

# 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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**ASIAN DEVELOPMENT BANK REPORTING RULES ADOPTED.** The SEC today announced the adoption of rules and regulations (Regulation AD) specifying the periodic and other reports to be filed with it by the Asian Development Bank (Release 33-4889). This action was taken pursuant to Section 11(a) of the Asian Development Bank Act, which exempts from registration under both the Securities Act of 1933 and the Securities Exchange Act of 1934 securities issued in connection with the raising of funds for inclusion in the Bank's ordinary capital resources and securities guaranteed as to both principal and interest by the Bank. However, the Bank is required to file with the Commission such annual and other reports with respect to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors. It would appear that an exemption is available under the Trust Indenture Act of 1939.

Regulation AD requires the Bank to file with the Commission substantially the same information, documents and reports as would be required if the Bank had securities registered under the Securities Exchange Act of 1934. The Bank is also required to file a report with the Commission not less than seven days prior to the date on which any of its primary obligations are sold to the public in the United States, or such shorter period as the Commission may authorize. This report and the periodic reports to be filed will make available at the Commission information quite similar to the information which would be required in a registration statement under the Securities Act of 1933.

**CORPORATE PROFITS REPORTED.** The SEC and the Federal Trade Commission announce that sales by U. S. manufacturing corporations totaled \$141.5 billion in the third quarter of 1967, 2 percent below the second quarter and 3 percent above the third quarter of last year. Profits after taxes amounted to \$6.7 billion in the third quarter, 12 percent lower than in the preceding quarter and 9 percent below the corresponding period of 1966. For additional details, see Stat. Release No. 2252.

**BEACON RESOURCES FILES.** Beacon Resources Corporation, 312 Union Center Bldg., Wichita, Kansas 67202, filed a registration statement (File 2-27849) with the SEC on December 14 seeking registration of 1000 units of participation in its 1968 drilling program, to be offered for public sale at \$4,000 per unit. The offering is to be made through company representatives (without commission), but units may also be sold by NASD members who will be entitled to a 5% commission.

The company was organized to engage in the exploration for oil and gas. Net proceeds of its sale of units will be applied to such venture. The company has issued and outstanding 172,400 common shares, of which John P. Jennings (president) owns 59% and S. Chadwick Reed (a director), 17%.

**SCHAEFER INDUSTRIES FILES OFFERING PROPOSAL.** J. B. Schaefer Industries, Inc., 20 Clifton Ave., Staten Island, N. Y. 10305, filed a registration statement (File 2-27855) with the SEC on December 15 seeking registration of \$1,000,000 of 6-3/4% convertible subordinated debentures, due 1983, with warrants attached to purchase 200,000 shares of capital stock (exercisable at \$2.50 per share). The securities are to be offered for public sale in units consisting of \$1,000 of debentures and warrants to purchase 200 capital shares. The offering is to be made through underwriters headed by Charles Plohn & Co., 200 Park Ave., New York, which will receive a \$100 per unit commission. Upon completion of the sale of the units, the company will issue to the underwriter a five-year option to purchase 37,500 shares (at a price to be supplied by amendment) and will sell to the underwriter, for \$750, five-year warrants to purchase 75,000 shares, exercisable at \$2.50 per share.

The company is principally engaged in the manufacture of drawn and fabricated metal cases and components for transformers and other electronic assemblies and in the bookbinding and printing businesses. Of the net proceeds of this financing, \$250,000 will be used to repay indebtedness to NYT Manufacturing Co., Inc., \$150,000 to discharge outstanding short-term indebtedness to The Shawmut National Bank of Boston, \$100,000 for the purchase of high-speed offset printing and silk screening machinery for the printing of picture covers, and \$50,000 for the purchase of can-forming presses for its Olympic Products division; the balance will be added to general funds for use as additional working capital. In addition to indebtedness, the company has outstanding 1,408,277 capital shares, of which Joseph B. Schaefer, board chairman, owns 34.6% and management officials as a group 50.4%. Edward P. Hartnett is president.

**INTERCONTINENTAL DYNAMICS PROPOSES DEBENTURE OFFERING.** Intercontinental Dynamics Corporation, 170 Coolidge Ave., Englewood, N. J. 07631, filed a registration statement (File 2-27859) with the SEC on December 15 seeking registration of \$1,300,000 of convertible subordinated debentures, due 1983. The debentures are to be offered for public sale through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101. The interest rate, public offering price, and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriter, for \$1,500, a five-year warrant to purchase 15,000 shares of common stock and to pay to the underwriter \$5,000 for expenses; it has also agreed to sell to Theodore P. Goodman, for \$750 plus services as a "finder," a warrant to purchase 7,500 common shares.

