

# 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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**BUSINESS DEVELOPMENT OF NEBR. SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5949) giving interested persons until January 21 to request a hearing upon an application of Business Development Corporation of Nebraska, Lincoln, for exemption from provisions of the Act. The company was formed to promote the economic development of Nebraska by providing financing not otherwise readily available to assist existing businesses and to encourage new industry and expanded employment in Nebraska. Under Nebraska law, banks, insurance companies and other financial institutions may become members of the company, thereby agreeing to lend a small percentage of their capital and surplus, upon call. The company is also authorized to apply for loans from the Small Business Administration. It proposes to offer 50,000 shares of common stock for sale at \$10 per share to sophisticated investors who are capable of understanding and assuming the risks involved and whose motivation in purchasing such shares is to stimulate the economy of Nebraska. No commission or discount will be paid to anyone in connection with the sale of stock. It is anticipated that the company will invest principally in loans of from 5 to 15 years; it is not contemplated that the company will have a significant investment in equity securities nor will it engage in short-term trading of equity securities or purchase such securities with a view to controlling, dominating or influencing management policies of other companies.

**SOUTHWESTERN ELECTRIC RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16575) authorizing Southwestern Electric Power Company, subsidiary of Central and South West Corporation, Wilmington, Del. holding company, to sell 123,060 shares of cumulative preferred stock (\$100 par) at competitive bidding. The company will use net proceeds of its stock sale to pay, at maturity, \$12,306,000 of first mortgage 3-4% bonds, Series A, which will become due on February 1, 1970.

**GURN AND JACK FREEMAN INDICTED.** The SEC Chicago Regional Office announced December 30 (LR-4514) that a Federal grand jury in Chicago has returned an indictment charging Gurn H. and Jack Ward Freeman, of Springfield, Ill., with violations of the registration and anti-fraud provisions of the Securities Act in the offer and sale of stock of Nationwide Motorist Association, Inc.

**SALE OF TRANSCEIVER CORP. STOCK ENJOINED.** The SEC Fort Worth Regional Office announced December 31 (LR-4515) that the Federal court in Dallas had issued orders permanently enjoining the sale of stock of Transceiver Corporation of America by the following in violation of the registration and anti-fraud provisions of the Federal securities laws: Transceiver Corporation of Dallas; Midwestern Securities Corporation, New York broker-dealer; and Lloyd W. Sahley, of New York and Cleveland, president of Midwestern. The defendants consented to the injunction without admitting the violations.

**SUTZ & ROSS NAMED IN SEC ACTION.** The SEC New York Regional Office announced December 23 (LR-4516) that, on complaint filed by the Commission, Sutz & Ross, Inc., broker-dealer firm of North Valley Stream, N. Y., consented to a court order of permanent injunction against the further conduct of a securities business in violation of the Commission's net capital and record-keeping rules. A receiver also was appointed for the firm, whose president, Barry Sutz, also consented to the injunction. The company's vice president, Andrew Bryan Ross, also was named as a defendant.

**TRADING SUSPENSIONS CONTINUED.** The SEC on January 5 ordered the suspension of over-the-counter trading in the securities of Liquid Optics Corporation for the further ten-day period January 6-15, 1970, inclusive, and on January 6 ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period January 7-16, 1970, inclusive.

**TOMANET TO SELL STOCK.** Tomanet Corporation, P. O. Box 125, 205 East Main St., Round Rock, Tex. 78664, filed a registration statement (File 2-35763) with the SEC on December 24 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made on a best efforts, all-or-none basis through Rosen-Newman Securities, Inc., c/o Roy L. Weiss, 475 - 5th Ave., New York, which will receive a 60c per share selling commission plus \$5,000 for expenses. The company has agreed to sell the underwriter, at one mil per warrant, five-year warrants to purchase 20,000 shares, exercisable after one year at \$6.60 per share, and to sell like warrants to purchase 5,000 shares to Bala Williams in consideration for his services as a finder.

Organized in August 1966 as Tomanet Development Corporation, the company is primarily engaged in selling residential lots on an installment payment basis in mobile home subdivisions developed by the company. Of the net proceeds of its stock sale, \$475,000 may be used in the acquisition and development of a tract of land on South Padre Island Drive near Corpus Christi, Texas, if necessary zoning is obtained, \$100,000 to repay certain indebtedness incurred in the acquisition and development of various properties, \$110,000 to be used in the development of Cedar Park Ranchettes Unit 6, a mobile home subdivision near Austin, Texas, and \$120,000 to complete the purchase of 4,300 acres of land in Arkansas; the balance will be added to the company's general funds and used for general corporate purposes, including working capital.

