

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 December 4, 1967

KATY R.R., MADISON FUND, AXE FUNDS, RECEIVE ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5182) granting an exemption application of Missouri-Kansas-Texas Railroad Company ("Katy"), Katy Industries, Inc. ("Industries"), Madison Fund, Inc. ("Madison"), Axe-Houghton Fund A, Inc., Axe-Houghton Fund B, Inc., Axe-Houghton Stock Fund, Inc., and Axe Science Corporation, with respect to (1) the call for redemption by Katy of all of its 7% convertible collateral trust bonds, due 1977, and the conversion of such bonds into common stock of Katy by certain of the holders thereof, and (2) the issuance of common stock of Industries to Katy stockholders in exchange for their Katy stock. The Commission also granted exemption with respect to a plan whereby (a) Madison, Axe Funds, St. Louis and Kansas City Land Company (a subsidiary of the Chicago, Burlington & Quincy Railroad Company), Banque de Paris et des Pays-Bas Succursale Geneve, and Banca della Svizzera Italiana will, pursuant to contracts, sell a portion of their holdings of common stock of Katy to Bangor Punta Operations, Inc. ("Bangor Punta"), a subsidiary of Bangor Punta Corporation, (b) Industries, pursuant to an option contract, will sell shares of its common stock to Bangor Punta, (c) Madison, Axe-Houghton Fund B and St. Louis and Kansas City Land Company will convert their Katy convertible bonds and (d) Katy stockholders (including some of the named applicants) will be offered the opportunity to exchange their Katy common stock for common stock of Industries.

TARVESTAD AND WYUM SENTENCED. The SEC Denver Regional Office announced November 28 (LR-3877) that the Federal court at Fargo, N. D., had sentenced Lee E. Tarvestad, formerly of West Fargo, and George A. Wyum of West Fargo, each to an eighteen-month prison term and five years probation thereafter, following their conviction for violations of the registration and anti-fraud provisions of the Securities Act and the mail fraud statute in the offer and sale of securities issued by Dalco American Enterprises, Inc., its mortgage division, known as Dalco American Mortgage, and Continental Mortgage Company, all North Dakota corporations.

UNLISTED TRADING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8198) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Gulf & Western Industries, Inc. (Delaware).

UNLISTED TRADING SOUGHT. The Pittsburgh Stock Exchange has applied to the SEC for unlisted trading privileges in the common stock of Mid-American Pipelines Co.; and the Philadelphia-Baltimore-Washington Stock Exchange has applied for such privileges in the common stocks of Foremost-McKesson, Inc. and Warner Bros., Seven Arts Limited. The Commission has issued orders (Release 34-8198) giving interested persons until December 19 to request hearings thereon.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8198) granting an application of Lone Star Gas Company to withdraw its common stock from listing and registration on the Pittsburgh Stock Exchange, effective at the opening of business on December 1, 1967. The issuer requested the delisting due to the small amount of trading of its stock on the Exchange. The company's stock is listed on the New York Stock Exchange.

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in securities of Interamerican Industries, Ltd. and Penrose Industries Corp., for the further ten-day period December 5-14, 1967, inclusive.

STATE FARM INCOME PROPOSES OFFERING. State Farm Income Fund, Inc., 112 E. Washington St., Bloomington, Ill. 61701, filed a registration statement (File 2-27769) with the SEC on November 29 seeking registration of 250,000 shares of common stock, to be offered at net asset value (\$10.00 per share maximum*).

The Fund intends to make its shares available only to agents and employees of the State Farm Insurance Companies and their families. Its primary objective is to obtain for its shareholders the highest possible current income consistent with the preservation of capital; as a secondary objective, securities with growth potential may be selected. State Farm Investment Management Corp. is the investment adviser and principal underwriter of the Fund. Edward B. Rust is president of the Fund and the adviser.

FARMBEST, INC. PROPOSES OFFERING. Farmbest, Inc., Denison, Iowa, filed a registration statement (File 2-27770) with the SEC on November 29 seeking registration of 5,000 shares of common stock and \$200,000 of 15-year retain capital certificates. The shares are to be offered for public sale at \$1.00 per share and the certificates at 25¢ per unit. The offering is to be made through company representatives. Sales are to be limited to producers of agricultural products and cooperative associations of such producers.

