

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 March 1, 1967

JERRY F. HECHT INDICTED. The SEC Denver Regional Office announced February 23 (LR-3653) the return of an indictment (USDC, Denver) charging Jerry F. Hecht, formerly of Denver, with violations of the Securities Act anti-fraud provisions in the sale of securities of Saunier, Inc. Previously, Hecht was arrested on a criminal complaint charging him with obtaining money and property from an investor by means of an untrue statement in the sale of securities of Saunier (LR-3652).

EARL GREINETZ INDICTED. The SEC Denver Regional Office announced February 24 (LR-3654) the return of an indictment (USDC, Denver) charging Earl Greinetz of Denver, Colo., with violating the Securities Act anti-fraud provisions in the sale of securities of The Cisco Group, Inc. and filing a false statement with the Commission.

TOWNE, HARRIS & CO. ENTERS GUILTY PLEA. The SEC New York Regional Office announced February 24 (LR-3655) that Towne, Harris & Co., Inc., and Harris Freedman withdrew pleas of not guilty and entered pleas of guilty (USDC, ND NY) to conspiring to violate the Securities Act anti-fraud provisions in the sale of stock of Electro-Temp Systems, Inc., and Midland Capital Corp. Freedman also entered a plea of guilty to violating the Securities Act anti-fraud provisions in the sale of such stocks. Previously, Fred Cimino and Albert Hyman pleaded guilty to conspiracy to violate and violations of the Securities Act anti-fraud provisions. On February 23 Cimino was sentenced to 60 days' imprisonment, to be followed by probation for a two-year period. Hyman is awaiting sentence. The remaining defendants, Robert J. Alexander and Leonard Freedman, have pleaded not guilty.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8042) granting an application of the San Francisco Mining Exchange to strike from listing and registration the common stock of Jack Waite Mining Company, effective at the opening of business on March 1, 1967. According to the application, the company failed to file the required periodic reports and has been adjudged as bankrupt.

MASS. VARIABLE ANNUITY INSURANCE PROPOSES OFFERING. Massachusetts Variable Annuity Insurance Company Separate Account A (Separate Account), 40 Broad St., Boston, Mass. 02109, filed a registration statement (File 2-26018) seeking registration of \$5,000,000 of its variable annuity contracts. The basic objectives of these group variable retirement annuity contracts are (1) to provide participants with an initial annuity payment at retirement which will tend to reflect the changes in the cost of living during the pre-retirement years, without the necessity of regular supplementary contributions by the contract owner in periods of rising living costs during those years, and (2) to provide subsequent annuity payments to the retired participant which will tend to vary with the cost of living changes during his retired lifetime. Under the group variable retirement annuity contracts 6% is deducted, for sales and administrative expenses, from the contract owner's contribution on behalf of each participant; the balance is credited to the individual participant's account and is placed in the Separate Account.

Separate Account was organized in February 1967 by Massachusetts Variable Annuity Insurance Company, which is 63.2% owned by The Massachusetts Life Insurance Company (a Massachusetts life insurance company organized in 1963). Robert E. Curtis is board chairman of Separate Account and is president of the Variable Annuity Insurance Company.

LONG ISLAND LIGHTING PROPOSES BOND OFFERING. Long Island Lighting Company, 250 Old Country Rd., Mineola, N. Y. 11501, filed a registration statement (File 2-26033) with the SEC on February 28 seeking registration of \$35,000,000 of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding. The company will use the net proceeds of its bond sale to construct utility plant and to repay short-term bank loans made for such purpose. Its construction expenditures for 1967 and 1968 are estimated to total \$144,000,000.

GATEWAY INDUSTRIES FILES FOR SECONDARY. Gateway Industries, Inc., 8825 S. Greenwood Ave., Chicago, Ill. 60619, filed a registration statement (File 2-26034) with the SEC on February 28 seeking registration of 200,000 outstanding shares of common stock. The present holders thereof propose to offer the stock for public sale through underwriters headed by Bache & Co. Inc., 36 Wall St., New York 10005. The public offering price (\$16 per share maximum*) and underwriting terms are to be supplied by amendment.

