

# 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. 69-157)

FOR RELEASE August 18, 1969

**STEIN ROE FUND RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-5783) permitting Stein Roe & Farnham Stock Fund, Inc., Chicago, to acquire substantially all of the assets of Royal Investment Corporation. Stein Roe proposes to issue its shares at net asset value for Royal's assets, which were valued at \$1,401,219 on March 31, 1969.

**AFFILIATED FUND SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5782) giving interested persons until September 9 to request a hearing upon a proposal of Affiliated Fund, Inc., New York mutual fund, to acquire substantially all of the assets of Eich Motor Company. Affiliated Fund proposes to issue its shares at net asset value for Eich's assets, which were valued at \$515,487.50 on February 28. Had the transaction been consummated on that date, Eich would have received 58,511 Affiliated Fund shares. The shares of Affiliated Fund are to be distributed to the sole Eich stockholder on liquidation of Eich.

**AMERICAN INTERNATIONAL SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5781) giving interested persons until September 8 to request a hearing upon an application of Adams Express Company, New York, on behalf of American International Corporation ("AIC"), a management, closed-end diversified investment company, for an order declaring that AIC has ceased to be an investment company as defined in the Act. On November 22, 1969, holders of more than two-thirds of the outstanding shares of AIC and Adams adopted a plan of merger with Adams as the surviving corporation. On January 1, the merger of AIC into Adams became effective and Adams succeeded to all the assets, rights, liabilities and obligations of AIC and the existence of AIC as a separate corporation ceased.

**STEADMAN FUND SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5784) giving interested persons until September 2 to request a hearing upon a proposal of Steadman Fiduciary Investment Fund, Inc., Washington, D. C., mutual fund, to acquire substantially all of the assets of Hillsborough Bridge Corporation. Steadman proposes to issue its shares at net asset value for Hillsborough's assets, which were valued at \$537,000 on March 31. Had the transaction been consummated on that date, Hillsborough would have received 65,730 shares of Steadman stock. The shares of Steadman are to be distributed to Hillsborough stockholders on the liquidation of Hillsborough.

**TRADING BAN CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the securities of Commercial Finance Corporation of New Jersey for the further ten-day period August 19-28, 1969, inclusive.

**WOOLWORTH FILES FOR SECONDARY.** F. W. Woolworth Co., 233 Broadway, New York, N. Y. 10007, filed a registration statement (File 2-34300) with the SEC on August 13 seeking registration of 217,754 outstanding shares of \$2.20 Series A convertible preferred stock (and the underlying common shares). These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$54.75 per share maximum\*).

The company and its subsidiaries operate a chain of more than 3,100 stores providing customers with a broad range of popular priced merchandise. It has outstanding 29,250,000 common shares. Consors Incorporated proposes to sell 74,800 preferred shares and nine others the remaining shares being registered. The selling shareholders were shareholders of The Richman Brothers Company, acquired by Woolworth as a result of a merger in March.

**WISCONSIN NATURAL GAS TO SELL BONDS.** Wisconsin Natural Gas Company, 231 West Michigan St., Milwaukee, Wisconsin 53201, filed a registration statement (File 2-34303) with the SEC on August 14 seeking registration of \$10,000,000 of first mortgage bonds, due 1994, to be offered for public sale at competitive bidding. A subsidiary of Wisconsin Electric Power Company, the company will use the net proceeds of its bond sale to retire some \$7,000,000 of short-term bank loans, made to provide a portion of the funds needed for construction expenditures; to reimburse the company's treasury for capital expenditures previously made; and to finance in part continuing additions and improvements to the company's utility property. Construction expenditures are estimated at \$11,900,000 for 1969 and \$11,800,000 for 1970.

**DATATRON PROCESSING FILES.** Datatron Processing Inc., 58-51 Maspeth Ave., Flushing, N. Y. 11378, filed a registration statement (File 2-34304) with the SEC on August 14 seeking registration of 5,358,467 shares of common stock. These shares constitute all the outstanding shares of Datatron and are to be distributed to stockholders of record on August 12 of Diversified Industries, Inc. (which company owns all of Datatron's outstanding stock), at the rate of one Datatron share for each Diversified share held.

