

# 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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(Issue No. 70-79)

FOR RELEASE April 23, 1970

## HOLDING COMPANY ACT RELEASE

**ALABAMA POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16693) authorizing Alabama Power Company, Birmingham subsidiary of The Southern Company, to revise its list of lending banks to consist of three New York City banks (maximum of \$20,900,000), one Pittsburgh bank (maximum of \$500,000) and 62 Alabama banks (maximum of \$27,077,000). These borrowings are included in the \$80,000,000 of short-term notes (including commercial paper) which Alabama Power previously was authorized to issue (Commission Release 35-16512 of November 5, 1969).

## INVESTMENT COMPANY ACT RELEASE

**SEILON SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6032) giving interested persons until May 14 to request a hearing upon an application of Seilon, Inc., Toledo, Ohio, for temporary exemption from all provisions of the Act until Seilon's application of February 20 for an order declaring it to be primarily engaged in a business or businesses other than that of an investment company is acted upon by the Commission.

## COURT ENFORCEMENT ACTION

**CHARTER SECURITIES NAMED IN COMPLAINT.** The SEC New York Regional Office announced April 15 (LR-4593) the filing of a complaint in the Federal court in New York City, seeking to enjoin Charter Securities Company Limited, a New York broker-dealer, and Howard Warshauer, its president, from violating the anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Boatland, Inc., and violations of the Commission's net capital rules. The complaint also sought the appointment of a receiver for the defendant corporation. The court issued an order of preliminary injunction and named James B. Kilsheimer, III, as receiver.

## SECURITIES ACT REGISTRATIONS

**HERMAN MILLER, INC. FILES FOR OFFERING AND SECONDARY.** Herman Miller, Inc., 140 West McKinley, Zeeland, Mich. 49464, filed a registration statement (File 2-37134) with the SEC on April 21 seeking registration of 190,940 shares of common stock, of which 150,000 are to be offered for public sale by the company and 40,940 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by William Blair & Company, 135 S. LaSalle St., Chicago, Ill. 60603; the offering price (\$23 per share maximum\*) and underwriting terms are to be supplied by amendment. Also included in this statement are 102,500 shares which have been issued or are issuable under the company's Stock Option Plan.

The company is engaged primarily in the manufacture of furniture and furniture systems for sale principally to the office and educational markets. Of the net proceeds of its sale of additional stock, up to \$2,000,000 will be used to retire short-term bank borrowings incurred to finance accounts receivable and inventory requirements and for capital expenditures, most of which were made for the construction of a new warehouse; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 891,810 common shares, of which Hugh D. DePree, board chairman and president, owns 9.18% and management officials as a group 28.94%. DePree proposes to sell 19,000 of 81,870 shares held and ten others the remaining shares being registered.

**AUTOMATIC SERVICE CO. TO SELL STOCK.** Automatic Service Company, 230 Peachtree St., Atlanta, Ga. 30303, filed a registration statement (File 2-37135) with the SEC on April 21 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Dominick & Dominick, Incorporated 14 Wall St., New York, N. Y. 10005. The offering price (\$11 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in selling candy, cigarettes, beverages, foods and other products (through vending machines) and servicing coin-operated laundry equipment, in wholesaling vending machines and a variety of products sold through the machines, in producing candy-coated chewing gum and in operating two retail specialty stores in Asheville, N. C. Of the net proceeds of its stock sale, \$938,000 will be used to pay current bank loans (of which \$320,000 was used to acquire a retail vending company and \$588,000 to pay the first installment plus interest on the balance of the purchase price of its Ford Gum Division), and \$550,000 will be used to pay the balance of a term bank loan used to purchase the Bon Marche Division; the balance will be added to the company's working capital and used for general corporate purposes until May 1971 when an additional \$556,000 will be required to pay the final installment (including interest) on the purchase price of the Ford Gum Division. In addition to indebtedness, the company has outstanding 559,424 common shares, of which Stuart V. Bowen, president and board chairman, owns 47.3% and management officials as a group 51.8%.

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**SAGE SYSTEMS TO SELL STOCK.** Sage Systems Corp., 108 Thomas Road North, Hawthorne, N. J. 07506, filed a registration statement (File 2-37136) with the SEC on April 21 seeking registration of 300,000 shares of common stock, to be offered for public sale on a "best efforts, all or none" basis by Knickerbocker Securities, Inc., 120 Cedar St., New York, N. Y. The offering price (\$5 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter a 10% selling commission plus \$12,500 for expenses and to sell it, for \$300, five-year warrants to purchase 30,000 shares, exercisable initially (after one year) at 110% of the offering price. The underwriter also owns five-year warrants to purchase 10,000 shares at \$3 per share which it received in connection with a prior offering.

