

# 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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**ITT VARIABLE ANNUITY INSURANCE CO. RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5841) exempting ITT Variable Annuity Insurance Company, Denver, and ITT Variable Annuity Insurance Company Separate Account from certain provisions of the Act. Separate Account, an open-end diversified management investment company, was established for the purpose of maintaining assets accruing from the sale of individual and group variable annuity contracts provided by Insurance Company.

**NEW ENGLAND ELECTRIC SYSTEM SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16494) giving interested persons until November 6 to request a hearing upon an application of New England Electric System ("NEES"), Boston holding company, for an additional six months from October 3, 1969, to comply with the Commission order of March 19, 1964 (Release 35-15035). That order directed that NEES dispose of all interests, direct or indirect, it holds in its subsidiary gas utility companies.

**DEN-TAL-EZ TO SELL STOCK.** Den-Tal-Ez, Inc., 1201 Southeast Diehl Ave., Des Moines, Iowa 50315, filed a registration statement (File 2-34913) with the SEC on September 30 seeking registration of 400,000 shares of common stock, to be offered for public sale through R. G. Dickinson & Co., 910 Grand Ave., Des Moines, Iowa 50309. The offering price (\$23 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has sold 5,000 shares to the Dickinson firm for \$2 per share.

The company was organized in July; it does not currently engage in business activity. On July 28, it paid \$5,000 to John L. Naughton for an option to purchase all the outstanding stock of Den-Tal-Ez Chair Mfg. Co. ("Den-Tal-Ez Chair"), which manufactures and sells a variety of equipment utilized in the practice of dentistry. Of the net proceeds of its stock sale, \$8,220,000 will be paid to Naughton for delivery of all the shares of Den-Tal-Ez Chair; the balance will be added to the company's operating capital. The company has outstanding 200,000 common shares (with a \$2 per share book value), of which Harold B. Pearson, president, owns 18.75% and management officials as a group 100%. Purchasers of the shares being registered will acquire a 66-2/3% stock interest in the company for their investment of \$9,200,000 (they will sustain an immediate dilution of \$8.29 in per share book value from the offering price); the present shareholders will then own 33-1/3%, for which they paid \$400,000.

**ASSOCIATES INVESTMENT TO SELL DEBENTURES.** Associates Investment Company, Associates Bldg., South Bend, Ind. 46624, filed a registration statement (File 2-34914) with the SEC on September 30 seeking registration of \$35,000,000 of senior debentures, due 1974, to be offered for public sale through underwriters headed by Lehman Brothers, 1 William St., and Salomon Brothers & Hutzler, 60 Wall St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged through subsidiaries in the following businesses: financing, casualty and life insurance, and banking. Net proceeds of its debenture sale will be added to the company's general funds and initially applied to reduction of short-term notes. The company may incur additional short or long term indebtedness, which additional funds may be used for the purchase of receivables, in the course of financing activities, advanced to subsidiaries for such purposes or for other purposes. In addition to indebtedness, the company has outstanding 250 common shares, all owned by Gulf & Western Industries, Inc. O. C. Carmichael, Jr. is board chairman and J. D. Barnette president.

**HALL-MARK TO SELL STOCK.** Hall-Mark Electronics Corp., 9100 Markville Drive, Dallas, Tex. 75231, filed a registration statement (File 2-34915) with the SEC on September 30 seeking registration of 240,000 shares of common stock, to be offered for public sale through underwriters headed by McKinney, Rose & Co., Inc., Mercantile Bank Bldg., Dallas, Tex. The offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the distribution to industrial users of electronic components manufactured by others. Of the net proceeds of its stock sale, \$1,500,000 will be applied toward payment of bank indebtedness and \$1,000,000 to finance the expansion of its business into additional geographical markets; the balance will be added to the company's working capital. The company has outstanding 410,000 common shares, of which Jack A. Turpin, president, owns 33.7% and Edwin L. Cox, a director, 32.9%.

