

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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TRADING IN LIQUID OPTICS SUSPENDED. The SEC on September 17 announced the temporary suspension of over-the-counter trading in securities of Liquid Optics Corp., of Syosset, N.Y., for the ten-day period September 18-27, inclusive (Release 34-8699). The suspension was ordered because there is no adequate information currently available to the public concerning the company, its operations and financial condition, and because there has been an unexplained rise in the bid price of Liquid Optics stock from approximately \$1 to \$4 in the past three weeks. In addition, inquiry by the staff of the Commission has disclosed that there may be inaccuracies in the shareholder transfer records of the company, which acts as its own transfer agent, and that certain persons recently have been and may be continuing to distribute Liquid Optics stock in violation of the registration provisions of the Securities Act of 1933. Further, certain information disseminated about the company appears to be false and misleading.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period September 19-28, 1969, inclusive.

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16480) authorizing Columbia Gas System, Inc., New York holding company, to issue and sell \$50,000,000 of debentures, due 1994, at competitive bidding. Columbia will use the net proceeds of its financing, together with funds presently available and funds to be generated from operations, to finance, in part, the cost of its subsidiaries' 1969 construction program, estimated at \$200,000,000.

TREXTON TO SELL STOCK. Trexton Corporation, 39 Hudson St., Hackensack, N.J. 07601, filed a registration statement (File 2-34634) with the SEC on September 16 seeking registration of 25,000 shares of common stock, to be offered for public sale on a "best-efforts, 12,500 shares-or-none" basis through Carlton-Cambridge & Co., Inc., 239 Boulevard, Hasbrouck Heights, N.J. The offering price (\$110 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$15,000 for expenses and to sell it, for 1¢ each, five-year warrants to purchase up to 2,500 shares.

Organized in May, the company proposes to offer various financial services including formulation and development of acquisition and merger programs for clients, arrangement of underwriting and public distributions of securities of other corporations with investment banking firms which are NASD members, the private placement of securities of public and private corporations, arrangement of financing for private and public corporations and general financial services to all types of business concerns. Net proceeds of its stock sale will be added to the company's general funds and used for general corporate purposes, including administrative and operating expenses, a marketing and research campaign and additional professional and administrative employees. The company has outstanding 475,000 common shares (with a 12¢ per share book value), of which Peter J. Horvat, president, owns 96.8%. Purchasers of the shares being registered will acquire a 5% stock interest in the company for their investment of \$2,750,000*; the present shareholders will then own 95%, for which they paid \$56,000, or 12¢ per share.

LOGI-CALL SYSTEMS TO SELL STOCK. Logi-Call Systems, Inc., 151 University Ave., Palo Alto, Calif., filed a registration statement (File 2-34635) with the SEC on September 16 seeking registration of 75,000 shares of common stock, to be offered for public sale at \$8 per share. The offering is to be made on a best efforts, all or nothing basis through TDA Securities Incorporated, 70 N. Franklin St., Hempstead, N.Y., which will receive a \$1 per share selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$75, five-year warrants to purchase 7,500 shares, exercisable after 13 months at \$8.80 per share.

Organized in April, the company proposes to provide time-sharing computer services to remote users in business, industry, government and educational institutions. Of the net proceeds of its stock sale, \$115,000 will be used for the initial time-sharing computer and all related hardware, \$100,000 for research and development of time-sharing software and systems hardware, \$50,000 for a sales and marketing campaign and \$100,000 to hire personnel; the balance will be added to the company's working capital and will be available for general corporate purposes. The company has outstanding 225,000 common shares (with a 1¢ per share tangible book value), of which Don A. Witcraft, president and board chairman, owns 67.1% and Emanuel Fields 32.9%. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of \$600,000 (they will sustain an immediate dilution of \$6.29 in per share book value from the offering price); the present shareholders will then own 75%, for which they paid \$2,250, or an average of 1¢ per share.

DANA CORP. SHARES IN REGISTRATION. Dana Corporation, 4100 Bennett Road, Toledo, Ohio, filed a registration statement (File 2-34636) with the SEC on September 16 seeking registration of 100,000 shares of common stock, issuable under the company's Stock Purchase Plan.

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PACIFIC BASIN TRAVEL SYSTEMS TO SELL STOCK. Pacific Basin Travel Systems Corporation, Financial Plaza of the Pacific, Honolulu, Hawaii 96813, filed a registration statement (File 2-34637) with the SEC on September 16 seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by William D. Witter, Inc., 120 Wall St., New York, N.Y. 10005. The offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment. The Witter firm holds a five-year right to purchase 25,000 shares at \$3.60 per share, received in connection with a recent placement of securities of the company.

