

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**CANADIAN INTERNATIONAL POWER FILES FOR SECONDARY.** Canadian International Power Company Limited, 276 St. James St. West, Montreal, Quebec, Canada, filed a registration statement (File 2-29506) with the SEC on July 1 seeking registration of 135,000 outstanding shares of common stock. The holder thereof proposes to offer this stock for public sale through underwriters headed by New York Securities Co., 52 Wall St., New York 10005; the offering price (\$27.75 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged through subsidiaries in the generation, transmission, distribution and sale of electricity in areas of Venezuela, El Salvador, Bolivia and Barbados. In addition to indebtedness and preferred stock, it has outstanding 2,904,070 common shares, of which The United Corporation owns 55.6%. United proposes to sell the 135,000 shares being registered.

**AMERICAN RESERVE SECURITIES IN REGISTRATION.** American Reserve Corporation, 65 E. South Water St., Chicago, Ill. 60601, filed a registration statement (File 2-29507) with the SEC on July 1 seeking registration of 10,000 outstanding shares of common stock and warrants to purchase 37,125 shares. Warrants for 12,375 shares, exercisable at \$14.85 per share, are being purchased by A. G. Becker & Co., Inc., from Thrift Credit Corp., at a purchase price of \$199,856.25; and Becker may offer certain of such warrants to its customers (including 1,000 to Wallace J. Stenhouse, Jr., company president). Thrift also owns warrants for the purchase of 24,750 shares (at prices ranging from \$10.91 to \$13.33 per share); and such warrants (or the underlying common shares) may be sold from time to time. Allen Seth Blank, board chairman, owns the 10,000 shares and may offer same for sale from time to time at prices current at the time of sale (\$50 per share maximum\*). The company now has outstanding 602,823 common shares.

**DUDLEY SPORTS TO SELL STOCK.** Dudley Sports Co., Inc., 12-12 37th Ave., Long Island City, N. Y. 11101, filed a registration statement (File 2-29509) with the SEC on July 1 seeking registration of 100,000 shares of common stock. The stock is to be offered for public sale through Milton D. Blauner & Co., Inc., 115 Broadway, New York 10006; the offering price (\$4.50 per share maximum\*) and underwriting terms are to be supplied by amendment. The Blauner firm has agreed to pay Magnus & Co., Inc., one-half of its profit from this offering.

The company is engaged in the manufacture and distribution of products sold to the recreation market such as softballs, baseballs, pitching machines and sportshirts. Net proceeds of its stock sale will be used to repay certain indebtedness and for seasonal working capital and other corporate purposes. The company now has outstanding 181,000 common shares, of which Robert J. Freedman, president, owns 53%.

**MOHAWK DATA SCIENCES SHARES IN REGISTRATION.** Mohawk Data Sciences Corp. ("MDS"), Herkimer, New York 13350, filed a registration statement (File 2-29508) with the SEC on July 1 seeking registration of 138,343 outstanding shares of common stock and warrants for the purchase of 6,385 shares. According to the prospectus, (a) holders of convertible notes of Soroban Engineering, Inc. (which were assumed by MDS on May 29) may convert their notes and sell the 13,000 shares issuable upon conversion; (b) holders of warrants to purchase 6,385 shares of MDS common, initially issued by Soroban Engineering and assumed by MDS, may sell such warrants or the 6,385 shares issuable upon exercise thereof; (c) A. G. Becker & Co., Inc., and present and former shareholders of Becker who received shares of MDS common upon redemption, in whole or in part, of their holdings of Becker capital shares, may sell 78,958 such shares; (d) former stockholders of H. M. Storms Company are receiving 25,000 shares of MDS common in exchange for all the outstanding shares of Storms; and (e) Midland Capital Corporation acquired 15,000 shares of MDS common upon conversion of convertible debentures of MDS. All may offer the shares for sale from time to time, at prices current at the time of sale (\$191.50 per share maximum\*). MDS now has outstanding 2,506,494 common shares.

