

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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FOR RELEASE August 18, 1967

NORTHEAST UTILITIES TENDER OFFER FOR HOLYOKE WATER POWER STOCK APPROVED. In a decision under the Holding Company Act announced today (Release 35-15825), the SEC approved the proposal of Northeast Utilities ("Northeast"), a Boston-utility holding company, to exchange its common shares, through an invitation for tenders, for the outstanding capital stock of Holyoke Water Power Company ("HWP"), a Massachusetts corporation primarily engaged in the manufacture and sale of electricity. HWP supported Northeast's proposal.

Northeast's proposal contemplates the offer of 2.25 shares of its common stock in exchange for each outstanding share of HWP. The exchange offer will not become effective unless holders of at least 80% of HWP's 480,000 outstanding shares accept it. The Commission found that the proposed purchase price for the HWP shares was fair and reasonable to stockholders of both HWP and Northeast. It also found that Northeast's proposal to acquire HWP met the integration requirements of Sections 7 and 10 of the Act, concluding, among other things, that the proposed acquisition would serve the public interest by tending towards the economical and efficient development of an integrated electric public-utility system. The electric service areas of HWP and Western Massachusetts Electric Co., Northeast's subsidiary in Massachusetts, are geographically contiguous and the companies' facilities are interconnected; and the proposed acquisition will assure continuation of the coordinated operation of the two systems and also make available to HWP new low-cost generating and transmitting facilities planned for Northeast's system, as well as make it possible for the companies to achieve further operating economies.

In approving Northeast's proposal, the Commission did not impose certain conditions requested by the City of Holyoke, Massachusetts and its Gas and Electric Department. The principal conditions requested by the Department, which it asserted to be necessary to protect its competitive position, were that HWP's retail industrial customers in the City be transferred to the Department and that Northeast guarantee the Department generation and transmission of power on the same basis as supplied to affiliates; the condition urged by the City was that HWP pay the City local property taxes on its machinery. The Commission did not deem any of these conditions appropriate, noting, among other things, that the State legislature had previously rejected a proposal to transfer HWP's business in the City to the Department, that the Federal Power Commission has regulatory authority over the wholesale supply of power, and that the question of HWP's tax liability is currently the subject of litigation between the City and HWP.

SEC SUSPENDS THREE FIRMS. The SEC today announced a decision under the Securities Exchange Act (Release 34-8145) suspending the broker-dealer registrations of two firms for ten business days and that of another firm for two business days, upon the basis of Commission findings of securities violations.

Suspended for ten days were Wallace Brokerage Company, Inc. of Wallace, Idaho, and L. E. Nicholls Co. of Spokane, Washington. Frank D. Ford Co., Inc. of Spokane was suspended for two days. The suspensions are effective at the opening of business September 18, 1967. Dorothy B. Kottkey, president of Wallace Brokerage, Leigh E. Nicholls, president of Nicholls Co., and Richard H. Ellis, president of Ford Co. were suspended for the same periods as their respective firms from association with a broker or dealer and from the Spokane Stock Exchange.

The suspensions were based upon Commission findings that Wallace Brokerage and Nicholls Co., as well as each of the three individual respondents, violated the Securities Act registration requirement in the offer and sale of stock of Hibernia Silver Mines, Inc. According to the decision, Wallace Brokerage and Kottkey offered and sold at least 275,000 shares of Hibernia stock from October 1964 to June 1965; Nicholls Co. and Nicholls sold at least 348,100 shares from November 1962 to October 1965; and Ellis sold 155,000 shares from October 1963 to July 1964. The Hibernia stock was not registered with the Commission under the Securities Act.

Without admitting any of the allegations against them, the respondents other than Ford consented to a finding that the stock was sold in violation of the registration requirement and to the entry of the suspension order.

LIBERTY INVESTORS SEEKS ORDER. Liberty Investors, Inc. ("Liberty"), Wichita, Kansas, 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-5061) giving interested persons until September 11 to request a hearing thereon. Liberty was organized for the purposes of forming a wholly-owned life insurance subsidiary or to acquire existing life insurance companies in the State of Kansas. The requirements of the Kansas Insurance Commission would not permit Liberty to acquire or form a life insurance subsidiary pending completion of a public offering of its securities begun December 1, 1965, and continued until March 2, 1967. During this period, proceeds from the public offering were invested in various securities. As a result, Liberty became an investment company as defined in the Act. On July 9, the Kansas Insurance Commission issued its Certificate of Authority to Life of America, Inc., a wholly-owned life insurance subsidiary of Liberty. Liberty represents that since the formation of Life of America, Inc., it has ceased to be an investment company.

