

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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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

WERTHEIM & CO., WINSTON SUSPENDED. The SEC today announced a decision in which it ordered that Wertheim & Co., New York broker-dealer firm, be suspended for 10 business days from engaging in over-the-counter brokerage activities (subject to certain exceptions) for the accounts of retail customers or investment partnerships not affiliated with the firm. The Commission also suspended Roger Winston, a registered representative of the firm, from association with a broker or dealer for 5 business days, both suspensions are effective on May 10. The order was based on offers of settlement by the respondents, in which, without admitting or denying the allegations against them, they consented to certain findings and to the stated sanctions.

According to the Commission's decision, during the period between May and August 1968, respondents violated the registration provisions of the Securities Act of 1933 in connection with the offer and sale of 11,100 shares of common stock of Mastercraft Electronics Corp., and the firm failed reasonably to supervise Winston with a view to preventing such violations.

During the 10-day suspension, the firm may execute transactions to fill previously entered orders; execute liquidating transactions for existing long positions or to cover existing short positions or options in the accounts of existing customers; and execute transactions for the accounts of existing customers who have previously given investment discretion to the firm or who pay regular fees for the giving of investment advice. As to all such transactions, however, the firm must dispose of commissions in accordance with a plan approved by the Commission. In addition, the firm may execute transactions in governmental debt obligations; engage in transactions which are part of or incident to its underwriting activities; and execute transactions in short-term debt securities for customers, utilizing such customers' free credit balances. (Release 34-9161)

FLYNN BARRED. The SEC today barred Milfred O. Flynn, who was a salesman in the Long Beach, Calif. office of a broker-dealer, from association with a broker or dealer for willful violations of the antifraud provisions of the Federal securities laws from about June 1 to about December 31, 1965. The Commission found that Flynn caused customers to incur excessive and unnecessary costs and charges, and made untrue and misleading statements concerning investments in mutual fund shares. It found that with knowledge of the total amounts available for investment, he solicited and induced customers to make multiple purchases of mutual fund shares, with the amounts of the individual purchases solicited falling below the breakpoint where a reduced sales load would be charged. Flynn consented to the findings of willful violations and to the sanctions imposed without admitting any of the violations alleged. (Release 34-9162)

NEW RULES AND RULE PROPOSALS

COMMISSION ISSUES FURTHER INVESTMENT ACT CHANGES. The SEC today issued the fifth in a series of releases on problems arising under the Investment Company Amendments Act of 1970 which was enacted on December 14, 1970 relating to investment policies of a registered investment company. The amendments deal with, among other things, the ineligibility of certain persons to serve as employees of a registered company, legal standards for investment company reorganizations, substitution of underlying investments of unit investment trusts, and the filing of certain legal documents with the Commission. Pending distribution of the completed release text to the appropriate mailing lists by the Commission, interested persons are directed to the Federal Register. (Release IC-6506)

SECURITIES ACT REGISTRATIONS

DOWNEN ZIER KNITS FILES FOR OFFERING AND SECONDARY. Downen Zier Knits, Inc., 130 New Hyde Park Rd., Franklin Sq., New York, filed a registration statement with the SEC on April 27 seeking registration of 324,000 shares of common stock, of which 215,000 are to be offered for public sale by the company and 85,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Edwards & Hanly Securities, Inc., 1 Whitehall St., New York.

The company is engaged in the design, knitting, finishing and sale of high quality double knit fabrics from synthetic yarn for use in the manufacture of clothing primarily for women. Of the net proceeds of its stock sale, \$550,000 will be used for the purchase and installation of machinery and equipment for a proposed new finishing plant facility and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 785,000 common shares (with a \$1.34 per share book value), of which Byron H. Downen, president, and Fred P. Zier, board chairman, own 34.62% each. They propose to sell 29,423 shares each and four others (all company officials) the remaining shares being registered. (File 2-40192)

OVER

***NATIONAL CHEMSEARCH FILES FOR SECONDARY.** National Chemsearch Corporation, P. O. Box 217, Irving, Tex. 75060, filed a registration statement with the SEC on April 27 seeking registration of 300,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (**at \$41.125 per share maximum) through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., and Goldman, Sachs & Co., 55 Broad St., both of New York.

