

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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KIN-ARK MANAGEMENT PROPOSES OFFERING. Kin-Ark Management Corp., 1579 East 21st Street, Tulsa, Okla., filed a registration statement (File 2-24407) with the SEC on January 10 seeking registration of \$2,000,000 (400 units) of participations in the Kin-Ark 1966 Exploration Program. It is proposed that Kin-Ark Oil Company, a Delaware corporation, will be engaged to explore on behalf of the Management Corp., for the benefit of participants in the Program, for oil, gas and other hydrocarbons. The Oil Company will become a participant on the same basis as any other participant, and has agreed to subscribe to an Exploration Fund commitment and participation equal to one-third of the total commitments of all other participants. The offering is to be made by F. S. Moseley & Co., of 50 Congress St., Boston, as Soliciting Agent. Howard K. Edwards is president of the Management Corp. and also of the Oil Company.

PRUDENTIAL OIL PROPOSES OFFERING. Prudential Oil Corporation, One Rockefeller Plaza, New York, filed a registration statement (File 2-24408) with the SEC on January 10 seeking registration of \$5,000,000 of Units (500) in its 1966 Annual Drilling Fund, Series Twelve, to be offered for sale at \$10,000 per unit. The proceeds will be used for financing the acquisition, testing, development and operation of oil and gas leaseholds on behalf of the purchasers. Prudential Oil will manage the program. Nathan M. Shippee is president.

HOOVER BALL AND BEARING FILES STOCK PLAN. Hoover Ball and Bearing Company, 135 East Bennett St., Saline, Mich., filed a registration statement (File 2-24409) with the SEC on January 10 seeking registration of 85,811 common shares, to be offered pursuant to the company's Qualified Stock Option Plan.

K & M ELECTRONICS PROPOSES OFFERING. K & M Electronics Company, 109 Hopkins Place, Baltimore, Md., 21201, filed a registration statement (File 2-24411) with the SEC on January 10 seeking registration of 450,000 shares of common stock, to be offered for public sale on a best efforts basis by Chapin, Davis & Co., 4801 Roland Ave., Baltimore, Md. 21210. The offering is to be made at \$2 per share, with a 12¢ selling commission to the underwriter.

The company was organized in February 1964 "for the purpose of manufacturing and otherwise exploiting an invention designed to count and maintain records of physical inventories electronically, thus eliminating the need for manual or human counts. Shortly after incorporation, the company acquired certain patents and patent applications with respect to the invention, together with certain other assets, from a partnership consisting of Stephen R. Krause and Harvey L. Miller, two of the promoters of the company." Krause is president and Miller vice president of the company. According to the prospectus, a working model of the electronic control device has been installed in The Raleigh Manufacturers, Inc., a Baltimore clothing manufacturer which owns 6,000 shares of K & M stock. K & M has not yet produced any products for the market, nor realized any earnings or operating income to date, having been primarily engaged in the development of its KM-1000 device. It has also entered into a lease agreement with L. Greif & Bros., a manufacturer of men's suits. Net proceeds of the proposed stock sale will be used as follows: \$180,000 to purchase machinery, equipment, furniture and fixtures to establish a factory in Baltimore suitable for commercial production; and the balance will be used for working capital, primarily to finance the manufacture and marketing of the KM-1000. Organizers of the company received 588,000 Class A common shares in consideration of patent rights and services, of which Krause and Miller own 225,000 shares each.

HUBSHMAN FUND PROPOSES OFFERING. The Hubshman Fund Inc., 350 Park Ave., New York, N. Y., filed a registration statement (File 2-24410) with the SEC on January 10 seeking registration of 1,000,000 shares of common stock, to be offered initially at \$10 per share. The fund is a newly-organized open-end mutual fund sponsored by L. Hubshman & Co., Inc., and whose primary objective will be maximum growth of principal rather than current income. Hubshman Management Corporation of the Park Ave. address will serve as investment adviser. Louis Hubshman, Jr., board chairman of the Fund, is president and board chairman of the sponsor and president of the management company.

FOUR SUSPENSIONS CONTINUED. The SEC announced January 11 the issuance of orders suspending exchange and over-the-counter trading in securities of the following for an additional ten-day period, January 12-21, 1966, inclusive: Fotochrome, Inc., Bristol Dynamcis, Inc., Noramco, Inc., and Continental Vending Machine Corp.

