on December 30 seeking registration of 120,700 shares of common stock, of which 100,000 are to be offered for public sale by the company and 20,700 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by The Robinson-Humphrey Co., Inc., 2 Peachtree St., N. W., Atlanta, Ga. 30303; the offering price (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the consumer finance business, both through the making of consumer loans to individuals and through sales financing; it also operates retail furniture outlets, underwrites credit life insurance, accident and health insurance and to a limited extent ordinary life insurance, and operates a general insurance agency. Net proceeds of its sale of additional stock will be added to the company's working capital and will be available for general corporate purposes -- to be used primarily for advances to subsidiaries as required for use in their respective businesses. In addition to indebtedness and preferred stock, the company has outstanding 651,183 common shares, of which W. King Grant, Sr., president, owns 35.1% and management officials as a group own 70.2%. American Bankers Life Assurance Company proposes to sell all of its holdings of 15,301 shares; two others proposes to sell the remaining shares being registered.

**AUTUMN NURSING TO SELL STOCK.** Autumn Aegis Nursing Centers, Inc., 88 East Broad St., Columbus, Ohio 43215, filed a registration statement (File 2-31212) with the SEC on December 30 seeking registration of 650,000 shares of common stock and 325,000 shares of 50c par preferred stock. It is proposed to offer this stock for public sale in units, each consisting of 2 common and 1 preferred share (the preferred is convertible into common). The offering is to be made through underwriters headed by Gregory & Sons., 40 Wall St. New York 10005; the offering price (\$10.50 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has sold 60,000 shares to the Gregory firm for \$3,000; 20,000 were resold at cost to William J. Barrett, an employee of the Gregory firm and a director of the company, and 10,000 shares to other employees of the Gregory firm.

The company was organized in November to acquire, construct, develop and operate health care facilities which will provide nursing, convalescent, rehabilitative and custodial care to patients of all ages and both sexes. Simultaneously with its stock sale, the company will acquire and thereafter operate nine existing facilities with 873 beds already in operation, and will also acquire two additional facilities presently under construction and which, when completed, will contain 316 beds. In addition, it will acquire a construction company, Kru-Bol Enterprises, Inc. The purchase price of these facilities will be paid partly in cash from the proceeds of this financing and the balance by the issuance of notes and the assumption of certain outstanding obligations. About \$1,456,760 of the proceeds will be used for initial payments toward the acquisition of eight health care facilities, \$1,228,250 for payment in full for the acquisition of three health care facilities, \$200,000 towards the purchase price of Kru-Bol Enterprises, and the balance for working capital and general corporate purposes. The company has outstanding 500,000 common shares, sold in equal amounts at 5c per share to Robert P. Day and Michael M. Quinn, board chairman and president, respectively. A maximum of 22,222 common shares will be issued as part of the purchase price of Kru-Bol Enterprises.

**DANIEL CONSTRUCTION FILES FOR OFFERING AND SECONDARY.** Daniel Construction Company, Inc., Greenville, S. Car. 29602, filed a registration statement (File 2-31213) with the SEC on December 30 seeking registration of 400,000 outstanding shares of common stock and \$7,500,000 of convertible subordinated debentures, due 1989; the debentures are to be offered for public sale by the company and the common shares by the present holders thereof. The offering is to be made by underwriters headed by Equitable Securities, Morton & Co., Inc., 2 Wall St., New York 10005; the interest rate, offering price (\$28 per share maximum\*) and underwriting terms are to be supplied by amendment.

OVER

The company is a general building contractor, engaged in industrial, commercial and institutional construction. Net proceeds of its debenture sale will be used to develop its real estate operations (including a shopping center in Montgomery and a 20-story office building in Birmingham, Ala.) The company now has outstanding 1,500,000 common shares, of which Mrs. Homozel Mickel Daniel, vice president, owns 487,500 shares, The Daniel Foundation 300,000, R. Hugh Daniel, board chairman, 270,000, R. Hugh Daniel, Jr., 150,000 and Charles W. Daniel 150,000. The number of shares to be offered for sale by these and two other shareholders is to be supplied by amendment. Buck Mickel is president.

