

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 September 2, 1964

SEC ORDER CITES J. P. HOWELL & CO. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of J. P. Howell & Co., Inc., of 40 Exchange Place, New York, N. Y. The firm has been registered with the Commission as a broker-dealer since January 1957; and it also is a member of the National Association of Securities Dealers, Inc. Also named as respondents in the proceedings are Michael LaMarca, president, and Benjamin Greene, Charles Hoffman, Joel Kaplan, Stephen Negri, Philip Waldman and Edward Vanasco, who were employed as salesmen at various times during the period June 1961 through July 1962.

The proceedings are based upon staff charges that the Howell firm and the individual respondents, during the period July 12, 1961, to July 31, 1962, engaged in activities violative of the anti-fraud provisions of the Federal securities laws in connection with their offer and sale of stock of Puritan Chemical Corporation.

A hearing will be ordered later to take evidence on the staff charges and afford the firm and individuals an opportunity to establish any defenses thereto, for the purpose of determining whether the alleged violations occurred and, if so, whether any administrative action of a remedial nature is appropriate in the public interest.

R. B. GRAVIS INC. REGISTRATION CANCELLED. The SEC has cancelled the broker-dealer registration of R. B. Gravis, Inc., 52 Broadway, New York, and discontinued proceedings on the question whether such registration should be revoked. The proceedings were based upon alleged violations of the Securities Act registration and anti-fraud provisions in the sale of stock of Mono-Kearsarge Consolidated Mining Company. Subsequently, in February 1963, the Gravis firm and Robert B. Gravis, its president, were convicted (USDC SDNY) for violating and conspiring to violate various provisions of the Federal securities laws and the mail fraud statute; and the firm is not now engaged in the securities business.

SEC JOINS INTERCONTINENTAL MOTELS CASE. At the invitation of Judge J. Braxton Craven, Jr., the SEC has joined in the Chapter X proceedings for the reorganization of Intercontinental Motels, Ltd. pending in the U. S. District Court in Charlotte, N. Car. Robert N. Robinson serves as independent trustee by appointment of Judge Craven. The Debtor and its seven subsidiaries are engaged in the ownership and operation of motels and related facilities in Georgia, North Carolina and Virginia. The reorganization petition lists total assets and liabilities, as at February 28, 1964, of about \$3,309,000 and \$2,834,000, respectively. The assets consist principally of fixed assets, net of depreciation, of about \$3,018,000. The liabilities include approximately \$1,095,000 of notes payable, \$1,287,000 of mortgages and lease contracts payable, and \$268,760 owed to three groups of stockholders. The Debtor has outstanding 535,028 shares of common stock, of which 49% is held by over 800 public investors and the balance is closely held.

OHIO EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15120) authorizing Pennsylvania Power Company to sell 30,000 additional shares of common stock to its parent, Ohio Edison Company, for a total consideration of \$900,000. Net proceeds from the subsidiary's stock sale will be used to reimburse its treasury for expenditures for plant additions and improvements (estimated to aggregate \$7,619,000 in 1964).

GULF POWER SEEKS ORDER. Gulf Power Company, 75 N. Pace Blvd., Pensacola, Fla., has filed a proposal with the SEC under the Holding Company Act for the public offering, at competitive bidding, of \$12,000,000 of first mortgage bonds, due 1994; and the Commission has issued an order (Release 35-15121) giving interested persons until September 29 to request a hearing thereon. Net proceeds from the company's bond sale, together with \$2,000,000 received in 1964 from the sale of common stock to The Southern Company (parent) and funds expected to be accumulated from internal sources, will be used to finance its 1964 construction expenditures (estimated at \$18,452,000) and to pay \$5,000,000 of short-term bank notes incurred for such purpose.

CLUETT, PEABODY & CO. FILES RIGHTS OFFERING. Cluett, Peabody & Co., Inc., 530 Fifth Ave., New York, filed a registration statement (File 2-22737) with the SEC on September 1 seeking registration of \$12,750,000 of convertible subordinated debentures (due 1984), to be offered to its common stockholders at the rate of \$100 principal amount of debentures for each 16 shares held as of September 29, 1964. The offering is to be made through underwriters headed by Goldman, Sachs & Co., 20 Broad St., and Lehman Brothers, 1 William St., both of New York.

The company's four major business components consist of (1) The Arrow Company, a division which manufactures and sells men's, boys' and women's apparel bearing the "Arrow" trademark; (2) J. Schoeneman, Incorporated, a subsidiary, which manufactures and sells men's suits, jackets and slacks; (3) The Retail Store Division, which operates retail apparel stores; and (4) The Sanforized Company, a division, which licenses the textile industry to use its "Sanforized" and "Sanforized-Plus" trademarks. Net proceeds from its debenture sale will initially be applied to the repayment of short-term indebtedness, thereby providing the company with additional working capital. The company expects to expend approximately \$5,400,000 in 1964 for modernization and expansion of The Arrow Company and J. Schoeneman, Incorporated. In addition to indebtedness and preferred stock, it has outstanding 2,008,942 shares of common stock, of which management officials as a group own approximately 3%. Barry T. Leithead is president.

OVER

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be ordered from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with photocopy material when mailed.