The company was organized in November 1968 to engage primarily in the development, production and marketing of copy equipment and supplies. Of the net proceeds of its stock sale, \$825,000 will be used for the purchase of production parts and materials for its Systems 30 copier and \$175,000 to purchase tools, machinery and equipment; the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 1,152,100 common shares (with a 66¢ per share net tangible book value), of which Paul B. Williams, Inc. (all of whose stock is owned by Paul B. Williams, board chairman) owns 22.6%, Ira Sage, vice president, 10.5% and management officials as a group 20.3%. Martin Marsh is president. Purchasers of the shares being registered will acquire a 21% stock interest in the company for their investment of \$1,500,000\*; present shareholders will then own 79%, for which they will have paid \$1,689,000.

**TOLCHIN INSTRUMENTS FILES FOR OFFERING AND SECONDARY.** Tolchin Instruments, Inc., 147 Scranton Ave., Lynbrook, N. Y. 11563, filed a registration statement (File 2-37140) with the SEC on April 21 seeking registration of 350,000 shares of common stock, of which 320,000 are to be offered for public sale by the company and 30,000 (being outstanding shares) by the holder thereof. The offering is to be made through underwriters headed by Goldwater, Valente, Fitzpatrick & Schall, 50 Broadway, New York, N. Y.; the offering price (\$9 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Goldwater firm \$15,000 for expenses and to sell it, at one mil per warrant, common stock purchase warrants (the number to be supplied by amendment).

Organized in August 1963 as Martin Tolchin Music, Inc., the company is principally engaged in the manufacture, sale and lease of musical instruments and their accessories. Of the net proceeds of its sale of additional stock, \$1,600,000 (plus interest) will be used to retire indebtedness to insurance companies, \$115,000 to purchase additional machinery and equipment, \$68,000 to construct an addition to a subsidiary's plant located in West Germany and \$150,000 for construction of a manufacturing facility in the Far East; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 356,100 common shares, of which Martin Tolchin, board chairman and president, owns 42.5% and management officials as a group 70.5%. Wenzel Schreiber proposes to sell all of 30,000 shares held.

**AMERICAN EXPORT INDUSTRIES SHARES IN REGISTRATION.** American Export Industries, Inc., 280 Park Ave., New York, N. Y. 10017, filed a registration statement (File 2-37141) with the SEC on April 21 seeking registration of 335,000 shares of common stock. These shares have been issued or are issuable (1) upon conversion of outstanding convertible subordinated debentures of a subsidiary, (2) upon exercise of common stock purchase warrants, (3) upon exercise of qualified stock options granted or to be granted to employees and upon exercise of stock options assumed by the company in connection with certain acquisitions and (4) upon conversion of preferred stock issued in connection with an acquisition.

The company is engaged in the transportation of goods and commodities by land and water carrier. It has outstanding 4,840,870 common shares.

**ORIGINAL CONEY ISLAND TO SELL STOCK.** Original Coney Island, Inc., 18770 Farmington Rd., Livonia, Mich. 48152, filed a registration statement (File 2-37142) with the SEC on April 21 seeking registration of 500,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by Morrison, McKeown & Young, Inc., 18429 West 8 Mile Rd., Detroit, Mich. 48219, which will receive an 18¢ per share selling commission.

The company was organized in November 1969 for the purpose of operating limited menu, fast service restaurants under the name "Original Coney Island" from leased premises located primarily in shopping centers. Of the net proceeds of its stock sale, \$750,000 will be used for equipping and decorating leased premises and the balance for working capital purposes. The company has outstanding 176,000 common shares (with a 47¢ per share net tangible book value), of which Robert R. Thompson, board chairman, and Steve M. Tomen, president, own 28% each. Purchasers of the shares being registered will acquire a 74% stock interest in the company for their investment of \$1,000,000 (they will sustain an immediate dilution of 53¢ in per share book value from the offering price); present shareholders will then own 26%, for which they will have paid \$74,000 plus the transfer of know-how and promotional services.

