

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. 66-240)

FOR RELEASE December 16, 1966

NASD SANCTION UPHELD. In a decision under the Securities Exchange Act announced today (Release 34-8006), the Commission sustained NASD disciplinary action against John G. Abruscato, of Merrick, L. I., N. Y. The action was based upon NASD findings that Abruscato had violated its rules, while employed as a trader for H. M. Frumkes & Co., by selling securities at month-end dates at prices exceeding the prevailing market with the understanding that they would be repurchased at a premium, and wrote a sales ticket naming as buyer another firm which had not consented to the transaction. Upon learning of the latter, fictitious transaction, Frumkes & Co. discharged Abruscato and reported the matter to the NASD. In its investigation, the NASD discovered that Abruscato between October 26, 1964 and February 1, 1965, entered into a series of transactions in stock of Old Hickory Copper Co. whereby shortly before the end of each month he effected for the firm trading account sales of Old Hickory stock at prices in excess of the prevailing market as indicated by the daily sheets published by the National Quotation Bureau, Inc. and repurchased such stock within a few days for settlement the succeeding month at premiums of 1/16 of a point. The fictitious transaction involved 3,500 shares of Old Hickory stock.

Abruscato did not deny any of these transactions. He attributed the fictitious transaction to an "error in judgment" on his part; and he defended the "parking" transactions as having been effected at the direction of and with the approval of and consent of Arthur Frumkes. The Commission sustained the NASD findings and agreed with its rejection of Abruscato's defenses, stating that his explanation of the transactions was extremely vague and general and that he offered no evidence, and there is none in the record, to support his suggestions that Frumkes had approved his actions. The Commission also sustained the NASD sanction: revocation of Abruscato's registration as a registered representative and assessment of \$62.91 in costs. The Commission indicated, however, that certain mitigating factors urged by Abruscato could be considered with other relevant circumstances if Abruscato should seek employment with an NASD member at some later date.

BALANCED PROGRAMS REVOKED. The SEC today announced that an order of Hearing Examiner Samuel Binder revoking the broker-dealer registration of Balanced Programs, Ltd., 31-14 Broadway, Astoria, N. Y., expelling the firm from NASD membership, and barring Charles S. Sperrazza, its president and controlling stockholder, from further association with any broker-dealer has become effective. The Examiner's initial decision was issued on November 21 in private proceedings. The respondents did not seek Commission review of the decision.

In his decision, the Examiner held, among other things, that in 1962-1963 the respondents violated the registration provisions of the Securities Act in the sale of Balanced Programs 5 $\frac{1}{2}$ %, \$100 par value (non-voting accumulative) preferred stock. In addition, the Examiner ruled that prior to the effective date of Balanced Programs' registration as a broker-dealer (February 26, 1962), the respondents had violated the anti-fraud provisions of the federal securities laws in that the company and Sperrazza, in offering and selling Balanced Programs stock, had made highly optimistic and misleading representations to investors regarding the business and prospects of the company and the right of the investors to get their money back. Further, the Examiner held that subsequent to the effectiveness of Balanced Programs' registration as a broker-dealer and following the receipt by the company of financial statements prepared by its accountants which reflected substantial losses in the company's operations, the respondents made grossly false and misleading statements as to the business of the company, its earnings and its ability to pay dividends, and the right of investors to the return of their money upon request.

GPU RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15622) extending to December 31, 1966, the expiration date of a rights offering by General Public Utilities Corporation, New York, of 990,000 additional shares of common stock to its stockholders (see SEC News Digest of November 17).

BROAD STREET INVESTING SEEKS ORDER. Broad Street Investing Corporation, New York investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its securities at a price other than the current public offering price described in the prospectus in exchange for the assets of Livingston Management, Inc. The Commission has issued an order (Release IC-4789) giving interested persons until January 3 to request a hearing thereon. According to the application, Livingston is an investment company whose outstanding stock is owned by one individual. Pursuant to an agreement between Broad Street Investing and Livingston, substantially all of the cash and securities owned by Livingston, with a value of about \$957,481 as of October 10, 1966, will be transferred to Broad Street Investing in exchange for shares of its capital stock.

