

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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CORPORATE OFFERINGS REPORTED. The SEC today announced that U. S. corporations offered \$6.1 billion of new securities for cash sale during the second quarter of 1967, the highest ^{quarterly} volume on record. Offerings during the period were 12 percent greater than in the preceding quarter when gross new issues established the previous all-time high. This increased volume of new securities financing took place entirely in publicly-offered securities, including a record amount of debt issues. Total new bonds, notes and debentures offered publicly during the second quarter of 1967 aggregated \$4.1 billion; this compares with \$8 billion during all of 1966 and \$5.6 billion and \$3.6 billion for the full year 1965 and 1964, respectively. For details, see Stat. Release No. 2221.

J. EDGAR BARNES, OTHER, ENJOINED. The SEC Fort Worth Regional Office announced July 25 (LR-3775) that the Federal court in Oklahoma City had issued an order permanently enjoining J. Edgar Barnes and Chandler-Barnes & Company, Inc., of Oklahoma City, from further violations of the registration and anti-fraud provisions of the Securities Acts in the offer and sale of the common stock of Stemen Laboratories, Inc. The defendants consented to the entry of the decree.

MARTIN FRANK ENJOINED. The SEC New York Regional Office announced July 26 (LR-3776) that the Federal court in New York City had issued an order preliminarily enjoining Martin Frank from further violations of the anti-fraud provisions of the Securities Act, in the offer and sale of common stock of Nylo-Thane Plastics Corp.

NEW RULES ADOPTED FOR NON-NASD FIRMS. The SEC announced July 27 (Release 34-8135) the adoption, effective October 2, of new Rules 15b10-1 (Definitions), 15b10-2 (General Business Conduct), 15b10-3 (Suitability of Recommendations), 15b10-4 (Supervision of Associated Persons), 15b10-5 (Discretionary Authority) and 15b10-6 (Record Keeping) under the Securities Exchange Act.

These rules establish standards of supervision, general business conduct, and suitability of recommendations, regulate discretionary accounts, and impose additional record keeping requirements upon brokers and dealers who are registered with the Commission and not members of the NASD.

COLUMBIA FUND REGISTRATION TERMINATED. The SEC has issued an order under the Investment Company Act (Release IC-5044) declaring on its own motion that Columbia Fund, Inc., Washington, D. C., has ceased to be an investment company and that its registration as such is no longer in effect.

PASADENA HYDRAULICS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15802) granting an application of Pasadena Hydraulics Incorporated ("Pasadena"), El Monte, Calif., a non-utility subsidiary of Pennzoil Company, with respect to certain proposed transactions involving the disposition of Pasadena's assets.

Pasadena manufactures and sells hydraulic presses. Approximately 67% of its outstanding capital stock is owned by Pennzoil. The proposed transactions involve (1) the sale by Pasadena of its business and properties to The Rucker Company ("Rucker"), a nonaffiliated California corporation, in exchange for 39,000 shares of common stock of Rucker (or approximately 3% of Rucker's outstanding common stock) and the assumption by Rucker of substantially all of Pasadena's liabilities; and (2) the dissolution of Pasadena under California law and the distribution to Pasadena's stockholders (including Pennzoil), in accordance with their respective interests, of all shares of common stock of Rucker received by Pasadena in the proposed sale. Rucker is engaged in the design, development, manufacture and sale of electronic, electric, hydraulic and pneumatic control systems and components, safety electrical equipment, and drilling equipment for the petroleum industry, as well as distribution of hydraulic control system components manufactured by others. The retainability under the Act of the Rucker stock by Pennzoil will depend on Commission action in proceedings pending with respect to Pennzoil (Release 35-15475).

JERSEY CENTRAL P&L SEEKS ORDER. Jersey Central Power & Light Company, electric utility subsidiary of General Public Utilities Corporation, has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$30,000,000 of first mortgage bonds, due 1997, at competitive bidding; and the Commission has issued an order (Release 35-15803) giving interested persons until August 29 to request a hearing thereon. Net proceeds from the company's sale of the bonds will be used for the purpose of financing its business as a public utility, including the payment of outstanding bank loans (of which \$28,300,000 were outstanding on July 19). The company's 1967 construction program is estimated at \$70,000,000.

