

# 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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**MICHIGAN GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16379) approving July 31, 1969, as the closing date for the sale by Michigan Gas and Electric Company, subsidiary of American Electric Power Company, Inc., of its gas utility properties to Michigan Gas Utilities Company. Sale of the properties was approved by Commission order of October 25, 1969 (Release 35-16196).

**MICHIGAN WISCONSIN PIPE LINE TO SELL BONDS.** The SEC has issued an order under the Holding Company Act (Release 35-16380) giving interested persons until June 16 to request a hearing upon a proposal of Michigan Wisconsin Pipe Line Company, Detroit subsidiary of American Natural Gas Company, to issue and sell, at competitive bidding, \$40,000,000 of first mortgage pipe line bonds; also, to issue and sell to its parent 70,000 additional common shares for an aggregate price of \$7,000,000. Net proceeds of the sale of the bonds and common stock will be applied to the retirement of about \$25<sup>million</sup> of \$55 million of outstanding bank notes and to finance, in part, the company's 1969 expansion program, estimated at \$67,000,000.

**ARKANSAS P & L BORROWINGS CLEARED.** The SEC has issued an order under the Holding Company Act (Release 35-16381) authorizing Arkansas Power & Light Company, Little Rock subsidiary of Middle South Utilities, Inc., to make bank or other borrowings during the period ending April 30, 1971, in amounts not to exceed \$35,000,000 at any time outstanding. The funds will be used to finance the company's construction program and for other corporate purposes. Construction expenditures are estimated at \$62,600,000 for 1969 and \$79,400,000 for 1970.

**FIFTH AVENUE COACH LINES RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-5682) with respect to the proposed purchase by El-Tronics, Inc., from Coach Lines of 36,132 shares of Class B common stock of Defiance Industries, Inc., and the proposed cancellation by El-Tronics of an option to acquire shares of Defiance Class B stock, and with respect to the proposed participation by El-Tronics with Coach Lines in such transaction.

**SMITHERS & CO. SEEKS ORDER.** F. S. Smithers & Co., New York, prospective representative of a group of underwriters of a proposed offering of shares by Inventure Capital Corp. (formerly Ivy Capital Corp. - "Fund"), a registered closed-end investment company, has applied to the SEC for an exemption order with respect thereto; and the Commission has issued an order (Release IC-5683) giving interested persons until June 5 to request a hearing thereon. The application seeks an exemption from the "recovery" provisions of Section 16(b) of the Securities Exchange Act, with respect to short-swing profits of the underwriters in the purchase and resale of Fund shares in connection with the public offering and distribution thereof.

**GRAY LINE SEEKS EXEMPTION.** Gray Line Corporation, of Chicago, has applied to the SEC for an order under the Investment Company Act declaring that it is primarily engaged in business other than that of an investment company, and is entitled to exemption from the registration and related provisions of that Act; the Commission has issued an order (Release IC-5684) scheduling the application for hearing on June 16. According to its application, Gray Line has a "majority stock interest in the Gateway National Bank of Chicago (66.2%)" and its "'investment securities' (if any) are in Fifth Avenue Coach Lines Inc., stock." The latter is a registered closed-end investment company. Gray Lines asserts that its only income during the "last fiscal year came completely from dividends paid by Gateway National Bank of Chicago." It appears that the company contends that it is primarily engaged, directly or through majority-owned subsidiaries, in the business of a bank.

**CONTINENTAL VENDING TRADING BAN CONTINUED.** The SEC has ordered the suspension of trading in the common stock of Continental Vending Machine Corporation for the further ten-day period May 22-31, inclusive.

