

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 19, 1969

ART. MATHEWS RECEIVES AWARD. SEC Chairman Hamer H. Budge issued the following statement concerning the selection by the Federal Bar Association of Arthur F. Mathews, Assistant Director, Division of Trading and Markets, as one of the six "outstanding young lawyers" in Federal service:

"The Commission and the staff congratulate Mr. Arthur F. Mathews on his selection for one of the 1969 awards presented to outstanding young lawyers in the Federal Service. He has made significant contributions to our programs and all of us are very proud of this singular honor conferred in recognition of exceptional achievements rendered by a member of the Commission's outstanding legal staff."

POTOMAC EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16449) permitting The Potomac Edison Company, Hagerstown, Md., subsidiary of Allegheny Power Systems, Inc. to increase to \$20,940,000 the amount of short-term notes it may issue. In this connection Potomac proposes to issue and sell and to renew or extend its short-term notes to banks and to dealers in commercial paper up to the maximum amount of \$20,940,000. The company will use the proceeds to reimburse its treasury for past expenditures made in connection with its construction program and that of its subsidiaries, to pay in part the cost of such future construction and for other corporate purposes. Construction expenditures of Potomac and its subsidiaries are estimated at \$143,000,000 for 1969-1971.

GEORGIA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16450) permitting an increase by Georgia Power Company, Atlanta subsidiary of The Southern Company, in the amount of short-term notes it may issue from 5% to 10% of the principal amount and value of other securities of Georgia Power at the time outstanding. In this connection, Georgia Power proposes to issue and sell up to \$100,000,000 of short-term notes to banks and commercial paper to Goldman, Sachs & Co., including currently outstanding bank loans and commercial paper aggregating \$74,344,000 which were issued pursuant to prior authorization of the Commission. The company will use the proceeds to reimburse its treasury for part of the expenditures in connection with its construction program, to finance in part its future construction program, to pay at maturity outstanding notes and commercial paper and for other corporate purposes. Construction expenditures are estimated at \$180,200,000 for 1969 and \$210,793,000 for 1970.

STATE STREET RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5785) permitting State Street Investment Corporation, Boston mutual fund, to acquire substantially all the assets of Rozier, Inc. (valued at \$1,623,000 on April 30) in exchange for its shares to be issued at net asset value. Had the transaction been consummated on April 30, Rozier would have received 29,708 State Street shares.

WASHINGTON NATIONAL INSURANCE CO. SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5786) giving interested persons until August 29 to request a hearing upon an application of Washington National Insurance Company, an Illinois stock life insurance company, and Washington National Variable Fund A, a unit investment trust, for exemption from certain provisions of the Act. Insurance Company established Fund A in connection with the proposed sale of variable annuity contracts intended to provide annuities under plans or trusts initially qualifying under Sections 401 or 403 of the Internal Revenue Code. Net purchase payments under contracts will be allocated by Fund A and invested in shares of Washington National Fund, Inc., a mutual fund.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period August 20-29, 1969, inclusive.

TRADING IN PACIFIC FIDELITY SUSPENDED. The SEC on August 18 ordered the temporary suspension of over-the-counter trading in the common stock of Pacific Fidelity Corporation of Nevada for the ten-day period August 18 (commencing at 3:30 P.M.) through August 27, 1969. The suspension was ordered because there appears to be no financial information currently available about the company and information currently being circulated about the company's assets and operations appears to be inaccurate and incomplete. The Commission sought to obtain information about the company's financial condition and operations, but company representatives refused to provide pertinent information and documents. Several million shares are understood to be issued and outstanding, none of which has been registered with the Commission.

AMERICAN ELECTRIC POWER STOCK OFFERING CLEARED. The SEC has issued a supplemental order under the Holding Company Act (Release 35-16452) approving the terms of the negotiated underwriting and public offering of common stock by American Electric Power Company, Inc. Previously, the Commission had granted the company's request for an exception to its competitive bidding rule, subject to reserved jurisdiction over the terms of the proposed offering, including the price payable by the underwriters to AEP, the

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underwriting discount or spread and related matters. Following final negotiations between American Electric Power the managers of the underwriting group, it was agreed that the price to be paid to AEP by the underwriters would be \$29.35 per share, or an aggregate amount of \$74,551,847, and the public offering price \$30.25 per share (the closing price of the stock on the NYSE on August 18).

