

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

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NEW ORLEANS PUBLIC SERVICE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15891) authorizing New Orleans Public Service Inc., New Orleans subsidiary of Middle South Utilities, Inc., to transfer \$5,000,000 from its earned surplus account to its common capital stock account, and to issue to its parent (which presently owns all of its presently outstanding 5,263,000 common shares) 500,000 additional common shares having an aggregate par value of \$5,000,000. The accounting adjustment and issuance of such common stock will permit New Orleans to convert into permanent capital a portion of its earned surplus, amounting to \$17,135,382 on August 31.

DINNEEN AND MISSETT INDICTED. The SEC Fort Worth Regional Office announced November 7 (LR-3846) the return of a superseding indictment (USDC Shreveport, La.), on October 24, charging Stephen J. Dinneen, of Key Biscayne, Fla., and Joseph Ryan Missett, of Golden Beach, Fla., with violations of the anti-fraud provisions of the Securities Act and the mail fraud statute and conspiracy to violate such laws. A prior indictment returned against the two defendants was dismissed.

TRADING IN FASTLINE SUSPENDED. The SEC announced on November 8 the temporary suspension of over-the-counter trading in the common stock of Fastline, Inc., of New York, for the ten day period November 9 through November 18, 1967, inclusive. The Commission has been advised that the price of the stock has risen sharply in recent months from about \$.10 in mid-August to the current price of \$1.12. There appears to be no financial information currently available about the company or its affairs. Under the circumstances, the Commission deems it necessary and appropriate in the public interest and for the protection of investors to suspend trading in the securities pending clarification of the matter and adequate public dissemination of all the pertinent information.

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending over-the-counter trading in securities of Jodmar Industries, Inc., for the further ten-day period November 10-19, 1967, inclusive; and in securities of Coditron Corp., for the further ten-day period November 12-21, 1967, inclusive.

UNLISTED TRADING APPROVED. The SEC has issued an order under the Securities Exchange Act (Release 34-8191) granting an application of the Pacific Coast Stock Exchange for unlisted trading privileges in the common stock of Gulf & Western Industries, Inc. (Delaware).

EXECUTIVE JET PROPOSES OFFERING. Executive Jet Aviation, Inc., Columbus International Airport, P.O. Box 19707, Columbus, Ohio 43219, filed a registration statement (File 2-27639) with the SEC on November 7 seeking registration of 1,100,000 shares of Class A stock, to be offered for public sale at \$10.00 per share. The offering is to be made through underwriters headed by Glore Forgan, Wm. R. Staats, Inc., 45 Wall St., New York 10005; the underwriting terms are to be supplied by amendment.

The company is engaged in providing jet air transportation to business executives. According to the prospectus, operations to date have been unprofitable; and future profitability is said to depend principally on obtaining more business and a higher rate of utilization of the company's airplanes in revenue producing flights. In this connection, it is noted that CAB restrictions recently were lifted which permits the company to advertise and offer planeload charter flights without a minimum mileage contract requirement. The company in 1966 contracted to acquire, subject to CAB approval, an 80% interest in Johnson Flying Service, Inc. ("JFS"), a company holding one of the 13 permanent (indefinite in duration) supplemental air carrier certificates issued by the CAB. After such acquisition and the proposed expansion of the supplemental air carrier operations of JFS, that company's operations are expected to constitute the major portion of the company's business.

The financing of the proposed acquisition by the company ("EJA") of the interest in JFS includes not only the public offering of the 1,100,000 Class A shares but also the following: (a) the sale to private investors of \$11,000,000 of 7½% senior subordinated sinking fund debentures due 1979, with warrants attached for the purchase of 35 Class A shares at \$11 a share (or a total of 385,000 shares) for each \$1,000 of debentures; (b) the sale to Glore Forgan of 25,000 Class B shares for \$250,000; and (c) the surrender by a subsidiary of The Pennsylvania Railroad Company, said by CAB to be in control of EJA, of \$13,265,000 of outstanding EJA notes in exchange for (1) \$4,265,000 of the said 7½% debentures with warrants to purchase 149,275 Class B shares, (2) \$4,271,000 of 7½% junior subordinated sinking fund notes due 1979, with warrants to purchase an additional 149,485 Class B shares, and (3) 472,900 Class B shares (valued for purposes of the exchange at \$10 per share). This financing is to comply with CAB requirements prerequisite to the acquisition of JFS and to provide funds for the purchase of five large Boeing jet aircraft and for other expenditures required for the conduct of the proposed supplemental air carrier operations. Such approval also is subject to proof of the termination of the control relationship between Pennsylvania Railroad and EJA. Some \$2,850,000 of the net proceeds of this financing also will be used to repay certain loans and advances by the Pennsylvania Railroad subsidiary to EJA to finance the proposed supplemental air carrier operations. The

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remainder of the proceeds (after providing for payment of some \$14,000,000 for aircraft and related equipment and for ground property and equipment and \$1,600,000 for pre-operating expenses, including flight crew training and aircraft proving runs), will be added to general funds of the company for use as working capital.