**CANADA SOUTHERN PETROLEUM PROPOSES OFFERING.** Canada Southern Petroleum Ltd., 505 8th Ave. South West, Calgary, Alberta, Canada, filed a registration statement (File 2-29510) with the SEC on July 1 seeking registration of 2,161,593 shares of capital stock. The company proposes to offer its stockholders the right to purchase shares of capital stock through the exercise of transferable subscription rights, on the basis of rights to subscribe for one unit for each five shares held. Each unit will consist of one share plus a one-half bearer purchase warrant to purchase an additional share. The offering price (\$2 per share maximum\*) and underwriting terms are to be supplied by amendment; A. E. Osler & Co., Ltd., 11 Jordan St., Toronto, Ontario, has been appointed as soliciting agent. Also included in the statement are an additional 208,000 shares now under option to The Catawba Corporation and certain employees of the issuing company.

The company is engaged in the exploration and development of properties "containing or believed to contain" recoverable gas and oil reserves. A portion of the properties was acquired from members of the family of the late William F. Buckley; The Catawba Corporation, which is controlled by members of that family, has rendered administrative, technical and other services to the company. Net proceeds of the company's stock sale will be added to its general funds and used for (a) payment of the company's portion of expenses of properties in British Columbia and the Yukon Territory estimated at \$700,000 for the current year and (b) the balance to be applied to current operations and exploration and other expenses as they arise. In addition to indebtedness, the company has outstanding 6,997,306 capital shares, of which management officials own .5%. John W. Buckley is president.

OVER

**DORNE MARGOLIN FILES FOR SECONDARY.** Dorne and Margolin, Inc., 2950 Veterans' Memorial Highway, Bohemia, L.I., N.Y., 11716, filed a registration statement (File 2-29511) with the SEC on July 1 seeking registration of 40,000 outstanding shares of capital stock. The shares have been reserved by the company for issuance under its stock option plan; they may be offered for public sale from time to time by the holders thereof, at prices current at the time of sale (\$14 per share maximum\*).

**CINEMA V DISTRIBUTING TO SELL STOCK.** Cinema V Distributing, Inc., 595 Madison Ave., New York, filed a registration statement (File 2-29512) with the SEC on July 1 seeking registration of 340,000 shares of common stock. It is proposed to offer this stock for public sale through underwriters headed by Allen & Co., Inc., 30 Broad St., New York 10004; the offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay counsel fees of the underwriters in the amount of \$12,500 and their out-of-pocket expenses, and to sell the Allen firm five-year warrants to purchase 30,000 shares at \$11 per share.

The company is engaged in the business of distributing motion pictures. The net proceeds of its stock sale and approximately \$840,000 which it is expected will be available to the company from its own funds and from Cinema International, Ltd. ("International"), together with about \$400,000 of bank borrowings, will be used to provide the \$4,000,000 purchase price of all outstanding stock of International to be acquired by the company and \$292,500 for the retirement of certain outstanding notes to stockholders. Donald S. Rugoff, president of the company and president of International, owns 31.16% and his mother 38.77% of International's stock. The company now has outstanding 351,450 common shares, of which Briart Operating Corporation, a subsidiary of Cinema International, owns 27.78%, Maritime Enterprises, Inc., 27.78%, Carl M. Loeb, Jr., 11.11%, Allen & Company 10.44%, and management officials as a group 12.53%.

**WEKSLER INSTRUMENTS FILES FOR OFFERING AND SECONDARY.** Weksler Instruments Corporation, 195 E. Merrick Rd. Freeport, N. Y. 11520, filed a registration statement (File 2-29513) with the SEC on July 1 seeking registration of 150,000 shares of common stock. Of this stock, 60,000 shares are to be offered for public sale by the company and 90,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Auchincloss, Parker & Redpath, 2 Broadway, New York 10004; the offering terms (\$11 per share maximum\*) are to be supplied by amendment. The company has agreed to issue 3,040 shares to Alexander B. Klotz (a director), and Lawrence R. Gould as a finders' fee in connection with this offering.

The company manufactures and markets instruments for the measurement and recording of temperature, humidity and pressure. Of the net proceeds of its sale of additional stock, \$150,000 will be used to repay a bank loan used to purchase land in an industrial park in Freeport, \$150,000 together with the proceeds of a \$600,000 construction and permanent bank loan toward the construction of an industrial plant on the property, \$150,000 for moving operations to the new plant and for the purchase of equipment, and the balance for general corporate purposes, including the partial or total redemption of the 1,000 shares of \$100 par preferred stock outstanding. The company now has outstanding 298,300 common shares, all held by management officials and members of their families. Harry Weksler, board chairman, Edward P. Dobrin, president, and other officials and their family members propose to sell the 90,000 shares.

