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NEWS DIGEST

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FOR RELEASE February 19, 1969

RULES PROPOSED FOR OTC MARGIN STOCKS. The SEC today invited the submission of comments not later than March 20 on its proposal to adopt a new Rule 17a-12 under the Securities Exchange Act (Release 34-8529) providing for the filing of notices and reports (on Forms X-17A-12(1) and (2), respectively) which would serve as a basis, under proposed Federal Reserve Board margin rules, for exemptions from the proposed FRB margin requirements of loans by banks to qualified broker-dealer market makers in "OTC margin stocks".

The Federal Reserve Board on February 10 announced proposals under 1968 legislation which broaden the Board's authority over the extension, maintenance, and arranging for credit for the purchasing or carrying of or trading in securities. Under its proposed rules, the Board from time to time will publish a list of over-the-counter securities eligible for margin (OTC margin stocks) based upon criteria in those regulations designed to limit the securities to those the issuers of which are of a character and permanence to warrant their being placed on the list and which have specified standards of a degree of national interest, of depth and breadth of markets, and of availability of information. They would exempt from the margin requirements the extension and maintenance of credit on OTC margin stock by a bank to a broker-dealer who is an "OTC market maker" in the particular stock, who is in compliance with SEC Rule 15c3-1 and meets certain minimum "net capital" requirements, who regularly publishes bona fide competitive bid and offer quotations, and who stands ready to effect transactions in reasonable amounts at his quoted prices with other brokers and dealers.

The purpose of proposed Rule 17a-12 and the related forms is to implement the proposed OTC market maker exemption by enabling the Commission to carry out its enforcement and administrative responsibilities with respect to them under the Exchange Act. The Form X-17A-12(2) report would set forth details on the borrowings of the OTC market maker, exempted from the margin requirements, collateralized by OTC margin stock which is the subject of the report; and if such loans exist, the market-maker would have to furnish information respecting the maintenance of the net capital specified in Rule 17a-12, and details as to his position in the security at the end of the quarter, his maximum position during the quarter, the daily average closing position during the quarter, in addition to his trading activity in the security in that period.

INDIVIDUALS' SAVING REPORTED. The SEC announces (for February 20 newspapers) that the increase in individuals' savings during July-September 1968 amounted to $12.2 billion. This compares with $7.4 billion in the previous quarter and $13.5 billion in the third quarter of 1967. For further details, see Stat. Release 2343.

FINANCIAL VENTURE FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5610) giving interested persons until February 28 to request a hearing upon an application of Financial Venture Fund, Inc., Denver mutual fund, for exemption from provisions of Section 18(d) of the Act. The Fund proposes to make a public offering of 5,000,000 shares of common stock. Each share will have a special subscription right to purchase one additional share of the Fund, exercisable from April 1, 1969 to March 31, 1971. Section 18(d) prohibits a registered investment company from issuing any warrant or right to subscribe to or purchase a security of which said investment company is the issuer unless it expires in fewer than 120 days and is issued exclusively and ratably to such investment company's security holders.

ROEN, KLEIN, OTHERS ENJOINED. The SEC Chicago Regional Office announced February 12 (LR-4238) that the U. S. District Court in Grand Rapids, Mich., has issued an order permanently enjoining the sale of oil interests by the following in violation of the Securities Act registration provisions: Gilbert A. Roen, of Lansing, Louis L. Klein, of Alma, and Paul I. Mongeau and Robert M. Klein, of Mt. Pleasant, Mich. The defendants consented to the injunction.

FRANK TERRANOVA ENJOINED. The SEC Washington Regional Office announced February 14 (LR-4239) that the U. S. District Court in Baltimore had entered an order permanently enjoining Frank Terranova of Hicksville, N. Y. from further violating the Securities Act registration requirements in the offer and sale of common stock of American Continental Industries, Inc. Terranova consented to the injunction but without admitting the allegations.

DELISTING AND WITHDRAWAL GRANTED. The SEC has issued an order under the Securities Exchange Act granting an application of the Midwest Stock Exchange to strike from listing and registration the common stock of The Seeburg Corporation, effective February 17, 1969, because of inactive trading in Seeburg shares since the exchange offer made by Commonwealth United Corporation.

