

# 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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**TRADING TO RESUME IN MOUNTAIN STATES DEVELOPMENT.** The SEC today announced (for April 24 Newspapers) that over-the-counter trading in stock of Mountain States Development Company, of El Paso and Salt Lake City, may be resumed on April 29. The Salt Lake Stock Exchange has advised that it will not permit the resumption of exchange trading until the company files the financial and other information required by the Securities Exchange Act.

The Commission cautioned that investors and broker-dealers should be mindful of the fact that no current financial information is available concerning the company ("MSDC"). In a court action filed by the Commission in the Federal court in Salt Lake City, MSDC and certain other defendants consented to a court order enjoining violations of the registration and anti-fraud provisions of the Federal securities laws (without admitting the violations); and MSDC also was directed to file a certified financial statement for the year ending December 31, 1967. According to the complaint, a substantial amount of unregistered MSDC stock was sold and/or is held by defendants in the action. Violations of the anti-fraud provisions alleged in the complaint including the charge, among others, that in the sale of MSDC stock the defendants omitted to state that tests reporting mineral values of \$25 million on properties in Honduras were conducted on claims owned by others than MSDC. For further details, see Release 34-8583.

**NORTHWESTERN MUTUAL LIFE RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5659) exempting The Northwestern Mutual Life Insurance Company and NML Variable Annuity Account B, Milwaukee, Wisc., from certain provisions of the Act. Northwestern established Account B to offer variable annuity contracts for use in funding corporate pension or profit sharing plans qualified under Section 401(a) or 403(a) of the Internal Revenue Code and as tax-deferred annuities under Section 403(b) of the Code.

**NEW JERSEY P&L RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16350) authorizing New Jersey Power & Light Company, Morristown subsidiary of General Public Utilities Corporation, to issue and sell from time to time up to \$10,300,000 of additional notes to eight banks. Net proceeds will be used by the company for construction expenditures and/or to repay other short-term borrowings therefor. Construction expenditures for 1969 are estimated at \$18,000,000.

**COLUMBIA GAS SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16352) giving interested persons until May 14 to request a hearing upon a proposal of The Columbia Gas System, Inc., New York holding company, to sell up to \$155,000,000 of short-term notes to banks (including commercial paper notes to dealers in commercial paper). Net proceeds of such borrowings will be made available to Columbia's subsidiaries for construction purposes, for the purchase of underground storage gas during the summer months and for other short-term seasonal requirements. Construction expenditures of the subsidiaries are estimated to aggregate \$198,676,000 during 1969.

**LOUISIANA P&L SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16353) giving interested persons until May 16 to request a hearing upon a proposal of Louisiana Power & Light Company, New Orleans subsidiary of Middle South Utilities, Inc., to sell up to \$30,000,000 of short-term notes to five banks and up to \$15,000,000 of commercial paper to Lehman Commercial Paper, Incorporated. Proceeds of such borrowings will be used to finance its construction program, the costs of which are estimated at \$73,000,000 in 1969 and \$67,500,000 in 1970, and for other corporate purposes.

**SALE OF AMERICAN DRILLING STOCK ENJOINED.** The SEC Denver Regional Office announced April 21 (LR-4295) that the U. S. District Court in Lincoln, Nebr., enjoining violations of the Securities Act registration and anti-fraud provisions by the following in the sale of stock of American Drilling Corporation: American Drilling Corporation, American Drilling Company, Ltd., Larry G. Stephenson and Roger Paul Bailey. The defendants consented to the injunction, without admitting the violations.

**SALE OF AMERICAN CONTINENTAL INDUSTRIES ENJOINED.** The SEC Washington Regional Office announced April 22 (LR-4296) that the U. S. District Court in Baltimore had entered default judgments enjoining violations of the Securities Act registration and anti-fraud provisions by Robert L. Taylor, formerly of Baltimore, Guardian Investment Corporation, of Baltimore, and First Western Investment Corporation, an Alabama corporation, in their offer and sale of stock of American Continental Industries, Inc., and enjoining violations of the said registration provisions by James H. McConnell, of Dallas, James Dondich, of Las Vegas, and Nathan Rosenberg, of Van Nuys, Calif. Morton Kantrowitz of Fort Lee, N. J., consented to an injunction, but without admitting the violations complained of, Michael LaMarca, of Long Island, N. Y., Carreton, Inc., of New York City, Francis Peter Crosby, of East Orange, N. J., and World Timberland Financial Corporation, a New Jersey corporation, consented to court orders of temporary injunction against registration violations, and LaMarca and Carreton, Inc., consented to a temporary injunction against anti-fraud violations, pending hearing on the SEC motion for preliminary injunction. On motion of Commission counsel, the action was dismissed as to Sol Feldman of Miami and T. H. Ruth of Dennison, Texas.

