

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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SEC

(Issue No. 67-189)

FOR RELEASE October 2, 1967

NORTHEAST UTILITIES SEEKS ORDER. Northeast Utilities, Boston holding company, has joined with its subsidiary, The Connecticut Light and Power Company (Hartford), in the filing of an application with the SEC under the Holding Company Act proposing that the said Power Company sell The Rocky River Realty Company to Northeast; and the Commission has issued an order (Release 35-15864) giving interested persons until October 23 to request a hearing thereon. Rocky River Realty has been engaged in acquiring land needed by the Power Company in its public utility operations for office and service buildings, generating plants, substations, transmission rights-of-way and other projects. Upon its sale to North East, Rocky River Realty also will perform similar services for other companies in Northeast's system. It will issue notes to North-east from time to time to finance its operations (including repayment of \$858,750 of notes held by the Power Company).

WEST PENN POWER FILES FINANCING PROPOSAL. West Penn Power Company, Greensburg, Pa., has filed a proposal with the SEC under the Holding Company Act for the issuance and sale at competitive bidding of \$25,000,000 of first mortgage bonds, due 1997, and 100,000 shares of \$100 par preferred stock, Series D; and the Commission has issued an order (Release 35-15865) giving interested persons until November 2 to request a hearing thereon. Net proceeds of this financing will be used to finance the construction program of West Penn and its subsidiaries (including repayment of some \$20,000,000 of bank loans incurred therefor). Construction expenditures for the three years 1967-69 are estimated at \$165,000,000.

PROCTOR INTERNATIONAL EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-5105) granting an application of The Proctor & Gamble International Company, of Cincinnati, for exemption from all provisions of that Act. International was organized by The Proctor & Gamble Corporation to aid in financing the expansion of its business abroad.

SBIC OF NY SALE CLEARED. The SEC has issued an exemption order under the Investment Company Act (Release IC-5104) permitting Small Business Investment Company of New York, Inc., to sell certain securities of Varifab, Inc., to Condec Corporation.

TWO FUNDS DEREGISTERED. The SEC has issued orders under the Investment Company Act declaring that Buttonwood Capital Corporation (Release IC-5107) and Institutional Exchange fund, Inc. (Release IC-5108), both of New York, have ceased to be investment companies and that their registrations as such are no longer in effect.

CIVIL & MILITARY FUND SEEKS ORDER. Civil & Military Investors Mutual Fund, Inc., Washington, D. C., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-5109) giving interested persons until October 23 to request a hearing thereon. According to the application, Fund shares were issued only to its organizers; all shares have been cancelled and assets distributed; the company's charter has been surrendered; and the company does not propose to engage in business as an investment company.

CANAL ASSETS EXEMPTION EXTENDED. The SEC has issued an order under the Investment Company Act (Release IC-5110) extending to October 13 the exemption of Canal Assets, Inc., of New Orleans, from the registration and other provisions of the Investment Company Act.

MUNICIPAL FUND SEEKS ORDER. Municipal Investment Trust Fund, Series I, a unit investment trust of New York, has applied to the SEC for exemption from the \$100,000 net worth provision of the Investment Company Act; and the Commission has issued an order (Release IC-5111) giving interested persons until October 23 to request a hearing thereon. The Fund has filed a registration statement proposing the public offering of 6,000 units of undivided interest in a portfolio of tax-free municipal bonds; prior to sale of the units Bache & Co., Inc., Hornblower & Weeks-Hemphill, Noyes and Goodbody & Co., sponsors, will deposit between \$4 and \$6 million of bonds and receive registered certificates for between 4,000 and 6,000 units which will in turn be offered for sale by the sponsors.

BEAUNIT CORP. MERGER CLEARED. The SEC has issued an order under the Investment Company Act (Release IC-5112), on application of El Paso Natural Gas Company and its subsidiary, EPNG Corp., exempting certain transactions incident to the merger of Beaunit Corporation into EPNG. Under the merger proposal, the outstanding Beaunit stock is to be exchanged for El Paso common at the rate of four shares of El Paso for each five shares of Beaunit; this will result in the issuance of about 3,120,696 additional shares of El Paso stock. Puritan Fund, Inc., owns 8.8% of the outstanding Beaunit stock; in view thereof, the exchange of Puritan Fund's holdings for Beaunit stock for El Paso shares is prohibited by the Act, absent the issuance of an exemption order by the Commission.

