

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 December 12, 1968

BRASHIER DENIED ADVISER REGISTRATION. The SEC today announced the issuance of a decision under the Investment Advisers Act (Release IA-240) denying registration as an investment adviser to Hunter Brooks Brashier (a/k/a Kelly Brooks), doing business as California Market Letter, of Calabasas, Calif. The action was based upon Commission findings that Brashier had engaged in activities violative of the Federal securities laws; Brashier consented to such findings and to the entry of the denial order, but without admitting or denying the charges involved.

The Commission found that Brashier had engaged in business as an investment adviser between January 22 and July 22, 1968, without being registered (and in violation of the registration requirement), in that he wrote (under the pseudonym Kelly Brooks), published, and sold subscriptions for the California Market Letter ("CML"), an investment advisory service, and distributed 14 issues of such letter. Moreover, according to the Commission's decision, (1) Brashier violated the anti-fraud provisions of the Securities Act by sending communications to CML subscribers recommending the purchase of certain securities without disclosing that he was receiving or would receive a consideration from the issuers for such recommendations; and (2) Brashier violated the anti-fraud provisions of the Advisers Act in that, ostensibly as an independent investment adviser, he recommended the purchase of securities of issuers with which he was affiliated and from which he received compensation for such recommendations, without disclosing his affiliation or the receipt of compensation. In addition, he published and distributed advertisements of CML which were false and misleading.

LOUISIANA POWER & LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16238) authorizing Louisiana Power & Light Company, New Orleans subsidiary of Middle South Utilities Inc., to transfer \$3,842,000 (or 25c per share of its outstanding common stock) from its earned surplus account to its common stock capital account. The common stock capital account will thereby be increased to \$96,050,000; at September 30, 1968, Louisiana's earned surplus amounted to \$28,326,113.

LOUISIANA POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16240) giving interested persons until January 3 to request a hearing upon a proposal of Louisiana Power & Light Company, New Orleans electric utility subsidiary of Middle South Utilities, Inc., to amend its 1944 mortgage to increase from \$250,000,000 to \$100,000,000,000 the amount of bonds of all series which may be outstanding at any one time. The aggregate principal amount of all of Louisiana's bonds now outstanding under the mortgage is \$22,197,000, and management expects that within two years the present limit will be reached. The proposed amendment is subject to approval by holders of 70% or more of the outstanding bonds at a meeting scheduled to be held on or about April 24, 1969. The proposal will also be submitted for approval at a special meeting of common stockholders of Louisiana to be held prior to the meeting of bondholders. Middle South, holder of all Louisiana's common stock, intends to vote its shares in favor of the proposed amendment.

MISSISSIPPI POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16241) giving interested persons until January 9 to request a hearing upon a proposal of Mississippi Power & Light Company, Jackson subsidiary of Middle South Utilities, Inc., to issue and sell prior to December 31, 1970, up to \$19,000,000 of short-term promissory notes (including commercial paper) to banks (the issuance of commercial paper will be limited to an aggregate of \$9,500,000 outstanding at any one time). Net proceeds of this financing together with other available funds, will be used for construction and other corporate purposes. Construction expenditures are estimated at \$26,000,000 during 1969 and \$30,000,000 during 1970.

SEC COMPLAINT NAMES TUDOR HOUSE, OTHERS. The SEC Denver Regional Office announced December 9 (LR-4178) the filing of a complaint in the U.S. District Court in Denver seeking to enjoin violations of the Securities Act registration and anti-fraud provisions in the sale of securities of Tudor House Corporation by that company, Robert Frederick and Arthur W. Bartholic, both of Denver, and Ralph Bauman, of Omaha.

TEXDAHL TO SELL STOCK. Texdahl Corporation, 1322 Round Table Drive, Dallas, Tex. 75247, filed a registration statement (File 2-30969) with the SEC on December 9 seeking registration of 250,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made by Brown, Allen & Co., 600 Vaughn Bldg., Dallas, Tex. 75201, which will receive a 30c per share commission. The company has agreed to issue the underwriter five-year warrants to purchase 20,000 common shares, exercisable after one year at \$4 per share.

