

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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LENOX FILES FOR OFFERING AND SECONDARY. Lenox, Incorporated, Prince and Meade Streets, Trenton, N. J., filed a registration statement (File 2-21206) with the SEC on March 25 seeking registration of 172,500 shares of common stock, of which 25,700 shares are to be offered for public sale by the company and 146,800 shares, being outstanding stock, by the holders thereof. Hemphill, Noyes & Co., 8 Hanover Street, New York, heads the list of underwriters. The public offering price (maximum \$18 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacturing and marketing of plastic and china dinnerware and giftware. The net proceeds from the company's sale of additional stock will be added to working capital to be eventually used in carrying out marketing research studies and market testing programs looking towards the production and distribution of a new product for the company. In addition to certain indebtedness, it has outstanding 440,400 shares of common stock, of which John L. Kuser, Jr., a director, and Walter G. Kuser, secretary own 18.21% each, Leslie Brown, Sr., a director, 12.26%, and management officials as a group 60.94%. John M. Tassie is president. The prospectus lists 14 selling stockholders including said persons; and the amounts proposed to be sold by each are to be supplied by amendment.

EMERSON ELECTRIC MANUFACTURING FILES STOCK PLAN. The Emerson Electric Manufacturing Company, 8100 Florissant Avenue, St. Louis, Mo., filed a registration statement (File 2-21207) with the SEC on March 25 seeking registration of 36,244 shares of common stock, to be offered pursuant to its 1961 Restricted Stock Option Plan for Members of Local 1102, I.U.E.-A.F.L.-C.I.O.

ITEK CORP. FILES STOCK PLAN. Itek Corporation, 10 Maguire Road, Lexington, Mass., filed a registration statement (File 2-21208) with the SEC on March 25 seeking registration of 129,788 shares of common stock, to be offered pursuant to its Incentive Stock Option Plan for Officers and Key Employees.

CONSOLIDATED NATURAL GAS PROPOSES DEBENTURE OFFERING. Consolidated Natural Gas Company, 30 Rockefeller Plaza, New York, filed a registration statement (File 2-21210) with the SEC on March 26 seeking registration of \$35,000,000 of debentures due 1988, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be used to repay a short-term construction bank loan of \$10,000,000 and to finance in part the 1963 construction program of the Consolidated system (estimated at \$78,000,000).

EMERSON ELECTRIC MANUFACTURING FILES STOCK PLAN. The Emerson Electric Manufacturing Company, 8100 Florissant Avenue, St. Louis, Mo., filed a registration statement (File 2-21211) with the SEC on March 25 seeking registration of 40,436 shares of common stock, to be offered pursuant to its 1961 General Restricted Stock Option Plan For Employees.

KEY TRAINING SERVICE FILES FOR OFFERING AND SECONDARY. Key Training Service, Inc., 407 Lincoln Road, Miami Beach, Fla., filed a registration statement (File 2-21212) with the SEC on March 26 seeking registration of 47,500 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 7,500 shares, being outstanding stock, by Seymour Collier, president and sole stockholder. The offering will be made at \$6.50 per share on a best efforts all or none basis by Seymour Blauner Company, 111 Broadway, and Shelton Securities Corporation, 663 5th Ave., both of New York, which will receive a 78¢ per share commission and up to \$11,000 for expenses. The statement also includes 5,000 shares underlying 5-year warrants to be sold to the underwriters at 1¢ each, exercisable at \$6.50 per share. A \$7,500 finder's fee is payable by the company to Richter & Co., Inc.

The company is principally engaged in the business of publishing home study courses by correspondence of a technical and non-technical nature through 47 licensed franchise dealers of the company in various parts of the country and in Ontario, Canada. The net proceeds from the company's sale of additional stock will initially be added to working capital and may be used in the future to defray increased selling and administrative expenses arising from a recent expansion of business; to meet costs of preparing, testing, purchasing, and promoting additional or new correspondence courses; and to acquire stock or assets of other companies engaged in publishing or selling correspondence courses or in other fields of business. The company has outstanding 75,500 shares of common stock, all of which are owned by Collier. As indicated, he proposes to sell 7,500 shares. Book value of stock now outstanding is \$1.11 per share.

PETERSON, HOWELL & HEATHER FILES FOR SECONDARY. Peterson, Howell & Heather, Incorporated, 2521 North Charles Street, Baltimore, filed a registration statement (File 2-21213) with the SEC on March 26 seeking registration of 33,383 outstanding shares of Class A common stock, to be offered for public sale by the holders thereof through Alex. Brown & Sons, 135 E. Baltimore St., Baltimore. The public offering price (maximum \$35 per share*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in providing a specialized fleet management service for corporations in this country and Canada whose field representatives require the regular use of automobiles for business.

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In addition to certain indebtedness, the company has outstanding 191,427 Class A and 164,197 Class B common shares, of which Harley W. Howell, president, Richard M. Heather, board chairman, and the executors of the estate of Duane L. Peterson, own 23,988, 11,861 and 7,526 shares, respectively, of the Class A shares. They propose to sell 16,000, 9,857 and 7,526 shares, respectively. Howell, Heather and Lawrence B. Fenneman, a director, hold as voting trustees 98.4% of the outstanding Class B stock, which class is convertible share for share into Class A stock from 1963 through 1969.

