

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 69-90)

FOR RELEASE May 12, 1969

EDWARD FLINN BARRED. The SEC today announced the issuance of an order under the Securities Exchange Act (Release 34-8604) barring Edward Flinn, of Washington Township, N. J., for violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale in 1968 of stock of Lynbar Mining Corporation, Ltd. Flinn, who in February 1969 had consented to a court order of injunction against such violations, consented to the bar order but without admitting or denying the violations. According to the Commission's decision, Flinn sold unregistered Lynbar stock and, in connection therewith, made untrue and misleading statements of material fact concerning among other things (a) the state of development of a mining process, the need for further tests and costs thereof and the cost of an operational plant to utilize the process; and (b) the financial condition of the issuer, the speculative nature of its business operations and the market price of its stock.

GULF POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16370) authorizing Gulf Power Company, Pensacola subsidiary of The Southern Company, to issue \$792,000 of first mortgage bonds, 3½% series, due 1984, pursuant to the provisions of the bond indenture and to surrender such bonds to the indenture trustees in accordance with the sinking fund provisions thereof.

SALE OF MOUNTAIN STATES DEVELOPMENT STOCK ENJOINED. The SEC Denver Regional Office announced May 7 (LR-4313) that the U. S. District Court in Salt Lake City had entered orders permanently enjoining violations of the registration and anti-fraud provisions of the Federal securities laws by the following in the offer and sale of stock of Mountain States Development Company: Mountain States Development Company, Charles E. Graham, Jr., Graham Oil Company, Ltd., C. Scott Ferguson, E. P. Rister and Newell R. Hays, all of El Paso, Texas. The Commission's Motion for Preliminary Injunction as to other defendants in this action is still pending. Mountain States Development Company also was ordered to file annual and other reports with the Commission in compliance with the reporting provisions of the Securities Exchange Act.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8605) granting an application of the Midwest Stock Exchange to strike from listing and registration the capital stock of The Continental Insurance Company, effective at the opening of business May 8, 1969, because of inactive trading. No transactions have taken place on the Exchange since September 23, 1968.

UNLISTED TRADING REPORTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8605) granting an application of the Detroit Stock Exchange for unlisted trading privileges in the common stock of Hoover Ball & Bearing Company.

TOP NOTCH URANIUM SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Top Notch Uranium and Mining Corporation for the further ten-day period May 13-22, 1969, inclusive.

MCGRAW-HILL SHARES IN REGISTRATION. McGraw-Hill, Inc., 330 West 42d St., New York, N. Y. 10036, filed a registration statement (File 2-32967) with the SEC on May 7 seeking registration of 336,627 outstanding shares of common stock. The 55 holders thereof acquired the shares in connection with the company's acquisition of corporations of which they were stockholders; they may offer the shares for sale from time to time at prices current at the time of sale (\$35.75 per share maximum*). The company now has outstanding 22,253,887 shares. Most of the shares being registered were issued to former stockholders of National Radio Institute.

REVENUE PROPERTIES (CANADA), OTHERS ENJOINED. The SEC today announced (LR-4312) that the following were permanently enjoined by the U. S. District Court in New York, with their consent, from violations of the Securities Act registration provisions in the offer and sale of debentures and common shares of Revenue Properties Company Limited: Revenue Properties Company Limited, Alex J. Rubin, Harry Rubin, The Alex J. Rubin Family Trust, The Harry Rubin Family Trust, Haal Securities Limited, Shirber Holdings Limited, Turtle Investments Limited, Tortoise Ventures Limited, Esther Cooper (formerly Esther Rubin) and Norton Cooper (husband of Esther Cooper).

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 and related plans:

Fairchild Camera and Instrument Corporation, Mountain View, Calif. 94040 (File 2-32962) - 250,000 shares
C. R. Bard, Inc., Murray Hill, N. J. (File 2-32971) - 100,000 shares
Gulf & Western Industries, Inc., New York, N. Y. (File 2-32972) - 115,979 shares

OVER

INTERSTATE COMPUTER SERVICES TO SELL STOCK. Interstate Computer Services, Inc., 754 Fourth Avenue, Brooklyn, N.Y. 11232, filed a registration statement (File 2-32953) with the SEC on May 6 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 on an "all or none" basis through Alessandrini & Co., Inc., 11 Broadway, New York, N.Y., which will receive a 40¢ per share selling commission plus \$5,000 for expenses. The company has agreed to sell 5,000 shares to the underwriter at \$1 per share; and it will sell 1,000 shares to Jack Ross at \$1 and pay him \$5,000 for services as a finder.

Organized under New York law in May 1966, the company conducts a data conversion and processing service using optical scanning and computing equipment; it also proposes to engage in other aspects of the computer data processing business. Of the net proceeds of its stock sale, \$150,000 will be used for the purchase and installation of a Control Data 3200 computer; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 200,000 common shares (with a 24¢ per share book value), of which Max Houss, president, owns 51% and Gary Brooks, vice president 49%. Purchasers of the shares being registered will acquire a 33% stock interest in the company for their investment of \$400,000; company officials will own 65% for their equity of \$42,721.

