

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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SEC

(Issue No. 67-219)

FOR RELEASE November 14, 1967

TRADING IN JODMAR INDUSTRIES TO RESUME. The SEC today announced that its suspension of over-the-counter trading in the common stock of Jodmar Industries, Inc., L.I., N.Y. ("Jodmar") will be terminated at the close of business on November 15, 1967. Accordingly, over-the-counter trading in such securities may be resumed at the opening of business on November 16, 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. Broker-dealers should be particularly mindful of their obligations under the Federal securities laws in recommending the purchase or sale of Jodmar stock. In this connection, particular reference is made (a) to Jodmar's limited resources; (b) to the fact that it plans to acquire the assets of Electrogen Industries, Inc., of Westbury, New York, under a merger plan which will result in Electrogen stockholders receiving approximately 4,000,000 shares of Jodmar stock in contrast with the 167,700 shares of Jodmar stock now outstanding; (c) that the future of Jodmar (whose name is to be changed to Electrogen Industries, Inc.) will be dependent upon the successful development and exploitation of the so-called "Cristofv Anti-Fatigue Device", the patent for which is owned by Electrogen; (d) that the said device has not been independently tested and may not perform in the manner anticipated; and (e) that in a communication to its shareholders Jodmar has stated that "there is no assurance that Jodmar will benefit" from its acquisition of Electrogen.

ADVISER RULES MODIFIED. The SEC has adopted a new Form ADV-W for use by those seeking to withdraw from registration as investment advisers under the Investment Advisers Act (Release IA-213). The new form and related Rule 203-2, first proposed on July 27, provide for a 60-day waiting period between the filing and effective date of any notice of withdrawal from registration, and require the furnishing of various information, including whether the adviser owes any money or securities to any client and what disposition has been made of his investment advisory contracts.

SEC COMPLAINT NAMES MID-CITY BAPTIST CHURCH, OTHERS. The SEC Fort Worth Regional Office announced November 8 (LR-3849) the filing of a complaint in the Federal court in New Orleans against Mid-City Baptist Church, Inc., J. Paul Driscoll, Jessie M. Ray (a/k/a Jimmy Ray), all of New Orleans, Trinity Church Bonds, Inc., Paul D. McMillan, Charles T. King, Southland Church Contractors, Inc., and Clyde L. Rabun, all of Houston, Texas. The Commission seeks to enjoin the defendants from further violations of the anti-fraud provisions of the Securities Act in connection with the offer and sale of 7% first mortgage bonds of Mid-City. The complaint also seeks the appointment of a receiver for Mid-City.

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of Interamerican Industries, Ltd. and Penrose Industries Corp., for the further ten-day period November 15-24, 1967, inclusive.

UNLISTED TRADING SOUGHT. The Pacific Coast Stock Exchange has applied to the SEC for unlisted trading privileges in the common stock of Warner Bros.-Seven Arts Limited, and the Philadelphia-Baltimore-Washington Stock Exchange has also applied for such privilege in the common stocks of Delta Air Lines, Inc., Callahan Mining Corporation and Kennametal, Inc. The Commission has issued orders (Release 34-8191) giving interested persons until November 28 to request hearings thereon.

GITTLEMAN AND HURKETT ENJOINED. The SEC Chicago Regional Office announced November 9 (LR-3850) the entry of a Federal court order in Detroit, Mich. preliminarily enjoining Benjamin Gittleman and Harold E. Hurkett from further violations of the registration provisions of the Securities Act in connection with the offer and sale of fractional undivided interests in oil and gas leaseholds. The defendants consented to the entry of the decree.

GEORGE GOTTFRIED ENTERS "NOLO" PLEA. The SEC San Francisco Regional Office announced November 8 (LR-3851) that George J. Gottfried, a Certified Public Accountant practicing in Beverly Hills, Calif., had filed a plea of nolo contendere (USDC, Phoenix, Ariz.) to one count of a 22-count indictment charging him and nine co-defendants with violations of the registration and anti-fraud provisions of the Securities Act and the mail fraud statute in connection with the offer and sale of the common stock of HiwayHouse Hotels, Inc. The said defendant was fined \$2,000. The remaining 21 counts are still pending as to Gottfried, and all counts are pending as to the other defendants.

LEONARD AXELROD, OTHERS, INDICTED. The SEC New York Regional Office announced November 9 (LR-3852) the return of a 48-count indictment in New York City charging Leonard Axelrod, Nelson Axelrod and Joel Glass with conspiring to violate and violation of the registration and anti-fraud provisions of the Securities Act and the mail fraud statute in connection with the public sale of more than 200,000 shares of the common stock of General Economics Syndicate, Inc. at \$10.00 per share, and with making and filing false registration statement.

