

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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FOR RELEASE November 26, 1969

DELEGATION RULES MODIFIED. The SEC has revised its delegation rules to include authorization for the Division of Corporate Regulation to clear Securities Act registration statements for investment companies which have not previously registered securities under the Act as well as those which have (Release 33-5027).

SOUTHWEST PRODUCTION, TRINIDAD PETROLEUM ENJOINED. The SEC Fort Worth Regional Office announced November 20 (LR-4480) that the Federal court in Shreveport, La., had entered an order of permanent injunction, by consent, enjoining violations of the Securities Act registration provisions by Southwest Production Corp., Trinidad Petroleum Corp., both of Shreveport, and George O. Tanner and Charles D. Beard, Jr., both of Birmingham, in the offer and sale of oil interests.

BEAU MILLER PRODUCTIONS ENJOINED. The SEC Fort Worth Regional Office announced November 20 (LR-4481) that the Federal court in Shreveport had entered an order of permanent injunction, by consent, enjoining violations of the Securities Act anti-fraud provisions by Beau Miller Productions, Inc., Morgan City, La., Lonnie M. McInnis, John W. Myers, Warren J. Ditch, and Beverly J. Boudreaux, in the offer and sale of stock of Beau Miller Productions.

MIDWESTERN SECURITIES ENJOINED. The SEC New York Regional Office announced November 21 (LR-4482) that the Federal court in New York City had entered an order of permanent injunction, by consent, enjoining violations of the Commission's net capital and record keeping rules by Midwestern Securities Corporation and Lloyd W. Sahley.

OHIO POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16531) authorizing Ohio Power Company, Canton subsidiary of American Electric Power Company, Inc., to issue and sell \$80,000,000 of first mortgage bonds, due 1994, at competitive bidding. Ohio Power will apply the proceeds of its bond sale to payment of some \$74,600,000 of commercial paper and notes to banks and to its construction program. Construction expenditures are estimated at \$280,640,000 for the years 1969 and 1970.

MICH. POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16532) giving interested persons until December 15 to request a hearing upon an application of Michigan Power Company ("MPC"), subsidiary of American Electric Power Company, Inc. ("AEP"), New York, for an extension from December 31, 1969, to December 31, 1970, of the time in which MPC may issue and sell up to \$3,600,000 of notes to National Bank of Detroit, and a similar extension of time in which MPC may repay open account advances from AEP, provided that the advances will not be repaid before the preferred stock of MPC has been retired. It is further requested that the amount of open account advances from AEP to MPC be increased from \$7,500,000 to \$8,500,000. MPC will use the proceeds of its financing in connection with its construction program, which is estimated at \$3,889,000 for 1970, to repay bank loans the proceeds of which were used in connection with past construction expenditures in connection with its construction program and for other corporate purposes.

NEWTON FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5896) giving interested persons until December 15 to request a hearing upon an application of Newton Fund, Inc., Milwaukee mutual fund, for exemption from certain provisions of the Act with respect to its proposed acquisition of substantially all the assets of O-P-R-A Corporation. Newton proposes to issue its shares at net asset value for O-P-R-A's assets, which were valued at \$211,415 on July 25. Had the transaction been consummated on that date, O-P-R-A would have received 14,888 Newton shares.

UNITED FUNDS SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5897) giving interested persons until December 15 to request a hearing upon an application of United Funds, Inc., Kansas City, Mo., mutual fund, and CWR Corporation ("CWR"), a wholly-owned subsidiary of Continental Investment Corporation, for an order exempting them from certain provisions of the Act to permit CWR to act as investment adviser to Fund pursuant to an investment advisory contract between Fund and CWR, which has not been approved by shareholders for the period beginning December 31, 1969, the date proposed for commencement of service by CWR and ending July 2, 1970, the date of the annual meeting of shareholders of Fund. CWR owns all the voting common stock and over 99% of the non-voting common stock of Waddell & Reed, Inc., which is presently the investment adviser to and principal underwriter for Fund. It is proposed that effective December 31, 1969, Waddell & Reed be merged into CWR and that the name of CWR as the surviving corporation be changed to "Waddell & Reed, Inc.". No change in the officers, functions or activities of Waddell & Reed will result from the merger.

STATE BOND ORDER ISSUED. The SEC has issued an order under the Investment Company Act (Release IC-5898) exempting Progress Fund, Inc., a mutual fund, and State Bond and Mortgage Company, New Ulm, Minn., its underwriter, from provisions of Section 22(d) of the Act with respect to the sale of redeemable securities of Progress Fund to officials and employees without the usual sales charge.

OVER

STATE BOND COMMON STOCK FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5899) exempting Common Stock Fund of State Bond and Mortgage Company, a mutual fund, and State Bond and Mortgage Company, New Ulm, Minn., its underwriter, from provisions of Section 22(d) of the Act with respect to the sale of redeemable securities of Common Stock Fund to officials and employees without the usual sales charge.

