

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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SEC

(Issue No. 68-145)

FOR RELEASE July 25, 1968

COMMONWEALTH SECURITIES REVOKED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-8360) affirming a recommended decision by its Hearing Examiner (Sidney Feiler), ordering revocation of the broker-dealer registration of Commonwealth Securities Corporation ("Commonwealth"), of Columbus, Ohio, and finding that Herbert Beck, a former salesman, was a cause of the revocation.

According to the decision, Commonwealth was formed in 1958 by controlling persons of Certified Credit Corporation ("CCC"), which was in the small loan business and invested in insurance companies and conducted real estate operations, and engaged principally in handling underwritings of securities of CCC subsidiaries. The Commission found that in the course of these offerings Commonwealth participated in or was responsible for the preparation and use of prospectuses and other materials which contained false and misleading statements concerning the business of the issuers and the use of the proceeds of their offerings. It was also found that Commonwealth furnished its salesmen sales materials depicting CCC as a growing and profitable company and comparing it with established successful companies, whereas it in fact had suffered continuing losses, sustained itself by syphoning off subsidiaries' funds, and resorted to false bookkeeping to create an appearance of profitability. Commonwealth was further found to have done business while its net capital was deficient under the Commission's rules, failed to maintain current books and records, and failed to file promptly amendments to its registration application to disclose information as to controlling persons and officers.

Beck was found to have made false and misleading representations to customers with respect to the stock of Certified Credit and Thrift Corporation, a subsidiary of CCC, including representations that the stock was a secure investment on which customers could not lose and would regularly receive a 6% return, and that the stock was comparable to others which had increased in value. By this conduct, the Commission found, Beck was a "cause" of the revocation of Commonwealth's registration. The Commission stated that, while in most cases it could view such conduct as warranting a longer exclusion from the securities business, it accepted the conclusion of the Hearing Examiner, which the Commission's staff also supported, that the cause finding shall not operate to prevent Beck's employment in the securities business in a non-supervisory capacity after four months, upon a showing that he will be adequately supervised. It observed that such acceptance took into account various mitigative factors, including the fact that Beck's employment by Commonwealth was his first in the securities business, that he has since been properly trained and employed without complaint, and that he cooperated in the criminal prosecution of certain principals of CCC.

CORPORATE OFFERINGS REPORTED. The SEC announces (for July 26 Newspapers) that new corporate securities offered for cash sale in the second quarter of 1968 totaled \$5.9 billion. This compares with security offerings of \$5.2 billion in the first three months of the year and \$6.2 billion of new issues during the same period last year. (For further details, see Stat. Release No. 2299).

MICH. CONSOLIDATED GAS TO SELL BONDS. Michigan Consolidated Gas Company, One Woodward Ave., Detroit, Mich. 48226, filed a registration statement (File 2-29659) with the SEC on July 23 seeking registration of \$25,000,000 of first mortgage bonds, due 1993, to be offered for public sale by competitive bidding. The company, a wholly-owned subsidiary of American Natural Gas Company, will use the net proceeds of its bond sale, together with proceeds of the sale of \$4,060,000 of its common stock to the parent company, to retire some \$25,000,000 of notes payable to banks (used to finance its construction program) and to pay construction costs. Construction expenditures for 1968 are estimated at \$42,000,000.

CLEARY PETROLEUM PROPOSES OFFERING. Cleary Petroleum Corporation, 310 Kermac Bldg., Oklahoma City, Okla. 73102, filed a registration statement (File 2-29660) with the SEC on July 23 seeking registration of 170,000 shares of common stock. The offering is to be made through underwriters headed by Goodbody & Co., 55 Broad St., New York 10004; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company (formerly Cleary Production, Inc.) is engaged in the acquisition, development and operation of oil and gas properties in Oklahoma and 11 other western and southern states. It will apply \$400,000 of the net proceeds of its bond sale to the repayment of an outstanding bank loan incurred to finance the acquisition of lease interests in the Powder River Basin area of Wyoming, Montana, and South Dakota; the balance will be added to the company's general funds and will be used in the development of oil and gas properties and interests. In addition to indebtedness, the company has outstanding 864,100 common shares, of which Arthur G. Altachul, a director, owns 7% and William B. Cleary, president and board chairman, 6.6%.

