

# 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

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**SEC ORDER CITES PICKARD & CO., INC., OTHERS.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 involving the broker-dealer firm of Pickard & Company, Inc., of New York City, a member firm of the New York and American Stock Exchanges. Also named as respondents were John Sackville-Pickard, and Peter Sackville-Pickard, president and vice-president, secretary, treasurer, respectively, and principal stockholders; Joseph V. Shields, Jr., executive vice-president; Jess H. Nealy, C. Eugene Osment, III, Joseph B. Gorinstein, former managers and registered representatives in Pickard's Phoenix and Miami branch offices; Bennett M. Baldwin, William K. Barclay, III, and John W. Bendall, Jr., former registered representatives for Pickard; Jack Flittman and John Morelli, former registered representatives and margin clerks for Pickard; Ralph Luca and Herbert Rudich, former head cashiers for Pickard.

The proceedings are based upon staff charges that from May 25, 1967, to August 17, 1967, the registrant and Jess Nealy engaged in activities violative of the registration requirements and anti-fraud provisions of the Federal securities laws in connection with the offer, purchase and sale of securities of Dyna-Ray Corporation; that from November 1, 1963, to May 20, 1968, registrant, aided and abetted by certain of the respondents, extended and arranged for the extension of credit for customers on securities in contravention of Regulation T; that from November 1, 1963, to May 20, 1968, registrant and certain respondents failed to accurately make, keep current, and preserve all of the books and records required to be made, kept current, and preserved by a broker; that registrant, aided and abetted by certain respondents, failed to file with the Commission a report of financial condition duly certified for the calendar year 1967 within the time required by the rules; that from November 12, 1964, to May 20, 1968, registrant, aided and abetted by certain respondents, hypothecated customers' securities and commingled them in violation of the hypothecation requirements; that from January 7, 1964, to March 31, 1968, registrant, aided and abetted by certain respondents, failed to amend its broker-dealer registration form to disclose changes in its officers, directors and 10% stockholders; that from March 1, 1965, to March 31, 1965, registrant failed to mark orders "short"; that registrant, aided and abetted by certain respondents, failed to send customers' confirmations; that from January 1, 1966, to March 1, 1968, registrant, aided and abetted by certain respondents, engaged in discretionary transactions which were excessive in size and frequency; and that from November 6, 1967, to January 25, 1968, Jack Flittman, aided by registrant, manipulated the securities of Rowland Products, Inc., which securities are listed on the American Stock Exchange. The staff also charged that from November 1, 1963, to May 20, 1968, registrant, aided and abetted by the respondents, violated the anti-fraud provisions of the Federal securities laws, engaged in transactions which operated as a fraud and deceit upon customers, and made false and misleading statements as to the registrant's ability to accept and promptly consummate orders from customers at a time when its books and records were not current, contained numerous errors, and could not be relied upon to accurately and promptly reflect the amount of securities or cash held for the account of customers, and when it did not have adequate facilities and personnel and was not in compliance with the financial requirements of the New York Stock Exchange. The staff further charged that registrant, aided and abetted by certain of the respondents, induced persons to subordinate their securities to the general creditors of registrant by means of false and misleading statements and that John Pickard, Peter Pickard and Joseph Shields failed to reasonably supervise persons under their supervision in order to prevent such violations.

A hearing will be held pursuant to further order for the purpose of taking evidence on the staff charges and affording the respondents an opportunity to offer any defenses thereto, to determine whether the allegations are true and, if so, whether any action of a remedial nature should be taken.