**WOMBAT PRODUCTIONS TO SELL STOCK.** Wombat Productions, Inc., 87 Main St., Hastings-on-Hudson, N. Y. 10706, filed a registration statement (File 2-37143) with the SEC on April 21 seeking registration of 150,000 shares of common stock, to be offered for public sale on a "best efforts, one-half or none" basis by Kluger & Ellis. The offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$15,000 for expenses and to sell it, at 1¢ per warrant, five-year warrants to purchase an aggregate number of shares equal to 10% of the number sold.

Newly organized, the company has not yet engaged in any production; it proposes to engage in the production of educational films for distribution to public and private elementary schools, high schools, colleges and universities in the United States and Canada and for use in adult education programs. Net proceeds of the company's stock sale will be used to produce up to 40 educational films with a running time of 20 minutes each (including salaries and other expenses). The company has outstanding 325,000 common shares (with a 23¢ per share net tangible book value), of which Gene Feldman, board chairman and president, owns 76.9%. Purchasers of the shares being registered will acquire a 31.6% stock interest in the company for their investment of \$900,000\*; present shareholders will then own 68.4% for their investment of \$77,500.

MISCELLANEOUS

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 April 3 News Digest.

8K Reports for Feb. 1970

Talley Ind. Inc. (8)	1-4778-2	Eli Lilly & Co. Mar. 70	
Intercontinental Ind. Inc.		(13)	0-1060-2
Dec. 69 & Jan. & Feb. 70		Great Eastern Management	
(2,13)	1-5566-2	Corp. (7,9)	0-3603-2
Technicolor Inc. (2,7,13)	0-338-2	Logicon Inc. Mar. 70	
Century Convalescent		(1)	2-29812-2
Centers Inc. Mar. 70		Mead Corp. Mar. 70	
(2,7,13)	2-33789-2	(4,7,8,11,13)	1-2267-2
Western Maryland Ry. Co.		Medical Computer Systems	
Oct. 1969 (8,13)	1-766-2	Inc. (12,13)	2-31494-2
Sterling Precision Corp.		Micromation Technology	
Amdt. #1 for Feb. 70 (13)	1-3967-2	Corp. (1)	2-30050-2
Technomic Research Associates		NCC Leasing Inc. (7,13)	0-3305-2
Inc. Amdt. #1 to 8K for		Handmacher-Vogel Inc.	
Jan. 70 (12)	1-6073-2	(2,13)	0-1072-2
Tanger Ind.		Intergrated Resources Inc.	0-4427-2
Amdt. #1 for Nov 69 (1,		(2,7,13)	
2,7)		Jet Avion Corp. (11,13)	0-2386-2
Amdt. #1 for Dec. 69 (2)		Marshall Electronics Co.	
Amdt. #1 for Jan. 70		(2,12,13)	0-4060-2
(2,7,9,13)	1-6301-2	Massey-Ferguson LTD.	
Transogram Co. Inc.		(12,13)	1-5190-2
Amdt. #1 for Dec. 69		Medicenters of America Inc.	
(2,7,13)	1-5216-2	Feb. & Mar. 70 (7,9,13)	0-2785-2
Fancho & Mexican Buffet		National Patent Development	
Inc. Amdt. for Dec 1969		Corp. (12,13)	0-2743-2
(2)	2-32378-2	National Starch & Chemical	
Granning & Treece Financial		Corp. (13)	1-3582-2
Corp. (7,13)	2-34778-2	General United Group Inc.	
Hazeltine Corp. (3)	1-230-2	(7,13)	0-2008-2
Illinois Bell Telephone Co.		Globe Ind. Inc. Mar. 70	
(13) Mar. 70	1-2222-2	(12)	0-4425-2
Lakehead Pipe Line Co.		Goldfield Corp. (3)	0-3098-2
Inc. (11) Mar. 70	2-26815-2	Hart Schaffner & Mark (8)	1-3236-2
Longchamps Inc. (7,9,13)	0-3320-2	Jeanette Glass Co.	
North American Planning		Jul 69 (4,7,13)	1-2899-2
Corp. (9)	0-3859-2	Liggett & Myers Inc.	
General Time Corp. (8)	1-2591-2	(12,13)	1-5759-2
Hydro Flame Corp. (12)	0-3781-2	Marathon International	
Keystone Portland Cement		Finance Co. Mar. 70 (11)	1-5194-2
Co. (7,13) Mar. 70	0-895-2	National Car Rental Systems	
Marinduque Mining &		Inc. Nov. 69 (7)	0-3473-2
Industrial Corp. (6K)		Leisure Group Inc. (12)	0-3447-2
for Mar. 70	1-5534-2	Lerner Stores Corp.	
Oscar Mayer & Co. Inc.		(12,13)	1-5177-2
(7,11,12)	0-4450-2	Liberty Equities Corp.	
		(12,13)	0-2258-2

