

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-49)

FOR RELEASE March 12, 1970

**INDUSTRY COMMENDED FOR JOINT ATTACK ON SECURITIES PROBLEMS.** The following is for release in March 13 Newspapers: "SEC Chairman Hamer H. Budge today announced that the Commission was most pleased by the appointment of the Banking and Securities Industry Committee consisting of representatives of the securities industry and the New York Clearing House Bank Association to expedite resolution of the substantial operational problems presently facing the securities industry. As early as 1963, the Commission in its Special Study of Securities Markets pointed out the need for such combined inter-industry leadership. Recent studies of the industry's problems in this area have indicated that substantial progress towards solutions will not be made until a single body, representing all interested inter-industry groups, is formed and is properly functioning.

"The Chairman expressed the hope that such a committee would provide the necessary impetus to enable all interested parties to pool their talents and resources to achieve the desired objectives. He pledged the Commission's full cooperation and support in this effort. The Commission will closely follow the Committee's activities."

**ESTABROOK CENSURED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-8838) in which it "censured" Estabrook & Co., of Boston, and two individuals, for violations of the Commission's record-keeping rules and the FRB margin rules during a three-month period in 1968. The individual respondents were William Tyson Kemble, a general partner of the firm until July 1, 1969, and John Mitchell, an employee. Without admitting or denying the violations, Estabrook and the two individuals consented to the Commission's findings of violation and to their censure as part of a settlement which the Commission determined to accept and which included certain representations and undertakings by them. It was represented that the record-keeping and credit requirement problems stemmed from a substantial increase in the volume of securities transactions and from conversion to a new computer based operations system at a time when experienced data processing personnel were not available and that these conditions have been remedied. The said respondents also undertook to conduct future operations in compliance with the applicable provisions of the rules and, for twelve months beginning August 1, 1969, to file a monthly statement of financial condition and aggregate indebtedness and a net capital computation; and they further agreed to restrict the firm's activities if at any time it is not materially in compliance with such undertakings. The action was dismissed as to a third individual respondent, Eugene H. Junkins, Jr., a general partner until October 1, 1967.

**CENTRAL & SOUTH WEST SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16635) giving interested persons until April 8 to request a hearing on an application of Central and South West Corporation, Wilmington, Del., holding company, to issue and sell 1,000,000 shares of common stock at competitive bidding. Central and South West will use the proceeds of its stock sale in part to pay its short-term notes (estimated at \$12,000,000 at the date of the proposed sale of stock) and will apply substantially all of the balance (subject to Commission approval) to the purchase at par value from time to time additional shares of common stock of its subsidiaries, Central Power and Light Company, Southwestern Electric Power Company, Public Service Company of Oklahoma and West Texas Utilities Company; and any remaining balance will be used for general corporate purposes. Construction expenditures of the subsidiaries are estimated at \$127,600,000 and \$134,700,000, respectively, for 1970 and 1971.

**PHILADELPHIA POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16336) authorizing Philadelphia Electric Power Company ("Philadelphia Power") to sell 300,000 shares of common stock to its parent, Philadelphia Electric Company ("Philadelphia Electric"), for \$7,500,000 (or \$25 per share), and authorizing The Susquehanna Power Company ("Susquehanna"), to sell 523,000 shares of common stock to its parent, Philadelphia Power, for \$22,305,950 (or \$42.65 per share). The principal consideration for Susquehanna will be the liquidation of its inter-company advances from Philadelphia Power which totaled \$20,306,233 at December 31, 1969. Philadelphia Power will use the proceeds of its stock sale to liquidate \$4,000,000 of outstanding bank loans, to provide the \$2,000,000 cash necessary to purchase the Susquehanna stock and to provide working capital for construction and other corporate purposes. Susquehanna will use some \$2,000,000 of the cash proceeds to liquidate \$1,600,000 of outstanding bank loans and to provide working capital for construction.

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:

Cetron Corporation, Anaheim, Calif. 92806 (File 2-36531) - 225,000 shares  
Atron Corporation, St. Paul, Minn. 55118 (File 2-36534) - 50,000 shares  
Hoerner Waldorf Corporation, St. Paul, Minn. 55114 (File 2-36535) - 300,000 shares  
Swift & Company, Chicago, Ill. 60604 (File 2-36541) - 269,000 shares  
Kathol Petroleum, Inc., Wichita, Kans. 67202 (File 2-36543) - 50,000 shares  
Pacific Lighting Corporation, Los Angeles, Calif. 90017 (File 2-36550) - 300,000 shares

OVER

**ADRS FOR TORAY INDUSTRIES FILED.** Morgan Guaranty Trust Company of New York, 23 Wall St., New York 10015, filed a registration statement (File 2-36532) with the SEC on March 6 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Toray Industries, Inc., a Japanese company.

