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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FOR RELEASE June 5, 1969

(Issue 69-107)

CHRISTOPHER PARTNERS RECEIVES ORDER. The Securities and Exchange Commission has issued an order under the Investment Company Act (Release IC-5700) granting an application of Christopher Partners, a New York management closed-end non-diversified investment company, for an order declaring that it has ceased to be an investment company. Christopher Partners was originally organized as an investment club and registered under the Act in November 1968 because it proposed at the time to make a public offering; it has now abandoned the proposed public offering.

WISCONSIN GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16390) giving interested persons until July 1 to request a hearing upon a proposal of Wisconsin Gas Company, Milwaukee subsidiary of American Natural Gas Company, to sell $16,000,000 of first mortgage bonds, due 1994, at competitive bidding. The company will use part of the net proceeds of its financing to pay some $12,000,000 of bank notes and the balance, together with funds obtained from short-term bank borrowings and from internal sources, to finance its 1961 construction program, estimated at $17,400,000.

LEONARD S. RISTER FILES PLEA. The SEC Chicago Regional Office announced May 28 (LR-4335) that Leonard S. Rister had entered a plea of guilty to a charge of criminal contempt for violating a 1965 court order enjoining him and others from violating the Securities Act registration provisions in the sale of oil interests. Sentence was suspended and Rister was placed on probation for a period of three years.

CREST VENTURES ORDERED TO SHOW CAUSE. The SEC Seattle Regional Office announced May 28 (LR-4336) the issuance by a Federal district court in Washington of an order requiring Crest Ventures, Ltd. (formerly New Rufus Argenta Mines, Ltd.), Samuel A. Liening and Wilbur L. McGuire to show cause on June 6,1969,why they should not to be held in contempt of the court's 1963 order which prohibited said persons from using the mails or the facilities of interstate commerce to offer for sale or sell securities in violation of the Securities Act.

ELECTROGEN INDUSTRIES SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Electrogen Industries, Inc., for the further ten-day period June 6 through June 15, 1969.

TRADING IN CONTINENTAL INVESTMENT TO RESUME. The SEC today ordered a renewal of its suspension of trading in the common stock of Continental Investment Corporation of Arizona for the six-day period June 6 through June 11, 1969. Accordingly, over-the-counter trading in the common stock of CIC Arizona may resume at the opening of business on Thursday, June 12, 1969. In announcing its action, the Commission cautioned investors and broker-dealers to consider carefully the information hereinafter set forth. Since 1965 and until September 30, 1968, CIC Arizona was a dormant shell corporation. Since September 30, 1968, it has engaged in a series of transactions whereby the number of shares outstanding has been increased and in which assets of indeterminate value have been transferred to the corporation. At present CIC Arizona has 4,502,000 shares outstanding. During the period from September 30, 1968, until the Commission's suspension of trading on May 9, 1969, CIC Arizona common stock was quoted in the over-the-counter market at prices of from 1/8 bid to 1-3/4 bid, 2½ asked. An examination of the books and records of CIC Arizona indicates that at present its assets consist of 3,500 acres of land subject to a $1,325,000 purchase money mortgage, and an interest in a purported Ecuaderian oil concession. No definitive information on the value of these assets is available. The corporation also has miscellaneous assets worth about $500. Since September 30, 1968, the corporation has had no income. At present it has no bank account and maintains no offices. Three of its five directors have resigned, one of the other two directors has disavowed any connection with the company, and the other, a resident of Mexico City, Mexico, has failed to respond to a subpoena. Literature purporting to describe the company's affairs refers to various operating divisions. Since the corporation has no operations and no income, this literature is false. In view of CIC Arizona's nominal assets, lack of income, and the other factors set forth above, the rise in price of its stock appears to have been without justification.

