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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KELLY & MOREY CENSURED. In a decision under the Securities Exchange Act announced today (Release 34-8577), the SEC censured the Denver firm of Kelly & Morey, Inc., as well as its president and vice president, Bradford Richardson and Francis J. Kelly, for violations of the Commission's record-keeping rules. In their offer of settlement, which the Commission accepted, the respondents, without admitting the violations, consented to the imposition of the sanction. In such offer, the firm undertook and represented that all its books and records are fully posted and are and will be maintained in compliance with the said rules. Moreover, it agreed to provide the Commission's Denver Regional Office, within 15 days of the end of each month through January 1970, a trial balance and a net capital computation along with a completed copy of the Commission's short form reporting questionnaire as well as an affidavit stating whether the firm is in compliance with the bookkeeping and net capital requirements. The firm also agreed (a) to notify the Denver Office immediately when at any time it is not in compliance with the terms, conditions and undertakings of the settlement offer and (b) that, if there appears to have been a breach thereof, a hearing may be convened upon 5 days' notice to determine whether such a breach has occurred and what, if any, additional sanctions should be imposed.

REVISION OF INSIDER TRADING RULES PROPOSED. The SEC announced on April 17 a proposal for the revision of its Rule 16a-1 under the Securities Exchange Act; and it invited the submission of comments thereon not later than May 15. Rule 16a-1 relates to the filing of statements of beneficial ownership of equity securities by officers and directors as well as changes in such ownership. Section 16(b) of the Act provides that short-swing profits by such "insiders" in shares of their respective companies "shall insure to and be recoverable by the issuer. . ." The courts have held that for the purpose of Section 16(b) a purchase of an equity security made before a person becomes a director or officer of a company having such securities registered pursuant to Section 12 of the Act may be matched with a sale within six months thereafter at a time when such person has become a director or officer of the company. Blau v. Allen, 163 F. Supp 702, 704 (S.D.N.Y. 1958); Adler v. Klawans, 267 F. 2d 840 (2d Cir. 1959). Similarly, it has been held that for the purpose of Section 16(b), a purchase of an equity security of such a company by another company having a representative on the first company's board of directors may be matched with a sale of such security, within six months, after the representative ceased to be a director of the company. Feder v. Martin Marietta Corporation, 406 F.2d 260 (1969). The same principles would seem to apply where equity securities become registered, or cease to be registered, between the dates of purchases and sales, or sales and purchases, made within a period of six months.

The purpose of the proposed amendment of Rule 16a-1 would be to provide disclosure under Section 16(a) with respect to all transactions which may be subject to Section 16(b). The amendment would require that the initial Form 3 ownership report of an officer or director (when he becomes such or when the shares of his company become registered) shall include information as to any changes in his beneficial ownership of equity securities of the company which occurred during the preceding six months. Moreover, reports would have to be filed reflecting any change in beneficial ownership which occurs within six months after any change in beneficial ownership prior to the date he ceased to be an officer or director or the company ceased to be registered.

SIX INDICTED IN SALE OF AMERICAN-REPUBLIC NATIONAL TRUST SECURITIES. The SEC Chicago Regional Office announced April 15 (LR-4291) that the following were indicted by a Federal grand jury in Indianapolis on charges of violating the Securities Act anti-fraud provisions in the sale of certificates of beneficial interest issued by the American National Trust and the Republic National Trust: Jack Aldridge, of Ocala, Fla., Seymour M. Bagal of Noblesville, Ind., Henry H. Brown of Indianapolis, Samuel P. Good, Jr., of Marion, Ind., Calvin R. Mummert of Rochester, Ind., and James J. Perrault of Indianapolis, Ind.

INDICTMENT NAMES KITZMILLER & MOORE. The SEC Chicago Regional Office announced April 15 (LR-4292) that a Federal grand jury in Indianapolis had returned an indictment charging Jack B. Kitzmiller and Alexander J. Moore with violations of the Securities Act anti-fraud provisions in the sale of stock of Midwestern United Life Insurance Company.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8575) granting an application of the New York Stock Exchange to strike from listing and registration the common stock and 5% convertible preferred stock of the Boston and Maine Corporation, effective at the opening of business April 16, 1969. Only 137,010 shares of common stock and 30,306 shares of 5% preferred stock of the company are publicly held exclusive of shares acquired by Boston and Maine Industries pursuant to an exchange offer of March 18, 1969. The securities remain listed on the Boston Stock Exchange.

TRADING BANS CONTINUED. The SEC has ordered the further suspension of over-the-counter trading in the securities of Omega Equities Corporation for the ten-day period April 19-28, 1969, inclusive, in the securities of Bartep Industries, Inc., Majestic Capital Corporation, Photo Mark Computer Corporation, for the ten day period April 20-29, 1969, inclusive and in the securities of Commercial Finance Corporation of New Jersey for the ten-day period April 21-30, 1969, inclusive.