UNLISTED TRADING APPROVED. The SEC has issued orders under the Securities Exchange Act (Release 34-8136) granting (1) an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of Chromalloy American Corporation, Consolidated Electronics Industries Corp., Handy & Harman, Ogdan Corporation, Pacific Petroleums Ltd., Signal Oil and Gas Company -
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Class A, United Park City Mines Company, The Villager, Inc., and White Consolidated Industries, Inc.; (2) an application of the Pittsburgh Stock Exchange for such privileges in the stock of Gulf & Western Industries, Inc.; (3) an application of the Boston Stock Exchange for such privileges in the stocks of Jonathan Logan, Inc., Northrop Corporation, U. S. Plywood-Champion Papers, Inc., United States Gypsum Company, and Whirlpool Corporation; (4) an application of the Detroit Stock Exchange for such privileges in the stock of Lear Siegler, Inc.; and (5) an application of the Midwest Stock Exchange for such privileges in the stock of Litton Industries, Inc.

RICHMOND CORP. FILES EXCHANGE PLAN. Richmond Corporation, 914 Capitol St., Richmond, Va. 23209, filed a registration statement (File 2-26980) with the SEC on July 25 seeking registration of 3,766,852 shares of common stock and 730,450 shares of \$1.90 cumulative convertible preferred stock. The company proposes to offer these shares in exchange for the outstanding stock of The Life Insurance Company of Virginia (Life) and Lawyers Title Insurance Corporation (Lawyers) at the rate of (a) one share of common for each outstanding Life share, and (b) 2 common shares and 7 preferred shares for each 10 outstanding Lawyers shares. Scott & Stringfellow and Wheat & Co., Inc., as dealer managers, have formed a group of soliciting dealers, including themselves, to solicit acceptances of the exchange offer by stockholders of Life and Lawyers.

The company was organized under Virginia law on May 24, 1967, for the primary purpose of becoming an insurance holding company. Charles A. Taylor is board chairman and Warren M. Pace is president of both the company and Life.

GRAY MFG. PROPOSES DEBENTURE OFFERING. The Gray Manufacturing Company, 641 Lexington Ave., New York 10022, filed a registration statement (File 2-26981) with the SEC on July 26 seeking registration of \$3,500,000 of convertible subordinated debentures, due 1982. The debentures are to be offered for public sale through underwriters headed by W. C. Langley & Co., 115 Broadway, New York 10006. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of dictation recording equipment for office, home and professional use; the design, manufacture and sale of electrical signalling and protection systems for home, office, school and industrial applications; the design, manufacture, sale and installation of movable interior steel partitions, movable room dividers, metal doors and frames, library bookstacks, conveyers and related metal products for office, educational and industrial use; and the business of pre-coating and slitting coils of ferrous metals and aluminum for end use by metal fabricators. Of the net proceeds from the sale of the debentures, approximately \$2,500,000 will be used to pay outstanding bank borrowings and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 486,477 common shares, of which The Western Union Telegraph Company owns 15.6% and management officials 1.27%. James E. Ashman is board chairman and president.

PEOPLES GAS LIGHT FILES FOR OFFERING. The Peoples Gas Light and Coke Company, 122 S. Michigan Ave., Chicago, Ill. 60603, filed a registration statement (File 2-26983) with the SEC on July 26 seeking registration of \$50,000,000 of first and refunding mortgage bonds, Series L, due 1992, to be offered for public sale at competitive bidding.

A gas utility, the company will use the net proceeds to be received from this financing to repay some \$22,000,000 of outstanding bank loans and will add the balance to other funds in its treasury to be used for general corporate purposes. Remick McDowell is board chairman and Leslie A. Brandt is president.

