

# 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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SEC

(Issue No. 67-88)

FOR RELEASE May 9, 1967

**SECOND FIDUCIARY RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4947) authorizing Second Fiduciary Exchange Fund, Inc., Boston investment company, to issue its shares to Theodore T. Miller, one of its directors, in exchange for 1,000 shares of common stock of W. R. Grace & Co. deposited by Miller for inclusion in the Fund's portfolio.

**BROAD STREET RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-4949) authorizing Broad Street Investing Corporation, New York, to issue its shares at net value, without a sales charge, for substantially all of the cash and securities of Larson Corporation.

**CONNECTICUT L & P RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15731) authorizing The Connecticut Light and Power Company, Berlin, Conn., to sell at competitive bidding \$30,000,000 of first and refunding mortgage bonds, due 1997. Net proceeds of the sale will be used to reduce bank loans, estimated to be outstanding in the aggregate amount of \$36,500,000. Such bank borrowings have been or will be incurred to finance, in part, the company's 1967 construction program, estimated at \$46,500,000, and to supply funds for its investment in Connecticut Yankee Atomic Power Company.

**SENTENCES IMPOSED IN DENVER CASE.** The SEC Denver Regional Office announced April 28 (LR-3706) the imposition of sentences in an action involving the unlawful sale of securities of Insurance Investment Security, Inc., as follows: John Galbraith, 3½ years (Galbraith also placed on probation for five years and ordered to make restitution); Donald Borden, two years; Lawrence Kindlin, 5 years (of which 4½ was suspended), and Kindlin was then to be placed on probation and was ordered to make restitution; and Richard Coons, 3 years (of which all but 4 months was suspended, Coons then to be placed on probation and ordered to make restitution).

**NATIONAL AVIATION SEEKS ORDER.** National Aviation Corporation, New York investment company, has applied to the SEC for an exemption order under the Investment Company Act permitting its purchase of up to \$1,000,000 of convertible subordinated debentures of Whittaker Corporation; and the Commission has issued an order (Release IC-4948) giving interested persons until May 25 to request a hearing thereon. Whittaker has filed a registration statement proposing the public offering of \$12,000,000 of such debentures. Howard E. Buhse, a director of National Aviation, is a partner of Hornblower & Weeks-Hemphill, Noyes, one of the prospective underwriters of the offering. Under such circumstances, National Aviation's purchase of the debentures during the existence of the underwriting or selling syndicate, is prohibited by Section 10(f) of the Act unless the Commission grants an exemption from such prohibition.

**AMERICAN GAS PLAN SCHEDULED FOR HEARING.** The SEC has issued an order under the Holding Company Act (Release 35-15732) scheduling a hearing for June 8 upon a plan proposed by American Gas Company, Omaha, for its liquidation and the distribution of its net assets to the holders of its debt and equity security holders, to be followed by the company's liquidation. Previously, under Part I of the company's plan which had been approved by the Commission and the Federal court in Omaha, American Gas sold its gas utility properties and certain other assets to Northern Natural Gas Company for a cash consideration of \$2,383,717. This sale did not include its stock interest in a subsidiary, American Gas Company of Wisconsin, which is engaged in the sale of natural gas at retail in 18 communities in north-central Wisconsin.

American Gas now holds 1,590,500 shares (88%) of the Wisconsin subsidiary's outstanding stock; the balance is held by the Wisconsin Investment Board, an agency of the State of Wisconsin which also owns the \$2,100,000 principal amount of the subsidiary's 6½% first mortgage bonds, Series A, due 1986. Under Part II of its plan, American Gas will acquire an additional 400,000 shares of the subsidiary's stock at the \$400,000 par value thereof. The subsidiary will apply the proceeds to its construction program. American Gas will then make, pro rata, an initial cash payment of \$448,300 to the holders of its 6½% sinking fund subordinated debentures, outstanding in the principal amount of \$2,241,900; thereafter, to retire the remaining 80% of such debentures, American Gas proposes to distribute to holders of the debentures a total of about 1,380,000 shares of the Wisconsin subsidiary's stock, plus an estimated cash payment of \$97,000. The remaining shares of the subsidiary's stock will be distributed among the stockholders of American Gas. In Part II of its plan, American Gas contends that it is not obligated to pay a premium on the \$700,000 of its 6½% first mortgage bonds, due 1985, which were retired in December at their principal amount plus accrued interest under Part I of the plan.