Organized under Texas law in January 1968 as successor to Universal Converting, Inc. (formed in May 1966), which it acquired immediately after incorporation, the company is engaged primarily in the research, development and manufacture of commercial and consumer products and finished piece goods which are made from nonwoven materials. To a lesser extent, it is engaged in the converting of paper, plastic films and packaging foils from roll form to sized rolls and sheets. During 1968 its principal products have been industrial towels and headrest covers; it is attempting to develop and market on a test basis products from fashion apparel to specialty items. Net proceeds of the company's stock sale will be added to its general funds for working capital requirements to finance the further development of its business and for other corporate purposes. The company has outstanding 590,500 common shares, of which Robert N. Dahl, president, owns 48%, and J. L. Cockrell, Jr., director, 21%.

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PERMANEER FILES FOR OFFERING AND SECONDARY. Permaneer Corporation, 3628 Laclede Ave., St. Louis, Mo. 63108, filed a registration statement (File 2-30973) with the SEC on December 10 seeking registration of \$8,000,000 of convertible subordinated debentures, due 1989, and 190,000 outstanding shares of common stock. The debentures are to be offered for public sale by the company at 100% of principal amount and the common shares by the present holders thereof. The offerings are to be made through underwriters headed by Goodbody & Co., 55 Broad St., New York 10004. The interest rate on the debentures, offering price of the stock (\$33.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in manufacturing sheets of plywood, flakeboard and hardboard laminated with a specially developed vinyl plastic finish, and converting this material into end products, including wall panels, doors, furniture and store fixtures. Of the net proceeds of its debentures sale, \$2,650,000 will be used for new facilities and working capital at its Dillard, Oregon location, \$2,500,000 for new facilities and working capital at its Union, Mo., location, \$1,450,000 for additions to buildings, machinery and working capital at its Wright City, Mo., location and \$900,000 for building improvements and machinery at its Brownsville, Oregon plant; the balance will be added to the company's general funds and used for working capital purposes. In addition to indebtedness, the company has outstanding 4,012,100 common shares, of which Edward D. Schapiro, board chairman, owns 19.27%, Allen J. Portnoy, president, 18.06%, Bernard H. Pinken, executive vice president, 14.41%, and O'Fallon Investment Company 15.63%. Schapiro, Portnoy and Pinken propose to sell 45,000 shares each of 773,524, 724,728 and 578,448 shares held, and four others the remaining shares being registered.

FABRI-CENTERS FILES FOR OFFERING AND SECONDARY. Fabri-Centers of America, Inc., 11 Rockside Rd., Bedford, Ohio 44146, filed a registration statement (File 2-30979) with the SEC on December 10 seeking registration of 220,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 120,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by McDonald & Co., Union Commerce Bldg., Cleveland, Ohio; the offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment. The selling shareholders will acquire the 120,000 shares being registered in connection with the merger of Miles Fabric, Inc. and The Sterling Textile Company into Fabri-Centers in December 1968.

The company (formerly Cleveland Fabric Shops, Inc., No. 3) and its subsidiaries operate 128 outlets for the sale, at retail, of fabrics, notions, draperies and drapery hardware. Forty-six of the outlets are retail stores, most of which are located in shopping centers, and 82 are leased departments located in various discount department stores. Of the net proceeds of its sale of additional stock, the company will use \$150,000 to retire long-term indebtedness incurred for the purchase of fixtures, equipment and inventory used in its recent expansion program, and the balance will be added to its general funds and will be available for general corporate purposes, including expenses in connection with the opening of new stores and leased departments, and for use as working capital. In addition to indebtedness, the company has outstanding 1,000,000 common shares, of which Hilda Reich, vice president, owns 15.3%, Steve Reich 11.9%, Martin Rosskamm, president, and his wife (treasurer), 39.2%, Justin Zimmerman, executive vice president, and his wife (a vice president) 33.3%. Hilda Reich proposes to sell 18,368 shares of 153,073 shares held, Steve Reich 14,558 of 119,297, the Rosskams 47,074 of 392,277, and the Zimmermans 40,000 of 333,333.