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FRANCHISE MANAGEMENT SYSTEMS TO SELL STOCK. Franchise Management Systems, Inc., 2655 N.E. 189th St. North Miami Beach, Fla. 33160, filed a registration statement (File 2-33275) with the SEC on May 29 seeking registration of 300,000 shares of common stock, to be offered for public sale at $5 per share. The offering is to be made through First Devonshire Corporation, 89 Devonshire St., Boston, Mass., which will receive a 45¢ per share commission plus $20,000 for expenses. The company has agreed to issue First Devonshire five-year warrants to purchase 20,000 shares, exercisable after one year at $6 per share.

The company is engaged in franchising and servicing restaurants, each known as The International House of Pancakes, in Florida. Of the net proceeds of its stock sale, $360,000 will be used to purchase equipment for use in new restaurants and $321,000 to pay certain liabilities; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 1,300,000 common shares (with an 85¢ per share book value), of which Abe Finkel, president, owns 25% and management officials as a group 100%.

SPECIALIZED DATA SERVICES TO SELL STOCK. Specialized Data Services Corporation, 160 Broadway, N.Y., N.Y. 10038, filed a registration statement (File 2-33276) with the SEC on May 29 seeking registration of 300,000 shares of common stock, to be offered for public sale at $3 per share. The offering is to be made through Charles Plohn & Co., 200 Park Avenue, New York, N.Y. 10017, which will receive a 30¢ per share commission plus $15,000 for expenses. The company has agreed to sell 30,000 shares to the underwriter at 10¢ per share.

Organized under New York law in June 1968, the company has begun to provide software and applications services to twelve customers in the New York metropolitan area. Of the net proceeds of its stock sale, $200,000 will be used to complete and operate proposed Data Processing Centers, $150,000 to purchase and lease equipment for and the operation of printing and direct mail facilities not yet established, $200,000 for development and operation of brokerage back office systems for securities dealers and commodity brokers, $100,000 for operation and marketing of general commercial computer "software" and applications services and $100,000 (plus interest) to repay certain loans; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 350,000 common shares (with a 15¢ per share book value), of which Paul Millstein, president, owns 30.2% and management officials as a group 97.14%. Upon completion of this offering, purchasers of the shares being registered will own 300,000 of the 680,000 outstanding common shares, for which they will have paid $900,000; the present shareholder will then own 380,000 shares (56%), issued for a total consideration of $54,000.

LANGUAGE LABORATORIES PROPOSES OFFERING. Language Laboratories, Inc., 4823 Fairmont Ave., Bethesda, Md. 20014, filed a registration statement (File 2-33277) with the SEC on May 29 seeking registration of 100,000 shares of common stock. The shares are to be offered for public sale through company officials without payment of commission and possibly through NASD members. The offering price ($6 per share maximum*) and selling commission are to be supplied by amendment.

The company was organized under Mayland law in 1961, for the purpose of developing, producing and marketing programmed language courses and learning systems as well as other educational programs. Of the net proceeds of its stock sale, $100,000 will be used for mail order marketing, $100,000 to finance increased inventory, and $100,000 for further reduction of debt; 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 224,066 common shares with a 33¢ (or 41¢, after giving effect to a private sale of 6,000 shares in May at $3 per share) per share book value, of which Robert C. Snyder, president, owns 61.8%. Purchasers of the shares being registered will acquire a 30.8% stock interest in the company for their investment of $600,000*; company officials will then own 45.5%, for their investment of $8,920 or 6¢ per share.

MIRASOUND STUDIOS TO SELL STOCK. Mirasound Studios Inc., 353 West 57th St., New York, N.Y. 10019, filed a registration statement (File 2-33278) with the SEC on May 29 seeking registration of 150,000 shares of common stock, to be offered for public sale at $10 per share. The offering is to be made on a "best efforts, all or none" basis through Amos Treat Associates, Inc., 79 Wall St., New York, N.Y., which will receive a $1 per share commission plus $13,000 for expenses. The company has agreed to sell to the underwriter, for $15 five-year warrants to purchase 15,000 shares, exercisable after one year at prices ranging from $10.70 to $12.80 per share.

