

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 December 13, 1965

SUPERIOR SECURITIES REVOKED; OFFICERS BARRED. In a decision under the Securities Exchange Act announced today (Release 34-7767), the SEC revoked the broker-dealer registration of Superior Securities Co., Inc., 1917 Superior Bldg., Cleveland, Ohio, for violations of the anti-fraud and other provisions of the Federal securities laws. The order also barred Nick Billie, the company's president and principal stockholder, from future association with a broker-dealer.

On the basis of the order for proceedings and the respondents' acknowledged default, the Commission found that in the offer and sale of its stock, Superior Securities, aided and abetted by Billie, made "untrue and misleading statements of material facts" concerning the minimum capital investments acceptable to the firm, the extent of Billie's personal capital investment in the company, the nature and extent of subordination agreements which it had entered into, and the term and conditions upon which the offering was being made. It was also found that the respondents violated the Commission's hypothecation, net capital, and bookkeeping rules.

SEC COMPLAINT NAMES SKAGIT VALLEY TELEPHONE, OTHERS. The SEC Seattle Regional Office announced December 9 (LR-3390) the filing of a complaint (USDC, Seattle) seeking to enjoin violations of the anti-fraud provisions of the Federal securities laws in the purchase of securities of Skagit Valley Telephone Co. The defendants named in the complaint, in addition to the issuer, are Glenn J. Stover, board chairman, Robert A. Ringman, president, and Hazel Greenwood, all of Mount Vernon, Wash., and Telephones, Inc., an Iowa corporation, of Chicago. Restitution is requested.

OHIO POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15361) authorizing Ohio Power Co., Canton, Ohio, electric-utility subsidiary of American Electric Power Co., Inc., to sell at competitive bidding \$50,000,000 of first mortgage bonds and \$40,000,000 of sinking fund debentures (both due 1996). According to the application, the company will use the net proceeds of this financing, in part, to prepay some \$35,000,000 of outstanding bank notes issued for construction purposes. The balance will be added to general funds which, together with \$10,000,000 cash capital contribution from the company's parent, will be applied to the cost of its construction program (estimated at \$93,800,000 for 1966).

PILGRIM FINANCIAL AND GROWTH FUND SEEKS ORDER. Pilgrim Financial and Growth Fund, Inc., Tenafly, N. J., open-end diversified investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares at net asset value for substantially all the cash and securities of Cambridge Growth Fund, Inc., a Delaware corporation which is also registered as an open-end diversified investment company. The Commission has issued an order (Release IC-4438) giving interested persons until December 29 to request a hearing thereon. According to the application, the net assets on November 12, 1965, of Pilgrim amounted to \$493,623 and the net assets of Cambridge was \$154,895.

M. I. T. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4439) authorizing the Massachusetts Investors Trust, Boston, Mass., to issue its shares at net asset value in exchange for substantially all of the cash and securities of Kinco, Inc. According to the application, Kinco's net assets approximate \$4,040,000.

WALDORF SYSTEMS SEEKS ORDER. Waldorf Systems Incorporated, New York, and Restaurant Associates, Inc., New York, have applied to the SEC for an exemption order permitting (1) certain transactions incident to the proposed acquisition by a wholly owned subsidiary of Waldorf of substantially all of the assets of Restaurant Associates, subject to substantially all of its liabilities, for 1,060,686 shares of Waldorf's common stock and (2) participation by certain affiliated persons in such transactions. The Commission has issued an order (Release IC-4441) giving interested persons until December 28 to request a hearing thereon. Waldorf and Associates are both engaged primarily in the restaurant business. Waldorf has outstanding 469,900 common shares, of which A. M. Capital Corporation, a closed-end non-diversified investment company, owns 14%. Waldorf owns 21.3% of Associates' outstanding 771,408 common shares and has an irrevocable proxy for one year to vote 220,492 shares, or 28.6%. The effect of the proposal will be to exchange 1,375 shares of Waldorf stock for each share of Associates' stock outstanding. Associates will distribute to its stockholders the Waldorf stock received in exchange for its assets, and will be dissolved. The exemption order is sought because of certain inter-company affiliations of management officials.

DANA CORP. FILES STOCK PLANS. Dana Corporation, 4100 Bennett Rd., Toledo, Ohio, filed a registration statement (File 2-24308) with the SEC on December 10 seeking registration of 150,483 shares of common stock, to be offered pursuant to its Second Employees' Stock Option Plan, Third Employees' Stock Option Plan, and Perfect Circle Options.

PAUL FRICKE SENTENCED. The SEC Chicago Regional Office announced December 8 (LR-3391) that Paul G. Fricke of Rockford, Ill., had received a one-year prison sentence upon his plea of guilty to charges of violating the anti-fraud provisions of the Securities Act (USDC, ND, Ill.), to be followed by five years' probation. The violations involved sale of personally-owned stock of Dualoc Drive, Inc.

OVER

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 caption of the several items of the form was included in the December 1 News Digest.

Babcock Electronics Corp. Sep 65 (11)	0-1740-2
Riverside Financial Corp. Oct 65 (3,13)	0-203-2
Wichita River Oil Corp. Dec 64 (11)	1-1637-2
Continental Screw Co. Sep 65 (8,11)	0-1910-2
Motor Coils Manufacturing Co. Oct 65 (3,7,8)	2-18583-2
Electro-Tec Corp. May 64 (2)	0-1660-2
New York Central RR Co (Del) Nov 65 (7,13)	1-4480-2
R T & E Corp. Oct 65 (4,7,8,13)	2-14372-2
Redwing Carriers, Inc. Amended 8K for Jun 65 (13)	1-4806-2
Manhattan Shirt Co. Amended 8K for Sep 65 (4,7,13)	1-241-2
Automatic Retailers of America Inc. Sep 65 (7)	1-4762-2
Aerovox Corp. Oct 65 (7,13)	0-782-2

SECURITIES ACT REGISTRATIONS. Effective December 10: Ampal-American Israel Corporation, 2-24212 (40 days). Effective December 13: Consultants & Designers Inc., 2-24193 (Jan 22); Ohio Power Co., 2-24168; Sharon Steel Corp., 2-24259 (Jan 22). Withdrawn December 10: Arizona-New York Harness Racing, Inc., 2-23037; Juniper Oil & Gas Co., 2-23221; Petrofloods, Ltd., 2-22012.

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.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended December 9, 1965, 28 registration statements were filed, 27 became effective, 2 were withdrawn, and 311 were pending at the week-end.

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