CHELSEA FUND PROPOSED OFFERING. Chelsea Fund, Inc., 42 Wall Street, New York, N.Y., filed a registration statement (File 2-32954) with the SEC on May 6 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at \$10 per share (net asset value) with no sales charge. The Fund is a diversified, open-end investment company, whose primary investment objective is to achieve long term capital appreciation (current income will be of secondary importance). It was organized on May 1 by Loeb, Rhoades & Co. Loeb, Rhoades Management Co. (all of whose shares are owned by Loeb, Rhoades & Co.) will act as investment adviser and distributor of Fund shares. Henry A. Loeb is board chairman of the Fund and of the adviser and a general partner of Loeb, Rhoades & Co.

FRED MEYER, INC. PROPOSES OFFERING AND SECONDARY. Fred Meyer, Inc., 3800 S.E. 22d Avenue, Portland, Oreg. 97202, filed a registration statement (file 2-32955) with the SEC on May 6 seeking registration of \$8,000,000 of convertible subordinated debentures, due 1989, and 60,000 outstanding shares of Class A common stock. The debentures are to be offered for public sale by the company and the shares by the present holders thereof. The offerings are to be made through underwriters headed by Kidder, Peabody & Co., Incorporated, 20 Exchange Place, New York, N.Y. 10005; the interest rate on the debentures, offering prices (\$32 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the retail and wholesale merchandising of both food and nonfood items. It also manufactures and processes some food and nonfood items primarily for sale in its own stores. Of the net proceeds of its financing, \$5,000,000 will be used to equip and stock three new shopping centers scheduled for completion in 1969 and 1970, and \$5,000,000 will be loaned to the company's wholly owned subsidiary, Roundup Properties, Inc., for temporary financing of building construction at future shopping centers; the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 1,303,450 Class A common and 597,440 Class B common shares. Of the Class A shares, Earle A. Chiles, president, owns 20.42%, the Eva C. Meyer Estate 15.8% and management officials as a group 34.21%; of the Class B shares, Fred G. Meyer, board chairman, owns 99.997%. Meyer proposes to sell 32,000 Class A shares, Chiles 25,000 and The Fred Meyer Fund 3,000.

BROOKS-SCANLON FILES FOR OFFERING AND SECONDARY. Brooks-Scanlon, Inc., 127 South 10th Street, Minneapolis, Minn. 55403, filed a registration statement (File 2-32956) with the SEC on May 7 seeking registration of 300,000 shares of common stock, of which 180,000 are to be offered for public sale by the company and 120,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Smith, Barney & Co., Incorporated, 20 Broad St., New York, N.Y. 10005; the offering price (\$28 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the operation of a lumber mill and the sale of lumber. Of the net proceeds of its sale of additional stock, \$650,000 will be used to repay indebtedness of its subsidiary incurred to finance capital improvements and refinance existing debt, \$600,000 to meet a commitment to a joint venture in land development west of Sisters, Oregon, \$750,000 to finance one-half of the estimated \$4,000,000 expansion cost of the Brooks-Williamette Corporation (50% owned by the company) particle board plant and defraying a portion of the estimated \$2,750,000 capital requirement for facilities for greater utilization of small logs now undergoing engineering studies; the balance will be added to the company's working capital and will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 1,954,308 common shares, of which The Pitcairn Company owns 10% and management officials as a group 26.5%. John M. Hollern is board chairman and Conley Brooks president. The Pitcairn Co. proposes to sell 55,614 shares and six others the remaining shares being registered.

CITADEL LIFE FILES OFFERING PROPOSAL. The Citadel Life Insurance Company of New York, 444 Madison Avenue, New York, N.Y. 10022, filed a registration statement (File 2-32957) with the SEC on May 7 seeking registration of 50,000 shares of capital stock. It is proposed to offer 43,609 shares for subscription by stockholders at the rate of one new share for each four shares held. The remaining share, subscription price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment. The remaining 6,391 shares are to be offered for public sale by the underwriter, IFC Securities Corporation 630 Fifth Avenue, Suite 3420, New York, N.Y.

The company is engaged in writing nonparticipating insurance. Net proceeds of its stock sale will be used as necessary to absorb the costs of writing and issuing new insurance business and related corporate purposes. The company now has outstanding 174,434 shares of capital stock, of which Investors Funding Corporation of New York owns 21.8% and management officials as a group 8.2%. Jerome Danaker is board chairman and Robert M. Rose president.

PITTSBURGH COKE-MERCK EXCHANGE PLAN FILED. Merck & Co., Inc., of Rahway, N.J. 07065, filed a registration statement (File 2-32958) with the SEC on May 7 seeking registration of 568,929 shares of common stock. Pittsburgh Coke & Chemical Company, which owns 1,026,976 shares (2.9%) of Merck common, proposes to offer shares of Merck common for shares of Pittsburgh Coke common stock, \$4.80 serial preferred stock and \$5.00 serial preferred stock. Under the exchange plan, 1.1 shares of Merck common will be offered for 1 share of Pittsburgh Coke common; the exchange ratio for the two preferred issues is to be supplied by amendment. Hillman Land Company, which owns 715,004 shares (65%) of the outstanding Pittsburgh Coke common, and the directors, officers and employees of Pittsburgh Coke, who own 1,656 shares, have waived their rights to exchange any of such shares for Merck common. The number of shares of Merck common being offered is said to be sufficient to enable all other shareholders of Pittsburgh Coke to accept the exchange offer with respect to all of their shares of common and preferred stock.

