

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 August 26, 1969

LEE MOTOR PRODUCTS DELISTED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8672) granting an application of the American Stock Exchange to strike from listing and registration the Class A common stock of Lee Motor Products, Inc., effective at the opening of trading on September 4. The Commission sustained the Exchange's position that the company failed to meet the Exchange's revised guidelines for continued listing, in that its net tangible assets were below specified minimums and it had sustained losses in its last two fiscal years and in three of the last four fiscal years. The Commission also upheld the Exchange's rejection of pro forma consolidated financial statements for 1968 which assumed an acquisition of certain companies which Lee proposed to acquire; and it also rejected Lee's contention that the Exchange had improperly applied its delisting guidelines retroactively. The Exchange had on the basis of its findings suspended trading in the Lee stock on May 16, 1969.

FIDELITY TREND FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5793) permitting Fidelity Trend Fund, Inc., Boston mutual fund, to acquire substantially all the assets of Stanley Securities Company. Fidelity proposes to issue its shares at net asset value for Stanley's assets, which were valued at \$4,790,395 on September 30, 1968. Had the transaction been consummated on that date, Stanley would have received 148,153 Fidelity shares.

PURITAN FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5794) permitting Puritan Fund, Inc., Boston mutual fund, to acquire the assets of Blaisdell Associates, Inc. Puritan proposes to issue its shares at net asset value for Blaisdell's assets, which were valued at \$566,420 on January 31, 1969. Had the transaction been consummated on that date, Blaisdell would have received 46,163 Puritan shares.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Liberty Equities Corporation for the further ten-day period August 27 to September 5, 1969, inclusive.

HIGHTEC FUND PROPOSES OFFERING. Hightec Fund, Inc., 8121 Georgia Ave., Silver Spring, Md. 20910, filed a registration statement (File 2-34362) with the SEC on August 20 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through officers of the Fund who will receive no commission; participating NASD members will receive a selling commission, the amount of which is to be supplied by amendment. The Fund is a closed-end investment company whose objective will be to invest up to 50% of its assets in securities which have not been registered with the SEC and which may not be offered or sold to the public without such registration. B & E Securities Management Company, Inc., will act as investment adviser. Edward F. Myers is president of the Fund and president and controlling person of the investment adviser.

CAPEHART TO SELL STOCK. Capehart Corporation, 770 Lexington Ave., New York 10021, filed a registration statement (File 2-34374) with the SEC on August 21 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Culverwell & Co., Inc., 1341 Main St., Springfield, Mass. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Culverwell firm \$25,000 for expenses and to sell it, for \$300, six-year warrants to purchase 30,000 shares.

Organized under Delaware law in March 1969, the company, through its wholly-owned subsidiary Capehart Corporation, a New York corporation, has acquired rights to the "Capehart" trademark and has recently commenced the sale, at wholesale, of moderately priced stereophonic record and radio consoles. Net proceeds of the stock sale will be added to the company's general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 375,000 common shares and 200,000 Class A capital shares (with a combined book value of 64¢ per share). Of the common shares, Melvin Koenig, president, and John Giannetti, board chairman, own 15.6% each and Leonard Kaye, treasurer, 23.4%; State Mutual Life Assurance Company of America owns all the outstanding Class A shares. Purchasers of the shares being registered will acquire a 26% stock interest in the company for their investment of \$2,000,000; the present shareholders will then own 74%, for which they paid \$300,000.

HAYWOOD CAPITAL FUND PROPOSES OFFERING. HayWood Capital Fund, 485 Madison Ave., New York 10022, filed a registration statement (File 2-34375) with the SEC on August 21 seeking registration of 500,000 shares of common stock, to be offered for public sale at \$10 per share with no sales charge. The Fund is a closed-end investment company with the objective of long-term capital growth of its assets. HayWood Management Corporation will act as investment adviser. All of the voting stock of the investment adviser (two-thirds of the equity interest) is owned by Hayden, Stone Incorporated; 60.5% of the non-voting stock is owned by Starwood Corporation and the remainder by five of its employees, including Raymond J. Armstrong, a vice president of the Fund. Ara A. Cambere is board chairman and president of the investment adviser and vice chairman of Hayden, Stone; Martin L. Solomon is board chairman of the Fund and vice president of the investment adviser and Paul J. Schupf is president of the Fund and vice president of the investment adviser.