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The company has outstanding 300,000 common shares (with a \$1.27 per share net tangible book value), of which Lola Annette Joseph and Tom Joseph (president) own 69.39% and management officials as a group 91.02%. Purchasers of the shares being registered will acquire a 40% interest in the company for their investment of \$1,200,000 (they will sustain an immediate dilution of \$3.23 in per share book value from the offering price); present shareholders will then own 60%, for which they will have paid (in cash, contributions of property and by conversion of retained earnings of the company to common stock through stock dividends) \$350,473, or \$1.17 per share.

**MACRODYNE-CHATILLON FILES FOR SECONDARY.** Macrodyne-Chatillon Corporation, 60 East 42nd St., New York 10017, filed a registration statement (File 2-35764) with the SEC on December 24 seeking registration of 367,247 outstanding shares of common stock and 24,000 shares of common stock issuable upon conversion of 24,000 outstanding shares of Series A preferred stock (\$1 par). These shares may be offered for sale from time to time by the present holders or recipients thereof, at prices current at the time of sale (\$7.75 per preferred share and \$8.50 per common share maximum\*).

The company is primarily engaged in the manufacture of airframe components, jet engine parts, cargo handling devices and weighing and measuring systems, and in the repair of aircraft assemblies. In addition to indebtedness and preferred stock, it has outstanding 3,798,339 common shares. E. D. Rothrock proposes to sell 103,471 common shares of 124,083 common and 82,722 preferred shares held and 29 others the remaining shares being registered.

**HOUSTON LIGHTING & POWER TO SELL DEBENTURES.** Houston Lighting & Power Company, 611 Walker Ave., Houston, Tex. 77002, filed a registration statement (File 2-35765) with the SEC on December 24 seeking registration of \$40,000,000 of convertible debentures, due 1985, to be offered for public sale at competitive bidding. A public utility, the company will add the net proceeds of its debenture sale to its general funds to defray the cost of its construction program and for other corporate purposes, including the repayment of a portion (estimated at \$30,000,000) of the principal amount of outstanding short-term bank loans the proceeds of which were used for such purposes. Construction expenditures are estimated at \$114,000,000 for 1970, \$101,000,000 for 1971 and \$136,000,000 for 1972.

**PATRICK OIL & GAS PROPOSES OFFERING.** Patrick Oil and Gas Corp., 744 West Michigan Ave., Jackson, Mich. 49201, filed a registration statement (File 2-35769) with the SEC on December 24 seeking registration of \$10,000,000 of limited partnership interests in its 1970 Drilling Program No. 1, to be offered for public sale at \$25,000 per unit. Manley, Bennett, McDonald & Co., 535 Griswold St., Detroit, Mich. (to serve as dealer manager on a best efforts basis) and selected NASD members will receive a 7% selling commission; the Manley firm will receive an additional 2% commission on all sales. The Program is being created primarily to conduct an oil and gas drilling program. Patrick Oil and Gas Corp. is a wholly-owned subsidiary of Patrick Petroleum Company. U. E. Patrick is president of Patrick Oil and Gas and its parent.

**MAJESTIC ELECTRO INDUSTRIES PROPOSES OFFERING.** Majestic Electro Industries, Ltd., 230 Fifth Ave., New York 10001, filed a registration statement (File 2-35770) with the SEC on December 24 seeking registration of 400,000 shares of common stock and 400,000 common stock purchase warrants, to be offered in units, each consisting of one share and one warrant to purchase one-fourth share. The offering is to be made on a best efforts, all-or-none basis, at \$1 per unit, through Sanford Securities, Inc., 15 William St., New York, which will receive a 10¢ per unit selling commission plus \$14,000 for expenses. The company has agreed to pay \$6,000 to Solomon Forman for his services as finder and to sell the underwriter and the finder, for an aggregate \$460 (1¢ per warrant), six-year warrants to purchase 40,000 and 6,000 shares, respectively, exercisable after one year at \$1 per share.

Organized in May, the company acquired all the outstanding capital stock of Majestic Lamp Mfg. Corp., Majestic Associates, Inc., Intercontinental Lighting Corporation and Dolfman Distributing, Inc. It is principally engaged in design, manufacture and assembly of lighting fixtures, portable lamps and wall decorations which are used for commercial and residential use. Of the net proceeds of its stock sale, \$150,000 will be used to satisfy in full the company's obligations to a factor; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 600,000 common shares (with a 36¢ per share book value), of which Adolph Ebenstein, board chairman and president, owns 65.13% and management officials as a group 100%. Purchasers of the shares being registered will acquire a 40% stock interest in the company for their investment of \$400,000 (they will sustain an immediate dilution of 49¢ in per share book value from the offering price); present stockholders will then own 60%, for a total investment of \$215,085, or 36¢ per share.

