

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

brief summary of financial proposals filed with and actions by the S.E.C.



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RULE 131 EFFECTIVE DATE CLARIFIED. The staff of the Commission has received a number of inquiries with respect to the effective date of Rule 131 under the Securities Act of 1933 and Rule 3b-5 under the Securities Exchange Act of 1934 relating to industrial revenue bonds. The rules provide in substance that where such bonds are payable from the proceeds of a lease, sale or loan arrangement by a commercial enterprise, a separate security is created which is subject to the requirements of said Acts. They further provide that they will apply to transactions with respect to such securities sold after December 31, 1968. The term "sold" was inserted in paragraph (c) of each rule in order to make clear that the rule will not apply if the securities are acquired and paid for by the underwriters on or before December 31, 1968. The provision was not intended to mean that the rule would be applicable unless the securities are sold to the public before such date.

GULF LIFE HOLDING RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (IC-5493) with respect to the proposed participation of Gulf Life Holding Company, Jacksonville, Fla., with ISI Trust Fund, in the sale to underwriters of shares of stock of the said Holding Company, and related matters.

CORPORATE PROFITS REPORTED. The SEC and Federal Trade Commission announced (for September 18 newspapers) that U. S. manufacturing corporations reported gains in sales and earnings in the second quarter of 1968. Sales totaled \$158.9 billion for the quarter, 10 percent above the second quarter of 1967, and before-tax earnings advanced 17 percent over the year earlier figure, to \$14.8 billion. After-tax profits of \$8.3 billion in the second quarter were 9 percent higher than in the corresponding period of last year. The passage of the 10 percent tax surcharge on corporate profits is responsible for the lesser year-to-year increase in after-tax profits as compared with the before-tax earnings gain. For additional information, see Statistical Release No. 2308.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act of 1934 granting applications of the following exchanges for unlisted trading privileges in the common stock of Lorillard Corporation:

Detroit Stock Exchange	Pacific Coast Stock Exchange
Boston Stock Exchange	Philadelphia-Baltimore-Washington Stock Exchange.
Midwest Stock Exchange	

The Commission also has granted applications of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the stocks of Santa Fe International Corporation, The Bunker-Ramo Corporation, and I-T-E Imperial Corporation.

CROWN CENTRAL PETROLEUM TO SELL DEBENTURES. Crown Central Petroleum Corporation, One North Charles St., Baltimore, Md. 21201, filed a registration statement (File 2-30137) with the SEC on September 13 seeking registration of \$13,748,300 of convertible subordinated debentures due 1993. The debentures are to be offered for subscription to common stockholders, at the rate of \$100 principal amount of debentures for each six shares held. The offering is to be underwritten by a group headed by Lehman Brothers, One William St., and Hallgarten & Co., 44 Wall St., both of New York. The record date, interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in producing, transporting, refining and marketing petroleum. Net proceeds of its debenture sale, together with about \$22,000,000 to be received through the issuance of refinery mortgage notes, will be used by the company to finance the enlargement and modernization of its refinery located near Houston, Texas (the cost of which is estimated at \$35,000,000). In addition to indebtedness, the company has outstanding 824,974 common shares, of which American Trading and Producing Corporation owns 48.83%. Harold G. Mangelsdorf is board chairman and chief executive officer, and Henry A. Rosenberg, Jr., is president and chief administrative officer.

