

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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V B MONTGOMERY BARRED. The SEC today announced the issuance of an order under the Securities Exchange Act (Release 34-8189) barring Vera B. Montgomery, with her consent, from association with a broker-dealer. The action was taken in proceedings involving the firm of Reba Securities, Inc., New York City, whose registration was revoked by Commission order of October 23, 1967 (Release 34-8181). As in the case of Reba Securities, the Commission found (among other things) that Montgomery had offered and sold stock of Underwater Storage, Inc., in violation of the anti-fraud provisions of the Federal securities laws and that she had "manipulated" the market price of such stock. She consented to the issuance of the bar order.

THREE TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of Continental Vending Machine Corporation, Pakco Companies, Inc., and Westec Corporation, for the further ten-day period November 9-18, 1967, inclusive.

SOUTHWESTERN ELECTRIC PROPOSES BOND OFFERING. Southwestern Electric Power Company, 428 Travis St., Shreveport, La. 71101, filed a registration statement (File 2-27632) with the SEC on November 6 seeking registration of \$20,000,000 of first mortgage bonds, Series J, due 1997, to be offered for public sale at competitive bidding.

Net proceeds of the company's bond sale will be used to finance a part of its construction expenditures, including the payment of some \$4,400,000 of short-term borrowings incurred therefor. Construction expenditures for the 15-month period ending December 31, 1968 are estimated at \$28,600,000. J. Robert Welsh is board chairman and H. W. Pirkey, Jr. is president.

SEMICON FILES FOR OFFERING AND SECONDARY. Semicon, Inc., Sweetwater Ave., Bedford, Mass., filed a registration statement (File 2-27633) with the SEC on November 6 seeking registration of \$1,500,000 of convertible subordinated debentures, due 1979, to be offered for public sale by the company, and 9,409 outstanding shares of common stock, to be offered for public sale by the present holders thereof. S. D. Fuller & Co., 26 Broadway, New York 10004 is listed as the principal underwriter. The debentures are to be offered at 100% of principal amount, with a 5% commission to the underwriter. The interest rate on the debentures, and the public offering price and underwriting terms for the stock offering are to be supplied by amendment.

The company is engaged primarily in the manufacture and sale of semiconductor components and devices used in products for entertainment, industrial commercial, military and government uses. Of the net proceeds of its debenture sale, \$308,000 will be used to repay short-term bank borrowings incurred primarily to finance the operations and capital requirements of Microfab, Inc. (a subsidiary), \$78,000 to repay certain other borrowings, and \$100,000 to complete the design of and construct a prototype of a small computer and an additional \$250,000 to bring it to market; the balance will be available to finance diversification of products either by acquisition or otherwise. In addition to indebtedness, the company has outstanding 367,566 common shares, of which management officials own 46.9%. The prospectus lists four selling stockholders. Rolland V. Robison (president) proposes to sell 5,000 of his holdings of 67,341 shares, Robert E. House (executive vice president), 2,366 of 36,366, Herbert N. Goldman (vice president) 1,368 of 36,368, and Stephen D. Fuller (a director) 675 of 1,175 shares.

ADAMS-RUSSELL FILES FOR OFFERING AND SECONDARY. Adams-Russell Co., Inc., 280 Bear Hill Road, Waltham, Mass. 02154, filed a registration statement (File 2-27634) with the SEC on November 7 seeking registration of 190,000 shares of common stock. Of this stock, 34,148 shares are to be offered for public sale by the company and 151,852 (being outstanding shares) by the present holders thereof. The public offering price (\$18.00 per share maximum*) and underwriting terms are to be supplied by amendment. Clark, Dodge & Co., 61 Wall St., New York 10005, is listed as the principal underwriter.

The company is engaged in the development and manufacture of antennas, antenna systems and related equipment and components for government use. Net proceeds of its sale of additional stock will be added to working capital to be used in the general development of the business. The company anticipates capital expenditures which may exceed \$800,000 during the next year for land acquisition and for additional testing and manufacturing facilities. In addition to indebtedness, it has outstanding 782,492 common shares, of which management officials own 24.8%. Gerald J. Adams is president. The prospectus lists 32 selling stockholders, including the Bessemer Securities Corp., which proposes to sell 25,540 of its holdings of 102,160 shares, Oliver H. Straus, 24,620 of 98,620, Raymond E. Fredrick, 18,000 of 43,608, and Carl G. Sontheimer, 14,800 of 60,032 shares; the others propose to sell shares ranging in amount from 200 to 9,800 shares.

