

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington 25, D.C.

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 64-10-15)

FOR RELEASE October 22, 1964

SEC ORDER CITES CENTURY SECURITIES. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Century Securities Company, 8421 Wilshire Blvd., Beverly Hills, Calif. Also named as respondents are Fred Colton and David J. Fleischman, general partners of the firm, and six of its sales representatives: William Reigel, Robert W. Nees, Pierre Pambrun, Jay B. Cook, John Desbrow and Donald R. Brophy. The said firm is a member of the National Association of Securities Dealers, Inc.

The proceedings are based on staff charges (1) that Century Securities and the individual respondents violated the Securities Act registration requirement in connection with their sale of stock of Jayark Films Corporation in September and October 1963, and of Kramer-American Corporation during January-March 1964; and (2) that they violated the anti-fraud provisions of the Securities Act in connection with their transactions in Jayark stock and other securities from January 1963 to date.

At a later date, a hearing will be ordered to take evidence on the staff charges and afford the respondents 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.

MAY DEPT. STORES FILES STOCK PLAN. The May Department Stores Company, Sixth and Olive Sts., St. Louis, filed a registration statement (File 2-22858) with the SEC on October 20 seeking registration of 400,000 shares of common stock, to be offered under its Qualified Stock Option Plan.

KING'S DEPT. STORES FILES FOR SECONDARY. King's Department Stores, Inc., 150 California St., Newton, Mass., filed a registration statement (File 2-22859) with the SEC on October 20 seeking registration of 208,575 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through an underwriting group headed by Shearson, Hammill & Co., Inc., 14 Wall St., New York. The public offering price (\$33 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in the registration statement are 10,353 outstanding common shares to be offered by certain officials of Shearson, Hammill. These represent shares purchased from the company in September 1961 by Shearson, Hammill for the investment accounts of certain of its partners, together with shares received as stock dividends thereon.

The company is in the self-service discount department store field and operates 35 stores in 14 States. In addition to indebtedness, the company has outstanding 1,195,738 common shares, of which management officials as a group own 49%. The prospectus lists four selling stockholders of the 208,575 shares, including Murray A. Candib (president), offering 100,000 of 280,386 shares held, and Aaron O. Cohen (board chairman), 100,000 of 274,575.

TUBOS DE ACERO FILES FOR SECONDARY. Tubos de Acero de Mexico, S. A., Paris 15, Mexico 4, D. F., Mexico, filed a registration statement (File 2-22860) with the SEC on October 20 seeking registration of \$4,940,000 of outstanding 7 1/2% convertible debentures due 1975. The debentures may be offered for public sale by the present holders thereof at market prices prevailing at the time of sale. The registration statement also includes 50,000 shares of Series B stock underlying an outstanding option which (upon exercise of the option) may be offered by the present holders thereof through facilities of the Mexico City Stock Exchange at prices current at the time of sale (\$7.88 per share maximum*).

The company is a producer of seamless steel tubular products in Mexico. Its products are used principally as casing, line pipe, tubing and drill pipe by Petroleos Mexicanos, the Government agency that controls and manages the Mexican petroleum industry. In addition to indebtedness, the company has outstanding 2,765,064 Series A and 2,765,064 Series B shares, of which management officials as a group own 37.6% and 9.5% respectively. According to the prospectus, the company sold the debentures being registered to 15 institutional investors in February 1963, including Amercon Enterprises Ltd. (offering \$1,500,000 principal amount of debentures), Pan Caribbean Financial Corp., Inc. (\$500,000), and New World Development Corp., Ltd. (\$450,000). The remaining debentures being offered range in amounts from \$100,000 to \$300,000. The holders of the option to purchase said 50,000 Series B shares are listed as Kidder, Peabody & Co. (35,000 shares) and Sumner H. Waters, vice president of Kidder, Peabody & Co. Inc. (15,000 shares). In February 1963 Kidder, Peabody & Co. (an affiliate of Kidder, Peabody & Co. Inc.) purchased from Pan Caribbean, for \$12,500, an option exercisable until March 31, 1966, to buy such stock from Pan Caribbean at \$6.83 per share. Bruno Pagliai is president and board chairman of the company.

VALLEY GAS SHARES IN REGISTRATION. Valley Gas Company, 55 High St., Pawtucket, R. I., filed a registration statement (File 2-22862) with the SEC on October 21 seeking registration of 400,000 outstanding shares of common stock. Of this stock, 3,254.75 shares are to be offered to common stockholders of Blackstone Valley Gas and Electric Company (other than Eastern Utilities Associates, which owns 99.19% of Blackstone's outstanding stock), at the rate of 2.18 shares for each Blackstone share held as of November 24, 1964. An aggregate of 389,962.95 shares are to be offered to shareholders of Eastern Utilities, at the rate of 0.31 of a share for each share of Eastern Utilities stock held on said date. The remaining 6,782.31 shares are

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subject to additional subscription privileges by shareholders of the two companies. Any unsubscribed shares are to be offered, in amounts up to 100 shares, to company employees at the subscription price. The subscription price (\$12 per share maximum*) is to be supplied by amendment. Any remaining shares will be offered for public sale at competitive bidding.