**FRAWLEY ENTERPRISES - EVERSHARP EXCHANGE PROPOSED.** Frawley Enterprises, Inc. ("Enterprises"), 5933 West Slauson Ave., Culver City, Calif. 90230, filed a registration statement (File 2-36536) with the SEC on March 9 seeking registration of 2,800,000 shares of common stock. Enterprises proposes to offer these shares to holders of the capital stock of Eversharp, Inc., of record on March 16, 1970, subject to effectiveness of the proposed merger between Eversharp and Warner-Lambert Pharmaceutical Company pursuant to a merger dated as of January 1, 1970. The rate of exchange of Enterprises common for Eversharp common and preferred shares is to be supplied by amendment.

In connection with the merger agreement between Eversharp and Warner-Lambert, Enterprises was organized in December 1969 for the purpose of acquiring and operating the non-wet-shave business of Eversharp. Persons who accept the exchange offer will, upon consummation of the merger, receive shares of Enterprises common pursuant to certain designated "exchange privileges"; in addition, such persons will receive a pro rata portion of any of the shares of Enterprises common stock offered but not distributed pursuant to such exchange privileges. No shares of Warner-Lambert common will be issued upon consummation of the merger with respect to shares of Eversharp capital stock exchanged for common stock of Enterprises. Shares of Eversharp capital stock not exchanged for Enterprises common will, upon consummation of the merger, be converted into common stock of Warner-Lambert and will also participate in the distribution of any remaining Enterprises common stock.

**FIRST UNION REAL ESTATE PROPOSES OFFERING.** First Union Real Estate Equity and Mortgage Investments, 33 Public Square Bldg., Cleveland, Ohio 44113, filed a registration statement (File 2-36537) with the SEC on March 9 seeking registration of 1,000,000 shares of beneficial interest in the Trust. The shares are to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York, and McDonald & Co., 1250 Union Commerce Bldg., Cleveland, Ohio; the offering price (\$13 per share maximum\*) and underwriting terms are to be supplied by amendment.

The Trust, which operates as a real estate investment trust, provides investors an opportunity to participate in income producing investments in the real estate field including both real estate equities and real estate mortgages; its primary objective, however, is investment in income producing real estate equities. Of the net proceeds of its stock sale, \$457,000 and \$195,239, respectively, will be used to repay bank debt incurred in the purchase of two Atlanta properties and \$3,235,500 to repay bank debt incurred in the purchase of a shopping center in Denver; \$4,000,000 will be used to acquire a junior mortgage on a New York City apartment; and the balance will be invested in participations in first mortgage loans or used for other purposes of the Trust. In addition to indebtedness, the company has outstanding 2,573,000 shares. James J. Nance is chairman and president.

**VOLUME SHOE FILES FOR OFFERING AND SECONDARY.** Volume Shoe Corporation, 3231 E. 6th St., Topeka, Kansas, filed a registration statement (File 2-36538) with the SEC on March 9 seeking registration of 156,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 56,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Stern Brothers & Co., 111 Broadway, New York; the offering price (\$24 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries operate a chain of 191 retail shoe units located in 23 states. The net proceeds of its sale of additional stock will be added to the company's general funds; some \$500,000 will be applied to the payment of short-term bank debt and the balance used for working capital and other corporate purposes, including the purchase of inventories and fixtures for new stores expected to be opened. In addition to indebtedness, the company has outstanding 1,143,102 common shares, of which management officials as a group own 41.6%. Louis Pozez, president, and S. Lee Pozez, executive vice president, who own 146,964 and 169,840 shares, respectively, propose to sell 20,000 shares each, and two others will sell the remaining shares being registered.

**FIRST AT ORLANDO FILES EXCHANGE OFFER.** First at Orlando Corporation, First National Bank Bldg., Orlando, Fla., filed a registration statement (File 2-36539) with the SEC on March 9 seeking registration of 222,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of capital stock of First National Bank of Melbourne and First National Bank of Lake Wales at the following rates of exchange: 2 shares of company stock for each of the 55,000 outstanding shares of Bank of Melbourne stock; and 2.8 shares of company stock for each of the 40,000 outstanding shares of the Bank of Lake Wales stock. The company now controls nine banks.