OVER

WPNB SHARES IN REGISTRATION. WPNB Corporation, Fifth Ave. and Smithfield St., Pittsburgh, Pa. 15222, filed a registration statement (File 2-32573) with the SEC on April 11 seeking registration of 155,363 shares of common stock and 3,348 shares of preferred stock ($35 par). These shares are part of the 2,547,963 common and 112,250 preferred shares of WPNB issued to former shareholders of Western Pennsylvania National Bank ("Western", a subsidiary of WPNB) in connection with its recent merger into William Penn National Bank (newly organized by WPNB). Of these shares 86,521 common and 2,530 preferred may be offered for sale from time to time by the present holders thereof, at prices current at the time of sale ($28.75 per common and $66.50 per preferred share maximum*); 12,495 common and 818 preferred shares may be offered for sale at public auction (these shares were allocated to shareholders who dissented from the merger). Of the remaining shares, 25,012 are issuable upon exercise of options to purchase WPNB shares (which are substitutes for options to purchase Western shares) and 31,335 are issuable upon exercise of options granted under WPNB's Incentive Stock Option Plan.

WPNB was organized under Pennsylvania law in October 1968 by Western under a plan of reorganization and merger in which WPNB acquired all the assets of Western through the organization by WPNB of a new national bank (William Penn) and the merger of Western into the new national bank. The resulting national bank is continuing its operation as a national bank with its name changed to Western Pennsylvania National Bank. Western and Nottingham Corporation (a Pennsylvania insurance holding company organized in December 1967) are subsidiaries of WPNB. M. A. Cancelliere, president of WPNB, proposes to sell 15,800 common and 2,530 preferred shares and J. L. Hammit and Henry K. Watson 29,224 and 17,066 common shares respectively, and eighteen others the remaining shares being registered.

VANCE, SANDERS FUND PROPOSES OFFERING. Vance, Sanders Institutional Fund, Inc., 111 Devonshire St., Boston, Mass. 02109, filed a registration statement (File 2-32574) with the SEC on April 11 seeking registration of 44,444 equity fund shares and 22,222 bond shares, to be offered for public sale at net asset value plus an 8½% sales charge on purchases of less than $12,500 ($22.50 per share maximum*). The Institutional Fund is a new diversified, open-end investment company sponsored by Vance, Sanders & Company, Inc., created as an investment medium for investors exempt from federal income taxes under the Internal Revenue Code. The Institutional Fund issues two series of capital stock, equity fund sales and bond fund shares, representing ownership of two separate mutual funds. Vance, Sanders will act as investment adviser and principal underwriter. John A. McCandless is president of the Institutional Fund and of the adviser-underwriter.

UNITED VIRGINIA BANKSHARES TO SELL DEBENTURES. United Virginia Bankshares Incorporated, 900 E. Main St., Richmond, Va. 23219, filed a registration statement (File 2-32575) with the SEC on April 11 seeking registration of $30,000,000 of convertible subordinated debentures, due 1994, to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York, and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a bank holding company whose principal assets consist of substantially all the capital stock of ten banks. Net proceeds of its financing will be used in part to retire some $12,228,697 of promissory notes; the balance will be added to the company's general funds and will be available to provide additional capital funds to the banking subsidiaries and for general corporate purposes. The company has outstanding 2,314,442 common shares. J. Harvie Wilkinson, Jr., is president and chief executive officer and J. Hoge Tyler, III board chairman.

FIRST AT ORLANDO PROPOSES EXCHANGE OFFER. First at Orlando Corporation, First National Bank Bldg., Orlando, Fla. 32801, filed a registration statement (File 2-32576) with the SEC on April 11 seeking registration of 120,000 shares of common stock. It is proposed to offer these shares in exchange for all of the 60,000 outstanding common shares of Central Brevard National Bank at Cocoa, at the rate of 2 company shares for each Bank share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of Bank common shares.

The company is a bank holding company with six banking subsidiaries. It has outstanding 1,405,443 common shares. William H. Dial is board chairman and president.

TY-CORE TO SELL STOCK. Ty-Core Incorporated, 80 Turnpike Rd., Chelmsford, Mass. 01824, filed a registration statement (File 2-32577) with the SEC on April 11 seeking registration of 160,000 shares of common stock, to be offered for public sale at $11 per share. The offering is to be made through underwriters headed by Sterman & Gowell, Inc., 120 Water St., Boston, Mass., which will receive a $1 per share commission plus $16,000 for expenses. In January 1969, the company sold 16,000 shares to designees of the Sterman firm for $800. Also included in the statement are 32,067 outstanding shares, to be offered for public sale from time to time by the present holders thereof at prices current at the time of sale.