GULF STATES LAND FILES FOR SECONDARY. Gulf States Land & Industries, Inc., 420 Lexington Avenue, New York, N.Y. 10017, filed a registration statement (File 2-27098) with the SEC on August 15 seeking registration of 10,000 outstanding shares of common stock, to be offered for public sale by the holder thereof.

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Allen & Company, 30 Broad Street, New York, N.Y. The shares may be sold, from time to time, through one or more securities brokers on the Midwest Stock Exchange or the American Stock Exchange, or otherwise, at prices current at the time of sale (\$7.00 per share maximum*).

The company is engaged primarily in oil and gas operations, metallurgical and industrial development and real estate investments. According to the prospectus, the company had operating losses of \$325,222 in 1962, \$867,829 in 1963, \$266,661 in 1965 and \$1,814,151 in 1966. In addition to indebtedness, the company has outstanding 2,552,118 common shares of which Webb & Knapp owns beneficially 25.5% and of record 1.8%, and management officials own .5%. C. Leslie Rice is president. The shares being offered were acquired by Allen & Company under an agreement dated August 14, pursuant to which Allen transferred to Gulf States 20% of the outstanding capital stock of Clarkdale Realty, Inc., and received the 10,000 common shares of Gulf States previously held in treasury. Since January 1961, Gulf States has held the remaining 80% of the outstanding capital stock of Clarkdale Realty, Inc.

BRUN SENSOR FILES OFFERING PROPOSAL. Brun Sensor Systems, Inc., 1150 West Third Avenue, Columbus, Ohio 43212, filed a registration statement (File 2-27105) with the SEC on August 16 seeking registration of 100,000 shares of common stock and 50,000 common stock purchase warrants. It is proposed to offer these securities for public sale in units consisting of two common shares and one warrant. The offering is to be made through underwriters headed by Morgan, Kennedy & Co., Inc., One Chase Manhattan Plaza, New York, N.Y.; and the offering price (\$5.25 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriter 10,000 additional warrants at 1¢ per warrant and to reimburse it for certain out-of-pocket expenses. The company has also agreed to sell 22,500 warrants at 1¢ per warrant to Gregory & Sons for past financial advice.

The company is engaged in the development, manufacture, assembly, sale and leasing of sensor gauges and control systems for use in continuous industrial processes. Of the net proceeds of this financing, \$50,000 will be used to purchase new equipment for product development, research and production; \$300,000 will be added to working capital; and over the next 18 months, (a) \$125,000 will be used to expand Brun's executive management, research and marketing staffs, (b) \$75,000 to provide more personnel and equipment for additional sales demonstrations, and (c) \$100,000 for research and product development. The balance will be added to general corporate funds. In addition to indebtedness, the company has outstanding 409,500 common shares, of which the Columbus Capital Corporation owns 16% and management officials 49% (including 26% owned by Donald C. Brunton, president, and 16% owned by Ivan Gilbert, board chairman).

NORTHERN NATURAL GAS PROPOSES OFFERING. Northern Natural Gas Company, 2223 Dodge Street, Omaha, Neb. 68102, filed a registration statement (File 2-27106) with the SEC on August 17 seeking registration of 150,000 shares of \$100 par cumulative preferred stock. The shares are to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall Street, New York, N.Y. 10005. The dividend rate, public offering price (\$102 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the transmission, distribution and sale of natural gas. It is also engaged in the production and sale of liquefied petroleum gas, natural gasoline, helium and chemicals. Net proceeds of the preferred stock sale will be used to pay a portion of its 1967 expansion program (estimated at \$155,000,000), including repayment of some \$50,000,000 of short-term bank loans incurred therefor. In addition to indebtedness and preferred stock, the company has outstanding 9,238,604 common shares, of which management officials own 186,619 shares. W. A. Strauss is president and board chairman.

