

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

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

(Issue No. 67-107)

FOR RELEASE June 6, 1967

HUNTINGTON SALESMEN BARRED. In a decision announced today under the Securities Exchange Act (Release 34-8090), the SEC barred James De Mamos, Erwin Gersten, a/k/a Erwin Gerstenzang, and Saul Kay, a/k/a Saul Krukofsky, salesmen of the former broker-dealer firm of Huntington Securities Co. Inc., New York, from association with any securities firm.

The Commission found that De Mamos and Gersten had violated the anti-fraud provisions of the Securities Acts in the offer and sale of the stock of Consumer Credit Corporation during the period June 1963 to February 1964. It held that these respondents participated in a concerted high-pressure campaign to sell Consumer stock, which was highly speculative, by means of fraudulent and extravagant representations and predictions made over the telephone concerning, among other things, Consumer's future earnings and the future market price of its stock. As to Kay, who did not appeal from the hearing examiner's initial decision, the examiner had also found that he participated in Huntington's fraudulent sales campaign. The Commission, in barring the three salesmen, found that various factors cited in mitigation were outweighed by the serious fraud they committed while in Huntington's employ.

In March 1966, in the same proceedings, Huntington's broker-dealer registration was revoked, it was expelled from NASD membership, and its president was barred.

WILLIAM M. MCCOY ENTERS GUILTY PLEA. The SEC Seattle Regional Office announced May 29 (LR-3733) that William McCoy entered a plea of guilty (USDC, Seattle) to an information charging him with violation of the anti-fraud provisions of the Securities Act. The court reserved sentencing pending receipt of a report from the probation order.

FRANCES A. SWANSON INDICTED. The SEC Fort Worth Regional Office announced May 29 (LR-3734) the return of a 6-count indictment (USDC, San Antonio) charging Frances A. Swanson, also known as Frances A. Mayo, with violations of the anti-fraud provisions of the Securities Acts and the Mail Fraud Statute.

CHARLES L. MITCHELL, OTHERS INDICTED. The SEC Seattle Regional Office announced May 29 (LR-3735) the return of a 14-count indictment (USDC, Idaho) charging Charles L. Mitchell, Walter Earl Moore, and Harry H. March with violations of the Mail Fraud Statute, the anti-fraud provisions of the Securities Act, and the Federal Conspiracy Statute in the sale of securities of Insurance Investment Corporation.

NYLO-THANE PLASTICS, OTHERS ENJOINED. The SEC New York Regional Office announced May 31 (LR-3736) the entry of a Federal court order (USDC, SDNY) enjoining the following from further violations of the anti-fraud provisions of the Securities Acts in the sale of securities of Nylo-Thane Plastics Corp. or any other securities: Nylo-Thane Plastics Corp., Farmingdale, N.Y.; Maurice Minuto and Olanda Minuto, both of Westport, Conn.; Louis Braunston, Great Neck, N.Y.; and Leonard Freedman, Whitestone, N.Y. The said defendants consented to the permanent injunction decree.

JOHN B. SANDERS, JR., SENTENCED. The SEC Fort Worth and Atlanta Regional Offices jointly announced on May 31 (LR-3737) that John B. Sanders, Jr., of Lake Charles, Louisiana had been sentenced (USDC, Lafayette, La.) to a total term of ten years to serve in a Federal penitentiary. Sanders was convicted on March 23, 1967, on an indictment alleging fraud in the sale of securities of Underwriters Investment Corporation, Underwriters Finance Corporation, and Underwriters Oil Corporation, all of Lake Charles, La., and Lords Bank and Trust Company, Ltd., of Nassau, Bahamas.

PIEGRASS, OTHERS INDICTED. The SEC Seattle Regional Office announced May 31 (LR-3738) the return of a 17-count indictment (USDC, Idaho) charging Melvin Douglas (Doug) Piegrass and Sterling LeGrande (Lee) Piegrass, Michael J. Boulds, Tom McCandless and Wayne Hofhines with violating the anti-fraud provisions of the Securities Act, the Mail Fraud Statute, and the Federal Conspiracy Statute in the sale of securities of Dairy Snow Products, Inc.