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FUNDING TO SELL STOCK. Funding, Inc., Northeast Airlines Bldg., Miami, Fla. 33131, filed a registration statement (File 2-34376) with the SEC on August 22 seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Black & Co., Inc., 26 Broadway, New York 10004. The offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment. In April, the company sold 10,000 shares to the Black firm at \$2 per share; it has also agreed to sell it, for \$100, five-year warrants to purchase 10,000 shares, exercisable after one year at prices ranging from 107% to 128% of the offering price.

Organized in February 1969, the company proposes to sell mutual fund shares and life insurance, either separately or in coordinated purchase plans, or "Programs" (see below). It will act as a dealer for certain mutual fund shares and as a general agent for one or more life insurance companies. Of the net proceeds of its stock sale, \$100,000 will be used for start-up home office operations and recruiting of a sales development and training staff, \$75,000 to create sales training materials, and \$50,000 for advertising; the balance will be used for general corporate purposes, including financing of Program loans. The company has outstanding 275,000 common shares (with a \$1.53 per share book value), of which Roy W. Talmo owns 37.8% and management officials as a group 34.9%. Carl D. Eptstein is president. Purchasers of the shares being registered will acquire a 47.6% stock interest in the company for their investment of \$2,000,000*; the present shareholders will then own 52.4% (175,000 shares were acquired for \$300,500, or \$1.72 per share, and 100,000 in exchange for 8,000 shares of Data Lease Financial Corporation common stock).

FUNDING PROPOSES OFFERING. Funding, Inc., Northeast Airlines Building, Miami, Fla. 33131, filed a registration statement (File 2-34377) with the SEC on August 22 seeking registration of \$10,000,000 of Programs for the Acquisition of Mutual Fund Shares and Life Insurance. The Programs allow a participant to purchase mutual fund shares for cash and to pledge those shares with the company as collateral for a loan from the company with which to pay premiums on life insurance policies. All of the mutual funds that may be offered through independent broker dealers in the states in which the company does business and which offer the facility of Open Account Plans are available through the Programs. The company has a non-exclusive general agency contract with The Old Line Life Insurance Company of America; it may underwrite with any life insurance company licensed in the states in which it does business and for which it acts as general agent.

CONNOISSEURS CLUB TO SELL STOCK. Connoisseurs Club, Inc., 17000 West 10 Mile Road, Southfield, Mich. 48075, filed a registration statement (File 2-34379) with the SEC on August 22 seeking registration of 400,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a "best efforts" basis through Davis Securities Co., Inc., 50 Broadway, New York 10004, which will receive a 20¢ per share selling commission plus \$20,000 for expenses. The company has agreed to sell the underwriter, for \$.001 each, five-year warrants to purchase up to 40,000 shares, exercisable after one year at \$2.20 per share; it has also agreed to pay \$12,000 to Leonard and Harris Freedman in consideration for their services as finders and to sell them warrants to purchase 4,000 shares.

Organized in January, the company proposes to engage in arranging for and/or conducting all-expense package travel tours (principally on a charter flight basis) and the furnishing of other services in the travel business. Of the net proceeds of its stock sale, \$220,000 will be used for deposits on hotels and airlines, \$200,000 for Trust Depositary funds required by the Civil Aeronautics Board, \$100,000 to finance receivables and \$60,000 for advertising; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 800,000 common shares (with a 10¢ per share net tangible book value), of which Alvin J. Weinberger, president, owns 19%, management officials as a group 41% and Technique Capital Corp. 46%. Sheldon P. Barr, secretary, and Abraham H. Berger, director of Connoisseurs Club, own 19.6% and 9.8%, respectively, of the outstanding shares of Technique Capital Corp. Purchasers of the shares being registered will acquire a one-third stock interest in the company for their investment of \$800,000 (they will sustain an immediate dilution of \$1.38 from the offering price); the present shareholders will then own two-thirds for which they will have paid \$79,950.

CONSOLIDATED EDISON PROPOSES RIGHTS OFFERING. Consolidated Edison Company of New York, Inc., 4 Irving Place, New York 10003, filed a registration statement (File 2-34380) with the SEC on August 22 seeking registration of 1,900,000 shares of common stock, to be offered for subscription by common stockholders of record September 11 at the rate of 1 new share for each 20 shares held. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York 10005 and two other firms; the subscription price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its stock sale for construction purposes and to repay at maturity some \$20,000,000 of indebtedness represented by commercial paper incurred as a result of the company's construction program. Construction expenditures are estimated at \$1,550,000,000 for the period 1969 through 1973.