OVER

FIFTH AVENUE COACH LINES SEEKS ORDER. Fifth Avenue Coach Lines, Inc., New York, has joined with Axe-Houghton Fund A, Inc., and others in the filing of an application with the SEC for exemption with respect to the proposed purchase by Fifth Avenue Coach of the common and preference stock of Austin, Nichols and Co., Inc., held by the said Fund A, Axe-Houghton Stock Fund, Inc., Huntington Corporation, and Emerak Corporation. The Commission has scheduled the application for hearing on October 16. (Release IC-5115)

Austin, Nichols is a Virginia corporation engaged primarily in importing and distributing wines and liquors and blending and rectifying alcoholic products. As of July 31 it had outstanding 654,681 common shares and 19,933 preference shares. Each share of preference stock, which has been called for redemption on November 1 at \$20.30 per share, is convertible prior to November 1 at the holder's option into 2.397021 shares of common stock. Fifth Avenue Coach on July 31 held 105,538 shares (16.1%) of the outstanding common; and Fund A owns 51,291 shares of the common and 3,100 shares of the preference stock. Fund A, Stock Fund, Huntington and Emerak have entered into an agreement with Fifth Avenue Coach whereby the latter will purchase all common and/or preference shares of Austin, Nichols owned by such corporations for \$35 per common share and \$35 times the number of shares into which one share of preference stock is convertible on the date of closing of such purchase, per share of preference stock (the market price of the common on July 31 was 25½). An aggregate of 58,286 common shares (8.9%) and 3,200 preference shares (16.1%) are to be acquired under this agreement. Fifth Avenue Coach would then hold 25% of the common and 16.1% of the preference stock of Austin, Nichols. The agreement also provides that Fifth Avenue Coach would purchase (on the same terms) 1,799 shares of Austin, Nichols common now owned by three individuals, two trusts and an estate, all of which are investment advisory clients of E. W. Axe & Co., Inc. (two directors of Emerak are beneficiaries of one and trustees of both such trusts).

NINE STOCK PLANS FILED. The following companies have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under their employee stock option and other plans:

- 2-27364 - Texas Industries, Inc., Dallas, Tex. 75247 - 199,577 common shares
- 2-27365 - Squibb-Beech Nut, Inc., New York 10022 - 22,677 preferred shares and 354,675 common shares
- 2-27370 - El Paso Natural Gas Company, El Paso, Tex. 79901 - 450,000 common shares
- 2-27373 - Rachem Corporation, Menlo Park, Calif. 94025 - 53,500 common shares
- 2-27378 - Proctor & Gamble Company, Cincinnati, Ohio 45202 - 50,000 common shares
- 2-27401 - Alpha Industries, Inc., Newton Upper Falls, Mass. - 116,800 common shares
- 2-27404 - North American Rockwell Corp., El Segundo, Calif. 90245 - 200,000 common shares
- 2-27406 - Birdsboro Corporation, Birdsboro, Pa. 19508 - 48,093 common shares
- 2-27408 - U.S. Plywood-Champion Papers, Inc., New York - 304,100 preferred and 1,222,070 common shares

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending over-the-counter trading in securities of Ceditron Corp. and Subscription Television, Inc., for the further ten-day period October 3-12, inclusive.

VALUE LINE DEVELOPMENT PROPOSES OFFERING. The Value Line Development Capital Corporation, 5 E. 44th St. New York 10017, filed a registration statement (File 2-27315) with the SEC on September 22 seeking registration of 2,500,000 units, each consisting of one common share and a warrant to purchase one-half share, to be offered for public sale at \$12 per unit. The offering is to be made through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005; and the underwriting commission is to be 95¢ per share.

Organized in August under New York law, the company is a closed-end diversified investment company of the management type. It will attempt to acquire a portfolio emphasizing a diversified list of securities of companies in a development stage, a substantial portion of which may be purchased directly from the issuing companies. Arnold Bernhard & Co., Inc., of the 44th St. address and publisher of "The Value Line Investment Survey," will serve as manager and investment adviser. All of the adviser's outstanding securities are owned by Arnold Bernhard, who is president of the new fund and president and board chairman of the adviser.

OHIO WATER SERVICE TO SELL DEBENTURES. Ohio Water Service Company, 235 State St., Struthers, Ohio, filed a registration statement (File 2-27346) with the SEC on September 26 seeking registration of \$2,000,000 of convertible subordinated debentures due 1987, to be offered for public sale through underwriters headed by McDonald & Co., 1250 Union Commerce Bldg., Cleveland, Ohio 44115. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company distributes ^{water} to several communities in Lake, Ashtabula, Mahoning, Stark, Fayette and Union Counties, Ohio. Net proceeds of its debenture sale will be used to discharge in part the short-term bank loans, amounting to \$2,725,000 on August 31, which were incurred in the expansion of its facilities. In addition to indebtedness, the company has outstanding 183,827 common shares, of which management officials own 1.4%. G. Taylor Evans is president and board chairman.