OSBORNE ANDREAS, OTHERS INDICTED. The SEC New York Regional Office announced June 1 (LR-3739) the return of a 21-count indictment (USDC, SDNY) charging the following defendants with violating the Federal Securities Laws: Osborne Andreas, of Chicago, formerly the president of Pentron Electronics Corporation, Spero Furla, formerly a registered representative with the securities firm of Douglas Securities, Inc., Chicago; Paul Heischuber, formerly a partner and registered representative of the securities firm of Tobey & Kirk, New York City; Robert D. Ness, attorney, Chicago; Mark Rolland, a partner in the factoring firm of Investment Associates, Chicago; and Mario Trombone, a public relations consultant, New York City. Also named in the indictment as co-conspirators were Louis D'Achille, of New York City, and Bert "Bud" Kozak, George Georges, James Palmer, and Joseph Eson, all of Chicago. The indictment charged that from February 1966 through April 1966 the defendants conspired to manipulate the price of the common stock of Pentron Electronics Corporation listed on the American Stock Exchange in violation of the Securities Exchange Act and the anti-fraud provisions of that Act and the Securities Act.

OVER

CORINTHIAN BROADCASTING FILES FOR SECONDARY. Corinthian Broadcasting Corporation, 110 West 51st St., Rockefeller Center, N. Y. 10020, filed a registration statement (File 2-26671) with the SEC on June 1 seeking registration of 750,000 outstanding shares of common stock. The shares are to be offered for public sale by the holder thereof through underwriters headed by Goldman, Sachs & Co. The public offering price (\$26 per share maximum*) and underwriting terms are to be supplied by amendment. The prospectus also lists 79,107 additional outstanding common shares to be offered for public sale by ten selling stockholders from time to time between October 15, 1967 and August 30, 1968, at the then current market prices in the over-the-counter market or on a national securities exchange.

The company is engaged in the television broadcasting business. In addition to indebtedness, the company has outstanding 3,384,259 common shares, of which management officials own 94.0%. John Hay Whitney, the selling stockholder, proposes to sell 750,000 of his holdings of 1,645,913 shares. C. Wrede Petersmeyer is board chairman and president.

APACHE CORPORATION FILES EXCHANGE OFFER. Apache Corporation, 1800 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement (File 2-26674) with the SEC on June 1 seeking registration of 17,100 shares of common stock. These shares are being offered by Harold L. Ericson to Sixth Empire Fund, in exchange for capital shares of the said Fund. The basis of exchange will be one Fund share for each \$20 of market value of Apache Corp. shares received by the Fund on the effective date of the exchange (after deducting sales charge). Mr. Ericson acquired these shares in December 1965 through the merger of Telephone Properties, Inc., of which he was a controlling shareholder, into Apache Corp. The exchange date and offering price (\$13.375 per share maximum*) are to be supplied by amendment.

Apache is a diversified operating and management company with interests in the oil and gas, real estate, steel and telephone industries. In addition to indebtedness and preferred stock, it has outstanding 1,466,202 common shares. Charles B. Sweatt, Sr., is board chairman, and Raymond Plant is president.

U. S. INDUSTRIES SHARES IN REGISTRATION. U. S. Industries, Inc., 250 Park Ave., New York 10017, filed a registration statement (File 2-26676) with the SEC on June 2 seeking registration of 90,563 shares of common stock and 287,819 outstanding shares of special preference stock (convertible into common stock at the rate of two common shares for each share of special preference). All of the shares have been or are to be issued in exchange for the business and assets, or shares of capital stock, of other companies. The recipients thereof may offer such shares for public sale from time to time on a national exchange or in the over-the-counter market or otherwise, at prices prevailing at the time of sale.

The company is presently engaged in the manufacture and distribution of a varied line of products divided into four principal groups: (1) materials forming and handling systems, (2) equipment for petroleum, chemical and plastics industries, (3) overseas distribution of industrial equipment; and (4) consumer products and other operations. In addition to indebtedness and preferred stock, it has outstanding 2,695,281 common shares, of which management officials own 1.9%. I. John Billera is board chairman and president.

