

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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SANCTION IMPOSED ON NEWBURGER, LOEB. The SEC announced October 15 (Release 34-8719) the issuance of a decision under the Securities Exchange Act in which it suspended Newburger, Loeb & Co., New York broker-dealer firm, from initiating or soliciting any over-the-counter securities transactions for a period of ten business days, commencing October 20, for violations of the Securities Act registration requirements in the offer and sale in 1967-68 of stock of Components Specialties, Inc. The Newburger firm consented to the finding of violation and to the sanction without admitting or denying the violation. The Commission also suspended Andrew M. Newburger, Chester Shure and Eric May for periods of five, thirty and fifteen days. Shure and May were also found to have violated the registration provisions in the sale of Components Specialties stock and Newburger failed to exercise proper supervision to prevent such violations. They, too, consented to the sanction but without admitting or denying the violation.

HEARING SET ON TRAVELERS EQUITIES FUND. At the request of the National Association of Securities Dealers, Inc., the SEC has scheduled a hearing for November 5 upon an application under the Investment Company Act filed by The Travelers Equities Fund, Inc., and Travelers Equities Sales, Inc., of Hartford, Conn. (Release IC-5848) The application seeks an exemption from provisions of Section 22(d) of the Act which prohibit the sale of mutual fund shares at other than the current offering price, with respect to sales to officials and employees of the Travelers companies and certain others.

STATE STREET RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5844) permitting State Street Investment Corporation, Boston mutual fund, to issue its shares at other than the public offering price thereof in exchange for substantially all of the assets of Mid-Continent Securities Company.

FIRST MIDWEST CAPITAL SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5846) giving interested persons until October 29 to request a hearing upon an exemption application of First Midwest Capital Corporation ("First Midwest"), Minneapolis closed-end investment company, with respect to the acquisition of common stock of Midtown Park Inc. ("Midtown") by First Midwest and certain other common stockholders of Midtown. Midtown owns and operates a multi-level parking ramp in Minneapolis. It has outstanding 20,000 common shares, owned by 17 shareholders, including First Midwest, which owns 8,500 shares (42.5%). Midtown has offered to its common stockholders 20,000 common shares on a pro-rata basis and at the par value of \$5 per share. First Midwest proposes to purchase its pro-rata share.

ALABAMA POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16495) giving interested persons until November 4 to request a hearing upon a proposal of Alabama Power Company, Birmingham subsidiary of The Southern Company, to issue and sell up to \$80,000,000 of short term notes to banks and commercial paper to Goldman, Sachs & Co., including current outstanding bank loans aggregating \$22,287,000. The company also has filed a separate application seeking authorization to issue and sell up to \$35,000,000 of first mortgage bonds at competitive bidding (Release 35-16848). It will use the proceeds of its financing 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 from time to time outstanding bank notes and commercial paper notes and for other corporate purposes. Construction expenditures are estimated at \$94,000,000 for 1969 and \$150,000,000 for 1970.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Pacific Fidelity Corporation for the further ten-day period October 17-26, 1969, inclusive.

UNITED PLANNING PROPOSES OFFERING. United Planning Corporation, 88 East Broad St., Columbus, Ohio 43215, filed a registration statement (File 2-34950) with the SEC on October 1 seeking registration of \$1,500,000 of Programs for the Acquisition of Mutual Fund shares and Life Insurance, \$250,000 of Programs for the Acquisition of Mutual Fund Shares and Accident and Health Insurance and \$250,000 of Programs for the Acquisition of Mutual Fund Shares and Fire and Casualty Insurance. Through United Agency of Insurance, Inc., a wholly-owned subsidiary, the company engages in the sale of life, health and accident, fire and casualty insurance policies, and through United Funding Inc., also a wholly-owned subsidiary, it engages in the sale of mutual fund shares. Robert E. Davis is president and board chairman.