Organized in November 1968, the company plans to build and operate a group of resort hotels and related tourist facilities and to engage in associates travel tourism services in the Pacific Basin area. Of the net proceeds of its stock sale, \$300,000 will be used for architectural and engineering services in connection with proposed hotel sites on Molokai and other islands and for hotel site preparation on Molokai, and the balance to finance the initial stage of construction for a 256-unit resort hotel to be located on the island of Maui, the total cost of which is estimated at \$6,800,000. In addition to indebtedness the company has outstanding 530,381 common shares, of which management officials as a group own 8.8% and Capital Ventures Group 40.3%. Purchasers of the shares being registered will acquire a 32% stock interest in the company for their investment of \$2,000,000; the present shareholders will then own 68%, for which they paid \$829,427 shares and exchanged shares of stock of Pacific Basin Travel, Inc. for 54,091 shares and other property having an aggregate value of \$75,000.

ATLANTIC RICHFIELD-CITIES SERVICE EXCHANGE PROPOSED Atlantic Richfield Company, 717 Fifth Avenue, New York, N.Y. 10022, filed a registration statement (File 2-34638) with the SEC on September 16 seeking registration of 2,370,000 shares of common stock. Cities Service Company ("Cities") proposes to exchange these Atlantic Richfield shares for shares of Cities, at the rate of 1 Atlantic Richfield share for each 2 Cities common shares held. Holders of \$4.40 cumulative convertible preferred stock and the \$2.25 cumulative convertible preference stock of Cities may arrange to tender Cities common stock by delivering Cities preferred or preference stock, or by converting such stock to Cities common stock. The First Boston Corporation and Loeb, Rhoades & Co. have agreed to head a group of underwriters which will solicit acceptances of the exchange offer. This exchange offer is made pursuant to a 1962 court order requiring Cities to divest itself of its stockholdings in Richfield Oil Corporation which merged into Atlantic Richfield in 1966.

Atlantic Richfield is engaged in the exploration for and development, production, purchase, transportation and sale of, crude petroleum and natural gas, and in the manufacturing, transportation and marketing of petroleum products derived from crude oil, including petrochemicals. In addition to indebtedness and preferred stock, it has outstanding 43,530,364 common shares. Robert O. Anderson is board chairman and T.F. Bradshaw president.

"MISLEADING NAME" GUIDE ADOPTED. The SEC has adopted a guide relating to the misleading character of the names of certain registrants which file Securities Act registration statements (Release 33-5005). The proposed guide was originally published on April 7; the comments thereon have been considered and the text of the guide is unchanged from the language of the proposal. It provides, among other things, that a registrant's name may be materially misleading if it indicates a line of business in which registrant is not engaged or is engaged only to a limited extent. A registrant's name also may be misleading if it is the same or substantially the same as the name of another well-known company. If it appears likely that the registrant's name may be confused with the name of the other company, consideration should be given to changing the name.

"INSIDER" REPORTING RULES MODIFIED. The SEC has adopted an amendment to its reporting Rule 16a-1 under the Securities Exchange Act (Release 34-8697). That rule relates to the filing of statements of beneficial ownership of equity securities, and changes in such ownership, pursuant to Section 16(a) of the Act. As amended, the rule requires that, upon becoming an officer or director, the initial report filed by such persons shall include information as to all changes in their beneficial ownership of equity securities of the issuer which have occurred within six months prior to any changes after the director or officer became subject to the reporting requirement. Another amendment requires any person who has ceased to be a director or officer of a company, or who was a director or officer at the time the company ceased to have equity securities registered pursuant to Section 12 of the Act, to file a report with respect to any change in beneficial ownership which occurs within 6 months after any change in such ownership which occurred prior to such cessation.

COTTON PETROLEUM PROPOSES OFFERING. Cotton Petroleum Company, Parkland Plaza Building, 2121 South Columbia, Tulsa, Okla. 74114, filed a registration statement (File 2-34639) with the SEC on September 17 seeking registration of \$5,000,000 of units of participation in its 1970 Oil and Gas Program, to be offered for public sale in \$10,000 units. No underwriting is involved; participating broker-dealers will receive a 5% selling commission. The 1970 Program is being organized for the exploration, development and production of oil and gas properties. The company will serve as operator of the 1970 Program. Doyle W. Cotton, Jr., is president of the company.

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:

- National Pizza Corporation, St. Louis, Mo. 63132 (2-34601) - 45,000 shares
- Farrington Manufacturing Company, New York, N.Y. 10022 (2-34609) - 200,000 shares
- Farrington Manufacturing Company, New York, N.Y. 10022 (2-34610) - 100,000 shares
- First Union Incorporated, St. Louis, Mo. 63101 (2-34628) - 187,650 shares
- Products Research & Chemical Corporation, Burbank, Calif. 91504 (2-34640) - 107,500 shares
- American Photocopy Equipment Company, Evanston, Ill. 60204 (2-34643) - 200,000 shares
- Victoreen Leece Neville, Inc., Cleveland, Ohio 44103 - (2-34644) - 131,961 common and 7,149 \$3 cumulative convertible preferred stock, Series A
- Powers Regulator Company, Skokie, Ill. 60076 (2-34647) - 30,000 shares