JONATHAN LOGAN SHARES IN REGISTRATION. Jonathan Logan, Inc., 3901 Liberty Ave., North Bergen, N. J., filed a registration statement (File 2-30980) with the SEC on December 10 seeking registration of 365,000 shares of common stock. The shares are deliverable December 15, 1968, through June 1, 1983, upon conversion of the 4-3/4% convertible subordinated guaranteed debentures, due 1983, of Jonathan Logan Overseas Development Corporation, at the rate of 14.6 common shares for each \$1,000 principal amount of debentures (equivalent to a conversion price of \$68.49 per share).

TANDY CORP. SHARES IN REGISTRATION. Tandy Corporation, 2727 West Seventh St., Ft. Worth, Tex. 76107, filed a registration statement (File 2-30983) with the SEC on December 10 seeking registration of 52,921 outstanding shares of common stock. These shares were issued by Tandy in various transactions in which Tandy acquired businesses now operated as divisions or subsidiaries; the holders may sell the shares from time to time at prices prevailing at the time of sale (\$96.13 per share maximum*). Tandy has outstanding 1,916,170 common shares, of which management officials as a group own 18.6%. Some 55 selling stockholders are listed; they own an aggregate of 169,021 shares.

WHITEWING FARMS FILES OFFERING PROPOSAL. Whitewing Farms, 554 North Mesa Drive, Mesa, Ariz. 85201, filed a registration statement (File 2-30985) with the SEC on December 10 seeking registration of 125 Limited Partnership Interests, to be offered for public sale at \$85,000 per unit. The "Managing Partner" is Whitewing Farm Management Company. The offering of partnership interests will be made on a best efforts basis by general partners, including officials of the Managing Partner, for which they will receive a selling commission of \$2,500 per unit sold; for units sold through NASD dealers, a \$4,000 per unit commission will be paid.

The partnership proposes to acquire some 8,030 acres of land located in Yuma County, Ariz., of which some 1,166 acres are now under cultivation as a citrus grove and grape vineyard. The partnership will further develop approximately 2,151 net acres. When this development program is completed approximately 3,317 net acres will be farmed as citrus grove and grape vineyard. The partnership has entered into a contract with Bruce Church, Inc., for the purchase of the property. The amount estimated to be required for the maintenance, operation, caretaking and purchase of the property as well as to pay for the administrative and other expenses of the partnership from September 1, 1969, the closing date anticipated by the partnership with respect to the property, through December 31, 1972, is approximately \$9,170,000. This amount will have to be provided for by the sale of produce from the existing grove and vineyard, the required initial and quarterly contributions by limited partners, and, if necessary, by calls upon the limited partners against the unpaid portion of their commitments to make contributions to the partnership. It is estimated that of this \$9,170,000, \$7,375,000 will be supplied by the initial and quarterly contributions of the limited partners. The balance (\$1,795,000) will be derived from the sale of fruit. The net proceeds of the sale of partnership interests will be applied to the purchase of the property and related purposes. Jerry Skousen is president of the Management Company.

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PIONEER AIRLINES PROPOSES OFFERING. Pioneer Airlines, Inc., 1522 Wisconsin Ave., N. W., Washington, D.C. 20007, filed a registration statement (File 2-30989) with the SEC on December 10 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5.50 per share. The offering is to be made on an "all or none" basis through Willard Securities, Inc., 445 Park Ave., New York, which will receive a 55¢ per share ^{selling} commission. Subject to sale of all the shares, the company has agreed to pay the underwriter \$25,000 for expenses, of which amount the underwriter will pay \$8,500 and \$4,500, respectively, to The Cantor Fitzgerald Company and Robert Libauer for their services as finders. The company will also issue the underwriter, at no cost, five-year warrants to purchase 20,000 common shares, exercisable after one year at \$6 per share; of these warrants, 4,250 and 2,500, respectively, will be transferred to the finders.