Datatron is a computer service organization specializing in systems design and computer programming. James F. Cear is president and board chairman.

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**PROPERTY LEASING TO SELL STOCK.** Property Leasing Corp., 407 Lincoln Road, Miami Beach, Fla., filed a registration statement (File 2-34305) with the SEC on August 14 seeking registration of 100,000 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 through Wall Street Corporation, 711 Main St., Avon, N. J., which will receive a 50¢ per share selling commission plus \$7,500 for expenses. The company has agreed to sell 10,000 shares to the underwriter for \$1,000.

Organized in June for the purpose of acquiring from Desert Inn Annex, Inc., all the outstanding stock of H. J. Ft. Lauderdale Corp., H. J. Jacksonville Corp., H. J. St. Pete Beach Corp. and H. J. Pompano Beach Corp., the company is principally engaged in the operation of two Howard Johnson motor lodges in Florida. A third motor lodge is under construction. All of the net proceeds of the stock sale will be devoted to the construction and furnishing of the company's Howard Johnson motor lodge and restaurant in St. Petersburg Beach. In addition to indebtedness, the company has outstanding 300,000 common shares (with a 94¢ per share book value), all of which is owned by Desert Inn Annex, Inc. All of the outstanding stock of Desert Inn Annex, Inc., is owned by Chaves Construction Co. of Miami, which in turn is owned equally by Benjamin Chaves, president, and Leon Chaves, executive vice president, of Property Leasing. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of \$500,000 (they will sustain an immediate dilution of \$3.26 in per share book value from the offering price); the present stockholder will then own 75%, for which it will have invested and contributed an aggregate of \$283,333.

**GULF STATES UTILITIES TO SELL BONDS.** Gulf States Utilities Company, P. O. Box 2951, Beaumont, Tex. 77704, filed a registration statement (File 2-34306) with the SEC on August 14 seeking registration of \$25,000,000 of 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 to pay a portion of the \$58,000,000 of short-term notes due on or prior to December 31 (proceeds of which were used in connection with the company's construction program and for other corporate purposes). Construction expenditures are estimated at \$124,500,000 for 1969.

**ELBA SYSTEMS FILES FOR OFFERING AND SECONDARY.** Elba Systems Corporation, 5909 East 38th St., Denver, Colo. 80207, filed a registration statement (File 2-34313) with the SEC on August 14 seeking registration of 309,387 shares of common stock, of which 100,000 are to be offered for public sale by the company and 209,387 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York, N. Y. 10005; the offering price (\$70 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company develops and markets audio-visual sales training and motivational materials and related portable audio-visual equipment which to date have been sold to the life insurance industry. The company will use the net proceeds of its sale of additional stock to repay all of its borrowings under its line of credit incurred for working capital purposes and will add the balance to its treasury to be used for working capital purposes. During the three months ended July 31, bank borrowings ranged from a low of \$1,700,531 to a high of \$2,707,852. In addition to indebtedness, the company has outstanding 1,929,890 common shares, of which E. L. Barrett, president and board chairman, owns 9.86%, his wife (Mildred Barrett) 10.17% and management officials as a group 48.4%. Mildred Barrett proposes to sell 21,320 shares of 196,320 shares held, E. L. Barrett 15,320 of 190,320, and a large number of others the remaining shares being registered.

**WEIGH OF LIFE TO SELL STOCK.** Weigh of Life, Inc., 4 New Hyde Park Road, Franklin Square, N. Y., filed a registration statement (File 2-34312) with the SEC on August 14 seeking registration of 200,000 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 G. K. Scott & Co., Inc., 54 Wall St., New York, N. Y., which will receive a 20¢ per share selling commission plus \$12,000 for expenses. The company has agreed to sell to the underwriter, for \$200, five-year warrants to purchase 20,000 shares, exercisable after one year at \$2.50 per share; it has also agreed to pay \$10,000 to the finders, Messrs. Goldstein & Goldstein, counsel to the underwriter.

