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

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SHAUB EMPLOYMENT DENIED. The SEC has issued a decision under the Securities Exchange Act (Release 34-8113) denying an application of the NASD for approval of the continuance in membership of an NASD firm while employing Michael Shaub, of Miami, Fla. Such approval was required because in March 1966 Shaub was named as a cause of a revocation order against Crow, Brourman & Chatkin, Inc. While employed as a salesman for that firm, he was found to have participated "in a high-pressure campaign to sell to customers the highly speculative stock of an insolvent company by means of fraudulent representations and predictions without regard to the customers' circumstances or needs." Upon the basis of representations by his proposed employer, the NASD concluded that the member firm has sufficient experience and controls to exercise adequate supervision over Shaub, and it recommended his reinstatement "under the supervisory control" of the member's president and on condition that Shaub shall have no supervisory functions or be an officer, stockholder or director of the member. Observing that Shaub's prior violations "involved the perpetration of serious fraud upon the investing public in the sale of a highly speculative security, and in his proposed employment he would engage in the retail sale of speculative securities," the Commission concluded that there has not been a sufficient showing that Shaub can reasonably be expected to conform to the high standards of conduct required of persons engaged in the securities business, or that the supervisory procedures established by the firm "could reasonably be expected effectively to control and oversee Shaub's activities in soliciting purchases of securities so as to prevent and detect the type of misconduct found in the Crow case."

CONSOLIDATED NATURAL GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15783) authorizing the Consolidated Natural Gas Company, New York holding company, to issue and sell at competitive bidding $30,000,000 of debentures, due 1992. Net proceeds of the debenture sale will be used to finance, in part, the 1967 construction program of Consolidated's subsidiaries estimated at $68,800,000.

COURT ENJOINS ROYAL HAWAIIAN MGT. The SEC San Francisco Regional Office announced June 29 (LR-3763) the issuance of a Federal court order (USDC, Los Angeles) preliminarily enjoining Royal Hawaiian Management Corporation, a Hawaiian corporation, and William Desmond Ryan, individually and as president of the corporation, from further violations of the registration provisions of the Securities Act in the offer and sale of investment contracts relating to equity interests in real estate situated in Hawaii. The preliminary injunction also restrains the defendants from soliciting investors for any pre-payments on the installments under existing investment contracts.

H. L. RODGER & BRO., OTHERS ENJOINED. The SEC Chicago Regional Office announced June 30 (LR-3764) the entry of a Federal court order (USDC, ND Ill.) permanently enjoining H. L. Rodger & Bro., a partnership, Roy A. Minger, a partner thereof, H. L. Rodger & Co., Inc., and the latter's president, John O. Pini, from effecting transactions in securities while in violation of the Commission's net capital rule and without disclosing their insolvency. The order further enjoins H. L. Rodger & Co., Inc. from further violations of the broker-dealer registration provisions of the Securities Exchange Act, and H. L. Rodger & Bro., John O. Pini and Roy A. Minger from aiding or abetting in such acts and practices. Defendant Roy A. Minger consented to the entry of the injunction. The judgment was entered by default as to defendants H. L. Rodger & Bro., H. L. Rodger & Co., Inc. and John O. Pini.

JOY MFG. PROPOSES OFFERING. Joy Manufacturing Company, Henry W. Oliver Bldg., Smithfield St., Pittsburgh, Pa. 15222, filed a registration statement (File 2-26851) with the SEC on June 30 seeking registration of $20,000,000 of debentures due 1992, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and distribution of specialty machinery and equipment for use in mining, heavy construction, air and gas compression, oil field drilling, ventilation, air pollution control, food processing and general industrial applications. Machinery and equipment for use in food processing and packaging were added to the company's lines by acquisitions in 1966, and air pollution control and gas cleaning equipment were added by an acquisition in 1959. Net proceeds of its debenture sale will be applied to reduce short-term bank loans, which aggregated $28,989,077 at June 23. Recent expansion is said to have required significant additions to working capital. In addition to indebtedness, the company has outstanding 3,823,786 common shares, of which management officials own 1.63%. James A. Drain is president.