CITADEL LIFE INS. FILES RIGHTS OFFERING PROPOSAL. The Citadel Life Insurance Company of New York, 444 Madison Ave., New York 10022, filed a registration statement (File 2-27386) with the SEC on September 28 seeking registration of 50,000 shares of capital stock. It is proposed to offer this stock for subscription by holders of outstanding stock (and holders of voting trust certificates for such stock), at the rate of one new share for each two shares held. The record date, subscription price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was licensed in 1960 by New York to write life insurance, annuities, and accident and health and noncancellable disability insurance; it writes nonparticipating insurance only. Since its organization and through June 30, 1967, the company incurred operating losses amounting to \$1,113,558; these losses resulted in the surplus of the company being reduced to \$295,007 at June 30. Of the net proceeds of its stock sale, \$5 will be credited to capital and the balance to paid-in surplus; the proceeds will be invested initially in income producing securities and other legal investments, and thereafter will be used as necessary

to absorb the costs of writing and issuing new insurance business, to provide reserves necessary to carry an expanded volume of insurance in force and to enable the company to expand its business through the strengthening of its agency force. Certain management officials and shareholders have agreed to purchase such number of shares as may be necessary so that, on or before December 31, 1967, the company's surplus shall have reached \$450,000. The company now has outstanding 100,000 shares of stock, of which management officials own 13.2% and Investors Funding Corporation of New York 34.5%. Robert M. Rose is president and Jerome Dansker board chairman (the latter is president and board chairman of Investors Funding).

GCA CORP. FILES FOR OFFERING AND SECONDARY. GCA Corporation, Burlington Rd., Bedford, Mass. 01730, filed a registration statement (File 2-27387) with the SEC on September 28 seeking registration of 120,000 shares of common stock. Of this stock, 29,350 shares are to be offered for public sale by the company and 90,650 (being outstanding shares) by the present holders thereof. The offering price (\$73 per share maximum*) and underwriting terms are to be supplied by amendment; Goldman, Sachs & Co., 20 Broad St., New York 10005 is the principal underwriter.

The company develops, manufactures and sells instruments, apparatus, equipment and systems used in laboratory work, precision measurement, integrated circuit production, and vacuum processing and joining of metals. Proceeds of its sale of additional stock will be available for general corporate purposes and will initially be added to working capital or used to reduce short-term borrowings. On September 25 the company entered into an agreement to acquire the business and substantially all of the assets and assume substantially all of the liabilities of Alpha Metals, Inc., for which it will issue 185,000 shares of GCA's preferred stock (Series A). However, the number of Series A preferred shares will be increased up to a maximum of 220,000 shares if the initial public offering price is less than \$59.50 per share. All the Series A preferred shares will be distributed by Alpha to its stockholders. Immediately following such distribution 49% of the Series A preferred shares will be sold to the underwriters for conversion into common stock on a share-for-share basis. The number of shares thus to be sold by Alpha stockholders will be 90,650 (but this number could increase to 107,800). GCA on June 30 had outstanding 957,104 common shares, of which management officials owned 9%. The principal stockholders of Alpha are Rena R. Shonberg and Lawrence L. Lasser, as trustees under the will of Harold Shonberg, and Mrs. Shonberg individually. The trustees propose to sell a minimum of 86,903 and Harold Hertzog 3,747 shares. Milton Greenberg is president of GCA.

BREVEL PRODUCTS FILES FOR OFFERING AND SECONDARY. Brevel Products Corp., Broad and 16th St., Carlstadt, N. J., filed a registration statement (File 2-27388) with the SEC on September 28 seeking registration of 100,000 shares of common stock. Of this stock, 60,000 shares are to be offered for public sale by the company and 40,000 (being outstanding shares) by the present holders thereof. L. M. Rosenthal & Company, Inc., 5 Hanover Square, New York 10004 is the underwriter; the public offering price (\$7 per share maximum*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the manufacture of sub-fractional horsepower electric motors. Net proceeds of its sale of additional stock will be added to the company's general funds, and the major portion thereof will be available for use in financing the acquisition of new business entities. Until required for this purpose, the funds will eliminate the need for bank loans which may be required for working capital purposes; in the absence of such acquisitions, the proceeds will be used for the expansion of the existing business of the company. The company now has outstanding 340,000 common shares, of which George Hirsch, president, and Robert O. Soman, vice president, own 160,000 shares (47%) each. Each proposes to sell 20,000 shares.

RODALE ELECTRONICS TO SELL DEBENTURES. Rodale Electronics, Inc., 603 Chestnut St., Garden City, N. Y. filed a registration statement (File 2-27389) with the SEC on September 28 seeking registration of \$750,000 of 6-3/4% convertible subordinated debentures due 1979, to be offered for public sale at 100% of principal amount through underwriters headed by Charles Plohn & Co., 200 Park Ave., New York 10017. The underwriting commission is to be supplied by amendment. The company has agreed to sell to the Plohn firm, upon completion of the financing, a five-year warrant to purchase 37,500 common shares.