OVER

STIRLING HOMEX FILES FOR OFFERING AND SECONDARY. Stirling Homex Corporation, 1150 East River Road, Avon, N. Y. 14414, filed a registration statement (File 2-34949) with the SEC on October 1 seeking registration of 825,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 425,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by R. W. Pressprich & Co. Incorporated, 80 Pine St., New York, N. Y. 10005; the offering price (\$13 per share maximum*) and underwriting terms are to be supplied by amendment. In April, the Pressprich firm purchased 68,400 shares for \$68,400; and the company has agreed to sell that firm 25,000 shares at the offering price.

Organized in July 1968, the company is engaged in the assembly-line manufacture and sale of modular housing. Net proceeds of the company's stock sale will be used to establish additional plant locations and for general corporate purposes. In addition to indebtedness, the company has outstanding 8,472,400 common shares (with a 33¢ per share net tangible book value), of which David Stirling, Jr., board chairman, and William G. Stirling, president, own 24.2% each and management officials as a group 78%. The names of the selling stockholders and amounts of stock to be sold by each are to be supplied by amendment.

CONSUMERS POWER TO SELL BONDS. Consumers Power Company, 212 West Michigan Ave., Jackson, Mich. 49201, filed a registration statement (File 2-34951) with the SEC on October 1 seeking registration of \$55,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be used by the company to finance in part its construction program and to repay short term notes issued and to be issued in connection with the interim financing thereof (of which some \$60,000,000 are expected to be outstanding on November 12). Construction expenditures are estimated at \$1,450,000,000 for the years 1969-73.

ALABAMA POWER FILES FINANCING PROPOSAL. Alabama Power Company, 600 North 18th St., Birmingham, Ala. 35202, filed a registration statement (File 2-34952) with the SEC on October 2 seeking registration of \$35,000,000 of first mortgage bonds and 50,000 shares of \$100 par preferred stock. The interest and dividend rates, offering prices and underwriting terms, as well as the names of the underwriters, are to be supplied by amendment. Net proceeds of this financing, together with \$6,000,000 received from the sale of stock to the company's parent, The Southern Company, and some \$50,635,000 of funds expected to be accumulated from usual internal sources and \$32,797,000 of short term notes, are to be used to finance the company's 1969 construction program and to pay short term notes. Property additions are estimated at \$423,000,000 for 1969-71.

TEXAS EASTERN TRANSMISSION TO SELL BONDS. Texas Eastern Transmission Corporation, Southern National Bank Bldg., Houston, Texas 77002, filed a registration statement (File 2-34954) with the SEC on October 2 seeking registration of \$50,000,000 of first mortgage pipe line bonds, due 1989, to be offered for public sale through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment. Net proceeds of the bond sale will be used to retire outstanding notes payable.

AUTOMATIC RADIO MFG. FILES FOR OFFERING AND SECONDARY. Automatic Radio Mfg. Co., Inc., 2 Main St., Melrose, Mass. 02176, filed a registration statement (File 2-34956) with the SEC on October 2 seeking registration of 433,600 shares of common stock, of which 150,000 are to be offered for public sale by the company and 183,600 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Francis I. duPont, A. C. Allyn, Inc., One Wall St., New York, N. Y. 10005; the offering price (\$40 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of manufacturing and selling stereo sound equipment, after-market auto radios, custom auto radios, and air conditioning/refrigeration. A portion of the net proceeds of its sale of additional stock will be used to pay off some \$2,000,000 of short term bank loans; \$750,000 will be applied (together with \$1,000,000 of industrial revenue bonds which the company expects to issue shortly after this offering, although no formal underwriting commitments have been arranged) to the construction of the new Brockton plant; and the balance will be used for development of commercial production and marketing of the company's energy conversion apparatus and start-up expenses in connection therewith, and for working capital and other corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 2,437,332 common shares, of which David Housman, board chairman, owns 14% and Edward L. Housman, president, and Charles J. Housman, treasurer, 10% each. David Housman proposes to sell 150,000 of 321,703 shares held; Edward and Charles Housman 25,000 shares each; two other Housmans 25,000 shares each; and the balance by five other selling stockholders.