PETTIBONE MULLIKEN PROPOSES OFFERING. Pettibone Mulliken Corporation, 4700 West Division St., Chicago, Ill. 60651, filed a registration statement (File 2-26852) with the SEC on June 30 seeking registration of $15,000,000 of convertible subordinated debentures due 1987, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, and Glore Forgan, Wm. R. Staats Inc., 45 Wall St., both of New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

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The company's principal business is the manufacture and distribution of material handling, construction and processing equipment, foundry machinery, undercarriage replacement parts for crawler tractors, railway track materials, forgings, and miscellaneous metal fabricated products. Net proceeds of its debenture sale will be used to retire some $3,300,000 of outstanding short-term bank borrowings, to reduce other current indebtedness and to reduce substantially its 5½% revolving credit notes due 1970 outstanding in the amount of $8,500,000. The balance will be added to the general funds of the company. In addition to indebtedness and preferred stock, the company has outstanding 1,309,392 common shares, of which management officials own 26%. E. J. Seifert is president.

CRANE CO. PROPOSES OFFERING. Crane Co., 300 Park Ave., New York 10022, filed a registration statement (File 2-26854) with the SEC on June 30 seeking registration of $40,000,000 of sinking fund debentures due 1992, to be offered for public sale through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is a manufacturer and distributor of products and systems in the fields of fluid control, comfort conditioning and sanitary control, stabilization and control of moving objects and water conditioning. Net proceeds of its debenture sale will be applied to retire an outstanding term bank loan which on March 31 amounted to $21,875,000; the balance will be available for general corporate purposes, including property additions and improvements and working capital. In addition to indebtedness and preferred stock, the company has outstanding 2,484,612 common shares, of which Thomas M. Evans, board chairman and chief executive officer, owns 15.5%. Dante C. Fabiani is president.

PENNSYLVANIA LIFE FILES STOCK PLAN. Pennsylvania Life Company, 9601 Wilshire Blvd., Beverly Hills, Calif. 90213, filed a registration statement (File 2-26855) with the SEC on June 30 seeking registration of 237,410 shares of common stock, to be issued from time to time pursuant to the exercise of options then held by officers and employees of the company and officers, employees and agents of a subsidiary thereof.

PHYSICIANS SURGEONS INS. FILES FOR OFFERING AND SECONDARY. Physicians and Surgeons Underwriters Insurance Company, 715 Physicians & Surgeons Bldg., Minneapolis, Minn. 55402, filed a registration statement (File 2-26856) with the SEC on June 30 seeking registration of 43,700 units, each consisting of one share of capital stock and an attached warrant to purchase another share (initially at $8.50 per share). The units are to be offered for sale at $8.50 per share, on a best efforts basis, by underwriters headed by John G. Kinnard & Co. Inc., 110 S. 7th St., Minneapolis, Minn., and two other firms, which will receive a selling commission of 85¢ per unit; the said Insurance Company will receive the proceeds of the sale of 38,490 units and Physicians and Surgeons Underwriters Corporation will receive the proceeds of the sale of 5,210 units. The underwriters will receive warrants for the purchase of 10,000 shares, exercisable at prices ranging from $9.50 to $11 per share. Also included in the statement are warrants for the purchase of 25,300 shares issued in connection with a 1966 stock offering.

The Insurance Company is engaged primarily in the business of writing medical and dental malpractice insurance and, incidental thereto, medical doctors' and dentists' office premises liability insurance. It is licensed to do business in Minnesota, but under an agreement with the Midwest Mutual Insurance Company of Des Moines, Iowa, it reinsures policies of medical and dental malpractice insurance in seven other states. Proceeds to the company from its offering of additional stock will be used in the conduct of its insurance business. Herman E. Drill, M.D., is board chairman and Robert D. Semsch, M.D., president and chief executive officer. Semsch and William M. Schulze, M.D., secretary, own 11.75% and 14.22%, respectively, of the company's outstanding stock. The selling stockholder owns 5,215 shares.