Organized in December 1967, the company is engaged in helping overweight people lose their excess weight and maintain such weight losses. To accomplish this, the company conducts lecture classes in which people are taught how to change their eating habits. Of the net proceeds of its stock sale, \$100,000 will be used for the expansion of the company's franchise operations and hiring additional personnel, \$100,000 for the expansion of its operations in the Greater New York City area acquisition of additional classroom space and furnishing therefor, and \$100,000 for the proposed development of specially prepared foods and the development of facilities to manufacture and distribute such products; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 400,000 common shares, of which Educational Sciences Programs, Inc., owns 95%. Mike Maislen is president. Purchasers of the shares being registered will acquire a one-third stock interest in the company for their investment of \$400,000; the present shareholders will then own two-thirds, for which they will have paid an aggregate of 6,000 shares of Educational Sciences and \$1,000.

**HANOVER INSURANCE PROPOSES RIGHTS OFFERING.** The Hanover Insurance Company, 130 William St., New York, N.Y. 10038, filed a registration statement (File 2-34310) with the SEC on August 14 seeking registration of 414,434 shares of capital stock, to be offered for subscription by its capital stockholders of record September 10, at the rate of one new share for each three shares held. State Mutual Life Assurance Company of America, the owner of 373,300 shares (30%), has agreed to subscribe for 124,433 new shares and in addition will purchase any shares which are not subscribed for by others. No underwriting is involved.

The company and its subsidiaries are engaged in writing fire, marine, casualty, workmen's compensation and allied lines of insurance. Net proceeds of its stock sale will be added initially to the company's general funds and will be invested in securities which will qualify as legal investment for New York fire and casualty companies. The proceeds are to be used to increase the company's capital and surplus and thereby furnish it with additional capital funds necessary to expand its business. The company has outstanding 1,243,302 common shares. H. Ladd Plumley is board chairman and John Adam, Jr., president.

**LONG ISLAND LIGHTING TO SELL BONDS.** Long Island Lighting Company, 250 Old Country Road, Mineola, N. Y. 11501, filed a registration statement (File 2-34309) with the SEC on August 14 seeking registration of \$5,000,000 of first mortgage bonds, Series R, due 1999, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York, N. Y. 10005, and Halsey Stuart & Co., Inc., 123 S. LaSalle St., Chicago, Ill. 60690. The interest rate, offering price and underwriting terms are to be supplied by amendment. These bonds are in addition to \$30,000,000 of bonds to be underwritten and previously registered on May 1 under File 2-32889. The company will apply the net proceeds of its sale of \$35,000,000 of bonds either to new construction of utility plant or towards repayment of outstanding indebtedness, or both. Construction expenditures from July 1, 1969 through 1970 are estimated at \$155,000,000.

**NEW ENGLAND TELEPHONE PROPOSES RIGHTS OFFERING.** New England Telephone and Telegraph Company, 185 Franklin St., Boston, Mass. 02107, filed a registration statement (File 2-34308) with the SEC on August 14 seeking registration of 3,827,916 shares of common stock, to be offered for subscription by shareholders of record September 10, at the rate of one new share for each eight shares held. According to the statement, it is expected that AT&T will purchase the 2,661,135 shares which represent its pro rata portion of the offering. No underwriting is involved. A subsidiary of AT&T, the company will apply the net proceeds of its stock sale to payment of \$116,000,000 of advances from AT&T and about \$38,000,000 of notes payable (bank loans and commercial paper). The advances were obtained and notes payable were issued to obtain short-term financing for general corporate purposes, including construction expenses.