KAMAN CORPORATION PROPOSES OFFERING. Kaman Corporation, Old Windsor Road, Bloomfield, Conn. 06002, filed a registration statement (File 2-26680) with the SEC on June 2 seeking registration of \$6,000,000 of convertible subordinated debentures, due 1987, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company's business is divided into three groups: (1) the aircraft group, which designs, develops and/or manufactures aircraft components, airline equipment, helicopters and related items; (2) the science and technology group, which is engaged in research work for the U. S. Government and commercial firms; and (3) the special products group, which is engaged in research, development and manufacture of several products including electronic equipment, musical instruments, automated machinery and special purpose bearings. Through AirKaman, its wholly-owned subsidiary, it conducts a general aviation business. Of the net proceeds from the debenture sale, \$1,500,000 will be used to refund a bank loan; approximately \$1,000,000 will be used for additions and improvements to properties, plant and equipment; and the remainder will be added to working capital. In addition to indebtedness, the company has outstanding 504,660 Class A common shares and 88,218 Class B common shares, of which management officials own 41.0% and 6.0%, respectively (including 4.0% and 38.0% owned by Charles H. Kaman, board chairman and president).

STANDARD COMPUTERS PROPOSES DEBENTURE OFFERING. Standard Computers Incorporated, One Wynnewood Road, Wynnewood, Pa. 19096, filed a registration statement (File 2-26681) with the SEC on June 2 seeking registration of \$8,000,000 of convertible subordinated debentures, due 1982. The debentures are to be offered for public sale through underwriters headed by Blair & Co., Inc., 20 Broad St., New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is engaged principally in the purchase, lease and sale of electronic data processing equipment. Net proceeds of the debenture offering will be used to finance the purchase of equipment as needed. In addition to indebtedness, the company has outstanding 547,700 common shares, of which AUERBACH Corporation, Blair & Co., Inc. (the underwriter), and Montgomery Ward & Co., Incorporated each own 9.1%. Herman A. Affel, Jr. is president.

THIOLKOL CHEMICAL FILES FOR SECONDARY. Thiokol Chemical Corporation, Bristol, Pa. 19007, filed a registration statement (File 2-26682) with the SEC on June 2 seeking registration of 32,993 outstanding shares of common stock. The present holder thereof proposes to offer the stock for public sale from time to time on the New York Stock Exchange or otherwise, at prices prevailing at the time of sale (\$24 per share maximum*). The selling stockholder, The Estate of Arthur F. Alders, Deceased, Frederick A. Alders, Executor, proposes to sell 32,993 of its holdings of 113,768 common shares.

The company is engaged in five areas of activity: aerospace, chemical operations, industrial operations, economic development operations, and the Dynastar Laboratories (which develops a lightweight diesel engine for marine and other applications). In addition to indebtedness, it has outstanding 5,778,183 common shares, of which management officials own 4%. J. W. Crosby is board chairman and H. W. Ritchey is president.

ROWAN DRILLING PROPOSES OFFERING. Rowan Drilling Company, Inc., 3023 Humble Bldg., Houston, Tex. 77002, filed a registration statement (File 2-26684) with the SEC on June 5 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004. The public offering price (\$22 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in offshore and onshore contract drilling operations for others. Net proceeds from the stock sale, together with \$3,000,000 of bank borrowings under a new loan agreement will be used to purchase all of its outstanding 6% cumulative preferred stock and to retire \$3,825,000 of bank borrowings, and the balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 489,330 common shares, of which management officials own 59.0% (including 11.25% held by A. H. Rowan, board chairman, and 11.59% held by M. G. Rowe, president).

OPTICS TECHNOLOGY PROPOSES OFFERING. Optics Technology, Inc., 901 California Ave., Palo Alto, Calif. 94304, filed a registration statement (File 2-26685) with the SEC on June 5 seeking registration of 120,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by New York Securities Co., 52 Wall St., New York 10005. The public offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development and manufacture of laser instruments and accessories, instruments for the measurement of optical performance, optical thin-film filters and coatings and fiber optics components and assemblies. In addition, the company performs contract research and development for various U.S. Government and non-government customers. Net proceeds of the stock sale will be used in connection with the cancellation of the company's 7% convertible subordinated debentures, to repay outstanding bank borrowings, and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 197,402 common shares, of which management officials own 12.0% (including 5.9% held by Dr. Narinder S. Kapany, board chairman and president), and Midland Capital Corporation 7.2%. The company's \$823,524⁷ outstanding 7% convertible subordinated debentures with warrants, held by Midland Capital and two others, are to be cancelled through the issuance in exchange therefor of 100,489 common shares and the payment of \$220,590 in cash.

