

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)
SEC

(Issue No. 68-155)

FOR RELEASE August 8, 1968

SEC ORDER CITES SCHEINMAN, HOCHSTIN & TROTTA, OTHERS. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Donald E. Liederman, who had been president of a registered broker-dealer until it withdrew its registration in 1963; the broker-dealer firm of Scheinman, Hochstin & Trotta, Inc. of New York City; and Irwin R. Kaplan. At the same time the Commission announced a decision (Release 34-8375) suspending certain of the activities of the Scheinman firm's over-the-counter trading department for 10 business days commencing August 12, 1968, pursuant to an offer of settlement submitted by that firm.

The order for proceedings included staff charges that during the period January - March 1966, in connection with the purchase of common stock of Heritage Industrial Corporation pursuant to a tender offer and the distribution of such stock, Liederman, certain of his associates, and Kaplan, an over-the-counter trader for the Scheinman firm, violated the anti-fraud provisions of Rules 10b-5 and 10b-6 under the Exchange Act and the Securities Act registration provisions. The staff charged the firm with violating the registration provisions and Rule 10b-6 as well as with a failure to provide reasonable supervision with a view to preventing violations.

In its settlement offer, the firm did not admit the allegations in the order. Under the terms of the suspension order, the firm may not initiate or solicit any over-the-counter transactions during the suspension period and may accept only unsolicited over-the-counter orders from existing retail customers, but without taking any commissions, markups or markdowns. In addition, during the suspension period the firm may not participate in the underwriting of securities except that it may accept unsolicited orders for securities of mutual funds from existing customers. The suspension does not apply to the firm's bond department.

With respect to the remaining respondents, a hearing will be scheduled by further order to take evidence on the staff charges and afford respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, what action of a remedial nature should be taken in the public interest.

INTERNATIONAL UTILITIES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16132) authorizing International Utilities Corporation, Toronto, Canada, to acquire additional shares of Brazilian Light and Power Company Limited ("Brazilian"), so as to increase its ownership from 7.1% to 10% or more of the 17,528,871 outstanding ordinary voting shares. Brazilian is engaged, through subsidiaries, in the electric and gas utility business within Brazil and has no public utility operations within the United States.

INDIANA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16133) authorizing Indiana Gas Company, Inc., Indianapolis, to acquire all of the common stock of Indiana Gas Distribution Corporation ("Gas Distribution"), a nonassociate gas utility company. Gas Distribution has outstanding 16 common shares, eight of which are owned by its president, William H. Maxon, and 8 by his mother, Mrs. Lucie W. Maxon. Indiana Gas proposes to acquire said 16 shares for a total of \$2,400,000.

MUNICIPAL INVESTMENT TRUST FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5456) exempting Municipal Investment Trust Fund, Series K, New York unit trust, from the \$100,000 net worth provisions of the Act. The Fund was organized as one of a series of similar funds named "Municipal Investment Trust Fund" pursuant to a Trust Agreement under which Goodbody & Co., Bache & Co. and Walston & Co., Inc., will act as Sponsors and the United States Trust Company of New York as Trustee. Under the Trust Agreement, the Sponsors will deposit with the Trustee between \$4,000,000 and \$6,000,000 principal amount of bonds and will receive from the Trustee registered certificates for between 4,000 and 6,000 units, which, in turn, will be offered for public sale by the Sponsors.

RAMCO ENTERPRISES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5457) declaring that Ramco Enterprises, Inc., New York, is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding or trading in securities. Ramco states that it is engaged in the real estate business directly and in the retail business through controlled companies and actively participates in the management of the latter companies.

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in the securities of Rover Shoe Company and Royston Coalition Mines, Ltd., for the further ten-day period August 9-18, 1968, inclusive.

PENSION CAPITAL GROWTH FUND PROPOSES OFFERING. Pension Capital Growth Fund, Inc., 701 William Penn Place, Pittsburgh, Pa. 15230, filed a registration statement (File 2-29786) with the SEC on August 5 seeking registration of 500,000 shares of capital stock. The shares are to be offered for public sale at net asset value, plus a sales charge of 3.5% on purchases of less than \$50,000. The Fund was organized under Maryland law in July 1968 as an open-end diversified management company. It is designed exclusively for organizations exempt from Federal income taxes under Section 501 and other provisions of the Internal Revenue Code. Federated Investors, Inc., is the Fund's distributor and Federated Research Corp. is its investment adviser. John F. Donahue is president of the Fund and of the adviser.

OVER

INVERNESS INVESTMENT CO. PROPOSES OFFERING. Inverness Investment Company, 440 Pacific Ave., San Francisco, Calif., filed a registration statement (File 2-29782) with the SEC on August 5 seeking registration of 2,000,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through Delger Corporation, Mutual Fund Brokers, Inc., and International Securities Corp., which will receive a 35c per share commission. Venture Management Company is investment adviser. Robert L. Coate, president of the company, is promoter of the company and of the adviser.

