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Texas
STATE SECURITIES BOARD
Monthly Bulletin

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March 1966

DOCUMENTS DEPARTMENT

MAY 2 1966

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MARCH PERMITS

The State Securities Board issued permits in March to 60 corporations authorizing the sale of \$36,072,400 in securities in Texas. This is an increase of over \$6,000,000 over March of 1965.

Securities Commissioner William M. King stated total dollar amount of securities granted for the first seven months of the fiscal year was \$286,903,697, as compared to \$221,342,671 for the same period last year -- more than a \$65,000,000 increase, and last year was our peak year.

March permits granted mutual investment companies amounted to \$24,491,413 -- \$5,000,000 of this amount representing Texas mutual funds; March registrations by Texas-based companies other than mutual funds aggregated \$7,533,863, and \$4,047,124 went to foreign companies.

THANK YOU!

We are still in the process of undergoing some construction changes in the office of the State Securities Board, and, therefore, have not been able to render service as promptly as we would like to. We wish to thank you all for your cooperation and patience during this period. As a result of construction, we hope to be much more efficient with our IBM and other machines isolated, with Licensing Division in separate quarters, and with additional offices for license employees, securities analysts, and investigators.

LICENSE INFORMATION

During March a total of 106 examinations were administered to applicants for securities licenses. This included 36 on general securities principles, 92 examinations on the Texas Securities Act, and 3 special bond examinations. 38.9% of the applicants passed the general securities section on first attempt, 68.5% passed the Texas Law Portion on first attempt, and 66.7% passed the bond examination on first attempt.

ADMINISTRATIVE ORDERS

Denial of Application for Registration
as A Securities Salesman

Order No. LAD-251 was issued March 1, 1966, after a hearing before the Deputy Securities Commissioner, denying the application to register Harold Christensen Heisey as a Securities Salesman under the dealership of Dempsey-Tegeler & Co., Inc.

The Order included findings that the applicant had unlawfully offered for sale and sold unregistered securities without having been registered as a dealer as required by The Securities Act; engaged in inequitable practices in the sale of securities; and in his capacity as investment advisor and account executive, gave advice which resulted in excessive brokerage commissions for himself, to the detriment of investors.

* * *

Viclad Industries, Inc.
6612 Harry Hines Boulevard
Dallas, Texas

Order No. 5.O-252 was issued March 8, 1966, revoking any secondary trading exemption under Section 5.O of The Securities Act which might have been claimed with respect to the securities issued by Viclad Industries, Inc. From information available, there was reasonable cause to believe that the sale of the common stock of Viclad Industries, Inc., would tend to work a fraud and deceit upon any purchaser thereof.

* * *

Go, Incorporated
6000 Camp Bowie Boulevard
Fort Worth, Texas

On March 24, 1966, Order No. CP-253 was issued to Go, Incorporated and to its officers, directors, employees, and agents, to cease publication, dissemination and use of advertising materials in connection with the sale of its securities within the State of Texas.

The Order stated that the advertisements were misleading and otherwise likely to deceive a reader thereof. The Order stated that the securities of Go, Incorporated are not presently registered for sale in Texas.

* * *

Golden Circle Gospel Foundation, Inc.
3301 Glenrose Street
Austin, Texas

After a hearing, Cease and Desist Order No. CD-254 was issued on March 24, 1966, prohibiting the offer and sale of \$2,500,000 of 7% debentures authorized and printed by Golden Circle Gospel Foundation, Inc.

Named in the order were three corporations; Golden Circle Gospel Foundation, Inc., Cal-L Exploration Corp., and Tex-L Exploration Corporation, all dominated and controlled by DeWitt T. Langford, Gerald T. Langford, and Lillian Langford.

The Order stated that Golden Circle, its officers, directors, and agents have violated The Securities Act by the sale and offer for sale of Golden Circle's unregistered securities through unregistered dealers; that the offer and sale of such securities had tended and would tend to work a fraud upon purchasers because of the use of false and misleading statements and the withholding of material facts from purchasers, and because of the use of misleading advertising; that the sale of Golden Circle securities was a scheme to raise capital for Cal-L's and Tex-L's speculative oil business under the guise of raising funds for religious purposes, and to evade registration of the securities with the State Securities Board.