OVER

POTOMAC EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15896) authorizing The Potomac Edison Company, Hagerstown, Md. subsidiary of Allegheny Power System, Inc., to amend its charter to bring it into conformity with the requirements of the Commission's Statement of Policy regarding preferred stock subject to the act, and to solicit proxies in connection therewith. The proposed amendments relate, among other things, to the rights of preferred stockholders to elect directors, the payment of dividends on common stock and the right to issue unsecured indebtedness to the maximum amounts permitted thereunder.

CENTRAL P&L SEEKS ORDER. Central Power and Light Company, Corpus Christi, Tex. subsidiary of Central and South West Corporation, has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell, at competitive bidding, \$28,000,000 of first mortgage bonds, Series J, due 1998; and the Commission has issued an order (Release 35-15893) giving interested persons until December 8 to request a hearing thereon. Net proceeds from the company's sale of the bonds will be used to finance its construction program (including repayment of \$7,400,000 of bank loans incurred therefor). Construction expenditures for 1968 are presently estimated at \$35,000,000.

WISCONSIN GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15894) authorizing Wisconsin Gas Company, Milwaukee subsidiary of American Natural Gas Company, to issue up to \$15,000,000 of notes to banks. Net proceeds of its note sale will be applied by Wisconsin to its 1967 construction costs, estimated at \$15,850,000.

FIDELITY CAPITAL RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5162) authorizing Fidelity Capital Fund, Inc., Boston, Mass., to issue its shares at other than the current public offering price for substantially all of the assets of Lawrence Fertig & Co., Inc. Fertig, a New York corporation, whose outstanding stock is owned by three individuals, had assets of approximately \$1,628,033 on June 30, 1967. Upon the sale of its assets, Fertig will be liquidated and the Fund's shares received in exchange therefor distributed to its shareholders.

STANDARD SHARES SEEKS ORDER. Standard Shares, Inc. ("Standard"), New York closed-end, non-diversified management investment company, and its subsidiary, Pittsburgh Railways Company ("Pittsburgh"), of Pittsburgh, a diversified operating company, have applied to the SEC for an order under the Investment Company Act with respect to the proposed tender by Standard of all of its common stock holdings of Pittsburgh for Class B common stock; and the Commission has issued an order (Release IC-5160) giving interested persons until November 30 to request a hearing thereon.

Pittsburgh proposes to split its common stock two-for-one, resulting in approximately 2,505,732 common shares; in addition, Pittsburgh proposes to create a Class B common stock, and to issue up to 1,200,000 Class B shares in exchange for the common shares. Pittsburgh's stockholders will have the opportunity to exchange all or part of their common for B common on a share-for-share basis. The two classes will be identical except that (a) the common will have a cash dividend preference of \$1.25 per share annually, and the B common will share equally in any cash dividend paid in excess of that amount; (b) in lieu of the cash dividend preference, the B common will be convertible into the common at increasing rates over a period of fifteen years, at the end of which the conversion right will entitle the B common to be converted into 1.60 shares of common; and (c) in any year when less than \$1.25 cash dividend is paid, that year's conversion right will be proportionately reduced. Standard proposes to tender all of its common stock holdings of Pittsburgh, approximately 41 percent of the outstanding common, for Class B common stock. In 1966, Standard received an amount equal to 16.8 percent of its total income from Pittsburgh. Four directors of Standard also own Pittsburgh common stock and propose to exchange all or a portion of it for Class B common stock. Section 17(a) prohibits an affiliated person of a registered investment company from purchasing from such registered company any security or other property unless the Commission grants exemption therefrom.

ARIZONA CITY DEVELOPMENT SEEKS ORDER. Arizona City Development Corporation ("Applicant"), Arizona City, Ariz., subsidiary of Business Funds, Inc. ("BFI"), has applied to the SEC for an exemption order with respect to the proposed termination of a contract between Applicant and Arizona City Utilities, Inc. ("Utilities"), in which a director of BFI has a 25% interest, and the Commission has issued an order (Release IC-5161) giving interested persons until November 28 to request a hearing thereon.