The company is engaged in providing scheduled helicopter service for broadcasting traffic reports in the Washington area. In addition, it performs helicopter maintenance services for others, and supplies helicopters to two government agencies for use by their helicopter pilots in proficiency flights. Recently the company commenced carrying mail for the U. S. Post Office with fixed-wing aircraft operating on regular schedules. Of the net proceeds of its stock sale, \$350,000 will be applied to prepayment of equipment notes secured by aircraft and to purchase an aircraft presently leased, and \$60,000 to prepay an unsecured installment note, proceeds of which were used for working capital; the balance will be added to general funds to replenish and increase working capital depleted by costs to date of the company's fixed-wing mail routes. In addition to indebtedness, the company has outstanding 449,100 common shares (with a 36¢ per share book value), of which A. L. Wheeler, president and board chairman, owns 24% and management officials as a group 62%. Upon completion of this offering, the purchasers of the shares being registered will own 31% of the then outstanding common stock, for which they will have paid \$1,100,000, or \$5.50 per share, and the present shareholders will own 69%, having a net book value of \$163,298, or 36¢ per share.

GENERAL COMPUTER SYSTEMS PROPOSES OFFERING. General Computer Systems, Inc., 12810 Coit Rd., Dallas, Tex., filed a registration statement (File 2-30991) with the SEC on December 11 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on a "best efforts" basis by Monarch Funding Corp., 79 Wall St., New York, Patterson, Matzkin & Co., and two others, which will receive a 40¢ per share commission plus \$16,500 for expenses. The company has agreed, subject to sale of all the shares, to sell the underwriters, for \$150, four-year warrants to purchase 15,000 common shares, exercisable initially (after one year) at \$4.40 per share.

The company was organized under Delaware law in November 1968 by Gordon R. Gibbs, president. According to the prospectus, Gibbs has been engaged in research and development of a Data/Tape System designed to collect information from keyboards and consolidate such information by means of a small general purpose digital computer which will record it onto magnetic tape directly compatible with the main data processing computer. The company intends to purchase the necessary items and assemble them into its Data/Tape System. Of the net proceeds of its stock sale, \$160,000 will be used in the design and assembly of a prototype system and \$240,000 for the design, production and demonstration of 3 pilot systems; the balance will be added to working capital and used for general corporate purposes. The company has outstanding 540,000 common shares (with a tangible book value of .04¢ per share), of which Gibbs owns 40%. Upon completion of this offering, the purchasers of the shares being registered will own 21.7% of the then outstanding common stock, for which they will have paid \$600,000 and the present shareholders will own 78.3%, for which they invested \$43,524.

CONTINENTAL VENDING TRADING SUSPENSION RENEWED. The SEC announced on December 5, 1968 that it would not renew its suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation beyond December 12, 1968. Subsequently, the Commission was advised by counsel for Continental's trustee in the pending court proceedings under Chapter X of the Bankruptcy Act, that he was engaged in advanced stages of negotiations respecting the settlement of a possible claim by the trustee which, if successfully concluded, could result in some benefit to holders of valid convertible subordinated debentures of the company. It appears that any such settlement would be subject to review and approval by the Court following applicable procedures for notice and opportunity for hearing for interested persons. Counsel has also indicated that it is not now possible for him to disclose the details of these negotiations nor can there be any assurance that they will be successful. Under the circumstances, the Court and the Trustee have requested the Commission to continue its suspension of trading in Continental's securities. The Commission has therefore determined to continue its temporary suspension of trading in the stock and debentures of Continental for the further ten-day period December 13 to 22, 1968, inclusive.

WESTEC SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and/or over-the-counter trading in the securities of Westec Corporation for the further ten-day period December 13-22, 1968, inclusive.

DATATRON TO SELL STOCK. Datatron, Inc., 1636 East Edinger, Santa Ana, Calif. 92705, filed a registration statement (File 2-30992) with the SEC on December 11 seeking registration of 200,000 shares of capital stock, to be offered for public sale at \$7.50 per share. The offering is to be made through Myron A. Lomasney & Co., 67 Broad St., New York 10004, which will receive a 75¢ per share commission plus \$22,500 for expenses. The company has agreed to sell the underwriter, for \$200, five-year warrants to purchase 20,000 capital shares, exercisable initially (after one year) at \$8.25 per share. The company and the underwriter each have agreed to pay \$7,500 (or a total of \$15,000) to Al Plachter and Julian Weinstein in consideration for their services as finders.

