

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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FEDERAL OIL, OTHERS ENJOINED. The SEC San Francisco Regional Office announced October 1 (LR-4427) that, without admitting or denying the violations alleged in a Commission complaint against them, Federal Oil Company, of Beverly Hills, Calif., James Jones, Jr., Tarzana, and Robert J. Daugherty, Burbank, consented to a Federal court order of permanent injunction against violations of the anti-fraud provisions of the Federal securities laws in the offer and sale of Federal Oil stock. The company and Daugherty also were enjoined from violating the Securities Act registration provisions. The action is still pending against defendant Ilan L. Jacobs.

TRADING IN FEDERAL OIL TO RESUME. The SEC today announced (Release 34-8716) that its ban on trading in the common stock of Federal Oil Company ("Federal"), of Beverly Hills, Calif., will not be extended beyond October 16; accordingly, over-the-counter trading therein may be resumed on October 17. Trading in Federal shares was first suspended by the Commission on May 20 because materially false and misleading information had been disseminated concerning the company's operations, its financial condition, its acquisition of Jet Electronics Corporation ("Jet") and the operations and prospects of Jet. During the previous two months, the price of Federal stock had risen from about 35c to between \$2.75 and \$3.25 per share and had declined to about \$1.20 just prior to the suspension. In a letter to shareholders in June, Federal stated that its only asset was \$11.42, that it was a dormant shell with no assets or income, and that the agreement to purchase Jet had been rescinded. The Commission thereupon announced that trading in Federal shares could resume on June 19; but the suspension was reinstated when considerable confusion arose by the refusal of Federal's board to ratify the rescission of the Jet acquisition. The Commission's complaint for injunction against Federal and others (see above) was filed September 25; it alleged among other things that the defendants failed to disclose that Federal had incurred substantial liabilities as a result of the sale of stock in violation of the Securities Act. In announcing that trading in Federal shares may be resumed on October 17, the Commission noted that the stock of Federal has not been registered with the Commission; accordingly, the financial and other information about Federal, its assets, operations and income has not been made public. Therefore, the Commission cautioned that present stockholders, prospective purchasers of Federal stock, and brokers and dealers should exercise the utmost care in connection with future transaction in the stock.

TRADING IN GLAS-FOAM SUSPENDED. The SEC has ordered the suspension of over-the-counter trading in stock of Glas-Foam Corporation, of Atlanta, Ga., for the ten-day period October 7-16, inclusive. Trading may resume on October 17. However, the Commission cautioned that present shareholders and prospective purchasers of Glas-Foam stock, as well as broker-dealers, should consider carefully the information disclosed in the Commission's announcement (Release 34-8715) in connection with future transactions in Glas-Foam shares. It appears, among other things, that for nearly seven years prior to April 1969, Glas-Foam was an inactive corporate shell. In April, it began to acquire assets in exchange for stock. Some 600,000 shares are currently outstanding, only about 12,000 of which are freely tradeable, the balance is owned by insiders or has been issued in the acquisition of assets. Glas-Foam is understood to have acquired timber rights to 4,000 acres of land in Tennessee and the stock of two companies, Babee-Tenda Products Corporation and Strata Homes of Georgia. Neither subsidiary is currently engaged in production. No income or profit and loss statements are available.

BROTHERS & CO. ENJOINED. The SEC Denver Regional Office announced September 30 (LR-4425) that Brothers & Co., Inc., and Dorothy M. Brothers of Salt Lake City consented to a Federal court order of permanent injunction against violations of the Commission's record-keeping and reporting rules under the Securities Exchange Act.