STATE BOND DIVERSIFIED FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5900) exempting Diversified Fund of State Bond and Mortgage Company, a mutual fund, and State Bond and Mortgage Company, New Ulm, Minn., its principal underwriter, from provisions of Section 22(d) of the Act with respect to the sale of redeemable securities of Diversified Fund to officers and employees without the usual sales charge.

AMERICAN RESEARCH & DEVELOPMENT RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5901) exempting American Research and Development Corporation ("ARD"), Boston closed-end investment company, from certain provisions of the Act with respect to its proposed purchase of a maximum of 50,000 shares of capital stock of Canadian Enterprise Development Corporation Limited ("CED"), a Canadian investment company, at \$10 per share. ARD is engaged in furnishing capital to or purchasing securities of companies engaged in the development of new enterprises, products or processes. CED is engaged in the business of investing in and furnishing capital to Canadian companies engaged in substantially the same type of activities. At September 30, CED had outstanding 555,000 shares of capital stock, of which ARD owned 50,000 shares or approximately 9%. CED has made an offer to its shareholders to subscribe for additional shares on a share-for-share basis. ARD anticipates exercising its rights to acquire a maximum of 50,000 shares at \$10 per share, but will reduce the number of shares which it purchases so that it will not own 10% or more of CED's outstanding capital stock.

STAR CAPITAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5902) exempting Star Capital Corporation ("Star"), Abacus Fund, Inc. ("Abacus") and Sun Capital Corporation ("New Star"), all of whose outstanding securities are owned by Abacus, from certain provisions of the Act. Star, Abacus and New Star are all New York closed-end investment companies. At December 31, 1968, Abacus had assets of \$54,000,000 and 2,520,000 outstanding common shares and Star had assets of \$3,257,553 (principally certificates of deposit, a U. S. Government security, cash and a \$100,000 loan receivable) and 541,670 outstanding common shares. New Star was organized in 1969 by Abacus, has no present business and 100 outstanding common shares. Pursuant to an agreement of November 1968 between Abacus and Star, it is proposed that Abacus acquire Star shares on the basis of exchanging one Abacus share for each 3½ Star shares, following which Star will merge into New Star (whose name will then be changed to Star Capital Corporation). New Star will then apply for a license as a small business investment company from the Small Business Administration and, upon consummation of the merger, Abacus will operate through New Star.

INTERMARK INVESTING SEEKS EXEMPTION. Intermark Investing, Inc., San Diego, Calif., has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company as defined in the Act; and the Commission has issued an order (Release IC-5904) scheduling the application for hearing on January 7, 1969.

The company (formerly Southwestern Capital Corporation) registered in April 1961 as a closed-end, non-diversified management investment company and operated until September 30, 1968, as a licensed small business investment company. At a meeting of shareholders on September 19, 1968, holders of 85% of its outstanding shares voted in favor of adopting a program designed to change the nature of the company's business from an investment company to that of an operating company. To implement this program, Intermark has surrendered its SBIC license and as of July 1, 1969, had acquired all of the outstanding stock of ten operating companies or groups of operating companies and was negotiating to acquire others. It has brought together a management team which it believes is capable of managing an operating-holding company.

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the further suspension of over-the-counter trading in the securities of Liquid Optics Corporation for the ten-day period November 27 to December 6, 1969, inclusive, and in the securities of Continental Vending Machine Corporation for the period November 28 to December 8, 1969, inclusive.

COMMERCIAL FINANCE (N.J.) TRADING BAN TO BE LIFTED. The SEC today announced that its suspension of trading in stock of Commercial Finance Corporation of New Jersey ("Finance Corp.") has been extended a further, ten-day period and will terminate at the close of business December 5 (Release 34-8761). In making the announcement, the Commission cautioned that all available information about the company should be considered in connection with any future transactions in its stock. The Commission observed, among other things (1) that the company has no known assets, operations or income, no officers, directors or offices (its last known address was the Empire State Building in New York), and (2) that in a recent Federal court indictment Ernest L. Krumm of New York City, former secretary-treasurer of the company, was charged with the fraudulent concealment of material facts concerning the company's business and earnings. The indictment also charged that the market price of Finance Corp. stock before the trading suspension on March 12 (\$3½ bid) was based upon a fictitious bid placed by insiders as part of a scheme to facilitate the sale of shares. The U. S. Attorney's investigation is continuing.

