

# 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 March 11, 1965

**TRADING IN "THIRD MARKET" REPORTED.** The SEC announces (for March 12th Newspapers) the first of a series of reports on over-the-counter sales of common stocks traded on national securities exchanges. The report showed that such "third market" sales in January 1965 amounted to 4,077,000 shares with a value of \$209 million. This compares with stock sales on all national securities exchanges of 176,778,000 shares worth \$5,958 million in the same period. In an accompanying table, the volume of such trading in a list of the 75 most active NYSE stocks is compared with their round-lot volume on the Exchange. The ratio of third-market volume to NYSE volume in these stocks in January ranged from a low of 2% to a high of 116.8% and averaged 12.2%.

Total third market sales to the public of New York Stock Exchange common stocks amounted to \$204 million, or 4.1% of dollar volume on that exchange during January 1965. Total over-the-counter sales on the New York Stock Exchange common stocks involved 388 issues. Of these, 89 were utility and 15 were railroad issues while the remainder were industrials. About 60 percent of third market volume in New York Stock Exchange issues was accounted for by 75 stocks, while exchange volume in these stocks comprised only 20 percent of total New York Stock Exchange trading. Twenty-six of these active third market stocks were also among the 75 most active common stocks on the Exchange in January 1965.

For further details, see Stat. Series Release No. 2037.

**OHIO EDISON RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15200) authorizing Ohio Edison Company, Akron, Ohio, to effect a recapitalization of its common stock. The company proposes to increase its authorized number of common shares from 20,000,000 to 40,000,000 and to effect a two-for-one common stock split.

**WYCKOFF STEEL RECEIVES ORDER.** The SEC has issued an order under the Securities Exchange Act (Release 34-7549) granting an application of the W. S. Liquidating Corp., Pittsburgh, Pa., formerly Wyckoff Steel Company, for exemption from the registration provisions of said Act. According to the application, the company has sold all of its assets for cash and will not engage in any further business activities but will be concerned solely with the winding up of its affairs.

**ASTRODATA PROPOSES DEBENTURE OFFERING.** Astrodata, Inc., 240 E. Palais Rd., Anaheim, Calif., 92803, filed a registration statement (File 2-23269) with the SEC on March 10 seeking registration of \$4,000,000 of convertible subordinated debentures due 1980. The debentures are to be offered for public sale through underwriters headed by Hayden, Stone Inc., 25 Broad St., and F. S. Smithers & Co., 45 Wall St., both of New York. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Organized under California law in 1961, the company is engaged primarily in the development, manufacture and sale of high-speed electronic data handling equipment, range timing equipment, telemetry instrumentation, analog computers and standard electronic products. Net proceeds from the debenture sale will be used to discharge some \$3,500,000 of bank indebtedness incurred for working capital, and the balance will be added to general funds. In addition to indebtedness, the company has outstanding 675,394 capital shares, of which management officials own 7.3%. The company issued 1,000,000 shares in July 1961 (reduced to 500,000 by a 1 for 2 reverse stock split in October 1961) in exchange for the assets and business of the Epsco-West Division of Epsco, Incorporated. Wallace E. Rianda is president.

**COCKAYNE FILES GUILTY PLEA.** The SEC Seattle Regional Office announced March 9th (LR-3168) that Robert R. Cockayne of Great Falls, Montana, had entered a plea of guilty to counts of indictment charging violations of Securities Act anti-fraud provisions in the sale of stock of Treasure State Life Insurance Company and appropriating investors' funds to his own use. Five-year prison sentence imposed, then suspended; and Cockayne was placed on probation for five years.

**MCDONALD'S FILES FOR SECONDARY.** McDonald's Corporation, 221 N. LaSalle St., Chicago 60601, today filed a registration statement (File 2-23270) with the SEC seeking registration of 300,000 outstanding shares of common stock. The shares are to be offered for public sale by the present holders thereof (with 15,000 shares to be offered initially to company employees), through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York 10004. The public offering price (\$23 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company develops, licenses, leases and services drive-in self-service restaurants under the name "McDonald's". In addition to indebtedness, it has outstanding 1,500,000 common shares, of which management officials own 76%. The prospectus lists six selling stockholders, including Ray A. Kroc (board chairman), offering 150,000 of 790,833 shares held; Harry J. Sonneborn (president), 59,166 of 228,333; and State Mutual Life Assurance Co. of America, 50,000 of 150,000. The remaining selling stockholders are offering shares ranging in amounts from 10,000 to 15,834. After completion of the proposed sale, management officials will own 61% of the outstanding stock.

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**MAXFIELD AND CHRISTOPHER SENTENCED.** The SEC Denver Regional Office announced March 9 (LR-3169) that following their conviction on eight counts of an indictment charging violations of the Securities Act anti-fraud provisions, Reed R. Maxfield of Chester, Utah, received an 18-month prison sentence, a \$5,000 fine on each of the first four counts (with the provision that upon payment of the fines on counts one and two execution of the prison sentence and fines on the third and fourth counts would be suspended) and a six-month prison sentence on the last four counts. In addition, John R. Christopher of Salt Lake City, Utah, was sentenced to six months' imprisonment on the first four counts and to one year of imprisonment on each of the four additional counts, with sentences on the latter counts suspended on condition that he serve three years' probation.

**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. 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 March 1 News Digest.

Automatic Canteen Co of America Feb 65 (11)	1-3343-2	Miss Eliette Inc Feb 65 (12)	2-19117-2
One Hour Valet Inc Jan 65 (11)	0-77-2	United States Sugar Corp Feb 65 (11)	0-162-2
Outlet Co Jan 65 (12)	1-1209-2	American Urethane Inc Feb 65 (11,12)	2-18171-2
Peoples Telephone Corp Feb 65 (7,13)	2-16350-2	Jayark Films Corp Feb 65 (9)	2-18743-2
Reeves Industries Inc Jan 65 (12)	1-4184-2	Pioneer Finance Co Nov 64 (7,13) Jan 65 (7) Feb 65 (7,13)	2-11253-2 2-11253-2 2-11253-2
Stop & Shop Inc Jan 65 (2,7,10,13)	1-1722-2	Silver Creek Precision Corp Amend #2 to 8K for Sept 64 (13)	1-3859-2
Sonoco Products Co Feb 65 (11,12)	2-2936-2	White Consolidated Industries Amend #1 to 8K for July 64 (13)	1-826-2
DWG Cigar Corp Jan 65 (1,13)	1-2207-2	Leaseway Transportation Corp Amend #2 to 8K for June 64 (13)	2-17462-2
Nalco Chemical Co Feb 65 (12)	1-4957-2	Ryder System Inc Amend #1 to 8K for Dec 64 (12,13)	1-4364-2
Firestone Tire & Rubber Co Jan 65 (7,11,13)	1-484-2	Howard Industries Inc Amend #1 to 8K for May 63 (4,7,13)	1-3971-2
Forest City Enterprises Inc Dec 63 (7)	1-4372-2	May Dept Stores Co Amend #1 to 8K for Dec 64 (4)	1-79-2
Frouge Corp Feb 65 (11)	2-16828-2		
Southeastern Propane Gas Co Feb 65 (11)	2-19729-2		
Crane Co Feb 65 (8)	1-1657-2		

**SECURITIES ACT REGISTRATIONS.** Effective March 10: Frontier Airlines, Inc. (File 2-22949).  
Effective March 11: Sam Shainberg Co. (File 2-23130).

\*As estimated for purposes of computing the registration fee.

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