The company formulates, produces, and markets about 300 chemical specialty products. Lester A. Levy, board chairman, Milton P. Levy, Jr., treasurer, and Irvin L. Levy, president, propose to sell 100,000 shares each. (File 2-40194)

***GENERAL CIGAR TO SELL STOCK.** General Cigar Co., Inc., 605 Third Ave., New York 10016, filed a registration statement with the SEC on April 27 seeking registration of 500,000 shares of common stock, to be offered for public sale (**at \$34.25 per share maximum). The offering is to be made through underwriters headed by Lehman Brothers, Inc., One William St., New York 10004.

The company is engaged in the manufacture and sale of cigars and in related activities. Of the net proceeds of its stock sale, \$13,500,000 will be contributed by the company to its subsidiary, Metropolitan Tobacco Company, Inc. In addition to indebtedness, the company has outstanding 1,629,079 common shares. (File 2-40195)

***BUNKER RAMO SHARES IN REGISTRATION.** Bunker Ramo Corporation, Oakbrook North, 1200 Harger Rd., Oak Brook, Ill. 60521, filed a registration statement with the SEC on April 27 seeking registration of 406,753 shares of common stock, of which 400,000 are issuable upon exercise of a warrant held by New York Life Insurance Company and 6,753 are issuable upon exercise of options assumed by Bunker Ramo in connection with its acquisition of Barnes Corporation. The warrant held by New York Insurance was issued in connection with a loan agreement between Bunker Ramo and five insurance companies pursuant to which the company has borrowed \$38,250,000 and issued warrants to purchase 600,000 shares. (File 2-40196)

***HONEYWELL SHARES IN REGISTRATION.** Honeywell Inc., 2701 Fourth Ave., South, Minneapolis, Minn., filed a registration statement with the SEC on April 27 seeking registration of 750,000 outstanding shares of common stock. These shares are part of the 1,500,000 Honeywell shares received by General Electric Company in connection with the combination under Honeywell's control, principally by transfer to Honeywell Information Systems, Inc. (owned 81-1/2% by Honeywell and 18-1/2% by General Electric) of the principal computer operations of the company and General Electric. They may be offered for sale from time to time by General Electric at prices current at the time of sale (**\$98.50 per share maximum). (File 2-40199)

***CUTTER LABORATORIES TO SELL STOCK.** Cutter Laboratories, Inc., Fourth and Parker Sts., Berkeley, Calif., filed a registration statement with the SEC on April 28 seeking registration of 450,000 shares of Class A common stock, to be offered for public sale (**at \$43 per share maximum). The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005.

The company is a manufacturer of a broad line of health care products used in hospitals. Net proceeds of its stock sale will be used to retire bank borrowings (totalling \$8,300,000 at March 31) and the balance will be available for capital expenditures and working capital. (File 2-40202)

***FARAH MANUFACTURING TO SELL STOCK.** Farah Manufacturing Company, Inc., 8889 Gateway West, El Paso, Tex. 79985, filed a registration statement with the SEC on April 28 seeking registration of 500,000 shares of common stock, to be offered for public sale (**at \$50 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005.

The company produces slacks, jeans and walk shorts for men and boys. Of the net proceeds of its stock sale, \$3 million will be used to build and equip a new sewing plant in San Antonio, and the balance will be used for general corporate purposes (including reduction of its short-term bank borrowings, which amounted to \$20 million on April 15). (File 2-40203)

***LAND O' FABRICS FILES FOR OFFERING AND SECONDARY.** Land O' Fabrics, Inc., 1404 Newcastle St., P. O. Box 859, Brunswick, Ga. 31520, filed a registration statement with the SEC on April 28 seeking registration of 120,000 shares of common stock, of which 105,000 are to be offered for public sale by the company and 15,000 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$11 per share maximum) through underwriters headed by First Equity Corporation of Florida, 1325 Exchange Bank Bldg., Tampa, Fla. 33602.