The company is engaged in the gas utility business. Actual operations began in August 1961 upon the acquisition of all of the gas properties of Blackstone. The divestment of the Gas Department of Blackstone was ordered by the SEC pursuant to the Holding Company Act. Payment for the gas property was made by the company's issuance to Blackstone of the 400,000 shares being registered hereby, together with other securities then resold by Blackstone to institutional investors. Charles V. McCaffrey is president of the company.

PENNSALT CHEMICALS FILES STOCK PLAN. Pennsalt Chemicals Corporation, Three Penn Center, Philadelphia, filed a registration statement (File 2-22864) with the SEC on October 21 seeking registration of 20,000 shares of common stock, to be offered pursuant to its Employee Stock Purchase Plan, 1964-1965.

CAPITAL FUNDS, OTHERS ENJOINED. The SEC Fort Worth Regional Office announced on October 15 (LR-3056) the entry of a Federal court order (USDC ED Ark.) preliminarily enjoining Capital Funds, Inc., of Arkansas, Ernest A. Bartlett, Jr., and Austin E. Gatlin of Fort Smith, Ark., from soliciting proxies from stockholders of Modern American Mortgage Corporation of Little Rock. The defendants consented to the preliminary injunction.

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. Copies thereof 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. An index of the caption of the several items of the form was included in the October 2 News Digest.

8K for Sept. 1964

Michigan Bell Tel. Co (7)	Chrysler Corp (12)
N.Y. Tel. Co (13)	Control Data Corp (7,10,11)
Southern Bell Tel & Tel Co (7)	Detroit Steel Corp (7,8)
Chicago & Eastern Illinois RR Co (13)	Drilling & Exploration Co, Inc (3,8,12,13)
Cluett Peabody & Co, Inc (7,8,13)	Eastern Air Lines, Inc (7)
General Super Markets, Inc (4,7,13)	Hunt Foods & Ind, Inc (12,13)
McGraw Edison Co (3)	Loral Electronics Corp (12,13)
Northeast Airlines, Inc (6)	Mattel, Inc (7,8,12)
Astrex, Inc (7,8,9,13)	Packard Bell Electronics Corp (2)
J. I. Case Co (7,8,12)	Pitts. Coke & Chemical Co (8)
Cott Corp (12)	Apollo Ind, Inc (11)
Kern County Land Co (12)	Loew's Theatres, Inc (8)
Peruvian Oil & Minerals Ltd (3)	Merck & Co, Inc (12)
R. J. Reynolds Tobacco Co (8)	Missouri Pacific RR Co (2,13)
Va. Iron Coal & Coke Co (3)	RTC Group, Inc (2,8)
Rush Terminal Co (12,13)	American Metal Climax, Inc (12,13)
Continental Motors Corp (13)	Capital Cities Broadcasting Corp (2,4,8,13)
South Puerto Rico Sugar Co (4,13)	Cummins Engine Co, Inc (3,12,13)
Ansil Co (4,10,12)	Sealright-Oswego Falls Corp (2,7,11,13)
Coastal States Gas Producing Co (7,13)	Steel Parts Corp (2,13)
Drewrys Ltd. U.S.A., Inc (12)	Associates Invst. Co (7)
(Oct. 1964 (12))	Consolidated Mortgage & Invst. Corp (8)
Ampex Corp (12)	General Foam Corp (12)
Barkshire Frocks, Inc (11)	Ling-Temco-Vought, Inc (8)
Broadway Hale Stores, Inc (7,13)	Canada Dry Corp (12,13)
Consumers Power Co (7,13)	Cenco Instruments Corp (11,13)
Di Giorgio Fruit Corp (7,8,12)	Commonwealth Oil Refining Co, Inc (12)
Gulf American Land Corp (12,13)	General Cigar Co, Inc (13)
Westinghouse Air Brake Co (3,13)	McDonnell Aircraft Corp (11)
Brunswick Corp (7)	Virginia & Southwestern Ry Co (11)
General Plywood Corp (3)	American Zinc, Lead & Smelting Co (7,11)
The Texstar Corp (11,12)	Phillips Petroleum Co (7,13)

SECURITIES ACT REGISTRATIONS. Effective October 22: Eagle's Nest Mountain Estates (File 2-21748); Horizon Land Corp. (File 2-22107); Princeton Chemical Research, Inc. (File 2-22683).

*As estimated for purposes of computing the registration fee.

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