**ADR's FOR SANWA BANK FILED.** Morgan Guaranty Trust Company of New York, 23 Wall St., New York, filed a registration statement (File 2-35771) with the SEC on December 22 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of The Sanwa Bank Limited (a Japanese corporation).

**BABCOCK INDUSTRIES FILES FOR OFFERING AND SECONDARY.** Babcock Industries, Inc., P. O. Box 280, Ithaca, N. Y. 14850, filed a registration statement (File 2-35772) with the SEC on December 24 seeking registration of 250,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006; the offering price (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company was organized in May to succeed to a business conducted since 1935. It is engaged in the genetic development of hybrid poultry for the production of eggs. Of the net proceeds of its sale of additional stock, \$1,350,000 will be used for constructing additional production, research and office facilities in Ithaca and purchasing land and equipment therefor, \$300,000 for constructing additional

facilities in Arkansas and \$300,000 for the development of broiler breeding stock; the balance will be added to the company's general funds and used for additional working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 464,807 common shares, of which Monroe C. Babcock, board chairman, owns 44.7% and Bruce M. Babcock, president, 36.7%. Monroe Babcock proposes to sell 50,000 shares of 207,685 shares held.

**ION INDUSTRIES TO SELL STOCK.** Ion Industries, Inc., 59-31 56th Drive, Maspeth, N. Y. 11378, filed a registration statement (File 2-35773) with the SEC on December 24 seeking registration of 60,000 shares of common stock, to be offered for public sale through S. D. Lunt & Co., 1 Whitehall St., New York. The offering price (\$4 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Lunt firm \$5,000 for expenses and to sell it, for \$60, five-year warrants to purchase 6,000 shares. Also included in this statement are 60,000 outstanding shares of common stock which may be offered for sale from time to time by the present holders thereof, at prices current at the time of sale.

Organized in April, the company through subsidiaries is engaged in polishing and anodizing aluminum and polishing stainless steel. Net proceeds of its stock sale will be added to the company's general funds and used for working capital and general corporate purposes. The company has outstanding 390,000 common shares (with a 66¢ per share net tangible book value), of which Arthur Rosenblatt, board chairman, and Irving Brody, president, own 33.72% each.

**HILTON HEAD TO SELL STOCK.** The Hilton Head Company, P. O. Box 1008, Hilton Head Island, S. C. 29928, filed a registration statement (File 2-35777) with the SEC on December 24 seeking registration of 750,000 shares of common stock, to be offered for public sale through underwriters headed by Auchincloss, Parker & Redpath, 2 Broadway, New York 10004. The offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in holding, developing and selling real estate on Hilton Head Island for vacation, resort and retirement purposes and for supporting commercial facilities. Of the net proceeds of its stock sale, \$5,151,200 will be paid to Southern States Naval Stores Company in exchange for its interest in the company and a 26.8% undivided interest in the Honey Horn Plantation Properties, \$2,151,200 will be paid to Fred C. Hack in exchange for his 26.8% undivided interest in the Honey Horn Plantation Properties, \$1,775,000 will be used for construction of additions and alterations to Port Royal Inn, \$132,500 to purchase the minority stock interest in Port Royal Plantation Inc., \$725,000 for physical improvements in the Port Royal Plantation development, \$475,000 for initial surveying, construction and landscaping of roads in the Shipyard Plantation development, \$400,000 to meet initial needs for employees' housing, \$480,000 to acquire various individual parcels of real estate and \$700,000 to repay in part certain indebtedness; the balance will be added to the company's general funds and will be available for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 1,708,334 common shares (with a 46¢ per share book value), of which Fred C. Hack, president, owns 16.1%, his wife 53.5% and management officials as a group 27.4%. Purchasers of the shares being registered will sustain an immediate dilution of \$13.73 in per share book value from the offering price.

**EDUSCOPE TO SELL STOCK.** Eduscope Incorporated, 319 East 52nd St., New York 10022, filed a registration statement (File 2-35778) with the SEC on December 24 seeking registration of 85,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on a "best efforts, one-half of all or none basis" through Borthwick, Gallic & Co., 54 Wall St., New York 10005, which will receive a 40¢ per share selling commission plus \$9,000 for expenses. The company has agreed to sell the underwriter, at \$.001 per warrant, five-year warrants to purchase 10,000 shares, exercisable after one year at \$4.50 per share.

The company was organized in March, principally for the purpose of creating, producing, publishing and distributing educational materials and products and engaging in related activities. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. The company has outstanding 199,410 common shares (with a 27¢ per share book value), of which Steven Schepp, president, owns 54.5% and management officials as a group 98.8%. Purchasers of the shares being registered will sustain an immediate dilution of \$2.86 in per share book value from the offering price.

