

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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NASD EXPULSION OF GORDON M. COPP AFFIRMED. In a decision announced today (Release 34-6644), the SEC sustained an order of the National Association of Securities Dealers, Inc., expelling Gordon M. Copp of San Francisco, Calif., from NASD membership for conduct inconsistent with just and equitable principles of trade and violative of the NASD's Rules of Fair Practice.

The NASD's District Business Conduct Committee No. 7, in a proceeding involving Jerry Thomas & Company, Inc., found that said firm and Copp, a sales representative of the firm, violated the NASD Rules of Fair Practice. The Committee revoked Copp's registration, censured the Thompson firm and imposed a \$750 fine against the latter. Copp appealed to the NASD Board of Governors, which sustained the Committee's order of expulsion against him. Copp then petitioned the Commission for review of the expulsion order, but he did not specify the factual or legal basis of his appeal.

The NASD found that Copp in December 1958, while acting as a sales representative of the Thompson firm, caused it to execute orders for the purchase of securities in the accounts of three customers at a total cost of \$66,965, without authorization of such customers. The record of the hearing before the Committee contains evidence of these transactions, of the disclaimers of the customers, and of the firm's transfer of the securities to Copp's account when it was advised of the customers' repudiations of the orders in their accounts. Copp also caused the firm to violate certain provisions of Regulation T. Accordingly, the Commission dismissed Copp's review petition.

DEERE & CO. PROPOSES DEBENTURE OFFERING. Deere & Company, 1325 Third Avenue, Moline, Ill., filed a registration statement (File 2-19119) with the SEC on October 11th seeking registration of \$35,000,000 of debentures due 1986, to be offered for public sale through underwriters headed by Harriman Ripley & Co. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company manufactures, distributes and finances the sale of farm equipment and small and medium sized construction equipment, principally in the United States and Canada. It also produces nitrogen and ammonium phosphate fertilizers. Net proceeds from the debenture sale, will be used to reduce short-term indebtedness to banks, amounting to about \$45,750,000. In addition to certain indebtedness, the company has outstanding 6,901,000 shares of common stock, of which 15% is held by Lloyd E. Kennedy, a director, and Vincent V. Miller, as co-trustees of 17 trusts whose principal beneficiaries are descendants of Charles H. Deere, deceased. William A. Hewitt is listed as president.

SUPER VALU STORES FILES FOR OFFERING AND SECONDARY. Super Valu Stores, Inc., 101 Jefferson Avenue, Hopkins, Minn., filed a registration statement (File 2-19120) with the SEC on October 11th seeking registration of 115,000 shares of common stock. A portion of such stock (to be supplied by amendment) is to be offered for public sale by the company and the balance, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by White, Weld & Co. and J. M. Dain & Co., Inc. The public offering price and underwriting terms are also to be supplied by amendment.

The company is a distributor of food and associated products to approximately 650 franchised retail food stores located in nine upper Midwest states. Most of such stores are members of one of two voluntary groups of retail food stores sponsored by the company. While most of such franchised stores are independently owned, the company and its subsidiary own, or have a majority interest in, 19 such stores. In addition to supplying a broad line of food products, the company and its wholly-owned subsidiaries also supply these franchised stores with a wide variety of administrative, operating and financial services. Of the net proceeds from the company's sale of additional stock, \$1,600,000 will be used to repay a temporary bank loan incurred to finance in part the company's acquisition of the properties of The Eavey Company of Xenia, Ohio acquired in August 1961. The balance initially will be added to the general funds of the company and ultimately will be utilized, together with funds generated through operations, to finance increased inventories and fixed asset additions.

In addition to certain indebtedness and preferred stock, the company has outstanding 1,477,872 shares of common stock, of which 56% (owned by some 650 holders) is held under a Voting Trust Agreement. Included in such Trust are 11.6% of the outstanding stock beneficially owned by L. B. Newell, a director, and 20.7% by management officials as a group. The list of selling stockholders and the amounts owned and proposed to be sold by each is to be supplied by amendment.

CAMPUS CASUALS OF CALIF. FILES FOR SECONDARY. Campus Casuals of California, 719 South Los Angeles St., Los Angeles, filed a registration statement (File 2-19121) with the SEC on October 11th seeking registration of 140,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by William R. Staats & Co. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 6,000 outstanding shares underlying five-year options sold to the principal underwriter by the selling stockholders for \$3,000, exercisable initially at 110% of the public offering price.