OVER

**SIMMONDS PRECISION SHARES IN REGISTRATION.** Simmonds Precision Products, Inc., 105 Martling Ave., Tarrytown, N. Y. 10592, filed a registration statement (File 2-32664) with the SEC on April 18 seeking registration of 92,136 outstanding shares of common stock, which may be offered for sale from time to time by the nine holders thereof, at prices current at the time of sale (\$16.25 per share maximum\*). The principal selling stockholder, Balmoral Hotels, Limited, proposes to sell 50,000 of its holdings of 100,921 shares. The company designs and manufactures systems for measuring and displaying quantities, pressures, densities and temperatures of fuels, oils, gases and other fluids in commercial and military aircraft, missiles and space vehicles. It has outstanding 3,257,836 common shares.

**MILLMASTER ONYX FILES FOR SECONDARY.** Millmaster Onyx Corporation, 99 Park Ave., New York, N. Y. 10016, filed a registration statement (File 2-32665) with the SEC on April 18 seeking registration of 653,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by F. Eberstadt & Co., 65 Broadway, and Lazard Freres & Co., 44 Wall St., both of New York, N.Y. The offering price (\$17.125 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the production and sale of specialty chemical products, including bactericidal agents and other cleansing and cosmetic products, products for the drug and pharmaceutical industry and textile finishing products. In addition to indebtedness, it has outstanding 2,529,314 common shares, of which Carter-Wallace, Inc., owns 826,817 (32.7%) and proposes to sell 575,000 shares. Included among the twelve other selling stockholders is Robert J. Milano, president, who proposes to sell 50,000 of his holdings of 783,896 shares (31%).

**WESTERN UNION TO SELL STOCK.** The Western Union Telegraph Company, 60 Hudson St., New York, N. Y. 10013, filed a registration statement (File 2-32666) with the SEC on April 18 seeking registration of 1,300,000 common shares, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., and Lehman Brothers, One William St., both of New York, N. Y. The offering price (\$50 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in providing a nationwide public telegram service. Part of the net proceeds of its stock sale will be used to repay \$40,000,000 of bank loans incurred for plant expansion, and the balance will be used for further plant expansion. Gross plant additions for 1970-71 are estimated at \$200,000,000. In addition to indebtedness and preferred stock, the company has outstanding 7,588,149 common shares.

**GENERAL INTERIORS FILES FINANCING PROPOSAL.** General Interiors Corporation, 215 Lexington Ave., New York, N. Y. 10016, filed a registration statement (File 2-32667) with the SEC on April 18 seeking registration of \$12,500,000 of convertible subordinated debentures, due 1994, to be offered for public sale by the company, and 430,000 shares of common stock, of which 402,223 are to be offered by the company and 27,777 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Cogan, Berlind, Weill & Levitt, Inc., 55 Broad St., and Laird Incorporated, 280 Park Ave., both of New York, N. Y.; the interest rate on the debentures, offering prices (\$24 per common shares maximum\*) and underwriting terms are to be supplied by amendment. Also included in the statement are an additional 40,000 common shares which the holders thereof may offer for sale from time to time at prices current at the time of sale.

The company manufactures and sells wood and upholstered furniture. According to the prospectus, it has completed two acquisitions in 1968 and two to date in 1969; and it had entered into agreements to purchase all the outstanding stock of Baker Furniture, Inc., of Grand Rapids, Michigan. Net proceeds of its sale of debentures and stock, together with other funds of the company (including Baker's cash on the closing date of its acquisition) will be applied to finance the acquisition of Baker and to repay short-term bank borrowings and certain long-term indebtedness. The bank borrowings were incurred in connection with certain acquisitions and for working capital purposes. In addition to indebtedness, the company has outstanding 809,350 common shares, of which management officials as a group own 7.8%. Colin C. Carpi is president and board chairman. Two institutional investors propose to sell the 27,777 shares included in the proposed public offering. Two other stockholders may sell the additional 40,000 shares.

