

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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COMMISSION ANNOUNCEMENT

SEC ORDER CITES BUCKINGHAM-PARLIAMENT SECURITIES. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the New York firms of Buckingham Securities, Inc., of 21 West Street (registered as a broker-dealer since May 23, 1969), and Parliament Securities, Inc., 240 E. 82d Street (registration application filed May 6, 1970). Also named as respondents are Babette Guthrie, president and principal stockholder of the two firms, Victor Heymann and Charles Rainford, treasurer and secretary, respectively, of the Buckingham firm.

The proceedings are based upon staff charges that during the period February-December 1969, the Buckingham firm, Guthrie, Rainford and Heymann engaged in various activities violative of the anti-fraud and other provisions of the Exchange Act, including (a) the conduct of a securities business when the firm was not capable of delivering securities sold or paying for securities purchased and when it did not have sufficient funds to meet its obligations as they arose; (b) the issuance of checks to other firms in payment for securities when Buckingham had insufficient funds in its accounts for the honoring of the checks, resulting in the checks being returned for insufficient funds when presented for payment; and (c) the conversion to Buckingham's own use of securities delivered to it by other firms without making payment therefor. Violations of the Commission's net capital, record-keeping and financial reporting rules also are alleged.

A hearing will be scheduled by further order to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the charges are true and, if so, whether any action of a remedial nature should be ordered by the Commission.

DECISION IN ADMINISTRATIVE PROCEEDING

W R SHOEMAKER BARRED; FIRM WITHDRAWS. The SEC today announced a decision under the Securities Exchange Act (Release 34-8898) in which it barred William Robert Shoemaker from association with any securities firm and permitted withdrawal of the broker-dealer registration of Shoemaker & Co., Inc., of Oklahoma City, of which he is president and controlling stockholder. This action was taken in administrative proceedings in which the firm and Shoemaker were charged with violating the Commission's record-keeping, financial reporting and net capital rules. In an offer of settlement, which the Commission accepted, the respondents waived a hearing, the firm agreed to withdraw its registration and Shoemaker consented to Commission findings of violations, as alleged, and to the bar order. Both are effective August 10; and the Commission's order provides that, after one year, Shoemaker may seek readmission to the securities business in a supervised capacity.

COURT ENFORCEMENT ACTIONS

S M TARO SENTENCED. The SEC Denver Regional Office announced June 3 (LR-4624) that Steven M. Taro was sentenced by the ~~Federal~~ court in Denver to an indeterminate prison term of not to exceed five years, upon his plea of guilty to one count of grand theft of stealing checks from his employer, writing checks and converting the proceeds to his own use while employed by a Denver firm. The SEC staff assisted the local authorities in this action.

SALE OF J B & T SHARES ENJOINED. The SEC Denver Regional Office announced June 3 (LR-4625) that the Federal court in Denver had permanently enjoined violations of the registration provisions of the Federal securities laws by Benjamin Dobson, of Dallas, and the registration and anti-fraud provisions thereof by Clyde Theobald, of Grand Junction, Colo., and Kenneth W. Roth of Miami Beach, in the offer and sale of securities of J B & T Co. and S & M Industries, Inc.

UNDERWRITERS INVESTMENT, DREXEL INDUSTRIES NAMED IN SEC COMPLAINT. The SEC Fort Worth Regional Office announced June 4 (LR-4626) the filing of a complaint in Federal court in Dallas, seeking to enjoin violations of the Securities Act registration provisions by the following in the offer and sale of stock of Underwriters Investment Company and Drexel Industries, Inc.: the two issuing companies, Milton H. Peters, Arnold W. McKinney, Harvey Wallace, a/k/a W. Harvey Wallace, and William C. Anderson, all of Dallas, Don G. Ekman, Phoenix, Ariz., John Elwood Dennett, Salt Lake City, Utah, Arthur P. Tranakos, Atlanta, Ga., and N. Murray Modlin, Springfield, Mo. The complaint also seeks to enjoin violations of the anti-fraud provisions of the Federal securities laws by the following: Underwriters, Drexel, Peters, McKinney, Wallace, Ekman, Dennett and Anderson.

