

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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(Issue No. 69-220)

FOR RELEASE November 17, 1969

DESIGN INTERNATIONAL OFFERING SUSPENDED; DANIEL BRESLIN CITED. The SEC today announced the issuance of orders, as follows:

- (a) Order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Design International Corporation ("DIC"), of Boston.
- (b) Order authorizing administrative proceedings under the Securities Exchange Act of 1934 involving Daniel J. Breslin, d/b/a Daniel Breslin & Associates ("Breslin"), a broker-dealer of Needham, Mass. Also named as respondents are Thomas A. Connaughton and Robert Williams.

According to the orders, prior to the filing by Design International Corporation on May 28, 1969, of a Regulation A notification of its proposed stock offering, shares of its stock were offered and sold which had not been registered under the Securities Act and for which a Regulation A exemption from registration was not available. The stock was allegedly offered and sold through Breslin, as DIC's agent; but it appears that DIC had no knowledge thereof and that it has "no culpability" with respect thereto. It is alleged by the Commission's staff that in the offer and sale of DIC stock, Breslin, Connaughton and Williams also made false and misleading representations concerning the financial condition of DIC, the substantial prior operating loss incurred by it, and the application and use of the proceeds of the stock sale.

The Regulation A suspension order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent. With respect to the proceedings involving Breslin, Connaughton and Williams, a hearing will be set by further order to take evidence on the staff allegations and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the staff charges are true and, if so, whether any action of a remedial nature should be ordered by the Commission.

SOUTHWESTERN ELECTRIC POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16518) giving interested persons until December 1 to request a hearing upon a proposal of Southwestern Electric Power Company, Wilmington subsidiary of Central and South West Corporation, to amend its Certificate of Incorporation to change the par value of its 5,500,000 authorized common shares from \$12 to \$14 per share and to transfer from earned surplus to the common stock capital account \$10,533,600--or \$2 for each of the 5,266,800 common shares (\$12 par) now outstanding. Giving effect to such transfer, the common stock capital account would be increased from \$63,201,600 to \$73,735,200 and the earned surplus account would be reduced from \$23,517,925 to \$12,984,325. Southwestern also proposes to amend its Certificate of Incorporation to increase the total number of preferred shares (\$100 par) from 200,000 to 290,000 shares and to issue and sell 125,000 preferred shares (\$100 par) at competitive bidding. Net proceeds of its stock sale will be used to pay at maturity \$12,306,000 of first mortgage 3- $\frac{1}{4}$ % bonds, Series A, due February 1, 1970.

HARTFORD ELECTRIC LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16520) authorizing The Hartford Electric Light Company, Wethersfield, Conn., subsidiary of Northeast Utilities, to issue and sell up to \$31,000,000 of short-term notes (including commercial paper). Hartford Electric will use the proceeds of its financing for construction expenditures and for investments in nuclear generating companies. Construction expenditures are estimated at \$31,894,000 for 1969 and \$47,443,000 for 1970. Estimated investments in or advances to nuclear generating companies (i.e., Maine Yankee Atomic Power Company and Vermont Yankee Nuclear Power Corporation) are estimated to aggregate \$2,720,000 during 1969 and \$1,600,000 during 1970.

ST. LOUIS MIDWEST COMPANY RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5883) declaring that St. Louis Midwest Company, St. Louis, has ceased to be an investment company as defined in the Act.

NATIONAL VARIABLE ANNUITY OF FLA. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5884) exempting National Variable Annuity Company of Florida and National Variable Annuity Company of Florida Separate Account from provisions of Section 22(d) of the Act, so that they may include in individual variable annuity contracts a provision which would enable the beneficiary of a deceased owner's contract to make the election as to the form of payment if the contract owner has not made such election prior to his death. Such a provision is intended to enable the beneficiary to become a contract under without the imposition of a charge for sales and administrative expenses.

VANCE, SANDERS RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5885) exempting Vance, Sanders & Company, Inc. ("VS"), Boston Management & Research Company, Inc. ("BMR"), and Leverage Fund of Boston, Inc., Capital Exchange Fund, Inc., Depositors Fund of Boston, Inc., Diversification Fund, Inc., Fiduciary Exchange Fund, Inc., Second Fiduciary Exchange Fund, Inc., The Exchange Fund of Boston, Inc., and Vance, Sanders Special Fund, Inc. ("Funds") from the provisions of Section 15 of the Act to the extent such provisions would prevent VS from acting as investment adviser to Vance Sanders Special Fund, Inc., and VS/BMR from acting as investment adviser and sub-investment adviser, respectively, to the other Funds, under contracts not approved by shareholders of the Funds prior to their next scheduled annual meetings.