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8K Reports for Feb. 1970

Maui Land & Pineapple Co. Inc. (3)	2-35133-2	Gibraltar Financial Corp. of Calif. Mar. 70 (12,13)	1-4575-2
National Student Marketing Corp. (12)	0-3211-2	Kusan Inc. (2,11,13)	0-1478-2
Kent-Moore Corp. (12)	0-1596-2	Midtex Inc. (12,13)	0-2446-2
Midwestern Co. Inc. (7,13)	0-1925-2	Interphoto Corp. Mar. 70 (3)	1-4864-2
NVF Co. (8)	1-3290-2	Investors Unlimited Inc. Mar. 70 (12,13)	0-2202-2
Heritage Rembandt Corp. Nov. 69 (2,13)	0-4199-2	Life Securities Of Iowa Inc. Mar. 70 (12,13)	0-1203-2
Homasote Co. Mar. 70 (3)	1-3786-2	Mackey International Inc. Jan. 70 (3)	2-31097-2
Jarvis Corp. Mar. 70 (13)	1-5073-2	McDonnell Douglas Corp. Mar. 70 (12,13)	1-3685-2
Lea Ronal Inc. (12,13)	1-6291-3	Kennedy Computer Institute Inc. Mar. 70 (9)	2-34141-2
Lindberg Corp. Apr. 69 (11,13)	0-2476-2	Globe Capital Corp. Mar. 70 (2,8,12,13)	0-3786-2
Nalco Chemical Co. (12, 13)	1-4957-2	Great Western United Corp. (12)	1-5443-2
Northern Virginia Doctors Hospital Corp. Mar. 70 (12,13)	0-2927-2	Jersey Cental Power and Light Co. (10)	1-3141-2
GCA Corp. Mar. (7,13)	1-4854-2	Michigan Consolidated Gas (7,11,13)	2-30490-2
Indian Head Inc Mar. 70 (11)	1-5264-2	New Jersey Power Light Co. (10)	1-3221-2
Jebco Inc. (11,13)	1-6173-2	Joslyn MFG. & Supply Co. (11) Mar. 70	0-1252-2
Merck & Co. Inc. (13)	1-3305-2	Laser Systems Corp. (11)	2-28021-2
Natural Gas Pipeline Co. of America (12)	0-4167-2	Louisiana Gas Service Co. Jan 70 (7)	1-4335-2
Northwest Engineering Co. Mar 70 (11)	0-572-2	National Realty Investors Oct. 69 (11,13)	1-4912-2
International Ind. Inc. (2,11,13)	1-5879-2	Dec. 69 (7)	1-4912-2
Iowa Beef Packers Inc. (3,11,12,13)	1-6085-2	Sept. 69 (7,12)	1-4912-2
Jefferson National life Insurance Co. Mar 70 (7,10)	2-24784-2	National Utilities & Ind. Corp. Mar. 70 (11)	0-4293-2
Leasco Data Processing Equipment Corp. (11,12,13)	1-5288-2	G. Heileman Brewing Co. Inc. (2,12,)	1-4738-2
Marine Resources Inc. (9,11,12)	0-4296-2		
Arthur G. McKee & Co. Mar. 70 (12)	1-146-2		
Missouri Edison Co. (11)	2-18052-2		
Mount Vernon Mills Inc , Mar. 70 (8)	1-1025-2		
National Gypsum Co. (3)	1-2489-2		

**SECURITIES ACT REGISTRATIONS. Effective April 22:** Allied Telephone Co., 2-36406 (40 days); Beneficial National Corp. and Dataserv, Inc., 2-34793 (90 days); Colwyn Risk Fund, Inc., 2-35027 (90 days); Crutcher Resources Corp., 2-35449 (90 days); The Dow Chemical Co., 2-36992; Green Pond Mountain Corp., 2-34548; Information Displays Inc., 2-36829; Island Extrusion Corp., 2-35531 (90 days); Joy Manufacturing Co., 2-36627; Lawson Products, Inc., 2-36626 (90 days); Raytheon Co., 2-36822; United Utilities, Inc., 2-36974.

**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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