**RANCO SHARES IN REGISTRATION.** Ranco Incorporated, 1535 West Henderson Road, Columbus, Ohio 43220, filed a registration statement (File 2-36540) with the SEC on March 9 seeking registration of 66,862 outstanding common shares. These shares may be sold from time to time by the holders thereof, at prices current at the time of sale (\$18.63 per share maximum\*). The shares were acquired by the holders in exchange for their holdings in Harris Manufacturing Company, Inc., and Richard Bruce Development Corporation. The company has 2,371,359 common shares outstanding.

**WABASH COMPUTER TO SELL STOCK.** Wabash Computer Corporation, 3003 North Central Ave., Phoenix, Ariz. 85012 filed a registration statement (File 2-36529) with the SEC on March 6 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Burton, Dana, Westerlund, Inc., 120 Broadway, New York, N. Y. 10005. The offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Burton firm \$20,000 for expenses and to sell it, for \$200, five-year options to purchase 20,000 shares.

The company was organized in January to acquire the businesses formerly carried on by Peripherals, Inc., and Information Network Corp., two wholly-owned subsidiaries of Wabash Magnetics, Inc. It is engaged in the production and sale of testing equipment for magnetic discs and disc packs which are used as information storage devices for computer systems. It also designs and has begun to market business-oriented computer time sharing services. Of the net proceeds of its stock sale, \$140,000 will be used for the opening of two branch offices to market computer time sharing services, \$85,000 for the purchase of capital equipment required for the development and production of certain types of computer disc memory equipment, \$475,000 for the further development of the computer disc memory equipment and development of other equipment and \$365,000 for the further development of programs used in the computer time sharing operations; the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 920,000 common shares (with a 64¢ per share net tangible book value), all of which are owned by Wabash Magnetics. William F. Boyd is board chairman and George E. Dashiell president. Purchasers of the shares being registered will acquire a 19% stock interest in the company for their investment of \$2,000,000\*; Wabash Magnetics will then own 81%, for which it will have given consideration worth \$4.04 per share.

**ADRs FOR KUBOTA FILED.** Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y., filed a registration statement (File 2-36542) with the SEC on March 9 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Kubota, Ltd., of Japan.

**PENNSYLVANIA ELECTRIC TO SELL BONDS.** Pennsylvania Electric Company, 1001 Broad St., Johnstown, Pa. 15907, filed a registration statement (File 2-36544) with the SEC on March 9 seeking registration of \$25,000,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding. A subsidiary of General Public Utilities Corp., the company will use the net proceeds of its bond sale to finance its business as a public utility, including the partial reimbursement of its treasury for expenditures therefrom prior to January 1, 1970, for construction purposes. From such treasury funds, the company will pay \$25,000,000 of its estimated \$35,000,000 of short term bank loans to be outstanding at the time of the sale of the bonds. Such bank loans were or are to be incurred for construction purposes. Construction expenditures are estimated at \$40,000,000 for 1970.

**PENNZOIL OFFSHORE GAS PROPOSES OFFERING.** Pennzoil Offshore Gas Operators, Inc., 900 Southwest Tower, Houston, Tex. 77002, filed a registration statement (File 2-36545) with the SEC on March 9 seeking registration of \$120,000,000 of convertible subordinated debentures, due 1982, and 3,960,000 shares of Class B common stock, to be offered for public sale in units, each consisting of a \$1,000 debenture and 33 Class B shares. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., and Lehman Brothers, One William St., both of New York, N. Y. The offering price (\$1,000 per unit maximum\*) and underwriting terms are to be supplied by amendment.

The company was organized in February by Pennzoil United, Inc. ("Pennzoil") for the purpose of exploring for oil and, particularly, gas in the Gulf of Mexico off the United States shores. The net proceeds of its financing, together with \$32,000,000 received from the sale of 16,000,000 Class A common shares to Pennzoil, will be available for the acquisition of oil and gas leases, the drilling and equipping of exploratory wells thereon, the payment of administrative and operating expenses and, to the extent not financed through borrowings, the drilling and equipping of development wells, and for other corporate purposes. In addition to indebtedness, the company has outstanding 16,000,000 Class A common and 3,960,000 Class B common shares; Pennzoil owns all the Class A shares. W. A. Hover is president.

**KEYSTONE CENTERS FILES FOR SECONDARY.** Keystone Centers, Inc., 8th & Cumberland Sts., Lebanon, Pa. 17042, filed a registration statement (File 2-36546) with the SEC on March 9 seeking registration of 150,000 shares of common stock, to be offered for public sale by PP&C Companies, Inc. The offering is to be made through underwriters headed by Suplee-Mosley Inc., 1700 Market St., Philadelphia, Pa. 19103; the offering price (\$5.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company was organized on March 2 to acquire from PP&C certain assets and liabilities of Keystone Discount Stores Division. It operates a chain of 38 retail centers under the trade names "Keystone" or "Bargaintown" specializing in the sale of health and beauty aids, tobaccos, housewares, toys and sundries. The company has outstanding 750,000 common shares (with a \$1.67 per share book value), all of which are owned by PP&C. Jack Farber is board chairman and Frank J. Dixon president.