**MOBILE POLLUTION CONTROLS TO SELL STOCK.** Mobile Pollution Controls, Inc., P.O. Box 2635, Little Rock, Ark., filed a registration statement (File 2-31214) with the SEC on December 30 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Dabbs Sullivan, Trulock & Co., Inc., 412 Louisiana St., Little Rock, Ark. The offering price (\$7 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has issued the Dabbs Sullivan firm, for \$2,000, five-year warrants for the purchase of 20,000 shares.

The company owns all the outstanding stock of Metropolitan Waste and Refuse, Inc., a Georgia corporation, and 50% of the stock of Mississippi Waste Disposal, Inc., a Mississippi corporation. It is engaged in the business of providing containerized trash removal and disposal services, primarily for commercial and industrial concerns. Of the net proceeds of its stock sale, \$800,000 will be applied to the repayment of existing equipment obligations including the exercise of purchase obligation with respect to equipment being leased; some \$350,000 will be used to expand the company's operations at existing locations; the company also may purchase the going business of other companies engaged in the containerized trash disposal business. The company now has outstanding 200,000 common shares, of which Jerald M. Barnett, president and three other officials own 46,500 shares each.

**GAM RAD TO SELL STOCK.** Gam Rad, Inc., 16825 Wyoming Ave., Detroit, Mich., filed a registration statement (File 2-31215) with the SEC on December 30 seeking registration of 120,000 shares of common stock, to be offered for public sale through Profit-Sharing Investments, Inc., Rochester, Mich. The offering price (\$5 per share maximum\*) and underwriting terms are to be supplied by amendment. An additional 2,000 shares are to be sold in exchange for certain assets, and 2,500 shares are to be issued to the underwriter as additional underwriting compensation. The underwriter also has acquired 4,000 shares for \$5,000.

The company manufactures and sells two proprietary turbidimeters; these are solid state electro-optical sensing instruments used by industry for measuring and monitoring turbidity in fluid systems. Of the net proceeds of its stock sale, \$48,200 will be used to retire 7% promissory notes and \$12,000 to pay the obligation incurred in the purchase of certain machinery and equipment; the balance will provide additional resources for expanding the company's product lines and distribution system. The company has outstanding 144,000 common shares, of which James J. Shea, president, owns 35.6%. Purchasers of the shares being registered will acquire a 44% stock interest in the company for an investment of \$600,000; the book value of the 144,000 outstanding shares is \$1.02 per share.

**DeVILLIERS NUCLEAR FILES FOR OFFERING AND SECONDARY.** DeVilliers Nuclear Corporation, 457 Washington, S.E., Albuquerque, N. Mex., filed a registration statement (File 2-31216) with the SEC on December 30 seeking registration of 200,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Ling & Co., Inc., 2220 LTV Tower, Dallas, Tex. 75201; the offering price (\$30 per share maximum\*) and underwriting terms are to be supplied by amendment. The Ling firm also will be entitled to purchase an unspecified number of common stock purchase warrants.

The company was organized in August 1967 and has been engaged in the business of acquiring leases, mining claims, prospecting permits and other interests in lands for exploration in search of commercial uranium ore bodies; it is said to be in the initial exploratory stage. The company has in effect four joint exploration agreements with Sohio Petroleum Company covering a portion of its property interests, and most of its exploratory activities have been conducted on such properties. Of the net proceeds of its sale of additional stock, \$326,000 will be used to pay off a bank loan and \$60,000 to pay other outstanding indebtedness; general corporate and overhead expenditures during the next twelve months, general and administrative and similar expenditures, will be approximately \$350,000; the remainder of the proceeds will be added to the general funds of the company to be used to conduct drilling and exploratory programs and to carry out other corporate activities. The company has outstanding 1,050,000 common shares, of which W. Rodney DeVilliers, president, owns 27.6%, John P. Dwyer, 12.8% and Glendale, Inc. 10.5%; DeVilliers proposes to sell 50,000 shares and the other two 25,000 shares each.

**TEXTONE FILES FOR OFFERING AND SECONDARY.** Textone, Inc., 6533 Bandini Blvd., Los Angeles, Calif. 90022, filed a registration statement (File 2-31217) with the SEC on December 30 seeking registration of 250,000 shares of common stock, of which 210,000 are to be offered for public sale by the company and 40,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Mitchum, Jones & Templeton, Inc., 510 S. Spring St., Los Angeles 90013; the offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of vinyl covered plywood paneling for use primarily in mobile homes, travel trailers and truck campers. Of the net proceeds of its sale of additional stock, \$850,000 will be applied to the reduction of bank borrowings incurred to finance the purchase of plywood from foreign sources; some \$500,000 is expected to be used to provide inventory for leased warehouse operations in the Pacific Northwest and the Midwest; the balance will be added to the general funds of the company as working capital to finance increased inventories and receivables and for other general corporate purposes. The company has outstanding 500,000 common shares (with a \$1.12 per share book value), of which A. J. Theis, president, and three others own 125,000 shares each; each proposes to sell 10,000 shares.