**PETRO-SEARCH 1969 YEAR-END PROGRAM PROPOSES OFFERING.** Petro-Search 1969 Year-End Program, 825 Petroleum Club Bldg., Denver, Colo. 80202, filed a registration statement (File 2-34917) with the SEC on September 29 seeking registration of \$3,000,000 of limited partnership interests, to be offered for public sale at \$5,000 per unit. No underwriting is involved; participating NASD members will receive a 7 1/2% selling commission plus a bonus based on the number of shares sold. The partnership was organized for the purpose of investing in exploratory, semi-proven oil and gas leases. Petro-Search Oil & Gas Fund, Inc. (a wholly-owned subsidiary of Petro-Search, Inc.) will act as general partner and Petro-Search, Inc., as management company. Truman E. Anderson is president of the management company and the general partner. Anderson owns 20% and Financial Service Finance Corporation, International 80% of the outstanding stock of the management company.

OVER

R & G SLOANE PROPOSES OFFERING. R & G Sloane Manufacturing Company, Inc., 7606 North Clybourn Ave., Sun Valley, Calif. 91352, filed a registration statement (File 2-34908) with the SEC on September 29 seeking registration of 375,000 shares of common stock, to be offered for public sale through underwriters headed by New York Hanseatic Corporation, 60 Broad St., New York, N.Y. The offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company was organized in August at the instance of The Susquehanna Corporation, which will transfer to it certain assets and the business of its R & G Sloane Division and the stock of two other companies in exchange for 1,600,000 shares of common stock. The company will then engage in the manufacture and distribution of plastic pipe fittings and in the manufacture and distribution of plastic compounds and other plastic products. Part of the net proceeds of its stock sale will be used to repay bank indebtedness of Susquehanna assumed by the company; the balance will be added to its general working capital. The company has outstanding 1,600,000 common shares, all owned by Susquehanna. Glenn L. Sloane is president.

INTERNATIONAL COMPUMEDICS TO SELL STOCK. International Compumedics Corporation, 8200 Blvd. East, North Bergen, N.J. 07047, filed a registration statement (File 2-34909) with the SEC on September 30 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made through Charles Flohn & Co, 200 Park Ave., New York, N.Y., which will receive a 30¢ per share commission plus \$15,000 for expenses. The company has agreed to sell 30,000 shares to the underwriter at 10¢ per share.

Organized in June, the company proposes to provide computer accounting services on a time-sharing remote batch basis, to hospitals, nursing homes and clinics. It also proposes to market and sell computer systems design and programming services for the adaption of such customer's existing manual account procedures to the company's computerized accounting system. Of the net proceeds of its stock sale, \$200,000 will be used for a computer center, \$100,000 for development of software packages suitable for use by medical institutions and the medical profession, \$100,000 to hire and train a technical and marketing staff and \$100,000 for general administrative staff; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 240,000 common shares (with a 48¢ per share book value), of which Donald D. Iverson, president, owns 50%. Purchasers of the shares being registered will acquire a 52.5% stock interest in the company for their investment of \$900,000 (they will sustain an immediate dilution of \$1.46 in per share book value from the offering price); the present shareholders will then own 47.5%, for which they paid \$124,200 or 46¢ per share.

CINEMA EQUITIES TO SELL STOCK. Cinema Equities Inc., 62 West 45th St., New York, N.Y. 10036, filed a registration statement (File 2-34910) with the SEC on September 29 seeking registration of 121,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made through underwriters headed by Associated Investors, 15 William St., New York, N.Y. 10004, which will receive a 50¢ per share commission plus \$25,000 for expenses. The company has agreed to sell Associated Investors, for \$121, six-year warrants to purchase 12,100 shares, exercisable after one year at \$6 per share.

The company is primarily engaged in the business of acting as sales agent in the United States and Canada for the distribution rights to Polish-produced motion pictures owned or controlled by Film Polski, Export and Import of Films, the agency of the Polish People's Republic responsible for the export of Polish-produced motion pictures. Of the net proceeds of its stock sale, \$64,200 will be used to purchase rights to a pilot film for a proposed television program and the concept for a second proposed television program; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 130,000 common shares (with an 18¢ per share book value), of which Robert S. Colodzin, president, owns 30.1% and management officials as a group 94.2%. Purchasers of the shares being registered will acquire a 46.4% stock interest in the company for their investment of \$726,000\*; the present stockholders will then own 51.6%, for which they paid \$46,328.