The Order stated that Golden Circle had no assets with which to secure a \$2,500,000 debenture issue, that Cal-L, who allegedly guaranteed the debenture issue, had had no net income in 1964 or during the first eight months in 1965 and that sinking fund deposits to pay the debentures' interest and principal had not been made.

The Order concluded that the further for sale and sale of Golden Circle securities would not be fair, just or equitable to any purchaser thereof, would tend to work a fraud upon any purchaser thereof, and would be in violation of The Securities Act.

* * *

Saturn Industries, Inc.
Southland Center
Dallas, Texas

Order No. 5.O-255 was issued March 31, 1966, revoking any secondary trading exemption under Section 5.O of The Securities Act which might have been claimed with respect to securities issued by Saturn Industries, Inc. From information available, there was reasonable cause to believe that the sale of the common stock of Saturn Industries, Inc., would tend to work a fraud upon any purchaser thereof.

* * *

ENFORCEMENT PROCEEDINGS

On March 16, 1966, the Texas Court of Criminal Appeals, acting on a motion for rehearing, affirmed the conviction of Howard Birchfield for committing fraud in the sale of securities. Birchfield had been convicted last year in Jefferson County for unlawfully and fraudulently selling securities issued by Pacific Flouride Company, and was sentenced to two years in the penitentiary. In reaching its decision, the Court of Criminal Appeals held that it was not necessary for the State to allege or prove that the defendant's false and fraudulent statements were actually relied upon by the person to whom they were made.

* * *

An indictment was returned by the Grand Jury for Travis County, Texas, on March 23, 1966, charging Reginald W. Gregory with violation of the Texas Securities Act in the sale of unregistered securities of Home Financial Corporation.

The indictment contained three counts, the first alleging a sale of the unregistered stock of Home Financial Corporation and two counts charging that fraud was committed in the sale.

* * *

MONTHLY REPORT OF SECURITIES REGISTRATIONS IN TEXAS

A summary of individual permits issued in March, 1966, follows: These permits are permissive only and do not constitute a recommendation of the State Securities Board.

<u>DATE</u>	<u>ISSUER</u>	<u>TYPE OF OFFERING</u>
3-22-66	Aberdeen Investor Programs 15 William Street New York, New York	Systematic Programs and Single Payment Programs for the accumulation of shs of Aberdeen Fund @ face amt.
3-16-66	Addison-Wesley Publishing Company South Street Reading, Massachusetts	450 shs Cl. B com/s @ \$32.00.
3-1-66	American Growth Fund, Inc. 800 Security Building Denver, Colorado	shs com/s @ net asset value.
3-24-66	American Welding & Manufacturing Company 250 Dietz Road Warren, Ohio	15,000 shs com/s @ \$20.00.
3-16-66	Austral Arkoma Company 2700 Humble Building Houston, Texas	8 Units of Limited Partnership Interests @ \$125.00 per Unit.