TRANS CARIBBEAN AIRWAYS PROPOSES OFFERING. Trans Caribbean Airways, Inc., 714 Fifth Ave., New York 10019, filed a registration statement (File 2-26857) with the SEC on June 30 seeking registration of $5,500,000 of convertible subordinated debentures due 1982, to be offered for public sale at 100% of principal amount through underwriters headed by Allen & Company, Inc., 30 Broad St., New York 10004. The interest rate and underwriting terms are to be supplied by amendment.

The company operates a regularly scheduled airline with authority to serve New York City, Washington, D.C., San Juan, Puerto Rico, and Aruba, Netherlands Antilles. In addition, it provides air transportation service for the U. S. Military Air Command; and it also operates flights carrying passengers and cargo on a charter basis and owns a controlling interest in the D. C. transit system. Net proceeds of this financing will be applied against the purchase price of jet engines and proprietary spares for the three new DC-8 Super 61 aircraft to be delivered within the next several months, and the balance will be used for working capital purposes. In addition to indebtedness, the company has outstanding 2,204,249 shares of Class A stock and 1,098,551 shares of Class B stock -- the new debentures are convertible into Class A shares. Management officials own 11% of the Class A and 99% of the Class B. O. Roy Chalk, president and board chairman, owns 50% of the Class B and his wife 48%.

WESTERN RESERVE HOLDING FILES EXCHANGE PLAN. Western Reserve Holding Corp., 335 Euclid Ave., Cleveland, Ohio 44114, filed a registration statement (File 2-26859) with the SEC on June 30 seeking registration of 1,032,094 common shares. It is proposed to offer these shares in exchange, on a share for share basis, for the 1,032,094 outstanding shares of capital stock of Western Reserve Life Assurance Co. of Ohio. Assurance Co. began business in January 1959; according to the prospectus, its management is convinced that the formation of Holding Corp. and the consummation of the exchange offer will be in the best interests of Assurance Co. shareholders and should enable Assurance Co. to accelerate its national growth, provide greater flexibility in meeting competitive changes in the insurance market, and enable the new company to establish or acquire other businesses. One such acquisition contemplated is that of International Data Products, Inc., of Pittsburgh, certain holders of whose stock having agreed to exchange their stock for Holding Corp. stock.

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Holding Corp. also contemplates a later public offering of 200,000 common shares, the proceeds of which would be used in part to augment the financing of I.D.P. The prospectus lists W. Scane Bowler as board chairman and chief executive officer of Assurance Co. and of Holding Corp., and William D. Callaghan, Jr., as president of both companies.

GILBERT SHOE STORES FILES OFFERING PROPOSAL. Gilbert Shoe Stores, Inc., 390 McCoy St., Columbus, Ohio 43215, filed a registration statement (File 2-26860) with the SEC on June 30 seeking registration of 120,000 shares of common stock and 60,000 common stock purchase warrants. It is proposed to offer these securities for public sale in units consisting of 2 common shares and one warrant. The offering is to be made by underwriters headed by Gregory & Sons., 40 Wall St., New York 10005; and the offering price ($17 per common share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Gregory firm 7,750 warrants at 1¢ per warrant; and the company has also agreed to pay a $7,500 fee to Sigmund Munster, and Gregory & Sons to pay $2,500 and transfer 500 warrants to Munster.

The company is primarily engaged in the retail distribution of popular priced men's, women's and children's footwear and certain related items through leased departments of self-service discount department stores and company-operated self-service discount shoe stores. Net proceeds of this financing will be used for the repayment of presently outstanding short-term bank borrowings incurred in order to supply working capital for business expansion, and $800,000 to repay long-term bank debt incurred in 1965 in connection with such expansion. The balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 55,275 shares of common stock and 143,841 Class A shares. Ivan Gilbert, president and board chairman, owns 33.4% of the outstanding Class A stock and Miran Investment Company of Columbus 38.9%; management officials as a group own 75% of both classes of stock.