OZITE CORP. PROPOSES DEBENTURE OFFERING. Ozite Corporation, 7-120 Merchandise Mart, Chicago, Ill. 60654, filed a registration statement (File 2-27107) with the SEC on August 17 seeking registration of \$10,000,000 of convertible subordinated debentures. The debentures are to be offered for public sale through underwriters headed by Smith, Barney & Co. Incorporated, 20 Broad Street, New York, N.Y. 10005; the interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of needlebond (non-woven) carpet and carpet cushion and sponge rubber carpet cushion. Net proceeds from its sale of debentures will be applied to reduce some \$12,823,750 of short-term bank borrowings incurred to finance increased inventories and accounts receivable. In addition to indebtedness and preferred stock, the company has outstanding 1,183,475 common shares, of which management officials own 52.86%. Edwin A. Gallum is board chairman and Richard Kimmel is president.

DELMARVA P&L FILES FOR OFFERING. Delmarva Power & Light Company, 600 Market Street, Wilmington, Del. 19899, filed a registration statement (File 2-27108) with the SEC on August 17 seeking registration of \$25,000,000 of first mortgage and collateral trust bonds, due 1997, to be offered for public sale at competitive bidding. The company will apply the net proceeds of its bond sale toward the cost of its 1967 and 1968 construction program (estimated at \$76,436,000). A. T. Gardner is president.

SEVEN TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of North American Research & Development Corp., for the further ten-day period August 19 through August 28, 1967, inclusive; in securities of Roto American Corp., Steel Crest Homes, Inc., and S & P National Corp., for the further ten-day period August 20 through August 29, inclusive; and in securities of Continental Vending Machine Corporation, Westec Corporation, and Pakco Companies, Inc., for the further ten-day period August 21 through August 30, inclusive.

TRADING IN DYNA RAY STOCK SUSPENDED. The SEC on August 17 ordered the temporary suspension of over-the-counter trading in the common stock of the Dyna Ray Corporation ("Dyna Ray"), of New York City, for the ten-day period August 17-26, 1967, inclusive.

Dyna Ray stock was quoted at 15¢ per share bid in March 1967. By the end of May the bid price had risen to \$4 per share, and it continued to advance to a high bid of \$10 on August 7, 1967.

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Until June of this year, the company was known as Tobin Craft, Inc. No current public information is available concerning the company's operations, financial condition, product lines, plant location or place of business, and recent efforts to communicate with company officials have been unsuccessful.

It appeared that under the circumstances, the Dyna Ray stock could not be evaluated by public investors on an informed and realistic basis. Accordingly, the Commission concluded that it was necessary and appropriate in the public interest to suspend trading in such stock pending clarification of the relevant facts.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8147) granting an application of the American Stock Exchange to strike from listing and registration the common stock of Peruvian Oils & Minerals Limited, effective at the opening of business on August 21, 1967. According to the application, the company has reported losses for the four consecutive years ended December 31, 1966, and for the three months ended March 31, 1967. In addition, the company has indicated that it expects that an operating loss will be reported for the year ending December 31, 1967.

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's "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 2 News Digest.