SIGNAL COMPANIES TO SELL DEBENTURES. The Signal Companies, Inc., 1010 Wilshire Blvd., Los Angeles, Calif. 90017, filed a registration statement (File 2-34641) with the SEC on September 17 seeking registration of \$100,000,000 of sinking fund debentures, due 1994, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., and Francis I. duPont & Co., One Wall St., both of New York, N.Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the conduct of an integrated oil and gas business, manufacture and sale of aerospace and industrial products and manufacture and sale of heavy duty motor trucks. Net proceeds of its debenture sale will be added to the company's general funds and used for general corporate purposes, including advances to subsidiaries for working capital and capital expenditures for oil and gas exploration, production, marketing and refining, construction of truck manufacturing facilities, construction of aerospace and industrial manufacturing facilities and real estate development. Capital expenditures of Signal and its subsidiaries are estimated at \$115,000,000 for 1969. In addition to indebtedness and preferred stock, the company has outstanding 18,089,230 common shares, of which management officials as a group own 7.3%. William E. Walkup is board chairman and Forrest N. Shumway president.

LEE NATIONAL LIFE TO SELL STOCK. The Lee National Life Insurance Company, 1706 Centenary Boulevard, Shreveport, La., filed a registration statement (File 2-34642) with the SEC on September 16 seeking registration of 250,000 shares of common stock, to be offered for subscription by stockholders ratably at \$6 per share. No underwriting is involved.

The company is engaged in selling life insurance, annuities and non-cancellable disability income insurance. Of the net proceeds of its stock sale, \$200,000 will be used to redeem a loan made by Kirke Couche, a director, and the balance will be added to the company's funds and used to continue expansion of its business. The company has outstanding 673,090 common shares (with a 63¢ per share book value) of which Couche owns 21.3% and management officials as a group 41.9%. Purchasers of the shares being registered will sustain an immediate dilution of \$5.37 in per share book value. W. Scott Wilkinson is board chairman and Armand E. Daigle president.

DALTO ELECTRONICS FILES FOR OFFERING AND SECONDARY. Dalto Electronics Corporation, 38 Oak St., Norwood, N.J. filed a registration statement (File 2-34645) with the SEC on September 17 proposing the public offering of 100,000 shares of common stock. No underwriting is involved; the offering price (\$20 per share maximum*) and selling commission to participating NASD members are to be supplied by amendment. Also included in this offering are 65,000 outstanding common shares, which 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 primarily engaged in the manufacture and sale of visual flight simulators for pilot training and research and development in connection with new aircraft and space vehicles. Net proceeds of its sale of additional stock will be added to the company's general funds and used for general corporate purposes. The company has outstanding 1,273,558 common shares, of which Courts and Co. owns 16.49% and management officials as a group 7.1%. W.H. Hudson is board chairman and Jay G. Brown, president. Hudson may sell 40,000 shares, Brown 10,000 and Franklin I. Bolnick (vice president) 15,000.

FABERGE TO SELL STOCK. Faberge Incorporated, 5 West 54th St., New York, New York 10019, filed a registration statement (File 2-34646) with the SEC on September 17 seeking registration of 500,000 shares of common stock, to be offered for public sale through underwriters headed by Smith, Barney & Co., Incorporated, 1345 Avenue of the Americas, New York, N.Y. 10019. The offering price (\$36 per share maximum*) and underwriting terms are to be supplied by amendment.

The company (formerly Rayette-Faberge, Inc.) is principally engaged in the manufacture and distribution of the "Faberge" lines of fragrance products and cosmetics for women and men, and of retail and professional hair sprays and other hair preparations and accessories. Of the net proceeds of its stock sale, some \$5,000,000 will be used to repay short term bank indebtedness; the balance will be added to the company's general funds and will be available for general corporate purposes, including working capital and possible acquisitions. In addition to indebtedness, the company has outstanding 5,679,414 common shares. Mark L. Arend is board chairman and George Barrie president.

SECURITIES ACT REGISTRATIONS. Effective September 17: Affiliated Computer Systems, Inc. 2-33954 and 2-33955; Avco Delta Corporation, 2-33113 (90 days); Avido Corporation 2-33020 (90 days) Carolina Power & Light 2-33211; Cellu-Craft Inc., 2-32933 (40 days); Data Power Inc., 2-32784 (90 days); De Rose Industries, Inc., 2-33713 (90 days); Interdata Incorporated, 2-32305 (90 days); Geotek Resources Fund, Inc., 2-33187; Medical Mortgage Investors, 2-33882 (90 days); Nalco Chemical Co., 2-34197; Green Mountain Power Corporation, 2-34346 (40 days); Security Ultra Fund, Inc., 2-32791; Sircor Scientific, Inc. 2-31337 (90 days); Super Food Services, Inc., 2-34335; CG Variable Annuity Account I, 2-33024.

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.