**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 August 6 News Digest.

8K Reports for June 69

ARA Services, Inc May 69 (7)	1-4762-2	American Distilling Co (7,8, 10,11,13)	1-635-2
Beneficial Finance Co (7,13)	1-1177-2	Illinois Central RR Co April 69 (7,13)	1-2148-2
Cinerama Inc (7)	1-4107-2	Marinduque Mining & Industrial Corp (6K for July 69)	1-5534-2
Daniel Starch & Staff, Inc (2,7,13)	2-30515-2	The Plaza Group Inc (2,9,12 13)	1-4412-2
ECO Electrical Manufacturing Corp (11, 13)	1-5819-2	B. F. Saul Real Estate Investment Trust (7)	0-3356-2
Holmes Electric Protective Company (3)	0-3605-2	U.S. Steel Corp (8)	1-5153-2
Illinois Bell Telephone Co (7,13)	1-222-2	Welded Tube Co of America (2,7, 8,9,13)	1-5461-2
National Presto Industries, Inc May 69 (13)	1-2451-2	American Investment Company (7)	1-2335-2
Peerless Insurance Co (11,12, 13)	2-2378-2	Baruch Foster Corp (11,12,13)	1-1464-2
Post Corp (2,13)	0-3535-2	Dextra Corporation (2,3,7,13)	0-1602-2
Stanray Corporation (2,7,13)	1-3613-2	Financial General Corp (4,13)	1-3272-2
Texas Instruments, Inc (13)	1-3761-2	First American Financial Corp May 69 (11,13)	0-3658-2
Winter Park Telephone Co (3)	0-1254-2	Hercules Galion Products, Inc (2,13)	1-3593-2
Wurlitzer Co (11)	1-5637-2	Leeds Shoes, Inc (7,10)	0-2216-2
Acme Markets, Inc (11,13)	1-311-2	Lufkin Foundry & Machine Company March 69 (11)	0-2612-2
Allied Stores Corp (11)	1-970-2	Major Pool Equipment Corp (12)	0-3764-2
Boston Edison Company (13)	1-2301-2	Milwaukee Professional Sports & Services Inc (13)	0-3406-2
Buehler Corp May 69 (9,12,13)	1-6041-2	Philip Morris Inc (3,12)	1-194-2
City Investing Company (7)	1-5651-2	Ramcor Incorporated (2,13)	0-3118-2
Diamond Crystal Salt Co (11, 13)	0-1551-2	Reynolds Metals Co (8)	1-1430-2
Feld Leasing Company, Inc (2)	0-3518-2	Twin Americas Agricultural & In- dustrial Developers, Inc (7, 12)	2-28197-2
First Capital Corp (2,3)	0-3683-2	Affiliated Computer Svstems, Inc (2,7,13)	0-3558-2
R. Hoe & Co., Inc (3,6)	1-2748-2	Amerada Hess Corporation (1,2, 4,7,8,10,13)	1-1951-2
Integrated Container Service, Inc (2,7)	0-3579-2	Bush Universal, Inc (3,7)	1-3047-2
Kaiser Steel Corp (7)	0-433-2	Narragansett Elec Co (11)	0-893-2
Marriott Corporation (7,12, 13)	1-5664-2	New England Power Co (11,12)	0-1220-2
Rudd-Melikian Inc April 69 (7,12)	0-1993-2	Reeves Industries, Inc (12,13)	1-4184-2
June 69 (12,13)	0-1993-2	Richardson-Merrell, Incorporated (3)	1-1029-2
Sherwood Leasing Corporation (11)	0-3815-2	Sta-Rite Industries, Inc (12, 13)	0-1058-2
Simplex Industries, Inc (11, 13)	1-5710-2	U.S. Surgical Corporation (11)	2-25681-2
Sun City Dairy Products, Inc May & June 69 (2,11,13)	2-24901-2		
U.S. Pipe & Foundry Co (3,11)	1-121-2		
U.S. Tobacco Co April 69 (8,11)	1-764-2		

