

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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A brief summary of financial proposals filed with and actions by the S.E.C.

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(Issue No. 66-35)

FOR RELEASE February 21, 1966

DUNFEE SAVINGS & LEASE PROPOSAL SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of capital notes by Thomas Dunfee, d/b/a Dunfee Savings & Lease, 8113 Troost Ave., Kansas City, Mo. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed on October 4, 1965, Dunfee proposed the public offering of \$215,000 of such notes. The Commission asserts in its suspension order that it "has reasonable cause to believe" that the company failed to comply with certain terms and conditions of Regulation A and that its offering circular was false and misleading in respect of certain material facts. The alleged misrepresentations relate particularly to the amount of interest to be paid on the notes, the financial condition of the company, and the repayment of notes on request.

MORTON'S SHOE STORES FILES FOR SECONDARY. Morton's Shoe Stores, Inc., 184 Everett St., Allston, Mass. 02134, filed a registration statement (File 2-24506) with the SEC on February 17 seeking registration of 400,000 outstanding shares of common stock. The present holders thereof propose to offer such shares for public sale through underwriters headed by Dean Witter & Co., 14 Wall St., New York 10005. The public offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the retail distribution of popular priced men's, women's and children's footwear and certain other related items. In addition to indebtedness, it has outstanding 1,000,000 common shares, of which management officials own 508,490 shares. The prospectus lists 26 selling stockholders, including the estate of Jacob Narva (including trusts under his will), offering its entire holdings of 130,606 shares; Morton I. Narva (president), 81,069 of 185,285; and Morris Narva (board chairman), 38,000 of 82,030. The remaining sellers are offering shares ranging in amounts from 634 to 36,000. Of the outstanding stock, 97.1% is owned by the estate of Jacob Narva, his widow and children and members of their families, and by Morris Narva and members of his family, either directly or through a voting trust.

ELECTRONIC MEMORIES FILES FOR OFFERING AND SECONDARY. Electronic Memories, Inc., 12621 Chadron Ave., Hawthorne, Calif. 90250, filed a registration statement (File 2-24508) with the SEC on February 18 seeking registration of 137,500 shares of common stock. Of such stock, 120,000 shares are to be offered for public sale by the company and 17,500 shares (being outstanding stock) by the present holders thereof. Dean Witter & Co., 632-34 S. Spring St., Los Angeles, Calif. 90014, is listed as the principal underwriter. The public offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under California law in 1961, the company designs, develops and manufactures components and equipment used for the storage of information in digital data processing systems. Net proceeds of its sale of additional stock will be used in its expansion program, which provides for the purchase of some \$500,000 additional equipment and for the establishment during 1966-67 of additional plant facilities at an estimated cost of between \$500,000 and \$750,000. The balance of the proceeds will be added to the company's working capital. The company has outstanding 637,120 common shares, of which management officials own 37.6%. In its initial financing, the company sold 421,080 common shares to 36 private investors at \$1.25 per share and 213,040 Class B shares (later converted into common stock on a share-for-share basis) to 11 company employees at \$.125 per share. The selling stockholders are Trude C. Taylor (president), offering 12,500 of 156,440 shares held, and Milton Rosenberg (vice president), 5,000 of 79,200.

AMERICAN WELDING & MFG. FILES FOR SECONDARY. The American Welding & Manufacturing Company, Dietz Rd., Warren, Ohio 44482, filed a registration statement (File 2-24509) with the SEC on February 18 seeking registration of 365,400 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Hayden, Miller & Co., 650 Union Commerce Bldg., Cleveland, Ohio. The public offering price (\$21 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures close tolerance welded rings, and seamless rings and bands, principally for aeronautical applications. It has outstanding 900,000 common shares (as adjusted to reflect a recent 6-for-1 split), of which management officials and members of their families own 49%. The prospectus lists 15 selling stockholders, including Helen P. Kaighin, offering 60,000 of 226,767 shares held, and William J. Sampson, Jr. (board chairman), his entire holdings of 98,250 shares. The remaining sellers are offering stock ranging in amounts from 900 to 30,000 shares. I. A. Oehler is president.