COMMERCIAL STATE PROPOSES EXCHANGE OFFER. Commercial State Corporation ("ComStat"), 3570 Lindell Blvd., St. Louis, Mo. 63103, filed a registration statement (File 2-34283) with the SEC on August 11 seeking registration of 40,000 shares of \$1.50 cumulative convertible preferred stock (\$1 par) and 756,042 shares of common stock. All of the preferred shares and 545,740 of the common shares are to be offered in exchange for 40,000 outstanding preferred and the 545,740 outstanding common shares of Commercial State Life Insurance Company ("Insurance Company"), on a share-for-share basis. The exchange offer is contingent upon acceptance by holders of at least 95% of outstanding Insurance Company stock (with ComStat retaining the option to accept 80%). Of the remaining shares, 160,000 are issuable upon conversion of the 40,000 preferred shares and 50,302 are issuable upon exercise of options.

ComStat was organized in July for the purpose of making the exchange offer. Insurance Company is a legal reserve life insurance company engaged in the business of selling life insurance, hospitalization, accident, sickness and medical insurance. ComStat has outstanding 51,060 common shares. Emil Green is president of ComStat and of Insurance Company.

HEUBLEIN FILES FOR SECONDARY. Heublein, Inc., 330 New Park Ave., Hartford, Conn. 06101, filed a registration statement (File 2-34302) with the SEC on August 13 seeking registration of 116,975 shares of common stock issuable to former shareholders of Theodore Hamm Brewing Co. upon conversion of shares of 5% convertible preferred stock. These shares are to be offered for public sale by the recipients thereof through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004, and two other firms. The offering price (\$34 per share maximum*) and underwriting terms are to be supplied by amendment.

In a separate registration statement (File 2-34301), Heublein seeks registration of 50,000 outstanding shares of common stock issued to 15 employees pursuant to the company's Restricted Stock Purchase Plan.

The company is primarily engaged in the production, bottling and distribution of alcoholic beverages, including distilled spirits, wines and beer, and the processing and sale of specialty food products. It has outstanding 10,778,930 common shares. First Trust Company of Saint Paul as Trustee proposes to sell 24,000 shares each under the Lang-Ferndale Trusts No. 1, No. 2 and No. 3, and 18 others propose to sell the remaining shares issuable upon conversion of 20,329 shares of 5% convertible preferred stock.

EDWARD EQUITIES TO SELL STOCK. Edward Equities Corp., 586 Stewart Ave., Bethpage, L.I., N. Y., filed a registration statement (File 2-34307) with the SEC on August 14 seeking registration of 75,000 shares of common stock, to be offered for public sale at \$6.50 per share. The offering is to be made on a "best efforts, all-or-none" basis through Charisma Securities Corp., 717 Fifth Ave., New York, N. Y. 10022, which will receive a 65¢ per share selling commission plus \$11,250 for expenses. The company has agreed to sell to the underwriter, for \$75, five-year warrants to purchase 7,500 shares, exercisable at \$7.15 per share.

Organized in March, the company intends to engage principally in the purchase of unimproved real property, selling or developing the same and selling or operating the improved properties. Net proceeds of its stock sale will be used to fulfill the company's contractual commitment with respect to the purchase of property in the Hanover-Allentown, Pa. area; any balance will be used in connection with the purchase, development, construction, renovation or acquisition of real property. The company has outstanding 145,000 common shares (with a 34½¢ per share book value), of which Edward C. Adlman, president, owns 79% and management officials as a group 100%. Purchasers of the shares being registered will acquire a 34% stock interest in the company for their investment of \$487,500 (they will sustain an immediate dilution of \$1.65½ in per share book value from the offering price); the present shareholders will then own 66%, for which they will have paid \$50,000.

PACIFIC HOLDING CORP. TO SELL DEBENTURES. Pacific Holding Corporation, 745 Fifth Ave., New York 10022, filed a registration statement (File 2-34314) with the SEC on August 15 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1989, to be offered for public sale through underwriters headed by Shields & Co. Inc., 44 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged through subsidiaries in the manufacture and marketing of paints and related products, in the production and marketing of vitrified clay sewer pipe and brick products, and in the development of land in Southern California. Of the net proceeds of its debenture sale, \$10,044,000 will be applied to the satisfaction of the company's 9% short-term bank notes, incurred in connection with financing the purchase of stock of other corporations; the balance will be added to the company's general funds and will be available, together with internally generated funds and the proceeds of other unsecured loans, for the acquisition of interests in other companies, the development of real estate owned or to be acquired and capital expenditures for new facilities which may be made in connection with the future operations of the company and of other businesses which may be acquired in the future. In addition to preferred stock, the company has outstanding 1,625,178 common shares, of which management officials as a group own 9.3%. Rene R. Woolcott is president and John D. Fredericks board chairman.

