

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 69-53)

FOR RELEASE March 19, 1969

**INSTITUTIONAL STUDY COUNSEL NAMED.** SEC Chairman Budge today announced that the Commission has designated Roy A. Schotland as Chief Counsel of the Institutional Investor Study, established by Public Law 90-438. He has served since February 22 as legal advisor to Dr. Donald E. Farrar, Study Director.

Mr. Schotland is a Professor of Law at the University of Virginia; for the present academic year he has been Visiting Professor of Law at the University of Pennsylvania. He received his A.B. from Columbia University in 1954 and his LL.B. from Harvard in 1960. He has written articles and served as a consultant in his special areas of administrative law and securities regulation; during 1962-63 he was associated with the SEC Special Study of Securities Markets. His government experience also includes service with six different agencies, including law clerk at the Supreme Court.

**AMERICAN UNITED LIFE RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5637) exempting American United Life Insurance Company, Indianapolis, and American United Life Pooled Equity Fund B from certain provisions of the Act. Fund B was established by the Insurance Company as the facility through which Insurance Company will set aside and invest assets attributable to variable annuity contracts initially qualifying for federal tax benefits under Section 401 or 403 of the Internal Revenue Code of 1954.

**DELMARVA POWER & LIGHT SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16314) giving interested persons until April 7 to request a hearing upon a proposal of Delmarva Power & Light Company, Wilmington, Del. holding company, to increase the amount of short-term notes it may issue from 5% to 10% of the principal amount and par value of its other securities at the time outstanding. Delmarva intends to issue and sell from time to time prior to April 1, 1970, up to \$22,000,000 of short-term notes to banks (or commercial paper to A. G. Becker & Co). Net proceeds of this financing will be used by Delmarva to finance its 1969 construction program estimated at \$65,000,000.

**MICHIGAN WISC. PIPE LINE SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16315) giving interested persons until April 8 to request a hearing upon a proposal of Michigan Wisconsin Pipe Line Company, Detroit subsidiary of American Natural Gas Company, to amend certain provisions of its bond indenture in order to make available as bondable property, pipelines and related property of Michigan Wisconsin which are located on the outer continental shelf of the United States. The proposed amendment requires the consent of holders of at least 66-2/3% of the outstanding bonds, and Michigan Wisconsin proposes to solicit consents from the bondholders.

**UNLISTED TRADING SOUGHT.** The SEC has issued an order under the Securities Exchange Act (Release 34-8555) giving interested persons until April 1, to request a hearing upon applications of (a) the Detroit Stock Exchange for unlisted trading privileges in the common stock of Marcor, Inc., (b) the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stocks of Rorer-Amchem, Inc., and Marcor, Inc., in the \$2 Series A preference stock of Marcor, Inc., and in the \$2.25 preferred stock of Sun Oil Company and (c) the Pittsburgh Stock Exchange for such privileges in the common stock of Marcor, Inc.

**DELISTINGS GRANTED.** The SEC has issued orders under the Securities Exchange Act (Release 34-8555) granting applications (a) of the American Stock Exchange to strike from listing and registration the 5½% prior preferred stock (\$100 par) of H. C. Bohack Company, Inc., and (b) of the National Stock Exchange to strike from listing and registration the capital stock of East Coast Insurance Company, both effective at the opening of business March 17, 1969. Pursuant to Bohack's offer to issue \$113.75 principal amount of a new class of 6% convertible subordinated debentures, due 1993, in exchange for each outstanding share of 5½% prior preferred stock, all but 8,649 shares had been tendered as of February 18. East Coast's shares are being delisted because of an insufficient number of shareholders and a lack of distribution of shares outstanding, resulting from an exchange offer made by Royal Atlas Corporation.

An order has also been issued granting an application of the New York Stock Exchange to strike from listing and registration the common stock of The National Sugar Refining Company, effective at the opening of business March 18. Only 156,181 shares of National Sugar stock remained publicly held (exclusive of those acquired by Haven Industries, Inc., and management of the company).

**OMEGA EQUITIES TRADING BAN CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the common stock of Omega Equities Corporation for the further ten-day period March 20-29, 1969, inclusive.