FABRIC MART DRAPERIES FILES FOR OFFERING AND SECONDARY. Fabric Mart Draperies, Inc., 1401 E. 95th St., Chicago, Ill. 60619, filed a registration statement (File 2-29661) with the SEC on July 23 seeking registration of 200,000 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo.; the offering price (\$8.75 per share maximum*) and underwriting terms are to be supplied by amendment. The company has granted to the Dempsey-Tegeler firm, for \$1500, a five-year option to purchase 15,000 common shares.

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The company is engaged in the sale of custom-made and ready-to-hang draperies, bedspreads, window and shower curtains and yard goods, sold principally through the company's nine retail stores, and through sales made in customers' homes and to commercial purchasers. Of the net proceeds of its sale of additional stock, the company will use \$200,000 to repay existing bank loans, \$150,000 to purchase sales and display fixtures and inventory for two new retail stores to be opened during 1968, and \$35,000 to repay an installment obligation on the purchase of equipment and fixtures; the balance will be added to working capital and used in part to finance new store openings after 1968. In addition to indebtedness, the company has outstanding 350,000 common shares, of which Morris Shopiro, president, and William Shapiro, executive vice president, own 50% each. Each proposes to sell 125,000 shares of his holdings of 175,000.

ASTROSYSTEMS INTERNATIONAL FILES FOR OFFERING AND SECONDARY. Astrosystems International, Inc., One Goddard Drive, Rockaway, N. J. 07866, filed a registration statement (File 2-29662) with the SEC on July 23 seeking registration of \$2,000,000 of 6½% convertible subordinated debentures, due 1983 and 48,500 outstanding shares of common stock. The debentures are to be offered for public sale by the company at 100% of principal amount and the 48,500 common shares by the present holders thereof. The offering is to be made through Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment. The company will pay the underwriter \$5,000 for expenses.

The company and its subsidiaries are engaged in the furnishing of the following products and services: explosively actuated devices, hydraulic and pneumatic valves and control systems, metals finishing, image recognition (optical scanning) devices, temperature and pressure control and recording instruments, and experimental and educational rocket engines. Of the net proceeds of its debenture sale, the company will use part to redeem at 106.5% of par all of its outstanding 6½% convertible subordinated debentures, due 1982 (\$593,000 in principal amount at June 30); \$568,146 to retire bank and other debt, of which \$350,000 was incurred for acquisitions; \$100,000 to defray the cost of research and development work; \$150,000 to purchase additional manufacturing and test equipment; and \$300,000 to finance anticipated additional inventory and receivables. The balance will be added to the company's general proceeds and may be used for acquisitions of other businesses. In addition to indebtedness, the company has outstanding 612,307 common shares, of which management officials as a group own 23%. Alan R. Mendenhall, Jr., is board chairman and president. Brunswick Capital Corporation proposes to sell 16,167 shares, Transamerica Capital Corp. 12,000, First Miami Small Business Investment Co., 9,500, George T. Stern 9,100, Growth Ventures, Inc., and First Connecticut Small Business Investment Company 9,000 each; fourteen others propose to sell the remaining shares being registered.

COM-SHARE PROPOSES OFFERING. Com-Share, Incorporated, 1919 West Stadium Blvd., Ann Arbor, Mich. 48103, filed a registration statement (File 2-29663) with the SEC on July 24 seeking registration of 225,000 shares of common stock and a like number of common stock purchase warrants to purchase 22,500 common shares. The securities are to be offered for public sale in 225,000 units, each consisting of one common share and one warrant. The warrants are exercisable only in even multiples of ten. The offering is to be made through underwriters headed by Rodman & Renshaw, 209 S. LaSalle St., Chicago, Ill. 60604. The offering price (\$25 per unit maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters' counsel \$6,000 for fees and expenses.