REALTY EQUITIES SHARES IN REGISTRATION. Realty Equities Corporation of New York, 375 Park Avenue, New York, N.Y. 10022, filed a registration statement (File 2-30138) with the SEC on September 13 seeking registration of securities, as follows: (a) 1,275,000 common shares underlying warrants to be issued to Republic National Life Insurance Company and certain other institutional investors, exercisable initially at \$15.25 per share and issued to the purchasers of \$17,000,000 of 7½% promissory notes; (b) 50,000 shares underlying warrants owned by Gulf & Western Industries, Inc., exercisable initially at \$10 per share; (c) 100,000 shares owned by Gulf & Western Industries, 121,000 shares issued or to be issued pursuant to a March 1967 agreement between the company and certain shareholders of First National Realty & Construction Corp., and 55,000 shares and 2,000 warrants issued or to be issued pursuant to an April 1968 agreement with Willgard Co.; and (d) 322,534 shares issuable upon the exercise of warrants (each exercisable initially for the purchase of 1.255 shares at \$7.55 per share). In addition to indebtedness and preferred stock, the company now has outstanding 1,636,475 common shares. Morris Karp is president.

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YOUTH DYNAMICS TO SELL STOCK. Youth Dynamics, Inc., 95 Madison Avenue, New York, N. Y. 10016, filed a registration statement (File 2-30139) with the SEC on September 13 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made by Jed L. Hamburg Co., 11 Broadway, New York, N. Y., which will receive a 40¢ per share commission plus \$12,500 for expenses. The company has agreed, subject to sale of the shares, to sell the underwriter 10,000 six-year stock purchase warrants for \$100, each warrant providing for the purchase of one share at \$4.10 commencing one year from the offering date. An additional 5,000 warrants are to be sold for \$50 to Fred L. Preyer (1,667), Galpeer and Cooper (1,667) and Aaron Karp (1,666) for their services as finders.

The company was organized in May 1967; a "youth marketing specialist," its operations involve the analysis, planning, creation, supervision and implementation of programs directed toward the youth segment of the population--under 25 years of age. Net proceeds of its stock sale will be used to expand the company's staff and for various of its promotional activities. The company now has outstanding 300,000 common shares (with a book value deficit of about one-half cent per share), of which Jean-Claude Koven, president and board chairman, and Michel Grand, executive vice president, own 49.8% each. Purchasers of the shares being registered will acquire a 25% stock interest in the company at a cost of \$400,000; present shareholders will own a 75% interest for which a total of \$500 in cash was paid.

RICE FOOD MARKETS FILES FOR OFFERING AND SECONDARY. Rice Food Markets, Inc., 5333 Gulfton Drive, Houston, Texas 77036, filed a registration statement (File 2-30140) with the SEC on September 13 seeking registration of 250,000 shares of common stock. Of this stock, 87,700 shares are to be offered for public sale by the company and 162,300 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Bear, Stearns & Co., One Wall St., New York 10005; the offering price (\$13.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the retail grocery business in Houston and the surrounding Gulf Coast area. The net proceeds of its sale of additional stock will be expended in connection with the opening of three additional stores in 1968-69; the balance will be used to reduce borrowings or added to working capital. In addition to indebtedness, the company has outstanding 624,000 common shares, of which the Estate of William H. Levy (former president), Alfred L. Friedlander, president, and Joel M. Levy, a senior vice president, own 20% each and Jack Zubowski, board chairman, and two others own 13.33% each. The Levy Estate proposes to sell 68,000 of its holdings of 124,800, Friedlander and Levy 37,775 shares each, and Zubowski and the other two 6,250 shares each.

TRANS-NATIONAL REALTY TO SELL SHARES. Trans-National Realty Investments, 243 East Fourth South Street, Salt Lake City, Utah 84111, filed a registration statement (File 2-30142) with the SEC on September 13 seeking registration of 500,000 shares of beneficial interest in the "real estate investment trust," to be offered for public sale at \$10 per share. No underwriting is involved; offering and related expenses are estimated at \$1.50 per share (including a 15% selling commission to dealers who may assist in the sale of shares).

The Trust (formerly Globe Realty Investments) was organized in May 1965 to provide investors "an opportunity to participate in real estate investments on a diversified basis." It has no real estate assets. Net proceeds of this offering will be invested "toward the purchase or investment of income-producing real estate or interests therein." James D. Wright and two other trustees own some 15% of the 2,217 outstanding shares.

