

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the SEC



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FOR RELEASE December 15, 1969

J R SCHREIBER SUSPENDED. The SEC today announced the issuance of an order suspending Jerry R. Schreiber, of Denver, from association with a securities firm for 30 days, beginning December 15. The Commission ruled that Schreiber, formerly employed by a broker-dealer, aided and abetted violations of the Commission's record-keeping requirements involving a failure to make and keep current certain required records relating to the firm's business. Without admitting the violations, Schreiber consented to such findings by the Commission and to the 30-day suspension.

LEWIS SECURITIES OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public stock offering by Lewis Securities Company, Inc., of Hanover, N. H. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed October 17, 1969, Lewis Securities proposed the public offering of 60,000 common shares at \$5 per share. The Commission asserts in its suspension order that it has reason to believe that the company's offering circular failed to disclose a substantial, unrealized loss on portfolio securities carried as current assets and overstated profits, stockholders' equity and retained earnings, and that the use of such offering circular in the offering and sale of the company's stock would violate the Securities Act anti-fraud provisions.

KINGSPORT POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16553) authorizing Kingsport Power Company, Roanoke subsidiary of American Electric Power Company, Inc., to increase its authorized bank borrowings from \$2,500,000 to \$3,500,000. The funds will be used to reimburse its treasury for past expenditures in connection with its construction program, to provide funds to finance, in part, its future construction program, estimated at \$1,800,000 for 1970, and for other corporate purposes.

WHEELING ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16554) granting a request of Wheeling Electric Company, West Virginia subsidiary of American Electric Power Company, Inc., for an extension through 1970 of its authority to issue some \$4,200,000 of notes to banks (\$3,000,000 were issued and outstanding on November 13). The funds have been and will be used to reimburse its treasury for past expenditures in connection with its construction program, to provide funds to finance, in part, its future construction program, estimated at \$2,300,000 for 1970, and for other corporate purposes.

GENERAL PUBLIC UTILITIES SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16555) giving interested persons until January 8 to request a hearing upon a proposal of General Public Utilities Corporation, New York holding company, to make \$84,000,000 of cash contributions to subsidiaries from time to time through June 1970, as follows: Jersey Central Power & Light Company, \$20,000,000; Metropolitan Edison Company, \$60,000,000; and New Jersey Power & Light Company, \$4,000,000. The subsidiaries will use the proceeds of such contributions for the purpose of financing their business as public-utility companies, including construction of additional facilities and the increase of working capital.

MONONGAHELA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16557) authorizing Monongahela Power Company, Fairmont, W. Va. subsidiary of Allegheny Power System, Inc., to issue and sell (and to renew or extend) from time to time up to \$23,650,000 of short term notes to banks and to dealers in commercial paper. Proceeds of its financing will be used to reimburse its treasury for past expenditures made in connection with its construction program and that of its subsidiary, to pay in part the cost of such future construction and for other corporate purposes. Construction expenditures are estimated at \$132,000,000 for the years 1970, 1971 and 1972.

INDIANA & MICHIGAN ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16558) authorizing Indiana & Michigan Electric Company, Fort Wayne, subsidiary of American Electric Power Company, Inc., to issue and sell up to \$8,800,000 of short-term notes to 21 banks. These notes are part of up to \$39,500,000 of notes authorized by the Commission on July 1 (Release 35-16419).

METROPOLITAN LIFE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5923) exempting Metropolitan Life Insurance Company and Metropolitan Variable Account A, New York, from certain provisions of the Act. Metropolitan Life, a mutual life insurance company, established Separate Account A as the vehicle to which it intends to allocate, after certain deductions, Separate Account payments received under Flexible-Purchase Variable Annuity Contracts proposed to be offered by Metropolitan Life.

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HOME LIFE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5925) exempting Home Life Insurance Company ("Home Life") and Home Life Separate Account B, New York, from Rule 22c-1 of the Act to the extent that said rule requires that the valuation of accumulation units be determined on the day payments are received under variable annuity contracts offered by Home Life.

DELMARVA POWER TO SELL BONDS. Delmarva Power & Light Company, 600 Market St., Wilmington, Del. 19899, filed a registration statement (File 2-35634) with the SEC on December 11 seeking registration of \$30,000,000 of first mortgage and collateral trust bonds, due 2000, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be applied toward the cost of the company's construction program, including the retirement of all or a portion of short-term notes and commercial paper (amounting to \$13,500,000 on December 11). The construction program for the fourth quarter of 1969 and the year 1970 is estimated at \$120,990,000.