**FIRST FLORIDA FILES FOR EXCHANGE.** First Florida Bancorporation, Haines City, Fla., filed a registration statement (File 2-32671) with the SEC on April 18 seeking registration of 802,500 shares of common stock. It is proposed to offer the shares in exchange for the outstanding stock of Marine Bank & Trust Company and Commercial Bank of Tampa, both of Tampa, Fla. Six shares of First Florida stock are to be offered for each of the 125,000 outstanding shares of Marine Bank, and 3.5 shares for each of the 15,000 shares of Commercial Bank stock. The company now owns 80% or more of the outstanding stock of eleven banks. It now has outstanding 849,861 common shares, of which Frances J. McNulty owns 17.6% and Mary R. McNulty 15.6%. A. Clewis Howell is board chairman and Thomas E. Tucker is president and chief executive officer.

**INTERMAC TO SELL STOCK.** InterMac Corporation, 508 Sibley Tower, Rochester, N. Y. 14604, filed a registration statement (File 2-32673) with the SEC on April 21 seeking registration of 140,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made on a best efforts basis by Genesee Valley Securities Company, Inc., 300 Powers Building, Rochester, N. Y. 14614, which will receive a \$.375 per share commission plus \$14,000 for expenses. The company has agreed to sell to the underwriter, for \$100, five-year warrants for the purchase of 10,000 shares, exercisable after two years at \$10 per share.

Organized in January 1967 to engage in the computer consulting and service business, the company intends to conduct its operations under two divisions: (A) computer utility division and (B) systems development division. Of the net proceeds of its stock sale, \$584,400 will be used for the development of the company's computer utility services, \$124,200 for expansion of marketing, sales and service staff for both divisions, \$154,000 for research and development, and the balance for working capital and other purposes. The company

has outstanding 260,000 common shares (with an 85¢ per share book value), of which Richard B. Bagby, president, owns 18.9% and management officials as a group 84.8%. Purchasers of the shares being registered will acquire a 35% stock interest in the company for their investment of \$1,400,000; present stockholders will then own 65%, with a present book value of \$221,000.

**PETROLEUM FUND MCM. FILES FOR OFFERING.** Petroleum Fund Management Company, 13063 Ventura Blvd., Studio City, Calif., filed a registration statement (File 2-32674) with the SEC on April 21 seeking registration of 500 units of participation in its 1969 PCA Petroleum Exploration and Development Fund. Proceeds will be used for oil and gas exploration. Under the program, Petroleum Corporation of America will be engaged to conduct explorations in behalf of the Management Company. James N. Ryan is president of the Management Company and of PCA.

**GREAT BASINS EXPLORATION FILES.** The 1969 Great Basins Exploration and Development Program, 1011 Gateway West, Century City, Los Angeles, Calif. 90067, filed a registration statement (File 2-32677) with the SEC on April 21 seeking registration of 500 limited partnership interests in the Program, to be offered for public sale at \$5 per unit. The funds will be used for exploration, development and production of oil and gas. Great Basins Petroleum Co. will act as general partner. R. G. Greene is board chairman and C. W. Hatten president of the general partner.

**BECKER FUND TO SELL STOCK.** Becker Fund, Inc., 283 Greenwich Ave., Greenwich, Conn. 06830, filed a registration statement (File 2-32678) with the SEC on April 21 seeking registration of 200,000 shares of capital stock. The shares are to be offered for public sale at net asset value plus a maximum commission of 8.50% (\$10.93 per share maximum\*). The Fund is an open-end, non-diversified investment company whose investment policy is to seek long-term capital appreciation. s w b Distributors Corp. is the distributor and s w b Research and Advisors Corp. is adviser. Stephen W. Becker is president of the Fund and of the adviser.

**AMERICAN TOBACCO SHARES IN REGISTRATION.** The American Tobacco Company, 245 Park Ave., New York, N. Y. 10017, filed a registration statement (File 2-32679) with the SEC on April 21 seeking registration of 1,288,888 shares of common stock. The shares are issuable upon conversion of \$50,000,000 of 5½% convertible guaranteed debentures, due 1988, of American Tobacco International Corporation, a wholly-owned subsidiary.