WILLIAMS ORDERED TO SHOW CAUSE. The SEC Denver Regional Office announced December 12 (LR-3622) that Robert G. Williams, of Dallas, was ordered to show cause why he should not be punished for criminal contempt (USDC, Denver) for violating a 1963 injunctive order in connection with the sale of securities of Black Angus Steak Houses, Inc.

OVER

FERRO CORP. PROPOSES OFFERING. Ferro Corporation, 4150 E. 56th St., Cleveland, Ohio 44105, filed a registration statement (File 2-25799) with the SEC on December 15 seeking registration of \$20,000,000 of debentures (due 1992). The debentures are to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture of procelain enamel frits and ceramic glazes. Of the net proceeds of this financing, approximately \$8,700,000 will be used to repay certain indebtedness and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,800,360 common shares, of which Minerals & Chemicals Philipp Corp. owns 10.1%. Harry T. Marks is president of the company.

LOUISIANA P&L FILES FINANCING PROPOSAL. Louisiana Power & Light Company, 142 Delaronde St., New Orleans La. 70114, filed a registration statement (File 2-25801) with the SEC seeking registration of \$16,000,000 of first mortgage bonds, due 1997, and 80,000 shares of cumulative preferred stock, \$100 par. The securities are to be offered for public sale at competitive bidding. A subsidiary of Middle South Utilities, Inc., the company will use the net proceeds for construction purposes, for the payment of bank loans in an amount not to exceed \$16,000,000, and for other corporate purposes. Its construction expenditures for 1967 are estimated at \$62,000,000.

TRADING BAN CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Sports Arenas, Inc., for a further 10-day period December 17-26, 1966, inclusive.

MERCANTILE INDUSTRIES FILES EXCHANGE PROPOSAL. Mercantile Industries, Inc., 69 W. Washington St., Chicago, Ill. 60602, filed a registration statement (File 2-25802) with the SEC on December 15 seeking registration of 692,833 shares of common stock. Of this stock, 671,525 shares are to be offered in exchange for all of the outstanding common stock of Mercantile Financial Corporation (Financial) on a share-for-share basis, and the remaining 21,308 shares are to be offered in exchange for any Financial shares which may be issued upon exercise of stock options prior to the termination of the exchange offer. The exchange offer is conditioned upon the acceptance thereof by the holders of at least 80.5% of Financial's outstanding common. Georgeson & Co., 52 Wall St., New York, has been engaged to solicit exchanges.

Organized under Delaware law in December 1966, the company was formed principally for the purpose of making the exchange offer. Subject to the exchange offer being declared effective, the company has agreed with the stockholders of A. C. McClurg & Co. to issue up to 65,115 shares of its preferred stock and 22,192 common shares for all of the outstanding stock of McClurg. Financial conducts a commercial and consumer financing business, and McClurg is engaged in the business of a wholesale book distribution. Assuming the acceptance of the exchange offer by LeRoy L. Kohn (president of the company) and certain members of his family, the Kohn family will own about 25% of the company's stock to be outstanding. J. Liston Nau is board chairman of the company.

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 December 5 News Digest.