The principal business of the company is the fabrication and assembly of automobile safety belts and the compounding and packaging of chemical products, chiefly detergents. It has outstanding 812,988 common shares, of which management officials own 41.69%. The prospectus lists seven selling stockholders, including Jerry Gans (president), who is offering 61,576 of 205,600 shares held; and Raymond R. Kubly, Jr., (director) and Michael Kubly, each offering his entire holdings of 23,540 shares. The remaining shares are being offered by Gans, as guardian of estates of four persons. Charles A. Eckburg is board chairman.

OVER

FOUR STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

The Black and Decker Manufacturing Company, Towson, Md. 21204 (File 2-26030) (38,000 shares)
 The Echlin Manufacturing Company, Echlin Rd., Branford, Conn. (File 2-26036) (120,000 shares)
 Air Products and Chemicals, Inc., P. O. Box 538, Allentown, Pa. 18105 (File 2-26037) (157,923 shares)
 An additional stock plan was filed on Form S-1, as follows:
 Jas. H. Matthews & Co. 4615 Forbes Ave., Pittsburgh, Pa. 15213 (File 2-26032) (75,000 shares)

PAUL REVERE CORP. RECEIVES EXEMPTION ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4860) exempting The Paul Revere Corporation, Worcester, Mass., from all provisions of the Act until such time as the Commission acts on the company's prior application for an order declaring that it is not an investment company.

CHRISTIANA SECURITIES SEEKS ORDER. Christiana Securities Company, Wilmington, Del., investment company, has applied to the SEC for an exemption order under the Investment Company Act permitting certain affiliated persons to participate in the proposal of Christiana to exchange, for shares of its common stock, the 600,000 shares of common stock of Hercules Incorporated which it presently owns. The Commission has issued an order (Release IC-4861) giving interested persons until March 14 to request a hearing thereon. A registration statement under the Securities Act covering 600,000 shares of Hercules common stock was filed with the SEC on February 23. Christiana acquired the Hercules stock in connection with the merger of Delaware Realty and Investment Company into Christiana; and to avoid any question under the anti-trust laws, it informed the Department of Justice at the time of the merger that it would not retain such Hercules stock. The exemption is sought to permit the common stockholders of Christiana to participate in the exchange offer. Such persons include Wilmington Trust Company, E. I. du Pont de Nemours and Company, The News-Journal Company, Longwood Foundation, and the trustees, officers, directors and employees of the foregoing and of Christiana.

BLACK ANGUS STEAK HOUSES, OTHERS ENJOINED. The SEC Denver Regional Office announced February 27 (LR-3656) the entry of a Federal court order enjoining Black Angus Steak Houses, Inc., Black Angus Steak Houses International, Inc., Black Angus Steak House No. 2, Inc., Robert G. Williams and Anita Powell from violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of investment contracts of the various Black Angus Steak House enterprises. The defendants consented to the entry of the order. A preliminary injunction was entered against defendant Richard McGlothlin. Two additional defendants, James E. Ikner and William S. Powell, have not been served with the complaint and, accordingly, no injunction against them was sought at this time.

ERNEST CUSHLER APPREHENDED. The SEC Boston and Fort Worth Regional Offices announced February 27 (LR-3567) that Ernest G. Cushman (former salesman for the defunct Cabeza Petroleum Corporation of Oklahoma City) who was indicted in September 1964 on charges of violations of the Securities Act registration and anti-fraud provisions in the sale of oil interests, was recently apprehended by the Los Angeles Police Department in another, unrelated matter. A fugitive since shortly after his indictment, he was turned over to Federal authorities in Hartford, Conn., and on February 20 entered pleas of not guilty to the charges contained in the indictment and of violating the bail-jumping laws.

FORMER OFFICERS OF YALE EXPRESS INDICTED. The SEC today announced (LR-3658) the return of an indictment (USDC, SD NY) against Gerald W. Eskow (former president of Yale Express System, Inc.), Fred H. Mackensen (former administrative vice president), and Norman Goldwasser (former director of accounting). The indictment charged that Eskow and Mackensen violated the Mail Fraud Statute in that they caused false financial statements to be sent through the mails for the purpose of inducing major lending institutions to purchase \$2,350,000 of Yale's notes. The indictment further charged that Mackensen and Goldwasser caused to be filed with the New York Stock Exchange, the SEC, and the Interstate Commerce Commission reports containing false information concerning the financial condition of Yale Express.

