

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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FINANCIALS OF MONMOUTH CAPITAL QUESTIONED. The SEC has ordered administrative proceedings under the Securities Act of 1933 which question the accuracy and adequacy of the financial statements contained in a registration statement filed by Monmouth Capital Corporation ("Monmouth"), of Toms River, N. J., a small business investment company. A hearing has been scheduled for February 19, 1970, in the Commission's Washington Office to take evidence on allegations of the Commission's staff that the company's financial statements were not prepared in accordance with generally accepted accounting principles and are false and misleading and to afford Monmouth an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, whether a stop order should be issued suspending Monmouth's registration statement.

According to the Commission's staff, Monmouth made a series of 4 stock distributions of 25% or less over a 2½-year period, beginning in March 1966. Proper accounting requires that stock distributions of such nature and frequency be accounted for by "capitalization" thereof out of undistributed earned surplus; and the staff asserts that these accounting principles were not followed and, in fact, that Monmouth had insufficient earned surplus from which to make the distributions. In its registration statement, Monmouth represented that provisions for losses is made "in amounts equal to its net income in excess of dividends declared." Under applicable accounting standards, provision for losses should be determined on the basis of current and complete financial data of companies in which Monmouth has invested or to which it has made loans; and the staff contends that inadequate information was available to Monmouth to make a proper provision for losses. The staff further asserts that Monmouth's failure to follow generally accepted accounting principles in the preparation of its financial statements had the effect of making its net income, cash dividends, paid-in capital and retained earnings accounts misleading.

TRADING IN JB&T AND S&M STOCKS SUSPENDED. The SEC today ordered the suspension of over-the-counter trading in securities of J B & T Co. and of S & M Industries, Inc., for ten days, commencing February 9 (Release 34-8813); the trading ban will terminate at the close of business February 18. The Commission also announced the filing of a Federal court action in Denver seeking to enjoin violations of the Securities Act registration and anti-fraud provisions by the two companies and others in the offer and sale of stocks of the two companies. The suspension was ordered to alert public investors of the failure to register the securities of the two companies and the absence of financial and other information essential to an informed analysis and evaluation thereof, as well as the serious questions raised by the injunctive action as to the accuracy and adequacy of information disseminated by the defendants in the court action about the companies, their operations, financial condition and prospects as well as an anticipated rise in the market price of the shares. The defendants in the court action, in addition to the two issuing companies, were the following: John J. Bonella; Castings, Inc.; Cheetah Productions, Inc.; Church Aid Foundation, Inc.; Colorado Ventures, Inc.; Benjamin Dobson; Carter W. Elliott, Jr.; Robert Forman; S. Y. Guthrie, III; Joseph H. Louis, Jr.; David Lutterman; Allen C. Martin, aka Allen C. Kaye-Martin; David Pedley; Peter-Son Builders, Inc.; Prudential Investment Corporation; Kenneth W. Roth; Robert R. Scott; Dorsey G. Son; Raymond G. Sullivan; Clyde Theobald; Nicholas M. Torelli.

NEW ENGLAND ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16600) authorizing certain subsidiaries of New England Electric System ("NEES"), Westboro, Mass. holding company, to issue \$60,710,000 of short-term notes to banks and/or to NEES. The subsidiaries will use the net proceeds thereof to pay an aggregate of some \$50,080,000 of notes payable to banks and/or to NEES and to provide money for capital expenditures or reimburse its treasury therefor.

HAMILTON GROWTH FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5973) permitting Hamilton Growth Fund, Inc. ("Fund"), Denver mutual fund, and Hamilton Management Corporation, underwriter and investment manager of Fund, to sell Fund shares at net asset value plus a reduced sales charge to some 30,000 full-time, salaried employees of International Telephone and Telegraph Corporation and its affiliates or subsidiaries.

ASSOCIATED GROCERS PROPOSES OFFERING. Associated Grocers, Incorporated, 3301 Norfolk St., P. O. Box 3763, Seattle, Wash. 98124, filed a registration statement (File 2-36181) with the SEC on January 30 seeking registration of \$150,000 of common stock and \$1,052,000 of debentures, to be offered to members or prospective members of the company in accordance with its by-law requirements.

The company since 1934 has been engaged in the operation of a cooperative wholesale grocery, it sells merchandise principally to association members. The sale of its securities is limited to persons, firms and corporations actively engaged in the retail grocery and retail meat business who are or become association members. Net proceeds of its financing will become part of the company's working capital and may be used to reduce bank, mortgage loan or other indebtedness. Louis Arrigoni is president and Ralph W. L. Stormans board chairman.