3-30-66	Baltimore Aricoil Company, Inc. P. O. Box 7322 Baltimore, Maryland	1,500 shs com/s @ \$29.75.
3-22-66	Boston Fund, Inc. 111 Devonshire Street Boston, Massachusetts	shs com/s @ net asset value.
3-15-66	Bourns, Inc. 1200 Columbia Avenue Riverside, California	25,000 shs cap/s @ \$15.75.
3-6-66	Campbell Soup Company 375 Memorial Avenue Camden, New Jersey	Participations in Campbell's Soups Employee Savings and Stock Bonus Plan to be sold as per prospectus dated 11-10-65.
3-16-66	Capital Exchange Fund, Inc. 111 Devonshire Street Boston, Massachusetts	180,000 shs com/s to be exchanged for broadly held securities as described in the prospectus. The basis of the exchange will be 1 shr of fund for ea. \$25.00 of mkt. value of the securities received by the fund on exchange date after deducting a sales chg. of 4% of such mkt. value.
-7-66	Champion Golf Club, Inc. 14000 Champions Drive Houston, Texas	893 shs Cl. B pref, par value \$790.00, non-cumulative voting stk and 343 shs Cl. A pref, par value \$490.00, participating, non-cumulative voting stk @ par.
-10-66	Colony Growth Plans 75 Federal Street Boston, Massachusetts	Single Payment Plans and Monthly Payment Plans for the accumulation of shs of Colonial Growth & Energy Shs. Inc. @ face amt.
-9-66	Communications Industries, Inc. 511 North Akard Street Dallas, Texas	75,000 shs com/s @ \$6.50.
-22-66	Computing & Software, Inc. 8155 Van Nuys Blvd. Pamorama City, California	5,000 shs com/s @ \$6.00.
8-66	Convertible Securities & Growth Stock Fund, Inc. 314 West 6th Street Los Angeles, California	shs com/s @ net asset value.
29-66	Cowles Communications, Inc. 488 Madison Avenue New York, New York	12,000 shs com/s @ \$17.50.
2-66	Diversified Metals Corporation 123 Byassee Drive Hazelwood, Missouri	15,000 shs com/s @ \$9.00.
16-66	Dow Theory Investment Fund, Inc. 35 Congress Street Boston, Massachusetts	shs com/s @ net asset value.
5-66	Eaton & Howard Balanced Fund 24 Federal Street Boston, Massachusetts	shs of Beneficial Interests @ net asset value.

3-12-66	Eaton & Howard Stock Fund 24 Federal Street Boston, Massachusetts	shs of Beneficial Interests @ net asset value.
3-29-66	Electronic Memories, Inc. 12621 Chadron Avenue Hawthorne, California	1,666 shs com/s @ \$13.00.
3-31-66	Fidelity Capital Investment Plans 31 Milk Street Boston, Massachusetts	Single Payment Plans and Systematic Investment Plans for the accumulation of shs of Fidelity Capital Fund, Inc. @ face amt.
3-16-66	Fidelity Trend Investment Plans 31 Milk Street Boston, Massachusetts	Single Payment Plans and Systematic Investment Plans for the accumulation of shs of Fidelity Trend Fund, Inc. @ face amt.
3-21-66	First Southwest Realty Trust 102 North College Street Tyler, Texas	15,518 shs of Beneficial Interests in a Real Estate Trust @ \$12.50.
3-10-66	Fourth Empire Fund 44 School Street Boston, Massachusetts	1,250 shs cap/s - 1 shr to be issued for ea. \$20.00 of exchange value deposited by an investor.
3-8-66	Giddings & Lewis Machine Tool Company 142 Doty Street Fond duLac, Wisconsin	7 Units of 4 5/8% Conv. Sub. Deben. of \$1,000.00 ea. @ offering price of \$1,000.00.
3-31-66	Great Western Loan and Trust Company 1000 North Alamo Street San Antonio, Texas	10,000 Units of 6 1/2% 5 yr. Sub. Deben. @ \$100.00 ea.
3-15-66	Hanes Corporation Hanes Mill Road Winston-Salem, North Carolina	25,000 shs com/s @ \$29.75.
3-22-66	Independence Fund, Inc. 50 State Street Boston, Massachusetts	shs com/s @ net asset value.
3-31-66	Industries Trend Fund, Inc. 717 Travis Street Houston, Texas	shs com/s @ net asset value.
3-16-66	Insurance and Bank Stock Fund Inc. 212 Center Street Little Rock, Arkansas	shs com/s @ net asset value.
3-25-66	International Investors, Inc. 60 Broad Street New York, New York	shs com/s @ net asset value.
3-31-66	Investors Research Fund, Inc. 922 Laguna Street Santa Barbara, California	shs com/s @ net asset value.