CENCO INSTRUMENTS FILES FOR SECONDARY. Cenco Instruments Corporation, 2600 S. Kostner Ave., Chicago, Ill. 60623, filed a registration statement (File 2-35424) with the SEC on November 21 seeking registration of 114,934 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Lehman Brothers, 1 William St., New York 10004; the offering price (\$43-3/8 per share maximum) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the manufacture and distribution of products, and the furnishing of related services, in the areas of medicine and health, education, water pollution abatement and industrial products and instruments. In addition to indebtedness and preferred stock, it has outstanding 3,808,130 common shares, of which Philip D. Gelvin, vice president, and family members own 15%. Alfred A. Strelsin is board chairman and Ralph C. Read president. David Berg as Trustee for Pavilion Associates proposes to sell all of 40,229 shares held and 25 others the remaining shares being registered.

ROCHESTER GROUP TO SELL STOCK. The Rochester Group, Inc., 1 East Ave., Rochester, N. Y. 14604, filed a registration statement (File 2-35425) with the SEC on November 21 seeking registration of 265,000 shares of common stock, to be offered for public sale through underwriters headed by Reynolds & Co., 120 Broadway, New York 10005. The offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters up to \$20,000 for expenses and to enter into a financial consulting agreement with the Reynolds firm for three years at \$25,000 per year.

The company was organized in March to acquire all the outstanding capital stock of Tapetex Products, Inc., a textile converter. On November 6, it entered into an agreement to acquire Lehman Bros. Corp., a manufacturer of paints, enamels, varnishes and industrial finishes, for an aggregate of \$4,100,000 plus assumption of certain liabilities. Of the net proceeds of its stock sale, \$2,500,000 will be used towards the purchase of Tapetex; the balance will be added to the company's working capital or used to reduce bank indebtedness. In addition to indebtedness, the company has outstanding 190,000 common shares (with a \$2.79 per share net tangible book value), of which Julius G. Kayser, president, owns 31.4% and management officials as a group 72.5%. Purchasers of the shares being registered will acquire a 58% stock interest in the company for their investment of \$3,498,000*, the present shareholders will then own 42%, issued in exchange for cash aggregating \$556,339.

BECTON, DICKINSON TO SELL DEBENTURES. Becton, Dickinson and Company, Rutherford, N. J. 07070, filed a registration statement (File 2-35421) with the SEC on November 21 seeking registration of \$40,000,000 of convertible subordinated debentures, due 1989, to be offered for public sale through underwriters headed by F. Eberstadt & Co., Inc., 65 Broadway, New York 10006. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of health care products consisting of a broad line of medical, surgical, laboratory and diagnostic items used by doctors, hospitals, laboratories, pharmaceutical companies, medical schools, dentists and veterinarians. Of the net proceeds of its debenture sale, approximately two-thirds will be used for domestic capital expenditures and the remainder for additional working capital, principally for carrying increased inventories and accounts receivable. In addition to indebtedness, the company has outstanding 16,171,652 common shares. Fairleigh S. Dickinson, Jr., is board chairman and president.

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:

Beckman Instruments, Inc., Fullerton, Calif. 92634 (File 2-35418) - 150,000 shares
Recognition Equipment Incorporated, Dallas, Tex. 75235 (File 2-35420) - 84,650 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 November 12 News Digest.

8K Reports for Oct 69

Cinn & Suburban Bell Tel. Co (7,13)	1-1253-2	Dero Research & Devel. Corp (2,13)	1-5994-2
Clarise Sportswear Co (11,13)	0-3345-2	Edgington Oil Co (8,11)	0-4046-2
Control Ind., Inc (11,13)	2-23521-2	R. Hoe & Co Inc (6)	1-2748-2
Cordis Corp (11,13)	0-3274-2	Kaiser Industries Corp (11)	1-3340-2
Dial Finance Co (7,13)	1-5803-2	W. A. Kreuger Co (11)	0-1872-2
Hotel Corp of Israel (12)	0-1670-2	La Pointe Ind., Inc (11)	1-5412-2
Natl. Prasto Ind., Inc (12,13)	1-2451-2	Lightolier Inc (11)	0-3981-2
Northwest Production Corp (12,13)	0-298-2	Lockheed Aircraft Corp (3,7)	1-2193-2
SCM Corp (11)	1-3143-2	Southwestern Elec. Service Co (8)	0-22-2
Siskon Corp (8,11)	1-6141-2	Uniservices, Inc (6)	0-77-2
		All Tech Ind., Inc (4,7,8,13)	0-2993-2