FRONTIER AIRLINES PROPOSES DEBENTURE OFFERING. Frontier Airlines, Inc., 5900 E. 39th Ave., Denver, Colo. 80207, filed a registration statement (File 2-26039) with the SEC on February 28 seeking registration of \$15,000,000 of subordinated debentures, due 1987, and warrants to purchase common stock. The debentures, together with the warrants (the number to be supplied by amendment), are to be offered for public sale in units, through underwriters headed by Smith, Barney & Co., Inc., 20 Broad St., New York 10005. The interest rate on the debentures, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the scheduled air transportation of persons, cargo and mail. Of the net proceeds of this financing, \$11,150,000 will be used to finance the purchase of two Boeing 727 jet aircraft and related equipment and one Convair 580. The balance of the proceeds will be added to the company's working capital. In addition to indebtedness, the company has outstanding 1,456,353 common shares, of which management officials own 3.7% and RKO General, Inc., owns 56%. Lewis W. Dymond is president and board chairman of the company.

CURTICE-BURNS PROPOSES RIGHTS OFFERING. Curtice-Burns, Inc., 360 East Ave., Rochester, N. Y. 14604, filed a registration statement (File 2-26041) with the SEC on February 28 seeking registration of 86,700 shares of common stock. The stock is to be offered for subscription at \$15 per share by common stockholders on the basis of one new share for each one and three-quarters shares held on February 28. Unsubscribed shares are to be offered to the public, including certain employees of the P. J. Ritter Company, at \$16 per share. The company has been informed that Agway, Inc., the owner of about 58% of its outstanding stock, will

subscribe to all of the shares to which it has pre-emptive rights, and that certain employees of P. J. Ritter Co. will subscribe to shares remaining after the pre-emptive offering to the extent of shares having an aggregate purchase price of \$300,000.

The company is engaged in processing, packing and marketing fruits and vegetables. Net proceeds of its stock sale will be used to restore working capital, which has been used or will be used in connection with the purchase of all of the outstanding common stock of P. J. Ritter Co. Since January 17, 1967, the company has acquired 173,515 of the 174,430 outstanding common shares of that company. On February 16 it entered into an agreement to purchase for cash 600 of the remaining 915 outstanding shares of Ritter. The company has offered to purchase the other 315 common shares for cash and anticipates that it will be able to acquire all of such stock at a total cost of about \$3,488,600. In addition to indebtedness, the company has outstanding 151,600 common shares. Harold G. Soper is board chairman and Morton Adams is president.

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. 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 purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with requested material when mailed.

