

# 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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FEDERATED DUAL-EXCHANGE FUND SEEKS ORDER. Federated Dual-Exchange Fund, Inc., Pittsburgh, has applied to the SEC for an order granting an exemption from provisions of the Investment Company Act which require shareholder approval of the investment advisory agreement, the election of directors by shareholders, and shareholder ratification of the selection of an independent public accountant, until the first meeting of company shareholders; and the Commission has issued an order (Release IC-4927) giving interested persons until May 9 to request a hearing thereon.

LOUISIANA P & L PROPOSES BANK BORROWINGS. Louisiana Power & Light Company, New Orleans subsidiary of Middle South Utilities, Inc., has applied to the SEC under the Holding Company Act for approval of borrowings not to exceed \$17,000,000 from The Chase Manhattan Bank, N.A.; and the Commission has issued an order (Release 35-15714) giving interested persons until May 11 to request a hearing thereon. The funds will be used to finance temporarily the company's construction program and for other corporate purposes.

JERSEY CENTRAL P & L NOTE SALE CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-15713) authorizing Jersey Central Power & Light Company, Morristown subsidiary of General Public Utilities Corporation, to make borrowings through the period ending March 31, 1968, in amounts not to exceed an aggregate of \$30,900,000 outstanding at any one time. The funds are to be used to finance the company's business as a public-utility company, including construction expenditures and repayment of other short-term borrowings.

FLAGSHIP MOTOR HOTEL ENJOINED. On April 12 the Federal court in Baltimore entered an order permanently enjoining Flagship Motor Hotel of Ocean City, Maryland, Inc., Ocean Towers of Ocean City, Maryland, Inc., Midway Construction Company, Inc., Irving S. Reamer, and William H. Klebold, from the further offer and sale of investment contracts of Flagship Motor Hotel and later Ocean Towers in violation of the registration and anti-fraud provisions of the Federal securities laws. The defendants consented to the injunction decree but without admitting or denying the allegations of the SEC complaint for injunction. (LR-3691)

YANKEE CONSOLIDATED MINING DELISTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8057) granting an application of the Salt Lake Stock Exchange to delist the shares of Yankee Consolidated Mining Company, effective at the opening of business April 24, because the company does not meet the Exchange's requirements for continued listing.

EQUITY FUNDING FILES FOR OFFERING. Equity Funding Corporation of America, 9601 Wilshire Blvd., Beverly Hills, Calif. 90210, filed a registration statement (File 2-26388) with the SEC on April 18 seeking registration of \$6,000,000 of convertible subordinated debentures due 1982, to be offered for public sale at 100% of principal amount through underwriters headed by New York Securities Co., 15 Wall St., New York 10005. Also included in the statement are 161,000 outstanding shares of common stock, to be offered for sale by the holders thereof through the same underwriters. The offering price of the shares (\$35 per share maximum\*), and the underwriting terms for both offerings, are to be supplied by amendment.

The company is primarily engaged in the sale of mutual fund shares and life insurance, either separately or in coordinated acquisition plans. During 1966 it formed Equity Growth Fund of America, Inc., an open-end diversified investment company; it owns 95% and 100%, respectively, of the stock of that company's investment adviser and principal distributor. The coordinated acquisition plans offered by the company are known as "Programs for the Acquisition of Mutual Fund Shares and Insurance." Prior to October 1963, substantially similar plans (the "old Plans") were sold by the company, which have been or are being financed primarily by bank loans, the aggregate amount of which was \$7,857,194 as of March 31, 1967. About \$2,000,000 of the net proceeds of its sale of debentures will be used by the company in the financing of old Plans; up to \$2,000,000 will be used to defray opening costs connected with the expansion of the company's sales office facilities and to meet initial working capital requirements of its new offices; an additional \$673,000 will be used to pay off certain indebtedness; and the balance will be used for working capital purposes, including interim financing of Program loans to the extent required. In addition to indebtedness, the company has outstanding 968,629 common shares, of which Stanley Goldblum, president, owns 15% and Michael R. Riordan, executive vice-president 19%. Of the shares being registered, 88,235 are to be issued upon conversion of \$600,000 of notes held by The Paul Revere Life Insurance Company; and Goldblum proposes to sell 41,382 shares and Riordan 31,383 shares.

SHEARSON CAPITAL FUND PROPOSES OFFERING. The Shearson Capital Fund, Inc., 14 Wall St., New York 10005, filed a registration statement (File 2-26389) with the SEC on April 18 seeking registration of 1,000,000 shares of common stock. The Fund was organized under Maryland law on April 5, 1967. Its shares are to be offered at net asset value (without sales charge) primarily to Shearson, Hammill & Co. Inc. ("Shearson"), and through Shearson to its employees, retired employees and their immediate families, to the Shearson Employees Profit Sharing Retirement Income Plan, and to officers and directors of the Fund. The purpose of

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the Fund is to enable them to participate together in a diversified portfolio of securities under the management of The Shearson, Hammill Management Company, Inc., a wholly-owned subsidiary of Shearson, Hammill, which will act as investment adviser to the Fund and whose primary function will be the investment and management of the Fund. Shearson organized the Fund and currently owns 8,500 shares or 68% of its common stock.