**RAND DEVELOPMENT SUSPENSION CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending trading in securities of Rand Development Corporation, of Cleveland, for the further ten-day period May 10-19, inclusive.

OVER

**GLEN ALDEN SHARES IN REGISTRATION.** Glen Alden Corporation, 1740 Broadway, New York 10019, filed a registration statement (File 2-26505) with the SEC on May 5 seeking registration of 140,423 shares of \$2.25 senior cumulative convertible preferred stock, 178,422 shares of \$3.15 cumulative convertible preferred stock, and 333,334 shares of Class C (Contingent Preference) stock.

According to the prospectus, these shares are to be issued in connection with proposals (a) for the purchase by Glen Alden of substantially all of the assets, subject to substantially all of the liabilities, of The B.V.D. Company, Inc., and (b) the merger into Glen Alden of The Philip Carey Manufacturing Company. These proposals were submitted for approval by shareholders of the respective companies at meetings on April 12. Pursuant to terms of the purchase agreement with B.V.D., common stockholders of B.V.D. may elect to receive one share of the \$3.15 preferred or one share of the Class C preferred for each three shares of B.V.D. common held; and under the merger agreement with Philip Carey Mfg., holders of the latter's outstanding common will be entitled to receive in exchange one share of the \$2.25 senior preferred for each common share held. The prospectus further indicates that certain former shareholders of B.V.D. and of Philip Carey who are to receive the new Glen Alden shares being registered, while having no present intention of making a public offering thereof, are unwilling to represent that they are acquiring the shares not with a view to their distribution; accordingly, such shares are being registered. The principal recipients of the shares being registered are: Kirk & Ford, Nominee of The Fifth Third Union Trust Company, Robert S. King and Helen S. King, all of Cincinnati (74,376, 25,390 and 25,390 shares, respectively, of the \$2.25 senior preferred); Sol T. Scheinman, of White Plains, N.Y., trustee under agreement for Benefit of Jewish Home and Hospital for the Aged and Manhattan Eye, Ear and Throat Hospital (76,317 shares of \$3.15 preferred); and Mr. and Mrs. Sol Kittay, of New York City (333,334 shares of Class C preferred).

McCrorry Corporation owns all the 2,388,230 outstanding shares of common stock of Glen Alden-Delaware, Inc.; and through the latter it controls the ownership of 1,000,002 shares of B.V.D. common and 2,388,230 shares of Glen Alden common. McCrorry will receive 2,388,230 common shares of the new Glen Alden Corporation and the balance of 2,412,702 common shares are to be issued to the remaining shareholders of Old Glen Alden (the latter has been reincorporated under Delaware law and common shares issued on a share for share basis for shares of the former, Pennsylvania company). The Kittays, as holders of 333,334 shares of preference stock of Glen Alden-Delaware, Inc., will receive the 333,334 shares of Class C preferred.

**AMAX HOLDINGS SEEKS ORDER.** Amax Holdings, Inc., New York, has applied to the SEC for an order under the Investment Company Act requesting exemption from all provisions of the Act; and the Commission has issued an order (Release IC-4952) giving interested persons until May 23 to request a hearing thereon. According to the application, Amax was organized by American Metal Climax, Inc., to raise funds abroad for financing the expansion and development of the parent's foreign operations while at the same time providing assistance in improving the balance of payments position of the United States in compliance with the voluntary cooperation program instituted by the President in February 1965. Equity capital of not less than \$5,000,000 will be provided by the parent; and Amax intends to issue \$25,000,000 of debentures (guaranteed by the parent) for sale through underwriters outside the United States.

**STANLEY BICKMAN SENTENCED.** The SEC San Francisco Regional Office announced May 2 (LR-3707) that Stanley Bickman of Beverly Hills, Calif., who previously had entered a nolo contendere plea to an indictment charging fraud upon customers, received a 30-month prison sentence.

**BLACKSTONE VALLEY PROPOSES OFFERING.** Blackstone Valley Electric Company, 55 High St., Pawtucket, R. I. 02860, filed a registration statement (File 2-26509) with the SEC on May 5, seeking registration of \$7,000,000 of first mortgage and collateral trust bonds, due 1997, to be offered for public sale at competitive bidding.

The company is an electric utility operating wholly within Rhode Island and is a subsidiary of Eastern Utilities Associates, a registered holding company. The net proceeds to be received from its bond sale will be applied to the prepayment, without premium, of some \$6,250,000 of short-term bank loans. The balance will be used for the construction of additional facilities and for other corporate purposes. Construction expenditures are estimated at approximately \$2,000,000 for the calendar year 1967.