**FIRST ORLANDO CORP. FILES EXCHANGE PLAN.** First at Orlando Corporation, First National Bank Bldg., Orlando, Fla., filed a registration statement (File 2-29515) with the SEC on July 1 seeking registration of 165,321 shares of common stock. The company proposes to offer these shares in exchange for all the 60,117 outstanding shares of The First National Bank of Leesburg, Lake County, Fla., at the rate of 2.75 shares for each share of Bank stock. The company is a bank holding company; it has five banking subsidiaries, all located in Orlando, Orange County, Fla. William H. Dial is president and board chairman.

**CG VARIABLE ANNUITY PROPOSES OFFERING.** CG Variable Annuity Account I, 900 Cottage Grove Road, Bloomfield, Conn., filed a registration statement (File 2-29516) with the SEC on July 1 seeking registration of \$15,000,000 of group variable annuity contracts to be offered by Connecticut General Life Insurance Co. The contracts are designed for annuity purchase plans adopted by public school systems and certain tax exempt organizations. Such annuities afford participating employees with certain federal income tax benefits under Section 403(b) of the Internal Revenue Code and are referred to as "tax sheltered annuities." Connecticut General, a stock life insurance company, established CG Variable Annuity Account I in March 1968.

**E. F. MACDONALD FILES FOR SECONDARY.** The E. F. MacDonald Company, 129 S. Ludlow St., Dayton, Ohio 45401, filed a registration statement (File 2-29517) with the SEC on July 1 seeking registration of \$10,200,000 of outstanding 6% convertible subordinated debentures, due 1987, and 130,000 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 Kuhn, Loeb & Co., 40 Wall St., New York 10005; the offering price of the debentures and the common stock (\$18.75 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the creation and administration of incentive programs designed to achieve the sales and other objectives of its customers, the licensing and administration of the MacDonald Plaid Stamp Plan and the operation of the chain of Shopping Bag supermarkets in Southern California (which the company acquired in June 1967). In addition to indebtedness, the company has outstanding 3,446,879 common shares, of which management officials as a group own 10.8%. Elton F. MacDonald is board chairman and George C. Gifflen, Jr., president. The company's Employees' Savings and Profit Sharing Trust proposes to sell 60,000 of 237,200 shares held, Elton MacDonald and his wife 50,000 of 225,750 and Robert MacDonald 20,000 of 105,276. Prudential Insurance Company of America proposes to sell \$3,000,000 of debentures, First National City Bank (as agent for an institutional investor) \$2,400,000 and eleven others the balance of the debentures being registered.

**KING PHARR CANNING PROPOSES DEBENTURE OFFERING.** King Pharr Canning Operations, Inc., Cullman, Ala., filed a registration statement (File 2-29521) with the SEC on July 1 seeking registration of \$500,000 of 6-3/4% subordinated convertible sinking fund debentures, to be offered for public sale at 100% of principal amount. The offering is to be made through First Alabama Securities, Inc., Montgomery, Ala. The company has agreed to deliver to the underwriter an option to purchase 10,000 common shares.

The company is principally engaged in the processing and canning of vegetables. It will add the net proceeds of its debenture sale to working capital to increase production and to reduce the need for substantial short term credit by the company during packing seasons. Approximately two-thirds of the proceeds will be used to cover increased labor costs due to the increased production, and one-third for the purchase of raw materials for processing. In addition to indebtedness, the company has outstanding 101,511 common shares, of which Julian B. McPhillips, board chairman, owns 25%, Julian L. McPhillips, vice president, 11%, and management officials as a group 46.5%. W. Warren McPhillips is president.

**STOCK PLANS FILED.** The following companies have filed Form S-8 registration statements with the SEC proposing the offer of stock under employee stock option and similar plans:

The Wheelabrator Corporation, Mishawaka, Ind. 46544 (File 2-29514) - 15,000 shares  
 Elwin G. Smith & Company, Inc., Pittsburgh, Pa. 15202 (File 2-29518) - 75,000 shares  
 National Can Corporation, Chicago, Ill. 60638 (File 2-29519) - 75,000 shares  
 The Higbee Company, Cleveland, Ohio 44113 (File 2-29520) - 85,420 shares