Gerber Scientific Instrument Co		Van Dorn Co Jul 67 (8)	0-2139-2
Jul 67 (4,13)	0-2292-2	Varian Associates Jul 67 (7,13)	1-4213-2
Glidden Co Jul 67 (11,12,13)	1-531-2	U S Industries Inc	
Graphic Controls Corp Jul 67 (2)0-2349-2		Jul 67 (2,4,7,13)	1-3772-2
Gulf American Corp		Westcoast Transmission Co Ltd	
Jul 67 (9,12,13)	1-4470-2	Jul 67 (11)	1-4951-2
Koret of California Inc Jul 67 (300-2600-2		Western Air Lines Inc	
Management Assistance Inc		Jul 67 (7,9,12,13)	1-1521-2
Jul 67 (9)	0-2017-2	Win Chek Industries Inc	
Nathan Hale Life Insur Co of N Y		Jul 67 (1,2,4,7,11,13)	0-2798-2
Jul 67 (11,13)	2-22840-2		
Networks Electronic Corp		Crescent Corp	
Jul 67 (3,7,8)	0-1817-2	Amd to 8K for June 65 (1)	1-3425-2
New York State Electric & Gas Corp		Amd to 8K for Sept 65 (7)	1-3425-2
Jul 67 (12,13)	1-3103-2	Amd #1 for Dec 65 (1)	1-3425-2
Northern Indiana Public Service Co		Amd #2 for Dec 65 (1,2)	1-3425-2
Jul 67 (13)	1-4125-2	Amd #1 for Dec 66 (2,12)	1-3425-2
Northrop Corp Jul 67 (4,13)	1-3229-2	Amd #1 for Jan 67 (1,2)	1-3425-2
Pakco Companies Inc		Amd #1 to 8K for Apr 67 (1)	1-3425-2
Jun 66 (2)	0-592-2	Pakco Companies Inc	
Panoil Co Jul 67 (2,7,13)	0-1194-2	Amd #2 for Jul 65 (2,7)	0-592-2
Paramount Pacific Inc		Amd #3 for Jul 65 (2,7)	0-592-2
Jan 67 (2,13)	0-665-2	Amd #1 for Dec 66 (2,13)	0-592-2
Peoples Gas Light & Coke Co		Amd #1 for Apr 67 (2)	0-592-2
Jul 67 (12)	1-1573-2		
		Ald Inc Jul 67 (12)	0-254-2
Pike Corp of America		Amalgamated Leather Co Inc Jul 67 (9)	0-811-2
Jul 67 (3,12)	1-5203-2	Amer Can Co Jul 67 (7,13)	1-552-2
Pneumodynamics Corp		Amer District Telegraph Co Jul 67 (3,13)	0-771-2
Jul 67 (7,13)	1-4875-2	Brite Universal Inc Aug 67 (12,13)	2-18612-2
Potter Co Jul 67 (12,13)	1-1632-2	Bullion Monarch Co Jul 67 (2,7)	1-8396-2
Raymond International Inc		C & U Communications Corp Jul 67 (11,13)	1-4948-2
Jul 67 (12)	1-4314-2	Cameo-Parkway Records Inc Jul 67(1,2,12)	1-4672-2
Rochester Gas & Electric Corp		Capital Leasing Co Jul 67 (12)	0-1470-2
Jul 67 (13)	1-672-2	Central Tele Co Jul 67 (7)	0-751-2
Royal Industries Inc		Coffee-Mat Corp Apr 67 (11)	1-5367-2
Jul 67 (7,13)	1-5319-2	Computer Equipment Corp Jul 67 (2,4,7,13)	0-625-2
St Clair Mfg Corp		Eastern Can Co Inc Jul 67 (11)	1-4460-2
June 67 (2,7,11,12,13)	0-2782-2	Electro Voice Inc Jul 67 (12)	1-4655-2
Simmonds Precision Products Inc		Farmers Union Coop Marketing Assoc	
Jul 67 (11,13)	1-4942-2	Jul 67 (7,8)	2-22230-2
Simon Stores Inc Jul 67 (8,13)	0-1635-2	First Republic Corp of Amer Jul 67(12,13)	0-1437-2
Symington Wayne Corp		Four Star Television Jul 67 (2,13)	0-1815-2
Jul 67 (3,7,13)	1-1273-2	Frontier Airlines Inc Jul 67 (2,11,13)	1-4877-2
Systron Donner Corp		Grey Advertising Inc May 67 (11)	0-2113-2
Jul 67 (2,7,9,13)	1-4819-2	Gulton Ind Inc Jul 67 (7)	1-4330-2
Telephone Utilities Inc		Infotronics Corp Jul 67 (4,7,11)	0-2784-2
Jul 67 (11,13)	0-873-2	Interstate Hosts Inc Jul 67 (7)	0-1071-2
Toledo Edison Co		Kaiser Aluminum & Chemical Corp Jul 67	
Jul 67 (7,13)	1-3503-2	(13)	1-3605-2
Trans Canada Pipe Lines Ltd		Master Ind Inc Jul 67 (9,11,13)	2-18684-2
Jul 67 (7,8)	2-12927-2		

