

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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CORPORATE OFFERINGS REPORTED. The SEC announces (for July 23d newspapers) that new corporate securities offered for cash sale in the second quarter of this year aggregated \$4.9 billion, a near-record volume. Previous high quarterly totals for new financing were \$5.0 billion in the second quarter of 1964 and a record \$5.4 billion in the second quarter of 1961. The current total represented the largest amount of new bonds, notes and debentures ever offered in a three-month period, and included large amounts of both publicly-offered and privately-placed issues. For further details, see Stat. Release 2066.

FRANCIS STEFFES SENTENCED. The SEC Seattle Regional Office announced July 9 (LR-3274) that Francis J. Steffes was sentenced to a 3-year prison term (USDC, Mont.) following his conviction on two counts of an indictment charging violation of the Securities Act anti-fraud provisions in the sale of stock of Great Plains Acceptance Corp. of Miles City, Mont. The prison sentence was suspended, and Steffes was fined \$600 on each count and placed on probation for 5 years with a restriction against entering into the securities business. The other defendant, Leo V. Steffes, was deceased prior to the time of sentencing.

HAROLD GRADSKY INDICTED. The SEC Atlanta Regional Office announced July 13 (LR-3275) the return of an indictment (USDC, Fla.) charging Harold Gradsky, Miami Beach, with violations of the Securities Act anti-fraud provisions in the sale of notes of Fidelity Investment and Loan Associates, Inc., a defunct mortgage brokerage company with offices at Miami Beach, Ft. Lauderdale and Orlando, Fla.

AIR & SPACE UNDERWRITERS, OTHERS ENJOINED. The SEC Chicago Regional Office announced July 15 (LR-3276) the entry of a Federal court order (USDC, SD Ind.) preliminarily enjoining the following defendants from further violations of the Securities Act anti-fraud provisions in the sale of common capital stock of Air & Space Underwriters, Inc.: G. N. Van Horn, Bert Chesnut, Commercial Capital Corp., Fred G. Amick, K. K. Irving, Ralph D. Irving, Irving-Amick Aircraft, Inc., Air & Space Underwriters, Bennie L. Ritchison, Chappell Securities Corp., David Mayne, Securities Services, Inc., Robert S. Chappell, and Investment Corporation of America. Chappell, Investment Corp. of America, Ritchison, and Chappell Securities were also enjoined from violating such provisions in the sale of common capital stock and convertible capital notes of Investment Corporation of America. The order further enjoined Van Horn, Chesnut, and Commercial Capital Corp. from violating the anti-fraud provisions in the sale of common capital stock of Commercial Capital Corp. Amick, K. K. Irving, Ralph D. Irving, Air & Space Underwriters, Van Horn, Chesnut, Commercial Capital Corp., James E. Keil, Nola M. Keil, and Shelby Securities Company were enjoined from further violations of the Securities Act registration provisions in the sale of Air & Space Underwriters stock.

RALPH P. BETTS INDICTED. The SEC Chicago Regional Office announced July 15 (LR-3277) the return of an indictment (USDC, Chicago) charging Ralph P. Betts of Elgin, Ill., with violations of the Securities Act anti-fraud and registration provisions in the sale of common stock of Matralin Co., Inc. Betts and William A. Thalín of Northfield, Ill., who is not named as a defendant, were also charged with conspiracy to violate such provisions.

LEONETTI, ABRAMOWITZ, OTHERS INDICTED. The SEC announced July 20 (LR-3278) the return of an indictment (USDC, SDNY) charging Joseph Leonetti and Naftali Abramowitz (of Houston), Leo Davis, Victor Foster, and Sidney Stein (of Miami) and Jack Dlugash (of Brooklyn, N.Y.) with conspiring to violate and violating the Securities Act registration provisions, as well as conspiring to violate the anti-fraud provisions of the Act, in the sale of stock of Permaspray Manufacturing Corporation of League City, Tex.

CARL J. BLIEDUNG SENTENCED. The SEC Washington Regional Office announced July 20 (LR-3279) that Carl J. Bliedung received a prison sentence of from 8 to 24 months (USDC, DC) for violating the Securities Act registration provisions in the sale of common stock of Macinar, Inc. Bliedung's prison sentence was suspended, and he was placed on 3 years' probation.

CONSOLIDATED NATURAL GAS SEEKS ORDER. Consolidated Natural Gas Company, New York holding company, has applied to the SEC for an order under the Holding Company Act authorizing it to sell at competitive bidding \$25,000,000 principal amount of debentures, due 1990; and the Commission has issued an order (Release 35-15283) giving interested persons until August 25 to request a hearing thereon. According to the application, the company will use \$15,000,000 of the proceeds from the debenture sale to repay a bank loan incurred for construction purposes, and \$10,000,000 to finance, in part, the 1965 construction program of its subsidiaries, estimated at \$70,300,000.