OVER

**LEXINGTON INSTRUMENTS PROPOSES OFFERING TO KALVEX HOLDERS.** Lexington Instruments Corporation, 241 Crescent St., Waltham, Mass., filed a registration statement (File 2-32067) with the SEC on March 13 seeking registration of 303,000 shares of common stock and 151,500 common stock subscription warrants. It is proposed to offer these securities in units consisting of 2 shares and 1 warrant for subscription by holders of Kalvex Inc. common stock and 6-3/4% subordinated debentures, and at \$6 per unit. No underwriting is involved.

A wholly-owned subsidiary of Kalvex, Lexington has been engaged since 1962 in the development, manufacture and sale of medical electronic equipment, including cardiac medical and surgical monitoring devices and systems, special purpose medical computers, and physiological recorders. Of the net proceeds of its stock offering, Lexington will use \$268,000 to repay advances from and to pay demand notes issued to Kalvex for working capital; the balance will be available for working capital. Lexington now has outstanding 900,000 common shares (with a book value of 86¢ per share), all owned by Kalvex. Purchasers of the shares being registered will sustain an immediate dilution of \$1.40 per share from the offering price.

**MOUNTAIN STATES T & T TO SELL DEBENTURES.** The Mountain States Telephone and Telegraph Company, 931 14th St., Denver, Colo. 80202, filed a registration statement (File 2-32068) with the SEC on March 14 seeking registration of \$100,000,000 of debentures, due 2009, to be offered for public sale at competitive bidding. A public utility subsidiary of AT&T and an associated company of the Bell System, the company will apply the net proceeds of its debenture sale toward repayment of about \$104,000,000 of advances from AT&T and about \$12,500,000 of notes to be outstanding at the time such proceeds are received.

**CENTRAL LOUISIANA ELECTRIC TO SELL BONDS.** Central Louisiana Electric Company, Inc., 415 Main St., Pineville, La. 71360, filed a registration statement (File 2-32069) with the SEC on March 14 seeking registration of \$12,000,000 of Series M first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale and of its sale of 330,740 shares of common stock (see New Digest of March 14) to repay some \$12,400,000 of short-term bank loans and to defray a portion of the cost of its 1969 construction program. Construction expenditures are estimated at \$32,860,000 for 1969.

**HOST INTERNATIONAL FILES FOR OFFERING AND SECONDARY.** Host International, Inc., 11255 West Olympic Blvd., Los Angeles, Calif. 90064, filed a registration statement (File 2-32070) with the SEC on March 14 seeking registration of \$20,000,000 of convertible subordinated debentures, due 1994, to be offered for public sale by the company and 150,500 outstanding shares of common stock, to be offered by the holders thereof. The offerings are to be made through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004, and Dean Witter & Co. Incorporated, 632 South Spring St., Los Angeles, Calif. 90014; the interest rate on the debentures, offering prices (\$34-3/8 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the sale of food, beverages and merchandise to the traveling public, principally at 18 airports where it operates one or more restaurants, coffee shops, snack bars, cocktail lounges and general merchandise shops and (at 9 of such airports) furnishes in-flight airline catering service. In addition, it operates food service and merchandise shops on toll roads, in recreational areas and on steamships; in 1965 it opened the first of its Charley Brown's restaurants. Net proceeds of its sale of debentures will be applied as follows: \$10,500,000 for construction of a hotel at Houston Airport, \$6,000,000 for installation of retail fried chicken outlets, \$3,250,000 for equipping and expanding new and existing facilities at 9 airports, \$1,150,000 for construction of a hotel at Sacramento Airport, \$800,000 for equipping two additional Charley Brown's restaurants, and \$372,000 for retirement of notes; the remaining funds required for such purposes will be provided from the company's operations and, to the extent necessary, from the proceeds of other borrowings. In addition to indebtedness, the company has outstanding 4,692,260 common shares, of which management officials as a group own 21.5%. Alexander Investment Company (a personal holding company, all of whose stock is owned by a trust in which Arthur Mag, board chairman, has about one-half interest) proposes to sell 30,000 of 212,184 shares held, Hulsey S. Lokey, president, 30,000 of 100,000, J. Patrick Lannan, vice chairman, 35,000 of 102,440, Mary V. Marston 35,000 of 51,866 and four others the remaining shares being registered.