E L McWHINNEY CONVICTED. The SEC Chicago Regional Office announced June 4 (LR-4627) that a Federal court jury in Illinois had returned a verdict of guilty against Edward L. McWhinney or Ofion, Ill., on charges of violating the Securities Act registration and anti-fraud provisions in the offer and sale of securities of Western Testing, Inc., and Better Beef, Inc. Previously, defendants William T. McKelvey of Reynolds and Benjamin H. Ryan, Sr., of East Moline, Ill., had pled guilty to violations of such registration and anti-fraud provisions and Loren E. Keefer of East Moline to violations of the registration provisions.

OVER

SECURITIES ACT REGISTRATIONS

BENGAL GAS FUND PROPOSES OFFERING. The Bengal Gas Fund 70 (the "Partnership"), 418 Building of the Southwest, Midland, Tex. 79701, filed a registration statement (File 2-37557) with the SEC on June 1 seeking registration of \$5,000,000 of partnership interests, to be offered for public sale in 1,000 units and at \$5,000 per unit. Subscriptions will be solicited on a best efforts basis by Coquina Oil Corporation, the general partner, without fees or commission; the general partner will pay participating NASD members a selling commission, the amount of which is to be determined by negotiation. The Partnership will engage in oil and gas exploration. Pomeroy Smith is president of the general partner.

SYNTEX SHARES IN REGISTRATION. Syntex Corporation (a Panama corporation), Edificio Omanco, Via Espana No. 200, Panama, Republic of Panama, filed a registration statement (File 2-37558) with the SEC on June 2 seeking registration of 33,305 shares of common stock. These shares have been issued or are issuable upon exercise of stock options granted under the company's stock option plans or have been issued upon conversion of preferred stock or are outstanding shares held by persons deemed to be part of a control group. They may be offered for sale from time to time by the holders or recipients thereof at prices current at the time of sale (\$40 per share maximum*). The company is engaged primarily in the manufacture and sale of pharmaceuticals and animal health products. It has outstanding 9,623,637 common shares.

BACHE-GOODBODY-WALSTON FUND PROPOSES OFFERING. Municipal Investment Trust Fund, Series Y, filed a registration statement (File 2-37559) with the SEC on June 2 seeking registration of \$8,000,000 of Fund units, to be offered for public sale in 8,000 units. The Fund is one of a series of similar investment companies created by a trust agreement under which Bache & Co. Incorporated, Goodbody & Co. and Walston & Co., Inc., act as sponsors, United States Trust Company of New York as trustee and Standard & Poor's Corporation as evaluator. The Fund consists of the diversified tax exempt bond portfolio of interest-bearing obligations issued by or on behalf of states, counties, territories or municipalities of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of counsel, exempt from all Federal income tax under existing law.

OFFERING TO TUDOR INDUSTRIES HOLDERS PROPOSED. Sports-Land Corporation, 476 Carlton Court, South San Francisco, Calif. 94080, a wholly-owned subsidiary of Tudor Industries Corporation, filed a registration statement (File 2-37560) with the SEC on June 3 seeking registration of 280,000 shares of common stock and 280,000 common stock purchase warrants, to be offered for subscription by common stockholders of Tudor Industries in units, each consisting of one share and one warrant, and at a rate of one unit for each 20 Tudor shares held. The offering is to be made at \$4 per unit through Austin, James & Co. Incorporated, 15 William St., New York, N. Y., which will receive a 20¢ per share selling commission and an additional 20¢ per unit for each unsubscribed unit acquired by the underwriter plus up to \$28,000 for expenses. The company has agreed to sell the underwriter at 1¢ per warrant six-year warrants to purchase up to 28,000 shares, exercisable after one year at \$4 per share. Also included in this statement are 40,000 shares of common stock issuable pursuant to the exercise of options granted under the company's Employees Stock Option Plan.