**TEXTRON FILES FINANCING PROPOSAL.** Textron Inc., 10 Dorrance St., Providence, R. I. 02903, filed a registration statement (File 2-26390) with the SEC on April 18 seeking registration of \$100,000,000 of sinking fund debentures due 1992, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 20 Broad St., New York 10005. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is a multi-market manufacturing company with sales in the four principal product groups of aerospace, consumer, industrial and metal products. Of the net proceeds of its debenture sale, \$46,000,000 will be used to retire long-term bank borrowings incurred during the past three years to finance a portion of the cost of certain acquisitions (including Spiedel and Sheaffer); the balance will initially be added to general funds of the company, from which some \$21,000,000 is presently planned for use in connection with the acquisition of The Lunkenheimer Company. Proceeds not so used will be available for increased working capital, the repayment of short-term borrowings, capital expenditures and other corporate purposes. In addition to indebtedness and preferred stock, the company now has outstanding 12,479,070 common shares, of which management officials own 2.6%. Rupert C. Thompson, Jr., is board chairman and G. William Miller president.

**RAND DEVELOPMENT TRADING SUSPENSION CONTINUED.** The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in securities of Rand Development Corporation, of Cleveland, for the further ten-day period April 20-29, inclusive.

**HUCK MFG. PROPOSES OFFERING.** Huck Manufacturing Company, 2500 Bellevue Ave., Detroit, Mich. 48207, today filed a registration statement (File 2-26396) with the SEC seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., New York. The public offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and sells fastening systems consisting of high reliability, precision engineered fastening devices and related installation tools, including precision blind fasteners. Some 55% of its sales are made to the aircraft, aerospace and air transportation industries and the balance to the bus, construction, railroad, ship building, trailer and truck industries. Net proceeds of its sale of additional stock will be used to retire some \$1,500,000 short term bank loans incurred in connection with its expansion program; and the balance will be added to general funds and applied to its continuing expansion program. In addition to indebtedness, the company has outstanding 1,877,652 common shares, of which 22% is owned by A. Watson Armour, III, president, and 70.3% is held by Armour as executor of the estate of Jean S. Armour, deceased, of which he is the principal beneficiary.

**CUTLER-HAMMER PROPOSES OFFERING.** Cutler-Hammer, Inc., 4201 No. 27th St., Milwaukee, Wisc. 53216, today filed a registration statement (File 2-26397) with the SEC seeking registration of \$20,000,000 of sinking fund debentures due 1992. The debentures are to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York 10005, and Robert W. Baird & Co., 731 N. Water St., Milwaukee, Wisc. 53201. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the development, manufacture and sale of electrical and electronic equipment. In 1966 some 40% of its sales were made to the Department of Defense, NASA and other Federal agencies. Net proceeds of the sale of debentures will be used in part to retire \$10,000,000 of bank indebtedness outstanding in the amount of \$15,000,000 and incurred to provide additional working capital. The balance of the proceeds will be added to the company's general funds and used principally for the construction of two new plants and additions to a third plant and equipment therefor, in the aggregate amount of about \$5,000,000. The remainder will be available for general corporate purposes including the financing of inventories and receivables. In addition to indebtedness, the company has outstanding 3,145,556 common shares. The prospectus lists Edmund B. Fitzgerald as president.

**TWO OFFERING PROPOSALS ABANDONED.** The following companies are deemed to have abandoned stock offering proposals contained in their respective Securities Act registration statements: Texas Independent Coffee Organization, Inc. (File 2-21110); and New Campbell Island Mines Limited (File 2-19132). Texas Independent Coffee Organization is now undergoing reorganization pursuant to Chapter X of the Bankruptcy Act; its statement has not been amended since August 1964. New Campbell Island Mines has not amended its statement since May 1962 and does not respond to communications from the Commission's staff. Neither statement is effective; and information contained therein should not be relied upon for purposes of investment decision or otherwise.

**SECURITIES ACT REGISTRATIONS.** Effective April 18: Martin-Marietta Corp., 2-26280; Miehle-Goss-Dexter, Inc., 2-26205 (May 28); Milton Roy Co., 2-26084 (July 18); The Sherwin-Williams Co., 2-26295; The Western Union Telegraph Co., 2-26151 (May 29). Effective April 19: Automatic Retailers of America, Inc., 2-26328; McGraw-Hill, Inc., 2-26311 (40 days); Puerto Rican Cement Co., Inc., 2-26183 (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.