

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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SKYMARK AIRLINES PROPOSES OFFERING. Skymark Airlines, Inc., 6964 Airport Boulevard, Sacramento Metropolitan Airport, Sacramento, Cal., filed a registration statement (File 2-27895) with the SEC on December 21 seeking registration of 150,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by McDonnell & Co., Inc., 120 Broadway, New York, N.Y. 10005. The public offering price (\$6.00 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to issue to the underwriter five-year warrants for the purchase of 15,000 common shares, and to pay to the underwriter \$10,000 for expenses.

The company was organized under California law on April 6, 1967, for the purpose of establishing and operating passenger and freight air transport services within the State of California. Of the net proceeds of its stock sale, \$219,000 must be deposited with a bank as a lease security deposit on the three aircraft leased through the bank, \$100,000 to repay loans made by certain of the company's stockholders to cover company expenses, \$50,000 for the purchase of flight equipment, \$30,000 for options to acquire three additional De Havilland DHC-6 Twin Otter aircraft, and \$120,000 for operating expenses; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 100,000 common shares, of which Alvin Marks, president and board chairman, owns 33.3% and management officials as a group, 96%. The outstanding shares were sold for cash at \$1 per share.

SVENGALI CO. FILES FOR OFFERING. The Svengali Company, 35 W. 53d St., New York, N.Y. 10019, a partnership to be formed by Genisus Productions, Inc. ("GPI"), and Gen Genovese, filed a registration statement (File 2-27896) with the SEC on December 20 seeking registration of \$600,000 pre-formation limited partnership interests, to be offered for public sale in \$12,000 units. The business of the partnership will be the production of the dramatico-musical play tentatively entitled "SVENGALI!", a musical comedy suggested by George DuMaurier's English classic "TRILBY." The general partners are GPI and Genovese, who is president and owns all the outstanding stock of GPI; as producers of the play, they will assign all of their rights and interests in and to the play and the production and exploitation thereof to the partnership upon its formation. The offering of partnership interests is to be made by the general partners, and the net proceeds thereof will be applied to the production of the play.

QUANTA SYSTEMS FILES EXCHANGE AND OFFERING PROPOSALS. Quanta Systems Corporation, 979 Rollins Ave., Rockville, Md., filed two registration statements with the SEC on December 21 seeking registration of common stock, as follows: 437,250 shares to be offered on a share-for-share basis in exchange for the outstanding shares of Washington Technological Associates, Inc. (File 2-27898); and 200,000 shares to be offered for public sale at \$6.00 per share (File 2-27897). The public offering is to be made through underwriters headed by D. H. Blair Securities Corporation, 5 Hanover Square, New York, N.Y. 10004, which will receive a 48¢ per share commission. The public offering price (\$6.00 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriters, for \$200, 20,000 five-year common stock purchase warrants, exercisable at \$6.00 per share, and to pay to the underwriters \$20,000 for expenses.

The company was organized under Delaware law in July 1967 for the purpose of becoming the parent of Washington Technological Associates, Inc. ("WTA"), and other corporations engaged in providing a variety of electronic, electrical and mechanical engineering services. WTA is primarily engaged in furnishing electronic, electrical, and mechanical engineering services to the United States Government and other customers in connection with the design, testing and development of systems, equipment, components and other hardware. Of the net proceeds of its stock sale, \$434,000 will be used to repay short-term loans made to WTA by banks and other lenders, \$70,000 to repay the balance of a loan to WTA from the Small Business Administration, and \$190,000 to repay advances to two WTA subsidiaries; the balance will be used as working capital. Julian H. Ray is board chairman of WTA and Edward M. Bostick is president of both the company and WTA.

MARITIME FRUIT CARRIERS FILES FINANCING PROPOSAL. Maritime Fruit Carriers Company Limited, 53 Hameginim St., Haifa, Israel, filed a registration statement (File 2-27902) with the SEC on December 21 seeking registration of \$4,004,000 of convertible subordinated debentures, due 1980, 364,000 Class A ordinary shares, and 182,000 Class A ordinary share purchase warrants. The securities are to be offered for public sale in units, each consisting of \$550 of debentures, 50 common shares and 25 warrants. The offering is to be made through underwriters headed by McDonnell & Co. Inc., 120 Broadway, New York, N.Y. 10005, and H. L. Federman & Co. Inc., 50 Broadway, New York, N.Y. 10004. The public offering price (\$850 per unit maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriters 50,400 three-year common stock purchase warrants at 1¢ per warrant, and to pay to the underwriters \$25,000 for expenses.

