

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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SEC

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PROXY RULE AMENDMENT PROPOSED. The SEC today announced a proposal to amend Rule 14c-2 of Regulation 14C under the Securities Exchange Act; and it invited the submission of views and comments thereon not later than January 15 (Release 34-8467). Regulation 14C provides that issuers shall transmit to security holders from whom proxies are not solicited information comparable to that which would be furnished in proxy material if proxies were solicited in accordance with the proxy rules. Rule 14c-2 now requires the transmission of such information only where action is to be taken at an annual or other meeting of stockholders. It is proposed to amend the rule so that it would also apply where corporate action is to be taken with the written authorization or consent of security holders, but not at such a meeting. Such corporate actions are permitted under recent changes in the corporate codes of certain states (notably Delaware and Pennsylvania).

EQUITY CORP. SEEKS EXEMPTION. The Equity Corporation, New York closed-end investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined by the Act; and the Commission has issued an order (Release IC-5561) giving interested persons until December 23 to request a hearing thereon. In support of its application, Equity asserts that it is a holding company and takes a dominant part in operating its majority-owned and wholly-owned subsidiary companies, its investments which had an aggregate value, as of June 30, 1968, of \$70,105,000, or 78% of its total assets of \$89,740,000, which included \$945,000 in cash. Equity further represents that its holdings of investment securities, on the same date, had a value of \$17,914,000.

Equity's two principal assets are its investments in Bell Intercontinental Corporation (\$28,722,000) and General United Group, Inc. (\$26,373,000), each of which is a majority-owned subsidiary (52% and 82% respectively). Equity states that these corporations and their majority-owned subsidiaries will form the nucleus of its future operations, which it is contemplated will be in the fields of industrial manufacturing and financial services.

JAFFEE SEEKS ORDER. Jaffee & Co., a prospective underwriter of a proposed public offering of shares of The Jaffee Fund, Inc., closed-end investment company, has applied to the SEC for an order of exemption from the insider "recovery" provisions of the Act; and the Commission has issued an order giving interested persons until December 26 to request a hearing thereon. According to the application, Fund shares are to be purchased by Jaffee at \$9.15 per share and will be sold to the public at \$10 per share, the gross underwriting commission being \$.85 per share. Sales to selected dealers may be made by Jaffee at the offering price less a concession of \$.62 per share. Absent the issuance of the exemption order requested, it would be accountable to the Fund for the underwriting commission on the sale of Fund shares. (Release IC-5562)

P. A. DUANE INDICTED. The SEC Atlanta Regional Office announced December 10 (LR-4179) that Paul A. Duane had been indicted by a Wilkesboro, N. C. grand jury of selling unregistered stock of Anderson Products Company and failing to register as a securities salesman, both in violation of state law. The Atlanta Office assisted in the investigation leading to the state action.

V. A. BURDICK ON PROBATION. The SEC Chicago Regional Office announced December 10 (LR-4180) that Victor A. Burdick, who was convicted on October 31 of violations of the Federal securities laws, was given a suspended sentence and placed on probation for five years.

VESELY FILES FOR OFFERING AND SECONDARY. Vesely Company, 2101 N. Lapeer Rd., Lapeer, Mich., filed a registration statement (File 2-30968) with the SEC on December 9 seeking registration of 150,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holders thereof. The offering is to be made through Paine, Webber, Jackson & Curtis, 25 Broad St., New York, and First of Michigan Corporation, 1200 Buhl Bldg., Detroit, Mich; the offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development, manufacture and sale of camping trailers, travel trailers and other recreational vehicles. Of the net proceeds of its sale of additional stock, \$300,000 will be used for constructing and equipping a travel trailer production facility near Jonestown, Pa. The company also intends to begin construction during 1969 of an additional travel trailer production facility on a site to be purchased in the midwest; the estimated cost for land acquisition and completion of the facility is \$350,000. The balance of the proceeds will be added to working capital and used for general corporate purposes, including reduction of bank indebtedness, other land acquisition, plant construction and product development costs. The company now has outstanding 951,907 common shares, of which Eugene L. Vesely president and board chairman, owns 39.1% and Anabel M. Vesely 39%. Each proposes to sell 50,000 shares.

