

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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A brief summary of financial proposals filed with and actions by the S.E.C.

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**CISCO GROUP OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by The Cisco Group, Inc., of Denver, Colorado. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent. Absent a request for hearing, the suspension becomes permanent in 30 days by lapse of time.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in March 1964, Cisco Group sought such an exemption for 20,315 common shares reserved for issuance under outstanding options, exercisable at \$1.25 per share on or before August 31, 1964, and for an additional 120,000 outstanding shares to be offered on behalf of the then holders thereof at the current market price therefor. Information subsequently filed indicated that none of the options was exercised before the expiration thereof, and that 60,000 shares were sold by the selling stockholders for \$30,716. On March 18, 1966, an amended notification and offering circular were filed (but not cleared). Subsequently, it was indicated that the offering would not be continued; but no attempt was made to withdraw the amended notification and offering circular.

In its suspension order, the Commission asserts that it has "reasonable cause to believe," among other things, that Cisco Group's notification and offering circular are false and misleading in respect of various material facts. Moreover, according to the order, both the company and its president failed to cooperate with the Commission's staff in the latter's investigation regarding the affairs of the company.

**JERSEY CENTRAL P&L SEEKS ORDER.** Jersey Central Power & Light Co. (an electric-utility subsidiary of General Public Utilities Corp.) and Delmarva Power & Light Co. have applied to the SEC for an order under the Holding Company Act authorizing them to guarantee a portion of an \$8,000,000 loan to be made by Rochester & Pittsburgh Coal Co., a nonaffiliated company. The Commission has issued an order (Release 35-15524) giving interested persons until July 29 to request a hearing thereon. Jersey Central and Delmarva own, as tenants in common, with five other nonassociated utility companies, an electric generating station known as the Keystone Steam Electric Station, which is under construction in the vicinity of Johnstown, Pa. Rochester, which is to deliver coal requirements to Keystone, has agreed to deliver the coal, with certain exceptions, by conveyor belt without transportation charges. The agreement is subject to Rochester's obtaining \$8,000,000 of additional borrowings from two institutional lenders for use in redeveloping its mines to make such conveyor-belt deliveries. The loans have to be guaranteed by the owners of Keystone; and Jersey Central and Delmarva propose to guarantee the loans in proportion to their respective ownership interests in Keystone, 16.67% (or \$1,333,600) and 3.70% (or \$296,000), respectively.

**GPU RECEIVES ORDER.** The SEC has issued a supplemental order under the Holding Company Act (Release 35-15521) authorizing General Public Utilities Corporation, New York, to purchase (at \$33.50 per share) 797 shares of its common stock from stockholders who dissented to a charter amendment limiting, under certain circumstances, the preemptive rights of its common stockholders in new offerings of its common stock.

**UNLISTED TRADING SOUGHT.** The SEC has issued an order under the Securities Exchange Act giving interested persons until July 22 to request a hearing on an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of Stauffer Chemical Co. and Wheeling Steel Corp.

**UNLISTED TRADING GRANTED.** The SEC has issued an order under the Securities Exchange Act granting applications of (1) Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of American South African Investment Co. Ltd. and Newmont Mining Corp., and (2) the Pittsburgh Stock Exchange for such privileges in the common stock of Eazor Express, Inc.

**DELISTING GRANTED.** The SEC has issued orders under the Securities Exchange Act granting applications of the American Stock Exchange to strike from listing and registration the common stock, \$6 Series preference stock, and 5% sinking fund debentures (due 1974) of Webb & Knapp, Inc., as well as the common stock of its 75%-owned subsidiary, Roosevelt Field, Inc., effective at the opening of business on July 11. According to the applications, the companies do not meet the Exchange's standards for listing with respect to their financial condition. On May 7, 1965, a petition under Chapter X of the Federal Bankruptcy Act was filed against Webb & Knapp.

**UNITED SECURITY LIFE TRADING BAN CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of United Security Life Insurance Co. for the further ten-day period, July 12-21, 1966, inclusive.

**DURO PEN FILES FOR OFFERING AND SECONDARY.** Duro Pen Company, Inc., 40 Varick Ave., Brooklyn, N. Y. 11237, filed a registration statement (File 2-25180) with the SEC on June 24 seeking registration of 150,000 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 50,000 shares (being outstanding stock) by the present holder thereof. The offering is to be made through underwriters headed by Gregory & Sons, 40 Wall St., New York 10005. The public offering price (\$14.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

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The company is engaged in the manufacture and sale of ball point pens and other writing instruments. Of the net proceeds of its sale of additional stock, \$323,968 will be applied to the repayment of short-term loans and the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 340,792 common shares, of which management officials own 73.06%. The selling stockholder is Irwin Ross (president), who presently owns 197,156 shares.