The company was organized by Tudor in December 1968 and is primarily engaged in retailing sporting goods. Of the net proceeds of its stock sale, \$200,000 will be used in connection with "free standing stores" to purchase additional inventory not heretofore stocked in depth, \$150,000 in connection with the opening of a new store in Concord, California, \$200,000 for the opening of three additional "free standing stores" in the San Francisco Bay area and \$395,000 for repayment of outstanding bank loans; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 280,000 common and 560,000 Class A common shares (with a combined book value of 62¢ per share), all owned by Tudor. Harold S. Caplin is board chairman and Martin Feldman president. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of \$1,120,000 (they will sustain an immediate dilution of \$2.68 in per share book value from the offering price); Tudor will then own 75%, at a cost of \$541,672.

DELMARVA POWER PROPOSES OFFERING. Delmarva Power & Light Company, 600 Market St., Wilmington, Del. 19899, filed a registration statement (File 2-37563) with the SEC on June 3 seeking registration of 597,909 shares of common stock and 130,000 shares of cumulative preferred stock (\$100 par). The common shares are to be offered for subscription by common stockholders of record July 8, at the rate of one new share for each 16 shares held. The common shares not subscribed for and the preferred shares are to be offered for public sale at competitive bidding. The subscription price (\$17 per common and \$102 per preferred share maximum*) is to be supplied by amendment. Net proceeds of the company's stock sale will be applied toward the cost of its 1970 construction program and the retirement of all or a portion of unsecured short-term notes, including commercial paper, issued prior to the stock sale. At June 3 there were no such notes outstanding. Construction expenditures for 1970 are estimated at \$90,078,000.

CAYMAN HOLDING COMPANY (FLA.) TO SELL STOCK. Cayman Holding Company of Florida, Suite 146, Arms Bldg., Robertson St., Brandon, Fla., filed a registration statement (File 2-37564) with the SEC on June 2 seeking registration of 400,000 shares of common stock, to be offered for public sale at \$1 per share. No underwriting is involved; selected broker-dealers will receive a 10% selling commission.

The company was organized in December 1969 for the purpose of acquiring all the outstanding stock of Cayman Holding Company, Limited (organized under the laws of the Cayman Islands). Cayman, Ltd. owns all the outstanding common shares of Columbus Insurance Company, Limited (a Bahamian company). The Insurance Company has been granted a Bahamian certificate of authority to engage in the writing of industrial life and accident insurance. The development and operation of the Insurance Company is the main proposed business of the company. Net proceeds of its stock sale will be used principally to provide reserves for the company's insurance operations and will be invested according to accepted standards of life insurance companies operating in the company's proposed areas of operations and for possible acquisitions. The company has outstanding 114,239 capital shares, of which Victor W. Shumate, president, owns 40.9% and management officials as a group 69.4%.

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BENEFICIAL CORP. TO SELL DEBENTURES. Beneficial Corporation, Beneficial Bldg., 1300 Market St., Wilmington, Del., filed a registration statement (File 2-37566) with the SEC on June 3 seeking registration of \$75,000,000 of debentures, due 1978, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged through subsidiaries principally in the consumer loan, sales finance and related creditor insurance business and in the merchandising business. Net proceeds of its debenture sale will be used to reduce outstanding short-term bank loans and commercial paper, which at May 31 totaled \$293,338,000. Proceeds of such bank loans and commercial paper were used primarily to provide subsidiaries with funds to carry on their respective businesses. In addition to indebtedness and preferred stock, the company has outstanding 11,714,300 common shares.

GENERAL FOODS PROPOSES OFFERING. General Foods Corporation, 250 North St., White Plains, N. Y. 10602, filed a registration statement (File 2-37567) with the SEC on June 4 seeking registration of \$75,000,000 of sinking fund debentures, due 1990, and \$50,000,000 of notes, due 1975, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Lehman Brothers, One William St., both of New York, N. Y. 10004. The interest rates, offering prices and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture of packaged food products. Net proceeds of its financing will be added to the company's general funds and applied initially to reduce domestic short-term borrowings which at March 28 amounted to some \$132 million. Such borrowings were incurred over recent years, principally as a result of capital expenditures, increased working capital requirements and acquisitions of businesses. In addition to indebtedness, the company has outstanding 25,211,176 common shares.