3-31-66	Investors Variable Payment Fund , Inc. Investors Building Minneapolis, Minnesota	shs com/s @ net asset value.
3-17-66	Kentucky Fried Chicken Corporation P. O. Box 9010 Nashville, Tennessee	15,000 shs com/s @ \$15.00.
3-16-66	Kusan, Incorporated 3206 Belmont Blvd. Nashville, Tennessee	2,000 shs com/s @ \$13.00.
3-22-66	Life Insurance Investors, Inc. 10 South LaSalle Street Chicago, Illinois	shs com/s @ net asset value.
3-24-66	Lin Broadcasting Corporation 311 Church Street Nashville, Tennessee	5,000 shs com/s @ \$8.50.
3-10-66	LTV Aerospace Corporation 1600 Pacific Avenue Dallas, Texas	25,000 shs com/s @ \$24.00.
3-24-66	Morton's Shoe Stores, Inc. 184 Everett Street Allston, Massachusetts	7,500 shs com/s @ \$8.00.
3-16-66	National Chemsearch Corporation Box 217 Irving, Texas	8,525 shs com/s @ \$26.50.
3-7-66	Nation-Wide Securities Company, Inc. One Wall Street New York, New York	shs com/s @ net asset value.
3-16-66	Neuhoff Bros., Packers, Inc. 2821 Alamo Street Dallas, Texas	75,000 shs com/s @ \$25.375.
3-17-66	Non-Commissioned Officers Life Insurance Company 300 East 11th Street Austin, Texas	12,618 shs com/s @ \$10.00.
3-9-66	Offshore Navigation, Inc. 5728 Jefferson Hwy. Metairie, Louisiana	2,000 shs com/s @ \$15.00.
3-22-66	Parkview Drugs, Inc. 6000 Manchester Trafficway Terrace Kansas City, Missouri	5,000 shs com/s to be exchanged for outstanding stk of GEM International, Inc. @ \$23.00; 7,000 shs com/s issuable upon conversion of 5 3/4% Sub. Conv. Deben. @ \$28.57 and 100 shs com/s issuable upon exercise of Employee Stk. Options @ \$9.27.
3-16-66	Peoples Securities Corporation 120 Broadway New York, New York	shs com/s @ net asset value.

3-18-66	Philadelphia Fund, Inc. 901 Market Street Wilmington, Delaware	shs com/s @ net asset value.
3-31-66	Philadelphia Fund Investing Program 110 Wall Street New York, New York	Systematic Investing Programs and Single Payment Investing Programs for the accumulation of shs of Philadelphia Fund, Inc. @ face amt.
3-8-66	T. Rowe Price Growth Stock Fund, Inc. One Charles Center Baltimore, Maryland	shs com/s @ net asset value.
3-18-66	Reading & Bates Offshore Drilling Company Philtower Building Tulsa, Oklahoma	7,852 shs com/s at exchange value computed @ \$13.50 for 5 shs of Goff Oil Company's com/s.
3-8-66	Steadman Science & Growth Fund, Inc. 1033 Thirtieth St., N. W. Washington, D. C.	shs com/s @ net asset value.
3-1-66	Super Stores, Inc. 1310 Telegraph Road Prichard, Alabama	5,000 Units ea. consisting of 1 \$10.00 6 1/2% Conv. Sub. Deben. due 1981 and 1 shr com/s @ \$19.00 per Unit.
3-16-66	Systems Engineering Laboratories Incorporated 6901 West Sunrise Blvd. Fort Lauderdale, Florida	7,500 shs com/s @ \$7.00.
3-1-66	Tax Exempt Income Fund, Series 2 Two Broadway New York, New York	Units, ea. representing a 1/5,000 th fractional undivided interest in the prin. and net income of the Fund @ price determined by the Evaluator's independent appraisal of the Bonds plus sales chg. of 4 1/2% of the appraised value which net accrued interest shall be added.
3-10-66	Third Presidential Fund, Inc. 44 School Street Boston, Massachusetts	500 shs cap/s to be exchanged for broadly held securities as identified in the prospectus. The basis of exchange will be 1 shr of fund for ea. \$50.00 mkt. value of the securities received by fund on effective date of exchange after deducting sales chg. of 4% of mkt. value.
-23-66	Town & Country Mobile Homes, Inc. 912 First Wichita National Bk. Bldg. Wichita Falls, Texas	100,000 shs com/s @ \$10.375.
-17-66	U. S. Reduction Company 4610 Melville Avenue East Chicago, Indiana	10,000 shs com/s @ \$15.25.
-22-66	Vanity Fair Mills, Inc. 1047 North Park Rd. Wyomissing, Reading, Pa.	15,000 shs com/s @ \$39.125.