**INDUSTRIAL ENGRAVERS PROPOSES OFFERING.** Industrial Engravers, Inc., 130-25 180th St., Springfield Gardens, N. Y., filed a registration statement (File 2-29766) with the SEC on August 1 seeking registration of \$200,000 of 7% notes (convertible into common stock at \$1 per share), due 1975, and detachable three-year warrants to purchase 100,000 shares of common stock, exercisable at \$4 per share. These securities are to be offered for public sale in units, each consisting of a \$500 note and 250 warrants, and at 100% of principal amount. The offering is to be made through Bailey & Sonkin, Ltd., 2 Pennsylvania Plaza, New York 10027, which will receive a 10% commission. The company has agreed to pay the underwriter \$6,000 for expenses and to grant to the underwriter seven-year warrants to purchase 28,000 common shares at \$1 per share. The company has agreed to sell to Eveline Gold, for \$20, 2,000 common shares in consideration for her services as a finder and also to grant to her seven-year warrants to purchase 4,000 common shares, exercisable at \$1.25 per share.

The company is engaged in the business of applying permanent markings on control panels, dials, scales, electronic chassis, nameplates and displays and in the fabrication of plastic and metal parts for the electronic, sheet metal, computer and aerospace industries. Of the net proceeds of its financing, the company will use \$71,000 to reduce secured indebtedness and \$34,000 for new equipment; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 249,600 common shares, of which Joseph Zatzkin owns 52.1%.

OVER

**FIRST UNION REALTY PROPOSES OFFERING.** First Union Realty, Room 1551, Union Commerce Bldg., Cleveland, Ohio 44115, filed a registration statement (File 2-29770) with the SEC on August 1 seeking registration of 600,000 shares of beneficial interest. The shares are to be offered for public sale through underwriters headed by Drexel Harriman Ripley, Inc., 60 Broad St., New York 10004, and Hayden, Miller & Co., 650 Union Commerce Bldg., Cleveland, Ohio 44115. The offering price (\$12.75 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is an unincorporated association in the form of a business trust to provide investors an opportunity to participate in investment in real estate. It presently owns four office buildings, which it leases. The company will use the net proceeds of the sale of shares of beneficial interest to repay an interim bank loan incurred in connection with the acquisitions of First Federal Bldg., Tampa, and 111 John St. Bldg., New York; the balance will be added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,940,000 shares of beneficial interest, of which management officials as a group own 1.48%. James J. Nance is chairman and president.

**SARGENT INDUSTRIES FILES FOR OFFERING AND SECONDARY.** Sargent Industries, Inc., 1901 Ave. of the Stars, Los Angeles, Calif. 90067, filed a registration statement (File 2-29773) with the SEC on August 2 seeking registration of 500,000 shares of common stock. Of this stock, 300,000 shares are to be offered for public sale by the company and 200,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by W. E. Hutton & Co., 14 Wall St., New York 10005. The offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company (formerly The Electrada Corporation) designs, manufactures and sells a variety of mechanical devices which generally use or contain hydraulic, electrical or pneumatic power or other forms of energy. Of the net proceeds of its sale of additional stock, the company will use \$3,600,000 to prepay its 6½% secured note, due 1971, \$705,000 to redeem its preferred stock, and \$99,461 to prepay its 6½% notes, due April 1969 and December 1969; the balance will be available for working capital and other corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 1,101,939 common shares, of which management officials as a group own 1.7%, Truco 11.9% and Mrs. Mary B. P. Gross 11.7%. Dan W. Burns, president, proposes to sell 40,000 shares of 113,771 shares held, R. Paul Toepfen, board chairman, 20,000 of 53,471 and John J. Burke, a director, 1,600 of 10,285.

**COMPUTER COMMUNICATIONS PROPOSES OFFERING.** Computer Communications, Inc., 701 West Manchester Blvd., Inglewood, Calif. 90301, filed a registration statement (File 2-29774) with the SEC on August 2 seeking registration of 200,000 shares of capital stock. The shares are to be offered for public sale through Blair & Co., Inc., 20 Broad St., New York 10005; the offering price (\$12.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized under California law in April 1966, the company is engaged in the design, development, manufacture and service of computer-communications peripheral products, the design and development of computer systems and totally integrated information systems and the providing of certain programming services and software packages. The company will use \$300,000 of the net proceeds of its stock sale to repay its short term bank borrowing and the balance to expand its sales and service organization, to increase its research and development efforts, to add to its facilities and manufacturing capacity and to carry increased inventories and accounts receivable. In addition to indebtedness, the company has outstanding 669,000 capital shares (with a \$1.26 per share book value), of which management officials as a group own 43.8%, AVC Corporation 12.4% and Blair & Co., Inc. (including 8 of its officers) 11.3%. Robert E. Fagen is board chairman and president. Upon completion of this offering, the company will have received \$1,122,530 for 669,000 shares (77%), and the purchasers of the shares being registered will own 23%, for which they will have paid \$2,500,000\*.