**PACIFIC G & E TO SELL BONDS.** Pacific Gas and Electric Company, 245 Market St., San Francisco, Calif. 94106, filed a registration statement (File 2-32071) with the SEC on March 14 seeking registration of \$80,000,000 of first and refunding mortgage bonds, Series SS, due 2001, to be offered for public sale at competitive bidding. A public utility, the company will apply the net proceeds of its bond sale toward the cost of additions to its utility plant. Construction expenditures amounted to \$289,400,000 in 1968 and are estimated at \$340,000,000 for 1969 and \$1,700,000,000 for the period 1970 through 1973.

**EASTECH TO SELL STOCK.** Eastech, Inc., 2381 South Clinton Ave., South Plainfield, N. J. 07080, filed a registration statement (File 2-32072) with the SEC on March 14 seeking registration of 80,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made on a "best efforts, all or none" basis through March Planning Corporation, 2 Park Avenue, New York, N. Y. 10016, and Regal Securities, Inc., Cresskill, N. J., which will receive a 60¢ per share selling commission plus \$12,500 for expenses. The company has agreed to sell the underwriters, at 1¢ per warrant, three-year warrants to purchase 8,000 common shares, exercisable after one year at \$6.60 per share.

Organized under Delaware law in February 1969, the company succeeded a New Jersey corporation of the same name organized in February 1968. It is engaged in research and development on a new flow measurement technique said to utilize a novel flowmeter on which patents have been applied for; such flowmeters are believed to have application in the chemical processing, oil, gas and aerospace industries. Net proceeds of its stock sale will be added to working capital and used for general corporate purposes. The company has outstanding 200,000 common shares (with a 55¢ per share book value), of which Douglas F. White, president,

CONTINUED

and Alan E. Rodely, and Charles L. McMurtrie, vice presidents, own 16.6% each and management officials as a group 63.5%. Purchasers of the shares being registered will acquire a 33% stock interest in the company, for which they will have paid \$528,000 or \$6 per share (they will sustain an immediate dilution of \$4.09 in the per share book value from the public offering price); the present shareholders will then own a 67% stock interest, for which they paid \$110,000 or 55¢ per share.

**PENN ENGINEERING FILES FOR SECONDARY.** Penn Engineering & Manufacturing Corp., Doylestown, Pa. 18901, filed a registration statement (File 2-32073) with the SEC on March 14 seeking registration of 145,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Francis I. duPont, A. C. Allyn, Inc., One Wall St., New York, N. Y. 10005; the offering price (\$18 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the development, manufacture and sale of self-clinching fasteners normally used in sheet metal materials too thin to support load-bearing threads. It has outstanding 820,000 shares of common and 266,667 shares of Class B common; K. A. Swanstrom, president, owns 100% of the Class B and 17.7% of the common; management officials as a group own 54% of the common. Swanstrom proposes to sell 145,000 of his holdings of 145,479 common shares. He will continue to own all of the Class B shares; and he, his wife and their sons will continue to own 51.1% of all outstanding shares of both classes.

**GENERAL TELEPHONE OF MICH. TO SELL DEBENTURES.** General Telephone Company of Michigan, 455 East Ellis Rd., Muskegon, Mich. 49443, filed a registration statement (File 2-32074) with the SEC on March 14 seeking registration of \$22,000,000 of sinking fund debentures, Series A, due 1994. The debentures are to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York, N. Y. 10004, and two other firms; the interest rate, offering price and underwriting terms are to be supplied by amendment. A subsidiary of General Telephone & Electronics Corporation, the company will apply the net proceeds of its debenture sale toward payment of short term loans and commercial paper borrowings (estimated not to exceed \$33,500,000 at the time of such application), obtained for the purpose of financing its construction program. Construction expenditures are estimated at \$30,000,000 for 1969.