Wisconsin Electric Power Co Nov 66(7)	1-1245-2	General Kinetics Inc. Nov 66(11)	0-1738-2
First Mississippi Corp Nov 66(9,12,13)	0-1866-2	Kaiser Aluminum & Chemical Corp Nov 66(4,7,10,13)	1-3605-2
Rayette-Faberge Inc Nov 66(3)	1-4342-2	Kaiser Steel Corp. Nov 66(7,13)	0-433-2
Tandy Corp Nov 66(11,13)	1-2186-2	Macy Credit Corp. Nov 66(11)	1-4570-2
Acme Precision Products Inc Nov 66(7,8)	1-3327-2	R. H. Macy & Co., Inc. Nov 66(11)	1-556-2
Combined Paper Mills Inc Nov 66(4,7,13)	0-1463-2	Oxford Paper Co. Nov 66(12)	1-3841-2
Commonwealth Oil Refining Co Inc Nov 66(3)	1-4900-2	Wellco Ro-Search Industries, Inc. Nov 66(11,12)	2-19017-2
Cameo-Parkway Records Inc Nov 66(12)	1-4672-2	Archer-Daniels Midland Co. Nov 66(11,13)	1-44-2
Lunkenheimer Co Nov 66(7)	0-342-2	Harshal Chemical Co. Nov 66(11,13)	1-3948-2
Signode Corp Nov 66(12,13)	1-1282-2	Management Assistance Inc. Nov 66(7,9)	0-2017-2
Louisiana-Delta Offshore Corp July 66(2,13)	0-1664-2	Safeway Stores, Inc. Nov 66(12,13)	1-41-2
Networks Electronic Corp Nov 66(7)	0-1817-2	Seeburg Corp (Del) Nov 66(13)	1-4631-2
Allied Life Insurance Co. Nov 66(11)	2-22626-2	Wolverine Aluminum Corp. Nov 66(9,13)	1-5074-2
Anderson, Clayton & Co. Nov 66(12,13)	1-3245-2	Colgate-Palmolive Co. Nov 66(12,13)	1-644-2
Banff Oil Ltd. Nov 66 (3,12)	1-3713-2	Douglas Aircraft Co. Inc. Nov 66(3)	1-1571-2
Puerto Rico Brewing Co., Inc. Nov 66(12)	0-1658-2	Hammermill Paper Co. Nov 66(12)	1-3100-2
Jos. Schlitz Brewing Co. Nov 66(3)	0-903-2	International Salt Co. Nov 66(3)	1-643-2
Siboney Corp. Nov 66(12)	1-3952-2	Pacific Oil & Gas Development Corp. Nov 66(1,13)	1-3757-2
Siskon Corp. Nov 66(2)	1-3420-2	Reynolds Metals Co. Nov 66(13)	1-1430-2
		United States Banking Co., Inc. Nov. 66(1,12,13)	2-12441-2
		Water Treatment Corp. Nov 66(12,13)	0-1735-2