OVER

WARRIOR INTERNATIONAL TO SELL STOCK. Warrior International Corporation, 918 Patterson Bldg., Denver, Colo. 80202, filed a registration statement (File 2-36190) with the SEC on January 30 seeking registration of 900,000 shares of common stock, to be offered for public sale through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005. The offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in June 1967 for the principal purpose of exploring for and producing oil and gas outside the United States and marketing the same. To date, its sole activity has been as a non-operating owner of undivided interests in two production sharing contracts for the exploration and production of oil and gas from lands off-shore from the Republic of Indonesia. Of the net proceeds of the company's stock sale, \$200,000 will be used to defray overhead and administrative expenses, \$150,000 to repay its 8-1/2% promissory notes evidencing loans made by stockholders of its parent, Warrior Oil Company, and \$9,850,000 will be applied to the company's share of costs of future operations within 2-1/2 years under two production sharing contracts; the balance will be used for the company's general corporate purposes, including possible additional investments in its Indonesian activities and possible investments in any favorable new opportunities for oil, gas or mineral exploration and development. The company has outstanding 1,100,000 common shares (with an 88¢ per share net tangible book value), all of which are owned by Warrior Oil Company. Joseph B. Obering is president.

GLENCO SCIENTIFIC TO SELL STOCK. Glenco Scientific, Inc., 3121 White Oak Drive, Houston, Tex. 77007, filed a registration statement (File 2-36192) with the SEC on February 2 seeking registration of 70,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts basis through C. H. Hendricks & Co., Inc., 1203 Missouri, Houston, Tex., which will receive a 50¢ per share selling commission.

The company (formerly Glass Engineering Company, Inc.) is engaged in the development, manufacture and sale of specialized scientific apparatus and instrumentation for biomedical, clinical and industrial laboratories in various areas of scientific research and control testing. Net proceeds of its stock sale will be added to the company's general funds and used for working capital and general corporate purposes. The company has outstanding 140,000 common shares (with a 51¢ per share book value), of which Homes Blankenship, Jr., president, and James A. Ramin, vice president, own 50% each. Purchasers of the shares being registered will sustain an immediate dilution of \$3.23 in book value from the offering price.

UNIFIED GROWTH FUND PROPOSES OFFERING. Unified Growth Fund, Inc., 207 Guaranty Bldg., Indianapolis, Ind. 46204, filed a registration statement (File 2-36193) with the SEC on February 2 seeking registration of 1,000,000 shares of capital stock, to be offered for public sale at net asset value (\$10 per share maximum*) plus a sales charge of 8-1/2% on purchases of less than \$10,000. The Fund is a mutual fund whose investment objective is to seek capital appreciation through investment in securities considered to have possibilities of capital growth. Unified Underwriters, Inc., will serve as investment adviser and distributor of Fund shares. Beryl E. Hicks is president of the Fund and of the adviser.

BRANDON COMMUNICATIONS FILES FOR OFFERING. Brandon Communications, Inc., 1700 Broadway, New York 10019, filed a registration statement (File 2-36194) with the SEC on February 2 seeking registration of 290,000 shares of common stock. Brandon Applied Systems, Inc. ("BASI"), the company's principal shareholder, proposes to distribute 250,000 of these shares as a dividend to its shareholders, at the rate of one share for each four BASI shares held. The remaining 40,000 shares may be offered for sale from time to time by BASI at prices prevailing at the time of sale (\$3 per share maximum*).

Organized in April 1968 as a wholly-owned subsidiary of Brandon Applied Systems, the company is the publisher of a magazine called "Forum 70--The Management Monthly on Data Processing." Each year the magazine's name will be changed to incorporate the last two digits of that year. The company has outstanding 1,052,250 common shares, of which Brandon Applied Systems owns 69%, Fasco, N. V. 15.2% and management officials as a group 3.8%. Max Gray is board chairman and Barry R. Nathan president.

WENNER OIL & GAS PROPOSES OFFERING. Wenner Oil and Gas, Inc., 35042 Kesler Court, Fraser, Mich. 48026 (wholly-owned subsidiary of Wenner Petroleum Corporation), filed a registration statement (File 2-36195) with the SEC on February 2 seeking registration of \$5,000,000 of units of participation in its 1970 Drilling members Program, to be offered for public sale at \$10,000 per unit. No underwriting is involved; participating NASD will receive a 7-1/2% selling commission. The Program is being created for the acquisition and development of oil and gas leases and interests for participants, as well as the possible acquisition and development of producing properties or for the acquisition and development of non-producing oil and gas leases or other interests. Kenneth A. Wenner is president and Harold A. VanLeen and Robert H. Zablocki are vice presidents of the company and of its parent. Wenner, VanLeen, Zablocki and James R. Temple control the parent.

MEDIA PLUS TO SELL STOCK. Media Plus, Inc., 60 Riverside Drive, New York, filed a registration statement (File 2-36196) with the SEC on January 30 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made through Kelly, Andrews & Bradley, Inc., 26 Court Street, Brooklyn, N. Y., which will receive a 60¢ per share commission plus \$13,500 for expenses. The company has agreed to sell the Kelly firm 10,000 shares at 1¢ per share, nontransferable for two years.