REYNOLDS TOBACCO PROPOSES FINANCING. R. J. Reynolds Tobacco Company, Winston-Salem, N. C. 27102, filed a registration statement (File 2-34381) with the SEC on August 22 seeking registration of \$100,000,000 of sinking fund debentures, due 1994, and \$50,000,000 of notes, due 1974, to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 46 William St., and Reynolds & Co., 120 Broadway, both of New York. The interest rates on the debentures and notes, offering prices and underwriting terms are to be supplied by amendment.

The company is principally engaged in the sale of smoking and chewing tobaccos. It also has activities in the fields of food and beverage products, aluminum and packaging products and vinyl packaging products. Net proceeds of its financing will be applied to retirement of short-term indebtedness, incurred for normal operating and working capital purposes and in connection with the merger of McLean Industries, Inc. into the company. In addition to indebtedness and preferred stock, the company has outstanding 40,971,533 common shares.

SENTINEL LEASING TO SELL STOCK. Sentinel Leasing, Inc., 200 Main St., New Rochelle, N. Y. 10801, filed a registration statement (File 2-34382) with the SEC on August 22 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 through Charles Plohn & Co., 200 Park Ave., New York, which will receive a 30¢ per share commission plus \$15,000 for expenses. The company has agreed to sell 25,000 shares to the Plohn firm for \$2,500.

Organized in 1964, the company is primarily engaged in the leasing of automobiles and small trucks, principally on a fleet basis to businesses. Of the net proceeds of its stock sale, \$60,000 will be used for salaries; the balance will be used, together with other available funds, to finance the expansion of the company's business through the purchase of additional equipment and for general corporate purposes. The company has outstanding 200,000 common shares (with a 31¢ per share net tangible book value), of which Robert E. Crabtree, president, owns 98%. Purchasers of the shares being registered will acquire a 53% stock interest in the company for their investment of \$750,000 (they will sustain an immediate dilution of \$1.50 in per share book value from the offering price); the present shareholders will then own 47%, for which they will have paid \$32,500.

TRADING BAN IN BSF SHARES TO BE LIFTED. The SEC today announced that its suspension of trading in securities of BSF Company will terminate on September 1; however, the American Stock Exchange is continuing its suspension pending completion of a study to determine whether or not BSF meets the AMEX requirements for continued listing. The AMEX halted trading on July 3 after a Federal court determined that a receiver for BSF be appointed in connection with a pending stockholders' derivative suit against the company and certain of its current and former officials and the failure of the company to publish a revised 1967 annual report clarifying and correcting previously published financial statements. The SEC suspension of exchange and over-the-counter trading was ordered July 19. The Receiver has filed with the Commission BSF's annual reports for the years 1967 and 1968; and he also has mailed current financial information and reports to BSF shareholders. In determining to lift the trading ban, the Commission cautioned investors to consider carefully the information made public by the Receiver, summarized in the Commission's release. It noted particularly that in the accountants' report, based on an audit for 1968, the accountants declined to express an opinion on the financial statements because of their inability to verify the accuracy and completeness thereof to the extent they would be affected by such matters as the outcome of several pending and substantial lawsuits and the ultimate disposition of certain financial obligations of BSF. These financial statements (which do not account for the fees and expenses of the receiver and legal and accounting expenses) disclose BSF had a \$149,086 excess of expense over income and a net realized loss on investments of \$825,392 for the year 1968. (Release 34-8675)

AMERICAN ELECTRIC POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16456) giving interested persons until September 12 to request a hearing upon a proposal of American Electric Power Company, Inc. ("AEP"), New York holding company, to issue and sell up to \$110,000,000 of short-term bank notes and commercial paper (including any such previously authorized notes which may be outstanding after AEP applies the proceeds of its recent sale of common stock in payment thereof). AEP will use the net proceeds of its sale of notes, together with other funds, to make additional investments in certain of its subsidiaries to assist them in financing the costs of their respective construction programs and for other corporate purposes. AEP proposes to make capital contributions from time to time prior to June 30, 1971 to three of its subsidiaries, as follows: \$55,000,000 to Ohio Power Company ("Ohio"), \$40,000,000 to Appalachian Power Company ("Appalachian") and \$55,000,000 to Indiana & Michigan Electric Company ("I&M"). Construction expenditures of the subsidiaries for the period October 1, 1969 through June 30, 1971 are estimated as follows: \$207,000,000 for Ohio, \$246,000,000 for Appalachian and \$256,000,000 for I&M.