**DELTONA FILES FOR OFFERING AND SECONDARY.** The Deltona Corporation, 3250 S.W. Third Ave., Miami, Fla. 33129, filed a registration statement (File 2-33076) with the SEC on May 16 seeking registration of 325,000 shares of common stock, of which 320,000 are to be offered for public sale by the company and 5,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Francis I. duPont, A. C. Allyn, Inc., 1 Wall St., New York 10005; the offering price (\$60 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the real estate business in Florida, including developing lands into communities with a broad range of residential and commercial facilities. Net proceeds of its sale of additional stock, together with an anticipated \$5,000,000 long-term borrowing, will be used primarily to finance the acquisition of tracts of land, the acquisition of other businesses related to or complementary to the company's present operations and the development of land now owned or to be acquired by the company and for further improvements to the company's existing major planned communities; the balance will be used for working capital purposes. In addition to indebtedness and preferred stock, the company has outstanding 2,659,280 common shares, of which The Mackle Company, Inc., owns 22.05%. Elliott J. Mackle, board chairman, Robert F. Mackle, vice chairman, and Frank E. Mackle, Jr., president, each owns a one-third interest in The Mackle Company. Samuel A. Dee, Jr., proposes to <sup>8611</sup>5,000 shares of 13,648 shares held.

OVER

**LARWIN MORTGAGE INVESTORS PROPOSES OFFERING.** Larwin Mortgage Investors, 9300 Wilshire Blvd., Beverly Hills, Calif. 90212, filed a registration statement (File 2-33078) with the SEC on May 16 seeking registration of 2,500,000 shares of beneficial interest, to be offered for public sale at \$20 per share. The offering is to be made through underwriters headed by Shields & Co. Inc., 44 Wall St., New York 10005, and Mitchum, Jones & Templeton Inc., 510 S. Spring St., Los Angeles, Calif. 90013; the underwriting terms are to be supplied by amendment.

Organized under California law in May 1969, the Trust plans to qualify as a real estate investment trust under Sections 856-858 of the Internal Revenue Code. It proposes to invest primarily in construction and development first mortgage loans. BMC Management, Inc., will act as investment adviser and administrator. A portion of the net proceeds of its sale of shares will be used to acquire construction and development first mortgage loans directly or by way of participation and a limited portion may ultimately be used to purchase real estate equities. The Trust has outstanding 5,000 shares, all owned by Brentwood Mortgage Corp. Lawrence Weinberg is chairman.

**WOODLAND PACIFIC MOBILE PARKS FILES.** Woodland Pacific Mobile Parks, Inc., 6016 Fallbrook Ave., Woodland Hills, Calif. 91364, filed a registration statement (File 2-33081) with the SEC on May 19 seeking registration of 400,000 shares of common stock and 100,000 common stock purchase warrants, to be offered for public sale in units, each consisting of four shares and one warrant, and at \$40 per unit. The offering is to be made on a best efforts basis through underwriters headed by Kluger, Ellis & Mann, 26 Broadway, New York, which will receive a selling commission of \$4 per unit plus \$80,000 for expenses. The Kluger firm also will be entitled to purchase 20,000 shares at 50¢ per share, which may not be resold for one year.

The company was organized in April; it owns and operates one mobile home park and plans to develop, acquire, own and operate additional mobile home parks and to engage in the retail sales of mobile homes. Of the net proceeds of this financing, \$735,000 will be used to repay indebtedness incurred in the acquisition of its mobile home park in Woodland Hills, \$50,000 to repay a second trust deed note on this park, \$155,000 to repay certain other obligations incurred in connection with this park, and \$200,000 for working capital. The balance of the proceeds, if any, will be used by the company as capital to develop or acquire additional mobile home parks. In addition to indebtedness, the company has outstanding 600,000 common shares (including shares to be issued to the underwriter), of which Don Mallas, president and board chairman, owns 58.2% and management officials as a group 80.7%. Purchasers of the 400,000 shares being registered will acquire a 40% stock interest in the company for their investment of \$4,000,000; present stockholders will then own 60%, for which they paid \$15,800 in cash, or about 1½¢ per share, and Mallas transferred the mobile park home to the company.

**ALLSTATE ENTERPRISES STOCK FUND FILES.** Allstate Enterprises Stock Fund, Inc., 20 Allstate Plaza, Northbrook, Ill. 60062, filed a registration statement (File 2-33082) with the SEC on May 19 seeking registration of 7,500,000 shares of common stock. During the "Charter Period" (through March 31, 1970), all sales will be made at net asset value (\$10 per share), with no sales charge. Thereafter, Fund shares will be offered at net asset value plus a maximum sales charge of 7%. The company is a mutual fund with a primary investment objective of long-term growth of capital. It receives investment advice from Allstate Investment Management Company of the Northbrook address. The distributor of Fund shares is Allstate Enterprises Fund Sales, Inc., of the same address. The manager and distributor are subsidiaries of Allstate Enterprises, Inc., in turn a subsidiary of Sears, Roebuck & Co. Judson B. Branch is board chairman and Archie R. Boe is president of the Fund.