MARQUARDT CORP. FILES FOR SECONDARY. The Marquardt Corporation, 16555 Saticoy St., Van Nuys, Calif. 91409, filed a registration statement (File 2-27636) with the SEC on November 7 seeking registration of 39,000 outstanding shares of common stock. The shares are to be offered for public sale by the present holder thereof from time to time on the New York Stock Exchange or on the Pacific Coast Stock Exchange or otherwise, at prices current at the time of sale (\$15.00 per share maximum*).

OVER

The company was formed to engage primarily in research and development in ramjet propulsion for use in aircraft and guided missiles. Since that time it has diversified its operations and is a prime developer of advanced airbreathing propulsion systems and space equipment, including small rocket propulsion devices. The company also produces railroad and other electronic equipment; and it has a specialized manufacturing capability to enable it to participate as a subcontractor in diversified aerospace programs and has recently entered the weaponry fabrication business. In addition to indebtedness and preferred stock, the company has outstanding 4,000,000 common shares, of which Laurance S. Rockefeller owns 14.5% and management officials, 1.3%. J. B. Montgomery is board chairman and president. R. W. Neill proposes to sell all of his present holdings of 38,000 shares, which are part of the 43,000 shares received by him from the company in October 1966 in exchange for all the outstanding stock of R. W. Neill Co., Inc.

STOCK PLANS FILED. The following companies have filed Form S-8 registration statements with the SEC proposing the issuance of stock under employee stock option and related plans:

Bell & Howell Company, Chicago, Ill. 60645 (File 2-27624) - 11,241 shares
 Litton Industries, Inc., Beverly Hills, Calif. 90210 (File 2-27628) - 34,115 shares
 American Standard Inc., New York 10018 (File 2-27630) - 200,000 shares
 Melville Shoe Corporation, New York 10036 (File 2-27635) - 200,000 shares
 Interstate Hosts, Inc., Los Angeles, Calif. 90064 (File 2-27637) - 66,667 shares

MISSISSIPPI POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15890) authorizing Mississippi Power Company, Gulfport subsidiary of The Southern Company, to issue and sell, at competitive bidding, \$10,000,000 of first mortgage bonds, due 1997, and to issue and sell to its parent, for \$1,000,000, 10,000 additional shares of its common stock. Net proceeds of the sale of the bonds and common stock will be applied by Mississippi, together with funds available from other sources, to finance its 1967 construction program (estimated at \$29,094,000) and to repay short-term bank borrowings.

MASSACHUSETTS INVESTORS SEEKS ORDER. Massachusetts Investors Trust, Boston open-end diversified investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of the assets of Nela Alpha Investing Company ("Nela Alpha"); and the Commission has issued an order (Release IC-5158) giving interested persons until November 29 to request a hearing thereon. Nela Alpha is a personal holding company all of whose outstanding common stock is held by eight individuals and twelve trusts, whose outstanding preferred stock is held by thirty-three individuals, seven trusts and three estates, and whose assets approximated \$6,375,297 on June 30. Massachusetts Investors proposes to acquire substantially all of Nela Alpha's assets through the issuance of its shares of beneficial interest at their net asset value.

NORTHEAST UTILITIES FEE PAYMENTS CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-15892) authorizing payment by Northeast Utilities, Boston, of some \$159,671.24 of legal and other fees in connection with its acquisition of all the outstanding stock of Holyoke Water Power Company, which acquisition was authorized by Commission order of August 18, 1967.

XTRA FILES FOR SECONDARY. Xtra, Inc., 150 Causeway St., Boston, Mass. 02114, filed a registration statement (File 2-27638) with the SEC on November 7 seeking registration of 24,061 outstanding shares of common stock. The shares are to be offered for public sale by the present holders thereof through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The public offering price (\$102.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the rental of truck trailers to railroads or customers of railroads in connection with trailer-on-flat-car or "piggyback" operations; it also rents transportable, reusable containers to railroads, transoceanic steamship companies and others. In addition to indebtedness, it has outstanding 730,745 common shares, of which management officials own 11.7%. John F. Prendiville is board chairman and president. The prospectus lists 15 selling stockholders, including the Morgan Guaranty Trust Company as Trustee and Agent for three accounts, which proposes to sell 11,777 shares, the Tri-Continental Corporation, 1,830, and M. T. Richmond, 1,569; the others propose to sell shares ranging in amount from 83 to 1,091 shares. The selling stockholders are all former stockholders of MMX Corporation who acquired their shares upon the acquisition of MMX by the company on June 30, 1967, and all are offering all shares held by them.

SECURITIES ACT REGISTRATIONS. Effective November 7: Calvert Funds, Inc., 2-27423 (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.

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