The company is engaged primarily in the production of specialized electronic equipment under prime contracts with military agencies of the United States. Net proceeds of its debenture sale will be used in part to retire a portion of current bank obligations, some \$75,000 for the purchase of machinery and equipment now leased to the company, and the balance for additional working capital. The company has outstanding 309,524 common shares, of which Robert S. Schlanger, president, owns 46.6% and management officials as a group 65.7%.

BARRINGER RESEARCH PROPOSES STOCK SALE. Barringer Research, Inc., 304 Carlingview Drive, Rexdale, Ontario, Canada, filed a registration statement (File 2-27390) with the SEC on September 28 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Scheinman, Hochstin & Trotta, Inc., 111 Broadway, New York 10001. The public offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Scheinman firm \$17,500 for expenses, and to sell the underwriters, for \$250, seven year warrants to purchase 25,000 shares.

Organized under Delaware law on September 7, the company proposes to acquire all outstanding common shares of Barringer Research Limited, an Ontario corporation; under the purchase agreement, holders of the said Ontario company's shares will receive 605,000 shares of the company's common stock as consideration for the Ontario company's stock. The Ontario company was founded in 1961 to develop geophysical and geochemical techniques and instrumentation for the earth sciences and in particular for the mining exploration industry; a major effort is to be made by the company in the development of air pollution monitoring equipment, but a principal operation of the company will continue to be the development of new instrumentation for the earth and environmental sciences. Of the net proceeds of the company's stock sale, \$262,500 (Canadian funds) will be advanced to the Ontario company to be applied to the redemption of all its outstanding preference stock;

the balance will be advanced to that company from time to time on open account for additional working capital, principally to finance the further development, the manufacture and the eventual sale of its systems for monitoring air pollution. Of the 605,000 outstanding common shares, 50.5% is owned by Anthony R. Barringer, company president, and 81.3% by management officials as a group.

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. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with requested material when mailed.

Aerotron Inc Apr 67 (2,11,13)	0-1761-2	E W Bliss Co Aug 67 (7,12,13)	1-3304-2
Atlantic Steel Co Sept 67 (2,11,13)	0-350-2	Bloch Bros Tobacco Aug 67 (12)	0-1134-2
Brite Universal Inc Sept 67 (12,13)	2-18612-2	Charter Oil Co Ltd Aug 67 (3,11)	1-3755-2
Charter Oil Co Ltd Mar 67 (1)	1-3755-2	Clopay Corp Aug 67 (4,11,13)	1-3454-2
Fox-Stanley Photo Products Inc Jul 67 (11,13)	0-1618-2	Coro Inc Sept 67 (11)	1-1609-2
Holiday Inns of Amer Inc Aug 67 (9)	1-4804-2	Eastern Mass St Ry Co Sept 67 (6)	1-1563-2
Kinney Natl Service Inc Jul 67 (12,13)	1-4671-2	Eichler Corp Sept 67 (1,2,3,12,13)	1-4810-2
Aug 67 (12,13)	1-4671-2	Empire Life Ins Co Aug 67 (7,9)	2-20749-2
Pathfinder Life Ins Co of Amer Jun 67 (1,11,13)	2-24995-2	Gulf & Western Ind Inc Aug 67 (7,8,13)	1-5404-2
Permaglass Inc Sept 67 (11)	0-2238-2	Hurletron Inc Aug 67 (8)	0-698-2
Cinerama Inc		Maine Sugar Ind Inc Aug 67 (7)	0-2426-2
Amend #1 to 8K for Aug 67 (13)	1-4107-2	Horace Mann Life Ins Co Aug 67 (7)	2-21057-2
Intercontinental Lnd Inc		Meredith Publishing Co Aug 67 (13)	1-5128-2
Amend #1 to 8K for Apr 67 (7)	0-1516-2	Trans International Airlines Corp Aug 67 (11)	1-5386-2
		Uniservices Inc Aug 67(2,6,7,8,12,13)	0-77-2
Acme Missiles & Construction Corp		University Computing Co	
Sept 67 (3,12,13)	1-4297-2	Apr 67 (7,11)	0-2170-2
American Home Products Corp Aug 67(13)	1-1225-2	May 67 (7,12,13)	0-2170-2
Anadite Inc Aug 67 (11,13)	0-181-2	Mar 67 (2,3,7,13)	0-2170-2
Assoc Oil & Gas Co Aug 67(3,7,8,12,13)	1-3991-2	National City Lines Inc	
		Amend #1 to 8K for Jul 67 (2)	1-2844-2

SECURITIES ACT REGISTRATIONS. Effective September 29: Detroit Edison Co., 2-27249 (40 days); Litton Industries, Inc., 2-27237; Northern States Power Co., 2-27117; Richmond Newspapers, Inc., 2-26929; Vernitron Corp., 2-27133 (40 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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