HITACHI PROPOSES RIGHTS OFFERING. Hitachi, Ltd., Tokyo, Japan (U.S. Representative: Toru Komoriya, Hitachi, New York, Ltd., 437 Madison Ave., New York 10022), filed two registration statements with the SEC on December 10: (a) File 2-30986 -- seeking registration of 5,000,000 shares of common stock. These shares are to be offered for subscription by common stockholders of record December 10, at the rate of one additional share for each four shares held, and at \$.139 per share. No underwriting is involved;

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(b) File 2-30987 -- seeking registration of 35,000 American Depositary Receipts for common shares, to be offered by First National City Bank, as Depositary.

The company is engaged primarily in the development, manufacture, and sale of a wide variety of products used in the generation, transmission, distribution, control and utilization of electricity. Net proceeds of its stock sale will be added to the company's general corporate funds to be available, together with funds from other sources, to meet construction expenditures or for other corporate purposes. Construction expenditures during 1969 are estimated at \$120.7 million. In addition to indebtedness, the company has outstanding 1,587,652,884 common shares. Kenichiro Kcmal is president.

INDUSTRIAL INTERNATIONAL PROPOSES OFFERING. Industrial International Incorporated, 12 Office Park Circle, Birmingham, Ala. 35223, filed a registration statement (File 2-30988) with the SEC on December 10 seeking registration of 500,000 shares of common stock and 500,000 common stock purchase warrants, to be offered for public sale in units, each consisting of one share and one warrant, and at \$6 per unit. The offering is to be made through Myron A. Lomasney, 67 Broad St., New York 10004, which will receive a 54c per share commission plus \$10,000 for expenses. The company has agreed to sell the underwriter, at 25c per warrant, three-year warrants to purchase 30,000 common shares, exercisable at \$6 per share, and 20,000 common shares at \$6 per share (payable \$1 in cash and the balance through delivery of 6% serial promissory notes maturing \$1 per year). Also included in the registration statement are 69,120 common shares (to be acquired by the selling shareholders in connection with the acquisition of Computerized Automotive Reporting Service, Inc. ("CARS")), which may be offered for sale from time to time by the recipients thereof at prices current at the time of sale (\$7 per share maximum*).

Subject to completion of this offering and pursuant to an agreement of November 1968 between the company and Allied Life Insurance Company of Birmingham, Ala., a legal reserve stock life insurance company, and certain Allied stockholders, the company has agreed to offer Allied's stockholders the opportunity to exchange a minimum of 51% and a maximum of 85% of Allied's 499,320 outstanding common stock for Industrial International's Series A preferred shares (20c par).

Organized under Delaware law in August 1968, the company acquired control of its two operating subsidiaries, Kennesaw Plastic Company, (a manufacturer of a new egg packaging system which it hopes to sell to egg producers, packers and distributors) and CARS (a service organization which sells accounting and inventory reporting systems to auto dealers). The company was organized to provide these companies with financial assistance and management services. They were acquired through the issuance of company stock in exchange for stock held by the controlling stockholders of those companies. Of the net proceeds of this financing, the company will use \$165,000 to purchase 165,000 outstanding shares of 7½% preferred stock of CARS owned by Intermediate Credit Corporation (a company stockholder), \$200,000 to purchase an additional 200,000 preferred shares from the company, and \$250,000 to make an additional investment in the stock of Kennesaw; the balance will be used for other corporate purposes, including additional financial assistance to the subsidiaries and, if available, for the purchase of additional businesses. The company has outstanding 2,122,647 common and 3,700,000 Class B common shares. Of the common shares, Beverly P. Head, Jr., president, owns 19.67%, Intermediate Credit Corp. 17.67% and management officials as a group 88.72%; of the Class B common, Head owns 24.32%, and management officials as a group 90.54%. William H. Gregory, III, proposes to sell 32,587 shares and 14 others the remaining shares being registered. Upon completion of this offering, the founders of the company will own 78.28% of the then outstanding common stock and all of the Class B common, in exchange for stock for which they paid \$401,086 plus an option on 21,667 shares of Kennesaw common, and the purchasers of the shares being registered will own 18.44% of the then outstanding common stock, for which they will have paid \$2,500,000 (based upon an ascribed price of \$5 per share).