MICROWAVE SHARES IN REGISTRATION. Microwave Associates, Inc., South Ave., Burlington, Mass., filed a registration statement (File 2-24510) with the SEC on February 17 seeking registration of 50,000 shares of common stock, to be offered pursuant to the company's Officer and Key Employee Qualified Stock Option Plan. The registration statement also relates to the possible reoffering of such shares by the recipients thereof on the American Stock Exchange at prices then prevailing (\$20.50 per share maximum*).

OVER

The company produces specialized components for microwave applications associated with microwave radio energy. In addition to indebtedness, it has outstanding 1,029,452 common shares, of which management officials own 5%. Dana W. Atchley, Jr., is president.

BOURNS FILES FOR SECONDARY. Bourns, Inc., 1200 Columbia Ave., Riverside, Calif., filed a registration statement (File 2-24511) with the SEC on February 18 seeking registration of 400,000 outstanding shares of capital stock. The stock is to be offered for public sale by the present holder thereof, Marlan E. Bourns (president and board chairman). Goldman, Sachs & Co., 20 Broad St., and Blyth & Co., Inc., 14 Wall St., both of New York 10005, are the principal underwriters. The public offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company supplies precision components and instruments to the electronics and aerospace industries. In addition to indebtedness, it has outstanding 3,179,810 capital shares, of which management officials own 2,728,849 shares (including 2,726,594 shares owned by Bourns, the selling stockholder).

PACIFIC GAS & ELECTRIC PROPOSES OFFERING. Pacific Gas and Electric Company, 245 Market St., San Francisco, Calif. 94106, filed a registration statement (File 2-24512) with the SEC on February 18 seeking registration of \$75,000,000 of first and refunding mortgage bonds, Series MM, due 1998. The bonds are to be offered for public sale at competitive bidding. Net proceeds of the company's bond sale will be applied toward the cost of additions to its utility plant. Gross construction expenditures for 1966 are expected to amount to \$279,000,000.

BORG-WARNER FILES STOCK PLAN. Borg-Warner Corporation, 200 S. Michigan Ave., Chicago, Ill. 60604, filed a registration statement (File 2-24513) with the SEC on February 18 seeking registration of 25,000 shares of common stock, to be offered pursuant to its 1965 Supplement to Amended Contingent Compensation Plan.

INDUSTRIAL ELECTRONICS FILES FINANCING PROPOSAL. Industrial Electronics Associates, Inc., Riverside Dr., Palm Beach Gardens, Fla. 33403, filed a registration statement (File 2-24515) with the SEC on February 18 seeking registration of \$250,000 of 6½% convertible subordinated debentures and 60,000 shares of common stock. The prospectus states that the underwriter, J. N. Russell & Co., Inc., Union Commerce Bldg., Cleveland, Ohio 44115, has agreed to sell to its officers \$50,000 principal amount of debentures and 5,000 common shares at the public offering price. The balance of the securities are to be offered for public sale, the debentures at 100% of the principal amount and the stock at \$3 per share. The underwriter is to receive a 10% commission on the debentures and \$.30 per share on the stock. As additional consideration for the underwriting agreement, the company will issue to the underwriter an option to purchase 10,000 common shares at \$3 per share.

Organized under Florida law in 1962, the company is engaged in the business of distributing electronic components manufactured by others. Of the net proceeds of this financing, some \$96,265 will be used to pay sundry indebtedness, and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 99,997 common shares (issued at \$.40 per share), of which management officials own 96.58%. Granville A. Morse (board chairman) and Catherine A. Morse own 42% of the outstanding stock. James F. Graham is president.