**PIG-N WHISTLE TO SELL STOCK.** Pig-N Whistle Corporation, 164 Division St., Elgin, Ill., filed a registration statement (File 2-35779) with the SEC on December 24 seeking registration of 250,000 shares of common stock, to be offered for public sale on a "best efforts" basis through Baron & Co., Inc., 1 Exchange Pl., Jersey City, N. J. The offering price (\$10 per share maximum\*) is to be supplied by amendment. The underwriter will receive a 10% selling commission plus \$25,000 for expenses. The company has agreed to sell the underwriter 10,000 shares at 50¢ per share, non-transferable for one year; and it also has agreed to issue 10,000 shares to Emanuel Fields (company counsel) for legal services in connection with the offering.

The company engages primarily in the ownership and operation of restaurants, franchised drive-ins, resort hotel services, and the manufacture and sale of bakery goods. Of the net proceeds of its stock sale, \$375,000 will be used to expand the company's restaurant operations by constructing and/or leasing additional restaurants, \$250,000 for construction of an 8-story 105-room addition to the existing 85-room Holiday Lodge in Reno, \$750,000 to expand the drive-in restaurant franchise operations of a subsidiary, \$500,000 for expansion and refurbishing of the leased Lone Palm Hotel in Palm Springs, Calif., \$100,000 to pay a note due to the Friendship Shopping Center, Ltd., in Freeport, Bahamas and \$162,000 for the balance due on a purchase contract for the Crystal Towers Hotels; 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 2,021,748 common shares, of which Louis Kuchuris (president and board chairman) and Frances Kuchuris own 15.2%, Peter Ganas (vice president) 22%, management officials as a group 64.4% and Congress-Pacific Corp. 21.8%.

**PRINCETON TIME SHARING SERVICES TO SELL STOCK.** Princeton Time Sharing Services, Inc., U. S. Highway No. 1, Princeton, N. J. 08540, filed a registration statement (File 2-35780) with the SEC on December 24 seeking registration of 275,000 shares of common stock, to be offered for public sale through Mayflower Securities Co., Inc., 32 Broadway, New York. The offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$25,000 for expenses and to sell it five-year warrants to purchase 30,000 shares.

Organized in June 1968, the company offers remote access computing services, including conversational time sharing and remote access batch processing, as well as conventional service bureau operations. Of the net proceeds of its stock sale, \$200,000 will be used in connection with the opening and initial activities in sales offices in New York and Philadelphia and \$700,000 to finance the opening of a second computer facility; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 421,722 common shares, of which Theodore A. Dolotta, president, owns 7.93% and management officials as a group 39.69%.

**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:

Puritan-Bennett Corporation, Kansas City, Mo. (File 2-35745) - 100,000 shares  
Information International, Inc., Boston, Mass. (File 2-35774) - 210,000 shares

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*"):

<u>NO.</u>	<u>O- REGISTRANT</u>	<u>LOCATION</u>
4184	Alberts Inc. **	Ferndale, Mich.
4224	American Fidelity Life Insurance Co. **	Pensacola, Fla.
4191	Automation Sciences, Inc.**	Jersey City, N. J.
4216	Building Dynamics, Inc.	New York, N.Y.
4218	Burgess Industries, Inc.**	Dallas, Texas
4206	Carson Pirie Scott & Co.	Chicago, Ill.
4211	Frantz Mfg Co.	Sterling, Ill.
4215	General Stone & Materials Corp.**	Roanoke, Va.
4199	Heritage Nursing Centers, Inc.**	St. Anthony Village, Minn.
4205	Hickory Furniture Co.**	Hickory, N. C.
4200	Lamb-Weston, Inc.	Portland, Oregon
4192	Malaker Corporation	High Bridge, N. J.
4188	Herman Marcus, Inc.**	Dallas, Texas
4187	Microform Data Systems Inc.	Menlo Park, Calif.
4197	Rangaire Corporation**	Cleburne, Texas
4210	Royal Executive Inns of America, Inc.	Provo, Utah
4198	Abe Schrader Corp.**	New York, N. Y.
4186	Sequential Information Systems, Inc.**	Dobbs Ferry, N.Y.
4195	Spartan Food Systems, Inc.	Spartanburg, S. C.
4214	Trans-Pacific Developments, Ltd.	San Francisco, Calif.

**SECURITIES ACT REGISTRATIONS.** Effective January 2: Continental Telephone Corp., 2-35679 (Feb 16). Effective January 5: Burton's In the Round, Inc., 2-33619 (90 days); Rich's Inc., 2-35606; Texas International Drilling Funds, Inc., Series A, 2-34579 (90 days); Delmarva Power & Light Co., 2-35634; Oxford Industries, Inc., 2-35666; Computer Graphics, Inc., 2-33885 (Apr 5).

**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.