The company operates a chain of 23 retail stores in the South through which it retails sewing fabrics and related items. Of the net proceeds of its stock sale, \$400,000 will be used to finance establishment of six additional retail outlets and the balance for working capital and other corporate purposes. In addition to indebtedness, it has outstanding 284,966 common shares (with a \$3.37 per share net tangible book value), of which Estus D. Bigner, board chairman, owns 52% and William M. Campbell, president, 14.8%. Bigner proposes to sell 10,000 shares and Campbell 5,000. (File 2-40204)

***DENNISON MFG. TO SELL DEBENTURES.** Dennison Manufacturing Company, 300 Howard St., Framingham, Mass. 01701, filed a registration statement with the SEC on April 29 seeking registration of \$20 million of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York.

The company produces and markets a broad line of paper products and related plastic items. Net proceeds of the company's debenture sale will be used for repayment of short-term debt and for other corporate purposes. (File 2-40217)

CONTINUED

CHARMING SHOPPES FILES FOR OFFERING AND SECONDARY. Charming Shoppes, Inc., 8 East Main St., Norristown, Pa. 19401, filed a registration statement with the SEC on April 28 seeking registration of 300,000 shares of common stock, of which 60,000 are to be offered for public sale by the company and 240,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$7 per share maximum) through underwriters headed by Butcher & Sherrerd, 1500 Walnut St., Philadelphia, Pa.

The company operates a chain of women's specialty stores in five states. Net proceeds of its stock sale will be available for working capital and other corporate purposes, including costs associated with the opening of additional stores. In addition to indebtedness, the company has outstanding 1,098,807 common shares (with a \$2.85 per share net tangible book value). Morris Sidewater is president. Purchasers of the shares being registered will sustain an immediate dilution of \$3.02 in per share book value from the offering price. (File 2-40205)

***SOUTHERN CONNECTICUT GAS PROPOSES RIGHTS OFFERING.** The Southern Connecticut Gas Company, 880 Broad St., Bridgeport, Conn. 06609, filed a registration statement with the SEC on April 28 seeking registration of 150,987 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of record May 20, at the rate of one share for each four shares held, and to offer any unsubscribed shares to employees. The offering is to be made (** at \$37 per share maximum) through The First Boston Corporation, 20 Exchange Place, New York 10005.

The company is engaged in the retail distribution and sale of natural gas for domestic, commercial and industrial uses in southern Connecticut. Net proceeds of its stock sale will be used to retire short-term indebtedness, which approximated \$5,600,000 at April 30, and was incurred for construction purposes. Construction expenditures are estimated at \$16,519,000 for the last nine months of 1971 and the year 1972 and at \$5,500,000 per year during 1972-1975. (File 2-40206)

MEDIA GENERAL FILES FOR SECONDARY. Media General, Inc., 333 East Grace St., Richmond, Va. 23219, filed a registration statement with the SEC on April 28 seeking registration of 460,000 outstanding shares of Class A common stock, to be offered for public sale by the holders thereof. The offering is to be made (** at \$40 per share maximum) through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York 10005.

The company through subsidiaries publishes newspapers in four cities and markets newsprint paper which it produces from waste newspapers. In addition to indebtedness and preferred stock, it has outstanding 3,235,260 Class A and 150,000 Class B common shares (File 2-40207)

RAYCOMM INDUSTRIES TO SELL DEBENTURES. Raycomm Industries, Inc., Route 33, Howell Township, N. J., filed a registration statement with the SEC on April 28 seeking registration of \$850,000 of convertible subordinated debentures, due 1986, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by S. D. Lunt & Co., One Whitehall St., New York.