COLWELL SHARES IN REGISTRATION. The Colwell Company, 3223 West Sixth St., Los Angeles, Calif. 90005, filed a registration statement (File 2-34315) with the SEC on August 15 seeking registration of 25,000 shares of common stock issuable upon exercise of options which may be granted pursuant to the company's Stock Option Plan.

E.L.I. INDUSTRIES FILES FOR OFFERING AND SECONDARY. E.L.I. Industries, Incorporated, 75 Main Ave., East Paterson, N. J. 07407, filed a registration statement (File 2-34316) with the SEC on August 15 seeking registration of 600,000 shares of common stock, of which 382,006 are to be offered for public sale by the company and 217,994 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Ferris & Company, 611 15th St., N. W., Washington, D. C. 20005. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in this statement are 60,160 outstanding shares of common stock, which may be offered for sale from time to time by the present holders thereof at prices current at the time of sale.

Organized in December 1967 to succeed to a fabric laminating business conducted since May 1964 by predecessor companies, the company is also engaged in other aspects of the textile and apparel industries and, to a lesser extent, in the furnishing of computer time-sharing and software services. Of the net proceeds of its sale of additional stock, \$500,000 will be applied to the reduction of short-term bank loans used by certain of its subsidiaries to finance inventory purchases and receivables, \$750,000 in partial payment for 700,000 shares of common stock of Time-Sharing, Inc. (an 85.8%-owned subsidiary), \$400,000 to finance inventory purchases by certain subsidiaries, \$450,000 to the establishment of an additional manufacturing and distribution facility, and \$250,000 to the expansion of production facilities; the balance will be added to the company's general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,107,965 common shares, of which Leonard Sandberg, board chairman, owns 9.9%, Irving Dickman and Martin Witkoff, vice presidents, 14.8% and management officials as a group 84.3%. Sandberg proposes to sell 20,000 shares of 110,280 shares held, Dickman 37,500 of 164,164, Witkoff 25,000 of 108,066 and 45 others the remaining shares being registered.

ROLLINS RAPID REPRO FRANCHISES FILES FOR OFFERING AND SECONDARY. Rollins Rapid Repro Franchises, Inc., 61 Cabot St., West Babylon, N. Y. 11704, filed a registration statement (File 2-34317) with the SEC on August 15 seeking registration of 150,000 shares of common stock, of which 110,000 are to be offered for public sale by the company and 40,000 (being outstanding shares) by the present holders thereof. The offering is to be made on an "all or none-best efforts" basis through Milton M. Star Agency, 605 Bauer Court, Elmont, N. Y., which will receive a 50c per share selling commission plus \$12,500 for expenses. The company has agreed to sell the underwriter, for \$150, five-year warrants to purchase 15,000 shares, exercisable after one year at \$5.50 per share, and to pay \$10,000 to Paul Kram, a finder, and to sell him 3,500 shares for \$35.

Organized in October 1967, the company is principally engaged in the organization, sale and servicing of franchises for retail quick printing and duplicating centers, all of which do business under the name "Rollins Rapid Repro." Of the net proceeds of its sale of additional stock, \$50,000 will be used for advertising, promotion and sale of the company's franchises, \$200,000 for the opening of 20 company-owned Rollins Rapid Repro Centers and \$100,000 for the purchase of inventories; the balance will be added to working capital and used for general corporate purposes. In addition to preferred shares, the company has outstanding 256,500 common shares (with a 38c per share net tangible book value), of which Mark L. Rollins, board chairman and president, owns 50% and management officials as a group 85%. Purchasers of the shares being registered will acquire a 35% stock interest in the company for their investment of \$750,000; the present shareholders will then own 65%, for which they will have paid \$98,500.

SUIT WOULD BAR SALE OF PAN AMERICAN STOCK. The SEC Fort Worth Regional Office announced August 6 (LR-4389) the filing of a complaint in the Federal court in Phoenix, seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of stock of Pan American Industries, Inc., by Mitchell M. Hazar of Phoenix; Donald Tarzwell, a/k/a Michael J. O'Shea, William Vasilios, Martin J. Carrabine, Executive Management Enterprises, Inc., and Executive Associates, Inc., of Los Angeles; James W. Brewer, of Oklahoma City; and George K. Waki, Houston Securities Corporation, Paul C. Ferguson, individually and dba Paul C. Ferguson, of Houston. As reported in the SEC News Digest of August 11, the complaint also sought to enjoin these and others from violating the anti-fraud provisions in the offering and sale of stock of Continental Investment Corporation. The complaint also sought an injunction against registration violations in the sale of Continental Investment stock by all the defendants except Vito Davanzo and Prudential Investment Corporation, of Miami (not the reverse, as the News Digest item indicated).