**KING RESOURCES FILES FOR OFFERING AND SECONDARY.** King Resources Company, Security Life Building, Denver, Colo. 80202, filed a registration statement (File 2-26510) with the SEC on May 5 seeking registration of \$5,500,000 of convertible subordinated debentures, due 1982, and 330,000 outstanding shares of common stock. These securities are to be offered for public sale in units consisting of \$500 principal amount of debentures and 30 common shares. The company will receive no part of the proceeds of the stock sale. The offering is to be made through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust Street, St. Louis, Mo. 63101; and the public offering price of the units (\$14 per share for the common maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriters for \$3,000, 5-year warrants for the purchase of 30,000 common shares, exercisable initially at the offering price of the shares to be offered for public sale.

The company is engaged in the acquisition, exploration, development and operation of oil and gas properties. It also develops and markets geologic studies designed to identify areas favorable for the discovery of oil and gas in commercial quantities and, in connection therewith, buys and sells oil, gas and mineral leases and has acquired interests in potash and other mining properties. The net proceeds from its debenture sale will be used for the following purposes: (a) to redeem at 106% any of the presently outstanding \$1,459,000 of convertible subordinated debentures not converted into common stock; (b) approximately \$3,000,000 to retire bank borrowings; (c) approximately \$1,000,000 to acquire oil and gas leases; (d) approximately \$1,000,000 to rework existing wells, to drill wells to develop producing lease blocks, to conduct geological, geophysical and other activities on mining claims and oil and gas leases and to conduct pilot mining operations where justified; and (e) for working capital. In addition to indebtedness, the company has outstanding 1,373,148 shares of capital stock, of which management officials own of record or beneficially

11.17%. John M. King is president and board chairman. The prospectus lists twelve selling stockholders, who own in the aggregate 968,787 shares (62.28%). The largest block (136,000 shares) is to be offered by King, who now owns 382,399 shares.

**COMPUTER APPLICATIONS PROPOSES OFFERING.** Computer Applications Incorporated, 555 Madison Ave., New York 10022, filed a registration statement (File 2-26511) with the SEC on May 5 seeking registration of \$3,500,000 of convertible subordinated debentures, due 1987, to be offered for public sale through underwriters headed by I. M. Rosenthal & Company, Inc. 5 Hanover Square, New York 10004. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company engages in operations in the analysis, programming and management services field, the operation of commercial data processing centers, and direct mail and lithography activities. A major portion of the net proceeds will be available for use in reducing the amount outstanding under a revolving credit agreement. The balance will be used as additional working capital for its present business including a continuing investment in its wholly owned subsidiary, SPEEData, Inc. In addition to indebtedness, the company has outstanding 1,074,775 common shares, of which management officials own 31%. John A. DeVries is board chairman and president.

**WASHINGTON GAS LIGHT PROPOSES OFFERING.** Washington Gas Light Company, 1100 H Street, N. W., Washington, D.C. 20005, filed a registration statement (File 2-26513) with the SEC on May 5 seeking registration of \$20,000,000 of first mortgage bonds, due 1992, to be offered for public sale at competitive bidding. A gas utility, the company will use the proceeds of its bond sale (a) to reimburse the treasury of the company for the repayment in the first quarter of 1967 of \$9 million of funds borrowed from banks for construction purposes in the latter part of 1966, (b) to pay for a part of the 1967 construction program of the company and its subsidiaries, now estimated at \$22 million, and (c) for other corporate purposes. The construction program of the company and its subsidiaries for the years 1967 through 1971 are estimated at \$120 million.

**FOUR STOCK PLANS FILED.** Form S-8 registration statements have been filed with the SEC proposing the offering of securities under employee savings, stock option and other plans, as follows:

King-Seeley Thermos Co., Ann Arbor, Mich. (File 2-26504) - 143,150 common shares  
 Consolidated Foods Corporation, Chicago, Ill. 60603 (File 2-26508) - 2,068 common shares  
 Commercial Solvents Corporation, New York 10017 (File 2-26514) - 100,000 common shares  
 The New Britain Machine Company, New Britain, Conn. 06050 (File 2-26518) - 75,000 common 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 May 2 News Digest.