SEC COMPLAINT NAMES CURTIS MINERALS, OTHERS. The SEC Denver Regional Office announced October 1 (LR-4426) the filing of a complaint in the Federal court in Salt Lake City, seeking to enjoin violations of the Securities Act registration and anti-fraud provisions by the following in the offer and sale of stock of Curtis Minerals; Curtis Minerals, Crest Development Company, Anthony Bogdanich, Richard Dewsnup, Kenneth M. Hisatake, Tony Ladakis, C. Eugene Larsen, Richard Ringwood and Walter Sedach. Violations of the registration provisions also are charged to General Resources Corporation, Greenwood Management Company, Tommy G. Adams, D. Gilbert Athay, Richard H. Davis, Benjamin Hayden, and Louis P. Nichols.

PAN AMERICAN INDUSTRIES ENJOINED. The SEC Fort Worth Regional Office announced October 2 (LR-4428) that, without admitting or denying the violations alleged in a Commission complaint, Pan American Industries, Inc., of Phoenix, Ariz., consented to a Federal court order permanently enjoining it from violating the registration, anti-fraud and anti-manipulative provisions of the Federal securities laws in connection with transactions in stock of Continental Investment Corporation and Pan American Industries, Inc.

OVER

ZACHARIAS, R.F.S. ASSOCIATES RESTRAINED. The SEC Fort Worth Regional Office announced October 2 (LR-4429) the entry of a Federal court order in Phoenix preliminarily enjoining Leslie T. Zacharias (a/k/a Lee Zaharias) and R.F.S. Associates, Inc., of North Miami, Fla., from violating the registration, anti-fraud and anti-manipulative provisions of the Federal securities laws in connection with transactions in stock of Continental Investment Corporation. The defendants consented to the injunction without admitting or denying the allegations of the Commission's complaint.

APPALACHIAN POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16490) authorizing Appalachian Power Company, Roanoke, Va. subsidiary of American Electric Power Company, Inc., to issue and sell \$60,000,000 of first mortgage bonds at competitive bidding. Appalachian will apply part of the proceeds of its bond sale and \$3,000,000 of capital contributions by AEP to the payment at maturity of its then outstanding commercial paper notes; the remaining proceeds will be added to its general funds and used for construction purposes, to pay short-term debt and for other corporate purposes. Construction expenditures are estimated to total \$318,000,000 through 1971.

JERSEY CENTRAL P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16491) authorizing Jersey Central Power & Light Company, Morristown subsidiary of General Public Utilities Corporation, to issue and sell \$10,000,000 of first mortgage bonds, due 1999, at competitive bidding. Jersey Central will use the proceeds of its bond sale to pay a portion of its short-term bank notes, of which approximately \$39,000,000 are expected to be outstanding upon sale of the bonds, and to finance its construction program, which is estimated at \$72,100,000 for 1969.

MUNICIPAL INVESTMENT TRUST RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5832) permitting Municipal Investment Trust Fund, Tax-Exempt Income Fund and Michigan Tax-Exempt Bond Fund, New York unit investment trusts, to continue the practice of valuing their units for repurchase and resale in the secondary market once a week on the last business day of the week as of 3:30 p.m., effective for all transactions made during the following week.

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Commercial Finance Corporation of New Jersey and Liquid Optics Corporation for the further ten-day period October 8-17, 1969, inclusive.

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act (Release 34-8718) giving interested persons until October 16 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies: Boston Stock Exchange - American Photocopy Equipment Company; Detroit Stock Exchange - American Photocopy Equipment Company; Midwest Stock Exchange - American Photocopy Equipment Company; Pacific Coast Stock Exchange - Amerada Hess Corporation - Common and \$3.50 Cumulative Convertible Preferred Stock (\$1 par), American Photocopy Equipment Company; Philadelphia-Baltimore-Washington Stock Exchange - Allied Supermarkets, Inc., Amerada Hess Corporation - Common Stock and \$3.50 Cumulative Convertible Preferred Stock (\$1 par), American Photocopy Equipment Company, American General Insurance Co., Consolidated Oil & Gas, Inc., Digital Equipment Corporation, Dun & Bradstreet, Inc., Kentucky Fried Chicken Corporation, Miles Laboratories, Inc., Nashua Corporation, Norris Industries, Inc., Polaron Products, Incorporated.