PPG INDUSTRIES SHARES IN REGISTRATION. PPG Industries, Inc., One Gateway Center, Pittsburgh, Pa. 15222, filed a registration statement (File 2-30993) with the SEC on December 11 seeking registration of 141,204 outstanding shares of common stock. These shares (issued upon exercise of stock options) are to be offered for sale from time to time by certain officers, employees and former employees of the company, at prices current at the time of sale (\$44.875 per share maximum*).

STANG HYDRONICS FILES FOR OFFERING AND SECONDARY. Stang Hydronics Inc., 767 North Main St., Orange, Calif. 92668, filed a registration statement (File 2-30995) with the SEC on December 11 seeking registration of 150,000 shares of common stock, 100,000 of which are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Mitchum, Jones & Templeton Inc., 510 S. Spring St., Los Angeles, Calif. 90013; the offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay Mitchum, Jones & Templeton \$5,000 for expenses and to sell it, for \$1,200, five-year warrants to purchase 12,000 common shares, exercisable after one year at 120% of the offering price.

The company is engaged primarily in the business of dewatering, which consists of the temporary removal of water to facilitate the construction of permanent structures such as dams, bridges and buildings on construction sites where the excavation extends below the water table. The company manufactures, sells and leases dewatering equipment and engages in related engineering and consultation services. Of the net proceeds of its sale of additional stock, the company will use \$650,000 to retire short-term bank loans and the balance will be added to its general funds to be used for general corporate purposes. The company has outstanding 500,000 common shares, of which John W. Stang, Jr., president and board chairman, owns 47.94% and the Estate of John W. Stang, Sr., 48.33%. Stang, Jr., proposes to sell 50,000 shares of 239,700 shares held.

SEARLE SHARES IN REGISTRATION. G. D. Searle & Co., Box 5110, Chicago, Ill. 60680, filed a registration statement (File 2-30998) with the SEC on December 11 seeking registration of 272,727 shares of common stock. These shares are deliverable after January 1, 1969, upon conversion of the 4-3/4% convertible guaranteed debentures, due 1988, of G. D. Searle International Capital Co. at an initial conversion price of \$55 per share.

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CORNELIUS CO. FILES FOR SECONDARY. The Cornelius Company, 2727 North Ferry St., Anoka, Minn. 55303, filed a registration statement (File 2-30996) with the SEC on December 11 seeking registration of 85,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$19.31 per share maximum*).

The company manufactures manual dispensing equipment and coin-operated vending equipment for soft drinks. In addition to indebtedness, it has outstanding 3,391,200 common shares, of which Richard T. Cornelius, president, owns 24%. Milo T. Siverling is board chairman. Siverling proposes to sell 30,000 shares of 60,000 shares held, Raymond A. Maher 30,000 of 120,000 and three others the remaining shares being registered.

SIMPLICITY COMPUTER LEASING TO SELL STOCK. Simplicity Computer Leasing Corp., 9 West 61st St., New York, filed a registration statement (File 2-30999) with the SEC on December 11 seeking registration of 187,500 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a "best efforts, all or none" basis through underwriters headed by M. A. Allan & Co., Inc., 1143 Main Ave., Clifton, N. J., which will receive a 20¢ per share selling commission plus \$10,000 for expenses. The company has agreed to sell the underwriters, at one mill per warrant, six-year warrants to purchase 18,750 common shares, exercisable after one year at \$2.20 per share.