Chester Electronic Laboratories, Inc. Mar67 (7,9)  
 0-1774-2

Hyster Company Mar66 (7) 0-1383-2  
 Maremont Corporation Mar67 (4,7,13) 1-4232-2  
 Occidental Petroleum Corp. Mar67 (2,7,13)  
 1-520-2

Pacific Industries, Inc. Mar67 (3) 1-1360-2  
 Penn Pacific Corp. Apr67 (2,7,13) 0-730-2  
 Railweight, Inc. Feb & Mar67 (11) 0-1440-2  
 West Ohio Gas Company Apr57 (11) 0-1091-2  
 Wheeling Steel Corp. Mar67 (3,13) 1-2394-2

Allied Life Insurance Co. Mar67 (1,11,13)  
 2-22626-2

American Book Company Mar67 (2,11,13)  
 1-4781-2

American Express Co. Mar67 (3,13) 0-783-2  
 American Gas Company Mar67 (3,13) 0-401-2  
 American Heritage Life Insurance Co. Mar67 (11)  
 2-12874-2

Anadite, Inc. Mar67 (7) 0-181-2  
 Buell Industries, Inc. Mar67 (12) 1-4619-2  
 Bush Terminal Company Mar67 (7) 1-3047-2  
 CCI Corporation Sept65 (3) 1-4239-2  
 L.E. Carpenter & CO. Apr67 (7,13) 1-4943-2  
 Central And South West Corp. Apr67 (11) 1-1443-2  
 Chamberlin Co. Of America Mar67 (2,13) 1-4207-2  
 Chesapeake & Ohio RY CO. Mar67 (3) 1-1261-2  
 The Chesapeake & Potomac Telephone Company  
 Mar67 (11) 2-17501-2  
 Chicago Title & Trust Company Apr67 (2,13)  
 1-4876-2  
 Consumer Acceptance Corp. Mar67 (2,6) 0-1334-2

Continental Steel Corp. Mar67 (12) 1-2330-2  
 Dresser Industries, Inc. Mar67 (7,11,13)  
 1-4003-3

Drew Properties Corp. Mar67 (12,13) 0-48-2  
 Dunlap & Associates, Inc. Mar67 (12) 2-18440-2  
 Fisher Governor Co. Mar67 (4,7,13) 1-5368-2  
 Giant Tiger Stores, Inc. Apr67 (11) 0-2215-2  
 W.R. Grace & CO. Mar67 (7,13) 1-3720-2  
 Hanover Shoe Inc. Apr67 (3,11) 0-897-2  
 Hartford Electric Light Company Mar67 (11,13)  
 0-522-2

Helms Products, Inc. Mar67 (2,13) 1-70-2  
 International Harvester Overseas Capital Corp.  
 Mar67 (12) 1-5217-2

International Salt Co. Mar67 (3) 1-643-2  
 Interphoto Corporation Mar67 (12) 1-4864-2  
 Koppers Co. Inc. Mar67 (7,13) 1-3224-2  
 Lake Central Airlines, Inc. Mar67 (7,8) 0-2147-2  
 Libbey-Owens-Ford Glass Co. Apr67 (11,13) 1-924-2  
 Lucky Stores, Inc. Mar67 (7,13) 1-4839-2  
 Matex Corp. Dec66 (2,13) 0-2112-2  
 The Midwestern Indemnity Co. Apr67 (11) 2-20971-2

Morton International, Inc. Mar67 (3) 0-1404-2  
 New Hampshire Insurance Co. Mar67 (7,11,13)  
 2-8873-2

Nordon Corp LTD Mar67 (12) 1-547-2  
 13500 Corp Formerly Mar67 (2,11,13) 1-4421-2  
 Pacific Tin Consolidated Corporation Mar67 (12)  
 1-228-2

Rogers Brothers Co., P.O. Mar67 (7,10)  
 0-1920-2

Roxbury Carpet Company Apr67 (2) 1-4058-2  
 Schick Electric Inc. Mar67 (2) 1-3594-2  
 Sel-Rax Corporation Mar67 (7) 1-4826-2  
 Talley Industries, Inc. Mar67 (7) 1-4778-2  
 Texaco Canada LTD. Apr67 (11) 2-7347-2  
 Tudor Industries Corp. Mar67 (2,8,13) 0-1808-2  
 United Telephone Co Of Penna Nov66 (7,13)  
 1-3531-2