**COMMODORE CORP. FILES FOR OFFERING AND SECONDARY.** The Commodore Corporation, 2410 Dodge St., Omaha, Nebr. 68131, filed a registration statement (File 2-29775) with the SEC on August 2 seeking registration of 250,000 shares of common stock. Of this stock, 187,500 shares are to be offered for public sale by the company and 62,500 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by A. G. Becker & Co. Inc., 120 South La Salle St., Chicago, Ill. 60603; the offering price (\$30 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of completely furnished mobile homes, as well as travel trailers and truck-mounted campers. Of the net proceeds of its sale of additional stock, the company will use \$2,000,000 to retire secured short-term indebtedness, the proceeds of which were used for working capital purposes and capital expenditures, \$1,800,000 toward the \$3,500,000 cost of expansion of some of the company's present plants and addition of new plants and equipment; the balance will be used for working capital purposes, including the financing of the increased inventories and receivables resulting from the growth of the company's sales. In addition to indebtedness, the company has outstanding 947,525 common shares, of which Daniel Katzman, president, owns 22.5%, Meyer Katzman, board chairman, 19%, Morley Zipursky, and James C. Forman, executive vice presidents, 11.74% and 14.9%, respectively, Sylvia Jess, secretary, 9.33% and Charlotte Zipursky 8.65%. Daniel and Meyer Katzman propose to sell 12,000 and 9,000 shares, respectively, of 213,200 and 180,000 shares held; Morley Zipursky 8,000 of 111,200; Sylvia Jess and James Forman 9,000 each of 88,400 and 141,200 shares held, respectively; Charlotte Zipursky 4,000 of 82,000; and a Trust for Daniel Katzman, Sylvia Jess & Charlotte Zipursky 11,500 of 40,000.

**HILLHAVEN FILES FOR OFFERING AND SECONDARY.** Hillhaven Inc., 515 S. M St., Tacoma, Wash. 98405, filed a registration statement (File 2-29777) with the SEC on August 2 seeking registration of 310,000 shares of common stock. Of this stock, 253,000 shares are to be offered for public sale by the company and 57,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005. The offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company develops, operates and manages, either directly or through its subsidiaries, extended care facilities which provide skilled nursing care and rehabilitative services principally for persons over the age of 65. Of the net proceeds of its sale of additional stock, the company will use \$3,175,000 to establish additional facilities and expand existing facilities, \$500,000 to establish a subsidiary to engage in leasing furniture and equipment to extended care facilities and \$700,000 for the purchase of Seattle Convalescent Center, presently operated by the company under lease; the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 860,704½ common shares (with a \$1.73 per share book value), of which management officials as a group own 21%. Fred C. Diamond, president, proposes to sell 20,000 shares of 44,637 shares held, George C. Roberts, secretary-treasurer, 18,000 of 40,570, Charles D. Gillet 10,000 of 28,086 and August von Boecklin, a director, 9,000 of 19,964.

