

# 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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FOR RELEASE October 6, 1966

**SEC ENTERS WESTEC CHAPTER X BANKRUPTCY PROCEEDINGS.** The SEC has filed notice of appearance in Chapter X proceedings for the reorganization of Westec Corporation (formerly Western Equities, Inc.) pending in the Federal Court at Houston, Tex. An order was entered restraining all creditors from enforcing any liens against properties of the Debtor; and Orville S. Carpenter has been appointed as trustee.

The Debtor and its subsidiaries are in the business of developing and manufacturing geophysical instruments and equipment; providing well logging services to the oil and gas industry; developing and manufacturing aerospace equipment; and acquiring and exploiting oil and gas properties and other mineral interests. According to financial statements filed with the petition, as at December 31, 1965, the Debtor and subsidiaries had total assets of \$55,918,000 and total liabilities of \$30,482,000. Total current assets were \$28,652,000 and current liabilities were \$15,470,000. For the year 1965, net earnings were \$4,869,000 on gross income of \$54,785,000. The Debtor has outstanding 34,405 shares of \$100 par 5% preferred stock (held by four persons) and 4,540,997 shares of common stock. The common stock is listed on the American Stock Exchange and held by approximately 6,000 persons.

According to the petition, banks which are owed money by the Debtor have stopped their lines of credit and have started to foreclose and enforce their liens. The petition alleges that the banks have taken these actions because certain officers and directors of the Debtor "may have been involved in a plan to manipulate the price of Petitioner's stock on the American Stock Exchange. . .". The Debtor alleges that it cannot pay its debts as they mature but that it ". . . is a thoroughly solvent company".

On August 29, 1966, the Commission suspended trading in the Debtor's stock. The Commission's action was based on the need for clarification of the Debtor's announcement of August 25, 1966, concerning insider trading in the company's stock. The suspension action was also based, in part, upon information which raised questions as to the accuracy of public announcements by the Debtor concerning copper exploration in South America and other matters.

**TRADING BAN CONTINUED.** The SEC announced October 5 the suspension of trading in securities of Great American Industries, Inc., for the further ten-day period, October 6 to 15, inclusive. The trading ban was continued pending the Commission's receipt and consideration of the decision of the U. S. District Court (SDNY) which denied the Commission's motion for a preliminary injunction against certain officers and directors of Great American Industries, Inc., and certain other persons.

**MARTIN FABRIKANT, OTHERS INDICTED.** The SEC announced on October 5 (LR-3593) the return of an indictment by a Federal Grand Jury in Manhattan charging Martin Fabrikant, Bernard Portnoy, Norman Aborn, Marvin Katz, a/k/a Martin Karr and Fred Weiss with violations of and conspiracy to violate the Securities Act anti-fraud provisions in the sale of common stock of Jefferson Financial Corp.

**NATIONAL AVIATION RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4715) authorizing National Aviation Corp., New York, closed-end non-diversified management investment company, to purchase up to \$1,750,000 of convertible subordinated debentures (due 1991) of United Aircraft Corporation, during the existence of an underwriting agreement with respect to a proposed public offering of \$60,663,300 of such debentures. The application states that Howard E. Buhse, a director of National Aviation, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the principal underwriters of the public offering. In view thereof, any purchase of the United debentures by National Aviation is prohibited by the Act absent the issuance of this exemption order by the Commission.

**OHIO POWER SEEKS ORDER.** Ohio Power Company, Canton, Ohio, electric subsidiary of American Electric Power Co., Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to sell to banks during 1966 its promissory notes aggregating a maximum of \$58,600,000 to be outstanding at any one time. The Commission has issued an order (Release 35-15574) giving interested persons until November 2 to request a hearing thereon. Ohio Power proposes to use the net proceeds of the note sale in connection with its construction program, estimated at about \$142,000,000 for the second half of 1966 and for 1967.

**SUNSET INTERNATIONAL PETROLEUM NOTES IN REGISTRATION.** Sunset International Petroleum Corporation, 8920 Wilshire Blvd., Beverly Hills, Calif., filed a registration statement (File 2-25589) with the SEC on October 5 seeking registration of \$3,352,000 of outstanding 6% subordinated notes. The present holder thereof may offer the notes for public sale from time to time in the over-the-counter market at prices prevailing at the time of sale.

A wholly-owned subsidiary of Sunasco Incorporated (formerly Atlas Credit Corporation), the company is engaged in oil and gas production and real estate development. In addition to indebtedness, it has outstanding 100 common shares. J. D. Sterling is board chairman and Morton A. Sterling is president of the company. Southwest Amusement Corporation is the selling noteholder. It recently acquired the notes being registered in exchange for \$3,352,000 principal amount of 6% subordinated promissory notes (due 1985) which had been issued by the company to Southwest in February 1966 as partial consideration for the purchase by the company of the outstanding joint venture interests in certain real estate developments in California.

OVER

**MOHAWK DATA SCIENCES FILES FOR OFFERING AND SECONDARY.** Mohawk Data Sciences Corp., Harter St., Herkimer, N. Y. 13350, filed a registration statement (File 2-25590) with the SEC on October 5 seeking registration of 315,000 shares of common stock. Of this stock, 200,000 shares are to be offered for public sale by the company and 75,000 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by A. G. Becker & Co. Incorporated, 120 S. LaSalle St., Chicago, Ill. 60603. The public offering price (\$30 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized under New York law in 1964, the company is engaged in the sale or rental of electronic data processing equipment. Of the net proceeds of its sale of additional stock, \$160,000 will be applied toward the payment of the costs of new facilities (estimated at \$800,000) in East Herkimer, N. Y.; and the balance will be used for working capital and to repay \$1,800,000 of borrowings from the Marine Midland Trust Co. incurred to finance equipment rented to customers. In addition to indebtedness, the company has outstanding 1,638,550 common shares, of which management officials own 31.24% (including 11.90% owned by Virgil E. Johnson, president). A. G. Becker & Co. Inc. owns 10.50% of the outstanding stock. The prospectus lists 14 selling stockholders, including Burton I. Koffman and Richard E. Koffman as joint tenants, who are offering 11,000 of 105,000 shares held; and George R. Cogar (vice president), 8,200 of 83,834. Midland Capital Corp. proposes to offer 5,000 shares which it will obtain upon conversion of \$62,500 of the company's 8 3/4% convertible debentures. After such conversion, Midland Capital will own debentures convertible into and warrants to purchase a total of 63,000 shares.

**THREE STOCK PLANS FILED.** Form S-8 registration statements have been filed with the SEC by the following companies, seeking registration of securities for offering under employee and/or officer stock plans:

- The Cincinnati Gas & Electric Company, P.O.Box 960, Cincinnati, Ohio 45201 (File 2-25587) (11,624 shares)
  - The International Silver Company, 500 S. Broad St., Meriden, Conn. (File 2-25588) (10,000 shares)
- An additional stock plan was filed on Form S-1, as follows:
- Equity Funding Corporation of America, 9601 Wilshire Blvd., Beverly Hills, Calif. 90210 (File 2-25591) (82,975 shares)

**WISCONSIN ELECTRIC PROPOSES BOND OFFERING.** Wisconsin Electric Power Company, 231 W. Michigan St., Milwaukee, Wisc. 53201, today filed a registration statement (File 2-25593) with the SEC seeking registration of \$30,000,000 of first mortgage bonds, due 1996, to be offered for public sale at competitive bidding. An electric utility operating in southeastern Wisconsin, the company will use the net proceeds of its bond sale to retire \$11,850,000 of bank loans, to reimburse its treasury for capital expenditures previously made, and to finance its construction program. It estimates that its construction expenditures for the period July 1, 1966, to June 30, 1967, will aggregate \$47,000,000.

**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 October 4 News Digest.

Simplex Paper Corp Sept 66 (11,13)	0-363-2	Cameo-Parkway Records Inc Jul 65 (12)	1-4672-2
Coro Inc Sept 66 (11)	1-1609-2	Aug 65 (12)	1-4672-2
Fidelity Natl Corp Aug 66 (7)	2-22767-2	Nov 65 (2)	1-4672-2
RIC Group Inc Sept 66 (1)	1-4242-2	Jan 66 (2)	1-4672-2
Stanley Aviation Corp Sept 66 (3,9,11,13)	1-4153-2	Feb 66 (2)	1-4672-2
Unarco Inds Inc Sept 66 (4,7,13)	1-3296-2	Jun 66 (7,8,12)	1-4672-2
		Aug 66 (12)	1-4672-2
		Commonwealth Inc Amd #1 to 8K for Jul 66 (7,13)	0-1488-2

**SECURITIES ACT REGISTRATIONS.** Effective October 5: Alabama Power Co., 2-25518 (Nov 24); Belden & Blake and Company Limited Partnership No. 17, 2-25544; Federal-Mogul Corp., 2-25474; General Acceptance Corp., 2-25490 (40 days); Seilon, Inc., 2-24956.  
Effective October 6: Coastal Chemical Corp., 2-25041 (40 days); The Gordon Jewelry Corp., 2-25395.

**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.