PROVINCE OF NOVA SCOTIA PROPOSES OFFERING. The Province of Nova Scotia (agent's address: Canadian Consulate General, 680 Fifth Ave., New York 10019) filed a registration statement (File 2-26686) with the SEC on June 5 seeking registration of \$35,000,000 of sinking fund debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Halsey, Stuart & Co., Inc., 123 S. LaSalle St., Chicago, Ill. 60690 and Royal Securities Inc., Two Wall St., New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

Of the net proceeds to be received from the debenture sale, approximately \$19,500,000 will be used for industrial development, \$10,500,000 to retire certain Provincial debentures maturing in August 1967, and the remainder for general government purposes including the construction of highways.

TRADING TO RESUME IN AMERICAN PLAN SECURITIES. The SEC announced June 5 that it had ordered the termination of the ban on over-the-counter trading in the common stock and other securities of American Plan Corporation, of Westbury, Long Island, New York, effective at the close of business June 6, 1967. Accordingly, trading in such securities may be resumed at the opening of business on June 7, 1967. The Commission's action followed the release of revised financial information by the company which reflected a reduction in net income for 1966, including net realized gains on investments and after an extraordinary charge of \$901,024, from \$989,142 to \$117,500. (For details, see Release 34-8097).

DEVELOPMENT CORP. OF AMERICA SEEKS ORDER. Development Corporation of America, New York, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company, and the Commission has issued an order (Release IC-4981) giving interested persons until June 27 to request a hearing thereon. On July 14, 1960, DCA was merged into The Equity Corporation. After the merger was consummated DCA ceased its corporate existence, and title to its assets, subject to its liabilities, was transferred to Equity.

STOCK PLANS FILED. Form S-8 registration statements have been filed with the SEC proposing the offering of securities under employee savings, stock option and other plans, as follows:
 Penco Retirement Plan, New York 10019 (File 2-26661) - 330,000 common shares
 Management Assistance Inc., New York 10017 (File 2-26679) - 75,000 common shares
 Flo-Tronics, Inc., Minneapolis, Minn. 55427 (File 2-26683) - 93,000 common shares
 First Lincoln Financial Corporation, Los Angeles, Calif. 90017 (File 2-26687) - 25,000 common shares

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 June 1 News Digest.

Florida and Eastern Ry Co
Apr 67 (11) 1-1610-2
Southern Securities Corp
Apr 67 (11) 0-1840-2
Speed-O-Print Business Machines Corp
Apr 67 (11,12,13) 1-4504-2
Television Mfgs of America
Apr 67 (4,7,12,13) 1-3715-2
Tridair Ind
Apr 67 (13) 2-24955-2
U S Leasing Corp
Apr 67 (11,13) 1-4976-2
Vulcan Inc
Apr 67 (11,13) 0-483-2