CONTINUED

**DIVERSA FILES FOR OFFERING AND SECONDARY.** Diversa, Inc., 265 Frito-Lay Tower, Dallas, Tex. 75235, filed a registration statement (File 2-31221) with the SEC on December 30 seeking registration of 1,375,000 shares of common stock, of which 667,500 shares are to be offered for public sale by the company and 708,000 (being outstanding shares) by the present holders thereof. The offering price (\$15 per share maximum\*) is to be supplied by amendment; no underwriting is involved. Of the 667,500 shares to be offered by the company, 267,500 are under option to Panama Bank & Trust Company, of Panama City, at \$6.50 per share.

The company through subsidiaries is engaged in the business of life and health insurance, oil and gas production, investment and development of real estate, manufacture and supply of military and civilian apparel, management and leasing of office buildings and restaurant operations. The net proceeds of its sale of additional stock, estimated at \$9,250,000, will be applied to the repayment of short and long term indebtedness and will be added to working capital and used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 3,412,139 common shares (of which 227,715 are held in its treasury). The selling stockholders include Inwood Securities, of Dallas, which proposes to sell 400,000 of 1,390,900 shares held, and The Murmanill Corp., also of Dallas, 75,000 of 272,110. Paul Burke of Miami Lakes, Fla., proposes to sell all of his holdings of 100,000 shares; and nine others propose to sell the balance of the shares being registered. Gerald G. Mann, Sr., is board chairman and chief executive officer, and Gerald C. Mann, Jr., is president.

**NEW YORK AIRWAYS TO SELL STOCK.** New York Airways, Inc., LaGuardia Airport Station, Flushing, N. Y., filed a registration statement (File 2-31222) with the SEC on December 30 seeking registration of 577,407 shares of capital stock, to be offered for public sale at \$3.50 per share. No underwriting is involved.

The company is engaged in "inter-airport and Wall Street Service" in New York. According to the prospectus, it has operated at a loss in each of its last five fiscal years and has never paid a dividend; as of September 30 its current liabilities exceeded its current assets by \$1,556,500, and it had a deficit in retained earnings of \$2,450,139. Of the net proceeds of its stock sale, \$491,000 will be used for the repayment of existing indebtedness, \$1,000,000 applied towards the purchase price of new flight equipment as such becomes available, and the balance made available for use for general corporate purposes in furtherance of the company's common carrier service in the New York Metropolitan area. In addition to indebtedness, the company has outstanding 575,782 shares of stock, of which John H. Whitney owns 25.94% (plus \$130,000 of convertible debentures), Pan American World Airways, Inc., 20.25%, Robert G. Goelet, an adviser to the company, 13.66%, and management officials as a group 46.2%.

**AMERICAN INTERNATIONAL GROUP FILES EXCHANGE PLAN.** American International Group, Inc. ("AIG"), 102 Maiden Lane, New York, N. Y. 10005, filed a registration statement (File 2-31223) with the SEC on December 30 seeking registration of \$15,925,100 of 5% convertible subordinated debentures, due 1994, 1,332,073 shares of \$2 cumulative convertible preferred stock, Series A (\$5 par), and 3,448,122 shares of common stock. AIG proposes to offer 2 shares of its common stock for each share of outstanding common stock of American Home Assurance Company not now owned by AIG, \$42 principal amount of the debentures for each share of capital stock of National Union Fire Insurance Company; and either 1.43 shares of the preferred OR 1.88 shares of its common for each share of capital stock of New Hampshire Insurance Company. Morgan Stanley & Co. will serve as dealer manager.

AIG (formerly American International Enterprises, Inc.) was organized in June 1967 by American International Reinsurance Company, Inc. It now owns 50.8% of the outstanding shares of American Home, 57.8% of National Union, 12.5% of New Hampshire Insurance, and 100% of American Life Insurance Company; in addition, affiliates of the said Reinsurance Company own 0.1% of American Home and 24.1% of New Hampshire Insurance. It is expected that these affiliates will tender the 2,400 shares of American Home and not less than 196,379 shares of New Hampshire Insurance in the exchange offers.