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The company presently engages in the manufacture and sale of popular priced ladies' sportswear and popular and higher priced dressy dresses and cocktail dresses. It has plans for expanding its operations into related fields of the apparel industry such as other types of women's apparel and apparel for men and for children. As a first step in the implementation of the company's expansion plans, the company acquired on June 30, 1961, the operating assets of Diane Rich of California, an affiliated company, which was engaged in the business of importing sweaters and merchandising sweaters and other sportswear items. The second step will be the merger into the company in December 1961 of Lilli Diamond Originals, Inc., and its three affiliated companies, all California ladies apparel manufacturing companies, in exchange for 147,000 shares of company stock. The company will have outstanding 400,000 shares of common stock (after giving effect to a proposed recapitalization whereby the 712 capital shares now outstanding will be exchanged for 253,000 new shares and the issuance of said 147,000 shares), of which Harry Ross, board chairman and president, Al Chase, vice president, and Al Diamond, secretary, will own 245,292, 70,650 and 71,200 shares, respectively, and propose to sell 88,550, 25,725 and 25,727 shares, respectively.

CRYPLEX INDUSTRIES FILES FOR OFFERING. Cryplex Industries, Inc., 37 East 18th Street, New York, filed a registration statement (File 2-19116) with the SEC on October 10th seeking registration of 80,000 shares of common stock, to be offered for public sale at \$3.75 per share. The offering will be made on a "best efforts all or nothing" basis by Herbert Young & Co., Inc., which will receive a \$.46875 per share selling commission and \$12,500 for expenses. The registration statement also includes 16,000 shares underlying five-year options to be sold to the underwriter at one mill each, exercisable at \$1 per share, and 4,000 shares underlying like options to be sold to Wm. M. Rosenbaum & Co., a finder.

The company is engaged in the business of manufacturing simulated pearls and other plastic products in the nature of jewelry, dress accessories and novelties. The \$227,500 estimated net proceeds from the stock sale will be used to develop facilities for the integrated manufacturing of simulated pearl buttons, to develop and purchase machinery, for moving to new quarters and installation costs preparing the plant for operation, and for working capital and general corporate purposes.

In addition to certain indebtedness, the company has outstanding 111,000 shares of common stock, of which Leon Laufer, president, and Irving Haber, secretary-treasurer, own 49.5% each. After the sale of new shares, the present book value of 69¢ per share will be increased to \$1.59 per share.

TIDEWATER LUMBER PROPOSES OFFERING. Tidewater Lumber Co., Inc., 1600 Hillside Ave., New Hyde Park, N. Y., filed a registration statement (File 2-19122) with the SEC on October 11th seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts basis by Rubin, Rennert & Co., Inc., which will receive a 10% selling commission plus \$25,000 for expenses. Also included in the statement are 10,000 outstanding common shares to be sold by the company's president to the underwriter at 10¢ per share, and 13,500 shares underlying an option to be granted by the company to the underwriter, exercisable at \$7.50 per share after three years but within five years.

The company is engaged in the business of wholesale buying and selling of lumber. It now has outstanding 315,000 common shares with an August 31st book equity of about \$.98 per share, all but 5,000 shares of which are owned by Herbert M. Seaman, president. The \$855,000 estimated net proceeds of the sale of additional stock will be used (a) to provide a 50%-owned subsidiary (the company has an option to purchase the other 50%) with additional working capital in the amount of \$100,000; (b) to repay about \$400,000 of indebtedness arising out of the financing of accounts receivable; and (c) to provide additional working capital for expanded activity. According to the prospectus, upon sale of the additional stock, the public will have contributed \$1,000,000 for a 38.8% interest in the company, whereas the owners of the outstanding shares which had an August 31st book equity of \$308,686 will own the remaining 61.2%.

GENERAL TELEPHONE OF FLORIDA PROPOSES BOND OFFERING. General Telephone Company of Florida, 610 Morgan St., Tampa, Fla., filed a registration statement (File 2-19123) with the SEC on October 11th seeking registration of \$15,000,000 of First Mortgage Bonds, Series H, due 1991, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corporation. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Net proceeds from the bond sale will be employed to the extent of \$11,300,000 to repay bank loans incurred for 1961 construction, with the balance of \$3,700,000 being added to treasury funds from which additional expenditures for the 1961 construction program will be made. Gross additions to telephone plant scheduled for 1961 are estimated at \$32,454,000.

WISCONSIN MICHIGAN POWER PROPOSES BOND OFFERING. Wisconsin Michigan Power Company, 231 West Michigan St., Milwaukee, filed a registration statement (File 2-19124) with the SEC on October 11th seeking registration of \$4,000,000 of First Mortgage Bonds due 1991, to be offered for public sale at competitive bidding. Net proceeds from the bond sale will be used to retire short term bank loans aggregating \$2,000,000, to reimburse the company's treasury for capital expenditures previously made, and to finance in part the cost of continuing additions and improvements to the company's utility property. Construction expenditures from July 1, 1961 to December 31, 1962 are estimated at \$6,500,000.