Consumers Cooperative Assn, July 64, (7,8)
F. L. Jacobs Co, Aug 64

Kaiser Steel Corp, July 64, (3,13)
One Hous Valet, July 64, (4,7,8,11,13)

Commonwealth Telephone Co, July 64, (7,13)
North American Car Corporation, July 64,
(7,13)

Texas Gas Producing Company, July 64, (12,13)

Major Realty Corp, July 64, (12,13)
Morningstar-Paisley, Inc, July 64, (1)
Sta-Rite Products, Inc, July 64, (4,7,8,13)

New York Trap Rock Corp, May 64, (4,7,13)

Reading & Bates Offshore Drilling Co, July 64,
(2,13)

Federal Quality Homes, Inc, Oct 63, (12,13)
Nov 63, (6,12)
Feb 64, (12)
May 64, (11)

Simon Hardware Co, July 64, (12,13)

Lincoln Tel and Tel Co, (Years 1959 through
July 64, (7,11,12,13)
Mississippi River Transmission Corp, July 64,
(12,13)

Basic Properties, Inc, July 64, (12)

Empire Life Insurance Co (Calif.), July 64,
(7,9)

Beneficial National Life Insurance Co, July 64,
(7)

British-American Construction & Mat'ls Ltd.,
July 64, (2,4,8,12)

United Nuclear Corp, July 64, (11)

Airtex Dynamics Inc, July 64, (11,13)
Nekocsa Edwards Paper Co, July 64, (4,11,13)
Taylor Instrument Companies, July 64, (7)

Mississippi Power Co, July 64, (3)

Federal Quality Homes, Inc, Amend #1 to 8K for
July 63, (1)

Minnesota Mining & Mfg Co, July 64, (12)

Brooks Instrument Co., Inc, Dec 63, (4,13)

Anthony Pools, Inc, Sept 63, (3)
Standard Oil Co. (Ohio), July 64, (7,11,13)

Amer. Crystal Sugar Co, July 64, (4,7,10,
11,13)
Canal-Randolph Corp, July 64, (3,7,12)

Elgin Natl Watch Co, July 64, (3)

American Gas Company, July 64, (11)

Davidson Bros. Inc, July 64, (3)

Grayson-Robinson Stores Inc, July 64, (12,13)

Abbott Laboratories, July 64, (12)
Atlas Sewing Centers Inc, July 64, (6,13)
Neisner Brothers Inc, Amend #1 to 8K for
April 64, (11)
Schwitzer Corporation, Amend #1 to 8K for
June 64, (1)
Associated Oil & Gas Co, Amend #1 to 8K for
Dec 63, (4,7)

CONTINUED

UNEEDA VENDING OFFERING EXEMPTION SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Uneeda Vending Service, Inc., of 250 Meserole St., Brooklyn, N. Y. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

In a Regulation A notification filed in December 1961, Uneeda proposed the public offering of 73,500 common shares at \$3 per share. Fabrikant Securities Corp. was named as one of the underwriters. The Commission states in its suspension order that it "has reasonable cause to believe" that, in the distribution of such stock, Fabrikant engaged in transactions, practices and a course of business which would and did operate as a fraud and deceit upon the purchasers of the stock. Proceedings are pending under the Securities Exchange Act of 1934 on the question whether Fabrikant's broker-dealer registration should be revoked (see Release 34-7372).

BROAD STREET INVESTING SEEKS ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4043) permitting Broad Street Investing Corporation, a New York registered open-end investment company, to issue its shares at net asset value for substantially all of the cash and securities of The Cove Investment & Improvement Company. Cove is a Connecticut investment company with six trusts as its record stockholders.

COPENHAGEN TELEPHONE CO. RECEIVES ORDER. The SEC has issued an order under the Trust Indenture Act of 1939 (Release TI-209) finding that the trusteeship of First National City Bank under two indentures of Copenhagen Telephone Company, Inc. (Kjøbenhavns Telefon Aktieselskab), dated 1962 and 1963 (qualified under the Act) and an indenture dated 1964 (not qualified under the Act) is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Bank from acting as trustee under all the indentures.

UNLISTED TRADING GRANTED. The SEC has issued orders granting (a) an application of the Detroit Stock Exchange for unlisted trading privileges in the common shares of American Natural Gas Company and (b) an application of the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common shares of McDonnell Aircraft Corporation and Harris Intertype Corporation. (Release 34-7414)

FUME OF POPPIES CO. PROPOSES OFFERING. The Fume of Poppies Company, 1545 Broadway, New York, filed a registration statement (File 2-22738) with the SEC on September 1 seeking registration of \$350,000 of Limited Partnership interests, to be offered for public sale in \$7,000 units. The offering is to be made through First Theater Investing Service, Inc., 210 E. 53rd St., New York, which will receive a 10% commission and may receive 11-3/4% of the General Partner's share of the net profits. Each subscriber is subject to a 15% overcall.

The Partnership is to be formed under New York law for the purpose of producing and arranging for the exhibition and distribution of a motion picture tentatively entitled "The Fume of Poppies." Theodore J. Ritter will be the General Partner of the Partnership and will produce the movie. John C. Thiele will be the director. The motion picture is to be a dramatization of a novel entitled "The Fume of Poppies" by Jonathan Kozol. The limited partners will receive 50% of the net profits.

SECURITIES ACT REGISTRATIONS. Effective September 1: Consumers Power Co. (File 2-22673); The Denver National Life Insurance Co. (File 2-22581); Wisconsin Electric Power Co. (File 2-22659).

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