HOLMES PROTECTIVE SHARES IN REGISTRATION. Holmes Electric Protective Company, 370 7th Ave., New York, N.Y. 10001, filed a registration statement (File 2-34911) with the SEC on September 29 seeking registration of 30,000 shares of common stock. These shares are issuable under options granted or to be granted under the company's Stock Option Plan and Employee's Stock Purchase Plan.

ICP FILES FOR OFFERING AND SECONDARY. ICP, Inc., 7324 N. Lawndale, Skokie, Ill., 60076, filed a registration statement (File 2-34912) with the SEC on September 29 seeking registration of 100,620 shares of common stock, of which 80,000 are to be offered for public sale by the company and 20,620 (being outstanding shares) by the present holders thereof. No underwriting is involved; participating NASD members will receive a \$1.25 per share selling commission.

The company is principally engaged in the development, production and marketing of various office photocopying machines and in the sale and distribution of paper, chemicals, supplies and other accessories used in conjunction with the machines which the company has manufactured and other makes of office photocopy equipment. Net proceeds of its sale of additional stock will be added to the company's general funds and used for working capital, inventories of components, work in process and paper supplies. The company has outstanding 259,800 common shares (with a \$1.76 per share book value), of which Otto A. Clark, president, owns 9.5% and Frances C. Clark, vice president, 44.5%. Purchasers of the shares being registered will acquire a 53.8% stock interest in the company for their investment of \$2,515,000\*, the present shareholders will then own 46.2%, for which they paid \$357,250.

**CENCO INSTRUMENTS PROPOSES RIGHTS OFFERING.** Cenco Hospital & Convalescent Homes Corporation ("Hospital"), 2600 South Kostner Ave., Chicago, Ill. 60623, filed a registration statement (File 2-34916) with the SEC on September 30 seeking registration of 390,603 shares of common stock. Hospital has issued to Cenco Instruments ("Cenco"), its sole stockholder, 390,603 rights to subscribe to 390,603 shares of Hospital common stock. Cenco proposes to offer such rights for subscription by its common stockholders at a rate that will permit its stockholders to subscribe for one Hospital share for each 10 Cenco shares held, and at \$5.50 per share. Cenco has agreed to purchase the unsold balance of the shares at the subscription price, and may make one or more offerings of such shares during a four month period following expiration of the rights.

Hospital was organized by Cenco in October 1968 principally for the purpose of acquiring, constructing or leasing hospitals and convalescent and nursing facilities. It has acquired four general hospitals and four convalescent and nursing homes. Of the net proceeds of Hospital's stock sale, \$850,000 will be used to pay for expansion of the facilities of the Center Pavilion Hospital in Houston and \$1,000,000 will be allocated to finance the acquisition of hospital currently being negotiated; the balance will be used for the company's general corporate purposes. The company has outstanding 2,390,603 common shares, all owned by Cenco. Ralph C. Read is president of Hospital.

**DeSOTO FILES FOR SECONDARY.** DeSoto, Inc., 1700 S. Mount Prospect Rd., Des Plaines, Ill. 60018, filed a registration statement (File 2-34919) with the SEC on September 30 seeking registration of 1,238,318 outstanding shares of common stock. These shares may be offered for public sale (or pledged) from time to time by the present holders thereof at prices current at the time of sale (\$35.125 per share maximum\*).

The company is a diversified manufacturer of consumer paints, industrial coatings, and other chemical products for home and industrial use, wood cabinets for television receivers, stereo consoles and sewing machines, bedroom furniture, residential lighting fixtures, fireplace furniture, table lamps and wall coverings. In addition to indebtedness, it has outstanding 5,352,866 common shares, of which Sears, Roebuck & Co. owns 32%, and Ralph E. Stolkin 14.8%. Stolkin may sell 789,151 shares, and 29 others the remaining shares being registered.

**WELDED TUBE FILES FOR SECONDARY.** Welded Tube Co. of America, Shunk and Vandalia Sts., Philadelphia, Pa. filed a registration statement (File 2-34920) with the SEC on September 30 seeking registration of 69,800 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holder thereof.