FOUR DELISTINGS APPROVED. The SEC has issued orders under the Securities Exchange Act (Release 34-6653) granting applications of the (a) American Stock Exchange to delist the capital stock of Richwell Petroleum Ltd.; (b) New York Stock Exchange to delist the common stock of Pacific Finance Corporation; and (c) Pacific Coast Stock Exchange to delist the common stock of Prince Consolidated Mining Company and the \$4.50 series cumulative preferred stock of Spiegel, Inc. All delistings are effective at the close of the trading session on October 27, 1961.

HONOLULU GAS FILES FOR RIGHTS OFFERING. Honolulu Gas Company, Ltd., 1050 Bishop Street, Honolulu, Hawaii, filed a registration statement (File 2-19126) with the SEC on October 11th seeking registration of 73,062 shares of common stock. Of this stock, the company proposes to offer 66,420 shares for subscription by stockholders on the basis of one new share for each five shares held. The record date and subscription price are to be supplied by amendment. No underwriting is involved. The remaining shares will be offered to employees at the subscription price to stockholders.

The company is an operating public utility corporation furnishing gas service to Honolulu and some suburban areas on the Island of Oahu, Hilo on the Island of Hawaii and Kahului on the Island of Maui. Net proceeds of its sale of additional stock will be used for property additions and improvements, including the payment of some \$800,000 of short term bank loans obtained for financing such additions. Capital expenditures are estimated at \$1,451,620 for 1961 and \$1,500,000 for 1962. In addition to indebtedness and preferred stock, the company has outstanding 332,100 common shares of which management officials own 9.6%. E. E. Black is board chairman and James C. Stopford president.

PROGRAMMING & SYSTEMS PROPOSES OFFERING. Programming and Systems, Inc., 45 West 35th Street, New York, filed a registration statement (File 2-19125) with the SEC on October 11th seeking registration of 40,000 shares of common stock, to be offered for public sale at \$3.50 per share. The offering is to be made on a best efforts "all or none" basis by D. M. Stuart & Co., Inc., which will receive a selling commission of 42¢ per share plus \$3,500 for expenses. Also included in the statement are an additional 10,000 shares, of which 5,000 are to be sold to the underwriter at 10¢ per share and 5,000 to Sidney C. Auerbach at 20¢ per share for services as a finder, together with shares underlying 12,000 Class A and 3,000 Class B common stock warrants to be sold to another finder, Sidney Bertner, at 1¢ each, exercisable at \$3.50 per share as to the Class A and \$4.50 per share as to the Class B stock within five years.

Organized in July 1959 under the name Programming and Systems Institute, Inc., the company offers courses and conducts classes designed to teach individuals computer programming and the operation of electronic data processing machines. It opened a branch office in Washington, D. C. in January 1961. It has added a key punch school and offers consulting services to business firms on the operation of their own data processing systems. Net proceeds of the company's sale of additional stock, estimated at \$98,000, will be used to expand its facilities, both in New York and Washington; and the company intends to open branches in one or more major cities in the United States. The company now has outstanding 71,500 common shares, with an August 31st book value of 22¢ per share, of which 25,500 are owned by Irwin Mautner, vice president, and 28,000 by Alan R. Ackerman. The prospectus lists James W. Greenwood III as board chairman and Henry E. Kron as president.

EDWARDS & HANLEY FILES FOR OFFERING. Edwards & Hanley Participations, 100 North Franklin Street, Hempstead, N. Y., today filed a registration statement (File 2-19127) with the SEC seeking registration of \$1,500,000 of Limited Partnership Interests. The interests will be offered for public sale in \$25,000 units. The partnership was organized on October 11th under New York law with Edwards & Hanley (a partnership composed of Herbert G. Edwards, Mortimer G. Hanley and others) as its sole General Partner and each such person as a Limited Partner. The limited partners have each committed \$25,000 to the partnership (of which \$1,000 has been paid by each). The Partnership was formed for the purpose of acquiring oil, gas and other mineral interests. It will be managed by the General Partner, which will receive compensation by way of salary and will have a capital percentage interest in the partnership. The Partnership proposes to become the sole limited partner in Dillon Oil & Gas Participations, whose operations will be conducted primarily by H. L. Dillon, Jr. and his organization (in Houston). Proceeds of the sale of interests in the Partnership will be invested in Dillon partnership participation agreements.

SECURITIES ACT REGISTRATIONS. Withdrawn October 10: Whitestone Petroleum Corp. (File 2-18516). Effective October 12: Caldor, Inc. (File 2-18582); General Foam Corp. (File 2-18690); Holiday Inns of America, Inc. (File 2-18509); Investors Associates, Inc. (File 2-18945); Plastison Corp. (File 2-18087); Sterling Seal Co. (File 2-18623). Withdrawn October 12: National Western Management Corp. (File 2-17657).

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