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The company is engaged in the design, development and manufacture of instruments to measure and indicate altitude and airspeed of aircraft in flight and the testing devices necessary to establish their accuracy. Of the net proceeds of its debenture sale, \$410,000 will be used to repay existing indebtedness to a bank, \$55,000 to repay indebtedness to officers, \$150,000 to acquire additional machinery and equipment, and \$200,000 to expand the company's product improvement and new product development programs; the balance will be used as working capital. In addition to indebtedness, the company has outstanding 647,000 common shares, of which management officials own 44.8% (including 25.1% owned by Sam Sharko, president, and 9.4% owned by John H. Andresen, Jr., a vice president).

**AMERICAN SAFETY EQUIPMENT FILES FOR OFFERING AND SECONDARY.** American Safety Equipment Corporation, 99 Park Ave., New York 10016, filed a registration statement (File 2-27860) with the SEC on December 15 seeking registration of 200,000 shares of common stock. Of this stock, 140,000 shares are to be offered for public sale by the company and 30,000 (being outstanding shares) by the present holders thereof. Charles Plohn & Co., New York, is listed as the principal underwriter. The public offering price (\$15.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of automobile seat belts and related equipment, plastic protective helmets and motorcycle accessories, and trouser belts and accessories for men and boys. Net proceeds of its sale of additional stock will be added to general funds and used for reduction of accounts payable and for general corporate purposes. In addition to indebtedness, the company has outstanding 1,589,203 common shares, of which management officials own 24.4% (including 12.6% owned by Kenneth Krasnow, president). The prospectus lists two selling shareholders. The Estate of David Krasnow proposes to sell 30,000 of its holdings of 212,045 shares, and F. Dean Johnson (executive vice president) 30,000 of 155,955 shares.

**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 2-27861) with the SEC on December 15 seeking registration of \$35,000,000 of sinking fund debentures, due 1993. The debentures are to be offered for public sale through underwriters headed by Halsey, Stuart & Co. Inc., 123 S. La Salle St., Chicago, Ill. 60690 and Royal Securities Inc., 2 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 \$16,000,000 will be used for industrial development, \$11,000,000 for highway construction, and the remainder for general Government purposes (including public works and loans to universities for capital purposes).

**RACON PROPOSES OFFERING.** Racon Incorporated, 6040 S. Ridge Rd., P. O. Box 7084, Wichita, Kansas 67201, filed a registration statement (File 2-27862) with the SEC on December 15 seeking registration of 166,666 shares of common stock and 83,333 common stock purchase warrants; these securities are to be offered for public sale in units, each consisting of two common shares and one warrant, and at \$4.50 per unit. The offering is to be made through company representatives, without commission.

The company is engaged in the manufacture, distribution and sale of fluorocarbon gas to recognized refrigerant wholesalers, the aerosol industry and other users. Net proceeds of its stock sale will be used as additional working capital. In addition to indebtedness, the company has outstanding 1,361,456 common shares, of which the Essex Chemical Corporation owns 14.61% and management officials, 8.79%. L. John Polite, Jr. is board chairman. As of August 31, 1967, the 1,365,659 outstanding common shares had an aggregate book value of 78¢ per share; upon completion of the sale of the units, the then 1,503,116 outstanding common shares will have a book value of 92¢ per share.

**FILMWAYS FILES FOR OFFERING AND SECONDARY.** Filmways, Inc., 51 W. 51st St., New York 10019, filed a registration statement (File 2-27864) with the SEC on December 15 seeking registration of \$5,000,000 of convertible subordinated debentures, due 1988, to be offered for public sale by the company, and 21,565 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The interest rate on and offering price of the debentures, public offering price of the stock (\$24.00 per share maximum\*), and underwriting terms are to be supplied by amendment. Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 10005, is listed as the principal underwriter.

The company is an independent television and motion picture producer. Net proceeds of its sale of debentures will be added to general funds; the company intends to apply a part or all of such proceeds to (a) the production and distribution of motion pictures financed by the company, (b) the purchase of distribution rights to motion pictures made by others, and (c) the acquisition of motion picture and television rights in literary or artistic properties. Any balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 894,652 common shares, of which management officials own 175,378 shares. Martin Ransohoff is president. The prospectus lists eight selling shareholders. Leonard S. Gruenber (board chairman) proposes to sell 16,102 of his holdings of 64,410 shares, Abraham S. Guterman and Robert L. Pelz each proposes to sell 1,073 of his holdings of 4,294 shares each, and Arthur A. Segall, 1,012 of 4,049 shares; the others propose to sell shares ranging in amount from 107 to 948 shares. The selling shareholders received such shares pursuant to the acquisitions by the company of Sigma III and Acme Film Laboratories.

**SECURITIES ACT REGISTRATIONS.** Effective December 15: Oxford Electric Corp., 2-27176 (90 days). Effective December 18: Diversified Retailing Co., Inc., 2-27473 (90 days); Foote Mineral Co., 2-27480.

**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.