LERNER STORES FILES TENDER OFFER. Lerner Stores Corporation, 10 Light St., Baltimore, Md. and 354 Park Ave. South, New York, filed a registration statement (File 2-26861) with the SEC on June 30 seeking registration of $26,748,670 of 6½% sinking fund subordinated debentures, due 1982, and warrants to purchase 2,674,867 common shares. Lerner now has outstanding 5,110,912 common shares, of which 2,558,815 shares are held by McCrory Corporation. Lerner proposes to offer holders of the 2,552,097 shares not held by McCrory an opportunity to exchange each such share for $10 principal amount of the debentures, plus $1 in cash and one warrant (the warrants are exercisable at $15, $17.50 and $20 per share, respectively, for successive five-year periods). Lerner also has outstanding 12,277 shares of 4½% cumulative preferred stock, which are to be called for redemption; for the redemption price of $105 per share, Lerner will offer $100 principal amount of debentures plus ten warrants.

Among the reasons for Lerner's desire to acquire its own common stock through the tender offer is that its management wishes to be in a position to consider, adopt and implement benefit programs such as stock option or stock bonus plans for its key employees. Though Lerner has authorized and unissued almost 5,900,000 shares of common stock, these shares are not available for such use since McCrory, which holds a majority of the company's outstanding common stock and includes Lerner in its consolidated financial statements, does not desire Lerner to issue additional shares in a way which would make consolidated financial reporting impossible. Hence it becomes necessary for Lerner to seek to acquire and utilize presently outstanding shares for this and other purposes.

Lerner will accept up to a maximum of 1,000,000 common shares properly tendered. Management is of the opinion that at the present time the issuance of $10,000,000 of debentures and 1,000,000 warrants, plus payment of $1,000,000 in cash, in exchange for 1,000,000 shares, is a most economical method of reacquiring common stock at an advantageous price. The additional stock which would be acquired and held in treasury could be used at future dates in satisfaction of warrant exercises or of options which may be granted.

Lerner operates a chain of retail stores specializing in the sale of women's and children's wearing apparel; as of April 30 there were 354 such stores in operation. Stanley H. Kunsberg is board chairman and Harold M. Lane, Jr., is president.

PEPSICO SHARES IN REGISTRATION. PepsiCo, Inc., 500 Park Ave., New York 10022, filed a registration statement (File 2-26862) with the SEC on June 30 seeking registration of 645,162 shares of capital stock. The shares are issuable upon conversion, on and after September 1, of the 4½% guaranteed debentures due 1981 of PepsiCo Overseas Corporation, a subsidiary of PepsiCo. In March 1966, Overseas issued and sold $30,000,000 of debentures, guaranteed by PepsiCo. as to payment of principal, premium, if any, and interest and convertible after September 1 into capital stock of PepsiCo.

COLUMBIA PICTURES FILES FOR OFFERING. Columbia Pictures Corporation, 711 Fifth Ave., New York 10022, filed a registration statement (File 2-26863) with the SEC on June 30 seeking registration of $20,000,000 of convertible debentures due 1987, to be offered for public sale through Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., and Stralem & Co., Inc., 37 Wall St., both of New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of distributing to theatres in the United States and abroad, pictures produced by it and by independent producers; and through Screen Gems, Inc. (87.1% owned) it also is substantially engaged in the production and distribution of television film series, and the television distribution of films originally produced for theatrical release and other television and radio activities. Net proceeds of this financing will be used to repay an outstanding term loan in the amount of $16,000,000, and the balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 2,079,668 common shares, of which 35.8% is owned by Banque de Paris et des Pays-Bas of Geneva, Switzerland and 5.5% by management officials. A.Schneider is president.

AQUA-CHEM FILES FOR OFFERING AND SECONDARY. Aqua-Chem, Inc., 3707 N. Richards St., Milwaukee, Wisc. 53212, filed a registration statement (File 2-26864) with the SEC on June 30 seeking registration of 450,000 shares of common stock. Of this stock, 400,000 shares are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The public offering price ($35 per share maximum*) and underwriting terms are to be supplied by amendment. E. F. Hutton & Company Inc., 61 Broadway, New York 10006, is listed as the principal underwriter.

