

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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FOR RELEASE July 26, 1965

NASD DISCIPLINE OF ALBERT E. VOELKEL SUSTAINED. In a decision under the Securities Exchange Act announced today (Release 34-7652), the SEC dismissed a petition filed by Albert E. Voelkel, of Columbus, Ohio, for review of NASD disciplinary action against him. Voelkel had been found a cause of the NASD's expulsion of Commonwealth Securities Corporation, of which he was vice president and sales manager. The expulsion was based upon violations by Commonwealth of the net capital and bookkeeping rules under the Securities Exchange Act and its failure to supervise employees properly; and the NASD had concluded that Commonwealth had engaged in a course of conduct inconsistent with "high standards of commercial honor and just and equitable principles of trade" in violation of its rules. Voelkel appealed the NASD revocation of his registration as a registered representative and imposition of a \$5,000 fine against him. The violations were not in dispute, but Voelkel maintained that the misconduct related to an area that was outside the scope of his responsibilities; that even if some responsibility for that area should be deemed to have attached to him, he discharged it adequately; and that in any event the penalties imposed upon him are excessive and oppressive. The Commission rejected these arguments and affirmed the NASD disciplinary action against Voelkel.

A. J. DAVIS CO. REVOKED; TRANSPORT INDUSTRIES SUSPENSION MADE PERMANENT. The SEC today announced a decision (1) revoking the broker-dealer registration of A. J. Davis Co., 507 Standard Life Bldg., Pittsburgh, Pa., for violations of the Securities Act anti-fraud provisions in the sale of Transport Industries stock (Release 34-7654); and (2) making permanent its prior order temporarily suspending a Regulation A exemption from Securities Act registration with respect to the public offering of stock by Transport Industries, Inc., 126 Pearl St., Albion, Pa. Alan J. Davis, president and sole stockholder of the Davis Co. firm, was found to be a cause of the revocation.

Transport in 1962 made a public offering, pursuant to a Regulation A exemption, of 75,000 shares of common stock. The offering was made at \$4 per share through A. J. Davis Co., as underwriter. According to the Commission's decision, Davis & Co. and Davis made false and misleading statements ("extravagant predictions") with respect to the future price of Transport stock. Moreover, Transport's offering circular overstated the company's cash position and failed to disclose that it had not filed certain tax returns and did not maintain any corporate books of account; and a subsequent report of stock sales included false and misleading statements with respect to expenditures for legal and accounting fees and for the purchase of inventory and supplies.

DUVAL SECURITIES REVOKED. In a decision announced today under the Securities Exchange Act (Release 34-7655), the SEC revoked the broker-dealer registration of Duval Securities, Inc., Spokane, Wash., for violations of the registration and anti-fraud provisions of the Federal securities laws. The order also barred Francis D. Duval and Francis H. Duval, officers and principal stockholders, from association with a broker or dealer.

According to the Commission's decision, in 1963-64 the Duval firm and the two Duvals offered and sold stock of Bonanza Gold, Inc., and Mineral King Mining Co., Inc., in violation of the Securities Act registration requirement. They also made false and misleading statements concerning the financial condition of Bonanza and an anticipated increase in the value of its stock; and they entered quotations for Bonanza stock at arbitrary and increasing prices and otherwise violated the anti-manipulative provisions of the Exchange Act. In addition, the three respondents sold securities to and purchased securities from customers at prices not reasonably related to the prevailing market prices thereof.

J. B. "RIP" COLLINS GUILTY OF CONTEMPT. The SEC Fort Worth Regional Office announced July 22 (LR-3283) that J. B. "Rip" Collins received a one-year prison term (USDC, ND Texas) upon his plea of guilty to violating a Federal court order permanently enjoining him from violations of the Securities Act registration requirements in the sale of interests in oil and gas leases.

INDIANA TELEPHONE PROPOSES BOND OFFERING. Indiana Telephone Corporation, 3520 Washington Blvd., Indianapolis, Ind., filed a registration statement (File 2-23852) with the SEC on July 23 seeking registration of \$3,000,000 of first mortgage sinking fund 4-3/4% bonds, Series 8. The bonds are to be offered for public sale in \$1,000 units through City Securities Corporation, 417 Circle Tower, Indianapolis, Ind. 46204, which will receive a \$25-per-unit commission.

The company, which owns and operates a telephone utility in Indiana, will use the net proceeds from its bond sale to pay a portion of its construction program (estimated to cost \$10 million through 1968) and to provide working capital. In addition to indebtedness and preferred stock, it has outstanding 219,014 common shares, of which management officials own 75%. P. F. Goodrich is president.

PET MILK FILES STOCK PLAN. Pet Milk Company, 1401 Arcade Bldg., St. Louis, Mo. 63101, filed a registration statement (File 2-23853) with the SEC on July 23 seeking registration of 100,000 shares of common stock, to be offered pursuant to the company's Employee Stock Purchase Plan.

REPRINT OF '33 ACT RULES AVAILABLE. The SEC General Rules and Regulations under the Securities Act of 1933, "as in effect April 1, 1965," may now be purchased from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. The cost is 50¢ per copy. A reprint of the rules under the Securities Exchange Act of 1934 should be available by about mid-September.

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 of the form was included in the July 7 News Digest.

Ceco Corp June 65 (7,12,13)	1-4514-2		
Holly Sugar Corp June 65 (11,13)	1-2270-2	Nevada Power Co June 65 (7,13)	1-4698-2
		Novo Industrial Corp	
Opticks Inc May 65 (2,7,13)	2-21876-2	June 65 (2,13)	1-976-2
Levine's Inc June 65 (12)	1-4609-2		
Genl Foods Corp June 65 (12,13)	1-1354-2	Helene Curtis Industries Inc	
FRL Corp June 65 (2,11)	1-4861-2	June 65 (11)	1-4429-2
Genl Elec Co June 65 (3)	1-35-2	Great Southwest Corp June 65	
		(7,13)	0-100-2
W T Grant Co June 65 (4,7,12,13)	1-3000-2		
		Jewel Tea Co Inc June 65 (11,13)	1-385-2
Memorex Corp June 65 (12)	2-22922-2		
		Mite Corp June 65 (11,13)	0-1512-2
Internatl Tel & Tel Corp June 65		Hanover Equities Corp	
(3)	1-1558-2	June 65 (2,12,13)	0-884-2
Old Town Corp June 65 (7)	1-3601-2	Metropolitan Edison Co	
		June 65 (7,13)	1-446-2
Northwestern States Portland			
Cement Co June 65 (11,12,13)	0-858-2	Icoa Life Ins Co	
		Amend #1 to 8K for Apr 65 (13)	2-20851-2
Mattel Inc June 65 (7,8)	1-4777-2		
Walter Kidde & Co Inc			
June 65 (7,10,11,13)	1-3226-2		

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

File		Location
No.	Registrant	
1540	Chatham Corporation **	Chicago, Ill.
1541	Jane Colby, Inc. **	New York, N. Y.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended July 22, 1965, 19 registration statements were filed, 32 became effective, 5 were withdrawn, and 304 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective July 23: Edu-Tronics, Inc., 2-23553 (Sept 2); General Refractories Co., 2-23514.
Effective July 26: Helme Products, Inc., 2-23811.
Withdrawn July 26: Occidental Petroleum Exploration Co., 2-23652.

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.