OVER

FORD INTERNATIONAL CAPITAL CORP. RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5886) permitting Ford International Capital Corporation ("Capital Corporation"), Hamilton, Bermuda, to offer for sale outside the United States to non-United States purchasers not less than \$20,000,000 or more than \$40,000,000 of its guaranteed debentures, due a minimum of 10 years and a maximum of 15 years from the date of issue. Capital Corporation was organized in March 1968 by Ford Motor Company as its wholly-owned subsidiary.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period November 18-27, 1969, inclusive.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8748) granting an application of the American Stock Exchange to strike from listing and registration the common stock and 6% cumulative first preferred stock of Erie Forge & Steel Corporation. On August 12, 1969, the United States District Judge, Western District of Pennsylvania, affirmed an order adjudging the company a bankrupt. A final decree approving the sale of the company's assets to National Forge Company of Irvine, Pa. was filed on August 25.

HEART OF AMERICA FUND PROPOSES OFFERING. Heart of America Growth Fund, Inc., 3238 Gillham Rd., Kansas City, Mo. 64109, filed a registration statement (File 2-35322) with the SEC on November 10 seeking registration of 140,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum*) plus a sales charge of 8.5% on purchases of less than \$5,000. The Fund is an open-end investment company whose investment policy is to invest principally in common stocks or other securities with equity characteristics, such as convertible preferred stocks or convertible bonds, with particular emphasis on investments in securities in companies with substantial activities and interests or home offices in Kansas and Missouri. Heart of America Investment Services, Inc., will serve as investment adviser and Heart of America Securities, Inc., as principal underwriter. David W. Newcomer, III, is president of the Fund and of the adviser. All of the outstanding stock of the adviser and underwriter is owned by D. W. Newcomer's Sons, a co-partnership.

MARTIN MARIETTA PROPOSES EXCHANGE OFFER. Martin Marietta Corporation, 277 Park Ave., New York 10017, filed a registration statement (File 2-35323) with the SEC on November 12 seeking registration of 3,080,000 shares of common stock. It is proposed to offer these shares in exchange for up to 2,200,000 shares of outstanding A common stock of Harvey Aluminum (Incorporated), at the rate of 1.4 shares for each Harvey A share. Martin Marietta owns approximately 49.4% of the outstanding shares of Harvey and, if the maximum number of additional shares is received, will own approximately 82.7%. Blyth & Co., Inc., Kuhn, Loeb & Co. and Tucker, Anthony & R. L. Day, as dealer managers, have agreed to head a group of soliciting dealers to solicit tenders of Harvey stock, for which such dealers will receive 50¢ per share.

Martin Marietta is a diversified enterprise engaged in the production of cement and lime, chemical products and rock products, in the development and production of missiles, space vehicles and space systems, electronic systems and other aerospace and defense products. Harvey is principally engaged in the business of producing primary aluminum and aluminum mill products. In addition to indebtedness and preferred stock, Martin Marietta has outstanding 22,254,976 common shares. George M. Bunker is president of Martin Marietta.

UNION GAS SYSTEM FILES FOR OFFERING AND SECONDARY. Union Gas System, Inc., 122 West Myrtle, Independence Kans. 67301, filed a registration statement (File 2-35324) with the SEC on November 12 seeking registration of 165,420 shares of common stock, of which 40,000 are to be offered for public sale by the company and 125,420 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by G. H. Walker & Co. Inc., 45 Wall St., New York 10005; the offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged directly in the production, distribution and sale of natural gas for residential, commercial and industrial purposes. Net proceeds of its sale of additional stock will be used to reduce bank loans. In addition to indebtedness, the company has outstanding 705,028 common shares, of which Crescent Oil, Inc., owns 17.78% and management officials as a group 8.25%. Crescent Oil proposes to sell all of 125,420 shares held. Harrison F. Johnson is president.

WESTERN BEEF CATTLE FUND PROPOSES OFFERING. Western Beef Cattle Fund, Inc. ("Fund"), 404 Vaughn Bldg., Amarillo, Tex. 79106, filed a registration statement (File 2-35325) with the SEC on November 12 seeking registration of \$6,000,000 of pre-organization subscriptions in limited partnerships to engage in cattle feeding programs, to be offered for public sale in minimum amounts of \$3,000. Subscriptions will be solicited by officials of the Fund who will receive no commission, and may be solicited by selected NASD members who will receive a 6½% selling commission. The Fund was formed as a wholly-owned subsidiary by Western Beef, Inc., for the purpose of sponsoring investments in a series of limited partnerships, of which the Fund will be the general partner. The partnerships will engage in custom cattle feeding, which consists of purchasing, feeding to the desired weight and selling cattle. Howard A. Foster is board chairman and Jack Gilles president of the Fund.