In addition to indebtedness, the company now has outstanding 502,820 Class A and 659,405 Class B shares. The Class B shares are non-voting and are owned by the Pennsylvania Railroad subsidiary. O. F. Lassiter, president and board chairman, owns 52% of the outstanding Class A shares and management officials as a group 80%.

WINN-DIXIE STORES FILES STOCK PLAN. Winn-Dixie Stores, Inc., 5050 Edgewood Court, Jacksonville, Fla. 32203, filed a registration statement (File 2-27640) with the SEC on November 7 seeking registration of 165,518 shares of common stock to be offered, issued, or sold pursuant to the exercise of options then held by officers and employees of the company or of a subsidiary thereof.

GRANITE EQUIPMENT PROPOSES DEBENTURE OFFERING. Granite Equipment Leasing Corp., 500 Old Country Road, Garden City, L.I., N.Y. 11530, filed a registration statement (File 2-27641) with the SEC on November 7 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis Mo. 63101. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is engaged in the leasing of data processing equipment, including third generation and smaller computers, and also photocopy and other business equipment, machine tools, packaging, textile and general industrial equipment, executive aircraft, and automobiles and trucks, both on an individual and fleet basis; and as a result of a recent acquisition, it is also engaged in the operation of a data processing service bureau. Net proceeds of the debenture sale will be added initially to general funds and subsequently used to acquire additional equipment for leasing. In addition to indebtedness, the company has outstanding 770,192 common shares, of which management officials own 40.1% (including 15.3% owned by Jack P. Miner, board chairman, 3.6% owned by Harvey Granat, president, and 13.6% owned by Sam Sivakoff, a director).

EDUCATIONAL COMPUTER PROPOSES OFFERING. Educational Computer Corporation, Valley View, King of Prussia, Pa., 19405, filed a registration statement (File 2-27643) with the SEC on November 8 seeking registration of 90,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Smith, Jackson & Company Inc., 17 Battery Pl., New York 10004. The public offering price (\$7.25 per share maximum*) and underwriting terms are to be supplied by amendment. The company sold to the underwriter, for \$250, 25,000 five-year common stock purchase warrants.

The company is engaged in research and development, manufacturing, programming, text book preparation and marketing of educational devices and educational materials. Of the net proceeds of its stock sale, \$100,000 will be used to develop additional educational, vocational and technical courses, \$90,000 to increase product inventory, \$100,000 to purchase manufacturing machinery and equipment, and \$75,000 for initiating marketing activities; the balance will be available for general corporate purposes, including working capital and research and product development. In addition to indebtedness, the company has outstanding 250,000 common shares, of which 89.4% is owned by Doris B. Baron, treasurer and a director, and 10% by John Pruso, board chairman. George H. Young is president.

CONTROL DATA PROPOSES OFFERING. Control Data Corporation, 8100 34th Ave. South, Minneapolis, Minn. 55440, filed a registration statement (File 2-27645) with the SEC on November 8 seeking registration of \$56,000,000 of sinking fund debentures, due 1987, and 373,334 shares of common stock, to be offered for public sale in units consisting of \$50 of debentures and one-third share of common stock. The offering is to be made through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004, and two other firms. The interest rate on the debentures, public offering price of the units (\$90.00 per unit maximum*), and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the development, design, manufacture and marketing of advanced solid-state high-speed digital computing systems and related peripheral equipment and services. Net proceeds of this financing will be applied to the reduction of some \$133,000,000 of outstanding bank loans. In addition to indebtedness, the company has outstanding 8,122,931 common shares, of which management officials own 5.3%. William C. Norris is president and board chairman.

SECURITIES ACT REGISTRATIONS. Effective November 8: American-Canadian Beaver Co., Inc., 2-26630 (90 days); Citizens Financial Corp., 2-27212 (40 days); Management Data Corp., 2-27219 (90 days); Mississippi Power Co., 2-27511; Pennsylvania Power & Light Co., 2-27494; Scientific-Atlanta, Inc., 2-27254 (90 days); Union Electric Co., 2-27474 (40 days).
Effective November 9: American Science and Engineering, Inc., 2-27345 (90 days); Computer Network Corp., 2-27193 (90 days); Marinduque Mining & Industrial Corp., 2-27377 (90 days); Nortek, Inc., 2-27282 (90 days); Richmond Corp., 2-26980 (90 days).

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.