Central Illinois Electric & Gas Co. Nov 66(11)	0-524-2	Chattanooga Gas Co Nov 66(11)	0-49-2
Hilton International Co. Dec 65(7)	1-5019-2	Dragor Shipping Corp Nov 66(2,7,13)	0-191-2
New England Power Co. Nov 66(11)	0-1229-2	Harnischfeger Corp Nov 66(13)	1-1288-2
Parkview-Gem, Inc. Nov 66(12,13)	0-9-2	Jamesbury Corp Nov 66(2)	0-1813-2
United Pacific Corp. Nov 66(2,4,8,11,13)	0-834-2	Robinson Technical Products Inc Nov 66(11,12,13)	1-4177-2
Boeing Co. Nov 66(7)	1-442-2	SVH Liquidating Corp Dec 66(12)	2-20137-2
Coastal States Gas Producing Co. Nov 66(11)	1-4718-2	Square D Co Nov 66(12)	1-2188-2
Essex Wire Corp. Nov 66(3)	1-5013-2	Unimed Inc Nov 66(4,7,13)	2-19352-2
General Baking Co. Nov 66(12)	1-1066-2	Dover Corp Nov 66(3)	1-4018-2
General Interiors Corp. Nov 66(4,7,8,12,13)	1-5038-2	Julius Garfinckel & Co Inc Nov 66(4,7,11,13)	0-2042-2
Household Finance Corp. Nov 66(2,7,13)	1-191-2	Globe-Wernicke Ind Inc Nov 66(2,3,7)	1-4172-2
MacMillan Ring-Free Oil Co., Inc. Nov 66(3)	0-1335-2	Hoover Ball & Bearing Co Nov 66(11)	1-1368-2
Minn Power & Light Co. Nov 66(10)	1-3548-2	Leece-Neville Co Nov 66(11,12,13)	1-5107-2
Tidewater Lumber Co., Inc. Nov 66(2)	2-19122-2	Pennsylvania Electric Co Nov 66(7,11,13)	1-3522-2
Ampex Corporation Nov 66(12,13)	1-4150-2	Pittsburgh Brewing Co Jan 66(13)	1-1364-2
Chicago South Shore & South Bend RR Nov 66(12,13)	1-3756-2	Puritan Fashions Corp June 66(11,13)	1-5071-2
Consumers Power Co. Nov 66(11,13)	1-2216-2	Taylor Instrument Companies Nov 66(11,13)	0-10-2
Gulf American Land Corp. Nov 66(12,13)	1-4470-2	Albion Malleable Iron Co Nov 66(7)	0-2289-2
Honeywell, Inc. Nov 66(13)	1-971-2	AME Inc Nov 66(2,12,13)	1-3365-2
Koppers Co., Inc. Nov 66(8)	1-3224-2	Gulf Power Co Nov 66(3)	2-4833-2
Mayflower Life Ins. Co. of Michigan Nov 66(12)	2-23599-2	New Haven Gas Co Nov 66(11)	0-1181-2
McCrorry Corp. Nov 66(3)	1-2759-2	Rath Packing Co Nov 66(10,12,13)	1-1285-2
Northern Indiana Public Service Co. Nov 66(13)	1-4125-2	Kaiser Steel Corp Amend #1 for Aug 66(7)	0-433-2
Transcontinental Investing Corp. Nov 66(6)	1-4945-2	Copymation Inc Amend #1 for Oct 66(12)	0-1969-2
Warren Telephone Co. Nov 66(11,13)	0-2224-2	Chesapeake & Pot. Tel. Co of West Va. Nov. 1966 (13)	2-14168-2
York Research Corp. Nov 66(2,13)	0-72-2	Farmland Ind, Inc Nov. 1966 (7,8)	2-7250-2
Zale Corp. Nov 66(11,13)	1-4129-2	Hygrade Packaging Corp Sept. 1966 (2,11,13)	2-18821-2
Continental Oil Co. Nov 66(8,13)	1-1131-2	Aeroquip Corp Nov. 1966 (7.13)	1-3775-2
Globe Industries, Inc. Nov 66(4,7,11,13)	0-133-2	Aluminum Co of Canada Ltd Nov. 1966 (12)	1-3677-2
Reece Folding Machine Co. Nov 66(11)	1-1786-2	Good Humor Co of Calif. Nov. 1966 (7,12)	1-3771-2
Seven Arts Productions Ltd. Nov 66(2,3,7,11,12,13)	1-5134-2	Printing Corp of America Nov. 1966 (7,13)	1-4968-2
Technology Inc. Nov 66(12)	2-24141-2	Sigma Instruments, Inc Nov. 1966 (70)	1-5130-2
Warner Bros. Pictures, Inc. Nov 66(1,3)	1-3727-2	Stapling Machines Inc Nov. 1966 (11,13)	2-24617-2
Florida Power & Light Co. Nov 66(12)	1-3545-2	Beech Aircraft Corp Nov. 1966 (7,8,10,13)	1-2839-2
Jervis Corp. Nov 66(1)	1-5073-2	Hoover Co(Del) Nov. 1966 (3,4,11,13)	0-2031-2
Kirby Petroleum Co. Nov 66(11)	1-4035-2	Investors Unlimited Inc Nov. 1966 (3,12,13)	0-2202-2
Scott Paper Co. Nov 66(13)	1-2300-2	Piasecki Aircraft Corp Nov. 1966 (3)	1-4006-2
Sullivan Cty Harness Racing Assn. Inc. Nov 66(8)	0-749-2	Alaska Airlines, Inc Nov. 1966 (2,7,8,12)	1-3314-2
Cowles Communications Inc Nov 66(12,13)	1-5221-2	Commonwealth Edison Co Nov. 1966 (7,13)	1-1839-2
Natural Gas Pipeline Co of America Nov 66(12)	2-16243-2	T.F. Publications, Inc Nov. 1966 (12,13)	0-2245-2
H K Porter Co Inc Dec 66(7)	1-4157-2		
Sola Basic Industries Inc Nov 66(7,13)	1-343-2		
Iowa Southern Utilities Co Nov 66(13)	0-849-2		
Pacific Gas Transmission Co Nov 66(12,13)	1-4946-2		
Simon & Schuster Inc Nov 66(11,12,13)	0-389-2		
General Foam Corp Nov 66(4,12,13)	1-4664-2		
Mem Co Inc Nov 66(8)	1-5292-2		
Russ Togs Inc Nov 66(4,11,13)	1-4703-2		
Valley Gas Co Nov 66(7,13)	0-1243-2		