GOODBODY-SPONSORED FUND FILES. Goodbody & Co., Two Broadway, New York 10004, depositor and sponsor of Tax Exempt Income Fund, Series 1, filed a registration statement (File 2-23842) with the SEC on July 20 seeking registration of 5,000 units of interest in said Fund. The sponsor has deposited with the Fund trustee, United States Trust Co. of New York, \$5,000,000 principal amount of bonds. Simultaneously with such deposit the trustee delivered to the sponsor registered certificates for 5,000 units which represent the entire ownership of the Fund and which are to be offered for public sale.

OVER

OLYMPIA MINES SHARES IN REGISTRATION. Olympia Mines Inc., 150 Broadway, New York, filed a registration statement (File 2-23843) with the SEC on July 19 seeking registration of 360,000 shares of common stock. Of this stock, 300,000 shares are to be offered for public sale by the company and 60,000 shares (being outstanding stock) by the present holders thereof. The offering is to be made at \$1 per share through E. A. Manning Ltd., 825 Eglinton Ave., and Rosmar Corporation Ltd., 100 Adelaide St. West, both of Toronto, Ontario, Canada. In addition to receiving a 25% commission, the underwriters are to receive the proceeds from the sale of the 60,000 shares being registered, which are to be donated to them by Maurice Schack, vice president, on a performance basis at the rate of one share for each five shares of the stock sold. Assuming that all of the stock is sold, the underwriters will receive \$150,000 (including \$15,000 for expenses).

Organized under Delaware law in 1961, the company is engaged in the business of mining exploration and development. Net proceeds from its sale of additional stock will be used in exploratory work. It has outstanding 949,880 common shares, of which management officials own 710,755 shares (including 638,751 shares owned by Schack). Louis H. Nerlich is president.

GRAND UNION FILES STOCK PLANS. The Grand Union Company, 100 Broadway, E. Paterson, N. J. 07407, filed a registration statement (File 2-23844) with the SEC on July 21 seeking registration of 594,280 shares of common stock, to be offered under its 1956 and 1961 Employees' Restricted Stock Option Plan and 1964 Employees' Qualified Stock Option Plan.

BOISE CASCADE FILES STOCK PLAN. Boise Cascade Corporation, 114 S. Tenth St., Boise, Ida., filed a registration statement (File 2-23846) with the SEC on July 21 seeking registration of 100,000 shares of common stock, to be offered under the company's Employee Stock Option Purchase Plan.

CONGRESSIONAL LIFE PROPOSES OFFERING. Congressional Life Company, 1401 Walnut St., Philadelphia, Pa. 19102, filed a registration statement (File 2-23847) with the SEC on July 21 seeking registration of 300,000 shares of common stock. Of this stock, 225,000 shares are to be offered for public sale at \$8 per share, and the underwriters have agreed to offer the remaining stock, at the public offering price, to persons designated by the company. The offering is to be made through underwriters headed by Suplee, Yeatman, Mosley Co. Inc., 1500 Walnut St., Philadelphia, which will receive a 10% commission. The registration statement also includes 150,000 common shares, to be offered pursuant to the company's Incentive Stock Options.

Organized under Delaware law in March 1965, the company's sole business is the ownership of all of the outstanding stock of a newly-organized company, Congressional Life Insurance Company (a Pennsylvania company). Net proceeds from the company's stock sale will be invested in the insurance company, which will enable it to engage in the life insurance business. The company has outstanding 85,000 common shares, all of which were acquired by management officials at \$6 per share. Hubert P. Earle is president.

IDAMONT OIL & MINING TRADING BAN CONTINUED. The SEC has issued an order suspending trading in securities of Idamont Oil & Mining Company for a further ten-day period, July 23-August 1, 1965, inclusive.

CORRECTION RE GEORGETOWN RACING FILING. In the SEC News Digest of July 13, the offering price of Georgetown Racing Inc., debentures and common shares should have been reported as \$60 per unit, not \$50.

SECURITIES ACT REGISTRATIONS. Effective July 21: Belden & Blake and Co. Ltd. Partnership No. 11, 2-23807; Quality Importers, Inc., 2-23370 (40 days).
Effective July 22: Executive Life Insurance Co., 2-23390 (90 days); Hoover Ball and Bearing Company, 2-23769; Keystone Valve Corp., 2-23670 (Oct 20); Southern Counties Gas Co. of Calif., 2-23766; Trans Continental Life Insurance Co., 2-22866 (90 days); Xerox Corp., 2-23733 (Aug 26).

NOTE TO DEALERS. The last date or 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.

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