BK Reports for June 69 Cont'd

Sam P. Wallace Co, Inc (4,7, 11,13)	0-3435-2	Tenser Corporation (11,13)	1-5270-2
Bonanza International, Inc May 69 (7,11,13)	0-2697-2	Union Carbide Corporation (12)	1-1463-2
March 69 (7,8,13)	0-2697-2	Waltham Industries, Corp (2,7, 12,13)	1-5870-2
April 69 (7,13)	0-2697-2	H. C. Bohack Inc (11,13)	1-5304-2
Computing & Software Inc (11, 13)	1-5586-2	Brewster Industries, Inc (7,8, 12,13)	0-2254-2
Diversa, Inc (8)	1-5808-2	DWG Corporations (12,13)	1-2207-2
GRT Corporation (7,9,12,13)	2-29297-2	Data Management Services, Inc May 69 (2,7,13)	2-31375-2
International Bank (2,7,11, 13)	0-1302-2	Dekcraft Corp (12)	0-3763-2
Locke Mfg, Companies, Inc (2,12)	1-2692-2	First Pacific Corporation (11)	0-3607-2
Mesa Petroleum Co (7)	1-5428-2	GAF Corporation (12)	1-5026-2
National Tape Distributors, Inc May 69 (2,7,13)	2-31045-2	Lear Jet Industries, Inc (12)	0-1693-2
Perfect Film & Chemical Corp (3,12,13)	1-2991-2	Midwestern Companies, Inc (2, 13)	0-1925-2
Plume & Atwood Industries, Inc (3)	1-4475-2	Quotamation, Inc (12)	2-30051-2
Purepac Laboratories Corp (11)	0-753-2	Rochester Gas & Electric Corp (7,13)	1-672-2
SSP Industries (11)	1-5815-2	Seatrail Lines, Inc (4,7,8, 13)	0-1157-2
Supermarkets General Corporation (7)	1-5287-2	TBS Computer Centers Corp (11)	0-3165-2
Unibraze Corporation (11,13)	0-3744-2	Torginol Industries, Inc (2)	0-1977-2
Union Rock & Materials Corp (12,13)	0-2606-2	Wards Co., Inc May 69 (2,4, 7,13)	1-5767-2
Allied Chemical Corp (7)	1-1269-2	Webb Resources, Inc (2,13)	0-1745-2
Amerade Hesse Corp (1,2,4,7,8, 10,13)	1-1204-2	Brandywine Raceway Association, Inc (11)	1-4510-2
Ampex Corporation (3,13)	1-4150-2	Chase Manhattan Corp (1,2,7)	1-5745-2
Aydin Corporation (2,7,13)	2-23946-2	The Deltona Corporation (7)	1-4719-2
Canadian Javelin Ltd July 69 (12)	1-4197-2	Doyle Dane Bernbach, Inc (3, 12)	0-171-2
First Republic Corp of America (2,3,12,13)	0-1437-2	Eagle, Inc (3,13)	0-3617-2
Kinemotive Corporation May 69 (11,13)	0-24700-2	Eastern Brick and Tile Co (11,13)	0-2307-2
Jan 69 (7,9,13)	2-24700-2	Endicott Johnson Corp (11,13)	1-572-2
Safeguard Industris, Inc (7)	1-5627-2	Genl. Exploration Co of Calif (11,13)	1-3857-2
Sea Containers, Inc (11,13)	0-3601-2	Great National Corp (11)	0-1587-2
Spector Industries, Inc (12, 13)	1-5706-2	Gulf Union Corp (2,7,9,13)	0-1964-2
Systems Engineering Laboratories Inc (12,13)	1-5635-2	Holiday Inns of America Inc (3,7,11,13)	1-4804-2
		Homasote Co (7,8,13)	1-3786-2
		Interstate Bakeries Corporation (12)	1-4969-2

**CORRECTION RE C R ANDERSON SENTENCE.** Litigation Release 4394, referred to in the SEC News Digest of August 13, incorrectly stated that the two five-year prison sentences imposed on Carl R. Anderson were to run concurrently, whereas they are to run consecutively.

**SECURITIES ACT REGISTRATIONS.** Effective August 15: Aegean Marine Corp., 2-33443 (90 days); AITS, Inc., 2-34284; Automatic Radio Mfg., Inc., 2-34232; Equity Funding Corp. of America, 2-33962 (Sep 1); Federated Franchises, Inc., 2-31909 (90 days); KDI Corp., 2-34066; Lincoln National Corp., 2-33213 (90 days); Rayne Industries, Inc., 2-33178 (90 days); Tektronix, Inc., 2-34220.

**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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