The company is a carrier engaged primarily in the intercontinental transport of fruits, meats, fish, and vegetables in refrigerated ships either owned or chartered. Of the net proceeds of this financing, \$1,600,000 will be used to pay short-term indebtedness incurred to purchase ships; the balance will be applied toward the purchase of six new refrigerated cargo ships ordered from Akers Shipyards, Norway. In addition to indebtedness, the company has outstanding 210,000 Class A ordinary shares and 996,300 Class B ordinary shares, of which management officials own 210,000 Class A and 911,160 Class B shares. Yaacov Meridor is board chairman.

OVER

SOUTHERN CAL. EDISON TO SELL STOCK. Southern California Edison Company, 601 West Fifth Street, Los Angeles, California 90053, filed a registration statement (File 2-27916) with the SEC on December 22 seeking registration of 1,500,000 shares of common stock, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, New York 10005 and Dean Witter & Co., 45 Montgomery Street, San Francisco, California 94106. The public offering price (\$35.75 per share maximum*) and underwriting terms are to be supplied by amendment. An electric utility, the company will use the net proceeds of this financing to repay a portion of short-term obligations expected to approximate \$79,000,000 at the time such proceeds are received. The obligations were incurred in connection with the company's continuing construction program, expected to involve expenditures of \$683,800,000 for the years 1968-69. In addition to indebtedness and preferred stock, the company has outstanding 27,482,884 common shares. Jack K. Horton is president and Harold Quinton board chairman.

UNLISTED TRADING SOUGHT. The SEC has issued orders (Release 34-8219) giving interested persons until January 4, 1968 to request a hearing upon an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of General Instrument Corporation (Delaware), and a similar application of the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the \$4 cumulative convertible first preferred stock of Radio Corporation of America.

CLARENCE WHIPPLE FUND PROPOSES OFFERING. The Clarence M. Whipple Fund, Route 38 at Chapel Avenue, Cherry Hill, New Jersey, filed a registration statement (File 2-27899) with the SEC on December 21 seeking registration of 2,000,000 shares of common stock. The shares are to be offered for public sale at net asset value (\$20.00 per share maximum*), plus a 1-1/2% sales charge.

The company was organized under Delaware law in October; its investment goal is "to seek maximum long-term capital growth. The Fund's basic investment policy is to invest only in over-the-counter securities." Triad Investment Management Company ("TIMCO") will serve as manager; TIMCO has retained Winfield & Co., Inc., to furnish investment advice for use in managing the Fund's portfolio. TIMCO is owned 49% by Winfield, 25-1/2% by The Clarence M. Whipple Management Company and 25-1/2% by Triad Corporation. Clarence M. Whipple, president of the Fund, is also president of Whipple Management and of Triad Corporation. Henry L. Jamieson is one of the principal stockholders of Winfield.

MOHAWK AIRLINES FILES FOR OFFERING. Mohawk Airlines, Inc., Utica, New York 13503, filed a registration statement (File 2-27906) with the SEC on December 22 seeking registration of \$8,000,000 of convertible subordinated debentures, due 1993, to be offered for public sale through underwriters headed by Smith, Barney & Co., Inc., 20 Broad Street, New York, New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds of this financing will be added to the company's general funds and will be applied principally to the payment of a \$7,500,000 short term bank loan incurred in anticipation of the sale of the debentures to provide funds for working capital and to meet \$2,140,000 in payments to Fairchild Hiller in connection with certain FH-227B change orders and the delivery of the company's 18th FH-227B aircraft in December 1967. The company's anticipated 1968 requirements for funds for equipment acquisition and debt repayment approximate \$31,150,000 (some \$15,650,000 would be used to pay for four additional BAC 1-11 fan jet aircraft, including spare engines and parts, to be delivered on or before October 1968). In addition to indebtedness, the company has outstanding 2,960,540 shares of capital stock, of which management officials own 2.7%. E. Victor Underwood is board chairman and Robert E. Peach president.