**BENEFICIAL FINANCE TO SELL DEBENTURES.** Beneficial Finance Co., 1300 Market St., Wilmington, Del. 19899, filed a registration statement (File 2-33088) with the SEC on May 19 seeking registration of \$50,000,000 of debentures, due February 1, 1971, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities Co., 1 Chase Manhattan Plaza, New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged, through subsidiaries, in the consumer loan, merchandising and sales finance business. Substantially all of the net proceeds of its debenture sale will be used to reduce outstanding short-term bank loans of the company and its subsidiaries, which loans were used primarily to provide the subsidiaries with funds to carry on their respective businesses. In addition to indebtedness, the company has outstanding 11,446,168 common shares. O. W. Caspersen is chairman emeritus, Thomas A. McGrath president, and DeWitt J. Paul board chairman.

**ADVISERS TO INDUSTRY FUND SEEK ORDER.** The Estate Fund Management Corporation ("Management"), Salt Lake City, principal investment adviser to Industry Fund of America, Inc. ("IFA"), Salt Lake City mutual fund, together with Schroders Incorporated, of New York City, which under a contract with Management is the sub-adviser to IFA, has applied to the SEC for an exemption order under the Investment Company Act to the extent necessary to permit Schroders to continue as sub-adviser to IFA until such contract has been approved or disapproved by vote of IFA shareholders at its next annual meeting, or August 31, 1969, whichever first occurs. The Commission has issued an order (Release IC-5681) giving interested persons until June 11 to request a hearing thereon. Previously, the Commission granted a similar exemption, the IFA meeting being scheduled for February 1969. The meeting was postponed because of an offer of The South Dakota Corporation to purchase a majority stock interest in Management; the purchase agreement is conditioned on approval by shareholders of IFA of a management contract between Management and IFA when Management is under control of South Dakota. The directors of IFA and of Management have voted in favor of having Schroders continue to render investment advisory services to Management and to assist it in advising IFA so long as such action is lawful.

**TERMINAL EQUIPMENT FILES OFFERING PROPOSAL.** Terminal Equipment Corporation, 750 Hamburg Turnpike, Pompton Lakes, N. J. 07442, filed a registration statement (File 2-33083) with the SEC on May 19 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through Milton D. Blauner & Co., Inc., 115 Broadway, New York, N. Y. 10006, which will receive a commission of \$1 per share. The underwriter has agreed to pay Magnus & Co., Inc., one-half of its profit from this offering. In October, the underwriter acquired 10,000 shares at \$.33-1/3 per share; an additional 10,000 shares acquired in December at \$3.60 per share were resold at that price to an unaffiliated third party.

Organized in October 1968, the company intends to enter into the information processing field through its exclusive license to develop, manufacture and sell the essential components of a data communications system now being developed; the entire net proceeds of this stock offering will be devoted to such development. The company now has outstanding 262,266 common shares (with a \$2.26 per share book value), of which James J. Hopkins, president, owns 13.44% and management officials as a group 33.32%. Philip Tell is board chairman and chief executive officer.

**AMERICAN MOTORS FILES FOR SECONDARY.** American Motors Corporation, 14250 Plymouth Road, Detroit, Mich. 48232, filed a registration statement (File 2-33084) with the SEC on May 19 seeking registration of \$35,000,000 of 6% convertible subordinated debentures, due 1988, and 875,000 warrants to purchase capital stock. These securities are now outstanding; \$31,000,000 principal amount of the debentures and 775,000 warrants were issued and sold in October 1968, and the remaining \$4,000,000 of debentures and 100,000 warrants were issued and sold in December 1968. They are held by 46 "selling security holders," including MAC Holdings Limited and Fleschner Becker Associates, each of which owns \$4,000,000 of debentures and 100,000 warrants. These securities (or the shares issuable upon their conversion) may be offered for sale from time to time by the said holders. In addition to the debentures and warrants, the company has outstanding 19,078,544 shares of capital stock. Roy D. Chapin, Jr., is board chairman and chief executive officer and William V. Luneburg is president and chief operating officer.