GROW CHEMICAL FILES STOCK PLAN. Grow Chemical Corp., 277 Park Ave., New York 10017, filed a registration statement (File 2-24516) with the SEC on February 18 seeking registration of 21,000 shares of common stock, to be offered under the company's Monthly Investment Plan.

ORSINGER, PARKWOOD, ADAMS PROPERTIES, OTHERS CITED. The SEC Washington Regional Office announced February 18 (LR-3432) the filing of a complaint (USDC, DC) seeking to enjoin violations of the anti-fraud and registration provisions of the Federal securities laws by the following, in the sale of corporate and religious-group securities: Victor J. Orsinger, Joseph G. Dooley, Aubrey A. Arnn, John M. Clarey, Parkwood, Inc., Adams Properties, Inc., Order Underwriters, Inc., First Waukasha Corp., Franconia Industrial Park, Inc., First Vienna Corp., Mark Commercial Corp., and Keenan & Clarey, Inc.

AMENDMENTS TO RULE 16b-8 and RULE 16b-9 ADOPTED. The SEC has adopted amendments to Rule 16b-8 and Rule 16b-9 under the Securities Exchange Act of 1934. The provisions of the amended Rule 16b-8, under certain conditions, exempt from the operation of Section 16(b) of the Act the acquisition and disposition of equity securities involved in the deposit or withdrawal of securities under a voting trust or deposit agreement. The amended rule provides that the exemption shall not be available to the extent that there has been a purchase or sale of securities of the class deposited and a sale or purchase of certificates representing such securities (unless otherwise exempt under Section 16(b)) within a period of less than six months.

The amendment to Rule 16b-9 extends, under certain conditions, the exemption provided thereby to the conversion of an equity security of a class, the securities of which are convertible into equity securities of another class of the same issuer. The amendment limits the application of Rule 16b-9 so that it will not apply to the extent that there has been any purchase or sale of any convertible equity security and any sale or purchase of any equity security to which the conversion privilege relates (unless otherwise exempt under Section 16(b)) within a period of less than six months.

UNITED SECURITY LIFE SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in the common stock of United Security Life Insurance Co. for a further 10-day period, February 22-March 3, 1966, inclusive.

INTERNATIONAL UTILITIES OVERSEAS SEEKS ORDER. International Utilities Overseas Capital Corporation, Claymont, Del., subsidiary of International Utilities Corp., has applied to the SEC for an order under the Investment Company Act exempting it from all provisions of the Act; and the Commission has issued an order (Release IC-4519) giving interested persons until March 7 to request a hearing thereon. According to the application, Overseas Capital was recently organized to provide assistance in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by President Johnson in February 1965, while at the same time continuing the expansion and development of the parent company's operations outside the United States. Overseas Capital proposes to issue and sell abroad an aggregate of \$15,000,000 of its guaranteed convertible bonds, which are to be guaranteed as to payment of principal, interest and sinking fund payments by the parent company. It is intended that at least 85% of all the assets of Overseas Capital will be invested in or loaned to foreign subsidiaries or affiliates of the parent company. The parent company operates public utility companies, shipping companies engaged in foreign trade, a trucking company, bus companies, industrial companies, and a company which holds a diversified portfolio of securities.

ARKANSAS POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15408) authorizing Arkansas Power & Light Co. (subsidiary of Middle South Utilities, Inc.) to sell at competitive bidding \$25,000,000 of first mortgage bonds, due 1996, and to issue to the parent company an additional 240,000 shares of its common stock. Arkansas Power will use the net proceeds of this financing for its construction program (estimated to cost \$62,600,000 in 1966) and for other corporate purposes. It is stated that the issuance of additional common stock will permit Arkansas Power to convert into capital a portion (\$3,000,000) of earned surplus which has been permanently invested in betterments to its physical properties.

NORTHWEST NATURAL GAS PROPOSES OFFERING. Northwest Natural Gas Company, 735 S. W. Morrison St., Portland, Ore. 97205, filed a registration statement (File 2-24514) with the SEC on February 18 seeking registration of \$16,000,000 of first mortgage bonds (due 1991), to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds of the company's bond sale will be used in connection with its construction program, estimated to cost \$14,600,000 during 1966.