The company is engaged in the manufacture and sale of electric resistance welded steel tubing in square, rectangular, round and special shapes and sizes. In addition to indebtedness, it has outstanding 1,504,169 common shares. Northwestern National Life Insurance Company may sell 69,800 shares of 119,800 shares held.

**COMPUTER GRAPHICS TO SELL STOCK.** Computer Graphics Systems Corporation, 7530 San Fernando Road, Sun Valley, Calif., filed a registration statement (File 2-34922) with the SEC on September 30 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through Mann and Co., 121 Mystic Ave., Medford, Mass., which will receive a 90c per share commission plus \$22,500 for expenses. The company has agreed to sell 10,000 shares to the underwriter for \$500; such shares are not to be resold for one year. Also included in this statement are 75,000 shares, as to which a rescission offer is being made for the reason that their sale may have violated the Securities Act registration provisions.

The company was organized in October 1968 to design, develop, produce and market automatic digital plotting systems, numerically controlled positioning tools and related equipment. Of the net proceeds of its stock sale, \$150,000 will be used for inventory, \$175,000 for additions to its manufacturing plant and equipment and \$75,000 for initiation of a marketing program and sale promotional activity; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 499,999 common shares (with a 24c per share net tangible book value), of which Dr. John Gelb, president, owns 26.7% and management officials as a group 80%.

**COLONIAL INCOME FUND PROPOSES OFFERING.** Colonial Income Fund, Inc., 75 Federal St., Boston, Mass. 02110, filed a registration statement (File 2-34923) with the SEC on September 30 seeking registration of 5,000,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York, which will receive an 85c per share underwriting discount. The Fund will operate as an open-end, diversified investment company, whose objective is to obtain the highest possible income consistent with reasonable risk. Colonial Management Associates, Inc., will serve as investment adviser. James H. Orr is president of the Fund and of the adviser. State Mutual Life Assurance Company of America has agreed to purchase through two wholly-owned subsidiaries 80% of the outstanding stock of the adviser.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8721) granting an application of the New York Stock Exchange to strike the common stock of Chicago Title and Trust Company from listing and registration, effective at the opening of business October 14, 1969. Pursuant to an exchange offer Lincoln National Corporation has acquired approximately 94% of the outstanding 2,233,321 shares of Trust Company stock, leaving only 130,000 shares publicly held. The exchange offer has been extended to October 31, 1969.

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:  
DeSoto, Inc., Des Plaines, Ill. 60018 (File 2-34918) - 293,677 shares  
Sun Oil Company, Philadelphia, Pa. 19103 (File 2-34921) - 41,000 shares

**GRAPHIC ARTS TO SELL STOCK.** Graphic Arts Unlimited, Inc., 111 West 19th St., New York, N. Y., filed a registration statement (File 2-34924) with the SEC on September 30 proposing the public offering of 125,000 shares of common stock. The offering price (\$8 per share maximum\*) is to be supplied by amendment. No underwriting is involved; participating NASD members will receive an 80¢ per share selling commission. Also included in this statement are 22,153 outstanding shares of common stock which may be offered for sale from time to time by the present holders thereof.

The company was organized in July 1968 by Visual Art Industries, Inc. ("VAI") for the purpose of engaging in the business of publishing, importing and selling fine art reproductions and graphic art products. Of the net proceeds of its stock sale, \$173,000 will be used to retire certain bank loans; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 406,910 common shares (with a \$1.06 per share book value), of which Arthur Brown, president, owns 70.9% and management officials as a group 90.9%. Purchasers of the shares being registered will sustain an immediate dilution of \$5.51 in per share book value from the offering price. VAI may sell all of 22,153 shares held.