PROVIDENT RESOURCES MANAGEMENT PROPOSES OFFERING. Provident Resources Management, Ltd., 775, 606 - 4 St. S.W., Calgary 2, Alberta, Canada, filed a registration statement (File 2-35329) with the SEC on November 12 seeking registration of 3,000,000 of subscription units in the Provident Oil and Gas Program 1970 ("Partnership"), to be offered for public sale at \$20,000 per unit. Units are to be offered on a best efforts basis

by U. S. I. Securities Corp., which will receive a 7% selling commission. The purpose of the partnership is to develop and operate oil and gas properties for the benefit of participants. Provident Resources Management Ltd. will serve as general partner and will manage and operate the exploratory oil and gas drilling program. Nathan E. Corning, chairman of the general partner, and Horace ReKunyk, president of the general partner, own 38% and 44%, respectively of its outstanding common stock.

MODERN DIVERSIFIED INDUSTRIES FILES FOR SECONDARY. Modern Diversified Industries, Inc., P. O. Box 1728, Valdosta, Ga. 31601, filed a registration statement (File 2-35330) with the SEC on November 12 seeking registration of 7,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holders thereof. They are in addition to the 170,000 outstanding shares registered on March 13 under the company's former name, Modern Homes Construction Company (see the March 18 News Digest). The company has outstanding 1,675,508 common shares.

EQUITY FUNDING SHARES IN REGISTRATION. Equity Funding Corporation of America, 9601 Wilshire Blvd., Beverly Hills, Calif. 90210, filed a registration statement (File 2-35331) with the SEC on November 12 seeking registration of 404,925 shares of common stock. These shares are issuable upon conversion of 5 1/4% guaranteed (subordinated) debentures due 1989 issued and sold by Equity Fund Capital Corporation N.V., a wholly-owned subsidiary of Equity Funding Corporation International, which in turn is a wholly-owned subsidiary of Equity Funding Corporation of America.

RAVEN ELECTRONICS TO SELL STOCK. Raven Electronics, 101 West Alameda Ave., Burbank, Calif. 91502, filed a registration statement (File 2-35332) with the SEC on November 12 seeking registration of 150,000 shares of common stock, to be offered for public sale through Scott, Gorman, O'Donnell & Co., Inc., 52 Broadway, New York 10004. The offering price (\$7.50 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the underwriter five-year warrants to purchase 15,000 common shares (the terms thereof are to be supplied by amendment). The company has agreed to issue 7,972 shares to 28 employees at \$3 per share in lieu of overtime compensation. Pursuant to an Agreement of April 1968 with Lehman Brothers, the company sold to Lehman Brothers and others 61,500 shares at \$2.95 per share; simultaneously, the subscribers loaned the company \$210,000, evidenced by 6% subordinated notes due 1978. Also, the company issued to Lehman Brothers and others, at 15¢ per warrant, eight year warrants to purchase 70,000 shares at \$3 per share.

Organized in April 1966, the company is primarily engaged in the field of designing, developing and manufacturing electronic warfare and defense systems, subsystems and components. Of the net proceeds of its stock sale, \$90,000 will be used for research and development of new commercial product lines and \$160,000 toward reduction of current accounts payable; the balance will be added to the company's general funds and used for working capital and general corporate purposes. In addition to indebtedness, the company has outstanding 671,794 common shares, of which William J. Marcy, president and board chairman, owns 18.7% and management officials as a group 46.5%.

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 plans:

Pay'N Save Corporation, Seattle, Wash. 98101 (File 2-35315) - 105,000 shares
 Hess's Inc., Allentown, Pa. 18101 (File 2-35321) - 90,000 shares
 Bolt Beranek and Newman Inc., Cambridge, Mass. (File 2-35326) - 145,045 shares
 Katy Industries, Inc., New York 10017 (File 2-35327) - 75,000 shares
 Rosemount Engineering Company, Eden Prairie, Minn. 55343 (File 2-35328) - 12,000 shares
 The Andrew Jergens Company, Cincinnati, Ohio 45214 (File 2-35334) - 294,000 shares
 Mesa Petroleum Co., Amarillo, Tex. 79105 (File 2-35335) - 234,251 shares
 Dayton-Hudson Corporation, Minneapolis, Minn. 55402 (File 2-35336) - 200,000 shares
 Wabash Magnetics, Inc., Wabash, Ind. 46992 (File 2-35339) - 25,000 shares and (File 2-35340) - 146,939 shares

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 November 12 News Digest.