**AMERICAN BUSINESS PRODUCTS TO SELL STOCK.** American Business Products, Inc., 1000 Curtis Drive, Smyrna, Ga. 30080, filed a registration statement (File 2-32075) with the SEC on March 14 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Goodbody & Co., 55 Broad St., New York, N. Y. 10004. The offering price (\$17 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and distributes paper items used by industry in internal communications, record-keeping and communications with customers, stockholders and others. Of the net proceeds of its stock sale, \$500,000 will be used to repay the presently outstanding bank loan and the remainder will be added to the company's working capital to provide additional funds for anticipated future expansion of its facilities and business through internal growth and possible future acquisitions. In addition to indebtedness and preferred stock, the company has outstanding 477,622 common and 5,368,000 Class B common shares. Of the common shares, Henry Curtis, board chairman and president, owns 26.7%, Franklin J. Curtis, vice president, 21.1% and Cynthia G. Curtis 17.4%. Curtis Investment Company, Ltd. (a limited partnership of which Henry Curtis and Franklin Curtis are partners) owns 71.2% and Henry Curtis 28.8% of the Class B shares.

**REPUBLIC MOBILE HOMES TO SELL STOCK.** Republic Mobile Homes Corporation, Laurens, S. Car. 29360, filed a registration statement (File 2-32076) with the SEC on March 14 seeking registration of 250,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made by Charles Plohn & Co., 200 Park Ave., New York, N. Y. 10017, for which it will receive a 30¢ per share commission plus \$12,000 for expenses. The company has agreed to sell 25,000 shares to the underwriter at 10¢ per share upon consummation of the public offering; the underwriter has agreed not to sell these shares for two years.

The company was organized in January 1969 to conduct the business of designing, manufacturing and selling mobile homes. It has acquired for \$30,124 cash, all of the assets of Lyons Mobilehomes, Inc., which commenced operations in March 1968. Of the net proceeds of its stock sale, \$100,000 will be used for the expansion of present facilities and purchases of additional equipment, \$75,000 for additional inventory, \$47,000 to retire outstanding notes, \$250,000 to construct or purchase and to equip a plant, and the balance for working capital. The company now has outstanding 300,000 common shares (with a 39¢ per share book value), of which Herman Sondov, board chairman and chief executive officer, owns 20% and management officials as a group 28%. Purchasers of the shares being registered will acquire a 43.5% stock interest in the company for their investment of \$750,000 of \$3 per share (they will sustain a dilution in book value from the offering price); present stockholders will then own 56.5%, which at December 31 had a book value of \$117,688 or \$.39 per share.

**SYBRON FILES FOR SECONDARY.** Sybron Corporation, 1100 Midtown Tower, Rochester, N. Y. 14604, filed a registration statement (File 2-32077) with the SEC on March 14 seeking registration of 78,500 outstanding shares of common stock. The offering is to be made through underwriters headed by Lehman Brothers, One William St., and Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., both of New York, N. Y.; the offering price (\$36 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells a diversified line of equipment and supplies in the following markets: professional health, process industries (including chemical, pharmaceutical and related areas), instrumentation, water and waste treatment, laboratories and specialty chemicals. In addition to indebtedness and preferred stock, the company has outstanding 9,182,700 common shares, of which management officials as a group own 9.2%. F. Ritter Shumway is board chairman and chief executive officer and Donald A. Gaudion president. Sidney M. Weinstein and Peter J. Scott propose to sell 25,000 shares each of 227,332 shares held each, and three others the remaining shares being registered; all such shares were acquired as the result of an acquisition made by the company.

OVER

**PENN. ELECTRIC TO SELL BONDS.** Pennsylvania Electric Company, 1001 Broad St., Johnstown, Pa. 15907, filed a registration statement (File 2-32078) with the SEC on March 14 seeking registration of \$28,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. A subsidiary of General Public Utilities Corporation, the company will use the net proceeds of its bond sale to finance its business as a public utility, including reimbursement of its treasury for construction expenditures prior to January 1, 1969, and the payment of some \$23,000,000 of short-term bank loans outstanding at the time of the sale of the bonds. Construction expenditures are estimated at \$67,700,000 for 1969.