**DIAMOND INTERNATIONAL FILES FOR SECONDARY.** Diamond International Corporation, 733 Third Ave., New York, N. Y. 10017, filed a registration statement (File 2-33085) with the SEC on May 19 seeking registration of 75,000 outstanding shares of common stock. The shares may be offered for sale from time to time by the company's board chairman and president, at prices current at the time of sale (\$54 per share maximum\*).

The company is engaged principally in the manufacture and sale of packaging products, paperboard and printed and lithographed products, and the manufacture of lumber and the operation of retail lumber yards and stores. Of the shares being registered, 50,000 are to be offered by William H. Walters, board chairman and chief executive officer, and 25,000 by Richard J. Walters, president. William H. Walters owns 244,762 shares and Richard J. Walters 25,679. In April 1963 and February 1969 William Walters exercised options to purchase 150,000 and 70,000 shares, respectively; the proceeds from shares sold by him will be used to reduce loans incurred in connection with exercises; Richard Walters holds an option to purchase 50,000 shares, and proceeds of shares sold by him will be used in connection with the exercise of such option.

**ALLIANCE MEDICAL INNS TO SELL STOCK.** Alliance Medical Inns, Inc., 608 Ferry Blvd., Stratford, Conn., filed a registration statement (File 2-33086) with the SEC on May 19 seeking registration of 220,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through Smith, Jackson & Company, Inc., 17 Battery Place, New York, N. Y. 10004, which will receive a commission of \$1 per share plus \$50,000 for expenses. The underwriter will be entitled to purchase 22,000 shares at \$3 per share, and will be engaged as a financial consultant for five years at \$10,000 per annum. The company also will pay a cash fee of \$10,000 and sell 5,000 shares at \$3 per share to a finder, Edward Faulkner.

Organized in April, the company is engaged in the operation of nursing homes to provide extended care nursing and geriatric and convalescent care through its predecessor, now a wholly-owned subsidiary. It is engaged in the construction of new nursing homes and the expansion of existing facilities. Of the net proceeds of its stock sale, \$764,000 will be used for the payment of indebtedness incurred in connection with the purchase of three nursing homes and \$245,000 for the payment of the balance of the purchase price of another; the remaining proceeds will be used for other purposes, including the payment of \$93,000 of loans and for working capital and other purposes, including the construction of a new nursing home. In addition to indebtedness, the company has outstanding 507,200 common shares, of which Ralph Smith, president and board chairman, owns 25% and management officials as a group 77%. Purchasers of the 220,000 shares being registered will acquire a 30% stock interest in the company for their investment of \$2,200,000; management officials acquired 397,200 shares, for which they contributed \$263,000 in cash, \$310,230 by the transfer of certain real estate, and \$15,000 in an officer's services.

**AYDIN FILES FOR OFFERING AND SECONDARY.** Aydin Corporation, Fort Washington, Pa. 19034, filed a registration statement (File 2-33087) with the SEC on May 19 seeking registration of 300,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by New York Securities Co., One Whitehall St., 5 Hanover Square, and C. B. Richard, Ellis & Co., both of New York; the offering price (\$1950 per share maximum\*) and underwriting terms are to be supplied by amendment. The underwriters will be entitled to purchase, for nominal consideration, five-year warrants for the purchase of an unspecified number of common shares.

The company is engaged in the acquisition and operation of "technologically-oriented" and related businesses; it is primarily engaged in the design, manufacture and sale of standard and specialized electronic products and systems for ultimate use in the aerospace and data communications fields. Of the net proceeds of its stock sale, \$650,000 will be used to repay a bank indebtedness assumed in the acquisition of Hydranamic Systems Corporation and \$100,000 to repay bank indebtedness incurred upon such acquisition; \$480,000 will be used to repay bank indebtedness incurred in the acquisition of Raytor Corporation; \$320,000 will be used to

repay bank indebtedness for working capital loans to subsidiaries; \$250,000 will be used to repay various equipment notes; and the balance will be used for general working capital and corporate purposes. The company has outstanding 1,542,984 common shares, of which Ayhan Hakimoglu, president and board chairman, owns 30.5% and management officials as a group 42.2%. The identity of the selling stockholders and the number of shares to be offered by each are to be supplied by amendment; 130,000 of such shares were issued in October 1968 upon conversion of then outstanding debentures.