**TREND INDUSTRIES FILES FOR OFFERING AND SECONDARY.** Trend Industries, Inc., Rome, Ga. 30161, filed a registration statement (File 2-29778) with the SEC on August 2 seeking registration of 400,000 shares of common stock. Of this stock, 135,000 shares are to be offered for public sale by the company and 265,000 (being outstanding shares) by the present holders thereof. The offering is to be made through Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005. The offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture of tufted carpets and rugs in the U.S. and in the European Common Market. The company will use the net proceeds of its sale of additional stock to finance its presently scheduled capital expenditure program aggregating \$4.1 million, of which \$450,000 had been incurred at June 30; \$2.1 million is being expended for the construction and equipping of a new spinning plant at Rome, Ga., \$1.2 million for the construction of an addition to the West Rome, Ga., plant and \$.8 million for the purchase of machinery and equipment; prior to such expenditures, the company may use a portion as working capital. In addition to indebtedness, the company has outstanding 3,339,200 common shares, of which Theodore J. Munchak, board chairman and chief executive officer, owns 42.5% and Nathan I. Lipson, president, 41.2%. Munchak and Lipson each proposes to sell 132,500 shares of 1,417,500 and 1,374,740 shares held, respectively.

**HI-G FILES FOR OFFERING AND SECONDARY.** Hi-G, Incorporated, Spring St., Windsor Locks, Conn. 06096, filed a registration statement (File 2-29779) with the SEC on August 2 seeking registration of \$6,000,000 of convertible subordinated debentures, due 1988, and 50,000 outstanding shares of common stock. The debentures are to be offered for public sale by the company at 100% of principal amount and the 50,000 shares by the present holders thereof. The offering is to be made through underwriters headed by Carter, Berlind & Weill, Inc., 55 Broad St., New York 10004. The interest and conversion rates, offering price (\$40 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the design, manufacture and sale of miniature and microminiature, high-performance, hermetically sealed electro-mechanical relays, as well as in the manufacture and fabrication of machined metal products both on a contract and proprietary basis, in the manufacture of printed circuits and designs and manufactures a range of related products. In July 1968, a wholly-owned subsidiary of the company acquired substantially all of the assets and business of Merrimack Magnetics Corporation, for \$1,184,500 plus additional Hi-G common stock contingent upon Merrimack's future net income and market price of the company's stock. Of the net proceeds of its sale of additional stock, Hi-G will use \$2,275,000 to retire its short term bank note and will contribute an unspecified amount to the working capital of Merrimack Magnetics; the balance will be added to working capital for general corporate purposes, including the possible acquisition of other businesses and the providing of funds for such acquired businesses. In addition to indebtedness, the company has outstanding 1,033,085 common shares, of which Albin Lukash, president, owns 26% and Leslie I. Lukash, secretary, 6%. Each proposes to sell 25,000 shares of his holdings of 269,010 and 61,671 shares held, respectively.

**PENNSYLVANIA ELECTRIC RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16131) authorizing Pennsylvania Electric Company, a Johnstown, Pa., subsidiary of General Public Utilities Corporation, to issue and sell \$38,000,000 principal amount of first mortgage bonds, due 1998, at competitive bidding. Net proceeds of its bond sale will be used to finance its business as a public utility, including the reimbursement of its treasury for expenditures therefrom prior to January 1, 1968, for construction purposes and the payment of \$30,000,000 of its short-term bank loans outstanding at the time of the sale of bonds.

**OLD MILL ROAD RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5455) declaring that Old Mill Road Corporation, West Nyack, N. Y., has ceased to be an investment company and that its registration as such is no longer in effect.

**TWO TRADING BANS CONTINUED.** The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in the securities of BSF Company and Leeds Shoes, Inc., for the further ten-day period August 8-17, 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 "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 August 5 News Digest.

Supervised Investors Serv Inc Jun 68 (3)	0-167-2	Bibb Mfg Co Amd #1 to 8K for May 68 (4)	0-307-2
The Budd Co Jun 68 (12,13)	1-2127-2	Berel Inds Inc May 68(13)	0-2561-2
J I Case Co Jun 68 (12)	1-138-2	Border Steel Rolling Mills Inc Jun 68 (8,11,12,13)	2-16831-2
Fleetwood Enterprises Inc Jan 68 (7)	1-5602-2	Capital Wire & Cable Corp Jun 68 (11,13)	0-1575-2
Crane Co Jun 68 (2)	1-1657-2	Central Telephone Co Jun 68 (7,13)	0-751-2
CBK Inds Inc Jun 68(4,7,8,13)	1-3096-2	Fireco Sales Ltd Jun 68(11)	2-17894-2
Wayne Mfg Co Jun 68 (2,7,10)	0-1233-2	Fair Lanes Inc Amd #1 to 8K for May 68(2,13)	0-1858-2
Chadbourn Gotham Inc Jun 68 (7)	1-3926-2		
Plant Inds Inc Jun 68 (2,12)	1-4667-2		
Pan American World Airways Inc Amd #1 to 8K for May 68(7,13)	1-3532-2		