The Commission also has issued an order giving interested persons until February 28, 1969, to request a hearing upon an application filed by Algemene Kunstizijde Unie N.V. (United Rayon Manufacturing Corporation) to withdraw ADR's for its Ordinary Shares from listing and registration on the American Stock Exchange. (Release 34-8528)

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MAGNAVEST TO SELL STOCK. Magnavest Corporation, 46 W. Clinton Ave., Tenafly, N. J. 07670, filed a registration statement (File 2-31702) with the SEC on February 12 seeking registration of 105,000 shares of common stock, to be offered for public sale at $6 per share. No underwriting is involved.

The company was organized in January. According to the prospectus, it proposes to acquire in April all of the issued and outstanding stock of Pilgrim Management Corporation ("PMC") and William Jennings & Co., Inc. ("Jennings"). PMC is the investment manager of Pilgrim Fund Inc., an open-end investment company, and PMC's wholly-owned subsidiary, Pilgrim Fund Distributors, Inc., is the principal underwriter and distributor of Pilgrim Fund shares and the sponsor and distributor of Pilgrim Investment Plans for the accumulation of Shares of Pilgrim Fund Inc., a unit investment trust. Jennings is a securities broker-dealer primarily engaged in the retail distribution of investment company shares and plans. Of the net proceeds of its stock sale, the company will use $50,000 to expand the investment research and counsel department of PMC, $150,000 for the expansion of Jennings' sales organization (including the opening of additional branch offices), $80,000 for expenses and advances incurred in the expansion of the wholesale operations of Pilgrim Fund Distributors, and the balance for other purposes, including additional personnel, advertising and promotion, and working capital. The company now has or will have outstanding 400,000 common shares, issued or to be issued in exchange for the outstanding stock of PMC and Jennings and having a book value of 23¢ per share; William J. Lippman, president, will own 49% and management officials as a group 65%. Purchasers of the shares being registered will acquire a 21% stock interest in the company for an investment of $630,000; present stockholders will then own 79%, received in exchange for stock of PMC and Jennings having an aggregate stockholders' equity of $91,701.

FLUOR SHARES IN REGISTRATION. The Fluor Corporation, Ltd., 2500 S. Atlantic Blvd., Los Angeles, Calif. 90022, filed a registration statement (File 2-31720) with the SEC on February 14 seeking registration of 7,350 shares of $3 cumulative convertible preferred stock Series B and 43,171 shares of common stock. These shares are issuable to certain employees of Pike Corporation of America and its subsidiaries pursuant to options originally granted by Pike. Such options were assumed by Fluor under an agreement between Fluor and Pike pursuant to which Pike became a wholly-owned subsidiary of Fluor. The recipients of these shares may offer them for sale from time to time at prices prevailing at the time of sale ($79 per preferred and $56 per common share maximum*).

VANGUARD STUDIOS FILES FOR OFFERING AND SECONDARY. Vanguard Studios, Inc., 20746 Dearborn St., Chatsworth, Calif. 91311, filed a registration statement (File 2-31722) with the SEC on February 14 seeking registration of 130,000 shares of common stock, of which 65,000 are to be offered for public sale by the company and 65,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by First California Co. Inc., 300 Montgomery St., San Francisco, Calif. 94104; the offering price ($14 per share maximum*) and underwriting terms are to be supplied by amendment. The company will deliver to First California Co. five-year warrants to purchase 6,500 common shares, exercisable initially (after one year) at 107% of the public offering price; and it has agreed to pay the underwriters up to $7,500 for expenses.

The company designs, produces and wholesales framed oil paintings, produced in multiples and wall sculpture molded of rigid polyurethane for sale to furniture stores, department stores, art galleries and decorators. Of the net proceeds of its sale of additional stock, $311,000 will be used for an additional production facility for molding polyurethane, $62,000 for remodeling existing and proposed showrooms, and the balance for other purposes, including working capital. The company has outstanding 368,333 common shares, of which Lee R. Burr, president, and Stuart C. Burr, executive vice president, own 49.4% each. Each proposes to sell 32,500 shares of 181,991 and 181,992 shares held, respectively.