A J Industries, Inc. July 66 (11)	1-492-2	Investors Funding Corp of N Y Jan 67 (7)	1-4600-2
Alcolac Chemical Corp Novem 66 (2,13)	0-1871-2	Jonker Corp Dec 66 (9,11)	2-17144-2
American Diversified Inc July 66 (11,13)	2-22511-2	Penn Dairies Inc Jan 67 (4,11,13)	0-2370-2
American Radiator & STD Sanitary Corp		Piedmont Aviation Inc Jan 67 (12,13)	0-1483-2
Jan 67 (3)	1-470-2	Possis Machine Corp Jan 67 (4,6,7,8,9,11)	0-944-2
Amphenol Corp Jan 67 (13)	1-4158-2	Radio Corp of America Jan 67 (4,13)	1-978-2
Arkansas Western Gas Co Aug 66 (12,13)	0-517-2	Royal Land & Development Corp Jan 67 (2,8)	0-760-2
Assoc Invtrs Secs of Louisiana Inc		Savannah Sugar Refining Corp Feb 67 (12,13)	0-922-2
Jan 67 (12)	0-1327-2	Smith Industries International Inc	
Bagdad Copper Corp Jan 67 (2,13)	0-1163-2	Jan 67 (12,13)	0-1124-2
Bank Bldg & Equip Corp of America		Sterling Electronics Inc Jan 67 (7,13)	0-2189-2
October 66 (3)	0-622-2	Union Camp Corp Jan 67 (12)	1-4001-2
Borg Warner Corp Sept 66 (12,13)	1-207-2	Union Whelan Corp Jan 67 (2,13)	1-2991-2
Botany Industries, Inc (N J) July 66 (7,13)	1-5062-2	Visual Electronics Corp Jan 67 (12)	2-25471-2
Brite Universal Inc Feb 67 (12,13)	2-18612-2		
Capital Bancshares Inc Nov 66 (2,7,9,13)	2-23067-2	Charter New York Corp Jan 67 (7,13)	0-2256-2
Central Airlines Inc Jan 67 (7)	0-2153-2	Farmers Union Cooperative Marketing	
Chicago & Eastern Ill RR Co Feb 66 (7)	1-3148-2	Association Jan 67 (8)	2-22230-2
Jan 67 (7)	1-3148-2	Highway Trailer Industries, Inc	
Chicago South Shore & South Bend RR		Jan 67 (3,13)	0-485-2
Jan 67 (12,13)	1-3756-2	International Harvester Credit Corp	
Colonial Board Co Jan 67 (11)	0-1137-2	Jan 67 (7)	1-4146-2
Consolidated Credit Corp Jan 67 (4,7,13)	0-187-2	Investors Funding Corp of N.Y. Jan 67 (7)	1-4600-2
Corenco Corp March 66 (13)	0-707-2	Marathon International Finance Co Jan 67 (7)	1-5194-2
Cramer Electronics Inc Jan 67 (7)	0-126-2	Max Factor & Co Jan 67 (12,13)	1-3875-2
Crane Company (Ill) Dec 66 (7,10)	1-1657-2	Metalfab Inc Jan 67 (4,7,13)	0-1939-2
Creole Petroleum Corp Feb 67 (12)	0-584-2	Mite Corp Jan 67 (12)	0-1512-2
Deep Drawing Corp Jan 67 (6,13)	1-3352-2		
Diamond Alkali Co Jan 67 (3,13)	1-3628-2	<u>Amendment to 8-K</u>	
Empire Life Ins Co (Calif) Jan 67 (7,9)	2-20749-2	International Rectifier Corp Amend #1	
Eversharp Inc Jan 67 (12,13)	1-1140-2	for Nov 66 (3)	1-4399-2
Farmland Industries Inc Jan 67 (7,8)	2-7250-2		
Florida Steel Corp Jan 67 (11)	1-5210-2		
Frontier Airlines Inc Jan 67 (2,12)	1-4877-2		
Holiday Inns of America Inc Jan 67 (3,12)	1-4804-2		

Amendments to 8-K

American Commercial Lines Inc Amend #1 for Jan 67 (4)	1-4209-2
American Realty Trust Amend #3 for April 65 (2,13)	0-1806-2
Astro-Science Corp Amend #1 for Nov 66 (1,2)	0-1223-2
Chicago Title & Trust Co Amend #1 for Jan 67 (3,13)	1-4876-2
Conde Nast Publications Inc Amend #1 For Oct 66 (13)	0-1985-2
Consolidated Freightways Inc Amend #1 for Sept 66 (4)	1-5046-2
Reading & Bates Offshore Drilling Co Amend #1 for Jan 67 (11)	0-503-2
Water Treatment Corp Amend #1 for Dec 66 (12)	0-1735-2
Wyatt Industries Inc Amend #1 for Dec 66 (13)	0-701-2

SECURITIES ACT REGISTRATIONS. Effective February 28: Famous Artists Schools, Inc., 2-25937; Kellwood Co., 2-25943; Spartans Industries, Inc., 2-25345 (Apr 10); Western Power & Gas Co., Inc., 2-25948 (Apr 9).

Effective March 1: Gwaltney Inc., 2-25904 (90 days).

Withdrawn February 28: The Mid-Eastern Co. and Mid-Eastern Life Insurance Co., 2-23077.

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.

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