Organized under Delaware law in October 1968, the company has contracted to acquire, subject to effectiveness of the registration statement, all the issued and outstanding stock of Simplicity Business Systems, Inc. (formed in 1964) and Simplicity Leasing Corp. (formed in 1967). The company will engage in the sale of data processing forms and the leasing of data processing equipment. Net proceeds of its stock sale will be used principally by the company in the acquisition of data processing equipment. The company has outstanding 291,250 common shares (with a 28¢ per share book value), of which Louis Marolda, president, owns 75.1% and management officials as a group 100%. Upon completion of this offering, the present stockholders will own 61% of the then outstanding stock, for which they will have contributed \$81,775, and the public investors will own 39%, for which they will have paid \$375,000.

UNION BANCORP PROPOSES EXCHANGE OFFER. Union Bancorp., 445 South Figueroa St., Los Angeles, Calif. 90017, filed a registration statement (File 2-31000) with the SEC on December 11 seeking registration of 68,479 shares of common stock. It is proposed to exchange these shares for the 65,845 outstanding shares of capital stock of Union Bank, at the rate of 1.04 Union Bancorp share for each Bank share (not owned by the company or directors of Bank). The company owns approximately 98.05% of the outstanding shares of Bank stock which it acquired pursuant to an exchange offer of September 1967. The company has outstanding 3,514,278 common shares. Harry J. Volk is president of the company and of the Bank.

MCCRORY CORP. INVITES TENDERS. McCrory Corporation, 711 Fifth Ave., New York 10022, filed a registration statement (File 2-31001) with the SEC on December 11 seeking registration of \$92,775,000 of 7½% sinking fund subordinated debentures, due 1994. McCrory proposes to offer these 7½% debentures in exchange for shares of common stock of McCrory and 5½% sinking fund subordinated debentures, due 1976, of McCrory presently outstanding. For each of 2,473,822 shares of McCrory common shares outstanding (but not the 2,621,268 shares held by Rapid-American Corporation), the company will issue \$40 principal amount of 7½% debentures, plus \$3 in cash; and for each \$100 principal amount of 5½% debentures outstanding (\$32,775,000 issued and outstanding, redeemable at the option of McCrory at any time at par plus accrued interest, not convertible), \$100 principal amount of the 7½% debentures.

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:
Malone & Hyde, Inc., Memphis, Tenn. 38104 (File 2-30990) - 100,000 shares
Borman Food Stores, Inc., Detroit, Mich. 48227 (File 2-30997) - 103,000 shares
Cutter Laboratories, Inc., Berkeley, Calif. 94710 (File 2-31011) - 25,000 Class A common shares

FOUR TRADING SUSPENSIONS CONTINUED. The SEC has ordered the further suspension of exchange and/or over-the-counter trading in the securities of Top Notch Uranium and Mining Corporation for the ten-day period December 14-23, 1968, inclusive, in the securities of Texas Uranium Corporation for the ten-day period December 15-24, 1968, inclusive, and in the securities of Mountain States Development Company and BSF Company for the ten-day period December 16-25, 1968, inclusive.

SECURITIES ACT REGISTRATIONS. Effective December 12:
Alexander's Inc., 2-29780 (Mar 13); American Safety Equipment Corp., 2-30284 (40 days); Atoka, Inc., 2-30685 (40 days); Berkshire Capital Fund, Inc., 2-29108, Berkshire Growth Fund, Inc., 2-29109; Care Corp., 2-30351 (Mar 12); Chelsea Industries, Inc., 2-30329 (40 days); Chesapeake Industries, Inc., 2-30328 (Mar 12); Computer Transceiver Systems, Inc., 2-29942 (90 days); S. M. Flickinger Co. Inc., 2-30166 (Mar 13); General Motors Acceptance Corp., 2-30692 (40 days); Kirsch Co., 2-30626 (40 days); Latham Process Corp., 2-30181 (90 days); Micromation Technology Corp., 2-30050 (90 days); Research-Cottrell, Inc., 2-30399 (40 days); The Southland Corp., 2-30820; Tellus Oil Corp., 2-29912 (90 days); Vitabath Inc., 2-29209 (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.