FRANKLIN ELECTRIC FILES FOR SECONDARY. Franklin Electric Co., Inc., 400 East Spring St., Bluffton, Ind. 46714, filed a registration statement (File 2-31723) with the SEC on February 14 seeking registration of 145,000 outstanding shares of common stock, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004, and Fulton, Reid & Staples, Inc., 2100 East Ohio Bldg., Cleveland, Ohio 44114. The offering price ($22.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the manufacture of specialized electric motors and food wrapping and handling equipment, with primary emphasis on submersible motors. In addition to indebtedness, it has outstanding 1,461,819 common shares, of which Edward J. Schaefer, board chairman, owns 23.3%, his wife 25.1%, and management officials as a group 50%. The Schaefers propose to sell 45,000 shares and eight others the remaining shares being registered.

NATIONAL GENERAL FILES FOR SECONDARY. National General Corporation, 1 Carthay Plaza, Los Angeles, Calif 90048, filed a registration statement (File 2-31724) with the SEC on February 14 seeking registration of (a) 70,000 shares of common stock, issuable upon conversion of some 14,534 shares of Series A convertible preferred stock which were issued to Sy Weintraub, a company vice president, in connection with the acquisition by the company of the outstanding stock of Banner Productions, Inc. and (b) 100,059 shares of common stock issuable upon exercise of outstanding employee options of Great American Holding Corporation (the obligations of which National assumed on January 10 in connection with its acquisition of Great American stock). Also included in the statement are 29,230 common stock purchase warrants and 12,195 $40 common stock purchase warrants to be issued pursuant to a December 30 contract as partial consideration for past legal services of Wyman, Bautzer, Finnel & Rothman. All of the shares being registered may be offered for sale from time to time by the present holders or recipients thereof at prices current at the time of sale.

CONTINUED

N. Y. TELEPHONE CO. TO SELL BONDS. New York Telephone Company, 140 West St., New York 10007, filed a registration statement (File 2-31725) with the SEC on February 14 seeking registration of $150,000,000 of refunding mortgage bonds, Series R, due 2009, to be offered for public sale at competitive bidding. An associated company of the Bell System and a subsidiary of AT&T, the company will apply the net proceeds of the bond sale toward repayment of outstanding notes payable (bank loans and commercial paper), expected to approximate $277,000,000 at the time the proceeds are received. Proceeds of such notes were used for general corporate purposes, including extension, additions and improvements to the company's plant.

AGS COMPUTERS TO SELL STOCK. AGS Computers, Inc., 21 East 40th St., New York 10016, filed a registration statement (File 2-31727) with the SEC on February 14 seeking registration of 100,000 shares of common stock, to be offered for public sale at $3.50 per share. The offering is to be made through Grimm & Davis, Inc., 54 Wall St., New York, which will receive a $.425 per share commission. The company has agreed to pay the underwriter $7,500 for expenses and to issue to it, at no cost, five-year warrants to purchase 10,000 common shares, exercisable after one year at $3.85 per share.

Organized under New York law in January 1967, the company sells computer programming services and systems ("software") to users and potential users and manufacturers of computers. Net proceeds of its stock sale will be added to working capital and used for general corporate purposes. The company has outstanding 334,500 common shares (with a 29¢ per share book value), of which Lawrence J. Schoenberg, president, Joseph Abrams, secretary, and Peter G. Graf, treasurer, own 29.5% each. On sale of the 100,000 shares, the purchasers will own 23% of the then outstanding common stock, for which they will have paid $350,000, or $3.50 per share, Schoenberg, Abrams and Graf will own or control 68%, for which they paid $17,825 cash, including contributions to capital of $10,325, or 6¢ per share; in addition, 20 others will own 9%, for which they paid $75,000 cash or $2 per share.