VICTOREEN PROPOSES DEBENTURE OFFERING. Victoreen Inc., 10101 Woodland Ave., Cleveland, Ohio 44104, filed a registration statement (File 2-26984) with the SEC on July 26 seeking registration of \$7,500,000 of subordinated debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by Van Alstyne, Noel & Co., 4 Albany St., New York 10006. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's major product lines are radiation measuring and analytical instruments, electronic components, display signs, felt products, office business machines, electrical meters and indicators, and book production. Of the net proceeds to be received from the sale of the debentures, \$5,500,000 will be applied to discharge the obligations of the company issued during March 1967 in connection with the purchase by the company of the issued and outstanding shares of The Colonial Press, Inc., a Massachusetts corporation, from members of the Lewis M. Adams family. The balance of the net proceeds will be added to the general funds of the company and used for any corporate purpose. In addition to indebtedness, the company has outstanding 2,530,650 common shares, of which management officials own 4%. David H. Cogan is board chairman and president.

RAPID-AMERICAN SHARES IN REGISTRATION. Rapid-American Corporation, 711 Fifth Ave., New York 10022, filed a registration statement (File 2-26982) with the SEC on July 26 seeking registration of 91,414 outstanding shares of 75c cumulative convertible preferred stock. This stock may be sold by the holder thereof from time to time on the American Stock Exchange at prices current at the time of sale and he may dispose of shares by gift for charitable purposes.

The company controls McCrory Corporation through ownership of 55% of its outstanding common stock; McCrory in turn owns a majority of the common stock of Lerner Stores Corp., (50.1%) and S. Klein Department Stores, Inc. (63%), and 49.7% of the common stock of Glen Alden Corporation. In 1965 the company acquired the men's clothing manufacturing business and certain assets of Joseph H. Cohen & Sons, Inc. On June 10, 1966, Hanover Equities Corporation was merged into the company. The selling shareholder, Arthur G. Cohen, proposes to sell all of his holdings (91,414 shares) of such preferred stock (10.7% of such stock outstanding), received by him pursuant to the merger. In addition to indebtedness and preferred stock, the company has outstanding 2,101,707 common shares, of which management officials own 15.7%. Meshulam Riklis is president and board chairman of the company, and board chairman of both McCrory and Glen Alden.

PRECISION PLASTICS FILES OFFERING PROPOSAL. Precision Plastics, Inc., 385 Main St., Metuchen, N. J., filed a registration statement (File 2-26986) with the SEC on July 27 seeking registration of 200,000 shares of capital stock and 100,000 capital stock purchase warrants to purchase a like number of capital shares. The shares are to be offered for public sale on an all or none basis through M. H. Meyerson & Co., Inc., 15 Exchange Pl., Jersey City, N. J.; the offering is to be made at 75¢ per share, with a 6¢ per share commission to the underwriter. The purchasers will receive one warrant with each two shares purchased. The warrants are exercisable at the price of \$1.50 for a period of eight months and thereafter at the price of \$2.50 per share for an additional eighteen-month period, when the warrant will expire. The company has agreed to pay to the underwriter \$4,500 for expenses.

Organized under New Jersey law on October 19, 1966, the company proposes to engage principally in the manufacture and sale of poly vinyl chloride rigid plastic pipe and polyethylene flexible plastic pipe. Of the net proceeds to be received from its stock sale, \$85,000 will be applied toward the purchase of additional equipment and dies, and the balance of \$35,000 will be added to working capital. In addition to indebtedness, the company has outstanding 650,000 capital shares, of which management officials own 71.1% (including 30.8% owned by Marvin A. Rosenblum, president).

APPLIED MAGNETICS FILES FOR OFFERING AND SECONDARY. Applied Magnetics Corporation, 75 Robin Hill Rd., Goleta, Calif. 93017, filed a registration statement (File 2-26987) with the SEC on July 27 seeking registration of 220,000 shares of common stock. Of this stock, 200,000 shares are to be offered for public sale by the company and 20,000 (being outstanding stock) by the holders thereof. The offering is to be made through underwriters headed by Bateman Eichler, Hill Richards Incorporated, 460 S. Spring St., Los Angeles, Calif. 90013. The public offering price (\$17.00 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriters for \$750, five-year warrants to purchase 15,000 shares of common stock.