The company is engaged in providing technical facilities and personnel for sound recording. Of the net proceeds of its stock sale, $375,000 will be used to repay a loan made by Royal Business Funds Corporation, $395,200 to pay the company's 8% subordinated debentures with six months' interest, $200,000 to purchase and construct additional facilities and electronic equipment and $200,000 to finance operating losses to date; the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 305,000 common shares (with a 61¢ per share negative net asset value), of which Robert Goldman, president, owns 72.3%. Purchasers of the shares being registered will sustain an immediate dilution in per share book value of $7.47 from the offering price.

SCAN-OPTICS PROPOSES OFFERING. Scan-Optics, Inc., 100 Prestige Park Road, East Hartford, Conn. 06108, filed a registration statement (File 2-33279) with the SEC on May 29 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by McDonnell & Co., Incorporated, 120 Broadway, New York, N.Y. 10005. The offering price ($9.50 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to issue to the McDonnell firm, without cost, five-year warrants to purchase 30,000 shares.

Organized in September 1968, the company is engaged primarily in the design and development of an optical character recognition ("OCR") system, including both OCR equipment and related software programs. OCR systems convert visually observed alphabetic and numeric data into electronic data suitable for input into electronic data processing systems. Of the net proceeds of its stock sale, $900,000 will be used to continue design and development of its OCR system, $400,000 for marketing expenses and $250,000 for manufacturing equipment and start-up expenses; the balance will be added to working capital and used for general corporate purposes. The company has outstanding 743,508 common shares (with a 92¢ per share book value), of which

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Richard J. Coburn, president, owns 16.41% and management officials as a group 73.57%. Purchasers of the shares being registered will acquire a 29% stock interest (300,000 shares) in the company for their investment of $2,850,000*; the present stockholders will then own 743,508 shares, with an aggregate book value of $685,556.

INSTA-FAX COMMUNICATIONS TO SELL STOCK. Insta-Fax Communications Corp., 90 Park Avenue, New York, N.Y. 10016, filed a registration statement (File 2-33280) with the SEC on May 29 seeking registation of 450,000 shares of common stock, to be offered for public sale at $11 per share. No underwriting is involved; participating NASD members will receive a $1.10 per share selling commission. The company has agreed that, for each 2,000 shares sold through any individual securities dealer, it may issue to such dealer six-year warrants to purchase 200 shares, exercisable after one year at prices ranging from 110% to 150% of the offering price.

Organized under Delaware law on May 20, the company acquired all the stock of Insta-Fax Communications Corp., a New York corporation. The subsidiary was organized in July 1968 to establish a nationwide electronic communications service for use by business and government to send printed, written or drawn information door-to-door, in two hours or less. The company has established a system of communication centers ("stations") in major cities throughout the U.S. and intends to establish additional stations in the U.S. and on other continents. Net proceeds of its stock sale will be used to repay long and short-term debt of the subsidiary ($70,000), to establish sales offices in 4 to 12 additional cities ($750,000), to establish stations in additional cities ($275,000), to engage in advertising and publicity campaigns ($950,000), to establish stations and sales offices in foreign cities ($525,000), to upgrade the equipment and transmission facilities comprising the system ($650,000) and for working capital. The company has outstanding 1,150,000 common shares (with an 11¢ per share book value), of which Neal R. Bruckman, president, and Louis R. Gary, board chairman, own 483,000 shares each. Purchasers of the shares being registered will acquire a 28% stock interest in the company for their investment of $4,950,000* (they will sustain an immediate dilution of $6.59 in per share book value from the offering price); the present shareholders will then own 72%, for which they paid a nominal consideration.