Organized under Michigan law in February 1966, the company is engaged in the business of offering the use of computer systems on a "time sharing" basis so that substantial numbers of customers can use the system simultaneously from their own business locations through local and long-distance telephone facilities. Of the net proceeds of its stock sale, the company will use \$1,500,000 for the installation of additional computer equipment, communications equipment and other related equipment, \$2,000,000 for "software", and \$975,000 for payment of current indebtedness and lease payments and for working capital. In addition to indebtedness, the company has outstanding 389,420 common shares, of which management officials own 22% and Bliss & Company 19%. Upon completion of this offering, the founders and Walter L. Manning, a director, will own 13.9% of the outstanding common shares, for which they paid \$144,000, and the purchasers of the shares being registered will own 27%, for which they will have paid \$5,512,500. Robert F. Guise, Jr., is president.

ASHLAND OIL & REFINING TO SELL DEBENTURES. Ashland Oil & Refining Company, 1409 Winchester Ave., Ashland, Ky. 41101, filed a registration statement (File 2-29664) with the SEC on July 24 seeking registration of \$60,000,000 of convertible subordinated debentures, due 1993. The debentures are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, and Lehman Brothers, 1 William St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in producing, refining and distributing petroleum products and related items. Of the net proceeds of its debenture sale, the company will use part to retire \$14,000,000 principal amount of 6½% notes of Wanda Petroleum, Inc., acquired by the company in April 1968, and at least \$22,500,000 of the \$29,820,000 principal amount of 5% notes issued in connection with the acquisition of the chemicals division of Archer-Daniels-Midland Company; the balance will be used to reduce \$30,000,000 principal amount of 6½% revolving notes. In addition to indebtedness and preferred stock, the company has outstanding 19,670,224 common shares. Rexford S. Blazer is board chairman and principal executive officer and Orin E. Atkins president.

TEXAS EASTERN TRANSMISSION TO SELL BONDS. Texas Eastern Transmission Corporation, Southern National Bank Bldg., Houston, Texas 77002, filed a registration statement (File 2-29665) with the SEC on July 24 seeking registration of \$50,000,000 of first mortgage pipe line bonds, due 1988. The bonds are to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the transportation and sale at wholesale of natural gas. It will use the net proceeds of its bond sale to retire outstanding notes payable. In addition to indebtedness, the company has outstanding 20,870,461 common shares. B. D. Goodrich is president.

COMPUTER CONSOLES PROPOSES OFFERING. Computer Consoles, Inc., Eyer Bldg., 317 Main St., East Rochester, N. Y., filed a registration statement (File 2-29667) with the SEC on July 24 seeking registration of 175,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through company officials without payment of commission and possibly through NASD members, who will receive 75¢ per share selling commission.

Organized under Delaware law in May 1968, the company proposes to engage in the design, development, production and sale of communication and computer related devices and systems. Of the net proceeds of its stock sale, the company will use \$415,000 for development and production, including the cost of completing the design of a general purpose remote computer display terminal and the development of two models, \$160,000 for marketing expenses, \$80,000 for administrative expenses, \$100,000 for engineering and production equipment, and \$478,000 for advanced production design, including the design of peripheral data handling equipment; the balance will be added to working capital. The company has outstanding 352,500 common shares (with a 71.1¢ per share book value), of which Edward H. Nutter, president, owns 25.73%, and Alfred J. Moretti and Jeffrey Tai, vice presidents, own 15.70% each. Management officials as a group own 69.04%. Upon completion of this offering the present shareholders will own 67% of the outstanding common shares, for which they paid \$280,500, including material, equipment and reimbursed travel advances totaling \$7,708, and the purchasers of the shares being registered will own 33%, for which they will have paid \$1,750,000.

ASCOT TEXTILE FILES FOR OFFERING AND SECONDARY. Ascot Textile Corp., 469 Seventh Ave., New York 10018, filed a registration statement (File 2-29668) with the SEC on July 24 seeking registration of 150,000 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 50,000 (being outstanding shares) by Paul Lawrence, president of the company, at \$6 per share. The offering is to be made through underwriters headed by Brand, Grumet & Seigel, Inc., 49 W. 33rd St., New York, which will receive a 50¢ per share commission. The company has agreed to pay the underwriters \$15,000 for expenses and to sell to them, for \$80, five-year warrants to purchase 8,000 common shares, exercisable at \$6.60 per share.