ADVANCED RESEARCH TO SELL STOCK. Advanced Research Corporation, 715 Miami Circle, N. E., Atlanta, Ga. 30324, filed a registration statement (File 2-34819) with the SEC on September 29 seeking registration of 700,000 shares of common stock, to be offered for public sale through Tennessee Securities, Inc., 620 Third National Bank Bldg., Nashville, Tenn. The offering price (\$1.50 per share maximum*) and underwriting terms are to be supplied by amendment. In March, the underwriters and certain of its principals purchased 150,150 company shares; and the company has granted certain principals of the underwriter options to purchase 44,625 shares under certain conditions.

The company is engaged in basic and applied research for government agencies, mainly in the field of nuclear physics. Of the net proceeds of its stock sale, \$200,000 will be spent on capital equipment and leasehold improvements, \$100,000 in new product development and the balance for working capital and other purposes. The company has outstanding 404,900 common shares, of which Dr. Edward A. Rollor, Jr., president, owns 16.1% and management officials as a group 49.8%.

CONDECOR FILES FOR OFFERING AND SECONDARY. Condecor Incorporated, 444 Courtland St., Mundelein, Ill., filed a registration statement (File 2-34820) with the SEC on September 29 seeking registration of 200,000 shares of common stock, of which 145,000 are to be offered for public sale by the company and 55,000 (being outstanding shares) by the present holderes thereof. The offering is to be made through underwriters headed by McCormick & Co., Inc., 135 South LaSalle St., Chicago, Ill.; the offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company and subsidiaries are primarily engaged in the business of manufacturing and selling popular priced home decorations for mass markets. Of the net proceeds of its sale of additional stock, about \$100,000 will be used to establish manufacturing facilities for a new line of polyurethane decorative products, \$200,000 to finance inventory and accounts receivable for a new line of furniture accessories, art reproductions and a newly established premium program, and the balance to reduce short term debt incurred to finance increased levels of inventories and accounts receivable. In addition to indebtedness, the company has outstanding 310,000 common shares, of which Roy W. Scheyer, board chairman, owns 29.4%, Stuart R. Scheyer, president, 18.2%, and Leonard R. Scheyer, executive vice president, 41.6%. They propose to sell 23,500, 4,500 and 23,500 shares, respectively, two others will sell the balance of the shares being registered.

CENTRAL COMMUNICATIONS TO SELL STOCK. Central Communications Corporation, P. O. Box 213, Tomah, Wisconsin 54660, filed a registration statement (File 2-34821) with the SEC on September 29 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by McKee, Jaeckels and Ryan, Inc., 305 Zuelke Building, Appelton, Wisconsin 54911. The offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in June as a holding company engaged in the business of acquiring and operating independent telephone companies. Of the net proceeds of its stock sale, \$467,000 will be used to increase the adjusted net worth of two subsidiaries, \$250,000 to finance plant and equipment improvement of a third subsidiary and \$200,000 to repay 7% short term notes issued in connection with the acquisition of Milton Telephone Company; the balance will be added to the company's working capital and used to finance improvements and modernization of equipment and service and/or in connection with the acquisition of additional operating telephone companies. In addition to indebtedness, the company has outstanding 99,325 common shares, of which Robert H. Keating, vice president, owns 25.2%, John F. Benjamin, a director, 21.4%, management officials as a group 54.6% and Reliable Electric Company Profit Sharing Trust 25.2%.