**BULK MATERIALS PROPOSES OFFERING.** Bulk Materials, Inc., 100 Evergreen Place, East Orange, N. J., filed a registration statement (File 2-34925) with the SEC on September 30 seeking registration of 240,000 shares of common stock and 240,000 warrants to purchase 120,000 shares of common stock, to be offered for public sale in units, each consisting of one share and one warrant. The offering is to be made at \$5 per unit through Charles Plohn & Co., 200 Park Ave., New York, N. Y., which will receive a 50¢ per share commission plus \$20,000 for expenses. The company has agreed to pay \$10,000 to Ted Rozar as a finder's fee and to sell the underwriter and the finder 24,000 shares at 10¢ per share.

Organized in January, the company has not yet begun operations but intends to engage in the manufacture and sale of Instant Crete, a mortar product which has been used to a limited extent for the past five years in the building industry. Of the net proceeds of its stock sale, \$95,400 will be used in partial payment for the purchase of the license to manufacture and sell Instant Crete, \$170,000 in partial payment for equipment and \$560,000 for payment of principal and interest on notes; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 104,000 common shares (with a 32¢ per share net tangible book value), of which Milton Kalafer, president, owns 94.23%. Purchasers of the shares being registered will acquire a 65% stock interest in the company for their investment of \$1,250,000 (they will sustain an immediate dilution of \$2.18 in per share book value from the offering price); the present stockholders will then own 28%, for which they paid \$37,440.

**TDA SECURITIES TO SELL STOCK.** T.D.A. Securities Inc., 70 N. Franklin St., Hempstead, N. Y., filed a registration statement (File 2-34926) with the SEC on September 30 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on a "best efforts" basis by Gilbert Securities, Inc., which will receive a 40¢ per share selling commission plus \$10,000 for expenses. The company has agreed to sell the underwriter, for \$100, four-year warrants to purchase 10,000 shares, exercisable after one year at from 110% to 130% of the offering price.

Organized in August 1966, the company is engaged in business as a broker-dealer in securities and conducts a general investment banking business. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes, including the purchase of marketable securities for both trading and investment purposes. It has outstanding 449,070 Class A common shares, of which management officials as a group own 29%. Gilbert C. Dragani is president and board chairman.

**J. L. STOKELY SENTENCED.** The SEC Chicago Regional Office announced October 3 (LR-4437) that Judson L. Stokely received an eight-year prison sentence following his conviction in July under an indictment charging him and Robert E. Singleton with fraud in the sale of stock of Investors Securities Associates, Inc. Singleton, who previously entered a plea of guilty, will be sentenced later.

**NORSUL OIL, OTHERS ENJOINED.** The SEC New York Regional Office announced October 8 (LR-4438) that Norsul Oil and Mining Limited of Calgary, Canada, and Howard Steven Strouth of Quito, Ecuador, its managing director, had been enjoined from further violation of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of Norsul Oil Stock. Both consented to the court order of injunction without admitting the violations alleged in the Commission's complaint.

**SEC COMPLAINT NAMES A. K. ELECTRIC, OTHERS.** The SEC New York Regional Office announced October 19 (LR-4439) the filing of a complaint in the Federal court in New York, seeking to enjoin violations of the registration and/or anti-fraud provisions of the Federal securities laws by the following in the offer and sale of securities of A. K. Electric Corp., of Brooklyn, N. Y.: A. K. Electric Corp., Jack A. Meltzer, Harold Bass, Juan Cheverez, also known as, John Cheverez, Elihu Kasten, Alfred Dallago, Commercial Factors, Ltd., Commercial Factors, Inc., Continental Diversified Industries, Inc., Benjamin Johnson, John J. Carson, Norma Henkel, Joseph Garahan, Max Bernstein, Souran Associates, Inc., Thomas C. Souran.

**SECURITIES ACT REGISTRATIONS.** Effective October 13: Circutek, Inc., 2-32317 (90 days); Computer Deductions, Inc., 2-33022 (90 days); Creative Management Associates, Inc., 2-32456 (40 days); Data Dimension, Inc., 2-32652 (90 days); Diversified Computer Services, Inc., 2-33351 (90 days); Greenbelt Consumer Services, Inc., 2-33359 (40 days); ISI Institutional Fund, A, Inc., 2-30047 and Fund B, Inc., 2-30048; Materials Research Corp., 2-34072 (90 days); United Vanguard Fund, Inc., 2-31618.

**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.