INDICTMENT NAMES TOWNE, HARRIS & CO., OTHERS. The SEC New York Regional Office announced January 4 (LR-3399) the return of an indictment (USDC SDNY) charging violations of the Securities Act anti-fraud provisions by the following in sale of stock of Midland Capital Corporation and Electro-Temp Systems, Inc.: Towne, Harris & Co., Inc., of 50 Broadway, New York; Harris Freedman of Plainview, N. Y., its president; and four salesmen: Leonard Freedman, Bayside, N. Y., Fred Cimino, East Norwich, N. Y., Albert Hyman, New York City, and Robert Alexander, Flushing, N. Y.

OVER

AVRUM GREENBERG ENJOINED. The SEC Denver Regional Office announced January 10 (LR-3400) the entry of a Federal court order (USDC Omaha) permanently enjoining violations of the Securities Act registration and anti-fraud provisions by Avrum M. Greenberg, of Omaha in the sale of securities of Omaha Equities, Inc.

GPU PROPOSES MERGER OF TWO FIRMS. General Public Utilities Corporation, New York holding company, has filed a proposal with the SEC under the Holding Company Act for the merger of two of its electric utility subsidiaries, Pennsylvania Electric Company and Home Electric Company. The Commission has issued an order giving interested persons until February 4 to request a hearing thereon (Release 35-15376). According to the application, the electric service area of Home Electric is located some 12 miles east of Altoona, Pa., and is almost completely surrounded by that of Pennsylvania Electric, from which Home Electric purchases its entire electric energy requirements. GPU owns all of the outstanding stock of both companies. Home Electric, which has no other securities outstanding, is to be merged into Pennsylvania Electric - their assets approximate \$2,201,596 and \$464,937,000, respectively.

GPU SEEKS MODIFICATION OF PREEMPTIVE RIGHTS. General Public Utilities Corporation has applied to the SEC for an order under the Holding Company Act authorizing modification of the "preemptive rights" provision of its charter; and the Commission has issued an order (Release 35-15377) giving interested persons until January 28 to request a hearing thereon. According to the application, GPU's charter, with minor exceptions relating to the right to subscribe to fractional shares, presently contains no general authorization with-holding preemptive rights from stockholders. GPU proposes to amend its charter so as to exempt from preemptive rights of stockholders offerings of new shares of GPU's common stock if such offerings are made for cash, are part of a public offering, and the total number of shares so offered in any calendar year is less than 5% of the number of GPU's total shares outstanding at the beginning of the calendar year. The filing states that adoption of the amendment will provide a means for obtaining full market value (less reasonable underwriting costs and other expenses of issue) for offerings made within the 5% limitation without unnecessary dilution of long-term trends of pre-share earnings; that the maximum number of shares which could be so issued in 1966, if the amendment is adopted, would be 1,191,819 (based on GPU's 23,836,397 presently issued and outstanding common shares, held by some 75,000 owners); and that it is believed the proposed amendment is in the interest of GPU's stockholders.

Adoption of the proposed charter amendment will require the favorable vote of the holders of record of at least a majority of GPU's issued and outstanding shares of common stock. Accordingly, GPU proposes to submit the proposed amendment for a stockholders' vote at the next annual stockholders' meeting scheduled for April 4, 1966.

AVON OVERSEAS CAPITAL SEEKS ORDER. Avon Overseas Capital Corporation, 30 Rockefeller Plaza, New York, N. Y. 10020, has applied to the SEC for exemption from all provisions of the Investment Company Act; and the Commission has issued an order giving interested persons until January 24 to request a hearing thereon (Release IC-4477). The applicant company was recently organized by Avon Products, Inc., which will purchase all of its 1,000 authorized shares of capital stock for \$1,000,000. It was organized to finance the expansion and development of Avon's foreign operations in a manner which is designed to assist in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by President Johnson in February 1965. Applicant intends to issue and sell an aggregate of between \$15,000,000 and \$20,000,000 principal amount of Guaranteed Bonds due 1981. Avon will guarantee the principal, sinking fund, and interest payments on the Bonds. The Bonds are to be sold to underwriters for offering outside the United States. Not less than 70% of the assets of Applicant will be invested in or loaned to foreign companies primarily engaged in businesses other than that of an investment company.

MARRUD SUSPENSION ENDS SUNDAY. The SEC today announced that its current order temporarily suspending trading on the American Stock Exchange and in the over-the-counter market in the securities of Marrud, Inc., of Norwood, Massachusetts, will expire on January 16, 1966 and will not be renewed.