GENERAL AVIATION ELECTRONICS FILES FOR OFFERING AND SECONDARY. General Aviation Electronics, Inc., 4141 Kingman Dr., Indianapolis, Ind. 46226, filed a registration statement (File 2-37568) with the SEC on June 4 seeking registration of 150,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Manley, Bennett, McDonald & Co., 1100 Buhl Bldg., Detroit, Mich. 48226; the offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in January 1967, the company is engaged in the design, manufacture, and sale of aircraft electronics for general aviation. A portion of the net proceeds of the company's sale of additional stock will be used to repay outstanding short-term bank loans (which totaled \$200,000 at May 15 and were incurred for general working capital purposes); the balance will be added to the company's general funds and used for working capital. The company has outstanding 867,988 common shares, of which Elmore W. Rice III, president, owns 16.9%, management officials as a group 41.4% and Product Acceptance & Research, Inc., 54.6%. Reginald B. Collier, board chairman, owns 36% of the outstanding capital stock of Product Acceptance and Harvey Seaman, a director, 19%. Robert O. Whitesell, a director, proposes to sell 7,530 of 84,000 shares held and Product Acceptance 42,470 of 473,760. Purchasers of the shares being registered will acquire a 15.5% stock interest in the company for their investment of \$1,860,000*; present stockholders will then own 84.5%, for which they will have paid \$213,390.

CRADDOCK-TERRY SHOE SHARES IN REGISTRATION. Craddock-Terry Shoe Corporation, 3100 Albert Lankford Dr., Lynchburg, Va. 24505, filed a registration statement (File 2-37569) with the SEC on June 4 seeking registration of 80,000 shares of common stock. These shares have been or may be issued in connection with the acquisition of five affiliated shoe retailing corporations and a sole proprietorship, all headquartered in Lansing, Mich. The recipients thereof may offer such shares for sale from time to time at prices current at the time of sale (\$14.63 per share maximum*). In addition to indebtedness and preferred stock, the company has outstanding 1,217,448 common shares.

BECTON, DICKINSON FILES FOR SECONDARY. Becton, Dickinson and Company, Rutherford, N. J. 07070, filed a registration statement (File 2-37570) with the SEC on June 4 seeking registration of 130,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by F. Eberstadt & Co., Inc., 65 Broadway, New York, N. Y. 10006; the offering price (\$40 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of health care products consisting of a broad line of medical, surgical, laboratory and diagnostic items. In addition to indebtedness, it has outstanding 16,483,450 common shares. Fairleigh S. Dickinson, Jr., board chairman and president, proposes to sell 20,000 of 1,400,738 shares held and Fairleigh Dickinson University 110,000 of 117,183.

FEDERATED DEPT. STORES FILES FOR SECONDARY. Federated Department Stores, Inc., 222 West 7th St., Cincinnati, Ohio 45202, filed a registration statement (File 2-37571) with the SEC on June 4 seeking registration of 323,535 shares of common stock, of which 219,000 were issued in connection with the company's acquisition of all the outstanding shares of Ralphs Industries (operators of supermarkets and related food processing facilities in the Los Angeles area) and 104,535 have been issued or are issuable in connection with the company's Restricted Stock Purchase Plan. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale.

The company is engaged in the operation of department and specialty stores. In addition to indebtedness, it has outstanding 45,583,286 common shares. Albert George Ralphs may sell 200,000 of 252,378 shares held and three others the remaining shares being registered.

CMI INVESTMENT CORP. PROPOSES EXCHANGE OFFER. CMI Investment Corp., 2 East Gilman St., P. O. Box 2017, Madison, Wis. 53703, filed a registration statement (File 2-37572) with the SEC on June 4 seeking registration of 1,319,919 shares of common stock. It is proposed to offer these shares in exchange for shares of common stock of Continental Mortgage Insurance, Inc., on a share-for-share basis. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of Continental's outstanding common stock.

CMI was organized for the purpose of becoming the parent of Continental. Continental is the nation's second largest private insurer of mortgage loans, insuring lenders against loss when borrowers default. Continental has outstanding 1,273,419 common shares. Bruce Thomas is president and Fred L. Kramer board chairman of both CMI and Continental.

ADR'S FOR KAWASAKI STEEL FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y. 10015, filed a registration statement (File 2-37573) with the SEC on June 4 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Kawasaki Steel Corporation (a Japanese corporation).