Applicant is engaged in the business of owning, developing and selling real estate in Arizona. In 1960 it entered into a contract with Utilities for the construction, operation and maintenance of a public water system and the furnishing of domestic and commercial water service in the area being developed by Applicant. Under the water contract, Applicant assigned to Utilities a certain portion of monies received and to be received from its sale of lots, to be held in trust and assigned to Utilities as construction progressed. In constructing the water system Utilities incurred costs of \$282,320; and it received \$130,232 from the trust fund. Applicant and Utilities have agreed to terminate the water contract; and Utilities has agreed to transfer the properties and assets comprising the water system to Arizona Water Company, a nominee of Applicant, in consideration of the payment by Applicant to Utilities of \$80,000 out of the trust fund as further reimbursement of its costs. Arizona Water has agreed to pay Applicant \$5,000, and at the latter's request to make various extensions to the existing water system at a cost not to exceed \$57,000 and to install additional main extensions at a cost not to exceed \$363,000, on condition that Applicant guarantee to Arizona Water certain revenue from all lots and parcels fronting on such additional main extensions.

JERSEY CENTRAL P&L SEEKS ORDER. Jersey Central Power & Light Company ("JCP&L"), Morristown, N. J. subsidiary of General Public Utilities Corporation, has applied to the SEC for an order under the Holding Company Act authorizing it to issue up to \$33,800,000 of notes to banks; and the Commission has issued an order (Release 35-15895) giving interested persons until December 4 to request a hearing thereon. Net proceeds of its note sale will be used by JCP&L for construction expenditures, repayment of other short-term borrowings, and the temporary reimbursement of its treasury for construction expenditures provided therefrom.

STOCK PLANS FILED. The following companies have filed Form S-8 registration statements with the SEC proposing the issuance of stock under employee stock option and related plans:

P&F Industries Inc., Syosset, New York 11791 (File 2-27642) - 299,500 Class A common shares
National Work-Clothes Rental, Elizabeth, N. J. 07208 (File 2-27655) - 30,000 common shares

SIERRA SILVER MINING PROPOSES OFFERING. Sierra Silver Mining Company, Rm. 404, 3800 N. Central Ave., Phoenix, Ariz. 85012, filed a registration statement (File 2-27647) with the SEC on November 8 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$1.00 per share. The shares are to be offered on a "best effort-all or none" basis through underwriters headed by Willis E. Burnside and Co., Inc., 40 Exchange Pl., New York 10005, which will receive a 10c per share selling commission. The company has agreed to issue to the underwriter 25,000 two-year options to purchase a like number of common shares, exercisable at \$1.25 per share, and to pay to the underwriters \$2,500 for expenses. The prospectus also covers an additional 45,000 shares underlying two-year options to purchase one additional share at \$1.25 for each share issued pursuant to a preliminary private financing of the company.

The company is engaged in the exploration, acquisition and development of silver mining properties, and the organization of geologists, mining engineers and metallurgists to be available to the company and to other organizations and property owners. Of the net proceeds of its stock sale, \$50,000 will be advanced to Cadgle Taylor Co. (a subsidiary) on open account to be used in connection with the subsidiary's business. The prospectus states, in part: "At present, the company has one employee and an 88% interest in a silver prospect through a subsidiary. It is making this public offering of its securities to finance exploration for commercially mineable silver deposits with the hope of finding same." Some \$32,000 of the proceeds will be used for the examination and possible acquisition of additional properties by the company and for working capital. In addition to indebtedness, the company has outstanding 795,000 common shares, of which G. Carman Ridland (president) owns 690,000 shares. Upon completion of the offering, there will be 895,000 shares outstanding. Of this stock, 750,000 shares were sold to promoters for \$15,000 and 45,000 shares were sold in a private placement for \$22,500; the public will acquire 100,000 shares for \$100,000 if the offering is successful.

INSTRON CORP. FILES FOR OFFERING AND SECONDARY. Instron Corporation, 2500 Washington St., Canton, Mass. 02021, filed a registration statement (File 2-27652) with the SEC on November 9 seeking registration of 280,000 shares of common stock. Of this stock, 65,000 shares are to be offered for public sale by the company and 215,000 (being outstanding shares) by the present holders thereof. The offering price (\$30.00 per share maximum*) and underwriting terms are to be supplied by amendment. Paine, Webber, Jackson & Curtis, 25 Broad St., and Tucker, Anthony & R. L. Day, 120 Broadway, both of New York, are listed as the principal underwriters.

The company produces precision equipment used within the materials sciences for evaluating the strength-related properties of materials, including plastics, metals, textiles, rubber and paper. Net proceeds of its sale of additional stock will be used for the purpose of financing part of the company's building program (estimated at \$4,000,000); the balance may be used to reduce short-term borrowings incurred to finance the building program and to meet working capital requirements. In addition to indebtedness, the company has outstanding 929,723 common shares, of which management officials own 60.7%. The prospectus lists three selling stockholders. George S. Burr (board chairman) proposes to sell 85,000 of his holdings of 257,362 shares, Harold Hindman (president), 85,000 of 305,653, and John S. Howland II et al. as Trustees of trusts for the benefit of members of the Burr and Hindman families, 45,000 of 151,753 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 November 2 News Digest.