AERO-FLOW DYNAMICS TO SELL DEBENTURES. Aero-Flow Dynamics, Inc., 310 Madison Avenue, New York, New York 10017, filed a registration statement (File 2-27907) with the SEC on December 22 seeking registration of \$2,500,000 of 6% subordinated debentures, due 1983, to be offered for public sale at 100% of principal amount. The offering is to be made by underwriters headed by Van Alstyne, Noel & Co., 40 Wall Street, New York, New York 10005, which will receive a 5% commission.

The company is a diversified manufacturer of environmental, fluid and heat-measured control equipment for industrial, manufacturing and aircraft application; through its 57% ownership of Cortland Industries, Inc., it manufactures fishing lines and distributes other fishing equipment. About \$1,055,000 of the net proceeds of its debenture sale will be used to discharge bank debt incurred for working capital purposes; and the balance will be added to the general funds of the company for use in financing the acquisition of new businesses, purchase of additional manufacturing equipment, and as working capital. In addition to indebtedness, the company has outstanding 584,975 common shares, of which management officials own 20.5%. Henry M. Margolis, board chairman, owns, directly or indirectly, a total of 59,458 shares (10.2%); and he has a 52% interest in another company which owns 10,500 shares. Leo Strauss is president.

TEXAS ELECTRIC TO SELL DEBENTURES. Texas Electric Service Company, Seventh and Lamar Streets, Fort Worth, Texas 76101, filed a registration statement (File 2-27908) with the SEC on December 22 seeking registration of \$16,000,000 of sinking fund debentures, due 1993, to be offered for public sale at competitive bidding. Net proceeds of the sale of the debentures, together with funds derived from the company's operations, will be used to meet expenditures for its construction program and for other corporate purposes. Construction expenditures are estimated at \$27,500,000 for 1967 (of which some \$22,800,000 was incurred through October 31), \$41,000,000 in 1968 and \$38,500,000 in 1969. Beeman Fisher is board chairman and Burl B. Hulsey, Jr., is president.

PIEDMONT AVIATION TO SELL DEBENTURES. Piedmont Aviation, Inc., Winston-Salem, North Carolina, filed a registration statement (File 2-27909) with the SEC on December 22 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1988, to be offered for public sale through underwriters headed by Lehman Brothers, One William Street, New York, New York 10004, and Carolina Securities Corp., Insurance Bldg.,

11th Floor, Raleigh, North Carolina. The interest rate, offering price and underwriting terms are to be supplied by amendment. A scheduled air carrier, the company anticipates that all or substantially all of the net proceeds of its debenture sale will be used in connection with its continuing program of expanding and modernizing its flight equipment to meet the demands imposed by the company's lengthening route system, increasing passenger traffic and need to maintain its competitive position in the industry. Any portion of the proceeds not so used will be added to the general funds of the company. In addition to indebtedness, the company has outstanding 1,851,346 common shares. Thomas H. Davis, president, owns about 9% and management officials as a group 14%.

TRANSMATION FILES FOR OFFERING AND SECONDARY. Transmation, Inc., 977 Mt. Read Blvd., Rochester, New York, filed a registration statement (File 2-27910) with the SEC on December 22 seeking registration of 155,400 shares of common stock. Of this stock, 150,000 shares are to be offered for public sale by the company and 5,400 by the principal underwriter, Hartzmark & Co., Inc., 1000 East Ohio Bldg., Cleveland, Ohio 44114. The offering price of the shares (\$8.00 per share maximum*) and underwriting terms are to be supplied by amendment. The underwriters will receive \$2,500 for expenses; and the company will sell to the Hartzmark firm, for \$75, five-year warrants for the purchase of 7,500 shares.