STOCK PLAN FILED. The following has filed a Form S-8 registration statement with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:
The Great Atlantic & Pacific Tea Company, Inc., New York, N. Y. 10017 (File 2-34311) - 500,000 shares

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 "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 6 News Digest.

8K Reports for June 69

Jantzen Inc (12,13)	0-629-2	Plasticate Corporation (11)	0-1574-2
Barbara Lynn Stores Inc (4,7,13)	1-5283-2	Milton Roy Co (2,7,13)	1-6007-2
Metromedia, Inc (12)	1-4647-2	Topas Computer Corporation (11,13)	2-28605-2
North America Data Systems, Inc		Toreador Royalty Corp	
May 69 (7,13)	2-29312-2	May 69 (11,13)	0-2517-2
Pearl Brewing Company (12)	0-777-2	Wetterau Foods, Inc (11)	0-1451-2

8K Reports for June 69 Cont'd

Aircraft Acceptance Corp May 69 (7,11,13)	0-2991-2	Modern Data Techniques, Inc (2, 13)	1-5939-2
Continental Manufacturing Co (2,7,13)	2-29979-2	Rollins Leasing Corp (2,13)	1-5728-2
Cox Broadcasting Corp (12)	1-4933-2	Telecheck International, Inc May 69 (2,7,13)	1-5764-2
First Union National Bancorp, Inc (12,13)	0-3554-2	Tinsley Laboratories, Inc May 69 (7)	0-3063-2
LeHigh Coal & Navigation Co (9, 13)	0-1760-2	April 69 (11,13)	0-3063-2
Mississippi River Corp (2,12, 13)	1-3599-2	VTR, Inc (11,12)	1-3393-2
National Sugar Refining Co (11)	1-3248-2	Wyle Laboratories (11,12,13)	1-5374-2
Questor Corp (3)	1-269-2	AMK Corp (13)	1-2704-2
RIC Group, Inc (2,11,12,13)	1-4242-2	Acme Precision Products Inc (6,7)	1-3327-2
Shell Oil Company (3)	1-2475-2	Aero-Flow Dynamics, Inc (2,11,13)	1-690-2
Triangle Industries, Inc (13)	1-4088-2	CNA Financial Corp (7,10,13)	1-5823-2
URS Systems Corp (2,7,12,13)	0-3441-2	Capital Reserve Corporation (2,7,13)	0-3551-2
U.S. Reduction Co (2,7,9,13)	1-5328-2	Continental Investment Corporation (11,13)	0-3655-2
Wolf Corp (2,3,7,9,13)	0-294-2	Crucible Steel Corp May 69 (12)	1-5887-2
Brown Co (6)	1-5077-2	Davis Food Service Inc (2,13)	0-3380-2
Canada Southern KY Company (11)	1-2903-2	Howard Stores Corp (7)	0-2275-2
Digital Equipment Corp (1)	1-5296-2	Mallinckrodt Chemical Works (7,13)	0-1274-2
Dunkin Donuts Incorporated (13)	0-3456-2	McCord Corp (12)	1-1233-2
Merchants Refrigerating Co (11,12)	1-4029-2	Samuel Moore and Company (11, 13)	0-3787-2
Michigan Central Rk Co (11)	1-1787-2	Refac Inc (11,12,13)	2-29391-2
Talley Industries, Inc (2,3, 7,13)	1-4778-2	South Carolina Electric & Gas Co (7,13)	1-3375-2
Vitramon, Inc May 69 (2,13)	0-415-2	Union Pacific Corporation (2,4,7, 11,12,13)	2-31741-2
Wisconsin Michigan Power Co (7)	0-319-2	United Fruit Co (11,13)	1-1550-2
Electro-Nite Co July 69 (12)	0-2729-2	Airlift International Inc (12)	1-5551-2
Hurst Performance, Inc (11,12, 13)	2-29485-2	Aviation Activities, Inc (2, 11,13)	0-3173-2
International Textbook Co (3,12)	0-800-2	Belden Corporation (7,13)	1-2951-2
Mem Co., Inc (7)	1-5292-2		

SECURITIES ACT REGISTRATIONS. Effective August 18: American Electric Power Co., Inc., 2-33901; Gulf Natural Resources Management Corp., 2-32587 (90 days); First at Orlando Corp., 2-33979 (40 days); Kenton Corp., 2-33965; Mediplex Corp., 2-32082 (90 days); Zavala-Riss Productions, Inc., 2-32054 (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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