**EDP RESOURCES PROPOSES OFFERING.** EDP Resources, Inc., 100 Park Ave., New York 10017, filed a registration statement (File 2-29767) with the SEC on August 1 seeking registration of 300,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005. The offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company provides multiple services to the computer user, consisting of leasing computers and ancillary equipment, and offering software services such as consulting, education, systems design, programming and recruitment. The company will use the net proceeds of its stock sale, primarily for the purchase of IBM System/360 computer equipment to be leased to others and to a limited extent for deposit balances which the company follows the practice of maintaining in connection with bank offerings; pending utilization for such purposes, the proceeds will be added to the company's general funds. In addition to indebtedness, the company has outstanding 400,000 common shares (with a \$4.75 per share book value), of which Hornblower & Weeks-Hemphill, Noyes owns 79.5%. W. Bryan Satterlee, Jr., is president.

**MONTEREY NURSING INNS PROPOSES OFFERING.** Monterey Nursing Inns, Inc., 16 East Broad St., Columbus, Ohio 43215, filed a registration statement (File 2-29768) with the SEC on August 1 seeking registration of 524,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Cantor, Fitzgerald & Co., Inc., 660 Madison Ave., New York; the offering price (\$11 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters up to \$52,000 for expenses and has employed Cantor, Fitzgerald & Co., a partnership, as a financial adviser to the company, at \$2,500 per month. Irving Abramowitz, board chairman and principal shareholder of the company, has granted Cantor, Fitzgerald & Co. three-year options to purchase 40,000 common shares, exercisable initially at \$1 per share.

Organized under Delaware law in June 1968, the company is in the business of constructing, acquiring, developing and operating health care facilities which provide skilled nursing, convalescent, rehabilitation and custodial care to patients in all age categories. Of the net proceeds of its stock sale, the company will use \$599,400 to pay short-term obligations incurred in connection with the acquisition of all the outstanding stock of Monterey Nursing Inn, Inc., and Monterey-Yorkshire Nursing Inn, Inc., \$1,164,000 to acquire all of the outstanding stock of Central Enterprises, Inc. (Central Nursing Home, Minneapolis), \$860,000 to acquire all the outstanding stock of Hopkins Nursing Home, Inc., Minneapolis, \$472,000 to acquire all of the outstanding/stock of Osseo Nursing Home, Inc., Minneapolis, \$300,000 to acquire 50% of the outstanding stock of David Herman Convalescent and Nursing Home, Inc., Minneapolis, \$100,000 to pay obligations of Monterey-Yorkshire Nursing Inn, Inc., incurred in the acquisition of furniture and fixtures, and \$77,000 to pay obligations of Monterey Nursing Inn, Inc., incurred in the acquisition of furniture and fixtures; the balance will be added to the company's general working capital. In addition to indebtedness, the company has outstanding 330,895 common shares (with a \$2.37 per share book value), of which Irving Abramowitz, owns 35%, Joyce Abramowitz 21%, and management officials as a group 55.2%. Carl B. Mellman is president.

**ADR'S FOR BUFFELSFONTEIN GOLD MINING FILED.** Morgan Guaranty Trust Company of New York, 23 Wall St., New York 10015, filed a registration statement (File 2-29769) with the SEC on August 1 seeking registration of 100,000 American Depositary Receipts for ordinary registered shares of Buffelsfontein Gold Mining Company Limited.

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