**ARTHUR LITTLE FILES FOR SECONDARY.** Arthur D. Little, Inc. ("ADL"), Acorn Park, Cambridge, Mass. 02140, filed a registration statement (File 2-36547) with the SEC on March 10 seeking registration of 308,927 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, and G. H. Walker & Co. Incorporated, 45 Wall St., both of New York, N. Y. 10005. The offering price (\$27 per share maximum\*) and underwriting terms are to be supplied by amendment.

ADL is a research and development, engineering, management consulting and economic services organization providing professional services to business, industry, government, institutions and individuals in the United States and abroad. It has outstanding 1,705,601 common shares, of which Memorial Drive Trust (a qualified tax-exempt trust for the benefit of the employees of ADL) owns 70.47%. James M. Gavin is board chairman and Howard O. McMahon president. The Trust proposes to sell 300,000 of 1,202,007 shares held and five others the remaining shares being registered.

**M&T MORTGAGE INVESTORS PROPOSES OFFERING.** M&T Mortgage Investors (the "Trust"), 921 Caroline St., Houston, Tex. 77002, filed a registration statement (File 2-36548) with the SEC on March 10 seeking registration of 1,000,000 shares of beneficial interest, to be offered for public sale at \$11 per share. The offering is to be made through underwriters headed by Stone & Webster Securities Corp., 90 Broad St., New York, which will receive a \$1 per share underwriting discount.

The Trust was organized by Mortgage and Trust, Inc., of Houston, Texas ("M&T of Houston"), as a Texas real estate investment trust and intends to qualify as such under provisions of the Internal Revenue Code. It intends to invest in a professionally managed, diversified portfolio of real estate interests, including first mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration and first mortgage development and construction loans. M & T Management Company, a wholly-owned subsidiary of M&T of Houston, will serve as investment adviser. Jerome L. Howard is president of the trustees and C. Harold Wallace is president of the adviser.

**ALISON MORTGAGE TRUST PROPOSES OFFERING.** Alison Mortgage Investment Trust (the "Trust"), 1900 Avenue of the Stars, Los Angeles, Calif. 90067, filed a registration statement (File 2-36549) with the SEC on March 10 seeking registration of \$15,000,000 of convertible subordinated notes, due 1973, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by Gloré Forgan Staats Inc., 45 Wall St., New York 10005; the underwriting terms are to be supplied by amendment.

The Trust was organized for the purpose of offering investors an opportunity to participate in a professionally managed portfolio of first mortgage construction and development loans and other real estate interests. It intends to qualify as a real estate investment trust under provisions of the Internal Revenue Code. American Advisers, Inc. will serve as investment adviser. Roger M. Alison is president of the Trust and of the adviser. All of the outstanding stock of the adviser is owned by KAG Investment Co., which is 60% owned by Alison Investment Company. Roger M. Alison owns 56% of Alison Investment Company.

**JORDAN HOTT FILES OFFERING PROPOSAL.** Jordan Hott, 745 Fifth Ave., New York 10022, filed a registration statement (File 2-36533) with the SEC on March 6 seeking registration of \$600,000 of pre-formation limited partnership interests in The Smith Company, a limited partnership to be formed for the purpose of producing the dramatico-musical play presently entitled "SMITH"; the 50 units of partnership interest are to be offered at \$12,000 per unit. Jordan Hott, the general partner, is promoter and producer. "SMITH" is an original musical comedy with book by Dean Fuller, Tony Hendra and Matt Dubey and music and lyrics by Matt Dubey and Dean Fuller; it is a satire of musical comedy conventions.

**SECURITIES ACT REGISTRATIONS.** Effective March 11: American Air Filter Co., Inc., 2-36298 (40 days); Associated Bank Services, Inc., 2-34098 (90 days); IDS/McCulloch Oil Exploration Program-1970, 2-35312 (90 days); Mack Financial Corp., 2-36324 (90 days); Optics Technology, Inc., 2-36174 and 2-36175; Pitney-Bowes, Inc., 2-36308.  
**Withdrawn March 10:** Burgess International, Inc., 2-32409; Hal Roach Studios, Inc., 2-30570; The Laundribag, Inc., 2-33692; Leroy Corp., 2-34485; Remote Computing Corp., 2-33791; Wards Co., Inc., 2-34805.

**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.

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