PETRO-MED FILES OFFERING PROPOSAL. Petro-Med, Inc., 509 Madison Ave., New York, filed a registration statement (File 2-35635) with the SEC on December 11 seeking registration of 2,400 1970 annual drilling fund units, to be offered for public sale at \$5,000 per unit. Participating NASD members will be entitled to a 5% selling commission. The funds will be used in the exploration for oil and gas. The company is a wholly-owned subsidiary of DeMeritt Oil Corporation. Bromley DeMeritt, Jr., is president and board chairman of the company and of its parent.

ADRS FOR MITSUBISHI ELECTRIC FILED. Morgan Guaranty Trust Company of New York filed a registration statement (File 2-35636) with the SEC on December 11 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Mitsubishi Electric Corporation, of Japan.

PRUDENTIAL FUNDS FILES FOR OFFERING. Prudential Funds, Inc., 90 Broad St., New York 10004, filed a registration statement (File 2-35637) with the SEC on December 11 seeking registration of 375,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Bacon, Whipple & Co., 135 S. LaSalle St., Chicago; the offering price (\$19.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the administration of oil and gas exploration and development programs, known as the Prudential Drilling Fund Programs, which provide facilities for co-ownership and participation by individuals in high income tax brackets in a number of oil and gas drilling ventures. Of the net proceeds of its stock sale, \$3,500,000 will be used to repay bank indebtedness, incurred to pay obligations of the 1969 Programs in connection with financing unit participations in such Programs and the company's own purchase of unit participations and development of the company's oil and gas property interests; the balance will be employed for financing activities in connection with the company's Programs and private drilling ventures, future development of its oil and gas properties as well as for the purchase of additional participations in the Programs administered and managed by the company and for other general corporate purposes, including cash requirements incidental to the company's diversification program. The company has outstanding 2,625,000 common shares, of which Prudential Resources Corp. owns 70%. Nathan M. Shippee, board chairman of the company, owns 28.6% of the outstanding common stock of Prudential Resources. C. Hayden Atchison and Raymond J. Kereater are vice chairmen and William J. Soter president of the company.

COMP-U-HEDGE FUND PROPOSES OFFERING. Comp-U-Hedge Fund, 130 N. Broadway, Camden, N. J. 08102, filed a registration statement (File 2-35638) with the SEC on December 11 seeking registration of 3,000,000 shares of common stock and 3,000,000 common stock purchase warrants, 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, on a "best efforts, 500,000 units or none" basis through E. L. Aaron & Co., Inc., 15 William St., New York 10005, which will receive a \$.475 per unit selling commission. The company has agreed to pay \$75,000 to Roxton Investors, Inc., for its services as a finder.

Organized in June, the Fund is a non-diversified, closed-end investment company. According to the prospectus, the Fund will employ two techniques to achieve maximum capital appreciation for investors: independent competitive multiple management (achieved through allocation of the Fund's assets among separate groups of investment advisers who separately manage a portion of the Fund's assets under the general supervision and administration of Financial Managers, Inc. ("Fund Manager")) and use of investment techniques involving greater than ordinary risk in an attempt to achieve a higher than ordinary gain. Paul Jay Goldin is president of the Fund and of the Fund Manager.

LOCTITE FILES FOR SECONDARY. Loctite Corporation, 705 N. Mountain Road, Newington, Conn. 06111, filed a registration statement (File 2-35639) with the SEC on December 12 seeking registration of up to 150,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Putnam, Coffin & Burr-Doolittle, Division of Advest Co., 6 Central Row, Hartford, Conn. 06103. The offering price (\$26 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development and manufacture of chemical sealants and adhesives for industrial use. In addition to indebtedness, it has outstanding 2,080,210 common shares, of which Robert H. Kriebel, president, owns 45%. He proposes to sell 10,000 shares of 916,000 shares held and 32 others the remaining shares being registered.

NOTE FINANCING BY VERMONT YANKEE NUCLEAR POWER CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-16556) authorizing Vermont Yankee Nuclear Power Corporation, Rutland, Vermont, to issue and sell to its sponsor companies, including New England Power Company, a subsidiary of New England Electric System, an aggregate of \$60,000,000 of notes to provide funds as may be required to meet its

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construction expenses, including the repayment of borrowings from banks or sponsors used for such purposes. These borrowings were not opposed by the Municipal Electric Association of Massachusetts, the cities of Chicopee, Shrewsbury and Wakefield, Mass., and the utility departments thereof ("Municipals"); but on motion of the Municipals, the Commission consolidated the proceedings with the pending hearings in proceedings on remand by the Court of Appeals of the District of Columbia Circuit with respect to the common stock of Vermont Yankee issued and sold to its sponsors, and reserved jurisdiction to impose such conditions, if any, as may be appropriate in light of the decisions of that Court.