KINNEY NATIONAL SECURITIES IN REGISTRATION. Kinney National Service, Inc., 10 Rockefeller Plaza, New York, N. Y. 10020, filed a registration statement (File 2-34959) with the SEC on October 2 seeking registration of \$9,262,250 of 7-5/8% subordinated debentures due 1994; 123,951 shares of Series A convertible preferred, 33,190 shares of \$4.25 Series B convertible preferred, 483,081 shares of 5¢ Series C convertible preferred, and 337,759 shares of \$1.25 Series D convertible preferred; and 170,739 shares of common stock. These securities are now outstanding; they are to be offered by the holders thereof, except that Kinney is offering a maximum of 8,888 common shares to certain minority stockholders of The Hackensack Trust Company, N.A. The securities were issued in connection with certain Kinney acquisitions.

TENNA CORP. FILES FOR SECONDARY. Tenna Corporation, 19201 Cranwood Parkway, Cleveland, Ohio 44128, filed a registration statement (File 2-34960) with the SEC on October 3 seeking registration of 450,000 outstanding common shares. The shares are to be offered for public sale by the holders thereof through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004; the offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the production and distribution of stereo cartridge tape players and other automotive sound equipment. It has outstanding 2,934,184 common shares, of which Sidney Ludwig, board chairman, owns 33% and Harvey A. Ludwig, president, 12.8%. They propose to sell 96,667 shares each. Violat Mendes, daughter of Sidney and brother of Harvey Ludwig, proposes to sell 250,000 of 414,146 shares held; and Stanley B. Goss, vice president, proposes to sell 6,666 of 100,000.

UGI TO SELL BONDS. UGI Corporation, 1401 Arch St., Philadelphia, Pa. 19105, filed a registration statement (File 2-34961) with the SEC on October 3 seeking registration of \$20,000,000 of first mortgage bonds, due 1974, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its bond sale to reduce some \$28,649,000 of bank loans and other short term debt outstanding at August 31, which were incurred to reimburse its treasury for expenditures for construction and acquisitions.

ALLOY METAL PRODUCTS TO SELL STOCK. Alloy Metal Products, Inc., 626 Schmidt Road, Davenport, Iowa 52808, filed a registration statement (File 2-34962) with the SEC on October 3 seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by R. G. Dickinson & Co., 910 Grand Ave., Des Moines, Iowa 50309. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the processing of nickel bearing scrap metal into uniform nickel base alloys for sale primarily to foundries and steel producers. Of the net proceeds of its stock sale, \$170,000 will be used to retire short term bank indebtedness incurred for working capital purposes and \$187,000 to retire a 10 $\frac{1}{2}$ % secured note, and \$500,000 may be used to purchase equipment and for construction of additional office 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 607,285 common shares, of which Arant H. Sherman, president and board chairman, owns 64.87% and his wife 34.89%.

HOSPITAL COMPUTER APPLICATIONS TO SELL STOCK. Hospital Computer Applications, Inc., 777 Northern Blvd., Great Neck, N. Y., filed a registration statement (File 2-34965) with the SEC on October 3 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering is to be made through Security Options Corp., 40 Exchange Pl., New York, which will receive a 75c per share commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$90, five-year warrants to purchase 9,000 shares, exercisable after one year at \$7.50 per share. In February, the company sold 85,000 shares at 94c per share to a group of private investors; in June, it sold 60,000 shares to a group of private investors for \$2.50 per share.

Organized in January, the company proposes to engage in the business of providing computer sharing services for hospitals and other commercial customers. Of the net proceeds of its stock sale, \$200,000 will be used for certain start-up costs, \$125,000 to develop other systems for specific hospitals, \$60,000 to develop systems for magazine subscription fulfillments and \$75,000 to develop accounting, billing and inventory systems for the apparel industry; the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 400,000 common shares (with a 47c per share net tangible book value), of which Stuart R. Hochman, president, owns 15% and management officials as a group 50%. Purchasers of the shares being registered will acquire a 20% stock interest in the company for their investment of \$750,000; company officials and certain others who assisted in founding the company will then own 51%, for which they contributed \$500 in cash to the company's predecessor; and the present shareholders (exclusive of founders) will then own 145,000 shares, for which they contributed \$230,000.