VICTOR HANDAL & BRO. FILES FOR OFFERING AND SECONDARY. Victor B. Handal & Bro. Inc., 277 Fifth Ave., New York, N. Y. 10016, filed a registration statement (File 2-34822) with the SEC on Sept. 29 seeking registration of 340,000 shares of common stock, of which 300,000 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 New York Securities Co., One Whitehall St., New York, N. Y. 10004; the offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company distributes a broad line of consumer soft goods consisting primarily of casual footwear, wearing apparel, linens and domestics, gloves and handkerchiefs. Net proceeds of its sale of additional stock will be used to reduce the company's outstanding indebtedness under bankers' acceptances, estimated at \$7,009,000, which in turn would increase its working capital. In addition to indebtedness, the company has outstanding 748,669 common shares, of which John B. Handal, president, owns 34.9%, Victor B. Handal, board chairman, 32.8%, Hilda Handal 12.7% and Wanita Handal 10.6%. Each proposes to sell 10,000 shares.

CORDIS FILES FOR OFFERING AND SECONDARY. Cordis Corporation, 125 N. E. 40th St., Miami, Fla. 33137, filed a registration statement (File 2-34823) with the SEC on September 29 seeking registration of 80,000 shares of common stock, of which 70,000 are to be offered for public sale by the company and 10,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, and F. S. Moseley & Co., 60 Broad St., both of New York, N. Y.; the offering price (\$40 per share maximum*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged principally in the design, manufacture and sale, primarily to hospitals, of specialized medical devices and equipment. All but \$90,000 of the net proceeds of its sale of additional stock will be used to reduce borrowings under its revolving credit agreement incurred primarily for working capital purposes, and the \$90,000 to retire chattel mortgages on machinery and equipment. In addition to indebtedness, the company has outstanding 597,714 common shares, of which M. P. Murphy, Jr., president, owns 12.6%, management officials as a group 21.5% and American Research and Development Corporation 15.6%. Murphy proposes to sell 6,000 shares of 72,900 shares held and John Sterner, vice president, 4,000 of 39,600.

LIU DEVELOPMENT TO SELL STOCK. LIU Development Corporation, 1891 W. Oakland^{Park} Blvd., Ft. Lauderdale, Fla. 33311, filed a registration statement (File 2-34824) with the SEC on September 29 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Weis, Voisin, Cannon, Inc., 111 Broadway, New York 10006. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Weis firm, for \$300, six-year warrants to purchase 30,000 shares.

The company was organized in November 1968 for the purpose of acquiring undeveloped tracts of land in Florida for development into planned residential communities containing single-family modular residences and apartment buildings. Of the net proceeds of its stock sale, \$1,571,000 will be used in connection with the initial development of the company's first planned community and \$542,000 to complete the down-payment against the purchase price of some 1100 acres of land; the balance will be added to the company's working capital. The company has outstanding 900,000 common shares (with a \$1.19 per share net tangible book value), of which Hsing Liu, president, owns 30% and management officials as a group 45%. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of \$3,000,000*; the present stockholders will then own 75%, for which they paid \$1,200,600 or an average of \$1.33 per share.

RIDDER PUBLICATIONS FILES FOR SECONDARY. Ridder Publications, Inc., 99 Wall St., New York 10005, filed a registration statement (File 2-34825) with the SEC on September 29 seeking registration of 625,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through Lehman Brothers, 1 William St., and Goldman, Sachs & Co., 55 Broad St., both of New York 10004; the offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the publication of a group of daily and Sunday newspapers; it also has interests in another major newspaper, several other communications media and a professional football team. In addition to indebtedness, the company has outstanding 5,850,000 common shares. Bernard H. Ridder is board chairman and Bernard H. Ridder, Jr., president. Eleven persons (including the president and board chairman) are among the selling stockholders; the number of shares to be sold by each is to be supplied by amendment.

LEISURE EXPOSITIONS TO SELL STOCK. Leisure Expositions Corporation, 136 Chestnut St., Philadelphia, Pa. filed a registration statement (File 2-34826) with the SEC on September 29 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, which will receive a 50¢ per share commission plus \$15,000 for expenses. The company has agreed to sell 10,000 shares to the underwriter at 10¢ per share, non-transferable for two years.