The company was organized under Kansas law by Farmland Industries, Inc. as a cooperative marketing and purchasing association for farmers. In addition to indebtedness, it has outstanding 20,599 common shares, of which Farmland Industries owns 40%. E. T. Lindsey is president.

OVER

"DEAR WORLD" PRODUCERS PROPOSE OFFERING. Dear World Company, 225 W. 44 St., New York, filed a registration statement (File 2-27771) with the SEC on November 29 seeking registration of \$500,000 of interests in the company. The interests are to be offered for public sale in \$10,000 units (subject to a 20% overcall).

The issuer is a partnership to be formed under New York law for the purpose of producing a dramatic-musical play presently entitled "Dear World," based on the French language play "The Madwoman of Chaillot" by Jean Giraudoux and the English language version by Maurice Valency. It is said to be a satire on contemporary society and is concerned with those who have a joy and zest for living. The play is to be produced by the general partner, Alexander H. Cohen.

PACIFIC MINING TO SELL STOCK. Pacific Mining Corporation, 302 Carson Ave., Las Vegas, Nev. 89101, filed a registration statement (File 2-27774) with the SEC on November 30 seeking registration of 408,171 shares of common stock. The company proposes to make a public offering of 300,000 shares at \$3 per share. The offering is to be made by company officials; but shares may be sold through dealers, which will receive a 10% concession from the offering price. The remaining 108,171 shares are held by certain non-management officials.

The company was organized in 1961 to engage in the business of exploring, mining, milling and otherwise dealing in silver, gold and all kinds of ores, metals and minerals. It acquired in 1961 from Jack E. Holloway, president and general manager, by Quit Claim Deed all the right, title and interest in and to certain mining claims located principally in San Bernardino County, Calif. (the "Lucky Jim" and "Cerro de La Plata" mines; these adjacent properties are now called the "Silver Ridge Property"). Holloway and his associates received 350,000 common shares as consideration therefor. Operations to date have been financed through the sale of stock and through loans to the company by officers and directors and the United States Government. Net proceeds of the company's sale of additional stock will be applied to the further development of the company's "Plan of Operation," including the construction of a mine storage shed and shop, installation of a "flotation mill", purchase of mine equipment and tools, and the commencement of mine development program. According to the prospectus, management officials own 421,584 shares (77.72%) of the outstanding stock. For their shares management officials have paid \$91,702.85 in cash, worked on behalf of the company since March of 1961; and in addition to the transfer of title to the mining claims have spent considerable time working in a managerial and laboring capacity with regard to the company's mines.

MONECO, INC. PROPOSES OFFERING. MoneCo, Incorporated, 11043 Main St., Sharonville, Ohio 45241, filed a registration statement (File 2-27772) with the SEC on November 30 seeking registration of 4,000 shares of common stock, to be offered for public sale at \$250.00 per share. The offering is to be made through company representatives.

The company was organized under Ohio law on July 31, 1967 to purchase, own, hold, control and operate financial institutions, such as banks, building and loans, small loan companies, commercial loan companies, and other credit extending institutions and investment type companies. Proceeds of this offering are to be applied, in part, to the purchase of stock of Commonwealth-Solidarity Bank and Trust Company (or its predecessor) and to acquire land and construct a building thereon to be leased to Commonwealth-Solidarity for operation of a branch bank; the balance will be used in furtherance of the company's business. In addition to indebtedness, the company has outstanding 20 common shares. Carl J. Parks is president.

LIBERTY CORP. FILES EXCHANGE PLAN. The Liberty Corporation, Greenville, S. C., filed a registration statement (File 2-27775) with the SEC on November 30 seeking registration of 5,000,000 shares of common stock. Liberty proposes to offer these shares in exchange for stock of Liberty Life Insurance Company on a share-for-share basis. Liberty was organized under South Carolina law on November 27, 1967, for the purpose of making this exchange offer and thereby becoming the parent of Liberty Life. The exchange offer is considered to be in the best interest of Liberty Life shareholders for the reasons (among others) that it will provide greater flexibility to meet the competitive changes which are occurring in the insurance business and will provide for diversification through the organization or acquisition of businesses not limited to the insurance field. Francis M. Hipp is president and board chairman. Some 18.6% of the outstanding stock of Liberty Life is owned by Surety Investment Company. Members of the Hipp family own a 45% interest in Surety Investment; and they also own nearly 20% of the outstanding stock of Liberty Life.