Organized under California law in May 1967, the company designs, builds and markets digital data products and systems, timing instrumentation and data transmission systems and other computer peripheral equipment for use by government, industry and science. Of the net proceeds of its stock sale, the company will use \$150,000 to repay bank loans, \$150,000 to reduce other current liabilities, \$100,000 for development and completion of new equipment and systems and \$50,000 to purchase new equipment, furniture and fixtures; the

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balance will be added to working capital and used to finance the company's expansion and marketing efforts. The company has outstanding 520,000 capital shares of which Arthur L. Purcilly, president, owns 57,000, Charles H. Minich, a director, 200,000 and management officials as a group 395,000.

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 "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the December 3 News Digest.

Knott Hotels Corp Nov 68 (13)	1-1208-2	Allied Farm Equipment Inc Oct 68 (2,4,7,9,13)	0-2033-2
Texas Instruments Inc Nov 68 (13)	1-3761-2	W.R. Grace & Co Nov 68 (13)	1-3720-2
Gal Friday Corp Aug 68 (2,4,7,10,11,13)	2-14643-2	Bloomfield Bldg Industries Inc Oct 68 (7,8,12,13)	1-4608-2
The Dexter Corp Nov 68 (3)	1-5542-2	Budd Company Oct 68 (2,7,11,13)	1-2127-2
City Finance Co Inc Nov 68 (11,13)	2-19497-2	Miller Bros Hat Co Inc Nov 68 (6)	0-1681-2
The Perkin-Elmer Corp Nov 68 (11,12,13)	1-4389-2	Penobscot Shoe Co Nov 68 (7)	1-5548-2
Staff Builders Inc Nov 68 (7)	0-3196-2	Philips Industries Philips N.V. & U. S. Philips Trust 6K Sep 68	2-20193-2
Unico Environmental Instruments Inc Sep 68 (11,13)	2-28117-2	VTR Incorporated Oct 68 (7,13)	1-3393-2
Continental Copper & Steel Inds Inc Nov 68 (3,7)	1-3604-2	Texas Industries Inc Nov 68 (7)	1-4887-2
Pictorial Productions Nov 68 (2,7,13)	0-2970-2	Schenuit Ind Inc Nov 68 (12)	1-5410-2
The Bali Co Inc Nov 68 (4,12,13)	1-5378-2	West Chemical Products Inc Nov 68 (7)	1-4191-2
Commonwealth Gas Corp Nov 68 (3)	0-728-2	California Shopping Centers Inc Nov 68 (11,13)	2-24968-2
Doyle Dane Bernbach Inc Oct 68 (12)	0-171-2	Servomation Corp Nov 68 (11)	1-4775-2
J-K Industries Inc Nov 68 (11)	0-1734-2	Alabama Power Co Nov 68 (7,13)	1-3164-2
Kings Electronics Co inc Nov 68 (11,12,13)	0-3280-2	Alfred Hart Co Nov 68 (12,13)	1-5136-2
		General Management Corp Nov 68 (12,13)	0-2032-2
		General Signal Corp Nov 68 (8)	1-996-2
		VTR Incorporated Amdt #1 to 8K for Sept 68(11,13)	1-3393-2

SECURITIES ACT REGISTRATIONS:

Effective December 10: Bermec Corp., 2-30628 (Jan 20); Tensor Corp., 2-30690 (Jan 20).

Effective December 11: Addressograph-Multigraph, 2-30647; American General Insurance Co., 2-30774; The William J. Burns International Detective Agency, Inc., 2-30638 (40 days); Culligan, Inc., 2-30145 (Jan 27); 1968 Delta Drilling Fund, 2-29259 (90 days); Fimaco, Inc., 2-30023 (Feb 11).
Withdrawn December 6: North Canadian Oil Limited, 2-29685.

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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