Dixie Dinettes Inc Nov. 1966 (11,12)	0-1955-2	Bonneville Capital Corp Dec 66(2,11,13)	0-1204-2
General Builders Corp Nov. 1966 (3)	1-3389-2	Madison Life Ins Co Nov 66(7,10,11)	2-22173-2
Giant Food Proper ies, Inc Dec. 1966 (11)	0-55-2	Metro Inc Nov 66(11)	2-13132-2
K & M Electronics Co Nov. 1966 (12)	2-24411-2	Radio Shack Corp Nov 66(7,11)	0-1909-2
Kewanee Oil Co Nov. 1966 (11,13)	0-755-2	Shaker Properties Nov & Dec 66(3,7)0-1753-2	
		Supronics Corp Nov 66(11,12,13)	1-4613-2
Alterman Foods Inc Nov 66(8)	1-5063-2	Avien Inc Dec 66(3,11,13)	1-4190-2
Deltona Corp Nov 66(2,7,12)	1-4719-2	Ashland Oil & Refining Co Nov 66(7)1-2918-2	
General Motors Corp Nov 66(12,13)	1-143-2	Farmers Union Cooperative Marketing Assoc Nov 66(7,8)	2-22230-2
Walter Kidde & Co Inc Nov 66(4,7,10,11,13)	1-3226-2	Pat Fashions Industries Inc Nov 66(3)	2-23556-2
Levitt & Sons Inc Nov 66(7)	1-4770-2	Old National Insurance Co Nov 66(1,2,13)	2-12395-2
Marion Labs Inc Nov 66(3)	0-2264-2	Warner Electric Brake & Clutch Co Nov 66(12,13)	0-534-2
Texam Oil Corp Nov 66(2,3)	0-1917-2		
General Tel & Electronics Corp Nov 66(3)	1-2755-2	Citation National Life Corp Nov 66(1,3,12)	2-23116-2
Cascade Corp Nov 66(11,13)	0-160-2	I-T-E-Circuit Breaker Co Nov 66(3)1-3784-2	
Franchard Corp Nov 66(1,12,13)	0-855-2	Mid-America Ins Co Nov 66(2,7,11,13)	2-22921-2
Harvard Inds Inc Nov 66(12,13)	1-1044-2	United Republic Life Invst Co Nov 66(7)	2-23677-2
Pennsylvania Life Co Nov 66(12)	0-896-2	Can-Fer Mines Ltd Amend #1 for May 65 (9)	2-15951-2
Trans-Canada Pipe Lines Ltd Nov 66(7,8)	2-12927-2	Amend #1 for Feb 66(9)	2-15951-2
Volunteer Natural Gas Co Nov 66(11)	0-652-2		

SECURITIES ACT REGISTRATIONS. Effective December 15: Air California, 2-25653 (Mar 16); Airlift International, Inc., 2-25600 (40 days); Commonwealth of Australia, 2-25756 (Jan 25); Levin-Townsend Computer Corp., 2-25702 (Jan 25); Manpower, Inc., 2-25623; Pennzoil Co., 2-25704 (40 days); Sundstrand Corp., 2-25747. **Withdrawn December 15:** Home Mortgage Guaranty Insurance Investment Co., 2-25079; Olympic Life Insurance Co., 2-23707; White Shield Oil and Gas Corp., 2-25485.

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.

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