The company is engaged in the business of designing and manufacturing water conversion systems for desalting and purifying sea and brackish water; and its Cleaver-Brooks division designs and manufactures "packaged" high-efficiency steam generating systems in the 1,000-20,000 pound per hour capacity range. Net proceeds of the company's sale of additional stock will be used for the retirement of long-term debt and added to working capital. In addition to indebtedness, the company now has outstanding 2,206,636 common shares, of which management officials and their families owned some 34%. John C. Cleaver, president and board chairman, own 16%. The names of the selling stockholders are to be supplied by amendment.

GULF & WESTERN IND. DEBENTURES IN REGISTRATION. Gulf & Western Industries, Inc., 7800 Westpark Drive, Houston, Texas 77042 (also New York 10020), filed a registration statement (File 2-26865) with the SEC on June 30 seeking registration of $6,078,500 of 5¼% convertible subordinated debentures due 1987. These debentures are to be issued in July in connection with the merger of South Puerto Rico Sugar Company with and into Gulf & Western. According to the prospectus, the holders thereof may sell the debentures (or shares issuable upon their conversion) from time to time at market prices prevailing at the time of sale. Special meetings of shareholders of Gulf & Western and South Puerto Rico Sugar are scheduled for July 12 to vote upon the merger proposal. North & Judd Manufacturing Company also is to be merged with and into the company. The prospectus indicates that the six proposed recipients of the debentures may sell the debentures, or the common shares issuable upon their conversion, from time to time at prices then prevailing. The largest holders are Harold Toppel, $1,770,800; Trust Corporation of Bahamas Limited, as trustee under agreement with Salustiano Garcia y Diaz and Bernardo Garcia y Diaz, $3,026,200; and Steward Macfarlane and his wife, $1,083,900.

UNCLE JOHN'S RESTAURANTS PROPOSES RIGHTS OFFERING. Uncle John's Restaurants, Inc., 165 Aero Camino, Goleta, Calif., filed a registration statement (File 2-26866) with the SEC on June 30 seeking registration of 744,887 common shares. The company proposes to offer this stock for subscription by stockholders at the rate of one new share for each two shares held. Any unsubscribed shares are to be offered for public sale through underwriters headed by Allen & Company, 30 Broad St., New York, and Kleiner, Bell & Co., Inc., 9756 Wilshire Blvd., Beverly Hills, Calif. The record date, subscription price ($5 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the operation and management of Uncle John's Pancake Houses, a specialty chain of restaurants generally featuring pancakes, and Blum's, a chain of specialty restaurant-confectionary stores, and a manufacturer and distributor of high-quality candies and baked goods. General Host Corporation ("General") owns or has contracted to purchase approximately 41% of the company's outstanding common stock; and it intends to exercise its subscription rights under this offering. Of the net proceeds to be received from the offering, the company will use $600,000 to repay its 6% demand notes due to General, the balance will be applied primarily to reduce accounts payable, and if a sufficient amount remains, $300,000 to $400,000 will be utilized for the renovation of several restaurants. In addition to indebtedness, the company has outstanding 1,489,775 common shares. F. Richard Clark is board chairman of Uncle John's and president of General.

NUCLEAR CORP. FILES FOR OFFERING AND SECONDARY. Nuclear Corporation of America, 4425 Randolph Road, Charlotte, N. C., 28211, filed a registration statement (File 2-26867) with the SEC on June 30 seeking registration of 353,100 shares of common stock. Of this stock, 103,100 shares are to be offered for public sale by the company and 250,000 (being outstanding stock) by the present holder thereof. The shares may be offered for public sale from time to time on the American Stock Exchange at prices prevailing at the time of sale ($3.625 per share maximum*).