The company manufactures and markets electronic instruments and systems for plant automation which report information with respect to measurements of plant operating conditions and can be used to transmit such information to electronic process control equipment and computers. Of the net proceeds of its sale of additional stock, \$180,000 will be used to repay bank loans incurred to meet working capital requirements, \$280,000 for research and engineering, \$150,000 to equip and improve plant facilities, and \$140,000 to develop and expand marketing operations; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 322,110 common shares (not including the 5,400 shares being purchased by Hartzmark upon exercise of an option), of which William J. Berk, president, owns 15.11%, management officials as a group 32.01%, and Guillermo Investors, Inc., 27.48%. Purchasers of the 155,400 shares will acquire 32.5% of the then outstanding shares; the remaining 67.5% will be held in large part by management officials, founders or parents of the company, for which they paid \$426,051.

AUTOMATIC SERVICE FILES FOR OFFERING AND SECONDARY. Automatic Service Company, 953 LeJeune Blvd., Jacksonville, North Carolina 28540, filed a registration statement (File 2-27911) with the SEC on December 22 seeking registration of \$1,500,000 of convertible subordinated debentures, due 1983, to be offered for public sale by the company, and 25,000 outstanding shares of common stock, to be offered by the present holder thereof. The debentures are to be offered for sale at 100% principal amount. The offering price of the stock (\$15.00 per share maximum*) and the underwriting terms for both issues are to be supplied by amendment. Powell, Kistler & Co., 110 Old Street, Fayetteville, North Carolina, is the principal underwriter.

The company is engaged principally in the merchandising of a variety of products through coin-operated vending machines; it also operates coin-operated washers and dryers. Of the net proceeds of its sale of debentures, some \$119,900 will be used to repay indebtedness; the balance will be added to the general funds of the company and, together with internally generated funds, will be available for increased working capital required by the company's operations, for capital expenditures and other corporate purposes, including possible acquisitions. In addition to indebtedness, the company has outstanding 428,441 common shares, of which Stuart V. Bowen, president and board chairman, owns 69.64% and management officials as a group 78.43%. Bowen proposes to sell 25,000 of his holdings of 298,387 shares.

TRADING IN SILVER SHIELD STOCK TO RESUME. The SEC today announced that over-the-counter trading in securities of Silver Shield Corporation, Spokane, Washington, may be resumed at the opening of business on December 28. 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 and sale of Silver Shield securities.

The Commission on November 27 ordered the suspension of trading in Silver Shield securities as a result of information coming to its attention and upon request of the company. In the three month period preceding the suspension the bid price on the company's stock had increased from 5¢ to 65¢ per share and was about 45¢ per share on November 27. The Commission had been informed by the company that several releases previously issued by it did not fully disclose the highly speculative nature of the uranium properties in which the company had acquired an interest, and also inaccurately represented the value of its silver properties. The suspension of trading was ordered pending clarification of the facts.

The company recently released a statement of clarification to its shareholders which discusses the company's financial condition and details its property interests and claims. According to the company's statement its uncertified financial statement as of December 5, 1967 showed \$40,234.76 in assets, of which \$32,453.19 is unrecovered promotional, exploratory and development costs. The financial statement revealed a cash balance of only \$1,456.89 and liabilities of \$27,274.76.

For additional information, including that with reference to the company's interests in certain mining claims or properties, see Release 34-8219.

PEOPLES GAS RECEIVES ORDER. The SEC today announced approval under the Holding Company Act (Release 35-15929) of a proposed corporate rearrangement of The Peoples Gas Light and Coke Company system. The Peoples Gas system distributes gas at retail within the City of Chicago and in 46 nearby communities along Lake Michigan up to the Wisconsin state line.

A newly organized Illinois corporation, Peoples Gas Company, proposes to acquire by tender, on a share-for-share basis, all of the outstanding common stock of Peoples Gas Light and Coke Company. The exchange offer will be made over an initial period of approximately 45 days from the day the solicitation material is

mailed to the holders of Peoples Gas common stock. The deposits of shares will be irrevocable during the tender period, and the exchange offer will be declared effective, if other conditions are met, when at least 80% of the outstanding shares of Peoples Gas are tendered.