SEC ACTION NAMES GARDNER SECURITIES. The SEC New York Regional Office announced December 10 (LR-4497) the filing of a complaint in the Federal court in New York City, seeking to enjoin violations of its net capital, record-keeping and anti-fraud provisions of the Securities Exchange Act by Gardner Securities Corporation and its president, Michael S. Gardner, of New York City.

COURT ORDER DIRECTS RAJAC INDUSTRIES TO REGISTER. The SEC announced December 15 (LR-4498) that in an action filed by the Commission in the Federal Court in New York City, that court on November 24 ordered Rajac Industries, Inc., of New York City, to file a Form 10 registration with the Commission pursuant to Section 12(g) of the Securities Exchange Act within 60 days. The court order also directed R. B. Taylor, Rajac's president, to cause the company to register; and it prohibits Taylor and Richard R. Hughes, former board chairman, not to induce Rajac not to register.

WINFIELD GROWTH FUND MAKES DISCLOSURE REVISIONS. The SEC today announced that Winfield Growth Fund, Inc., San Francisco-based mutual fund, consented to the issuance of a stop order by the Commission suspending its Securities Act registration statement (Release 33-5031), but without admitting or denying the alleged deficiencies in its disclosures. The Fund also filed amendments to its statement seeking to correct the informational disclosures therein which had been challenged by the Commission; these related, among other things, to the following: control of registrant's principal underwriter; an arrangement to allocate registrant's portfolio transactions and the commissions thereon in exchange for certain payments; the purchase by registrant of restricted securities on the basis of inadequate information; the method by which restricted securities in registrant's portfolio were valued; and registrant's violation of its charter by reason of the purchase of more than 10% of the outstanding securities of International Chemical & Nuclear Corporation. Upon the basis of these amendments, which were declared effective, the Commission lifted its stop order and declared the amended registration statement effective as of 10:00 A.M. December 15.

ACORN FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5922) giving interested persons until December 26 to request a hearing upon an application of The Acorn Fund, Inc., Chicago mutual fund, R. J. Levy, Harris, Inc. ("Levy Harris"), Stelk, Inc., Irving B. Harris, James H. Lorie, Donald Paul Nathanson, Ralph L. Wanger, Jr. and Lynn A. Williams for exemption from certain provisions of the Act with respect to the proposed merger of Stelk into Acorn and certain transactions related thereto. Stelk, which is engaged in the business of investing in securities, states that all of its outstanding stock is owned by about 30 persons and that it is excepted from the definition of an investment company under the Act. Acorn presently has no assets or securities outstanding. Levy Harris is investment adviser of Stelk and promoter of Acorn. Irving B. Harris, Ralph L. Wanger, Jr., James H. Lorie, Donald Paul Nathanson and Lynn A. Williams are directors of Acorn. Harris is also president and majority shareholder of Levy Harris and president of Acorn; Wanger is vice president of and owns more than 5% of the outstanding stock of Levy Harris. It is proposed that the individual applicants and four other persons acquire Stelk stock in exchange for \$3,000,000 of cash and securities. Stelk will then acquire for \$1,000 all of the initial issue of stock of Acorn and the two companies will merge, with Acorn the surviving company. Under the terms of the merger, each share of Stelk stock (other than treasury shares) will be converted at the identical rate as every other share into a number of Acorn shares to be specified prior to the merger. Stelk's holdings of Acorn stock will then be cancelled. The present officers and directors of Acorn will be succeeded by persons nominated by Stelk, five of whom will be the individual applicants.

ALLIED CAPITAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5924) permitting Allied Capital Corporation, Washington, D. C. closed-end non-diversified investment company, to participate with others in a public offering of common stock of Pandick Press, Inc. Pandick and certain of its shareholders, including Allied, propose to offer some 356,543 common shares for public sale through various underwriters. Of these shares, Pandick proposes to offer 100,000 and Allied 13,000. Allied owns 133,600 shares (10.01%) of the 1,334,000 outstanding shares of Pandick and \$140,000 of its subordinated sinking fund term notes.

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 December 4 News Digest.