AVCO FILES FOR SECONDARY. Avco Corporation, 750 Third Ave., New York 10017, filed a registration statement (File 2-29785) with the SEC on August 5 seeking registration of 204,081 outstanding shares of common stock. In June 1968, Avco acquired all of the outstanding capital stock of Embassy Pictures Corp. As a result of the acquisition, Joseph E. Levine, who owned substantially all of the outstanding capital stock of Embassy, received 204,081 common shares and 304,899 \$3.20 cumulative convertible preferred shares of Avco. He (or the donees thereof) may offer the shares for sale from time to time at prices current at the time of sale.

The company is engaged in the manufacture of specialized farming equipment, industrial abrasives and aircraft engines, production for the Government of a variety of defense and aerospace equipment, the supplying of consumer loan and other financial services, radio and television broadcasting, and research and development activities for the Government. In addition to indebtedness and preferred stock, the company has outstanding 10,718,034 common shares, of which management officials own 10.8%. Kendrick R. Wilson, Jr., is board chairman and chief executive officer and James R. Kerr, president.

NATIONAL INVESTMENT CORP. PROPOSES OFFERING. National Investment Corporation, Inc., 3301 Van Buren St., Topeka, Kansas, filed a registration statement (File 2-29781) with the SEC on August 5 seeking registration of 600,000 shares of common stock, to be offered for public sale at \$3.30 per share. The offering is to be made on a "best efforts" basis through Frontier Securities Company, Inc., of the company's address, which will receive a 30c per share selling commission.

Organized under Kansas law in January 1967, the company is now engaged in the business of writing life insurance. In February 1968, it organized a subsidiary life insurance company, Continental Investors Life Insurance Company, Inc. In January 1968, it acquired an option to purchase 75,000 shares of American Investors Life Insurance Company, Inc., for \$14 per share. In June 1968, it acquired Frontier Securities Company, Inc., a broker-dealer. Upon completion of this offering, it intends to organize a life insurance company or to seek to acquire an existing company. It further intends to organize a finance company under Kansas law to make loans to pay life insurance premiums and to generally engage in lending money for all purposes. It has organized an open end diversified investment company, American Equity Fund, Inc. It also intends to organize a general casualty insurance agency for the purpose of writing multiple lines of insurance except for life insurance. Of the net proceeds of its stock sale, the company will use \$100,000 to discharge all previous indebtedness, \$525,000 to buy 37,500 shares of American Investors Life Insurance from Founders of American Investment Corporation, \$100,000 to invest in American Equity Fund, Inc., \$440,000 to invest in the organization or acquisition of a life insurance company, \$150,000 to invest in the organization of a finance company, \$100,000 to invest in the organization of a general casualty insurance company, and \$115,000 to pay the balance of a bank note. The company has outstanding 588,250 common shares, of which Lloyd R. Parker, board chairman, James H. Carter, president, T. M. Murrell, secretary, Bob C. Speake, vice president, and W. E. Parker own 1.487% each and William J. Carter, a director, .510%.

NATIONAL SYSTEM FILES FOR OFFERING AND SECONDARY. National Systems Corporation, 4401 Birch St., Newport Beach, Calif. 92660, filed a registration statement (File 2-29783) with the SEC on August 5 seeking registration of 100,000 shares of common stock. Of this stock, 50,000 shares are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by J. Barth & Co., 404 Montgomery St., San Francisco, Calif. 94104. The offering price (\$40 per share maximum*) and underwriting terms are to be supplied by amendment. In addition, the statement relates to 11,250 common shares issuable upon exercise of warrants held by the J. Barth firm. That firm may offer such shares for public sale from time to time.

The company and its wholly-owned subsidiary are engaged primarily in the business of operating an accredited educational institute which provides graded lesson home study courses in the fields of advertising, conservation, drafting and travel. Of the net proceeds of its sale of additional stock, the company will use \$500,000 for the internal development of new courses and the production start-up and initial marketing costs related thereto and the balance for the acquisition of additional correspondence schools or residence schools or courses; to the extent that such proceeds are not so utilized, they will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 759,794 common shares (adjusted for a three-for-two stock split July 22), of which John J. McNaughton, president, and family members own 16% and management officials as a group 30%. The McNaughton family proposes to sell 50,000 shares of 128,809 shares held.

GLEN ALDEN CONSENTS TO INJUNCTION. The SEC today announced the filing of a complaint in the United States District Court in the Southern District of New York on August 7, 1968 charging Glen Alden Corporation ("Glen Alden"), a Delaware corporation with principal offices in New York City, with violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The complaint alleges that Glen Alden disclosed material information concerning Glen Alden and other companies in which Glen Alden has an interest to certain selected investors while such information was not then available and has not since been made available to the financial community and the investing public in general. According to the Commission's papers Glen Alden met with representatives of Investors Diversified Services, Inc. (IDS) on February 8, 1968 and with representatives of Putnam Growth Fund (Putnam) on March 13, 1968, that these meetings were arranged by Carter, Berlind & Weill, Inc., a registered broker-dealer, and were attended by IDS and Putnam in order to obtain information to assist

CONTINUED

them in making investment decisions with regard to possible purchases of securities of Glen Alden and its related companies on the open market. The Commission alleges that during the course of these meetings and thereafter Glen Alden disclosed to IDS, Putnam and Carter, Berlind & Weill, Inc. the material information referred to above.