ACTO ENJOINED. The SEC Denver Regional Office announced August 22 (LR-4403) that the Federal court in Denver had permanently enjoined violations of the registration and anti-fraud provisions of the Federal securities laws by American Commercial Trade Organization, also known as ACTO S. A. de C.V., a Honduran corporation, and Ione Rishmawy of Tegucigalpa, Honduras, in the offer and sale of securities of ACTO or notes of Ione Rishmawy. The two defendants consented to the injunction without admitting or denying the violations alleged. The action is pending against two other defendants.

DOSEK LOSES PLEA. The SEC Denver Regional Office announced August 22 (LR-4404) that the Federal court in Lincoln, Nebr., denied a motion of Edward A. Dosek for reduction of sentence and he was taken into custody by the U. S. Marshal. Dosek had received a three-year prison sentence, to be followed by five years of probation, following his conviction in 1967 of fraud in the sale of securities of Securities Investors, Inc.

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 August 6 News Digest.

8K Reports for July 69

Knott Hotels Corp (12,13)	1-1208-2	Data Architects, Inc (2,7,	
National Lead Co (12)	1-640-2	11,13)	2-29881-2
Tropical Gas Co., Inc		Dexter Corporation (11,12)	1-5542-2
(6K for July 69)	1-4937-2	Diners Club, Inc (11,12,13)	1-3994-2
Western Orbis Co (2,13)	1-4783-2	Marshall Industries (2,13)	1-5441-2
		Westcoast Production Co Ltd	
Southwestern Public Service Co		(11,13)	2-30698-2
(12)	1-3789-2		OVER

8K Reports for July 69 Cont'd

Presidents-First Lady Spa, Inc June 69 (7,13)	2-31666-2	Chicago Aerial Industries, Inc (2,3)	0-962-2
Unitrode Corp (7,9,10)	1-5609-2	20th Century Industries, Inc (1,2,3,8)	0-1687-2
Cybermatics Inc		United States Banknote Corp (11,13)	0-1630-2
Hitachi, Ltd (6K for July 69)	2-21457-2	Washington National Corp (11)	0-3559-2
Mitsui Busson Kabushiki Kaisha (6K for July 69)	2-21087-2	Monongahela Power Co May 69 (7,13)	1-5164-2
Hart Schaffner & Mark (7)	1-3236-2	Needham Packing Co Inc (11, 13)	1-4662-2
Lee Enterprises, Incorporated (2,3,8,12,13)	2-31630-2	Tenna Corporation (7,11,13)	1-5913-2
Marlene Industries, Corp (11)	1-4713-2	Andre-Grant Inc Juen 69 (7, 13)	2-30206-2
Liberty Equities Corp July 69 (2,7,13)	0-2258-2	Central Hudson Gas & Electric Corp (12,13)	1-3268-2
May 69 (2,7,13)	0-2258-2	Infotronics Corporation (11,12,13)	0-2784-2
Skelly Oil Company (12)	1-2380-2	Standard Dredging Corporation June 69 (12)	1-2973-2
Puget Sound Power & Light Co (7)	1-4393-2	Beecham Inc (11,13)	0-3798-2
Universal Acceptance Corp (3)	0-3105-2	G. Heileman Brewing Co., Inc June 69 (12)	1-4738-2
Wilcox & Gibbs Inc (7,13)	1-5736-2	Joy Mfg Co (12)	1-3156-2
Campbell Taggart Associated Bakeries Inc (12)	0-969-2	Koehring Company June 69 (4,7,8,13)	1-4906-2
Cotter & Company (7,12,13)	2-20910-2	Television Communications Corporation (11,13)	2-29969-2
Owens-Corning Fiberglass Corp (7,13)	1-3660-2		

Amended 8K Report

Bergen Brunswick Corp June 69 (7)	1-5110-2
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CORRECTION RE SOLA BASIC. In the August 21 News Digest report of "Stock Plans Filed," the file number for Sola Basic Industries, Inc., should have been "2-34354," not "2-34345."

SECURITIES ACT REGISTRATIONS. Effective August 25: Diamond Computer & Equipment Leasing Corp., 2-32713 (90 days); The B. F. Goodrich Co., 2-34299; Gulf Oil Corp., 2-33927 (90 days); Del E. Webb Corp., 2-34262.

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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