

# 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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FOR RELEASE April 6, 1966

**MANUFACTURING PROFITS UP IN FOURTH QUARTER.** The SEC and Federal Trade Commission report (for April 7 newspapers) that sales and earnings of U.S. manufacturing corporations increased significantly in the fourth quarter of 1965. Sales in the fourth quarter were estimated at \$131.9 billion, 9 percent higher than in the third quarter and 13 percent above the fourth quarter of 1964. Profit after taxes in the fourth quarter of last year amounted to \$7.5 billion, 14 percent above the third quarter and 19 percent higher than the comparable quarter of 1964. Seasonal patterns have a considerable effect on fourth quarter sales and earnings data, but after allowance for such influences, sales and profits appear to have risen substantially in the fourth quarter of 1965. Sales for the full year 1965 totaled \$492 billion, 11 percent above 1964. After-tax profits for the year amounted to \$27.5 billion compared with \$23.2 billion in 1964 and \$19.5 billion in 1963. Profit after taxes per dollar of sales for manufacturing corporations was 5.7 cents in the fourth quarter of 1965, compared with 5.4 cents in the preceding quarter and the fourth quarter of 1964. The rate of profit on stockholders' equity was 13.7 percent in the October-December quarter as against 12.3 percent in the preceding period and 12.4 percent for the corresponding quarter of 1964. (For further details, see Stat. Release No. 2115).

**SEC ORDER CITES MIDWEST SECURITIES CORP.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Midwest Securities Corporation, of Oklahoma City, Okla., a member of the National Association of Securities Dealers, Inc. Also named as respondents are Ford David Harper, president, and Dewey Lowry, former vice president.

The proceedings are based upon staff charges that during January 1966 Midwest Securities engaged in activities violative of the anti-fraud and other provisions of the Federal securities laws and that Harper and Lowry aided and abetted such violations. On February 3, 1966, the Firm and Harper were temporarily restrained by Federal court order from engaging in certain practices in connection with the purchase and sale of securities.

A hearing will be scheduled by further order to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the alleged violations in fact occurred and, if so, whether any action of a remedial nature is necessary or appropriate in the public interest.

**PARKWOOD, ORSINGER, OTHERS ENJOINED.** The SEC Washington Regional Office announced April 5 (LR-3473) the issuance of a Federal court order (USDC DC) preliminarily enjoining the following from further violating the registration and anti-fraud provisions of the Federal securities laws in the sale of securities of the corporate defendants and of certain religious organizations: Victor J. Orsinger, Joseph G. Dooley, Aubrey A. Arnn, Parkwood, Inc., Adams Properties, Inc., Order Underwriters, Inc., First Waukesha Corporation, Franconia Industrial Park, Inc., Mark Commercial Corporation and First Vienna Corporation. The defendants consented to the court order but without admitting the charges of violation. Previously, upon motion of counsel for certain religious organizations comprising substantial unsecured creditors of Parkwood, Inc., the court appointed John W. Snyder as receiver of Parkwood and certain other defendant corporations.

**SECURITIES OF FIVE COMPANIES DELISTED.** The SEC has issued orders under the Securities Exchange Act (Release 34-7853) granting delisting applications, as follows: (1) application of the Midwest Stock Exchange to delist the common stock and debentures of Monroe Chemical Company, effective April 11; (2) application of the Pittsburgh Stock Exchange to delist the common stock of Joseph Horne Company, effective April 10; and (3) application of the Salt Lake Stock Exchange to delist the common stocks of Kent Industries, Inc., Diversified Minerals, Inc., and North Standard Hotels, Inc., effective April 18.

**UNLISTED TRADING REQUESTED.** The SEC has issued an order (Release 34-7853) giving interested persons until April 20 to request a hearing upon an application of the Pittsburgh Stock Exchange for unlisted trading privileges in the common stock of Associated Dry Goods Corporation.

**VTR TRADING BAN CONTINUED.** The SEC has issued an order suspending exchange and over-the-counter trading in securities of VTR, Inc., for a further ten-day period, April 7-16, 1966, inclusive.

**PNEUMO DYNAMICS FILES FOR SECONDARY.** Pneumo Dynamics Corporation, 3781 East 77th St., Cleveland, Ohio 44105, filed a registration statement (File 2-24805) with the SEC on April 5 seeking registration of 340,000 outstanding shares of common stock. The shares are to be offered for public sale by the present holders through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York and Estabrook & Co., 15 State St., Boston, Mass. The public offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is a designer and manufacturer of components, systems and assemblies for aircraft, missiles, space vehicles, jet engines, ordnance and marine equipment; and it is a producer of machine tools and thermoelectric heat-sensing devices. In addition to indebtedness, it has outstanding 2,032,396 common shares (after giving effect to a 2-for-1 stock split effective April 5), of which management officials own 2.67%. Of the

stock being registered, 150,000 shares are being acquired by the underwriters from The 77th Street Trust, a profit-sharing trust for salaried employees of The Cleveland Pneumatic Tool Company, a subsidiary (which owns 465,710 shares), and 150,000 from The CPT Trust, a profit-sharing plan for hourly-rated employees of the said Tool Company (which owns 442,740 shares). The remaining 40,000 shares are being acquired by the underwriters from State Mutual Life Assurance Company of America, which will acquire such shares through exercise of 40,000 common stock purchase warrants entitling it to purchase such number of shares at \$4.50 per share (or \$180,000 for the 40,000 shares). State Mutual in January 1961 purchased 120,000 such warrants (as adjusted for the split), together with \$1,500,000 of Pneumo Dynamics 6% notes (of which \$600,000 are presently outstanding) for \$1,500,000.