WESTCOM COMPUTER TO SELL STOCK. Westcom Computer Utilities, Inc., 463 7th Ave., New York 10018, filed a registration statement (File 2-34966) with the SEC on October 3 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$7 per share. The offering is to be made on a "60% or none" basis through Scott, Gorman, O'Donnell & Co., Inc., 50 Broadway, New York 10004, which will receive a 70c per share commission plus \$15,000 for expenses. The company has agreed to sell 35,000 shares to William O. Cave, a founder, for \$350, in consideration for his services as a finder. It has also agreed to sell the underwriter, for \$100, six-year warrants to purchase 10,000 shares, exercisable after 13 months at \$7.70 per share.

Organized in June, the company is a licensee of Western Union Computer Utilities, Inc. (WUCU) and proposes to operate electronic data processing service bureaus, providing to small and medium sized businesses access to computerized business techniques and applications. Of the net proceeds of its stock sale, \$100,000 will be used in connection with the company's Data Center and \$185,000 for general and administrative expenses; the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 320,000 common shares (with a 29c per share book value), of which Philip J. Sagona, a director, owns 56%, Philip Mittleman, president, 13% and William O. Cave 11%. Purchasers of the shares being registered will acquire a 24% stock interest in the company for their investment of \$700,000; other shareholders will then own 76%, for which they paid \$102,700.

DIRECTORS CAPITAL FUND PROPOSES OFFERING. Directors Capital Fund, Inc., 522 S. Sepulveda Blvd., Los Angeles, Calif., filed a registration statement (File 2-34968) with the SEC on October 6 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value (\$5 per share maximum*) plus an 8 $\frac{1}{2}$ % sales charge on purchases of less than \$10,000. A mutual fund, the company's primary investment objective is long-term growth of capital. Directors Management Corporation is the investment adviser and Directors Distributors, Inc. the principal underwriter of the Fund's shares. Lawrence A. Luebbe is president of the Fund and secretary of the adviser and James A. Craig is vice president of the Fund and president of the adviser.

AETNA FUND PROPOSES OFFERING. Aetna Fund, Inc., 151 Farmington Ave., Hartford, Conn. 06115, filed a registration statement (File 2-34969) with the SEC on October 6 seeking registration of 10,000,000 shares of common stock, to be offered for public sale at net asset value with no sales charge (\$10.93 per share maximum*). The Fund is a diversified open-end management investment company seeking long-term capital growth through diversified investments, primarily in common stocks. Aetna Investment Management, Inc., a wholly-owned subsidiary of Aetna Life and Casualty Company ("Aetna Life") is manager of the Fund and Aetna Financial Services, Inc., also wholly-owned by Aetna Life, is distributor of the Fund's shares. John A. Hill is president of the Fund and of Aetna Life.

FAIRFIELD TECHNOLOGY PROPOSES OFFERING. Fairfield Technology Corp., One Goddard Drive, Rockaway, N. J. 07866, filed a registration statement (File 2-34970) with the SEC on October 6 seeking registration of 200,000 shares of common stock and 100,000 common stock purchase warrants, to be offered for public sale in units, each consisting of two shares and one warrant. The offering is to be made through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101; the offering price (\$23 per unit maximum*) and underwriting terms are to be supplied by amendment. Also included in this statement are 56,035 outstanding shares of common stock, which may be offered for sale from time to time commencing 60 days after the date of this offering by the present holders thereof.