The company is principally engaged in converting and selling linings and interfacings primarily used in the manufacture of sports wear, ladies' apparel and children's clothing. The company will use the net proceeds of its sale of additional stock to repay some \$200,000 of its outstanding borrowing from banks; the balance of the net proceeds will be added to the company's general funds, where they may be used for working capital and for other corporate purposes including expansion of present facilities and operations and the purchase of additional facilities or businesses. In addition to indebtedness, the company has outstanding 510,608 common shares, of which Paul Lawrence, president, owns 56.4%, Robert A. Rosen, executive vice president, 14.9%, and Alfred Goldberg, treasurer, 4.2%.

STRUTHERS CAPITAL CORP. SEEKS ORDER. Struthers Capital Corporation ("Struthers"), New York wholly-owned subsidiary of Struthers Wells Corporation ("Struthers Wells"), has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed acquisition of Developers Small Business Investment Corporation (a New Jersey company licensed under the Small Business Investment Act); and the Commission has issued an order (Release IC-5446) giving interested persons until August 8 to request a hearing thereon. Struthers was organized in April 1968 for the purpose of acquiring Developers. It has applied to the Small Business Administration for a license to operate as a small business investment company. Struthers proposes to acquire all the assets and business of Developers and to assume substantially all of the liabilities in exchange for 120,238 common shares of Struthers Wells. Pursuant to an agreement between Struthers Wells and Developers, after the exchange Struthers Wells stock will be distributed to Developers shareholders and Developers will be liquidated. Struthers represents that Struthers Wells^{is engaged and intends to} engage primarily in businesses other than investing, reinvesting, owning, holding or trading in securities and Struthers upon consummation of the proposed transaction would be excepted from status as an investment company except for the fact that it will assume \$2,073,000 of indebtedness of Developers. Struthers is engaged in the engineering, design and manufacture of equipment for use in chemical and fertilizer plants, conventional and nuclear power generation units and petroleum refining process plants. It has outstanding 2,060,528 common shares held by 3,850 shareholders and 82,533 preferred shares held by 530 shareholders.

TRADING SUSPENSIONS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in the common stock of Alcar Instruments, Inc., and in the securities of Continental Vending Machine Corporation, Kennebec Consolidated Mining Co. and Westec Corporation for the further ten-day period July 26 through August 4, 1968, inclusive.

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 in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the July 3 News Digest.

Algemene Kunstzijde Unie Nv		All-Tech Inds Inc	
June 68 (13)	1-3774-2	June 68 (4,7,8,11,13)	0-2993-2
Atlas Corp June 68 (12,13)	1-2714-2	American Sugar Co June 68 (13)	1-5225-2
Burns & Towne Inc		Chicago Helicopter Airways Inc	
June 68 (2,13)	2-27318-2	June 68 (2,13)	0-809-2
Capitol Inds Inc June 68 (7,13)	1-3981-2	Commonwealth Theatres of Puerto Rico Inc	
Fuqua Inds Inc June 68 (12)	1-2767-2	June 68 (1,11,13)	2-18605-2