EL TIEMPO TO SELL STOCK. El Tiempo, Inc., 116 West 14th St., New York, N. Y., filed a registration statement (File 2-30143) with the SEC on September 16 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$6 per share. No underwriting is involved; the company may offer shares through NASD members, which will receive a 60¢ per share selling commission. Dealers through whom shares are sold will receive three-year warrants to purchase 1 share for each 5 shares sold, exercisable initially at \$6 per share.

The company is engaged in the business of publishing and distributing a daily newspaper in the Spanish language in the New York metropolitan area. According to the prospectus, it "lacks adequate working capital and from time to time has been unable to meet its current obligations so that the company may be characterized as technically insolvent." Part of the net proceeds of its stock sale will be used to repay \$220,000 of bank loans; the balance will be added to working capital to enable the company to purchase additional composing room equipment, promote circulation and advertising and hire additional personnel and expand into other areas. If the company is unable to realize sufficient proceeds from this offering to pay off pending bank loans (\$150,000 of which is guaranteed by J. Elroy McCaw, board chairman and \$40,000 by two other officials), the company "may be unable to continue in operation and fail, in which event the public investors will lose their investment." The company now has outstanding 492,400 common shares (with a 23¢ per share book value deficit), of which William Mellon Hitchcock owns 24% and management officials as a group 29%. Purchasers of the shares being registered will acquire a 20% stock interest in the company at a cost of \$750,000, while present shareholders will own the 80% balance, for which they will have paid \$668,748 but which had a net worth deficit of \$111,958 on June 30.

CULLIGAN SHARES IN REGISTRATION. Culligan, Inc., 1657 South Shermer Rd., Northbrook, Ill. 60062, filed a registration statement (File 2-30145) with the SEC on September 16 seeking registration of 43,158 common shares. Of this stock, 30,000 were issued in exchange for stock of Everpure, Inc., and affiliated corporations and 13,158 in connection with the company's acquisition of four New Jersey dealerships. The recipients may offer same for sale from time to time, at prices current at the time of sale (\$28.50 per share maximum*). The company now has outstanding 3,009,054 shares.

COMPUTER INSTALLATIONS TO SELL STOCK. Computer Installations Corporation, 5514 Caroline St., Houston, Texas 77004, filed a registration statement (File 2-30146) with the SEC on September 16 seeking registration of 280,000 shares of common stock, to be offered for public sale through underwriters headed by Walston & Co., Inc., 74 Wall St., New York 10005. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the business of leasing to others computers and related data processing equipment; it recently succeeded to the business conducted since 1964 by Harry E. Blair, Jr. (president), as sole proprietor under the name Computer Investment Company. Net proceeds of its stock sale will be added to general corporate funds and may be used to reduce debt, acquire additional computer equipment, acquire other businesses or for other corporate purposes. In addition to indebtedness, the company has outstanding 500,000 common shares (with a \$1.02 per share book value), all owned by Blair.

ELBA SYSTEMS FILES FOR OFFERING AND SECONDARY. Elba Systems Corporation, 5909 East 38th Avenue, Denver, Colo. 80207, filed a registration statement (File 2-30147) with the SEC on September 16 seeking registration of 177,419 shares of common stock. Of this stock, 50,000 shares are to be offered for public sale by the company and 127,419 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005, and First Nebraska Securities Corporation, 1001 "O" St., Lincoln, Neb. 68508; the offering price (\$26 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in developing and marketing audio-visual sales motivational materials and related portable audio-visual equipment which to date have been sold primarily to the life insurance industry. Net proceeds of its sale of additional stock will be used to meet the company's working capital requirements (including restoration of funds used for equipping and opening a plant in Boulder). In addition to indebtedness, the company has outstanding 759,945 common shares, of which E. L. Barrett (president) and his wife own 29.8% and E. W. Nelson (executive vice president) 13.6%. The prospectus lists 40 selling stockholders, who own an aggregate of 629,202 shares and propose to sell 127,419 shares. The Barretts propose to sell 34,000 shares and E. W. and Marjorie E. Nelson 22,985.