U. S. GYPSUM FILES FOR SECONDARY. United States Gypsum Company, 101 S. Wacker Drive, Chicago, Ill. 60606, filed a registration statement (File 2-27776) with the SEC on November 30 seeking registration of 367,420 shares of \$1.80 convertible preferred stock. These shares may be offered for public sale by the holders thereof from time to time on the New York Stock Exchange or otherwise at prices current at the time of sale (\$36.00 per share maximum*). The selling stockholders will receive such shares upon the merger of A. P. Green Refractories Co. into the company on December 29, 1967. Upon the merger, shares of Green Refractories common then outstanding will be changed into Gypsum preferred, on a share-for-share basis, and each share of Green Refractories preferred outstanding will be changed into 2.78 preferred shares of Gypsum.

The company is engaged primarily in the manufacture and sale of gypsum products, products for construction and industrial uses, and various specialty products. In addition to indebtedness and preferred stock, it has outstanding 8,087,712 common shares, of which management officials own 165,741 shares. Graham J. Morgan is president. Green Refractories' principal business is the manufacture, sale and installation of a widely diversified line of refractory products. The prospectus lists 21 selling stockholders. The Allen P. and Josephine B. Green Foundation, Inc. proposes to sell 75,866 shares, Harry P. Barrant, Sr., 66,000 shares, and Josephine G. Wood, 62,192 shares; the others propose to sell shares ranging in amount from 100 to 61,446 shares.

ASSOCIATED BABY SERVICES FILES FOR OFFERING AND SECONDARY. Associated Baby Services, Incorporated, 149 Madison Ave., New York 10016, filed a registration statement (File 2-27777) with the SEC on November 30 seeking registration of 250,000 shares of common stock. Of this stock, 125,000 shares are to be offered for public sale by the company and 125,000 (being outstanding shares) by the present holders thereof. The public offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment. Faulkner, Dawkins & Sullivan, 60 Broad St., New York 10004 is listed as the principal underwriter.

The company operates diaper service plants and linen supply businesses, publishes and distributes "Baby Talk" Magazines in the infant field, and manufactures and sells disposable hospital bed pads, and a variety of paper products. Of the net proceeds of its sale of additional stock, \$200,000 will be used for new machinery being installed in the Bound Brook, N. J. disposable products plant, \$600,000 for establishing and equipping two new diaper service plants, and \$500,000 for establishing and equipping a new plastic extrusion plant; the balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 757,544 common shares, of which management officials own 44.1%. The prospectus lists six selling stockholders. Morris A. Bonoff (president and board chairman) proposes to sell 50,000 of his holdings of 108,504 shares, Aaron Bonoff (vice president), 26,000 of 51,116, and Joseph Michalover (a director), 25,000 of 55,307 shares; the others propose to sell shares ranging in amount from 4,000 to 16,000 shares.

COMPUTER EXCHANGE PROPOSES OFFERING. The Computer Exchange, Inc., 30 E. 42nd St., New York 10017, filed a registration statement (File 2-27780) with the SEC on December 1 seeking registration of 140,000 shares of common stock and 70,000 common stock purchase warrants, to be offered for public sale in units consisting of two common shares and one warrant. The offering is to be made at \$8.50 per unit through company representatives and NASD members, who will receive a 51¢ per unit commission.

The company is engaged in the purchase, sale and brokerage of used computers, computer components, punch card equipment and data processing supplies; in leasing and subleasing data processing equipment and punch card equipment; and in consulting services in the field of data processing. Net proceeds of the sale of the units will be added to working capital and after payment of some \$21,000 of outstanding notes will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 405,000 common shares, of which management officials own 89.5% (including 30.8% each owned by Harvey N. Berlent, president, and Leon Weissman, board chairman). Assuming all of the units offered are sold (and prior to the exercise of the warrants), the purchasers of the units will have paid some \$595,000 for the 140,000 common shares (25.7% of the amount then outstanding) and 70,000 warrants, while the present stockholders will have paid \$17,400 for 405,000 shares (74.3% of such stock prior to the exercise of the warrants).