A.B. Chance Co. Apr67 (11) 0-1270-2
American Financial Corp. Apr67 (7,11,13)
0-839-2
Anadite, Inc. Apr67 (7,11,13) 0-181-2
AP Parts Corporation Apr67 (7,8) 1-2710-2
Aqua-Chem, Inc. Apr67 (12,13) 1-4833-2
Arcs Industries, Inc. Apr67 (7,13) 2-18149-2
Bloomfield BLDG. Industries, Inc. Apr67 (12,13)
1-4608-2
Boise Cascade Corp. Apr67 (7,13) 1-5057-2
Caribbean Shoe Corp. Apr67 (9,11) 0-108-2
Charles Town Racing Assoc Inc., Apr67 (7,8,12)
0-1433-2
Charles Town Racing Assoc Voting Apr67 (7) 0-490-2
Circuit Foil Corp. Apr67 (7) 1-4379-2
Crown Zellerbach Corp. Apr67 (11) 1-2823-2
Dan River Mills Inc. Apr67 (11,12,13) 1-3912-2
De Jur Amsco Corp. Apr67 (11) 0-406-2
Farmland Industries, Inc. Apr67 (2,7,8,13)
2-7250-2
Federal Mogul Corp. Apr67 (11,13) 1-1511-2
First Colorado Bankshares, Inc. Apr67 (11,13)
2-20535-2
Friendly Frost Inc. May67 (11) 1-4381-2
Golden Nugget, Inc. Mar67 (7,13) 0-1413-2
Inter-Island Resorts LTD. Apr67 (7,11,12,13)
13-24-2
Lewis-Business Forms, Inc. Apr67 (2,7,9,13) 0-186-2
Missouri Portland Cement Company Apr67 (11,13)
1-410-2
W.H. Nicholson And Company Apr67 (1,2,11,13)
2-12205-2
Oregon Portland Cement Co, . Apr67 (4,11,13)
0-636-2
O'Sullivan Rubber Corp. Apr67 (7,8,11) 1-4438-2
Pacific Airmotive Corp. Apr67 (11) 1-5121-2
Pan American World Airways, Inc. Apr67 (11)
1-3532-2
Purity Stores, Inc. Apr67 (11,13) 0-116-2
Scientific Data Systems, Inc. Apr67 (11)
1-5250-2

Still-Man MFG. Corp. Apr67 (11) 0-1079-2
Storer Broadcasting Company Apr67 (11,13)
1-3872-2
Susquehanna Corp. Apr67 (11,13) 0-932-2
TKW Inc. Apr67 (4,11,13) 1-2384-2
United Air Lines, Inc. Apr67 (11,13) 1-2637-2

United Artists Corp. Jan67 (12,13) 1-4067-2

Amendments to 8K
Amend #1 For Berkshire Hathaway Inc. Mar67 (13)
0-853-2
Amend #1 For Continental Baking Co. Feb67 (12,13)
1-786-2
Amend #1 For Frontier Airlines, Inc. Mar67 (13)
1-4877-2
Amend #1 For Georgia-Pacific Corporation Apr67 (13)
1-3506-2
Amend #2 For Central Wisconsin Bankshares, Inc.
Jan66 (12,13)
0-949-2

AMI Inc
Apr 67 (2,13) 0-2368-2
American News Co
Mar 67 (2,4,7,13) 1-761-2
American Pipe & Constr Co
Apr 67 (3,13) 0-218-2
American Republic Corp
Apr 67 (11) 0-2162-2
American Life Ins Co
May 67 (2,8,12) 2-23154-2
Sept 66 (7,9,12) 2-23154-2
Nov 66 (2,7,9,12,13) 2-23154-2
Dec 66 (2-3-12) 2-23154-2
Jan 67 (12) 2-23154-2
Anthony Pools Inc
Apr 67 (11,12,13) 1-4290-2
Arkansas-Missouri Power Co
Apr 67 (11) 0-1131-2
Binks Mfg Co
Apr 67 (11) 1-1416-2
H C Bohack Co Inc
Apr 67 (6) 1-5304-2
Canadian Export Gas & Oil Ltd
Apr 67 (2,13) 1-3921-2
Canadian Superior Oil Ltd
Apr 67 (11) 1-5185-2
Civil Service Employees Ins Co
Apr 67 (11,12,13) 1-5239-2
Computer Equipment Corp
Apr 67 (4,11,13) 0-625-2
Consolidated Foods Corp
Apr 67 (12,13) 1-3344-2
Continental Connector Corp
Apr 67 (3,13) 1-4385-2
Continental Securities Corp
Apr 67 (7,13) 2-23494-2

SECURITIES ACT REGISTRATIONS. Effective June 2: Genesco Inc., 2-26432; Goodbody & Co., 2-26128; Itek Corp., 2-26561; Penn Pacific Corp., 2-26244 (90 days); Pocono Downs, Inc., 2-25545 (40 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.

*As estimated for purposes of computing the registration fee.