**GENERAL HOST FILES EXCHANGE PLAN.** General Host Corporation, 245 Park Avenue, New York, N. Y. 10017, filed a registration statement (File 2-31224) with the SEC on December 30 seeking registration of \$346,200,000 of 7% subordinated debentures, due 1994, and 8,655,000 warrants to purchase a like number of common shares at \$45 per share. Subject to approval of its shareholders at a meeting scheduled for January 20, the company proposes to offer these securities in exchange for common stock of Armour and Company, in the ratio of a \$60 debenture and 1½ warrants for each share of Armour common. Allen & Company, Inc., and Kleiner, Bell & Co., Inc., will serve as managers of a dealer group to solicit acceptances of the exchange offer.

The company is principally engaged in the manufacture and sale of baked goods. It now owns 1,002,500 shares (about 16.5%) of the outstanding common stock of Armour, which is engaged in meat packing and other businesses. Of the outstanding common stock of General Host, 437,700 shares (17%) are owned by The Goldfield Corporation. Richard C. Pistell is board chairman and Harris J. Ashton president.

**CANINE CARRIAGE TRADE TO SELL STOCK.** The Canine Carriage Trade Corporation, 745 Fifth Avenue, New York, N. Y., filed a registration statement (File 2-31226) with the SEC on December 30 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering is to be made through Charles Plohn & Co., 200 Park Avenue, New York, N. Y. 10017, which will receive a 25¢ per share commission plus \$10,000 for expenses. The company has sold 47,500 shares to the underwriter at 50¢ per share (of which 17,500 are to be resold to non-affiliates at cost) and 2,500 shares to L. H. Rothschild & Co. also at 50¢ per share.

The company was organized under Delaware law in September to conduct the business of marketing premium pet food and pet products. Thereafter, it acquired intangible assets of a company formerly known as "Canine Carriage Trade, Inc." consisting primarily of the rights to the use of that name and marketing research and know-how, in exchange for 50,000 common shares. The predecessor, substantially all of whose stock was owned by Jesse Livermore and Patricia Livermore, has been dissolved; Livermore is president of the company. Of the

net proceeds of its stock sale, the company will use about \$65,000 for advertising and promotion, \$5,000 for testing and development of new products and nutritional studies, and \$85,000 to develop a distribution program including funds for organizing sales meetings and hiring of a sales manager; the balance will be used as working capital for general corporate purposes. The company now has outstanding 100,000 common shares, of which the Livermores own 47.6% and the underwriter 37.5%. An additional 66,667 shares are to be sold to the Livermores at 10¢ per share.

**STARR BROADCASTING TO SELL STOCK.** The Starr Broadcasting Group, Inc., 6906 Dodge St., Omaha, Nebr. 68132, filed a registration statement (File 2-31227) with the SEC on December 30 seeking registration of 260,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by First Mid America Corp., 100 Continental Building, Omaha, Nebr., which will receive an 80¢ per share commission. The said underwriter has received five-year warrants to purchase 46,100 shares, exercisable after one year at \$10 per share.

The company owns and operates two radio stations in Omaha, one in Sioux Falls, S. Dak., and two serving the Kansas City area. It has applied to the FCC for authorization to purchase stations KXLR, Little Rock, KBOK, New Orleans, KYOK, in Honolulu, and WLOK, Memphis. Of the net proceeds of its stock sale, \$50,000 will be applied as the initial payment required in connection with the purchase of KXLR, \$2,950,250 will be paid to the sellers of WLOK, KYOK and WBOK and \$100,000 to William F. Buckley, Jr., board chairman, representing an advance of the down payment under contracts for the purchase of those stations, \$100,000 for repayment of additional borrowings from banks, and unspecified amounts to meet current accounts payable, including expenses of acquisition of all four stations, and for working capital. In addition to indebtedness, the company has outstanding 201,000 common shares, of which Buckley owns 63.3% and Peter H. Starr, president, 31.7%. On September 30, the outstanding shares, for which the holders paid \$208,000 (or \$1.03 per share) had a negative book value of 57¢ per share. Purchasers of the shares being registered will acquire a 56.4% stock interest in the company for an investment of \$2,600,000; on the basis of the September 30 figures, they will sustain an immediate dilution in book value of \$5.26 per share purchased.