Organized in August 1968, the company is engaged in the creation, production and distribution of audio-visual educational materials for pre-school through adult-age groups. Of the net proceeds of its stock sale, \$220,000 will be used for creating and producing new products, \$110,000 to establish a marketing program to distribute products produced by the company, and the balance for general corporate purposes and working capital. The company has outstanding 417,000 common shares (with a 7¢ per share book value), of which Ann Grifalconi, president, and Frances D. Ross, vice president, own 27% each and management officials as a group 72%. Purchasers of the shares being registered will sustain an immediate dilution of \$5 in per share book value from the offering price.

ALASKA AIRLINES PROPOSES RIGHTS OFFERING. Alaska Airlines, Inc., Seattle-Tacoma International Airport, Seattle, Wash. 98158, filed a registration statement (File 2-36197) with the SEC on February 2 seeking registration of 928,000 shares of common stock, to be offered for subscription by common stockholders. The offering is to be made through underwriters headed by First California Company Inc., 55 California St., San Francisco, Calif. 94104; the subscription price and rate and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters \$15,000 for expenses.

The company provides air service to Washington, Alaska, and British Columbia, Canada. Of the net proceeds of its stock sale, \$840,000 will be used to pay the balance due on two DeHavilland Twin Otter aircraft and related spare parts, \$465,000 to purchase other aircraft spare parts and related equipment and \$409,000 to purchase ground equipment and to make certain leasehold improvements; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 2,129,532 common shares. Charles F. Willis, Jr., is board chairman and L. Preston Blatter president.

NORTHEAST CABLEVISION TO SELL STOCK. Northeast Cablevision Corporation, Amherst Road, Merrimack, N. H. 03054, filed a registration statement (File 2-36198) with the SEC on February 2 seeking registration of 150,000 shares of common stock, to be offered for public sale through Clayton Securities Corporation, 141 Milk St., Boston, Mass. 02109. The offering price (\$5 per share maximum*) is to be supplied by amendment. The underwriter will receive a 50¢ per share commission plus \$12,500 for expenses and will be entitled to purchase, for \$150, six-year warrants to purchase 15,000 shares, exercisable after 11 months at \$5.50 per share. Colin W. Gillis, Esq., counsel to the company, has received 3,750 shares in consideration of legal services rendered in connection with the offering.

Organized in February 1969, the company intends to design, develop, construct and operate cable television (CATV) systems in New England. Part of the net proceeds of its stock will be used to discharge two 10% notes aggregating \$100,000, the proceeds of which were used in connection with the design and construction of CATV systems under development and for working capital purposes, up to \$150,000 as advances towards the \$800,000 estimated construction costs of a CATV system to be constructed in Bangor, Maine by Penobscot, Inc. (in which the company has a 28% stock interest), and up to \$180,000 as advances toward construction expenses and working capital of CATV systems in three communities in Maine by Coastal Cable and Antenna, Inc. (in which the company has a 72% stock interest); the balance will be added to the company's general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 500,000 common shares (with a 1¢ per share net tangible book value), of which Harold W. Solomon, president, owns 45.1% and management officials as a group 73.1%. Purchasers of the shares being registered will sustain an immediate dilution of \$4.04 in per share book value from the offering price.

NORTHEAST CABLEVISION FILES RESCISSION OFFER. In a separate registration statement (File 2-36199), Northeast Cablevision Corporation seeks registration of 148,000 shares of common stock which the company offers to repurchase from certain private investors at the price paid by them plus 6% per annum interest. Such shares may have been sold in violation of the Securities Act of 1933.

VENEKO PRODUCTS PROPOSES OFFERING. Veneko Products, Inc., 110 E. First St., Jamestown, N. Y., filed a registration statement (File 2-36201) with the SEC on February 2 seeking registration of 350,000 common shares, to be offered for public sale at \$2 per share. No underwriting is involved; participating NASD members will receive a selling commission of 20¢ per share.

Organized in June 1968, the company proposes to engage in the manufacture and marketing of fiberglass reinforced plastic snow skis, archery bows, water skis, hockey sticks and chalk board erasers. Net proceeds of its stock sale will be used for general corporate purposes, including working capital. The company has outstanding 736,000 common shares (with a 9¢ per share book value), of which Leo J. Veneko, president and founder, owns 77.8% and other officials 9%. The company issued 600,000 shares to Veneko at an average price of \$.032 per share.

SECURITIES ACT REGISTRATIONS. Effective February 6: Burnup & Sims, Inc., 2-35678; Standard Educational Leasing Corp., 2-30775 (90 days); Supermarket Investment Co., 2-30612 (90 days).

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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