Glen Alden, without admitting the allegations in the Commission's complaint, and stating that to the best of its knowledge and belief no purchases or sales of securities were made on the basis of any of the information disclosed to persons as alleged in the complaint, has consented to the entry of a final judgment of permanent injunction. The Commission is continuing its investigation of this matter to determine whether further appropriate action is necessary.

PITTSBURGH CORP. SEEKS ORDER. Pittway Corporation, a Pittsburgh subsidiary of Standard Shares, Inc., and King Aviation, Inc., have jointly applied to the SEC for an exemption order under the Investment Company Act with respect to a proposed transaction whereby Pittway will lease an airplane from King; and the Commission has issued an order (Release IC-5458) giving interested persons until August 29 to request a hearing thereon. Standard owns 1,021,800 shares (over 40%) of the outstanding common stock of Pittway, a diversified operating company engaged in the businesses of aerosol and other contract packaging, the manufacture of aerosol valves and of burglar and fire alarm devices and the publication of industrial magazines. King is engaged in the ownership and operation of an executive North American Aviation Sabreliner jet aircraft. The capital stock of King is owned by Neison Harris, president of Pittway and chairman of the executive committee and a substantial stockholder of Standard, and by Irving B. Harris and Sidney Barrows, officers and/or directors of Pittway and Standard and substantial stockholders of Standard. In November 1967 Pittway leased the aircraft from King on a trial and test basis for \$25,000 annually and extended the original period to May 1968, at which time Pittway's board of directors determined that it was desirable for Pittway to have a private plane freely available for use in connection with sales, sales promotion and acquisitions. In May a 12-month renewable lease was entered into under which it is contemplated that the aircraft will be used primarily by Pittway, but will also be used by King, which pay a portion of the expenses for such use. Because of the inter-company affiliation, Commission approval of the renewed lease is required.

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 5 News Digest.

Charter Co Jun 68 (11)	0-1825-2	Royal American Inds Inc Jun 68 (12)	1-4109-2
Continental Conveyor & Equipment Co Jun 68 (9,13)	0-2959-2	Perfect Film & Chemical Corp Jun 68 (4,7,13)	1-2991-2
Datatronics Inc Jun 68 (9,12,13)	2-27987-2	Unitec Inds Inc May 68 (11,13)	2-27095-2
Astrosystems Internatl Inc May 68 (2,11,13)	0-3045-2	Applied Magnetics Corp Jun 68 (2,13)	0-2966-2
Quaker Oats Co Jun 68 (4,13)	1-12-2	Raytheon Co Jun 68 (4,7,8)	1-2833-2
Transcon Lines Jun 68 (12,13)	1-5618-2	Transcontinental Investing Corp Jun 68 (4,7,11,13)	1-4945-2
South Jersey Gas Co Jun 68 (13)	1-3990-2	Atlantic Improvement Corp Feb 66 (7)	2-18817-2
Anadite Inc Jun 68 (2,7,13)	0-181-2	Jan 67 (7,13)	2-18817-2
Pioneer Astro Inds Inc Jun 68 (12)	0-2795-2	March 67 (8)	2-18817-2
M H Fishman Co Inc May 68 (11)	1-3302-2	Valley Bancorporation Jul 68(11)	0-2453-2
July 68 (7)	1-3302-2	Combanks Corp Jun 68 (2,9,12,13)	2-27303-2
Real Eight Co Inc Jun 68 (12)	1-5504-2		
Rockwell Mfg Co Jul 68 (7,8,13)	0-832-2		

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended August 1, 1968, 110 registration statements were filed, 70 became effective, 2 were withdrawn, and 848 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective August 6: AIC Photo, Inc., 2-29168 (Nov 4); American Hoist & Derrick Co., 2-29200 (40 days); Beneficial Finance Co., 2-29477 (40 days); Century Papers, Inc., 2-29117 (90 days); Chesapeake Instrument Corp., 2-28942 (Nov 15); Ennis Business Forms, Inc., 2-29190 (90 days); Bob Evans Farms, Inc., 2-29263 (90 days); Executive Growth Plans Inc., 2-28962 (90 days); Fidelity Corp., 2-28569; Friendly Ice Cream Corp., 2-29368 (90 days); McDonald's Corp., 2-29772; Noxell Corp., 2-29311 (90 days); Olympus Fund, 2-29042; Smith, Barney Equity Fund, Inc., 2-28475.

Effective August 7: American Can Co., 2-29749; Buck Hill Falls Co., 2-29050 (90 days); Buck Engineering Co. Inc., 2-29152 (90 days); International Corp., 2-29220 & 2-29260; Informative Computer Services, Ltd., 2-29320 (90 days); Kathol Petroleum, Inc., 2-28175 (Oct 6); Niagara Mohawk Corp., 2-29575; Pennsylvania Electric Co., 2-29373 (40 days); TRW Inc., 2-29470; Wisconsin Telephone Co., 2-29630.

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.