**MARKET FACTS FILES FOR SECONDARY.** Market Facts, Inc., 100 S.Wacker Dr., Chicago, Ill. 60606, filed a registration statement (File 2-32079) with the SEC on March 14 seeking registration of 130,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by William Blair & Co., 135 S. LaSalle St., Chicago, Ill. 60603; the offering price (\$18 per share maximum\*) and underwriting terms are to be supplied by amendment. Also included in this statement are 38,000 common shares issuable under stock options to be granted from time to time to key employees.

The company is a marketing research and consulting company, engaged in the collection, evaluation and analysis of data used by its clients in marketing decisions. It has outstanding 401,345 common shares, of which David K. Hardin, president and principal executive officer, owns 31.36% and William F. O'Dell, board chairman, and Bernard Sherak, vice president, 14.39% each. Hardin proposes to sell 49,057 of 125,860 shares held, O'Dell and Sherak 20,200 and 17,000, respectively, of 57,750 shares held each, and nine others the remaining shares being registered.

**HOME-STAKE 1969 PROGRAM PROPOSES OFFERING.** Home-Stake 1969 Program Operating Corporation, Philtower Bldg., Tulsa, Okla. 74103, filed a registration statement (File 2-32080) with the SEC on March 14 seeking registration of \$12,020,000 of units of participation in Home-Stake 1969 Program, to be offered for public sale in 601 units, at \$20,000 per unit. The Program was organized to offer investors the opportunity to acquire direct leasehold working interests in oil and gas leases on properties which are now producing or which have produced oil by primary recovery methods, and in projects for the possible secondary recovery of oil by steamflooding. Proceeds of the sale of the units will be used to pay the costs of finding and acquiring such properties and the costs of drilling and developing them, on an overall fixed price basis, for the possible recovery of additional oil by steamflooding the oil-bearing strata. Home-Stake 1969 Program Operating Corporation, a wholly-owned subsidiary of Home-Stake Production Company ("Home-Stake"), will act as Operator. R. S. Trippet is president of the Operator and of Home-Stake. Management officials of the Operator also occupy the same positions with Home-Stake and own 21% of the outstanding stock of Home-Stake.

**STURM, RUGER & CO. FILES FOR SECONDARY.** Sturm, Ruger & Company, Inc., Lacey Place, Southport, Conn. 06430, filed a registration statement (File 2-32081) with the SEC on March 14 seeking registration of 330,264 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005; the offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of pistols, revolvers and rifles for a variety of sporting purposes. It has outstanding 1,651,320 common shares, of which William B. Ruger, president, owns 79.94% and Joanna Sturm 20.06%; Ruger proposes to sell 264,000 of 1,320,000 shares held and Joanna Sturm 66,264 of 331,320.

**SECURITIES ACT REGISTRATIONS.** Effective March 18: A-G Foods, Inc., 2-31994; Air Industries, Corp., 2-31806; Borg-Warner Corp., 2-31913; Buxton's Country Shops, 2-31669 (90 days); Calvert 1969 Oil and Gas Program, Ltd., 2-30915 (90 days); The Cleveland Electric Illuminating Co., 2-31989; Computer Data Systems, Inc., 2-30670 (June 9); Cotton Petroleum Co., 2-31646 (90 days); Datronic Rental Corp., 2-31270 (40 days); Hitco, 2-31519 (40 days); TSC Industries, Inc., 2-31393 (90 days); Martin Marietta Corp., 2-31889; R. H. Medical Services, Inc., 2-31198 (90 days); Princeton Electronic Products, Inc., 2-31101 (90 days); Retrieval Control Systems, Inc., 2-30912 (90 days); Ryan Homes, Inc., 2-31816 (40 days); Shakespeare Co., 2-31593 (40 days); Simmonds Precision Products, Inc., 2-31037 (40 days); South Shore Publishing Co., Inc., 2-30819 (90 days); Suave Shoe Corp., 2-31202 (90 days); Tiffany Industries, Inc., 2-31129 (June 16); Union Financial Corp., 2-30744 (Apr 28).

**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.

---0000000---