The company is engaged primarily in the development, production and sale of components and instruments used for the magnetic recording and storing of data in digital and analog data processing systems. Of the net proceeds to be received from its sale of additional stock, \$423,000 will be used to retire an outstanding unsecured note and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,568,000 common shares, of which management officials own 98.7% (including 71.2% owned by Harold R. Frank, president). The prospectus lists two selling stockholders. James M. Cunningham (vice president) and Ben J. Newitt (vice president, secretary and treasurer), each propose to offer 10,000 of their holdings of 304,000 and 68,000 shares, respectively.

WISCONSIN MICHIGAN POWER FILES FOR OFFERING. Wisconsin Michigan Power Company, 231 W. Michigan St., Milwaukee, Wisc. 53201, filed a registration statement (File 2-26988) with the SEC on July 27 seeking registration of \$12,000,000 of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding.

Net proceeds received from the company's bond sale will be used to retire some \$2,100,000 of outstanding bank borrowings; to reimburse its treasury for capital expenditures previously made; and to finance in part continuing additions and improvements to its utility property. The company's 1967 construction program is estimated at \$26,600,000. Alfred Gruhl is president.

DYNAMIC INSTRUMENT PROPOSES DEBENTURE OFFERING. Dynamic Instrument Corp., 115 E. Bethpage Rd., Plainview, L. I., N. Y. 11803, filed a registration statement (File 2-26990) with the SEC on July 27 seeking registration of \$1,300,000 of convertible subordinated debentures, due 1982. The debentures are to be offered for public sale through underwriters headed by Johnson, Lane, Space, Smith & Co., Inc., 101 E. Bay St., Savannah, Ga. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company's principal business is the design, manufacture and sale of electro-magnetic clutches and brakes for use by aerospace and electronic manufacturers, battery chargers intended for consumer use and external converter/charger units for use as component parts by the manufacturers of cordless portable consumer products. Of the net proceeds to be received from the debenture sale, \$650,000 will be used to retire short-term indebtedness to a finance company, which was incurred to provide working capital; \$50,000 will be used to retool certain of its facilities for producing consumer products; \$50,000 will be employed to expand its research and development program; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 412,667 common shares, of which management officials own 51.5% (including 47.5% owned by Harold E. Sulger, president).

ELECTRONIC ASSOCIATES PROPOSES OFFERING. Electronic Associates, Inc., West Long Branch, N. J., filed a registration statement (File 2-26991) with the SEC on July 27 seeking registration of \$2,500,000 of convertible subordinated debentures, due 1982, and 250,000 shares of capital stock. These securities are to be offered for public sale through underwriters headed by W. C. Langley & Co., 115 Broadway, New York 10006. The interest rate of the debentures, public offering prices (\$18-5/8 per capital share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development, production, rental and sale of general purpose electronic analog and analog/hybrid, digital and hybrid computing systems. It also produces special purpose computing and electronic systems, precision electronic plotting equipment and laboratory instruments and furnishes computation and engineering services. Net proceeds from its sale of stock and debentures will be used to retire outstanding bank borrowings, and any balance will be added to the general funds of the company. In addition to indebtedness, the company has outstanding 2,288,721 capital shares, of which management officials own 5.5%. Lloyd F. Christianson is president.

FIVE TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Jade Oil & Gas Company for the further ten-day period July 29 through August 7, 1967, inclusive; of North American Research & Development Corp. for the further ten-day period July 30 through August 8, 1967, inclusive; and of Northern Instrument Corporation, S & P National Corp., and Steel Crest Homes, Inc., for the further ten-day period July 31 through August 9, 1967, inclusive.