Organized in June 1968, the company is engaged in production of electronic equipment and related activities. Of the net proceeds of its debenture sale, \$350,000 will be used to reduce currently outstanding loans, proceeds of which were used for working capital, and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 690,455 common shares, of which Joseph J. Raymond, board chairman and president, owns 28.9% and management officials as a group 56.2%. (File 2-40208)

***BURNS DETECTIVE AGENCY SHARES IN REGISTRATION.** The William J. Burns International Detective Agency, Inc., 320 Old Briarcliff Rd., Briarcliff Manor, N. Y. 10510, filed a registration statement with the SEC on April 27 seeking registration of 10,500 outstanding shares of Class A common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$28 per share maximum). (File 2-40198)

***CAPITAL RESERVE TO SELL DEBENTURES.** Capital Reserve Corporation, 801 N. La Brea Ave., Los Angeles 90038, filed a registration statement with the SEC on April 29 seeking registration of \$4.5 million of convertible subordinated debentures, due 1991, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by Van Alstyne, Noel & Co., Four Albany St., New York 10006.

The company is a diversified holding company engaged primarily in leasing equipment and machinery, making business loans as a personal property loan broker and the wholesale distribution of food and related products. Of the net proceeds of its debenture sale, \$2,430,000 will be used to prepay the principal and a portion of interest accrued under loans made by Henry S. Handler, president, and the balance for working capital of certain subsidiaries. (File 2-40211)

GRAND AUTO FILES FOR OFFERING AND SECONDARY. Grand Auto, Inc., 700 Independent Rd., Oakland, Calif. 94621, filed a registration statement with the SEC on April 29 seeking registration of 324,000 shares of common stock, of which 175,000 are to be offered for public sale by the company and 149,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$17 per share maximum) through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004.

The company operates 31, and has franchised eight, retail automotive stores in northern California. Net proceeds of its stock sale will be used in connection with the opening of nine new company operated stores, one franchise store and the company's expansion program. In addition to indebtedness, the company has outstanding 781,655 common shares, of which Irving E. Krantzman, board chairman and president, and Sam Garfinkle, executive vice president, own 38.9% each and Max M. Brown, executive vice president, 19.8%. Krantzman and Garfinkle propose to sell 52,150 shares each and Brown 44,700. (File 2-40213)

***BROOKLYN UNION GAS TO SELL STOCK.** The Brooklyn Union Gas Company, 195 Montague St., Brooklyn, N. Y. 11201, filed a registration statement with the SEC on April 29 seeking registration of 150,000 shares of cumulative preferred stock, Series C (\$100 par), to be offered for public sale at competitive bidding. Net proceeds will be used to retire loans incurred for construction purposes and for other purposes. (File 2-40215)
OVER

AKZONA SHARES IN REGISTRATION. Akzona Incorporated, Asheville, N. C. 28802, filed a registration statement with the SEC on April 29 seeking registration of 36,112 outstanding shares of common stock. These shares were issued in March 1971 to four stockholders of ABCA, Inc., in connection with Akzona's acquisition of ABCA. The holders may offer such shares for sale from time to time at prices current at the time of sale (**\$42.50 per share maximum). (File 2-40219)

***RYDER SYSTEM FILES FOR SECONDARY.** Ryder System, Inc., 2701 South Bayshore Dr., Miami, Fla. 33133, filed a registration statement with the SEC on April 29 seeking registration of outstanding warrants to purchase 350,000 shares of common stock (at \$25 per share). These warrants may be offered for public sale by the holders thereof (**the stock sold for \$42-5/8 on April 20) through underwriters headed by E. F. Hutton & Company, Inc., 1 Chase Manhattan Plaza, New York 10005.