The Commission initially ordered the trading suspension on December 28, 1965 following receipt of advice from the company, based upon tentative figures for the six month period ending October 31, 1965, that it had sustained a substantial loss from operations and that, consequently, the board of directors had determined not to pay a semi-annual dividend on its common shares. There also had been a substantial delay in the company's publication of financial reports for its fiscal year ended April 25, 1965 and for the six months period ended October 31, 1965. The suspension order applied to the company's common stock, subscription warrants to purchase common stock and 6% convertible subordinated notes due February 1, 1976.

On January 5, 1966, the company released to news media and on January 7, 1966 forwarded to its shareholders, financial statements setting forth the results of operations for the above periods and its financial condition as of April 25, 1965 and as of October 31, 1965. These statements reflect, among other things, that the company realized a net profit for its fiscal year ended April 25, 1965 of \$516,811 on sales of \$44,370,441 and that for the six months period ended October 31, 1965 it suffered a loss from operations of \$1,951,639 on sales of \$38,909,870.

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 on the form was included in the January 3 News Digest.

Frouge Corp				
Nov. 1965 (3)	2-16828-2		Bowl America, Inc	
Jan. 1965 (3)	2-16828-2		Dec. 1965 (11,12,13)	0-1830-2
June 1965 (3)	2-16828-2		Cook Coffee Co	
Cold Lake Pipe Line Co Ltd			Dec. 1964 (7,8,13)	1-4959-2
Sept. 1965 (2,3,7)	2-16095-2		FWD Corp	
Skil Corp			Nov. 1965 (1,13)	1-3020-2
Dec. 1965 (7,13)	1-4921-2		Commonwealth Assurance Co	
Commonwealth Assurance Co			Nov. 1965 (2,7,13)	2-23644-2
Nov. 1965 (2,7,13)	2-23644-2		Houston Oil Field Material	
Beech-Nut Life Savers, Inc			Co Inc Amend #1 to 8K for	
Amend #1 to 8K for Nov.			Nov. 1965	0-1427-2
1965 (13)	1-587-2		Mid Continent Corp	
Dictaphone Corp			Nov. 1965 (2)	2-18246-2
Amend #1 to 8K for Nov. 1965			Rich's, Inc	
(13)	1-5148-2		Oct. 1965	
United Capital Life Invstrs.			(8)	1-1356-2
Corp Amend #1 to 8K for			Universal Drilling Co Inc	
Nov. 1965 (7)	0-1076-2		Dec. 1965 (2,8,11,12)	0-221-2
Life Holding Corp.			Rollins, Inc	
Nov 65, (9,11,13)	2-21917-2		Dec. 1965 (7)	1-4422-2
Canadian Javelin Ltd.			World Color Press, Inc	
Dec 65, (2,12,13)	1-4192-2		Dec. 1965 (12,13)	0-1520-2
Saladmaster Corp			Republic Foil, Inc	
Dec 65, (11)	0-30-2		Dec. 1965 (7)	1-4201-2
McCord Corp			Hudson Material, Inc	
Aug 65, (7,13)	1-1233-2		Amend #1 to 8K for	
Aerosol Techniques, Inc.			Nov. 1965 (1)	1-4413-2
Amd #1 for Oct 65 (7)	1-4529-2		Missouri Fidelity Life	
Industrial Instrument Corp			Insur. Co	
Amd #1 for Dec 62,(7)	2-17646-2		Amend #1 to 8K for	
Utah Construction & Mining Co			Nov. 1965 (12)	2-18500-2
Amd #1 for Nov 65 (12,13)	0-623-2		Colorado Milling &	
Wayne Mfg. Co			Elevator Co	
Amd #1 for Sept 65, (13)	0-1233-2		Amend #1 to 8K for	
			Sept 1965 (12)	0-1754-2

CORRECTION RE SHARON STEEL FILING. The registration statement filed by Sharon Steel Corporation and reported in the SEC News Digest of January 7 carries file number 2-24403, not 2-24407.

SECURITIES ACT REGISTRATIONS. Effective January 11: General Aniline & Film Corp., 2-24286; Minnesota Mining and Manufacturing Co., 2-24341 (40 days); Reeves Brothers, Inc., 2-24324 (Feb 21); Regency Life Insurance Co., 2-24203 (90 days); Vasco Metals Corp., 2-24327; Zions Utah Bancorporation, 2-24072 (90 days).

Effective January 12: Barnett National Securities Corp., 2-24015 (90 days); BTU Engineering Corp., 2-23967 (Apr 12).

Withdrawn January 11: Selico, Inc., 2-23203; Tennessee Natural Gas Lines, Inc., 2-23965.

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.