**MED-PAK CORP. TO SELL STOCK.** Med-Pack Corporation, 333 Washington St., Charleston, W. Va. 25302, filed a registration statement (File 2-32680) with the SEC on April 21 proposing the public offering of 350,000 shares of common stock. The offering price (\$5 per share maximum\*), underwriting terms and identity of the underwriters are to be supplied by amendment.

The company manufactures, packages and/or distributes various disposable medical items, manufactures and distributes non-medical flexible packaged items and engages in contract injection moldings. Of the net proceeds of its stock sale, \$308,200 will be used to pay the remaining amount due on its purchase of Globe Molded Plastics Company in January, \$250,000 to repay certain loans of the company and Globe, \$150,000 to purchase additional plastic molding machinery and equipment to be used by Globe, \$250,000 to expand the company's plant in Charleston, \$100,000 to expand Globe's plant, and the balance for working capital and other corporate purposes. The company has outstanding 513,000 common shares (with a 23¢ per share book value), of which management officials as a group own 47.2%. C. Edward Gillespie is president. Purchasers of the shares being registered will acquire a 40.6% stock interest in the company for their investment of \$1,750,000 (they will sustain a \$3.31 per share dilution from the book value); present stockholders will then own 59.4%, for which they paid \$123,000.

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of shares to be offered under and pursuant to employee stock and related plans:

Helmerich & Payne, Inc., Tulsa, Okla. 74114 (File 2-32616) - 75,000 shares  
 Merck & Co., Inc., Rahway, N. J. 07065 (File 2-32661) - 76,690 shares  
 Pullman Incorporated, Chicago, Ill. 60604 (File 2-32663) - 150,000 shares  
 Jones & Laughlin Steel Corp., Pittsburgh, Pa. 15230 (File 2-32668) - 250,000 shares  
 Rosemount Engineering Company, Eden Prairie, Minn. 55343 (File 2-32670) - 54,460 shares  
 In a Form S-7 statement, The Standard Oil Company, Cleveland, Ohio, 44115, seeks registration of 192,500 shares to be offered under its 1967 stock option plan. (File 2-32669)  
 Foote, Cone & Belding, Inc., 200 Park Ave., New York, N. Y. 10017 (File 2-32675) - 75,000 shares  
 Foote, Cone & Belding, Inc., 200 Park Ave., New York, N. Y. 10017 (File 2-32676) - 115,500 shares  
 The Down Chemical Company, Midland, Mich. 48640, filed a Form S-7 statement (File 2-32672) on April 13 seeking registration of 2,000 shares, to be offered to employees of Ethyl-Down Chemical Company.

**BALANCED FUNDING PROPOSES OFFERING.** Balanced Funding Corporation, 6200 North Hiawatha Ave., Chicago, Ill. 60646, filed a registration statement (File 2-32681) with the SEC on April 21 seeking registration of \$6,000,000 of programs for coordinating the acquisition of mutual fund shares and life insurance, \$3,000,000 of programs for coordinating the acquisition of mutual fund shares and accident and health insurance and \$1,000,000 of programs for coordinating the acquisition of mutual fund shares and fire and casualty insurance. The programs involve the payment of insurance premiums through loans secured by mutual fund shares which are purchased by the participant for cash.

Organized under Delaware law in December 1968, the company is primarily engaged through wholly-owned subsidiaries in the sale of mutual fund shares and insurance. BFC Securities, Inc., a wholly-owned subsidiary of the company, has or intends to have selling agreements with the principal underwriters of a large number of mutual funds, whose shares will be available under the programs. BFC Agency, Inc., also a wholly-owned subsidiary, has non-exclusive general agency contracts with Old Equity Life Insurance Company and several other

life insurance companies. Sales of programs and mutual fund shares will be effected through the registered representatives of BFC Securities, Inc. and affiliated mutual fund distributors of independent insurance agencies. The company has outstanding 450,500 common shares, of which Eugene T. Forrest, president, owns 28.9% and management officials as a group 53.3%.