The company has five divisions: the nuclear division which manufactures radiation detection instruments and systems; three steel joist manufacturing divisions; and the research chemicals division which produces rare earth products. Net proceeds of its sale of additional stock will be applied to the reduction of indebtedness under its Secured Revolving Credit Agreement, aggregating some $1,241,625. In addition to indebtedness, the company has outstanding 7,111,871 common shares, of which management officials own 19.3%. The selling shareholder is Donald C. Lillis, a director, who proposes to sell 250,000 of his holdings of 1,262,539 shares. F. Kenneth Iverson is president and Harold G. Shelton is board chairman.

APACHE CORP. SHARES IN REGISTRATION. Apache Corporation, 1800 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement (File 2-26869) with the SEC on June 30 seeking registration of 60,000 shares of common stock. Such number of these shares (but not in excess of 60,000) as have a market value of not in excess of $720,000 are to be offered by the company in exchange for not less than 100% of the stock of Jet-O-Matic Engineering, Inc. Jet-O-Matic was organized under Minnesota law in 1956. Harry J. Fuerstenberg, its president and a director, Mrs. Marie A. Fuerstenberg, his wife, and Gary J. Fuerstenberg, their son, own 35%, 35%, and 30%, respectively.

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, it has outstanding 1,466,202 common shares. Charles B. Sweatt, Sr. is board chairman and Raymond Plank is president.

In a separate registration statement (File 2-26870) the company is seeking registration of 62,500 shares of common stock. These shares are to be offered in exchange for not less than 90% of the outstanding shares of capital stock of Beals, McCarthy & Rogers, Inc. ("Beals") and of Follansbee Metals Corporation of New York ("Follansbee"), at the rate of 3.39268 company shares for each capital share of Beals or of Follansbee.

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Beals and Follansbee, both New York corporations, operate steel service centers, and, additionally, Beals carries a large variety of tool shop supplies and equipment.

In a third registration statement (File 2-26871), the company is seeking registration of 400 Program Units, plus an equal amount of additional assessments, in its Apache Oil and Gas Program 1968. The Units are to be offered for public sale at $15,000 per Unit (plus assessments), by the company as issuer and by its wholly-owned subsidiary, Apache Oil Programs, Inc., as underwriter and managing agent of a selling group. The company has the right to assess, in addition to the initial offering price, the sum of $2,000 per Unit plus, over the life of the Program, an amount equal to total distributions by the Program to the investors. Net proceeds received from this offering may be used to do seismic and other preliminary geophysical and geological work to evaluate the oil and gas potential of areas under consideration for leasing, to acquire gas and oil leases, to do test drilling, to compensate Apache for all costs incurred on behalf of the program, and, to the extent that commercial reserves may be indicated, to do initial development drilling.

In still another registration statement (File 2-26868), Apache seeks registration of 100,000 common shares issuable under stock option plans for employees.

POLORON PRODUCTS FILES FOR OFFERING AND SECONDARY. Poloron Products, Inc., 165 Huguenot St., New Rochelle, N. Y., filed a registration statement (File 2-26872) with the SEC on June 30 seeking registration of 250,000 shares of Class A stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 150,000, being outstanding stock, by the present holders thereof. The public offering price ($30 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the manufacture of five different lines of plastic, plastic-metal laminate and metal products - its principal line has been composed of picnic jugs, ice chests, coolers and other leisure time items. It also operates a Vinyl Laminate Division bonding vinyl to metal in sheet and fabricated form for companies in the aircraft and other industries, a furniture division, a Christmas products division and an ordnance division. Of the net proceeds of its sale of additional stock, some $1,000,000 will be used for additional equipment and expansion of facilities in Ruston, La., Batesville, Miss., and Bristol, Pa., and $188,200 to retire outstanding notes. The balance will provide additional funds necessary to finance an increased volume of business. In addition to indebtedness, the company has outstanding 694,544 Class A shares, of which management officials own 64%. Robert P. Brown, board chairman, and Joseph D. Brown, president, each of whom owns 31% of the outstanding Class A shares, propose to sell 75,000 shares each.