Organized in August, the company in September acquired the capital stock of five corporations wholly-owned by its principal stockholder and president, Paul Rimmer. The company is engaged through its subsidiaries in the independent production and operation of public expositions, and owns and operates nine such expositions which are conducted in five major cities. Of the net proceeds of its stock sale, \$150,000 will be used as downpayment to purchase land, construct a farm and amusement area, purchase animals and hire personnel to operate the farm, \$50,000 to organize and operate a winter pet show in Philadelphia and \$50,000 for organizing and operating other expositions; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 250,000 common shares (with a 48¢ per share net tangible book value), all owned by Rimmer. Purchasers of the shares being registered will acquire a 28% stock interest in the company for their investment of \$500,000 (they will sustain an immediate dilution of \$3.56 in per share book value from the offering price); Rimmer will then own 69%, for which he paid \$5,400 or \$.022 per share and the underwriter will own 3%, for which it will have paid \$1,000 or 10¢ per share.

GRUMMAN SHARES IN REGISTRATION. Grumman Corporation, Bethpage, L.I., N.Y., filed a registration statement (File 2-34804) seeking registration of 127,081 shares of common stock issuable under its Employee Investment Plan.

STOP FOOD STORES TO SELL STOCK. STOP Convenience Food Stores, Inc., 1736 East Second St., Scotch Plains, N. J. 07076, filed a registration statement (File 2-34828) with the SEC on September 29 seeking registration of 240,000 shares of common stock, to be offered for public sale through underwriters headed by Arnold, Wilkens & Co. Incorporated, 61 Broadway, New York, N. Y. 10006. The offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Arnold firm \$33,000 for expenses and to sell 24,000 shares to it on an installment basis at \$2.50 per share, such shares are nontransferable for two years.

The company is engaged in the operation of self-service convenience retail food stores which carry a comprehensive line of groceries, dairy products, packaged meats, tobacco and other non-food items. It presently operates six stores under the name "STOP Food Stores" and provides management services to three other stores; it plans to open seven more stores during late 1969 and early 1970. Net proceeds of its stock sale will be used to open additional stores, for working capital or for other corporate purposes. The company has outstanding 580,000 common shares (with a 2¢ per share net tangible book value), of which Daniel Rockoff, board chairman, owns 15.7%, Alvin J. Rockoff, president, 18.2% and management officials as a group 73.9%.

MY-TOY TO SELL STOCK. My-Toy Company, Inc., 944 Third Ave., Brooklyn, N. Y. 11232, filed a registration statement (File 2-34829) with the SEC on September 29 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Weis, Voisin, Cannon, Inc., 111 Broadway, New York, N. Y. 10006. The offering price (\$13 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Weis firm \$35,000 for expenses and to sell it, for \$100, five-year warrants to purchase 10,000 shares.

The company is principally engaged in the manufacture and sale of stuffed "plush" toys. Some \$250,000 of the net proceeds of its stock sale will be used to restore to working capital amounts expended for the expansion of manufacturing facilities both at the company's main plant in Brooklyn and in the plant of its Puerto Rican subsidiary; the balance will be added to the company's general corporate funds and used principally to reduce obligations to commercial finance companies and for general corporate purposes. The company has outstanding 400,000 common shares (with a \$2.39 per share book value), of which Harold Hills, president, and Isaac Hills, board chairman, own 44.4% each.

SECURITIES ACT REGISTRATIONS. Effective October 6: Chicago Bridge & Iron Co., 2-34764; Delta Western Co., 2-34202 (40 days); Eight Bells Angus, Inc., 2-33136 (90 days); Keen Electronics Corp., 2-32170 (90 days); Master Control, Inc., 2-34566 (90 days); Mutual Fund for Investing in U.S. Government Securities, 2-33490; Real Estate Programs, Inc., 2-34050 (90 days); Russ Togs, Inc., 2-33303; Scholarship Club, Inc., 2-27353; Synoptic Systems Corp., 2-33691 (90 days); Unifund Leasing, Inc., 2-33160 (90 days); Washington National Corp., 2-33662.

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.