**UNITED BANCSHARES OF FLA. FILES EXCHANGE PROPOSAL.** United Bancshares of Florida, Inc., 1651 Alton Rd., Miami Beach, Fla., filed a registration statement (File 2-25240) with the SEC on June 29 seeking registration of 800,120 shares of common stock. A portion of the stock is to be offered in exchange for all of the 360,000 outstanding shares of common stock of the Miami Beach First National Bank, Miami Beach, Fla., at the rate of 1.667 company shares for each bank share; and the balance is to be offered in exchange for all of the outstanding 200,000 capital shares of United National Bank, Miami, Fla., on a share-for-share basis.

Organized under Florida law in 1965, the company intends to become a bank holding company. It has acquired control of Coral Gables First National Bank, Coral Gables, Fla., for \$5,181,481.60. The company has outstanding 50 common shares, all purchased for \$500 by Frank Smathers, Jr., president.

**UNIBRAZE PROPOSES OFFERING.** Unibraze Corporation, 55 Webster Ave., New Rochelle, N. Y. 10803, filed a registration statement (File 2-25255) with the SEC on July 7 seeking registration of 100,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Gregory & Sons, 40 Wall St., New York 10005 (15,000 shares are to be offered initially to company employees and certain other persons). The offering price (\$9 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to Gregory & Sons, Richard S. Friedman, and William J. Barrett (an associate of Gregory & Sons), for an aggregate price of \$750, warrants to purchase a total of 7,500 common shares. The warrants to be issued to Friedman constitute a finder's fee in connection with this financing.

The company (formerly American Brazing Alloys Corp.) is engaged in the business of manufacturing, processing and selling brazing and welding alloys. Of the net proceeds of its stock sale, \$519,834 will be applied to the repayment of outstanding bank loans; \$145,776 will be used to purchase the company's Rhode Island plant pursuant to a lease-option agreement between the company and The Industrial Foundation of Rhode Island; and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 240,000 Class A shares, all of which are owned by Jerome L. Robinson, president.

**CRYSTAL OIL AND LAND FILES FINANCING PROPOSAL.** Crystal Oil and Land Company, P. O. Box 1101, Shreveport, La., filed a registration statement (File 2-25256) with the SEC on July 8 seeking registration of \$3,300,000 of 6½% convertible subordinated debentures (due 1981) and warrants to purchase 165,000 shares of common stock (as well as the underlying shares). The debentures and warrants are to be offered for public sale in units consisting of \$100 principal amount of debentures and a warrant to purchase 5 shares, and at \$100 per unit. The offering is to be made through underwriters headed by McDonnell & Co. Inc., 120 Broadway, and Scheinman, Hochstin & Trotta, Inc., 111 Broadway, both of New York. The underwriting terms are to be supplied by amendment. The company has agreed to pay to the underwriters \$15,000 in partial reimbursement of their expenses in connection with this offering, and it is granting to the principal underwriters five-year options to purchase 25,000 common shares.

The company is engaged principally in the business of acquiring and developing oil and gas properties and producing and selling crude oil and natural gas. Of the net proceeds of this financing, \$1,660,000 will be applied to the repayment of certain indebtedness and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,099,993 common shares, of which management officials own 63.2% (including 57.1% owned by Robert F. Roberts, president). Harold C. Bishop is board chairman.

**CARRIE STEVENS, OTHERS ENJOINED.** The SEC Fort Worth Regional Office announced July 1 (LR-3536) the entry of a Federal court order enjoining Carrie C. Stevens, individually and doing business as C. C. Stevens Drilling Co. and Bonanza Purchasing Agency, Richland Hills, Tex.; Vivian Wycliff Bue, Fort Worth; and James Harvey Everitt, Mansfield, Tex., from further violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of interests in oil and gas leases on land located in Anderson County, Kans.

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended July 7, 1966, 17 registration statements were filed, 22 became effective, and 377 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective July 8: Genesco Inc., 2-25133; Glen-Gery Shale Brick Corp., 2-25156; Vernitron Corp., 2-25030 (40 days); Cole National Corp., 2-25010.

**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.

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