BENDIX CORP. PROPOSES DEBENTURE OFFERING. The Bendix Corporation, Fisher Bldg., Detroit, Mich. 48202, filed a registration statement (File 2-27782) with the SEC on December 1 seeking registration of \$125,000,000 of sinking fund debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Morgan Stanley & Co., Two Wall St., and Blyth & Co., Inc., 14 Wall St., both of New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is engaged in the design, engineering and manufacture of various aviation, automotive, space, missile, electronic, automation and oceanic products for sale to other manufacturers and government agencies. Net proceeds of its debenture sale will be applied toward the reduction of some \$177,933,457 of bank borrowings used principally for additional working capital and for capital expenditures. In addition to indebtedness and preferred stock, the company has outstanding 12,144,053 common shares. A. P. Fontaine is board chairman and George E. Stoll is president.

ILLINOIS POWER PROPOSES BOND OFFERING. Illinois Power Company, 500 S. 27th St., Decatur, Ill. 62525, filed a registration statement (File 2-27783) with the SEC on December 1 seeking registration of \$25,000,000 of first mortgage bonds, due 1998, to be offered for public sale at competitive bidding.

An electric utility, the company will apply the net proceeds of its bond sale to the payment of some \$18,000,000 of outstanding short-term loans and the balance to new construction. Construction expenditures for the period from October 1, 1967 to December 31, 1972 are estimated at \$430,000,000. In addition to indebtedness and preferred stock, the company has outstanding 12,840,000 common shares. Wendell J. Kelley is president.

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:

R. H. Macy & Co., Inc., New York 10001 (File 2-27740) - 977,560 shares
Eastern Gas and Fuel Associates, Boston, Mass. 02199 (File 2-27781) - 685,069 shares

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
2909	ABC Industries inc. **	New York, N.Y.
2900	Certified Pharmacal Corp	Charlestown, Mass.
2902	Chandler Leasing Corp **	Waltham, Mass.
2896	Crossway Motor Hotels, Inc.**	N.Y., N.Y.
2905	Empire Gas Corp. **	Lebanon, Mo.
2904	First Western Financial Corp **	Las Vegas, Nevada
2908	General Telephone Co. of the Northwest **	Everett, Wash.
2903	Magnasync/Moviola Corp **	No. Hollywood, California
2906	Mutual Investment & Trust Corp **	Tucson, Ariz.
2898	Northwest Nitro-Chemicals Ltd. **	Alberta, Canada
2899	Pyroil Company Inc.	La Crosse, Wisc.
2897	Standard Computers Inc. **	Wynnewood, Pa.
2901	Technology Inc. **	Dayton, Ohio

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.

Billups Western Petroleum Co Sept 67 (11)	2-14924-2	Sterner Lighting Inc Sept 67 (9,13)	0-2552-2
Cenco Instruments Corp Oct 67 (2,4,7,13)	1-3730-2	Supreme Life Insur Co of Amer Jun 67 (7)	2-21758-2
Clavier Corp Nov 67 (2,12)	0-1780-2	White Consol Inds Inc Oct 67 (2,4,7,11,13)	1-826-2
Greer Hydraulics Inc Sept 67 (1,12)	1-3706-2		
Phila Labs Inc Nov 67 (1)	2-18203-2	Medical Invt Corp Amd #1 to 8K for Oct 67 (13)	0-1467-2
Rapid American Corp Nov 67 (2,4,11,13)	1-750-2	Norris Inds Inc Amd #2 to 8K for May 67 (13)	1-4322-2
Reeves Broadcasting Corp Oct 67 (12)	1-4361-2	Penrose Inds Corp Amd #1 to 8K for Jun 67 (3,13)	1-1277-2
Royal Palm Beach Colony Inc Oct 67 (7)	2-25917-2		

SECURITIES ACT REGISTRATIONS. Effective November 30: Bankers Trust New York Corp., 2-27582; Golden Gate Fund, Inc., 2-25892.

Effective December 1: Belden & Blake and Co. Ltd. Partnership No. 5A, 2-27736; Diamond Aklali Co., 2-27714; M. H. Fishman, Co., Inc., 2-27292 & 2-27293; General Instrument Corp., 2-27623 (Jan 11); McCrory Corp., 2-27734; Texas Industries, Inc., 2-27364; Western Union International, Inc., 2-27673.

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.