MASSEY-FERGUSON PROPOSES RIGHTS OFFERING. Massey-Ferguson Limited, 200 University Ave., Toronto, Canada, today filed a registration statement (File 2-24519) with the SEC seeking registration of 3,038,889 shares of common stock. The stock is to be offered for subscription by stockholders at the rate of one new share for each five common shares held on March 11. Any unsubscribed shares are to be offered for public sale through underwriters headed by Lazard Freres & Co., 44 Wall St., New York 10005, and two other firms. The offering price (\$34.625 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures agricultural machinery and diesel engines. Net proceeds of its stock sale will be added to general funds and may be used to reduce short-term bank borrowings. In addition to indebtedness, the company has outstanding 15,068,925 common shares, of which management officials own 1.98% and Argus Corp., Ltd., owns 10.95%. A. A. Thornbrough is president.

COMMENT DATE ON RULE PROPOSAL EXTENDED. The SEC has authorized a two-week extension, to March 7, for the filing of comments upon its proposal for revision of Rule 16a-6 and Forms 3 and 4, relating to the reporting of beneficial ownership in securities, and changes therein, pursuant to Section 16(a) of the Securities Exchange Act. The proposal was announced on January 20 in Release 34-7794.

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 caption of the several items of the form was included in the February 4 News Digest.

Clarise Sportswear Co Inc Jan 66 (1)	2-18533-2	J P Burroughs & Son Inc Jan 66 (11,13)	1-3890-2
Duquesne Light Co Feb 66 (3)	1-956-2	Lytton Financial Corp Jan 66 (12)	1-5042-2
Inland Container Corp Jan 66 (3,13)	0-1001-2		
M. Lowenstein & Sons Inc Jan 66 (7,8)	1-3311-2	Alaska Airlines Inc Jan 66 (2,13)	1-3314-2
Scurry-Rainbow Oil Ltd Jan 66 (4,7,13)	1-3777-2	American Investment Co Jan 66 (7)	1-2335-2
Trane Co Jan 66 (8)	1-2860-2	Clark Cable Corp Jan 66 (2)	1-4425-2
Wisconsin Tel Co Jan 66 (7)	2-13429-2	Doric Corp Jan 66 (8)	0-366-2
		Electrographic Corp Jan 66 (8)	1-2544-2
C & U Communications Corp Jan 66		Laguna Niguel Corp Dec 65 (11,13)	1-4871-2
(2,7,8,11,12,13)	1-4948-2		
Chesapeake & Ohio Ry Co Jan 66 (3,13)	1-1261-2	Atlantic Refining Co Jan 66 (2,4,7,11,13)	1-1196-2
Desilu Productions Inc Jan 66 (8)	1-4167-2	Automatique Inc May 65 (7)	0-1744-2
Hotel Corp of America Jan 66 (2,8)	1-3466-2	Crystal Oil & Land Co Jan 66 (2,8,13)	1-4892-2
Oxford Paper Co Jan 66 (12)	1-3841-2	Mass Electric Co Jan 66 (7,11,13)	2-8019-2
Perini Corp Dec 65 (9,13)	0-905-2	N. J. Zinc Co Jan 66 (3,11,13)	1-4901-2
Rudd-Melikian Inc Dec 65 (11,13)	0-1993-2	World-Wide Realty & Investing Corp	
Symington Wayne Corp Jan 66 (8)	1-1273-2	Jan 66 (12) & Dec 65 (11)	0-1956-2
United States Envelope Co Jan 66 (13)	0-235-2		
U S Tobacco Co Jan 66 (8,12)	1-764-2		