Amer Pipe & Constr Co	Sept 67 (3,13)	0-218-2	ABC Ind Inc	Sept 67 (7)	2-18152-2
Brite Universal Inc	Oct 67 (12,13)	2-18612-2	Aeronca Inc	Oct 67 (4,7,13)	1-4005-2
Eastern Assoc Coal Corp	Oct 67(7,13)	2-26404-2	Alabama Power Co	Oct 67 (7,13)	1-3164-2
Louis Sherry Inc	Oct 67 (12)	1-4574-2	Albee Homes Inc	Oct 67 (11)	0-1896-2
Natl Biscuit Co	Oct 67 (7)	1-1021-2	Allied Kid Co	Sept 66 (7)	1-2928-2
Old Natl Ins Co	Jul 67 (2,13)	2-12395-2	The Amer Plan Corp	Oct 67 (12,13)	2-25183-2
Pennsylvania Real Estate Inv Trust			Applebaums' Food Markets Inc	Oct 67 (11)	0-2218-2
Aug 67 (7,8,12)		0-1849-2	Arwood Corp	Oct 67 (12)	1-5024-2
Blaw-Knox Co			Baker Ind Inc	Sept 67 (2,13)	0-2499-2
Amend #1 to 8K for Sept 67 (13)		1-3721-2	Bloch Bros Tobacco Co	Oct 67 (8,12)	0-1134-2
Teledyne Inc			Broadcast Ind Corp	Sept 67 (12,13)	0-1694-2
Amend #1 to 8K for Sept 67 (7)		1-5212-2	California Consumers Corp	Sept 67 (1)	2-11917-2
			Carlisle Corp	Oct 67 (12,13)	1-4308-2