The company is a full service truck lessor and also is engaged in truck rental and transporting new automobiles. Edward J. Hand and Michael J. Petrins propose to sell the warrants which they acquired in connection with the company's acquisition from them of the stock of M & G Convey, Inc. (File 2-40216)

DELTA CORP. FILES FOR OFFERING AND SECONDARY. Delta Corporation of America, 2930 Biscayne Blvd., Miami, Fla. 33137, filed a registration statement with the SEC on April 29 seeking registration of 500,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 250,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Shields & Co., 44 Wall St., New York 10005.

The company is engaged principally in arranging and servicing mobile home loans for banks and savings and loan associations and acting as agent for credit life and mobile home physical damage insurance companies. Net proceeds will be added to the company's general funds and used for expansion of its mobile home sales operations and to provide selected dealers with financing for their mobile home inventory. The company has outstanding 1,302,340 common shares, of which Gilbert A. Haas, president, owns 45.6%. He proposes to sell 141,857 shares and four others the remaining shares being registered. (File 2-40220)

OAK HILL SPORTSWEAR TO SELL STOCK. Oak Hill Sportswear, Inc., 1407 Broadway, New York 10018, filed a registration statement with the SEC on April 29 seeking registration of 150,000 shares of common stock, to be offered for public sale (**at \$5 per share maximum). The offering is to be made through Herbert Young & Co. Inc., 5 Hanover Sq., New York.

Organized in May 1968, the company designs, manufactures and sells popular priced young women's clothing. Of the net proceeds of its stock sale, \$225,000 will be used to repay short-term loans from banks and the balance for working capital and other corporate purposes. The company has outstanding 350,075 common shares (with a \$1.08 per share net tangible book value), of which Arthur Asch, president, owns 27.27% and management officials as a group 100%. (File 2-40221)

VOLUME SHOE FILES FOR OFFERING AND SECONDARY. Volume Shoe Corporation, 3231 East Sixth St., Topeka, Ks. 66607, filed a registration statement with the SEC on April 30 seeking registration of 150,000 shares of common stock, of which 126,000 are to be offered for public sale by the company and 24,000 (being outstanding shares) by the holder thereof. The offering is to be made (**at \$55 per share maximum) through underwriters headed by Stern Brothers & Co., 9 West 10th St., Kansas City, Mo. 64199.

Organized in May 1971, the company operates a chain of 263 retail shoe units. Of the net proceeds of its stock sale, and of the sale of a \$2 million long-term note to Massachusetts Mutual Life Insurance Company, \$5,085,000 will be used in connection with the proposed acquisition of American Self Service Stores, Inc., and the balance will be used for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 1,253,442 common shares, of which Louis Pozex, president, owns 10.13% and management officials as a group 33.76%. Massachusetts Mutual Life Insurance Company proposes to sell 24,000 shares issuable upon conversion of \$400,000 of the company's promissory notes. (File 2-40222)

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

American Standard Inc., New York (File 2-40197) - 75,000 shares

International Business Machines Corporation, Armonk, N. Y. (File 2-40209) - 800,000 shares and
(File 2-40210) - 4,000,000 shares

Comcet, Inc., St. Paul, Minn. (File 2-40212) - 200,000 shares

Natomas Company, San Francisco, Calif. (File 2-40214) - 100,000 shares

Akzona Incorporated, Asheville, N. C. (File 2-40218) - 25,974 shares

SECURITIES ACT REGISTRATIONS. Effective May 4: Allegheny Ludlum Industries, Inc., 2-39715 (40 days); Athlone Industries, Inc., 2-39971; Atico Mortgage Investors, 2-39593; Carpenter Paper Co. of Nebraska, 2-39530 (90 days); Commerce Bancshares, Inc., 2-39696; Fort Howard Paper Co., 2-39646; General Motors Acceptance Corp., 2-39968; Information and Communication Applications Inc., 2-38475; Kenton Corp., 2-39980; New England Electric System, 2-40011; North American Mortgage Investors, 2-39963; Provident National Corp., 2-39284; Richford Industries, Inc., 2-39700 (40 days); Vicon Products Corp., 2-35204 (90 days).

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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.