FANTASTICKS INDUSTRIES TO SELL STOCK. Fantasticks Industries, Inc., 2779-I Clairmont Road, N.E., Atlanta, Ga. 30329, filed a registration statement (File 2-33281) with the SEC on May 29 seeking registration of 125,000 shares of common stock, to be offered for public sale at $5 per share. The offering is to be made through Lomasney & Co., 67 Broad St., New York, N.Y., which will receive a 50¢ per share commission plus $7,500 for expenses. The company has agreed to sell to the underwriter, for $125, five-year warrants to purchase 12,500 shares, exercisable after 13 months at prices ranging from $5.50 to $7.50 per share.

Organized under Florida law in February 1968, the company markets and sells decorative and promotional devices both to retail outlets for use by consumers and to the manufacturers of other products for use by them as an aid in selling their own products or services. Of the net proceeds of its stock sale, $100,000 will be used to repay an 8½% note, $85,000 to acquire companies engaged in fields related to the company's present operations, $80,000 to develop a national advertising and public relations program, $75,000 to develop and test-market new products and $65,000 to promote the sale of its products through participation in trade shows; the balance will be added to the company's general funds and used for working capital purposes. The company has outstanding 375,000 common shares (with a 2¢ per share net tangible book value), of which Bernard T. Corbin, president, owns 66.7%. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of $625,000; the present stockholders will then own 75%, for which the company received $300.

FIRST & MERCHANTS TO SELL DEBENTURES. First & Merchants Corporation, 827 East Main St., Richmond, Va. 23219, filed a registration statement (File 2-33283) with the SEC on May 29 seeking registration of $20,000,000 of convertible subordinated debentures, due 1994, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, N.Y., N.Y. and two others. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company was organized under Virginia law in October 1968 for the initial purpose of acquiring the stock of First & Merchants National Bank. It was established as a one-bank holding company to permit greater flexibility in responding to the broadening and changing financial requirements of the customers of the Bank and to achieve greater growth potential for some of the activities conducted by the Bank. Of the net proceeds of its debenture sale, $10,000,000 will be used to increase the capital accounts of the Bank (subject to approval of the Comptroller of the Currency), $100,000 will be invested in capital stock of the planned real estate development subsidiary which may borrow on an unsecured basis an additional $2,900,000 of the net proceeds and $1,200,000 will be used to discharge indebtedness incurred in April 1961 for purchase of common stock of the company; the balance will be added to the company's general funds and made available for general corporate purposes. The company has outstanding 1,845,270 common shares, of which management officials as a group own 3.36%. Robert L. Gordon, Jr., is president of the company and of the Bank.

PROFESSIONAL DISPOSABLE PRODUCTS TO SELL STOCK. Professional Disposable Products, Inc., 290 Railroad Avenue, Greenwich, Conn. filed a registration statement (File 2-33284) with the SEC on May 29 seeking registration of 150.000 shares of common stock, to be offered for public sale through Muller & Co., 140 Broadway, New York, N.Y. The offering price ($5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has sold 15,000 shares to certain partners of the underwriter at 10¢ per share.

Organized under New York law in October 1965, the company is engaged in the business of packaging and selling a broad line of disposable medical, surgical and dental supplies and related products as well as a variety of medical and surgical instruments. Of the net proceeds of its stock sale, $225,000 will be used to repay short-term bank indebtedness incurred for working capital purposes; the balance will be added to the company's working capital and used for general corporate purposes, including expansion of the company's

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line of disposable products and mail order program. The company has outstanding 265,000 common shares (with a 54¢ per share net tangible book deficit), of which William M. Weaver, Jr., a director owns 61.32%, Eugene Kraus, president, 23.40% and management officials as a group 94.34%. Purchasers of the shares being registered will acquire a 36.14% stock interest in the company for their investment of $750,000*; the present shareholders will then own 63.86%, for which they paid $160,600 or 61¢ per share.