**PRUDENTIAL INSURANCE FILES OFFERING PROPOSALS.** The Prudential Insurance Company of America, Newark, N.J. 07101, depositor of "Prudential's Annuity Plan Account" (File 2-32682), "Prudential's Investment Plan Account" (File 2-32683) and "Prudential's Annuity Plan Account-2" (File 2-32684) has joined with the three trusts in the filing of registration statements on April 21 proposing the public offering by the Annuity Plan Account of \$10,000,000 of Variable Annuity Contracts by the Investment Plan Account of \$10,000,000 of "Systematic Investment Plan Contracts" and by Annuity Plan Account-2 of \$5,000,000 of "Variable Annuity Contracts." The assets of the accounts are invested in shares of Prudential's Gibraltar Fund.

**PRUDENTIAL'S GIBRALTAR FUND FILES.** Prudential's Gibraltar Fund, 3003 North Central Ave., Phoenix, Ariz. 85012, filed a registration statement (File 2-32685) with the SEC on April 21 seeking registration of 2,408,478 shares of Class A voting common stock. A mutual fund "concerned principally with growth of capital and its preservation," the company serves as the investment medium for the Systematic Investment Plan and Variable Annuity Contracts issued under the Prudential Financial Security Program. Fund shares will be sold to Prudential's Investment Plan Account and Annuity Plan Accounts, which are separate accounts of The Prudential Insurance Company of America, which serves as its investment adviser.

**FERRONICS TO SELL STOCK.** Ferronics Incorporated, 66 North Main St., Fairport, N. Y. 14450, filed a registration statement (File 2-32686) with the SEC on April 21 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share. No underwriting is involved; participating NASD dealers will receive 35¢ per share sold by them.

Organized in October 1968, the company proposes to engage in the manufacture and marketing of ceramic magnetic materials known as ferrites for the electronics, computer, automotive, appliance and other industries. Net proceeds of its stock sale will be used largely for ceramic process equipment; the balance will be used for general corporate purposes. The company now has outstanding 340,500 common shares (with a book value of 46¢ per share), of which Roger Woodward, president, owns 41.1% (140,000 shares) and management officials as a group 53.9%, Mrs. Woodward owns an additional 20,000 shares and holds 40,000 as trustee for their two children. Purchasers of the shares being registered will acquire a 30.6% stock interest in the company for their investment of \$750,000 (they will sustain an immediate dilution of \$3.35 per share from the offering price); present stockholders will then own 69.4% for their cash investment of \$176,500 and other non-cash considerations. Woodward purchased 200,000 shares at 10¢ per share.

**IFC COLLATERAL TO SELL DEBENTURES.** IFC Collateral Corporation, 630 Fifth Ave., New York 10020, filed a registration statement (File 2-32687) with the SEC on April 21 seeking registration of \$1,000,000 of 6% registered subordinated debentures, due 1983, to be offered for public sale through IFC Securities Corporation, of the Fifth Avenue address. The offering is to be made "at a discount to yield an effective annual return of approximately 10% to maturity or redemption;" the underwriter will receive a 7½% selling commission. The company is engaged primarily in the real estate second mortgage business. Net proceeds of its sale of debentures will be used primarily for the purchase and placing of mortgage notes and bonds and to provide funds when required to meet obligations when they mature. Jerome Dansker is president.

**TRADING BAN CONTINUED.** The SEC has issued an order suspending over-the-counter trading in the common stock of Texas Uranium Corporation for the further ten-day period April 24 to May 3, 1969, inclusive.

**SECURITIES ACT REGISTRATIONS.** Effective April 22: Alexander and Alexander, Inc., 2-32258 (90 days); Atlantic Appliance Co., Inc., 2-30856 (90 days); Burgess Industries Inc., 2-31787 (40 days); Chemtrust Industries, Corp., 2-32002 (July 21); Corco, Inc., 2-32135 (40 days); Ecological Science Corp., 2-27764 (40 days); Golden Pacific Airlines, Inc., 2-31379 (July 21); Kaiser Industries, Corp., 2-32393; Knight Newspapers, Inc., 2-32146 (90 days); Mecca Computer Systems, Inc., 2-30548 (90 days); Mr. Steak, Inc., 2-31793 (July 4); NML Fund, Inc., 2-29239 and NML Variable Annuity Account B, 2-29240; National Utilities & Industries Corp., 2-32035 (40 days); Pamida, Inc., 2-32198 (90 days); Seaboard Finance Co., 2-31902; IPC Sponsors Corp., 2-32182; Sunshine Mining Co., 2-31274 (40 days); Valle's Steak House, 2-32323 (40 days); Reliance Oil Corp., 2-31291 & 2-31292 (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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