VENTURES RESEARCH TO SELL STOCK. Ventures Research and Development Group, 145 Witherspoon St., Princeton, N. J. 08540, filed a registration statement (File 2-31726) with the SEC on February 14 seeking registration of 100,000 shares of common stock, to be offered for public sale through Goldwater, Valente, Fitzpatrick & Schall, 5 Hanover Square, New York. The offering price ($6 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriter five-year warrants to purchase 10,000 shares, exercisable after one year at 110% of the offering price.

The company was organized in January 1968 for the primary purpose of planning and marketing new business ventures; it is in an early stage of development. Net proceeds of its stock sale, together with other funds on hand, will be used to meet all expenses of the company (including some $350,000 of salaries) until it begins to receive adequate revenues. The company now has outstanding 175,520 common shares (with a $1.44 per share book value), of which Nathaniel I. Korman, president and board chairman, owns 32.5%, Mrs. Korman 18.5%, and management officials as a group 65.5%.

GRIMM & DAVIS FILES FOR OFFERING AND SECONDARY. Grimm & Davis, Inc., 15 William St., New York 10005, filed a registration statement (File 2-31728) with the SEC on February 14 seeking registration of 100,000 shares of common stock, to be offered for public sale at $5 per share. The offering is to be made on a "best efforts, all or none" basis through D. H. Magid & Co. Inc., 25 Broadway, New York, which will receive a $.575 per share selling commission plus $7,500 for expenses. The company has sold the underwriter, for $100, five-year warrants to purchase 10,000 common shares, exercisable after one year at $5.50 per share.

Organized under New York law in August 1968 to take over a business begun in December 1962, the company is a broker and dealer in unlisted securities and during the past two years has acted as managing underwriter in offering new issues of low-priced securities to the public. Net proceeds of its sale of additional stock will be added to the company's capital for use in the conduct of its business. It has outstanding 360,000 common shares (with a 55¢ per share book value), of which Jay V. Grimm, president, owns 37.5% and Martin Davis, board chairman, 33.3%. Upon completion of this offering, the purchasers of the shares being registered will have acquired 25% of the then outstanding shares, for which they will have paid $500,000 or $5 per share, and the present shareholders will own 75% of the shares, for which they paid $100,000 or 33¢ per share. Purchasers of the shares being registered will incur an immediate dilution of $4.15 per share in book value from the public offering price.

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 February 3 News Digest.

United Engineering & Foundry Co Dec 68(1,10)	1-1711-2
Wean United Inc Jan 69(2,7)	1-5284-2
Champion Spark Plug Co Jan 69 (12)	1-4136-2
National Sugar Refining Co Jan 68(13)	1-3246-2
N K Winston Corp Dec 68(11)	0-1759-2
Graniteville Co Jan 69(12)	1-4630-2
Tel-A-Sign Inc Nov 68(7,13)	1-5750-2
Twin Disc Inc Dec 68(2)	0-1767-2
University Computing Co Nov 68 (7,13)	0-2170-2
Continental Connector Corp Aug 68(11)	1-4385-2
Automated Services Inc Dec 68 (2,7,13)	2-29385-2
Falk Corp Jan 69(1,2,4,11,13)	0-2116-2
Wells Management Corp Oct 68 (2,7,13) & Dec 68(12,13)	2-28467-2