FIRST NATIONAL (NEBR) FILES EXCHANGE PLAN. First National of Nebraska, Inc., 16th and Farnam Streets, Omaha, Nebr. 68102, filed a registration statement (File 2-30150) with the SEC on September 16 seeking registration of 600,000 shares of capital stock. It is proposed to offer this stock in exchange for stock of the First National Bank of Omaha on a share for share basis. The Bank now has outstanding 600,000 common shares (each director of the Bank will retain the minimum number of Bank shares required by law to qualify as a director). John F. Davis is board chairman and John R. Lauritzen president of both the Bank and the company.

HINCKLEY 1969 OIL VENTURE PROPOSES OFFERING. Hinckley 1969 Oil Venture, Ltd., 2334 Fidelity Union Tower, Dallas, Tex. 75201, filed a registration statement (File 2-30149) with the SEC on September 13 seeking registration of \$1,000,000 (200 units) of limited partnership interests, to be offered for sale in \$5,000 units. The partnership will pay selected NASD members up to 5% commission. It will be engaged primarily in the exploration for and production of oil and gas. Hinckley Oil Corporation, general partner, is wholly owned by J. W. Hinckley, president.

GEO. WASHINGTON CORP. FILES EXCHANGE PLAN. George Washington Corporation, 645 Riverside Avenue, Jacksonville, Fla. 32204, filed a registration statement (File 2-30148) with the SEC on September 16 seeking registration of 2,517,013 shares of common stock. The said "holding company" proposes to offer its stock in exchange for the outstanding common shares of three life insurance companies, as follows: 1 share of holding company for each share of George Washington Life Insurance Company; .65 share for each share of American Life Insurance Company of Michigan; and 1 share for each share of American Annuity Life Insurance Company. The offer will not extend to shares of American Annuity held by George Washington Life. It is subject to certain conditions, including the condition that it be accepted by the holders of 80% of the outstanding stock of the first two named insurance companies. Laurence F. Lee, Jr., is board chairman and chief executive officer of Holding Company and Jack H. Quaritious is president and chief administrative officer.

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in the securities of Rover Shoe Company and Royston Coalition Mines Ltd. for the further ten-day period September 18-28, 1968, inclusive.

INTERPUBLIC GROUP TO SELL DEBENTURES. The Interpublic Group of Companies, Inc., 1271 Avenue of the Americas, New York, N. Y. 10020, filed a registration statement (File 2-30151) with the SEC on September 16 seeking registration of \$4,000,000 of 7% convertible subordinated debentures, due 1988, to be offered for public sale at 100% of principal amount (without underwriting).

The company, through subsidiaries, is engaged in activities which may be generally described as "marketing communications," including advertising agency functions, market research, sales promotion, public relations, and product development. Due to financial reverses, it has entered into a plan of refinancing which includes borrowings of up to \$10,200,000 under a revolving credit agreement with The Chase Manhattan Bank, which also has agreed to guarantee, under letters of credit, up to \$1,700,000 of foreign bank loans. Under these credit arrangements, the company is required to realize a minimum of \$3,000,000 from the sale of assets and debentures during 1968 and an additional \$3,000,000 from these sources in 1969, making a total of \$6,000,000 which when added to \$10,200,000 amounts to a total for the entire refinancing of \$16,200,000. The loan proceeds have been applied to the extent of \$5,367,000 to pay previously existing domestic bank indebtedness and to the extent of \$1,001,000 to pay part of the repurchase price of Class "B" stock bought from Marion Harper, Jr. The balance of the amounts realized and to be realized under the plan of refinancing will be available for general corporate purposes of the Interpublic Group including the additional investment of \$3,000,000 in 1968 and \$3,000,000 in 1969 required to be made in Interpublic Service Corporation, a subsidiary organized to carry out the financing plan. Robert E. Healy is president and board chairman.