Organized in August 1968, the company proposes to engage in the design, development, production and marketing of computer peripheral equipment. Of the net proceeds of its stock sale, $600,000 will be used for operational expenses, $300,000 for equipment, furniture, fixtures and leasehold improvements, $225,000 for expansion of its manufacturing facilities and preparing to mass-produce its products and $225,000 for expansion of its marketing program; the balance will be used for the company's general corporate purposes. The company has outstanding 443,000 common shares (with an 11¢ per share net tangible book value), of which John R. Munro, president, owns 20.6% and management officials as a group 62.7%. Purchasers of the shares being registered will acquire a 26.5% stock interest in the company for their investment of $1,760,000 or $11 per share; company officials, promoters and affiliates will then own 49.9%, for which they paid $46,189, or 15¢ per share.

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COMBINED COMMUNICATIONS TO SELL STOCK. Combined Communications Corporation, 1103 North Central Ave., Phoenix, Ariz. 85001, filed a registration statement (File 2-32578) with the SEC on April 11 seeking registration of 400,000 shares of common stock, to be offered for public sale through underwriters headed by Hambrecht & Quist, 235 Montgomery St., San Francisco, Calif. 94104. The offering price ($12.50 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in this registration statement are 40,000 shares to be offered pursuant to the company's Employee Stock Option Plan.

The company was organized under Arizona law in February 1968 for the purpose of acquiring certain corporations conducting business in the fields of radio and television broadcasting, outdoor advertising, programmed music (Muzak) and magazine publishing. Net proceeds of its stock sale will be used to pay a portion of the $13,000,000 purchase price of assets employed in outdoor advertising and sign manufacturing business of Naegele Outdoor Advertising Company of Detroit, Inc. In addition to indebtedness, the company has outstanding 1,398,052 common shares (with a minus $0.134 per share net tangible book value), of which John J. Louis, Jr., board chairman, and Karl Eller, president, own 24.51% and 19.7%, respectively, and Henrietta J. Louis 22.98%.

EQUITABLE LIFE VARIABLE ANNUITY PROPOSES OFFERING. Separate Account C of The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York 10019, filed a registration statement (File 2-32579) with the SEC on April 11 seeking registration of $40,000,000 of variable immediate annuity contracts. The contracts are designed to provide monthly annuity payments, commencing within one month from date of purchase. Equitable Life is a mutual life insurance company. It established Account C in March 1969 to provide a medium for equity investments through a separate investment account for certain variable annuity contracts and other agreements issued and administered by Equitable Life.

ENERGY RESEARCH TO SELL STOCK. Energy Research Corporation, 15 Durant Ave., Bethel, Conn. 06801, filed a registration statement (File 2-32580) with the SEC on April 11 seeking registration of 350,000 shares of common stock, to be offered for public sale through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101. The offering price ($10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the Dempsey-Tegeler firm, for $2,500, five-year warrants to purchase 25,000 shares, exercisable at $10 per share.

The company was organized under New York law in March 1969 to develop products for the direct conversion of heat and other forms of energy into electricity, without intervening moving parts, and the development for military, space and commercial purposes of such thermionic and other power systems and components. Of the net proceeds of its stock sale, $600,000 will be used to purchase machinery and equipment for its research and development program and $950,000 to support the personnel and material costs of the research and development program; the balance will be added to the company's working capital and used for general corporate purposes, including acquisition of companies in the direct energy conversion field or to acquire related know-how and, if the company develops a marketable product, to purchase production machinery and equipment, to pay start-up costs and to finance sales. The company has outstanding 525,000 common shares (with a 38¢ per share net tangible book value), all owned by Consolidated Controls Corporation ("CCC"), which is 99% owned by Condec Corporation. Norman I. Schafler, board chairman of Energy Research, and family members own 28% of the outstanding common stock of Condec. Purchasers of the shares being registered will acquire a 40% stock interest in the company for their investment of $3,500,000*; CCC will then own 60% and a warrant to purchase 80,000 shares, which CCC acquired in exchange for certain tangible assets having a book value of $200,000 and various intangible assets having a cost to CCC, exclusive of general and administrative expenses, of approximately $2,480,000, of which approximately $1,660,000 was reimbursed under governmental programs. Joseph F. Engelberger is president.

SECURITIES ACT REGISTRATIONS. Effective April 17: Ace Industries, Inc., 2-31196 (90 days); American Can Co., 2-32411; The Empire District Electric Co., 2-32142; First Home Investment Corp. of Kansas, Inc., 2-32140 (90 days); Golden State Health Centers, Inc., 2-31054 (July 17); Hittman Associates, Inc., 2-31798 (90 days); Luby Leasing System Inc., 2-31137 (90 days); McGregor-Doniger Inc., 2-32335 (May 27); Morgan-Granberry Corp., 2-31243 (July 16); Pages Inc., 2-32122 (July 16); Pier 1. Imports Inc., 2-31511 (July 16); Ray Resources Corp., 2-31047 (90 days); Shell's City Inc., 2-30883 (90 days); Union Carbide Corp., 2-32244.

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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