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Great Plains Life Insur Dec 68 (2,9,11,13)	2-14541-2
Leonard Refineries Inc Jan 69 (4,7,13)	1-3944-2
Marhoefer Packing Co Inc Jan 69 (12)	1-5158-2
Dynasonics Corp Oct 68(1,2,7, 9,12,13)	2-14490-2
United Board & Carton Corp Dec 68 (11,13)	1-2772-2
Gulf & Western Industries Inc Dec 68(7,11,13)	1-5404-2
Martin-Brower Corp Jan 69(11)	2-28699-2
North American Resources Corp Dec 68(11,13)	0-892-2
Silver Ledge Inc Jan 69(12)	1-5701-2
Great Lakes Chemical Corp Nov 68(12)	1-2630-2
Jayark Corp Nov 68(11)	0-3255-2
Bankers Trust Dec 68(3,13)	0-1610-2
Equitable Real Estate Investment Trust Dec 68(3,13)	0-1605-2
Fidelity Real Estate Invst Tr Dec 68(3,13)	0-1929-2
Penn Pacific Corp Dec 68(2,3, 7,13)	0-730-2
Communications Satellite Corp.(13)	1-4929-2
General Automotive Parts Corp.(7, 13)	0-1234-2
Northwest Bancorporation(13)	1-2979-2
Pabst Brewing Company(13)	0-466-2
Putnam Management Co. Inc. (3, 8, 9, 13)	2-20664-2
Seaboard Finance Co. (1, 12)	1-3440-2
Southwestern Public Service Co. (12)	1-3789-2
Stewart Warner Corp.(13)	1-212-2
Beck Industries, Inc. (7,8,13)	1-3267-2
Elizabethtown Water Co.(3,13)	0-628-2
Leeds & Northrup Co.(13)	1-5192-2
Phillips-Van Heusen Corp.(12)	1-724-2
Richardson Co.(4,7,13)	1-5669-2
Servo Corp. of America (7,8,12)	1-3925-2
Wrather Corporation(7,13)	0-988-2
General American Oil Co. of Texas(7)	1-4056-2
Philip Morris Inc.(7,13)	1-194-2
The Perkin-Elmer Corp.(12)	1-4389-2
Pulaski Furniture Corp.(12,13)	0-314-2
Rheingold Corporation(7)	1-5101-2
Singer Company(12,13)	1-4327-2
Soo Line Railroad Company (7,13)	1-4452-2
Thalhimer Brothers, Inc.(7,13)	0-1300-2
American Pipe & Constr. Co. (3,13)	0-218-3
Deere & Co.(11)	1-4121-2
Engelhard Minerals & Chemicals Corp.(7)	1-4346-2

(12:00 NOON

TRADING IN BARTEP INDUSTRIES SUSPENDED. The SEC today announced that it has suspended over-the-counter trading in the common stock of Bartep Industries, Inc., of Miami, Fla. for the ten-day period from February 19, 1969 (commencing at [illegible]:00 A.M.) through February 28, 1969.

On March 29, 1968, the company announced it was changing its name from Bowling Industries, Inc., a previously unsuccessful and dormant corporation, to Bartep Industries, Inc. At the same time, the company announced it had acquired all of the issued and outstanding stock of the Bariatri Corporation in exchange for 675,000 shares of Bartep common stock. On October 18, 1968, the company announced the acquisition of all the issued and outstanding common stock of Diversified Resources, Inc., in exchange for an undisclosed amount of Bartep common stock. On December 17, 1968, the company announced the acquisition of the Colombine Coal Company for an undisclosed amount of Bartep common stock. Shareholders of Bartep Industries, Inc., have not been provided with current financial statements for the company and for the three acquisitions mentioned above. Counsel for the company has informed the staff of the Commission that financial statements for Bartep are being prepared.

The Commission has been advised of the sudden death of the president of Bartep, Myron Boraks, and vice president of Bartep, Sol Feldman in a planecrash on February 15, 1969.

Under the circumstances the Commission determined to suspend trading pending public dissemination of adequate financial statements for Bartep Industries, Inc.

SECURITIES ACT REGISTRATIONS. Effective February 17: Berkley Dean Special Fund, Inc., 2-29607. Effective February 18: American Fletcher Corp., 2-30834 (90 days); Certron Corp., 2-30861 (90 days); Chessco Industries, Inc., 2-30665 (90 days); Earth Resources Co., 2-30710 (90 days); Edmos Products Corp., 2-31027 (90 days); Gro-Plant Industries, Inc., 2-31182 (90 days); Lectro Computer Leasing Corp., 2-29672 (40 days); Quarterback East, Inc., 2-30895 (90 days); Rapid-American Corp., 2-31330 (40 days); San Francisco & Oakland Helicopter Airlines, Inc., 2-30480 (Mar 31); TRW Inc. and The Reda Thrift Plan, 2-31432; United Savings Life Insurance Co. of Illinois, 2-30757 (90 days); U. S. Home & Development Corp., 2-30659 (Mar 30).

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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