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C & P TELEPHONE (MD) TO SELL DEBENTURES. The Chesapeake and Potomac Telephone Company of Maryland, 320 St. Paul Place, Baltimore, Md. 21202, filed a registration statement (File 2-30154) with the SEC on September 17 seeking registration of \$75,000,000 of forty year debentures, due 2008, to be offered for public sale at competitive bidding. An A T & T subsidiary, the company will apply the net proceeds of its bond sale toward repayment of advances from the company, expected to approximate \$84,000,000 at the time the proceeds are received. Such advances are obtained for general corporate purposes, including property additions and improvements.

ILLINOIS POWER TO SELL BONDS. Illinois Power Company, 500 South 27th St., Decatur, Ill. 62525, filed a registration statement (File 2-30155) with the SEC on September 17 seeking registration of \$45,000,000 of first mortgage bonds, due 1998, to be offered for public sale at competitive bidding. The company is engaged primarily in the generation and distribution of electric energy and the distribution of natural gas. Net proceeds of its bond sale will be applied first to the payment of short-term bank loans and the balance to new construction. The company's construction program for the period August 1968 through December 1972 is estimated at \$374,000,000.

ALWORTH ENJOINED. The SEC Fort Worth Regional Office announced September 13 (LR-4109) that the U. S. District Court (ND Tex) has entered an order permanently enjoining violations of the Securities Act registration and anti-fraud provisions by Rexford May Alworth (a/k/a Rex M Alworth and R. Ford Alworth), Ranger, Texas, in the offer and sale of interests in oil and gas leases in Lea County, New Mexico, and other securities.

HYSTER CO. TO SELL STOCK. Hyster Company, 2902 N. E. Clackamas St., Portland, Oregon 97208, filed a registration statement (File 2-30152) with the SEC on September 16 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York 10005. The offering price (\$45 per share maximum*) and underwriting terms are to be supplied by amendment.

The company's products fall into two general classifications, industrial truck products and construction equipment. Net proceeds of its stock sale will be used to reduce short-term indebtedness, amounting to \$19,690,000 at July 31 and incurred in connection with the company's growth, and the balance will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 2,399,563 common shares, of which ESCO Corporation of Portland owned 24.2% and management officials as a group 15.2%. Ernest G. Swigert is board chairman, Harvey N. Black, vice chairman, and Philip S. Hill president. The Swigert family is a substantial owner of ESCO stock.

LANE CO. INC. FILES FOR SECONDARY. The Lane Company, Incorporated, Altavista, Va. 24517, filed a registration statement (File 2-30153) with the SEC on September 16 seeking registration of 40,000 outstanding shares of common stock, to be offered for public sale by the holder thereof through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004, and Wheat & Co., Inc., 801 E. Main St., Richmond, Va. 23211. The offering price (\$44 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a furniture manufacturer. In addition to indebtedness and preferred stock, it has outstanding 1,896,500 common shares, of which management officials own 29.7%. Edward H. Lane is board chairman and Hampton O. Powell president. The Executor under the will of John Haden Lane proposes to sell 40,000 of 93,202 shares held.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended September 12, 72 registration statements were filed, 42 became effective, 1 was withdrawn, and 898 were pending at the week end.

SECURITIES ACT REGISTRATIONS. Effective September 11: ISI Income Fund, Inc., 2-28010 **Effective September 16:** Central Telephone & Utilities Corp., 2-29905 (Oct 28); Commonwealth Edison Co., 2-29992; Fabric Mart Draperies, Inc., 2-29661 (90 days); W. T. Grant Co., 2-30061; Solidyne, Inc., 2-29499 (90 days); Stand 'N Snack of America, Inc., 2-29362 (90 days); Westrans Petroleum, Inc., 2-29146 (90 days); White Cross Stores, Inc., 2-29865

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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