DEVON APPAREL FILES FOR OFFERING AND SECONDARY. Devon Apparel, Inc., 3300 Frankford Ave., Philadelphia, Pa. 19135, filed a registration statement (File 2-33285) with the SEC on May 29 seeking registration of 350,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Bache & Co., Incorporated, 36 Wall St., New York, N.Y.; the offering price ($16 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures a wide variety of women's knitted and woven apparel produced primarily from synthetic fibers, with major emphasis on knitwear. Of the net proceeds of its sale of additional stock, $250,000 will be used to purchase new knitting and related equipment to increase knitting capacity, $300,000 for additional raw material inventories and $75,000 for sewing and finishing equipment for the manufacture of full fashion sweaters; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 700,000 common shares, of which William Forman, president, and Stanley Matzkin, executive vice president,own 42.1% each and Max Forman, board chairman 9.6%. William Forman and Matzkin propose to sell 75,000 shares each and Max Forman 50,000 shares.

AMERICAN FLAVOR PROPOSES OFFERING. American Flavor Corp., 7527 Forsyth Blvd., St. Louis, Mo. 63105, filed a registration statement (File 2-33286) with the SEC on May 29 seeking registration of 300,000 shares of common stock, to be offered for public sale at $3 per share. The offering is to be made through Charles Plohn & Co., 200 Park Avenue, New York, N.Y. 10017, which will receive a 30¢ per share commission plus $15,000 for expenses. The company has agreed to sell 30,000 shares to the underwriter for 10¢ per share and has paid a $10,000 finder's fee to Max Mangold.

Organized under Missouri law in September 1966, the company is engaged in developing and operating or franchising specialty snack outlets under the names "Korn Kettle" and "Ma & Pa's Country Candy Stores." It also sells a pre-packaged popcorn, "Lolly Popcorn." Of the net proceeds of its stock sale, $100,000 will be used to purchase production machinery and packaging equipment for the production of "Lolly Popcorn," $150,000 to purchase production machines for the production of flavored popcorn balls, and $200,000 to purchase and install production machinery for the manufacture and packaging of bagged finished flavored popcorn and other popcorn products; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 396,859 common shares (with a 53¢ per share book value), of which Gilbert J. Gans, board chairman and president, owns 21.4% and management officials as a group 59.1%. Purchasers of the shares being registered will acquire a 41.27% stock interest in the company for their investment of $900,000 (they will sustain an immediate dilution of $1.67 in per share book value from the offering price); the present stockholders will then own 58.73% (after giving effect to issuance of 226,625 shares to organizers, certain investors and the underwriter), which has an aggregate book value of $225,751.

CORRECTION RE DUNHILL CASE. In the SEC News Digest of June 4, page 3, the following correction is to be made in the item headed "Examiner Orders Interim Suspension in Dunhill Case": in line 6 the words "two-day period" should be "two-year period".

SECURITIES ACT REGISTRATIONS. Effective June 4: Alba-Waldensian, Inc., 2-32459 (90 days); Autocomp Incorporated, 2-31497(Aug. 26); Baker Industries, Inc., 2-33274; Central Telephone & Utilities Corp., 2-32879 (July 14); Cornwall Tin & Mining Corp., 2-32093 (90 days); Danac Real Estate Investment Corp., 2-31912 (July 14); Designcraft Jewel Industries, Inc., 2-31445 (90 days); Gomaco, Inc., 2-31336 (90 days); Hazeltine Corp., 2-32232; Hickory Furniture Company, 2-32504 (Sept. 2); May Petroleum, Inc., 2-32149 (90 days); Maritime Fruit Carriers Company, Ltd., 2-32167 (90 days); Mississippi River Transmission Corp., 2-32725 (90 days); Mobile Oil Corporation, 2-33152; Spectra-Physics, Inc., 2-31563 (Sept. 3); Telefile Computer Corp., 2-31711 (Sept. 1); Ronco Teleproducts,Inc. 2-32466 (Sept. 3); Texas Eastern Transmission Corp., 2-32965; J. Walter Thompson Company, 2-32320 (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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