8K Reports for Nov '69

Clear Creek Corp. (6)	0-1379-2	C.G.S. Scientific Corp.	
Cordis Corp. (7)	0-3274-2	(11,13)	0-3351-2
Longchamps Inc(7,12,13) Oct 69	0-3320-2	Chicago Helicopter Ind. Inc.	
		(13)	0-806-2
Atlas Corp. (11)	1-2714-2	Diners Club, Inc.	1-3944-2
Balt. Business Forms, Inc.			
(12,13)	0-2111-2		

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SK Reports for Nov '69 (Con't)

Hudson Leasing Corp. (11,12,13,)	1-5896-2	Docktor Pet Centers Inc. (7,12,13)	0-3396-2
National Bellas Hens, Inc. (12,13,)	1-2329-2	Mississippi River Transmission Corp. (13)	0-2078-2
Outboard Marine Corp. (12,13)	1-2883-2	RIC International Ind. Inc. Oct. 1969(2,11,13)	1-4242-2
Aseco, Inc. (2,13)	0-2404-2	Lykes-Toungstown Corp. Nov. 1969 (7)	1-5962-2
Banner Mining Co.(7,10,13,11)	1-3836-2	The E.F. Macdonald Co. (7,8,13)	1-5538-2
Chicken Chef Systems, Inc. (12,13)	2-32760-2	Maryland Old line Corp. Jun 1969 (2,13)	0-3543-2
Coro, Inc. (7) Oct. 1969	1-1609-2	Arizona Valley Development Co. Inc. Oct. 1969 (11)	0-2594-2
Equi DATA Inc. (1)	2-29891-2	Iowa Electric Light & Power Co (7,13)	1-4117-2
Gateway Sporting Goods Co. (7,13)	1-4766-2	LTV Electrosystems, Inc. Aug 1969 (13)	1-5237-2
Morse Electro Products Corp. (11,12,13)	1-4414-2	Giddings & Lewis, Inc. (3)	1-5372-2
Continental Copper & Steel Ind. Inc. Oct.1969(11)	1-3604-2	Houston First Corp. (2,13)	2-33017-2
Dalto Electronics Corp.(9)	0-1852-2	Houston First Savings Assn. (1)	0-1484-2
Geon Ind. Inc. (13)	2-32201-2	Hydroplex Corp (11,13)	2-31234-2
The Leisure Group, Inc. (12,13)	0-3447-2	Mite Corp. (12,13)	1-5825-2
Lin TSO Corp.(2,3,7,9,12,13)	2-27957-2	Lee National Corp. (2,3)	1-344-2
Montana Dakota Utilities Co. (12)	1-3480-2	Apache Corp. July, Aug. & Sept. (7,8,13)	1-4300-2
Buxton' Country Shops (12)	2-31669-2	Kearney & Trecker Corp. (3)	0-62-2
Federated Dept. Stores Inc(13)	1-163-2	Campbell Soup Co. (11)	1-3822-2
Gilford Instrument Lab. Inc. (7)	0-2920-2	Career Academy (7,13)	1-5473-2
Desoto, (2,4,7,13)	1-1915-2	GAC Corp. (7,8,12,13)	1-3453-2
Goodway Copy Centers, Inc. (7,13) Aug 69	2-30394-2	Chester Electronic Lab. Inc. Amdt. #1 for Oct. 1969 (10)	0-1774-2
Public Service Co. of Indiana, Inc. (3,7,12)	1-3543-2	Nat'l Car Rental System Inc. Amdt #1 for Sept 1969 (1)	0-3473-2
Agri-Dynamics, Inc.(11)	0-3245-2	Depositors Corp. (1,13)	1-5649-2
Anaconda Co. (8,13)	1-2280-2		
Beacon Resources Corp(7)	2-26079-2		

SECURITIES ACT REGISTRATIONS. Effective December 12: American Cyanamid Co., 2-35444; Educational Service Programs, Inc., 2-34234 (90 days); The Equitable Life Assurance Society of the U.S., 2-30640; Farinon Electric, 2-35395; GRT Corp., 2-34775 & 2-34776; JAG Chemical Corp., 2-32338 (90 days); Home Life Insurance Co., 2-33165; Kelly Services, Inc., 2-35251; Open Road Industries, Inc., 2-35519; Recognition Equipment Inc., 2-35420; Security International, Inc., 2-34619 (90 days); The Suburban Companies, 2-35047; Vencap, Inc., 2-31688; Virginia International Co., 2-33949 (90 days); Wahl Associates, Inc., 2-33757 (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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