PIONEER NATURAL GAS TO SELL DEBENTURES. Pioneer Natural Gas Company, 301 South Taylor St., Amarillo, Tex. 79101, filed a registration statement (File 2-37574) with the SEC on June 4 seeking registration of \$20,000,000 of debentures, due 1975, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its debenture sale to retire \$7,500,000 of its bank loans and \$8,500,000 of its short-term indebtedness in the form of commercial paper; the balance will be used primarily for property additions. The indebtedness was incurred for plant additions and working capital. Capital expenditures are estimated at \$13,900,000 for 1970.

FOREMOST-MCKESSON FILES FOR SECONDARY. Foremost-McKesson, Inc., 111 Pine St., San Francisco, Calif. 94111, filed a registration statement (File 2-37575) with the SEC on June 3 seeking registration of \$24,718,000 of outstanding 6% convertible subordinated debentures, due 1994, and 166,997 outstanding shares of common stock. These securities may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$21 per share maximum*).

The company is primarily engaged in the wholesale distribution of drugs, the processing and distribution of milk, cream, ice cream and related dairy products, the wholesale distribution of wines and liquors and the wholesale distribution of industrial chemicals. In addition to indebtedness and preferred stock, it has outstanding 12,604,191 common shares. Pine & Co. (nominee of a trust for the benefit of Marguerite Brokaw Adams) may sell all of \$2,651,000 of debentures held and a large number of others the remaining debentures being registered; Robert L. Crane may sell 32,667 of 65,334 shares held and eleven others the remaining shares being registered.

EXCHANGE BANCORPORATION PROPOSES EXCHANGE OFFER. Exchange Bancorporation, Inc., 610 Florida Ave., Tampa, Fla. 33602, filed a registration statement (File 2-37576) with the SEC on June 4 seeking registration of 72,000 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of Bank of Central Florida, Haines City, Fla., at the rate of 2 shares for each Bank share.

Bancorporation is a bank holding company and has four banking subsidiaries which are engaged in the general commercial banking business in Florida. It has outstanding 2,118,242 common shares, of which Peter O. Knight, Jr., owns 15.54% and management officials as a group 45.14%. Fred J. Woods is board chairman and H. Prentice Browning president.

RUSH INDUSTRIES TO SELL STOCK. Rush Industries, Inc., 8149 Florida Blvd., Baton Rouge, La. 70815, filed a registration statement (File 2-37578) with the SEC on June 4 seeking registration of 300,000 shares of common stock. The offering is to be made through underwriters headed by Ling & Company, Inc., LTV Tower Mall, Dallas, Tex. 75201; the offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Ling firm, for \$240, five-year warrants to purchase 24,000 shares.

The company is engaged through subsidiaries in consumer financing, in manufacturing athletic equipment and clothing, in manufacturing mobile homes and in operating a 156-unit apartment house in Jackson, Miss. Net proceeds of its stock sale will initially be used to reduce advances outstanding under bank lines of credit in connection with consumer finance operations. As funds for other company purposes become needed to construct and equip the company's television station (\$500,000), to construct or purchase additional plant space for its mobile home manufacturing operations (\$200,000), for research and development in the area of modular home construction (\$100,000), and to expand its facilities and acquire additional equipment for its athletic goods operations (\$100,000). In addition to indebtedness and preferred stock, the company has outstanding 873,950 common shares, of which R. O. Rush, board chairman, owns 27.03% and management officials as a group 38.9%. A. H. Phillips is president.

SECURITIES ACT REGISTRATIONS. Effective June 5: Cadgie Taylor Co., 2-34200 (90 days); Real Petroleum Co., 2-35041 (90 days). Effective June 8: Consumers Power Co., 2-37325; International Basic Economy Corp., 2-37170; Jamesway Corp., 2-37331; Jersey Central Power & Light Co., 2-37319 (40 days); Johnson Service Co., 2-37388.

Withdrawn June 8: American Agronomics Corp., 2-34427; Baird-Case Funeral Homes Inc., 2-36231; California Sierra, 2-32112; Computer Tech-Data Corp., 2-37295; Silhouette/American Health Spas Corp., 2-35816; Universal Energies Inc., 2-33657.

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.