Clarkson Laboratories Inc Oct 67 (12,13)	0-2819-2	Monmouth Elec Co Inc Oct 67 (11)	0-1913-2
Clear Creek Corp Oct 67 (6)	0-1379-2	Monroe Auto Equipment Co Oct 67 (11)	0-1805-2
Cons Foods Corp Oct 67 (11)	1-3344-2	Monsanto Co Oct 67 (12,13)	1-2516-2
Crucible Steel Co of Amer Oct 67 (3,12,13)	1-762-2	E R Moore Co Oct 67 (4,7,13)	0-661-2
Dial Finance Co Oct 67 (7,13)	0-714-2	Mount Vernon Mills Inc Oct 67 (11,13)	1-1025-2
Dilbert's Quality Supermarkets Inc Oct 67 (12,13)	0-2050-2	Mountain Fuel Supply Co Oct 67 (3)	1-935-2
Joseph Dixon Crucible Co Oct 67 (12,13)	0-856-2	Nachman Corp Oct 67 (13)	1-1492-2
ESB Inc Oct 67 (12)	1-5427-2	National Equipment Rental Ltd Oct 67 (1,7,13)	1-4358-2
Eastern Properties Improvement Corp Oct 67 (12)	2-20468-2	New Britian Gas Light Co Oct 67 (7,13)	0-421-2
Electronic Devices Inc Oct 67 (7)	0-2832-2	Owens-Corning Fiberglas Corp Oct 67(13)	1-3660-2
Exquisite Form Ind Jun 67 (4,7,13)	1-3973-2	Parker-Hannifin Corp Oct 67 (11,13)	1-4982-2
Falstaff Brewing Corp Oct 67 (13)	1-950-2	Pennsylvania Elec Co Oct 67 (13)	1-3522-2
Family Finance Corp Oct 67 (12)	1-3521-2	Physicians and Surgeons Underwriters Ins Co Sept 67 (4,7,11)	2-24801-2
Freeport Savings and Loan Assoc Inc Sept 67 (11,13)	0-2835-2	Pittsburgh & W Va Ry Co Oct 67 (1,12)	1-855-2
Freeport Sulphur Co Oct 67 (13)	1-605-2	Planned Communities Inc Oct 67 (11)	0-2623-2
Gas Service Co Oct 67 (4,7,13)	0-328-2	Potter Instrument Co Inc Oct 67 (7,11,12 13)	1-4812-2
Graniteville Co Oct 67 (12)	1-4630-2	Prairie Oil Royalties Co Ltd Oct 67 (11,12,13)	1-3955-2
Gray Drug Stores Inc Oct 67 (7,11,13)	1-1387-2	Pueblo Supermarkets Inc (4,7,11,13)	1-5160-2
Great Amer Ins Co Oct 67 (1)	1-5065-2	Puget Sound Power & Light Co Oct 67 (7)	1-4393-2
Greatamerica Corp Oct 67 (7,13)	0-976-2	Thrift Plan of Reda Pump Co Oct 67 (7)	2-13744-2
The Green Shoe Mfg Co Oct 67 (3)	1-4404-2	Reeves Bros Inc Oct 67 (11,13)	1-3358-2
Grinnell Corp Oct 67 (3)	0-780-2	Resistoflex Corp Oct 67 (11)	1-4128-2
Alfred Hart Co Oct 67 (11,12)	1-5136-2	Restaurant & Waldorf Assoc Inc Oct 67(12)	1-587-2
Helme Products Inc Jul 67 (7)	1-5390-2	Riegel Paper Corp Oct 67 (7,13)	1-3959-2
Henredon Furniture Ind Inc Sept 67 (4,7,13)	0-2207-2	Rollins Inc Oct 67 (7)	1-4422-2
Hi-G Inc Sept 67 (2,13)	0-403-2	Royal Dutch Petroleum Co Nov 67 (6K)	1-3788-2
Hudson Bay Mining & Smelting Co Ltd Apr 67 (11)	1-1184-2	Santa Fe Drilling Co Sept 67(2,7,12,13)	1-4827-2
Hughes & Hatcher Inc Oct 67 (4,7,8,13)	1-3387-2	Scot Lad Foods Inc Oct 67 (7,13)	1-5486-2
Hunt Foods and Ind Inc Oct 67 (4,11,13)	1-3982-2	Scott Paper Co Oct 67 (13)	1-2300-2
IRC Inc Oct 67 (7,11)	1-3768-2	Servo Corp of Amer Sept 67 (7,8,12)	1-3925-2
Inland Steel Co Oct 67 (13)	1-2438-2	Society Corp Oct 67 (7,13)	0-850-2
J-K Ind Inc Oct 67 (11,13)	0-1734-2	South Coast Corp Oct 67 (11,12)	1-2937-2
Jantzen Inc Oct 67 (12,13)	0-629-2	Southwest Forest Ind Inc Oct 67 (11)	0-1679-2
Kellogg Co Oct 67 (13)	1-4171-2	A G Spalding & Bros Inc Oct 67 (7,8)	0-2034-2
Kennametal Inc Oct 67 (11,13)	1-5318-2	Sterchi Bros Stores Inc Oct 67 (7,13)	1-2504-2
Lee Filter Corp Oct 67 (12)	1-4599-2	Sterling Movies U S A Inc Oct 67 (2)	2-26577-2
Eli Lilly and Co Oct 67 (8)	0-1060-2	Sucrest Corp Oct 67 (11,13)	1-3338-2
Luce and Co SC Sept 67 (1)	1-3124-2	Sun Finance & Loan Co Oct 67 (11,12,13)	0-2469-2
Mem Co Inc Oct 67 (7,12)	1-5292-2	Textron Inc Oct 67 (11)	1-2684-2
F H Mc Graw and Co Oct 67 (6)	0-939-2	Torginol Ind Inc Oct 67 (11,13)	0-1977-2
McIntyre-Porcupine Mines Ltd Oct 67 (11)	1-20-2	Trane Co Oct 67 (13)	1-2860-2
Meredith Corp Oct 67 (11,13)	1-5128-2	Tri-State Motor Transit Co Oct 67 (2,13)	0-2104-2
Missouri Fidelity Union Trust Life Insur Co Nov 66 (1,13)	2-18951-2	Tropical Gas Co Inc Nov 67 (6K)	1-4937-2
Mobil Country Club Inc Oct 67 (11)	0-1755-2	Western Inv Real Estate Trust Oct 67 (2)	0-2809-2
Modine Mfg Co Oct 67 (12,13)	1-1373-2	Western Maryland Ry Co Oct 67 (7,13)	1-766-2
		Western Transmission Corp Oct 67 (11,13)	1-5167-2

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended November 9, 1967, 51 registration statements were filed, 41 became effective, and 483 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective November 13: Northern Indiana Public Service Co., 2-27605; Pacific Gas and Electric Co., 2-27555; Tenneco Corp. and Tenneco Inc., 2-27442 (40 days); Willcox & Gibbs, Inc., 2-27295 (Feb 11).

Effective November 14: Brevel Products Corp., 2-27388 (90 days).

*As estimated for purposes of computing the registration fee.