3-30-66 Wessendorff, Nelms & Company 638 shs com/s to employees only @ \$135.00.
 5535 Harvey Wilson Drive
 Houston, Texas

REGISTRATION APPLICATIONS WITHDRAWN OR ABANDONED

3-31-66 Amarillo Industrial Plan, Inc. 209 Units @ \$200.00 ea. consisting of 1 shr
 2803 Wolflin Avenue com/s and 1 shr 4% Cum. Pref/s.
 Amarillo, Texas

3-31-66 Beeline Fashions, Inc. 500 shs com/s @ \$70.00.
 375 Meyer Road
 Bensenville, Illinois

3-14-66 Buccaneer Stamp Company of 9,271 shs Cl. A and 10,000 shs Cl. B com/s
 the Panhandle @ \$3.00.
 3000 Dutton
 Waco, Texas

3-28-66 Calvert Exploration Company 15,000 Employee Stk Purchase Plans and
 418 National Bk. of Tulsa Bldg. 15,000 Stk. Option Plans @ \$1.25.
 Tulsa, Oklahoma

3-31-66 Centeco, Inc. 56,725 shs com/s @ \$2.00.
 101 Trammell Street
 Everman, Texas

3-31-66 Curtis Mathes of Puerto Rico, Inc. 887,120 shs Cl. A non voting and 98,569 shs Cl.
 P. O. Box 99 B voting com/s @ \$0.10.
 Toa Alta, Puerto Rico

3-31-66 Deaf Smith County Development 145,000 shs com/s @ \$1.00.
 Co., Inc.
 Drawer 905
 Hereford, Texas

3-31-66 First Church Financing Corpor- \$100,000 prin. amt. Series B. Collateral Trust
 ation of America Bonds @ 100%.
 215 North Main Street
 West Bend, Wisconsin

3-31-66 The Hubshman Fund, Inc. shs com/s @ net asset value.
 350 Park Avenue
 New York, New York

3-31-66 Investors Financial Trust Fund Participating agreements @ net asset value.
 621 Meadows Building
 Dallas, Texas

3-31-66 IPC Investment Plans Single Payment Plans and Systematic Investment
 60 East 42nd Street Plans for the accumulation of shs of Fund of
 New York, New York America, Inc.

3-31-66 Oppenheimer Fund, Inc. shs com/s @ net asset value.
 5 Hanover Square
 New York, New York

3-31-66 Registered Exchange Fund, Inc. 4,000 shs com/s @ \$5.00.
 122 East 42nd Street
 New York, New York

Securities Registrations from September 1, 1965, through March 31, 1966

Month of March, 1966

	<u>Number Registrations</u>	<u>Amount</u>	<u>Prior Total Accumulated</u>	<u>Total</u>
Securities Registered By Mutual Investment Companies	<u>16</u>	<u>\$22,591,200*</u>	<u>\$128,123,750</u>	<u>\$150,714,950</u>
<u>Renewal Registrations</u>				
Mutual Investment Companies	10	1,900,213	71,330,770	73,230,983
Other Corporate Securities	<u>5</u>	<u>1,709,472</u>	<u>4,279,548</u>	<u>5,989,020</u>
	<u>15</u>	<u>3,609,685</u>	<u>75,610,318</u>	<u>79,220,003</u>
<u>Original Applications of All Other Corporate Securities</u>				
Texas Companies	7	6,254,038	13,147,525	19,401,563
Other Companies	<u>22</u>	<u>3,617,477</u>	<u>33,949,704</u>	<u>37,567,181</u>
	<u>29</u>	<u>9,871,515</u>	<u>47,097,229</u>	<u>56,968,744</u>
 TOTALS	 <u>60</u>	 <u>\$36,072,400</u>	 <u>\$250,831,297</u>	 <u>\$286,903,697</u>

* \$5,000,000 of this amount represents Texas Mutual Funds.