**CONTINENTAL HOSTS FILES OFFERING PROPOSAL.** Continental Hosts, Ltd., 55 Quaker Ridge Road, New Rochelle, N. Y., filed a registration statement (File 2-31228) with the SEC on December 30 seeking registration of \$1,250,000 of 6% subordinated convertible debentures, due 1977, and 125,000 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of a \$1,000 debenture and 100 common shares. The offering is to be made through Shaskan & Co., Inc., 67 Broad St., New York, N. Y.; the offering price (\$2,000 per unit maximum\*) and underwriting terms are to be supplied by amendment. The company will pay the underwriter \$25,000 for expenses and issue it five-year warrants to purchase 20,000 shares.

The company through subsidiaries is engaged in food purveying, catering, restaurant and banquet business and related activities in the metropolitan New York City area. Of the net proceeds of its stock sale, \$750,000 will be used to exercise an option to acquire 50% of the outstanding stock of Fountainhead Caterers, Inc., Park Terrace Caterers, Inc., Temple Catering, Inc., Lido Club Food Management Corp., Continental Caterers, Inc., and The Flower Box, Inc. The company now owns the other 50% interest in these companies, acquired from Stanley L. Lewin, its president; the additional 50% is to be acquired from Lewin's stepfather, Ted Scherl. An additional \$100,000 of the proceeds will be used to repay advances by Lewin on behalf of a subsidiary, Terrace-on-the-Park, Inc., in connection with the construction and renovation of its facilities, a like amount in payment of short-term obligations incurred for such purpose, and the balance for additional costs anticipated in connection therewith. The company now has outstanding 312,000 common shares, all owned by Lewin.

**ABERLE INDUSTRIES TO SELL STOCK.** Aberle Industries, Inc., Pottstown, Pa. 19464, filed a registration statement (File 2-31229) with the SEC on December 30 seeking registration of 80,000 common shares. The stock is to be offered for public sale through underwriters headed by Arthurs, Lestrangle & Co., 2 Gateway Center, Pittsburgh, Pa. 15222; the offering price (\$9 per share maximum\*) and underwriting terms are to be supplied by amendment. The company will pay the underwriters \$10,000 for expenses; and it has agreed to sell the Arthurs firm, for \$2,000, five-year warrants to purchase 8,000 shares and to pay \$5,000 to David C. Willey, a registered representative of that firm, as a finder's fee.

The company was organized under Pennsylvania law in November for the purpose of acquiring, concurrently with the sale of the shares being registered, all of the outstanding stock of two affiliated companies, Aberle Hosiery Co. and Paris Business Forms, Inc. Through such subsidiaries the company will engage in the business of manufacturing and distributing ladies' seamless hosiery and panty hose and in the business of printing and distributing business forms. Of the net proceeds of its stock sale, the company will apply \$200,000 as down payments on the purchase of additional hosiery manufacturing equipment by Aberle Hosiery, \$50,000 as working capital for Paris and as down payment on its purchase of two additional printing presses at an estimated cost of \$205,000, and the balance for working capital and other general corporate purposes. The company now has outstanding (or will have upon acquisition of the two subsidiaries) 320,000 common shares, of which Nicholas A. Malesky, board chairman, and Dominic P. Toscani, president, own 37.84% each.

**AERO-BRANE TO SELL STOCK.** Aero-Brane Corporation, 11625 Walsingham Road, Largo, Fla., filed a registration statement (File 2-31230) with the SEC on December 30 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5.50 per share. The offering is to be made on an "all-or-none, best efforts basis" by Braun, Yampell & Hess, 25 Broad St., New York, N. Y. 10004, for which it will receive a selling commission of \$.605 per share plus \$15,000 for expenses. Upon completion of the offering, the company will sell the underwriter, for \$150, five-year warrants to purchase 15,000 shares at \$5.50 per share.