**DECISION RE BAIRD, BAIRD & CO. ANNOUNCED.** The SEC today announced a decision in administrative proceedings under the Securities Exchange Act involving David G. Baird and Baird & Co., of New York City (Release 34-8350). The proceedings involved staff charges that Baird, a former partner of the Baird firm, caused three foundations controlled by him to engage in a broker-dealer business during the period June 1950 and October 1963 without being registered as broker-dealers, and in connection therewith to extend credit in contravention of applicable requirements. Baird submitted an offer of settlement wherein, without admitting any violations or any findings made pursuant to the offer, he consented to Commission findings that he violated and aided and abetted violations of the Exchange Act as charged in specified allegations of the order for proceedings. As part of his settlement offer, Baird, who resigned as a general partner of the Baird firm in June 1967 and as a limited partner in December 1967, undertook not to engage in the business affairs or activities of the firm (except as may be necessary to transfer control of the firm to the partners who are continuing its business), and not to engage in the securities business in any capacity with any broker-dealer or investment adviser. His offer further provided that any breach of his representations and undertakings would be grounds for the imposition of sanctions by the Commission, and that, in view of those representations and agreements, no sanction would be imposed on Baird or the Baird firm other than issuance of the Commission's findings and opinion. The Commission accepted the offer.

According to the decision, during the specified period Baird caused the three foundations "to engage in activities which amounted to the conduct of a large-scale broker-dealer business" in violation of the broker-dealer registration provisions of the Exchange Act as well as to violate the credit restrictions of the Exchange Act and Regulation T of the Federal Reserve Board. The activities of the foundations included the purchase and sale of securities in large volume and on an almost daily basis, for the accounts of others as well as for their own accounts, extensive transactions with persons who were not broker-dealers, the extension of large loans in connection with the purchase of securities, and various related activities typical of a broker-dealer business. The foundations, whose income was derived primarily from their securities activities, effected transactions in more than 630 different issues of securities during the 1950-63 period, including transactions executed on a principal or agency basis with 340 persons who were not broker-dealers. The total dollar volume of transactions with one person alone exceeded \$25 million. The foundations' books reflected more than 13,000 securities transactions in the period 1955-63 alone. Purchases of securities totalled \$118,833,100 and sales \$125,815,822 from 1953 through 1963. The foundations also extended loans totalling more than \$18 million to some 40 persons in connection with the purchase of securities. Loans of more than \$17 million extended to 14 persons who were customers of the Baird firm were in amounts exceeding those permitted under Regulation T and were supported by collateral not permitted by that Regulation. The Commission pointed out that "while charitable foundations may engage in securities transactions that are part of their normal activities of managing funds devoted to their charitable purposes without falling within the regulatory framework of the Exchange Act with respect to broker-dealers, in the present case the scope and magnitude of the foundations' securities activities carried out under Baird's direction went far beyond such conduct."

The Commission stated that its conclusion to accept the offer of settlement was based principally on the facts that the foundations are now inactive and will be liquidated immediately upon the determination of a claim of possible tax liability asserted against them by the Internal Revenue Service, and that Baird, who is 72 years old and in ill health, is no longer associated with the Baird firm or with any other broker-dealer or investment adviser and under the terms of the offer will be precluded from engaging in the securities business in any capacity with a broker-dealer or investment adviser.

**BAHAMIAN BANK AND FUND ENJOINED.** The SEC today announced (LR-4054) that the U. S. District Court in New York had permanently enjoined the offer and sale of Class A stock of Mary Carter Paint Co. by the following in violation of the Securities Act registration provisions: Fiduciary Trust Co., Ltd., a Bahamian bank and trust company with its main offices in Nassau, Bahamas; Fiduciary Growth Fund, Ltd., an open-end investment company, organized under the laws of Canada, with its offices in Nassau, Bahamas; Samuel Clapp and William Sayad, Jr. Fiduciary Trust also was enjoined along with Clapp and Sayad from violating the broker-dealer registration provisions of the Securities Exchange Act. The defendants consented to the injunction but denied the allegations of the complaint.

**GLORIA CLAPP BARRED.** The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-8352) barring Gloria M. Clapp, of Nassau, Bahamas, from being associated with any broker-dealer. She was a respondent in administrative proceedings based upon staff charges that she participated with Fiduciary Trust Co., Ltd., and Fiduciary Growth Fund, Ltd., a Nassau bank and mutual fund, respectively, in the offer and sale of Class A common stock of Mary Carter Paint Co. when no Securities Act registration statement was filed on in effect as to such stock, and that she also aided and abetted Fiduciary Trust in violating the Exchange Act by effecting transactions as a broker-dealer without its being registered as such. Respondent denied the allegations, and in a stipulation and consent she waived a hearing and, without admitting the allegations, consented to entry of the bar order.