GRAPHIC SCIENCES PROPOSES OFFERING. Graphic Sciences, Inc., 1607 Main St. East, Rochester, N. Y. 14609, filed a registration statement (File 2-26873) with the SEC on June 30 seeking registration of 400,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by S. D. Fuller & Co., 26 Broadway, New York. The stock is to be offered at $10 per share with a $1 per share commission to the underwriters. The company also has agreed to sell 75,000 stock purchase 5-year warrants at 1¢ per warrant, 60,000 to the Fuller firm and 15,000 in lieu of a finder's fee to Winslow Cohu and Stetson, Inc.; the warrants are exercisable at a price 10% in excess of the offering price.

Organized in March 1967 under New York law, the company proposes to manufacture and market the "Graphic Transceiver," which will transmit and receive graphic communications via telephone. It has purchased two working models of the Graphic Transceiver acquired from Arthur D. Little, Inc., but has not yet manufactured the production prototypes which it proposes to test before producing the commercial model. The company also proposes to engage in the leasing of computers and provide computer information services. Net proceeds of this stock offering will be applied, as follows: $1,000,000 for further development, production and marketing of the Graphic Transceiver; $1,500,000 to finance the purchase of IBM System/360 computer equipment, which will then be leased to customers ($3,000,000 of institutional borrowing is contemplated for such purchase); $250,000 for development of the projected computer information service operation; and the balance for working capital purposes. The company now has outstanding 469,800 common shares, of which Dr. Sullivan G. Campbell, board chairman, Robert K. Dombrowski, president, and Gul Hira, executive vice president, own 27%, 32% and 27%, respectively. The 421,200 shares owned by these three officers were issued to them for a total consideration of $246,000 (they paid from 53¢ to 62¢ per share).

FLORIDA GAS TRANSMISSION PROPOSES OFFERING. Florida Gas Transmission Company, Winter Park, Fla. 32789, filed a registration statement (File 2-26874) with the SEC on June 30 seeking registration of $30,000,000 of First Mortgage Pipe Line Bonds, due 1987, to be offered for public sale through Blyth & Co., Inc., 14 Wall St., New York 10005, and two other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

A wholly-owned subsidiary of Florida Gas Company, the issuing company owns and operates a natural gas transmission system and is engaged in the purchase, transmission and sale of natural gas, as well as the transportation of natural gas for others. Net proceeds of this financing will provide a portion of the funds required for its expansion program, involving capital expenditures estimated at $93.2 million during 1967-68, and for construction of other supply and delivery laterals and of administrative office facilities in Winter Park, involving an additional expenditure of some $8.5M. An additional $30 million is proposed to be provided by the sale of 6-7/8% notes to institutional investors; and the balance is expected to be provided by the sale in 1968 of about $25 million of additional bonds and of other debt securities. In addition to indebtedness, the company has outstanding 252,571 common shares. J. French Robinson is board chairman and W. J. Bowen president.

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LINCOLN PRINTING TRADING BAN TO BE LIFTED. The SEC today announced that its suspension of trading in the securities of Lincoln Printing Company (Delaware) will terminate at the close of business on July 11, 1967. Accordingly, over-the-counter trading in the common and preferred stocks and convertible debenture bonds on Lincoln Printing may be resumed at the opening of business on Wednesday, July 12, 1967 (the Midwest Stock Exchange previously had delisted the company's common and preferred stocks, effective July 3, 1967).

The Commission cautioned, however, that broker-dealers and investors should consider the facts and circumstances set forth below in connection with any transactions in such securities. As stated in documents filed with the Commission, three of the company's four subsidiaries have been liquidated by creditors or through bankruptcy proceedings, and continued operations of the fourth (its sales have been nominal) are questionable. The most recent financial statements published by the company are for the fiscal year ended December 31, 1965; and it appears that by reason of its reduced asset position, Lincoln Printing will no longer be subject to the reporting requirements of the Securities Exchange Act of 1934. Under these circumstances, brokers and dealers should be particularly mindful of their obligations under the Federal securities laws in recommending the purchase and sale of securities of Lincoln Printing in the future.