The company was organized in October under Delaware law; it is the successor of The Brane Corporation, an Indiana company which moved its business to Florida in 1958. The Indiana corporation transferred all of its assets to the Delaware company in exchange for a total of 210,000 shares of its common stock and the assumption of its liabilities; the successor Delaware company is engaged in the manufacture of machine tools, primarily profile milling machines, which operate both manually and by numerical data contained on punched tape and transmitted by an electronic control unit; these are used to mill or cut forgings (primarily structural components of aircraft) to the dimensions, within very close tolerances, called for by the designers' or engineers' plans. The company expects to use the net proceeds of its stock sale to provide additional working capital to finance its expanding business. In addition to indebtedness, it has outstanding 225,000 common shares, of which Earl P. Brane, president, owns 93.3% and management officials as a group 100%. Purchasers of the shares being registered will acquire a 40% stock interest in the company for an investment of \$825,000; Brane will then own 56%, in which he has a total investment of \$628,000 and the other stockholders 4% for which they paid \$15,000.

**PAULEY EXPLORATION FILES.** Pauley Exploration Inc. Program "A", 10000 Santa Monica Blvd., Los Angeles, Calif. 90067, filed a registration statement (File 2-31218) with the SEC on December 30 seeking registration of \$10,000,000 of limited partnership interests in Program "A", a limited partnership formed for the purpose of exploring for and producing oil and gas. The interests are to be sold at \$5,000 per unit. Pauley Exploration Inc., will act as general partner with exclusive management responsibilities; it is a subsidiary of Pauley Petroleum Inc. Proceeds of the offering will be used for the acquisition and development of exploratory, proven and semi-proven oil and gas leases and other interests in oil and gas producing properties. William R. Pagen is president and chief executive officer of the parent.

**SANCTIONS IMPOSED ON SIX PICKARD FIRM EMPLOYEES.** The SEC today announced a decision under the Securities Exchange Act (Release 34-8484) finding that six persons formerly associated with the New York broker-dealer firm of Pickard & Co., Inc. (whose registration was revoked in November) had engaged in activities violative of certain provisions of the Federal securities laws. Each had submitted a settlement offer consenting to the imposition of a sanction by the Commission. One of the six, Joseph V. Shields, Jr., who had been executive vice-president and a director of the Pickard firm, was barred from further association with a broker-dealer with the proviso that after one year and upon a proper showing he may become associated with a broker-dealer firm in a non-supervisory capacity, and after three years as a partner, officer or director, subject to prior Commission approval. The Commission held that Shields had violated the anti-fraud provisions of the Exchange Act by permitting Pickard to accept orders for the purchase and sale of securities and effect securities transactions for customers when the firm's books and records were not current, contained numerous errors and could not be relied upon to reflect the securities or cash held for customers' accounts, when Pickard did not have the necessary facilities and personnel to consummate customers' securities transactions promptly, and when the firm was not in compliance with the financial requirements imposed by the NYSE upon its members. In addition, Shields failed reasonably to supervise Pickard employees with a view to preventing them from committing similar violations.

Three salesmen, Bennett M. Baldwin, William K. Barclay, III, and John Morelli, were found to have aided and abetted violations by Pickard of Regulation T (the requirements concerning extension of credit); and Baldwin to have caused Pickard to effect securities transactions for a customer which were excessive in size and frequency in view of the financial resources and character of the customer's account. All three were barred from further association with a broker-dealer. After one year, the Commission will consider a request by Baldwin and Barclay to reenter the securities business in a non-supervisory capacity, under appropriate supervision; and after two months Morelli may become associated with a securities firm in a non-supervisory clerical capacity if prior SEC approval is obtained.

Ralph Luca and Herbert Rudich, cashiers, were found by the Commission to have aided and abetted violations by Pickard of the Commission's hypothecation rules. Each was suspended for six months provided that, after one month, each may be employed in a non-supervisory clerical capacity unrelated to the hypothecation of securities; under certain circumstances and upon a proper showing, each may be employed after six months in a supervisory position.

The proceedings as to Joseph B. Gorinstein, former manager of Pickard's Miami branch office, was dismissed; the Commission's staff having recommended such dismissal on the basis of its further investigation subsequent to the institution of these proceedings.

**RUSSELL & SAXE O-T-C DEPT. SUSPENDED.** The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-8483) suspending the over-the-counter trading department of Russell & Saxe, New York broker-dealer firm, for 10 business days commencing January 20, for violations of the Federal securities laws in the sale of stock of Halco Industries, Inc. The firm consented to the suspension order, but without admitting or denying the alleged violations.