**MEDICAL CARE CENTERS TO SELL STOCK.** Medical Care Centers, Inc., 801 South Saginaw St., Flint, Mich. 48502, filed a registration statement (File 2-33089) with the SEC on May 19 seeking registration of 500,000 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 Profit-Sharing Investments, Inc., 1812 S. Rochester Road, Rochester, Mich., which is to receive a selling commission of 90¢ per share; it also will be entitled to receive 5,000 shares as additional compensation.

Organized in April 1968 under the name International Development Corp., the company's proposed business will be the acquisition, development, construction, leasing and management of medical care facilities which will qualify as "extended care facilities" under Medicare; to a lesser extent it also will engage in the real estate business. The company has acquired sites in Flint and Grand Blanc, Mich., and proposes to develop an extended care facility on each site. Net proceeds of its stock sale will be applied to the construction of these facilities, for the repayment of a \$133,050 loan by its president for working capital and other purposes, and for general working capital purposes. In addition to indebtedness, the company has outstanding 284,001 common shares (with a \$1 per share book value), of which William G. Hovey, president, owns 89.44% and management officials as a group 100%. Hovey received his 254,001 shares in exchange for certain parcels of unimproved land, cash and certain other assets and the assumption by the company of certain liabilities. Purchasers of the shares being registered will acquire a 63.37% stock interest in the company for their investment of \$5,000,000 (they will sustain an immediate dilution of \$3.33 per share from the offering price; present stockholders will then own 36.63% (with a book value of \$284,001).

**KINAUTICS FILES OFFERING PROPOSAL.** Kinautics, Inc., 1 Lowell Ave., Winchester, Mass. 01890, filed a registration statement (File 2-33092) with the SEC on May 20 seeking registration of 150,000 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 by Bailey & Sonkin, Ltd., 2 Pennsylvania Plaza, New York City, which is to receive a selling commission of 50¢ per share plus \$15,000 for expenses. The underwriter also will be entitled to purchase, for \$150, six-year warrants for the purchase of 15,000 shares, exercisable after one year at \$6 per share.

The company was organized in November for the purpose of engaging in the design, development, manufacture and distribution of products and services for ocean engineering and oceanography; it is in the development stage. Of the net proceeds of its stock sale, \$225,000 will be applied to the development, design, manufacture, testing and marketing of a two-man submersible vessel for observation, exploration and other underwater activities; the balance will be used for various other purposes, including the establishment of demonstration and training facilities and working capital. The company now has outstanding 300,000 common shares (with a 40¢ per share book value), of which ORCA, Inc., of Cambridge, Mass., owns 87.2%. Lamar Washington, a director, is president and 11.2% stockholder of ORCA. Joseph A. Vitka, Jr., is the company's president and board chairman. Purchasers of the shares being registered will acquire a 33.33% stock interest in the company for their investment of \$750,000; present stockholders will then own 66.67%, for which they paid \$120,000.

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

- Neptune Meter Company, New York, N. Y. (File 2-33090) - 109,250 shares
- Pennwalt Corporation, Philadelphia, Pa. (File 2-33091) - 35,000 shares
- Earth Resources Company, Dallas, Tex. (File 2-33094) - 250,000 shares
- Life Investors Inc., Cedar Rapids, Iowa (File 2-33095) - 343,015 shares

**SECURITIES ACT REGISTRATIONS.** Effective May 19: Rowe Price Inflation Fund, Inc., 2-29866.  
 Effective May 20: ADM Industries, Inc., 2-32726 (90 days); Atlas Hotels, Inc., 2-31210 (90 days); American Realty Trust, 2-31744 (June 29); The Colwell Co., 2-32194 (June 30); Esquire Radio & Electronics, Inc., 2-32444, (June 29); L. S. Good & Co., 2-32787 (Aug. 19); Home-Stake 1969 Program Operating Corp., 2-32080 (90 days); Magnolia Chemical Company, Inc., 2-32212 (90 days); Tandy Corp., 2-32549 (June 30); Triangle-Pacific Forest Products Corp., 2-32942 (June 29).

**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.