TRADING IN PENROSE INDUSTRIES SUSPENDED. The SEC announced today that it has suspended exchange and over-the-counter trading in the common and cumulative convertible preferred stocks of Penrose Industries Corporation, of Philadelphia, Pa. for the 10-day period July 28, 1967 to August 6, 1967, inclusive.

The American Stock Exchange, where the common stock of Penrose is listed, announced on July 27 that it had suspended trading in the common stock effective at the opening of business today. The Exchange's action was based on the company's failure to publish and disseminate to the stockholders its annual report for the fiscal year ended January 31, 1967 and the resulting lack of information available to the public concerning Penrose's financial condition and operations. Penrose also has failed to file its Form 10-K annual report for the fiscal year, and certain current reports have not been filed with the Commission, as required by the Securities Exchange Act of 1934.

Under the circumstances, the Commission determined to suspend exchange and over-the-counter trading in the company's securities pending clarification of Penrose's financial condition and the status of its current operations.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the July 7 News Digest.

CCI Corp June 67 (11,13)	1-4239-2	Kalvar Corp June 67 (7,8,13)	0-2166-2
Cape & Vineyard Electric Co June 67 (7)	2-26429-2	Kenrich Corp June 67 (7)	0-1558-2
Commonwealth Oil Refining Co Inc May 67 (13)	1-4900-2	King Resources Co Jun 67 (7,13)	2-16982-2
Community Charge Plan Jun 67 (12)	2-18947-2	Metropolitan Brick Inc Apr 67 (11)	1-877-2
Computer Sciences Corp June 67 (7,13)	1-4850-2	Mohawk Petroleum Corp June 67 (11,13)	2-5847-2
Conrac Corp June 67 (4,7,13)	1-4291-2	Monarch Marking System Co June 67 (7,8,9)	0-1066-2
Coronet Industries Inc June 67 (7,8,13)	1-4889-2	Pennsylvania Industrial Chemical Corp June 67 (11,13)	0-2574-2
Eagle Clothes Inc June 67 (12,13)	1-5151-2	Process Plants Corp June 67 (4,7,9,13)	0-2246-2
Erie Lackawanna RR Co Jun 67 (3)	1-1113-2	Revell Inc May 67 (7)	0-2024-2
Ets Hokin Corp June 67 (11)	1-4792-2	Rover Shoe Co May 67 (1)	2-25090-2
Fair Lanes Inc June 67 (3,13)	0-1858-2	Sessions Clock Co June 67 (12)	0-1405-2
Filmways Inc Feb 67 (7,11,13)	1-4159-2	Scovill Mfg Co June 67 (3)	1-3373-2
Garland Corp Feb 67 (7)	1-4910-2	TBS Computer Centers Corp FORMERLY: Tabulating & Business Services Inc June 67 (11)	2-24094-2
Garrett Freightlines Inc June 67 (11)	0-705-2	Technical Tape Inc June 67 (11)	1-1488-2
Great Southwest Corp June 67 (7,13)	0-100-2	Tolin Mfg Corp June 67 (2,11,13)	0-2660-2
Interstate Motor Freight System Jul 67 (8)	1-4758-2	Trans Sonics Inc June 67 (12)	0-2618-2
Investors Fuding Corp of N Y June 67 (7)	1-4600-2	Travelodge Corp June 67 (13)	0-1285-2
		20th Century Fox Film Corp June 67 (7,8,13)	1-3695-2

SECURITIES ACT REGISTRATIONS. Effective July 27: Amphenol Corp., 2-26848 (40 days); Colt Industries Inc., 2-26771 (Sep 13); Information Displays Inc., 2-26691 (90 days); Investment/Indicators Fund, 2-25932; Revco D. S., Inc., 2-26538; Visual Electronics Corp., 2-26769 (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.

CORRECTION RE CINCINNATI GAS. In the SEC News Digest of July 27, it was incorrectly stated that dealers are required to use the prospectus for 40 days in trading transactions in securities of Cincinnati Gas & Electric Co.

*As estimated for purposes of computing the registration fee.