The company (formerly Astrosystems International, Inc.) is engaged in activities in the fields of explosively actuated devices, flow controls and regulators, anodizing of light metals, packaged control systems which facilitate high speed manufacturing and assembling operations, combustion energy and space simulation systems and educational and entertainment programs on audio magnetic tape in cassette and cartridge form. Of the net proceeds of its stock sale, \$285,000 will be used to retire debt incurred in connection with the acquisition of Warren Automatic Controls Corporation, \$100,000 to defray the cost of research and development activities, \$300,000 to purchase additional manufacturing and production test equipment, \$600,000 to reduce borrowings under its revolving credit agreement, \$108,000 as a contribution to the capital of its 86% owned subsidiary, A. V. Research Corp., for equipment and working capital requirement, and \$150,000 to eliminate borrowing under a short term line of credit; the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 708,259 common shares, of which management officials as a group own 17%. Alan R. Mendenhall, Jr., is board chairman and president. Greater Washington Investors, Inc., may sell all of 32,258 common shares held and eight others the remaining shares being registered.

DELCO FILES OFFERING PROPOSAL. Delco Corporation, 534 Merrick Rd., Lynbrook, N. Y. 11563, filed a registration statement (File 2-34971) with the SEC on October 6 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$5.50 per share. The offering is to be made on a best efforts basis by Kenneth Bove & Co., Inc., 42 Broadway, New York, N. Y., which will receive a 55¢ per share selling commission plus \$15,000 for expenses. The underwriter will be entitled to purchase, for \$93, five-year warrants for the purchase of 9,300 shares, exercisable after one year at \$5.50 per share; Jerome Marshall, a finder, will be entitled to purchase 1,700 warrants for \$27.

The company is engaged primarily in the exterior resurfacing of residential and commercial buildings in New Jersey, Metropolitan New York and Connecticut, with a product known as "Re-Nu-It Exterior Wall Resurfacer"; it has acquired an exclusive franchise from Re-Nu-It Corporation, manufacturer of the product, in 34 states and Canada to use and sub-franchise Re-Nu-It for residential work. The net proceeds of its stock sale will be used largely for planning, advertising and other promotional expenses of subfranchising. The company now has outstanding 280,000 common shares (with a 5¢ per share net tangible book value), of which Bernard Gutman, board chairman, and Richard L. Emerson, president, own 47.3% each. Purchasers of the shares being registered will acquire a 30% stock interest in the company for their investment of \$660,000 (they will sustain an immediate dilution of \$4.05 in per share book value); present stockholders will then own 70% (with a current book value of \$13,203).

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 savings and related stock plans:

Siliconix Incorporated, Santa Clara, Calif. 95054 (File 2-34947) - 25,000 shares
LTV Electrosystems, Inc., Dallas, Tex. 75222 (File 2-34953) - 30,000 common shares and
\$225,000 of debentures
National Environment Corp., Orange, Calif. 92668 (File 2-34955) - 50,000 shares
The May Department Stores Co., St. Louis, Mo. 63101 (File 2-34957) - 400,000 shares
Adams-Russell Co. Inc., Waltham, Mass. 02154 (File 2-34963) - 145,528 shares
Scientific-Atlanta, Inc., Doraville (Atlanta), Ga. 30324 (File 2-34964) - 10,000 shares

SECURITIES ACT REGISTRATIONS. Effective October 15: Arcata National Corp., 2-31282 (Nov 24); BLC Income Fund, Inc., 2-33227 & 2-33228; Chicken Holiday, Inc., 2-32811 (90 days); CIC Leasing Corp., 2-32171 (90 days); Frank N' Stein Systems, Inc., 2-32637 (90 days); Geriatrics, Inc., 2-32437 (90 days); Harris-Intertype Corp., 2-34681; Heritage Enterprises, Inc., 2-32164 (90 days); Imperial Corp. of America, 2-34027 (40 days); The Mountain States Telephone & Telegraph Co., 2-32068; John Nuveen & Co. Inc., 2-34118; Panacolor, Inc., 2-31181 (40 days); Western Diversified Management Co., 2-32066 (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.