8K for Oct. 1969 Cont'd

Chicago Helicopter Ind., Inc (2,7,13) 0-809-2	Northern Indiana Public Service Co (7,13) 1-4125-2	G-L Ind., Inc (7) 1-4987-2
Don River Mills Inc (3,4,7,13) 1-3912-2	United States Freight Co (11) 1-402-2	Haven Ind., Inc (8,12) 1-4647-2
Maine Sugar Ind., Inc (3,7,12) 0-2426-2	Varsity House, Inc (2,11,13) 2-31315-2	Natural Gas Pipeline Co of America (12) 2-14243-2
Management Assistance Inc (3,7,9) 0-2017-2	Waltham Industries Corp (7,11,13) 1-5870-2	Winn Dixie Stores, Inc (11,13) 1-3657-2
Prelude Corp (9,11,13) 0-29722-2		
Raymond Intl., Inc (4,12,13) 1-4314-2	Continental Steel Corp (1) 1-2330-2	Continental Can Co (7,8,12) 1-489-2
Va. Commonwealth Bankshares, Inc (7) 0-591-2	Fidelity Corp (8) 0-3055-2	Disc, Inc (4,13) 0-1466-2
Western Invest. Real Estate Trust (2) 0-2809-2	General Devel. Corp (37) 1-4080-2	Federated Purchaser, Inc (12) 1-4310-2
Williams Bros. Co (2,4,711,13) 1-4174-2	MPI Ind., Inc (11,13) 1-5068-2	GAZ Metropolitan Inc (12,13) 2-13160-2
Win Stephens Leasing Co (2,11,13) 2-31634-2	Henry I Siegel Co Inc (12) 1-4885-2	Lehigh Valley Inc., Inc (7,8,12,13) 1-155-2
	Southland Invest. Corp (11) 0-1812-2	Penn Central Transportation Inc (1,3,13) 1-1569-2
CRC Computer Radix Corp (1,8) 2-31473-2		R. D. Products, Inc (9,12,13) 0-3321-2
Four Seasons Equity Corp (11,13) 2-31145-2	Chrysler Corp (3) 1-686-2	William-House Regency Inc (2,7,13) 1-4559-2
PIC Productions Corp (78) 2-31541-2	The Deltona Corp (7) 1-4719-2	Youngstown Sheet & Tube Co (11,13) 1-6080-2
Polarad Electronics Corp (4,11,13) 1-4258-2	General Motors Corp (3) 1-143-2	
Telepro Ind., Inc (1,12) 0-2460-2	Kansas State Network, Inc (2,4,7,11) 0-2336-2	Church's Fried Chicken Inc (7,13) 2-31774-2
Va Iron Coal & Coke Co (2,13) 1-210-2	Loral Corp (7,13) 1-4238-2	Datatron Inc (2,7,13) 2-30992-2
	Penn Engineering & Mfg. Corp (12,13) 1-5356-2	FAS Intl., Inc (12) 1-4692-2
Duncan Elec. Co (7) 0-1916-2		Great Yellowstone Corp (2,9,11) 0-2335-2
Federal Data Processing Corp (4,11,13) 2-28118-2	Codex Corp (11,12,13) 0-4068-2	Harris Intertype Corp (11,13) 1-3863-2
Giffan Ind., Inc (2,3,13) 2-30297-2	Computer Transceiver Systems, Inc (12) 0-3825-2	Life Assurance Co of Penna (12) 2-17345-2
NHA Inc (2,7,13) 2-30321-2	Electronic Enterprises, Inc (2,13) 2-30378-2	Natl. Car Rental System, Inc (3,10) 0-3473-2
	(Aug. 1969(2,7,13) 2-30378-2	Sav-Way Barber & Beauty Supplies, Inc (2) 2-28383-2

SECURITIES ACT REGISTRATIONS. Effective November 20: Realty Equities Corp. of New York, 2-30138 (Jan 5) Effective November 25: Armac Enterprises, Inc., 2-34853 (90 days); Cameron-Brown Investment Group, 2-34678 (90 days); Capital Mortgage Investments, 2-33573 (90 days); Commerce Capital Corp., 2-33537 (40 days); Cox Cable Communications, Inc., 2-34967 (40 days); The Delos International Group, Inc., 2-33946 (90 days); E.B.S. Data Processing, Inc., 2-33870 (90 days); Educational-Industrial Facilities, Inc., 2-33724 (90 days); Hawaiian Electric Co., Inc., 2-35300; Heck's Inc., 2-34984, Intermedia Systems Corp., 2-33141 (90 days); Investors Funding Corp. of New York, 2-32548, Leisure Living Communities, Inc., 2-33690 (90 days); Medicalodges, Inc., 2-34111 (90 days); Mississippi Power & Light Co., 2-35034, National Industrial Service Corp., 2-33558 (90 days); Niagara Mohawk Power Corp., 2-35112, Ocean Science and Engineering, Inc., 2-32476 (90 days); Oceangraphy Unlimited Inc., 2-34219 (90 days); The Pacific Telephone & Telegraph Co., 2-35287, Seatrain Lines, Inc., 2-35101 (40 days); SMD Industries, Inc., 2-34344 (40 days); Tabulating Stock Forms, Inc., 2-33803 (90 days); Victor Equipment Co., 2-3537.

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.