ADRs FOR DEUTSCHE LUFTHANSA FILED. Chemical Bank New York Trust Company, 20 Pine St., New York, N. Y., filed a registration statement (File 2-24814) with the SEC on April 4 seeking registration of 50,000 American Depositary Receipts (\$250,000) for common capital stock of Deutsche Lufthansa AG.

TEN STOCK PLANS FILED. Form S-8 registration statements, seeking registration of securities for offering under employee and/or officer stock plans have been filed by the following:

Daylin, Inc., Beverly Hills, Cal. 90210 (File 2-24804) (79,003 shares)  
 Aluminium Limited, Montreal, Quebec, Canada (File 2-24806) (70,000 shares)  
 The Goodyear Tire & Rubber Company, Akron, Ohio 44316 (File 2-24807) (652,742 shares)  
 Standard Oil Company, New York, N. Y. 10020 (File 2-24808) (Thrift Plan) (827,118 shares)  
 Air Reduction Company, Inc., New York, N.Y. 10005 (File 2-24809) (32,125 shares)  
 Phillips Petroleum Company, Bartlesville, Okla. 74003 (File 2-24810) (297,892 shares)  
 The Lubrizol Corporation, Wickliffe, Ohio (File 2-24811) (20,000 shares)  
 Mountain Fuel Supply Company, Salt Lake City, Utah 84111 (File 2-24812) (11,631 shares)  
 S. S. Kresge Company, Detroit, Mich. 48232 (File 2-24813) (570,268 shares)  
 Standard Oil Company, New York 20, N. Y. (File 2-24815) (Stock Option Plan) (1,500,000 shares)

GOLDEN CIRCLE GOSPEL FOUNDATION, OTHERS CITED. The SEC Fort Worth Regional Office announced March 31 (LR-3474) the filing of court action (USDC, Oklahoma City) seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of debenture bonds of The Golden Circle Gospel Foundation, a Texas corporation. The issuer was named as a defendant along with the following: Cal-L Exploration Company, a California corporation, Dewitt T. Langford and Gerald T. Langford, of Austin, Texas, and Santa Barbara, Cal., and Clayborn Dearing and D. B. Hoskins, both of Oklahoma City, and three Oklahoma corporations controlled by Dearing. The court issued a temporary restraining order and scheduled a hearing for April 6 on the SEC motion for a preliminary injunction.

INTERSTATE FINANCE PROPOSES OFFERING. Interstate Finance Corporation, 601 N.W. Second Street, Evansville, Ind. 47708, today filed a registration statement (File 2-24817) with the SEC seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 20 Broad St., New York. The public offering price (\$28 per share maximum\*) and underwriting terms are to be supplied by amendment.

Also included in the statement are an additional 35,050 shares of Interstate Finance common, to be offered in exchange for stock of Fidelity Investment, Inc., at the rate of 1-3/4 shares of Interstate Finance common for one share of Fidelity stock.

Interstate Finance is a holding company whose subsidiaries are engaged principally in the direct installment loan business, in the purchase of retail installment sales obligations originating with dealers and in the wholesale financing of dealers' inventories. The net proceeds of its sale of additional stock will be used to reduce short-term borrowings incurred within the past year for advances to subsidiaries, and for other general corporate purposes. In addition to indebtedness and preferred stock, Interstate Finance has outstanding 1,171,867 common shares, of which management officials own some 18%. Richard E. Meier is board chairman and Leland M. Feigel president.

SECURITIES ACT REGISTRATIONS. Effective April 2: United Gas Corp., 2-24637.  
Effective April 4: General Motors Corp., 2-24649 & 2-24650; Potomac Electric Power Co., 2-24655.  
Effective April 5: Burriss Chemical, Inc., 2-24482 (July 4); Infotronics Corp., 2-24493 (July 4); New Orleans Public Service Inc., 2-24523; The Raymond Corp., 2-24612 (July 5); United States Smelting Refining and Mining Co., 2-24358; Xerox Corp., 2-24497.  
Effective April 6: Hilo Electric Light Co., Ltd., 2-24550 (40 days); Management Assistance Inc., 2-24619 (May 16); National Periodical Publications, Inc., 2-24664 (May 16); Pneumo Dynamics Corp., 2-24600.

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.