BANGOR PUNTA FILES EXCHANGE PLAN. Bangor Punta Corporation, 84 Harlow Street, Bangor, Maine, filed a registration statement (File 2-27914) with the SEC on December 22 seeking registration of 180,364 shares of common stock. The company proposes to make an offer to purchase all the outstanding shares of common stock of Starcraft Corporation for Bangor Punta common stock or cash. The consideration per share of Starcraft common will be \$32 in average market value (as defined) of Bangor Punta common, or X (fraction to be supplied by amendment) of a share of Bangor Punta common if such fraction of a share has a market value in excess of \$32 at the expiration of the offer. Alternatively, a tendering stockholder may choose to receive \$29.00 in cash for each share of Starcraft common. Bangor Punta will pay a commission of 35¢ per share to exchange or NASD members who procure the tender of Starcraft shares in exchange for Bangor Punta common.

Also included in the statement are an additional 7,458 shares of common stock and 38,933 shares of \$1.25 convertible preference stock of Bangor Punta, to be offered and sold for the account of seven stockholders of Bangor Punta.

All of the 7,458 additional common shares being registered and the 38,933 preference shares are owned by Fisher Chemical Company, Inc., a New York corporation, William H. Stephenson, an executive of the Bangor Punta's law enforcement equipment group, and five executives of Bangor Punta's textile group.

Bangor Punta is a holding company with key operating units in such diverse businesses as law enforcement equipment, pleasure boats and camper trailers, commercial agriculture, process equipment, fabric styling and manufacturing, railroading and civil engineering. Starcraft is engaged in the manufacture and sale of a broad line of aluminum and fiberglass pleasure boats. Under a May 1967 agreement with holders of some 65% of the outstanding stock of Starcraft, Bangor Punta agreed to purchase all shares offered by such holders for \$29.00 per share; and pursuant thereto it purchased 539,586 shares on June 14 for \$15,647,994. By means of this offering Bangor Punta is fulfilling its obligation to offer all other stockholders of Starcraft the opportunity to sell their shares at \$29.00 per share (or, in the alternative, to receive "an even higher price in the form of Bangor Punta common stock").

Bangor Punta now has outstanding (in addition to other securities) a total of 1,627,309 common shares, of which management officials own some 17%. Nicolas M. Salgo is board chairman, William C. Douglas, honorary chairman, W. Gordon Robertson, chairman of the executive committee and chief executive officer, and David W. Wallace, president and chief operating officer.

GOLDEN CYCLE FILES FOR RIGHTS OFFERING. The Golden Cycle Corporation, 115 Barnes Avenue, Colorado Springs, Colorado 80909, filed a registration statement (File 2-27915) with the SEC on December 22 seeking registration of 100,421 shares of common stock. It is proposed to offer this stock for subscription by holders of outstanding common at the rate of one new share for each ten shares held. The record date and subscription price (\$50 per share maximum*) are to be supplied by amendment. No underwriting is involved.

The company is engaged in the transportation and carrying of household goods between the United States and foreign countries; in addition, it conducts a domestic intra-state van and storage business and acts as an agent of Allied Van Lines, arranging for both intra-state and inter-state moving of household goods. It also is engaged in the exploration of certain mining properties and the sale to real estate developers of undeveloped land in Colorado Springs. Of the net proceeds of this stock offering, \$600,000 together with funds on hand will be used to repay \$1,325,000 due to a bank under a revolving credit arrangement, \$250,000 for payments required in connection with its purchase of certain mining properties, and \$625,000 for the exploration of existing mining properties and property which may hereafter be acquired. Some \$100,000 will be applied to the acquisition of mining properties which are either subject to options or which the company is currently evaluating; \$550,000 will be reserved for the development of mining properties, particularly those in Cripple Creek and Placerville, Colorado (contingent upon the results of exploratory work); subject to favorable results of both the exploratory and mining programs, some \$450,000 will be used for the restoration and construction of mills on the said properties; and the balance will be added to working capital. In addition to indebtedness, the company now has outstanding 1,004,212 common shares, of which management officials own 28.47% and Pert & Company (NY) 18.71%. Maurice Goodman is board chairman and Dudley G. Layman, president.

NORTH AMERICAN RESEARCH TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of North American Research & Development Corp. for the further ten-day period December 27, 1967 through January 5, 1968, inclusive.

SECURITIES ACT REGISTRATIONS. Effective December 22: GFI Computer Industries, Inc., 2-27574 (90 days); Mediterranean Fund, Inc., 2-27445; DPA, Inc., 2-27737 (40 days).

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.