

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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A brief summary of financial proposals filed with and actions by the S.E.C.

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**QUINN, BABAT BARRED.** The SEC has issued an order under the Securities Exchange Act (Release 34-7879) barring Thomas F. Quinn and Norman B. Babat from future association with a broker or dealer. The order was based upon an initial decision by Hearing Examiner Sidney Gross in which he found that Quinn (president of Thomas, Williams & Lee, Inc., formerly a broker-dealer of New York) and Babat (a salesman for that firm) violated the anti-fraud provisions of the Federal securities laws in the sale of securities of Kent Industries, Inc., and that Quinn aided and abetted violations of the Securities Exchange Act by failing to cause the Thomas firm to make certain required amendments in its application for broker-dealer registration. Two other individual respondents have filed a petition for Commission review of the Examiner's initial decision. Quinn and Babat did not seek review.

**CONTINENTAL OIL INTERNATIONAL RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4585) exempting Continental Oil International Finance Corp., New York, subsidiary of Continental Oil Co., from provisions of the Act, subject to certain conditions. The subsidiary intends to issue and sell an aggregate of \$20,000,000 principal amount of its guaranteed notes (due 1971) under conditions which are intended to assure that the notes will not be sold to nationals or residents of the United States. The notes are to be guaranteed as to principal and interest by the parent company. It is intended that at least 70% of the assets of the subsidiary will be invested in or loaned to foreign affiliates of the parent company which are primarily engaged in a business other than investing, reinvesting, owning, holding, or trading in securities. The parent company is engaged in the oil and gas business.

**MET-ED SEEKS ORDER.** Metropolitan Edison Company, Berks County, Pa., electric-utility subsidiary of General Public Utilities Corp., has applied to the SEC for an order under the Holding Company Act permitting it to sell an aggregate of \$22,600,000 of its promissory notes to banks by May 31, 1967; and the Commission has issued an order (Release 35-15461) giving interested persons until May 25 to request a hearing thereon. Met-Ed proposes to use the proceeds of the note sale in connection with its construction program, which is estimated at \$26,500,000 for 1966.

**PROLER STEEL FILES FOR SECONDARY.** Proler Steel Corporation, 7501 Wallisville Rd., Houston, Tex., filed a registration statement (File 2-24928) with the SEC on April 29 seeking registration of 400,000 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale through underwriters headed by Shearson, Hammill & Co. Inc., 14 Wall St., New York 10005. The public offering price (\$22 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of processing low-grade ferrous scrap into a premium quality scrap for use as a raw material in the production of iron and steel and into precipitation iron for use in the production of copper. In addition to indebtedness, it has outstanding 422,000 common and 1,193,000 Class B shares, of which management officials own 98.3% of each class. The prospectus lists four selling stockholders, including Israel Proler (board chairman), who is offering 124,846 of 130,430 common shares held; and Sam Proler (president), 124,847 of 130,431 common shares. The remaining two sellers are offering stock in the respective amounts of 82,694 and 67,613 shares.

**CENTRAL HUDSON G&E PROPOSES OFFERING.** Central Hudson Gas & Electric Corporation, South Rd., Poughkeepsie, N. Y., filed a registration statement (File 2-24941) with the SEC on May 2 seeking registration of \$8,000,000 of convertible debentures (due 1981). The debentures are to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Pl., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment. The company will use the net proceeds of its debenture sale in connection with its construction program, which is estimated at \$43,000,000 for 1966 and 1967.

**GRANITE EQUIPMENT LEASING PROPOSES OFFERING.** Granite Equipment Leasing Corp., 225 W. 34th St., New York 10001, filed a registration statement (File 2-24943) with the SEC on May 2 seeking registration of 240,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through underwriters headed by Bregman, Cummings & Co., 4 Albany St., New York 10006, and Brand, Grumet & Seigel, Inc., 49 W. 33rd St., New York 10001, which will receive a \$.50-per-share commission. The company has agreed to sell to the underwriters, for \$250, five-year warrants to purchase 25,000 shares of its common stock at \$5 per share.

The company is primarily engaged in the leasing of business, industrial and miscellaneous equipment. Net proceeds of its stock sale will be added to working capital for use in the expansion of its vendor programs. In addition to indebtedness, the company has outstanding 485,604 common shares, of which management officials own 75.7% (including 24.8% owned by Jack P. Miner, board chairman, and 20.1% owned by Sam Sivakoff, director). Harvey Granat is president.