CONSUMERS POWER TO SELL BONDS. Consumers Power Company, 212 West Michigan Avenue, Jackson, Michigan 49201, filed a registration statement (File 2-32959) with the SEC on May 7 seeking registration of \$50,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. An electric and gas utility, the company will use the net proceeds of its bond sale to finance in part its construction program and to repay short-term notes issued and to be issued in connection with the interim financing thereof. The company's construction program for the years 1969-73 is estimated at \$1,450,000,000.

ESTERLINE FILES FOR SECONDARY. Esterline Corporation, 280 Park Avenue, New York, N.Y. 10017, filed a registration statement (File 2-32960) with the SEC on May 7 seeking registration of 210,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York, N.Y. The offering price (\$50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company's activities are primarily in the field of measurement sciences; its products include sensors and transducers and command and guidance systems. In addition to indebtedness, the company has outstanding 1,851,822 common shares, of which the Kyson-Kissner Corporation, a private company, owns 38% and management officials as a group 3.66%. Gerhard R. Andlinger is board chairman and Maurice Eastin is president. The shares being registered have been or are to be issued as part consideration for the company's purchase in February of substantially all of the assets of Federal Products Corporation, of Providence, R.I. They are to be offered for public sale for the account of Rhode Island Hospital Trust Company and Thomas L. Johnson, Sr., as trustees of a certain Trust under the Will of Leonard C. Tingley, which had previously owned 50.7% of the outstanding stock of Federal.

COMPUTER LEARNING PROPOSES OFFERING. Computer Learning and Systems Corporation, 12303 Twinbrook Parkway, Rockville, Md. 20852, filed a registration statement (File 2-32961) with the SEC on May 7 seeking registration of 340,000 shares of capital stock, to be offered for public sale through First Investment Planning Company, 1500 Massachusetts Avenue, N.W., Washington, D.C. The offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment. The proprietor of the underwriter holds 45,000 shares which were purchased from a non-affiliated stockholder for \$60,000.

Organized under Maryland law in December 1967, the company is engaged in the operation of schools for instruction in computer programming, operation and maintenance. To a lesser extent, it is also engaged in the sale of consulting and programming services. Of the net proceeds of its stock sale, \$95,000 will be applied toward the purchase of Management Research Associates, ("MRA") \$150,000 for expansion of the operations of MRA and of the company's computer training on a contract basis, \$350,000 for the establishment of new computer learning centers, \$135,000 for development of a home study program and a sales licensing program thereunder, \$350,000 for the further development and expansion of its software (programming) package called "CASE", and \$375,000 for expansion of current time sharing software development services and for the possible technical development and marketing of a commercial remote access computer service program; the balance will be available for general corporate purposes. The company has outstanding 924,790 common shares (with a negative book value of 65¢ per share), of which Thomas E. Stone, president, owns 22.4% and management officials as a group 66.3%. Purchasers of the shares being registered will acquire a 26.9% stock interest in the company for their investment of \$2,720,000; company officials will then own 48.5%, for which they paid \$99,980, or 17¢ per share.

HOLIDAY AIRLINES TO SELL STOCK. Holiday Airlines, Inc., Oakland International Airport, Oakland, Calif. 94614, filed a registration statement (File 2-32963) with the SEC on May 8 seeking registration of 400,000 shares of capital stock, to be offered for public sale through underwriters headed by Rutner, Jackson & Grey, Inc., 811 West Seventh Street, Los Angeles, Calif. The offering price (\$7.50 per share maximum*) and underwriting terms are to be supplied by amendment. Certain shareholders have agreed to deliver to the Rutner firm five-year options to purchase 75,000 shares at \$7.50 per share.

Organized under California law in October 1965, the company is a scheduled intrastate air passenger carrier. Of the net proceeds of its stock sale, \$1,038,000 will be used to exercise the purchase options relating to 2 L-188 Lockheed Electra prop jets presently operated by the company, \$100,000 to purchase additional aircraft spare parts inventory and ground equipment, \$250,000 to retire accounts payable, and \$150,000 for its current advertising budget; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,507,000 capital shares, of which Harry A. Trueblood, Jr., a director, owns 36% and Steve Schwartz 12%. Purchasers of the shares being registered will acquire a 27% stock interest for their investment of \$3,000,000*; the present shareholders will then own 73%, for which they will have paid \$2,559,064.

FRASER MORTGAGE INVESTMENTS PROPOSES OFFERING. Fraser Mortgage Investments, Union Commerce Bldg., Cleveland, Ohio 44115, filed a registration statement (File 2-32964) with the SEC on May 8 seeking registration of 1,000,000 shares of beneficial interest, to be offered for public sale through underwriters headed by McDonald & Company, Union Commerce Building, Cleveland, