

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 20, 1966

FIFTH AVENUE INDUSTRIES DELISTING APPROVED. The SEC today announced a decision (Release 34-7977) granting an application of the New York Stock Exchange to strike from listing and registration the \$10 par value capital stock of Fifth Avenue Industries Corporation (formerly Fifth Avenue Coach Lines, Inc.), effective October 21, 1966. Trading in the stock was suspended by the Exchange on January 17, 1966. At the request of the Exchange, the Commission had deferred action on the application until final determination by the New York state courts of an action by Fifth Avenue to enjoin the Exchange from delisting its stock. That action was subsequently dismissed on motion of the Exchange.

The Exchange's application alleged that Fifth Avenue had ceased to be an operating company by virtue of the March 1962 seizure by the City of New York of substantially all of its operating assets. Under NYSE rules, a security may be delisted if the issuer's "principal operating assets have been reduced such as by . . . condemnation, seizure or expropriation, or the company has ceased to be an operating company or discontinued a substantial portion of its operations." In proceedings in the New York courts to determine the amount of compensation payable to Fifth Avenue, the New York Court of Appeals, revising lower court decisions, recently ruled that Fifth Avenue, in addition to \$30.3 million awarded for its tangible property (which the Court directed be paid immediately), was entitled to compensation for "going concern" assets; and that Court remanded the case to the trial court for a determination of the value of those assets.

Fifth Avenue contended that it had not ceased to be an operating company because of the operations of certain subsidiaries. However, the Commission held that in view of the drastic reduction of the company's operations and the minor significance of the remaining operating activities, the Exchange's interpretation of its delisting rule was not unreasonable and that in any event the securities fell squarely within the operation and asset reduction criteria for delisting. Moreover, the Company had agreed that compliance by December 31, 1965, with original listing standards, including those relating to earnings, would be a condition to continued listing. Such compliance has not been achieved.

The Commission concluded that the Exchange had complied with the provisions and purposes of its delisting rules, that its application of these standards was not arbitrary or inequitable, and that there was no basis for denying the application or requiring a postponement of action. It stated that the Exchange was warranted in looking at the existing situation "rather than further awaiting future developments including additional steps in the condemnation proceedings and the consummation of a program of utilization of the funds to be received in those proceedings in a manner which would render Fifth Avenue in compliance with the listing standards." The Commission pointed out that if and when the company is in a position to meet these standards, it can re-apply for listing.

LAWRENCE SECURITIES REVOCATION PROPOSED. SEC Hearing Examiner Sidney Ullman has filed an "initial decision" in administrative proceedings under the Securities Exchange Act involving Lawrence Securities Company and Lawrence Jay Brown, d/b/a Lawrence Securities Company, of New York City. Subject to review by the Commission, either on its own motion or on petition by the respondents, the Examiner ordered that the broker-dealer registrations of both firms be revoked and that Brown be barred from further association with any broker-dealer firm. Brown is a general partner of the first-named firm.

The facts are not in dispute. The respondents (for the purpose of these proceedings) admitted charges by the Commission's staff that they had violated provisions of the Federal securities laws, as follows: (A) refusal to permit Commission representatives to inspect their books and records; (B) violation of the Commission's record-keeping rules, failure to file a report of financial condition, and filing of a false statement; (C) violation of the Commission's net capital rule; and (D) conduct of a securities business without disclosing that the two firms were not, or did not know whether or not they were, in compliance with the net capital rule "or financially able to deliver securities they had sold or make payment for securities they had bought."

While admitting the facts, the respondents challenged the Commission's jurisdiction on the grounds that withdrawal from registration had been requested more than 30 days in advance of the institution of the administrative proceedings. This argument was rejected by the Examiner, who concluded that the withdrawal request had been properly returned because it bore no signature, and that these proceedings had been instituted within 30 days from the subsequent receipt of a withdrawal request signed by Brown.

CENTRAL FLORIDA INVESTMENTS RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4723) declaring that Central Florida Investments, Inc., Orlando, Fla., has ceased to be an investment company as defined in the act. Applicant represents that it has 19 shareholders, that no company owns as much as 10% of its voting securities, and that it is not making nor does it presently intend to make a public offering of its securities.

CONSOLIDATED NATURAL GAS SUBSIDIARIES RECEIVE ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15584) authorizing The East Ohio Gas Company (Cleveland) to purchase certain properties from Lake Shore Pipe Line Co., both subsidiaries of Consolidated Natural Gas Company. According to the application, Lake Shore proposes to sell to East Ohio approximately 31.81 miles of Lake Shore's gas transmission pipe line and related properties, materials and supplies, for about \$1,000,000. Lake Shore will use the proceeds from the proposed sale to prepay a part of its long-term notes held by the parent.

OVER

NEES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15585) authorizing five of the public-utility subsidiaries of New England Electric System, Boston holding company, to issue to banks and/or NEES, not later than December 31, 1966, an additional \$5,000,000 of short-term notes. By previous order the Commission authorized certain of the subsidiaries to sell notes in a maximum aggregate amount outstanding at any one time of \$44,765,000. The additional borrowings will be used for construction purposes.

GRANITE STATE ELECTRIC SEEKS ORDER. Granite State Electric Company, Lebanon, N. H., has applied to the SEC for an order under the Holding Company Act authorizing it to issue 5,000 additional common shares to its parent, New England Electric System, for \$500,000; and the Commission has issued an order (Release 35-15586) giving interested persons until November 10 to request a hearing thereon. According to the application, Granite has outstanding \$3,900,000 of short-term notes payable to NEES incurred for construction purposes. The proceeds of its sale of additional stock will be applied to the partial payment of such notes.

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-7982) giving interested persons until November 3 to request a hearing on an application of the Cincinnati Stock Exchange for unlisted trading privileges in the common stock of Consolidated Foods Corp.

UNLISTED TRADING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7982) granting applications of (1) the Boston Stock Exchange for unlisted trading privileges in the common stock of Schlumberger Ltd., (2) the Pacific Coast Stock Exchange for such privileges in the common stock of General Precision Equipment Corporation, and (3) the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of Sheraton Corporation of America, Bourns, Inc., and Scientific Data Systems, Inc.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7982) granting an application of the San Francisco Mining Exchange to strike from listing and registration the common stock of Gold Canyon Mines Co., effective at the opening of business on October 19, 1966. The application states that Gold Canyon Mines requested such delisting.

METROMEDIA FILES FOR SECONDARY. Metromedia, Inc., 277 Park Ave., New York 10017, filed a registration statement (File 2-25630) with the SEC on October 19 seeking registration of 193,000 outstanding shares of common stock. The present holders thereof may offer the stock for public sale from time to time on the New York Stock Exchange at prices prevailing at the time of sale (\$28 per share maximum*).

The company is engaged in radio and television broadcasting, advertising, production and distribution of films, presentation of touring ice shows, magazine publishing and mail marketing. In addition to indebtedness, it has outstanding 2,156,728 common shares, of which management officials own 13.7% and King & Co. holds 12% as nominee for Axe-Houghton Fund A, Inc., and Axe-Houghton Fund B, Inc. The prospectus lists four selling stockholders, all Axe-Houghton funds. They are offering their entire stockholdings in the company, except that Axe-Houghton Fund B will retain 100,000 shares. John W. Kluge is board chairman and president.

VAN DUSEN AIRCRAFT SUPPLIES PROPOSES OFFERING. Van Dusen Aircraft Supplies, Incorporated, 2801 E. 78th St., Minneapolis, Minn. 55420, filed a registration statement (File 2-25632) with the SEC on October 19 seeking registration of \$2,000,000 of convertible subordinated debentures (due 1986). The debentures are to be offered for public sale through underwriters headed by Stroud & Co., Inc., 123 S. Broad St., Philadelphia, Pa. 19109, and Piper, Jaffray & Hopwood, 115 S. Seventh St., Minneapolis, Minn. 55402. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the sale and distribution of aircraft parts and supplies. Net proceeds of its debenture sale will be added to working capital and used to reduce short-term bank borrowings and finance current inventories and receivables resulting from its increased sales volume. In addition to indebtedness, the company has outstanding 687,180 common shares. Management officials own 34.5% of the outstanding stock, including 12.6% owned by G. B. Van Dusen, board chairman. George R. Galipeau is president.

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:

Manpower, Inc., 820 N. Plankinton Ave., Milwaukee, Wisc. 53203 (File 2-25623) (35,000 shares)
Pennsalt Chemicals Corporation, Three Penn Center, Philadelphia, Pa. 19102 (File 2-25626) (20,000 shares)
Mead Johnson & Company, Evansville, Ind. 47721 (File 2-25631) (900,000 shares)

An additional stock plan was filed on Form S-1, as follows:

Philadelphia Electric Company, 1000 Chestnut St., Philadelphia, Pa. 19105 (File 2-25628) (139,116 shares)

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.

E I Du Pont De Nemours & Co
Sept 66 (13) 1-815-2
Producers Finance Co of Arizona
Sept 66 (7,8,13) 0-1811-2
Tex Gulf Sulphur Co Sept 66 (7) 1-1065-2

Canal Randolph Corp Sept 66 (2,7,13) 1-3945-2

CONTINUED

Calvert Exploration Co Sept 66(1)2-24265-2	Birtcher Corp Sept 66(2,3,13)	0-1127-2
Cinerama Inc Sept 66(12)	1-4107-2	Global Industries Inc
Digitek Corp Sept 66(11,13)	2-24230-2	Sept 66(6,11,13)
Farmland Industries Inc Sept 66(8)2-7250-2		2-20526-2
Flying Tiger Line Inc Sept 66(11,12)1-3673-2	Gulf American Land Corp	
Genesco Inc Sept 66(7,13)	Sept 66(9,12,13)	1-4470-2
Mill Factors Corp	Industrial Nucleonics Corp	
Sept 66(4,7,8,13)	Sept 66(11)	2-19844-2
Mosinee Paper Mills Co Sept 66(11,13)0-1732-2	Liberty Real Estate Trust	
	July 66(7,11,13)	0-1791-2
Desilu Productions Inc	Mayflower Investors Inc Oct 66(12)2-23232-2	
Sept 66(12,13)	1-4167-2	Newport News Shipbuilding & Dry Dock Co
General Electric Co Sept 66(3)	1-35-2	Sept 66(13)
General Mills Inc Sept 66(13)	1-1185-2	1-3130-2
Gray Drug Stores Inc Sept 66(7,11,13)1-1387-2	Intercontinental Industries Inc	
Sept 66(2)	0-1516-2	Northern Indiana Public Service Co
Louisville & Nashville RR Co	Sept 66(13)	1-4125-2
Sept 66(7,13)	1-1116-2	Ohio Edison Co Sept 66(3)
Natco Corp Sept 66(2,3,4,7,11,12)1-2767-2		1-2578-2
New Hampshire Bankshares Inc	Old Town Corp Sept 66(6)	1-3601-2
Sept 66(7)	2-24741-2	Systems Engineering Laboratories Inc
Oxford Finance Companies Inc	Sept 66(12,13)	2-24040-2
Sept 66(2,7,8,13)	1-5053-2	
A S Beck Shoe Corp Sept 66(6)	1-3267-2	A H C F of Michigan Inc
Lil' General Stores Inc Sept 66(2)0-196-2		Sept 66(3,12,13)
Aug 66(1,8,2)	0-196-2	0-2183-2
Great Western Sugar Co		Big "C" Stores Inc Sept 66(2)
July 66(13)	1-372-2	0-14-2
Northwest Nitro-Chemicals Ltd		Evans Aristocrat Industries Inc
Sept 66(11,13)	2-11817-2	Sept 66(7,11)
Roto American Corp Sept 66(2,13)	1-5215-2	1-4592-2
Teledyne Inc Sept 66(4,7,13)	1-5212-2	GTI Corp Sept 66(8,13)
		1-4289-2
West Coast Airlines Inc Sept 66(12)0-1286-2		Kysor Industrial Corp
Ex-Cell-O Corp Sept 66(7,13)	1-1334-2	Sept 66(4,11,13)
Gulf States Land & Industries Inc		1-3609-2
Sept 66(2,13)	1-621-2	Lear Jet Corp Sept 66(11,12,13)
Mead Corp Sept 66(2,4,7,12,13)	1-2267-2	0-1693-2
Noramco Inc Sept 66(12)	1-4062-2	National Telefilm Associates Inc
Soo Line RR Co Sept 66(12)	1-4552-2	Sept 66(7,8,13)
		0-57-2
Acme-Hamilton Mfg Corp		Rochester Gas & Electric Corp
July 66(7,13)	1-775-2	Sept 66(7,13)
Applied Research Inc July 66(2)	2-18350-2	1-672-2
Cornet Stores Sept 66(11)	2-16975-2	Trans-Texas Airways Inc
Hess Oil & Chemical Corp Sept 66(12)1-1951-2		Sept 66(4,7,8,12,13)
Interstate Securities Co		0-334-2
Sept 66(12,13)	0-99-2	
Kennesaw Life & Accident Ins Co		Iowa Public Service Co Sept 66(8)1-5131-2
Sept 66(1,2,7,9,11,13)	0-710-2	Levitt & Sons Inc Sept 66(12)
Magnasync/Moviola Corp		1-4770-2
Sept 66(7)	2-16177-2	Marion Laboratories Inc Sept 66(7)2-23862-2
Metropolitan Development Corp		F H Mc Graw & Co
Aug 66(7,13)	0-1206-2	Sept 66(3,4,7,9,11,12,13)
Ramo Inc Sept 66(2,4,10,11,13)	2-8278-2	0-939-2
Reeves Broadcasting Corp Sept 66(7,8)1-4361-2		Northern Pacific RY Co Sept 66(13)1-1413-2
		Pioneer Natural Gas Co Sept 66(8)0-525-2
Ansul Co Sept 66(12)	1-4606-2	Sun Electric Corp Sept 66(7,13)
Diversified Metals Corp		2-24843-2
Sept 66(2)	1-5227-2	American Air Filter Co Inc
Farmland Inc Sept 66(11)	0-475-2	Sept 66(7)
Guerdon Industries Inc		1-5082-2
Sept 66(2,8,12,13)	1-4317-2	Central Charge Service Inc
Haverhill Gas Co Sept 66(7,11,13)0-1166-2		Sept 66(12)
International Tel & Tel Corp Sud America		1-4755-2
Sept 66(7,13)	1-4458-2	Cook Corfe Co Sept 66(7)
Levin-Townsend Computer Corp		1-4959-2
Sept 66(3,7,12,13)	1-5242-2	W K Grace & Co Sept 66(7,13)
Lucky Stores Inc Sept 66(7)	1-4839-2	1-3720-2
Opelika Mfg Corp Sept 66(4,7,13)	1-4160-2	Harbison-Walker Refractories Co
Western Power & Gas Co Inc		Sept 66(8)
Sept 66(7,13)	0-954-2	1-1220-2
		International Harvester Co
		Sept 66(12)
		1-5236-2
		International Harvester Overseas Capital Corp
		Sept 66(7)
		1-5217-2
		LNC Corp Sept 66(11,12,13)
		0-1763-2
		Lehigh Coal & Navigation Co
		Sept 66(11,13)
		0-1760-2
		Natural Gas Pipeline Co of America
		Sept 66(7,13)
		2-14243-2
		Nevada Power Co Sept 66(8)
		1-4698-2
		Palomar Mortgage Co
		Sept 66(1,12,13)
		0-1873-2
		Angeles Crest Development Co Inc
		Sept 66(11)
		2-17651-2
		Herman & Appley Inc
		Sept 66(2,4,7,13)
		2-19232-2
		Horn & Hardart Co Sept 66(8)
		1-5066-2
		Leasco Data Processing Equipment Corp
		Sept 66(12)
		1-5288-2

Allied Mills Inc Sept 66 (11)	1-90-2	Norfolk & Western Ry Co	
Anelex Corp Sept 66 (12)	1-4829-2	Sept 66(3)	1-546-2
Trailer Train Co		Norton Company Sept 66(8)	1-4760-2
Sept 66 (7,13)	2-20540-2	Oil Recovery Corp Sept 66(7,10)	2-15599-2
Conductron Corp		Oriskany Industries Inc Sept 66(11)	0-1824-2
Sept 66 (11,13)	1-5043-2	Unexcelled Inc Sept 66(7)	1-5303-2
Virginia & Southwestern Ry Co		Universal Automated Industries Inc	
Sept 66 (11)	1-749-2	Sept 66(3,8,12,13)	1-3237-2
Wash Gas Light Co		VTR Inc Sept 66(12)	1-3393-2
Sept 66 (12)	1-1483-2	Williamhouse Inc Sept 66(12)	1-4559-2
Airlift Internatl Inc		Barton Distilling Co	
Sept 66 (3,7,12,13)	0-1846-2	Sept 66(7,12,13)	1-5193-2
Allis Chalmers Mfg Co		Jewel Tea Co Inc Sept 66(4,7,13)	1-385-2
Sept 66 (3)	1-2199-2	Louis Sherry Inc Sept 66(2,3)	1-4574-2
American Zinc Lead & Smelting Co		Mount Vernon National Life Ins Co	
Sept 66 (7)	1-59-2	Sept 66(12,13)	2-22273-2
Chi Musical Instrument Co		Real Estate Investment Trust of America	
Sept 66 (7)	1-4846-2	Sept 66(2,13)	1-4216-2
Craddock-Terry Shoe Corp		State Loan & Finance Corp	
Sept 66 (8,13)	0-542-2	Sept 66(7,13)	0-292-2
Pa Electric Co		Acme Precision Products Inc Sept 66(6)	1-3327-2
Sept 66 (11,13)	1-3522-2	Hycan Mfg Co Sept 66(11,13)	1-4375-2
Wallace-Murracy Corp		McCord Corp Sept 66(12,13)	1-1233-2
Sept 66 (3)	1-1095-2	Methode Electronics Inc	
Alabama Power Co		Sept 66(11,13)	2-24987-2
Sept 66 (3)	1-3164-2	Nelly Don Inc Sept 66(12)	1-4331-2
Albertson's Inc		Thorofare Markets Inc Sept 66(13)	0-19-2
Sept 66 (7,12,13)	0-1552-2	General Refractories Co	
BTU Eng Corp		Sept 66(4,7,13)	1-931-2
Sept 66 (11,12,13)	0-2247-2	Walter E Heller & Co	
Duriron Co Inc		Sept 66(7,8,9,12,13)	1-2291-2
Sept 66 (7,13)	0-325-2	Jayark Films Corp Sept 66(7)	2-18743-2
Sierra Elec Corp		Livingston Oil Co Sept 66(3,11)	1-4539-2
Sept 66 (8)	2-16355-2	Michigan Consolidated Gas Co	
Spector Inds Inc		Sept 66(7,13)	1-3071-2
Amd #1 to 8K for Aug 66 (2)	1-5206-2	Old National Ins Co Sept 66(2,13)	2-12395-2
Pa Gas & Water Co		United Capital Life Investors Corp	
Amd #1 to 8K for Jul 66 (13)	1-3490-2	Sept 66(7,8)	0-1076-2
Simon & Schuster Inc		American Recreation Centers Inc	
Amd #1 to 8K for Aug 66 (8)	0-389-2	Sept 66(9)	2-16911-2
Tonka Corp		Caldor Inc Sept 66(7,13)	1-4824-2
Amend #1 for Jan 66(4,7)	1-4863-2	Farrington Mfg Co	
		Sept 66(2,4,8,12,13)	0-1530-2
		Merritt-Chapman & Scott Corp	
		Sept 66(2,8,13)	1-1390-2
		Presidential Life Ins Co Sept 66(7)	2-24018-2

SECURITIES ACT REGISTRATIONS. Effective October 19: Diamond International Corp., 2-24930 & 2-25233; Illinois Power Co., 2-25533; Liggett & Myers Tobacco Co., 2-25527.

*As estimated for purposes of computing the registration fee.

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