**Amendments to 8 K**

Greater Iowa Corp. Amend #1 to 8K For Mar67  
 (2,9,13) 0-1403-2  
 Grow Chemical Corp. Amd#2 To 8K for July66(12,13)  
 1-4596-2  
 Piedmont Aviation, Inc. Amd#1 to 8K for Dec66(13)  
 0-1483-2  
 Products Research And Chemical Corp Amd#1 8K For  
 Oct66(13) 1-4852-2  
 Purolator Products, Inc. Amd#1 to 8K for Jan67 (12,13)  
 1-4728-2  
 Rexach Construction Co., Inc.  
 Amd#1 to 8K for Aug63, May, June&Dec 64, May & Oct 65,  
 Jan, Nov, & Dec66 (13) 0-889-2  
 Welsh Panel Company Amd #1 Dec66 (4,7)  
 2-20165-2

Brite Universal, Inc. Apr67 (12,13) 2-18612-2  
 Cincinnati Union Terminal Co. Apr67 (11)  
 1-839-2

Citadel Industries, Inc. Oct66 (2) 0-331-2  
 Dasa Corp. Mar67 (11,13) 0-2145-2  
 Foundation Life Insurance Co. Mar67 (1,3,7,9,13)  
 2-22942-2  
 Marin County Financial Corp. Apr67 (11)  
 2-20332-2  
 C.M. Masland & Sons Apr67 (11) 1-5244-2  
 Missouri Edison Co. Apr67 (7,13) 2-18052-2  
 Neisner Brothers Inc. Apr67 (11) 1-607-2  
 Oregon National Life Insurance Co.  
 Mar65 (11,13) 2-22328-2  
 Apr65 (1,2,13) 2-22328-2  
 Oct65 (2,12,13) 2-22328-2  
 Apr66 (9,11,13) 2-22328-2  
 May66 (10) 2-22328-2  
 June 66 (3) 2-22328-2  
 Sept66 (12) 2-22328-2  
 Nov66 (3) 2-22328-2  
 Dec66 (2,3) 2-22328-2  
 Jan67 (3) 2-22328-2  
 Mar67 (11,13) 2-22328-2  
 Pacific Southwest Airlines Mar67 (2,3,7,12,13)  
 1-5080-2  
 Sprouse Reitz CO., Inc. Jan67 (11)  
 0-1015-2

**Amendments to 8 K**

Hercules, Incorporated Amd.#1 for Mar67 (11)  
 1-496-2  
 Mankato Citizens Telephone CO. Amd. #1 For  
 July66 (7) 0-673-2

**SECURITIES ACT REGISTRATIONS. Effective May 5:** Foote, Cone & Belding, Inc., 2-26367.

**Effective May 8:** Ampal-American Israel Corp., 2-26406 (40 days); The Fund American Companies, 2-26386; Great Southern Financial Corp., 2-24781 (July 10); International Telephone and Telegraph Corp., 2-25884 & 2-26384; Park Consolidated Motels, Inc., 2-25789 (90 days); Sun Oil Co., 2-26427.

**Effective May 9:** First At Orlando Corp., 2-26038; Capitol International Airways, Inc., 2-26171 (90 days); Safe Flight Instrument Corp., 2-26248 (Aug 7).

**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.

**INDIVIDUALS' SAVING REPORTED.** The SEC reports (for May 10 Newspapers) that individuals' net financial saving amounted to \$26 billion in 1966, \$7.1 billion less than in 1965. Individuals increased their financial assets \$46.1 billion while the increase in individuals' debts (an offset to saving) rose \$20.1 billion. There was a changing pattern in the composition of individuals' saving with a major shift of saving from the usual thrift institutions into fixed-income securities. Yields on long-term bonds were pushed to their highest level in nearly 40 years reflecting the impact of a more restrictive monetary policy and a record demand for funds in the bond markets.

Saving in U.S. Government marketable obligations amounted to \$9.5 billion in 1966, up sharply from the preceding year and compares with the post-war high of \$9.2 billion in 1959. Net purchases of municipals totaled \$3.6 billion during the year, substantially higher than the \$2.4 billion in 1965. Individuals' investment in corporate bonds amounted to a record \$2.6 billion in 1966, up from \$2.3 billion in 1965. Corporate bond offerings during the year included the largest amount of convertible debentures offered to date.

Individuals sold stock, other than investment company shares, on balance throughout the year, with net sales totaling \$5.1 billion. Institutional investors and nonfinancial corporations, as has been the case in recent years, made substantial additions to their portfolios. (For further details, see Stat. Release No. 2202).

\*As estimated for purposes of computing the registration fee.