Mc Call Corp Jul 67 (4,13)	1-471-2		
Mc Gregor-Doniger Inc Jul 67 (2,4,13)	1-4010-2	Leeds Shoes Inc Jul 67 (4,11,13)	0-2216-2
Metropolitan Devel Corp Jul 67 (6,11)	0-1206-2	R H Macy & Co Inc Jul 67 (13)	1-556-2
Mitsubishi Jukogyo Kabushiki Kaisha (6K for June 67)	2-20536-2	Pacific Coast Properties Inc Jun 67 (7,13)	1-4690-2
Nordon Corp Ltd Jul 67 (9)	1-547-2	Racine Hydraulics & Machinery Inc Jan 67 (13)	0-1891-2
Occidental Petroleum Corp Jul 67 (3,4,7,8,13)	1-520-2	Revere Racing Assoc Inc Jul 67 (11)	0-1590-2
Palomar Mortgage Co Jul 67 (1)	0-1873-2	Scope Inc Jul 67 (7,11,13)	0-2107-2
Pepsi-Cola Bottling Co of Long Island Inc Amend #1 to 8K for May 67 (13)	1-4512-2	Slater Electric Inc Jul 67 (12,13)	0-2444-2
Portland Transit Co Apr 67 (11)	0-2212-2	Sunset House Jul 67 (12,13)	1-5285-2
Prudential Real Estate Trust Jul 67 (2,7,8,13)	0-1061-2	Texaco Inc Jul 67 (7)	*1-27-2
SCM Corp Jul 67 (4,7,13)	1-3143-2	Pittston Co Amend #1 to 8K for Jun 67 (7)	1-304-2
Silicon Transister Corp Jul 67 (7)	1-4483-2		
Southern Ind Corp Jul 67 (7)	0-1251-2		
Spacerays Inc May 67 (7)	0-2634-2		
Technical Animations Inc Jul 67 (7)	0-2394-2		
Texas American Oil Corp Jul 67 (11,13)	0-1951-2		
Tropical Gas Co Inc (6K for Jul 67)	1-4937-2		
United Gas Corp Jul 67 (12)	1-3257-2		
Virginia Tele & Tele Co Jul 67 (7)	0-763-2		
West Coast Airlines Inc Jul 67 (12)	0-1286-2		
Western Oil Fields Inc Apr 67 (13)	0-715-2		

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

File No.	O-Registrants	Location		
2709	Beaman Corp	Greensboro, N.C.	2722	July Sportsweat, Inc
2718	Burdett Oxygen Co of Cleveland, Inc.	Cleveland, O.	2716	Mohican Corp.
2699	Chatham Mfg. Co.	Elkin, N.C.	2694	William S. Moore, Inc.
2729	Electro-Nite Co.	Philadelphia, Pa.	2726	Petroleum Exploration
2719	Electromagnetic Industries, Inc.	Sayville, LI, NY	2693	Port Huron Paper Corp.
2701	Fanon Electronic Industries, Inc.	Newark, NJ	2728	Santa Rosa Enterprises
2698	Fullview Industries, Inc	Glendale, Calif.	2696	Schaevitz Engineering
2786	Harvest Markets, Inc.**	Buffalo, N.Y.	2692	Sta-Kleen Bakery, Inc.
2711	Hi-Plains Enterprises, Inc	Leoti, Kansas	2703	Telephone Utilities of Pennsylvania, Inc.
2691	Imperial-Eastman Corp	Chicago, Ill.	2713	Timesavers, Inc.
2710	Johnson Hill's Inc.	Wisconsin Rapids, Wisconsin	2720	Transworld Corp.
			2695	Udico Corp.
			2706	Watsco, Inc.
				New York, N.Y.
				Newark, Ohio
				Sistersville, West Va.
				Port Huron, Mich.
				Santa Rosa, Calif.
				Pennsauken, NJ
				Lynchburg, Va.
				Export, Pa.
				Crystal, Minn.
				Graylake, Ill.
				Los Angeles, Calif.
				Hialeah, Fla.

SECURITIES ACT REGISTRATIONS. Effective August 16: Diamond International Corp., 2-26804 (Sept. 25); Gulf & Western Industries, Inc., 2-27052 (40 days). Effective August 17: Crane Co., 2-26854 (40 days); General Host Corporation, 2-26745; Howard Johnson Company, 2-26997 (40 days); John Nuveen & Co., 2-26746; Saxon Paper Corporation, 2-26837 (40 days); Wisconsin Michigan Power Company, 2-26988; Wyle Laboratories, 2-26948 (40 days); Xerox Corp., 2-26896.

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.