Trading in Lincoln Printing securities was initially suspended by the Commission on August 1, 1966, following its receipt of advice from the company that McKenzie Services, Inc. ("McKenzie"), a wholly-owned subsidiary of Lincoln Printing which had accounted for a substantial portion of the parent's gross revenues, had discontinued operations and that a creditor had taken possession of the subsidiary's properties under the terms of a mortgage. Moreover, Lincoln Printing's Form 10-K annual report for the year ended December 31, 1965, had not been filed, nor had the company distributed its 1965 annual report to shareholders.

On August 22, 1966, Lincoln Printing filed its annual report on Form 10-K for the fiscal year ended December 31, 1965. It reported ownership (100%) of the following subsidiaries: (1) McKenzie, (2) Paperback Manufacturers, Inc., (3) Lincoln Printing Company, Inc. (Ill.), and (4) C.M.T. Corporation. The accounts of McKenzie were not consolidated in the December 31, 1965 financial statements, but separate financial statements were included for this subsidiary. The Form 10-K report states that on August 1, 1966, the holder of certain notes of McKenzie which were secured by substantially all of its machinery and equipment and accounts receivable, took possession of those assets under the terms of its mortgages. Thereupon, the plant was closed and the machinery and equipment were to be sold at auction and McKenzie was to be liquidated.

In the consolidated statements accompanying Lincoln Printing's 1965 annual report, substantial losses were reported from operations ($158,956) and special items ($976,209) for the year ended December 31, 1965. As of that date, the balance sheet reported an operating deficit of $1,464,870 and a deficit in stockholders' equity of $359,499. Because of certain contingencies, however, the auditors were not able to express an opinion on the consolidated balance sheet or on the consolidated statements of income (loss), earned surplus (deficit), and paid-in surplus for the year ending December 31, 1965.

On September 6, 1966, Lincoln Printing filed a current report on Form 8-K for August 1966, reporting (1) that pursuant to an agreement dated August 24, 1966, Paperback Manufacturers surrendered substantially all of its machinery and equipment to the original sellers thereof in consideration of the sellers assuming the unpaid balances of that subsidiary's notes, which were secured by the machinery and equipment (2) that the surrender of such machinery and equipment resulted from the subsidiary's being put in an inoperative position because of the refusal of the factor and a paper supplier to advance additional funds because of a payroll tax lien. Notes payable to the factor had been secured by substantially all accounts receivable and inventories of the subsidiary. Proceeds from the liquidation of the receivables and inventories are expected to be sufficient to pay the notes payable to the factor as well as the payroll tax lien. Paperback Manufacturers will then be liquidated.

On June 28, 1967, Lincoln Printing filed a current report on Form 8-K for June 1967, in which it reported:

> "Pursuant to an action taken by AIC Financial Corporation, Lincoln Printing Company of Illinois surrendered its assets on October 6, 1966 to AIC Financial Corporation on an enforcement of their security interest.
>
> "Proceeds of liquidation through auction less expenses were less than the indebtedness due AIC Financial Corporation; therefore, there were no proceeds available to the parent corporation, Lincoln Printing Company of Delaware.
>
> "Surrender of the machinery and equipment resulted from the company being put into an inoperative position because of a payroll tax obligation and refusal of the bank to further advance funds on receivables. The judgment of South Chicago Bank for $35,000 due to litigation on a loan of a former officer of the corporation made it impossible to get further credit.
>
> "A petition for receiver was set for hearing on October 10, 1966 with an order placing Lincoln Printing Company of Illinois into bankruptcy on October 13, 1966. The assets were sold at public auction and accounts receivable will not be adequate to pay tax liens and general creditors.
>
> "AIC Financial stated on February 26, 1967 that there will be no obligation to Lincoln Printing Company of Delaware as the cash receipts from the auction and cash put up by Benjamin Sugarman of $45,000 as a guarantee for the indebtedness was adequate to cover any shortages that had occurred.
>
> "The only remaining subsidiary is the C.M.T. Corporation in Addison, Illinois. This firm was established in March 1965 as a machine tool distributor and sales have been nominal due to the lack of capital. Continued operations are questionable unless added capital becomes available."

*As estimated for purposes of computing the registration fee.

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