**TWO ADDED TO RESTRICTED LIST.** The SEC has added Ethel Copper Mines Limited and Amalgamated Rare Earth Mines Limited, both Ontario corporations, to its Foreign Restricted List. The list is now comprised of 30 companies whose securities the Commission has reason to believe recently have been, or currently are being, offered for public sale and distribution in the United States in violation of the Securities Act registration provisions.

**LEEDS SHOES TRADING SUSPENSION CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in the securities of Leeds Shoes, Inc., for the further ten-day period July 9-18, 1968, inclusive.

**NN CORP. SEEKS ORDER.** NN Corporation, Milwaukee, Wisc., has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of stock of an insurance company; and the Commission has issued an order (Release IC-5430) giving interested persons until July 22 to request a hearing thereon. According to the application, NN Corp. proposes to purchase from Wisconsin Securities of Delaware, 50,000 shares (5.63%) of the outstanding capital stock of Northwestern National Insurance Company in exchange for 50,000 shares of NN Corp. stock. NN Corp. was organized in February for the the purpose of becoming the parent of the Insurance Company and to provide a holding company having general business purposes. In May it made a share-for-share offer of its stock for outstanding shares of Insurance Company stock. As of June 27, holders of about 670,000 of the 887,954 shares of Insurance Company stock had tendered their shares in acceptance of the exchange offer. Because of intercompany "affiliation," exchange of the 50,000 shares held by the Securities Company is prohibited by the Investment Company Act unless the Commission for cause shown grants an exemption from the prohibition.

**NORTHWESTERN NATIONAL INS. SEEKS ORDER.** Northwestern National Insurance Company, Milwaukee, Wisc., has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase from ISI Trust Fund (formerly Insurance Securities Trust Fund) of 85,000 shares of the Insurance Company's stock at a price of \$41 per share; and the Commission has issued an order (Release IC-5431) giving interested persons until July 22 to request a hearing thereon. The Trust Fund and Insurance Company are affiliated by reason of the Trust Fund's ownership of 85,000 shares (9.57%) of the outstanding stock of the Insurance Company, which is in the process of a reorganization whereby NN Corporation, created to become the Insurance Company's parent, is offering its stock on a share-for-share basis for the outstanding stock of the Insurance Company. Upon purchase of the 85,000 shares, the Insurance Company proposes that said shares will be retired and restored to authorized and unissued shares.

**NATIONAL FUEL GAS FILES FINANCING PROPOSAL.** National Fuel Gas Company, New York holding company, has joined with three of its subsidiaries in the filing of a financing proposal with the Commission under the Holding Company Act; and the Commission has issued an order (Release 35-16108) giving interested persons until July 26 to request a hearing thereon. According to the application, National proposes to (a) issue and sell at competitive bidding \$15,000,000 of sinking fund debentures due 1993 and (b) issue and sell to The Chase Manhattan Bank, its unsecured promissory note in the amount of \$12,400,000. With the proceeds, National will prepay outstanding notes due the said Bank, amounting to \$12,400,000, and will acquire \$15,000,000 of long-term notes from the three subsidiaries, Iroquois Gas Corporation, United Natural Gas Company, and Pennsylvania Gas Company. The subsidiaries will use the proceeds of their note sales, together with funds available from current operations, to make additions to utility plant (including underground cushion gas in storage and to replenish working capital). Aggregate plant additions are estimated at \$18,300,000 for 1968. The three subsidiaries also propose (i) to reissue unsecured promissory notes payable to the parent in the aggregate principal amount of \$12,400,000 and (ii) to issue and sell to banks an aggregate of \$13,700,000 of short-term promissory notes. The proceeds of the sale of the bank notes will be used to finance the cost of gas purchased and stored underground for current inventory purposes.

**SECURITIES ACT REGISTRATIONS.** Effective July 5: Belden & Blake and Co. Ltd. Partnership No. 7A, 2-29377; International Computing Service, Inc., 2-28544 (90 days).  
Withdrawn July 3: Burton Electrochemical Industries, 2-28559; Universal Computer Associates, Inc., 2-28410.

**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.