Sanctions also were imposed upon two general partners, Russell Safferson and Sigmund Saxe, and upon Philip Beer, the firm's trader, each of whom also consented to the sanctions against them (but without admitting or denying the violations). Each was suspended from association with a broker-dealer for the 10 business day period beginning January 20; and none of the three may share in the profits of or otherwise receive remuneration from the firm attributable to that period.

According to the decision, the firm and three individual respondents sold stock of Halco Industries during the period December 1967 to July 1968 in violation of the Securities Act registration requirements; and while participating in the distribution of such stock, they also bid for the stock for accounts in which they had a beneficial interest, in violation of anti-manipulation provisions of the Exchange Act.

As to the firm, the suspension of its over-the-counter trading department is not to preclude the firm's effecting unsolicited securities transactions from existing retail customers of the firm; but the firm must forego all participation, as an underwriter, dealer, or member of a selling group, in the underwriting of securities during the period.

**ARKANSAS P & L FINANCING APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-16260) authorizing Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., (1) to issue and sell, at competitive bidding, 100,000 shares of \$100 par preferred stock and (2) to issue and sell an additional 480,000 common shares to the parent at \$12.50 per share, or \$6,000,000. Net proceeds of this financing will be used for the subsidiary's 1969 construction program (estimated at \$62,700,000) and for other corporate purposes (including the repayment of some \$14,000,000 of short-term bank loans).

**E. A. DOSEK CONVICTION AFFIRMED.** The SEC Denver Regional Office announced January 2 (LR-4196) that the conviction of Edward A. Dosek by a Federal court jury in Lincoln, Nebr. in August 1967 had been affirmed on appeal by the U. S. Court of Appeals, Eight Circuit, on December 30.

**RIBLET PRODUCTS TO SELL STOCK.** Riblet Products Corporation, 3101 California Road, Elkhart, Ind. 46514, filed a registration statement (File 2-31219) with the SEC on December 30 seeking registration of 320,000 shares of common stock, to be offered for public sale through underwriters headed by New York Hanseatic Corp., 60 Broadway, New York 10004. The offering price (\$18 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has sold the Hanseatic firm 30,000 shares for an aggregate of \$15,000, not to be resold for two years.

The company was organized in October for the purpose of acquiring all of the outstanding stock of Riblet Products, Inc., whose principal business is the manufacture of steel chassis and chassis parts, steel roofs, aluminum siding and certain other products sold primarily to manufacturers of mobile homes and, to a much lesser extent, to manufacturers of recreational vehicles. The purchase price of the Riblet stock is \$5,344,000, payable in cash and notes. Of the net proceeds of the company's stock sale, \$4,000,000 will be used as partial payment for the purchase of the Riblet stock and an unspecified amount will be loaned to Riblet and its subsidiaries to prepay loans incurred for working capital purposes. About \$250,000 will be loaned to Riblet for use, together with some \$200,000 of mortgage loans, in establishing new branch operations and the balance of the proceeds will be available to Riblet, either as a capital contribution or loans, for use as working capital and other requirements of its business. Prior to its public offering, the company has or will sell 285,000 shares - 49,000 to J. R. Riblet, board chairman, 132,500 to management officials as a group, and 117,500 to Gregory & Sons and certain of its employees. R. E. Summers is president. Purchasers of the shares being registered will acquire a 53% stock interest in the company for an investment of \$5,760,000; present shareholders will own 47% at a cost of \$142,000.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act granting an application of the New York Stock Exchange to strike from listing and registration the common stock of Allen Industries, Incorporated. Only 156,561 shares remain publicly held exclusive of approximately 885,222 shares received by Dayco Corporation as of December 9, 1968, pursuant to a tender offer. (Release 34-8488)

**SECURITIES ACT REGISTRATIONS.** Effective January 6: Alabama Oxygen Co., Inc., 2-30345 (90 days); Caldor, Inc., 2-31053; Casualty Insurance Co., 2-30424 (Apr 7); Channel Companies, Inc., 2-30277 (90 days); Contran Corp., 2-30801 (90 days); Cutter Laboratories, Inc., 2-30011; Electrocoppy Corp., 2-30415; General Telephone Co. of Calif., 2-30283; Indian Head Inc., 2-31075 (40 days); Interchemical Corp., 2-30781; International Business Machines Corp., 2-31117; Progressive Metal Equipment, Inc., 2-30411 (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.

---ooo0ooo---