Alleghany Corp Jan 66 (3)	1-2644-2	Wheeling Steel Corp Jan 66 (6,13)	1-2394-2
Ansul Co Jan 66 (11,12,13)	1-4606-2		
Hartfield Stores Inc Jan 66 (2,7,8,13)	1-4091-2	Luck's Inc Jan 66 (3,7)	0-112-2
Mangood Corp Jan 66 (8)	0-791-2	Penn Power & Light Co Jan 66 (12)	1-905-2
Pepsico Inc Jan 66 (2,7,12,13)	1-1183-2		
Pittston Co Jan 66 (7)	1-304-2	Nat'l Co, Inc Jan 66 (9,12)	1-4369-2
United Gas Improvement Co Jan 66 (8)	1-1398-2	The Warner Bros Co Jan 66 (2,3,4,7,11,13)	1-4715-2
Allied Chemical Corp Jan 66 (7)	1-1269-2	Combustion Engineering, Inc Jan 66 (7,13)	1-117-2
Burroughs Corp Jan 66 (4,13)	1-145-2	Evans Products Co Jan 66 (3)	1-542-2
Chicago South Shore & South Bend RR Jan 66 (12,13)	1-3756-2	Fedders Corp Jan 66 (7,13)	1-2150-2
		Rochester Gas & Electric Corp Jan 66 (13)	1-672-2
Automatic Retailers of America Inc Jan 66 (4,7,8,13)	1-4762-2	Baxter Laboratories, Inc Jan 66 (7,11,13)	1-4448-2
Consumers Cooperative Asn Jan 66 (7,8)	2-7250-2	Brandywine Raceway Assoc, Inc Dec 65 (13)	1-4510-2
		First Investors Corp Jan 66 (2)	0-580-2
Frontier Airlines, Inc Jan 66 (12)	1-4877-2	Walter Kidde & Co Inc Jan 66 (2,7,10,13)	1-3226-2
Gulton Industries Inc Jan 66 (9,13)	1-4330-2	Transue & Williams Steel Forging Corp Jan 66 (12,13)	1-1157-2
		U. S. Finance Co Inc Jan 66 (12,13)	2-17252-2
American Hoist & Derrick Co Jan 66 (7)	1-5027-2		
Illinois Central Industries, Inc Jan 66 (1)	1-4710-2	Firestone Tire & Rubber Co Jan 66 (7,11)	1-484-2
Illinois Central RR Co Jan 66 (1,7)	1-2148-2	Kinney Service Corp Jan 66 (12,13)	1-4671-2
Midland-Guardian Co Jan 66 (7)	0-1182-2		
Oscar Mayer & Co Inc Jan 66 (13)	0-313-2	The Educator & Executive Co Jan 66 (12)	0-1161-2
Power Industrial Products Co Jan 66 (7,9,11,13)	2-19335-2	American Electronics, Inc Jan 66 (4,6,7,8)	1-3954-2
Royal Industries Inc Jan 66 (3,7,8,9,13)	0-787-2		
Southern Gulf Utilities, Inc Jan 66 (4,7,13)	1-4847-2	E. J. Brach & Sons Jan 66 (11,13)	1-156-2
Teledyne, Inc Jan 66 (7)	0-1439-2	Fleming Co Inc Jan 66 (8,13)	0-444-2
Zurn Industries, Inc Jan 66 (2,7,13)	0-1569-2	Signode Corp Jan 66 (12,13)	1-1282-2
Genisco Technology Corp Jan 66 (7,13)	1-4853-2	Nuclear Data, Inc Jan 66 (2,4,7,13)	0-1503-2
Mercantile Financial Corp Jan 66 (4,7,13)	0-909-2		

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended February 17, 1966, 29 registration statements were filed, 23 became effective, 1 was withdrawn, and 282 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective February 18: Crest Petroleum Management Co., 2-24396 (90 days); Monongahela Power Co., 2-24404.

Effective February 21: Arkansas Power & Light Co., 2-24414; Security Dynamics Investment Corp., 2-23245 (90 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.

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