OVER

GAYLORDS NATIONAL FILES FOR OFFERING AND SECONDARY. Gaylords National Corporation, 306 W. 37th St., New York, filed a registration statement (File 2-24946) with the SEC on May 2 seeking registration of 315,000 shares of common stock. Of such stock, 170,000 shares are to be offered for public sale by the company and 135,000 shares (being outstanding stock) by the present holder thereof. The offering is to be made through underwriters headed by New York Securities Co., 52 Wall St., New York 10005. The public offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the operation of discount department stores under the name "Gaylords," and of retail stores under the name "Betty Gay". Net proceeds of its stock sale will be used to pay \$2,000,000 owed to banks and \$290,000 owed to Louis I. Nash, former director of the company. According to the prospectus, the company purchased from Nash, pursuant to an option agreement dated March 2, 1966, the equivalent of 416,640 common shares at a total price of \$2,540,000 (approximately \$6.096 per share), of which \$2,250,000 was paid in cash and the balance of \$290,000 is payable on the effective date of this registration statement. The \$2,000,000 bank loans were incurred to finance the purchase of such stock. In addition to indebtedness, the company has outstanding 458,304 common shares. Joseph Nash, board chairman, is the selling stockholder. He is offering 135,000 of 416,640 shares held. Jerome A. Barrer is president.

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

San Diego Gas & Electric Company, 861 Sixth Ave., San Diego, Calif. 92112 (File 2-24926) (28,000 shares)  
 International Business Machines Corporation, Armonk, N. Y. 10504 (File 2-24931 - 100,000 shares)  
 (File 2-24932 - 500,000 shares)  
 Ingersoll-Rand Company, 11 Broadway, New York 10004 (File 2-24934) (501,750 shares)  
 Bigelow-Sanford, Inc., 140 Madison Ave., New York (File 2-24944) (35,125 shares)

Three additional stock stock plans were filed on Form S-1, as follows:

Electronic Assistance Corporation, 20 Bridge Ave., Red Bank, N. J. (File 2-24921) (250,487 shares)  
 Diamond International Corporation, 733 Third Ave., New York 10017 (File 2-24930) (182,927 shares)  
 The Brush Beryllium Company, 17876 St. Clair Ave., Cleveland, Ohio 44110 (File 2-24942) (155,272 shares)

CORRECTION RE MET ED. In the SEC News Digest of May 2, the Commission reported the tender prices for the reacquisition by Metropolitan Edison Co. of 25,400 shares of its five series of preferred stock. The item erroneously referred to the possible reacquisition of a maximum of 25,400 shares from dissenting stockholders who perfect their appraisal rights. Only 100 shares were reacquired by the company from shareholders who exercised their appraisal rights.

CENCO INSTRUMENTS FILES FOR SECONDARY. Cenco Instruments Corporation, 1700 W. Irving Park Rd., Chicago, Ill. 60613, filed a registration statement (File 2-24927) with the SEC on April 29 seeking registration of 102,638 shares of \$3 convertible preferred stock. The stock was issued in exchange for all of the assets and liabilities of Cap & Gown Co. which were recently acquired by Collegiate Cap & Gown Co., a wholly owned subsidiary of Cenco. The recipients of such preferred shares may offer the stock for public sale from time to time on the New York Stock Exchange at prices prevailing at the time of sale (\$100 per share maximum\*).

Cenco is engaged in the manufacture and distribution of scientific instruments, laboratory apparatus, medical equipment, instruments for the petroleum, natural gas and petro-chemical industries, and engineering apparatus. Cap & Gown manufactures graduation apparel, accessories, choir robes and religious apparel. Cenco has outstanding 2,531,302 common shares. Alfred A. Strelsin is board chairman and Ralph C. Read is president of Cenco.

SECURITIES ACT REGISTRATIONS. Effective April 29: Buttes Gas & Oil Co., 2-24760; Consolidation Coal Co., 2-24851; W. T. Grant Co., 2-24693.

Effective May 2: The Joyful Noise Co., 2-24487 (90 days); Koret of California, Inc., 2-24588 (90 days).

Effective May 3: Associated Coca-Cola Bottling Co., Inc., 2-24654 (Aug 2).

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.

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