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Del Monte Corp June 68(11,12,13)	1-502-2	AMI Inc June 68 (2)	0-2368-2
Hanes Corp June 68 (12)	1-5199-2	ELI Inds Inc June 68 (9,13)	2-28005-2
Illinois Central Inds Inc June 68 (12)	1-4710-2	American Broadcasting Companies Inc June 68 (7,8,13)	1-3534-2
Illinois Central RR Co June 68 (12)	1-2148-2	Campbell Machine Inc June 68 (11,12,13)	1-4577-2
Baruch Foster Corp June 68 (11)	1-1464-2	The Deltona Corp June 68 (7)	1-4719-2
Bell Intercontinental Corp June 68 (12)	1-4354-2	Denny's Restaurants Inc June 68 (12,13)	1-5124-2
Cudahy Co June 68 (6)	1-529-2	Doyle Dane Bernbach Inc June 68 (12)	0-171-2
Financial General Corp June 68 (3)	1-3272-2	Eastern Air Lines Inc June 68 (7,8)	1-3049-2
Great Atlantic & Pacific Tea Co Inc. June 68 (11,13)	1-4141-2	Ficul Inc (Formerly) First Investors Corp June 68 (11)	0-580-2
Instrument Systems Corp June 68 (2,3,7,8,12,13)	1-5643-2	Gulf Oil Corp June 68(7,13)	1-3190-2
American Pipe & Constr Co May 68 (7)	0-218-2	Kavanau Real Estate Tr June 68 (7,11,13)	1-5331-2
Arcs Inds Inc June 68 (11,13)	0-2725-2	Argus Inc June 68 (12,13)	1-4544-2
Columbia Pictures Corp June 68(8)	1-3108-2	Basic Leasing Corp June 68(2,13)	2-27921-2
Kennesaw Life & Accident Ins Co June 68 (4,8,10)	2-15835-2	Bartell Media Corp June 68 (12,13)	1-4614-2
MPB Corp June 68 (11)	0-1544-2	B-R Corp (Formerly) Bunker-Ramo Corp June 68 (1,4,7,13)	1-4158-2
Boeing Co June 68 (8)	1-442-2	Bloomfield Bldg Inds Inc July 68 (12,13)	1-4608-2
Certain-Teed Products Corp June 68 (3)	1-292-2	Gillette Co June 68 (13)	1-922-2
City Products Corp June 68 (8)	1-144-2	Leasco Data Processing Equipment Corp June 68 (7,12,13)	1-5288-2
Clark Equipment Co (Del) June 68 (4,11,13)	1-5646-2	Aero Chatillon Corp June 68 (4,11,13)	1-5592-2
Conroy Inc June 68 (2,8,13)	1-5326-2	Associates Invmt Co June68(12,13)	1-1912-2
Florida Palm-Aire Corp May 68 (2,7,13)	0-1850-2	Cerro Corp June 68 (7)	1-1518-2
Goldsmith Bros June 68 (7,13)	2-20527-2	Eastern Utilities Associates June 68 (12,13)	1-5366-2
Allied Chemical Corp June 68 (7)	1-1269-2	Hercules Inc June 68 (7,13)	1-496-2
Colorado Interstate Gas Co June 68 (3)	1-4874-2	Interpace Corp June 68 (3)	1-4669-2
Columbus & Southern Ohio Elec Co June 68 (7,13)	1-2680-2	Acme Precision Products Inc June 68 (6,8)	1-3327-2
Commercial Shearing & Stamping Co June 68 (4,7,13)	0-588-2	Aero-Flow Dynamics Inc June 68 (12)	1-690-2
Four Seasons Nursing Centers of America Inc June 68 (4,7)	2-28318-2	American Duralite Corp June 68 (1,4,11,13)	0-2926-2
First Republic Corp of Amer June 68 (3,9,12,13)	0-1437-2	Avien Inc June 68 (3,12,13)	1-4190-2
Esterline Corp Apr 68(2,7,8,13)	2-27529-2		
Geotel Inc (Formerly) Giannini Scientific Corp June68(2,7,8,11,13)	0-1400-2		

SECURITIES ACT REGISTRATIONS. Effective July 24: A-G Foods, Inc., 2-29156 (40 days); Atlantic American Corp., 2-28561 (90 days); Aydin Corp., 2-28946 (90 days); Bankers Life Co., 2-28578; Camel Manufacturing Co., 2-28885 (90 days); Capitol Products Corp., 2-28701; Continental Telephone Corp., 2-29057 (40 days); Food Fair Properties, Inc., 2-29261; Madison Fund, Inc., 2-29423 (Sep 4); Midwestern Financial Corp. of Ohio, 2-28594 (90 days); Mohawk Data Sciences Corp., 2-29508 (40 days); Ocean Technology Fund, Inc., 2-27981; Sunnyside Telephone Co., 2-28651 (40 days).
Withdrawn July 24: Ajax Magnethermic Corp., 2-28136; Data Pathing Inc., 2-27758; Engineered Royalties, Inc., 2-24734.

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.

CORRECTION RE FABRIC MART DRAPERIES. In the last line of the reference begun on Page 1 of today's News Digest to the proposed offering and secondary of Fabric Mart Draperies of Chicago it was incorrectly stated that Morris Shopiro and William Shapiro each propose to sell 125,000 common shares. It should have stated "Each proposes to sell 50,000 shares of his holdings of 175,000 shares."