CITADEL LIFE OF NEW YORK FILES FOR RIGHTS OFFERING. The Citadel Life Insurance Company of New York, 444 Madison Avenue, New York, filed a registration statement (File 2-21214) with the SEC on March 26 seeking registration of 40,000 shares of capital stock. It is proposed to offer such stock for subscription by stockholders at the rate of two new shares for each three shares held. Unsubscribed shares (up to 20,000 shares) are to be offered for public sale by Alex. Brown & Sons, 135 E. Baltimore St., Baltimore, which will receive \$30,000 as compensation. Certain holders of Voting Trust Certificates for capital stock of the company have agreed to exercise their rights to subscribe for the additional 20,000 shares. The subscription price (maximum \$26 per share*) and record date are to be supplied by amendment.

The company is licensed to write life insurance, annuities, accident and health and non-cancellable disability insurance. The net proceeds from the stock sale will be invested initially in income producing securities in accordance with New York insurance law, and ultimately used to finance an increase in the company's insurance business, to set up required reserves for business to be written and to expand agency operations. The company has outstanding 60,000 shares of capital stock, of which seven voting trustees (Moshe B. Pomrock, president, and six other directors) hold 67.33%, Roland Investment Company, of Baltimore, owns 13.88%, and management officials as a group 6.13%.

BENSON & CO. TEMPORARILY SUSPENDED FROM NASD. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-7044) suspending C. A. Benson & Co., Inc., Pittsburgh, from membership in the National Association of Securities Dealers, Inc., for a period of 30 days, commencing April 1, 1963. Carl A. Benson and Peter A. Lagi, officers, were each found a cause of the suspension order.

In its decision, the Commission sustained findings by the hearing examiner that the firm and said persons, in the underwriting on a best efforts basis of a public offering of 10,000,000 common shares at 3¢ per share of Wyoming Nuclear Corporation pursuant to a claimed Regulation A exemption from Securities Act registration, violated the anti-fraud provisions of the Federal securities laws in that they bid for and purchased Wyoming shares for Benson & Co.'s own account while engaged in a distribution of such shares, and failed to disclose the facts with respect to the actual offering price, the method of distribution and Benson & Co.'s large inventory of Wyoming shares, and that the market price was a price determined by Benson & Co.'s own quotations. According to the decision, during October, 1959 - April, 1960, Benson & Co. sold to the public about 8,000,000 shares at 3¢ per share (receiving a .45¢ per share selling commission). During the same period, Benson & Co. purchased an additional 1,978,000 shares from the issuer at the same net price and placed these additional shares in its investment account. According to a report filed by Wyoming with the Commission in May 1960, the public offering of 10,000,000 shares had been completed as of April 1960. Shortly thereafter, Benson & Co. transferred the 1,978,000 shares to its trading account and thereafter made sales of these shares to the public at prices ranging from 6¢ to 10¢ per share. While the firm was selling shares acquired from Wyoming, it was also bidding for and purchasing Wyoming stock. Benson & Co.'s initial quotations published in the National Daily Quotation Sheets were 4.5¢ bid and 6¢ asked. Under the circumstances, the Commission ruled, the public offering had not been completed in April as stated in the report filed with the Commission, such offering in fact continuing during the immediately following period in which Benson & Co. sold Wyoming shares at prices in excess of the stated public offering price. By its activities, the Commission found, Benson & Co. also violated the Securities Act registration provisions in that there was no registration statement filed or in effect with respect to such shares and no exemption was available since the actual aggregate offering price exceeded the \$300,000 maximum permitted under Regulation A. Moreover, during May 1961, Benson & Co. purchased 767,500 Wyoming shares at 6¢ per share, increasing its net long position to 918,500 shares at the end of that month. In June 1961 it sold more than 860,000 shares in 328 separate retail transactions at 8¢ per share, and the Commission ruled that this activity constituted a distribution of Wyoming stock. During such distribution, Benson & Co. published bids for Wyoming stock and made additional purchases of more than 100,000 such shares at 6¢ per share during June 1961. By such bids for and purchases of Wyoming shares while engaged in a distribution of such shares, Benson & Co. violated SEC Rule 10b-6.

The Commission further concurred in the hearing examiner's finding that the violations are serious and a sanction is required in the public interest. The Commission observed, however, that certain mitigating factors are present, including the fact that respondents cooperated in these proceedings, made no effort to conceal their activities and had no prior experience in an underwriting of a new issue of securities. The Commission also observed that there are assurances that Benson & Co. will comply with applicable requirements in the future.

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the common stock and debentures of Continental Vending Machine Corporation for a further ten-day period, March 28 to April 6, inclusive.

SECURITIES ACT REGISTRATIONS. Withdrawn March 26: American Flag & Banner Co. of N.J. (File 2-20324).

*As estimated for purposes of computing the registration fee.