8K Reports for Oct 69

Alco Standard Corp Sept 69(1,8, 13)	1-5964-2	Siboney Corp Jul 69(2,3,7,8,13)1-3952-2	
Allied Artists Pictures Corp Sept 69 (6)	1-2965-2	Transcontinental Gas Pipe Line Corp (7)	0-656-2
Allstate Finance Corp Sept 69(11, 13)	0-1930-2	Tropical Gas Co Inc(6K) Oct 69 2-30474-2	
Bankers United Management Corp (3)	0-3716-2	Algemene Kunstzijde Unie NV(6K)Sept 69 (United Rayon Mfg Corp)	1-3774-2
Clear Creek Corp (6)	0-1379-2	Computest Corp(11,13)	1-5498-2
Reliance Insurance Co Sept 69(11, 13)	2-10601-2	Manpower Inc(11,13)	1-5395-2
Rockower Brothers Inc(2,13)	1-5202-2	American Presidents Life Insur Co Apr 69 (2,7,11,13)	2-22656-2

8K Reports for Oct 69 (Con't)

Astrex Inc Jul 69(3,13)	1-4530-2	Ansonia Wire & Cable Co(12)	1-4580-2
Community Public Service Co(7,8,13)	1-4756-2	Boston Garden Arena Corp(10)	1-4391-2
Titan Industries Inc Sept 69(2,7,13)	0-594-2	Cramer Electronics Inc Aug 69(4,7,13)	1-5391-2
Aseco Inc Sept 69(7,12,13)	0-2404-2	E L I Industries Inc Jul 69(1,2,7,13)	0-3911-2
Bevis Industries Inc(2,7,12,13)	0-1426-2	Electric Hose and Rubber Co May 69(12)	1-5113-2
First Equity Security Invest Corp(2,7,13)	0-3696-2	Federated Investors Inc Sept 69(2,13)	0-3038-2
Micamatix Corp Feb 69(12)	1-6118-2	Public Service Co of Indiana Inc(3,7)	1-3543-2
U S Natural Resources Inc Sept 69(2,7,13)	1-1537-2	Simmonds Precision Products Inc Sept 69(2,13)	1-4942-2
D H Baldwin Co Sept 69(12,13)	1-1655-2	Dynalab Corp (2,13)	2-29369-2
Kennesaw Life & Accident Insur Co(8,11)	2-15835-2	General Housewares Corp Sept 69(2,7,9,13)	2-31005-2
Modern Diversified Industries Inc May 69(11,13)	0-127-2	Novo Corp(7)	1-976-2
Pacific Lumber Co(8)	0-633-2	Cleve Cin Chi & St Louis RY Co(11)	1-1710-2
Real Eight Co Inc(11)	1-5504-2	Movie Star Inc Sept 69(11)	1-4585-2
Michael Baker Jr Inc(7)	0-3561-2	Roan Selection Trust Ltd(6K) Sept thru Oct 69	1-3873-2
Collins Foods International Inc Aug 69(11)	0-3952-2	Electro-Craft Corp May 69(11,13)	0-2239-2
Digital Applications Inc(12)	0-3256-2	Interpace Corp Sept 69(3,13)	1-4669-2
Latham Process Corp Sept 69(2,13)	2-30181-2	Napco Industries Inc Apr 69(11,13)	1-1211-2
Lucky Stores Inc(3)	1-4839-2	208 South La Salle St Corp (12)	1-2726-2
Ideal Toy Corp Sept 69(7)	1-5952-2	Airlift International Inc(2,3,8,12,13)	1-5551-2
Lums Inc Sept 69(2,3,7,9,11,13)	1-5976-2	American Steel & Pump Corp (11,13)	1-3866-2
Mutual Real Estate Investment Trust(11)	0-2266-2	Associated Products Inc(11)	1-4761-2
Nashua Corp (7)	1-549-2-2	Eastern Properties Improvement Corp(12)	2-20468-2
Safeguard Industries Inc Sept 69(7)	1-5620-2	Miller-Wohl Co Inc Sept 69(7,10)	1-3256-2
Subscription Television Inc(3)	0-931-2	Scrivner-Boogaart Inc(11)	0-2277-2
Transitron Electronic Corp Sept 69(12,13)	1-4261-2	Pavelle Corp Nov 68(7,13)	0-2865-2
American Equity Invest Trust Sept 69(7)	2-29890-2	Trans-Industries Inc Aug 69(1,11)	2-30317-2
Avco Delta Corp (7,12,13)	1-6119-2		
Avis Industrial Corp (11,13)	1-4472-2		
Eaton Yale & Towne Inc(13)	1-1396-2		
Puget Sound Power & Light Co(7,11,12)	1-4393-2		

SECURITIES ACT REGISTRATIONS. Effective November 14: Affiliated Hospital Products, Inc., 2-34672 (40 days); Audax Fund, Inc., 2-33397; Automation Industries, Inc., 2-34655; Equity Funding Corp. of America, 2-35331 (40 days); Gray Drug Stores, Inc., 2-35265; Intercontinental Life Insurance Co., 2-26817; Louisiana Power & Light Co., 2-34659; Palomar Mortgage Investors, 2-34165 (90 days); Standard International Corp., 2-35260.

Withdrawn November 12: International Evaluations, 2-32612; Mickey Mantle Men's Shops Inc., 2-34190; Spyro-Dynamics Corp., 2-33928.

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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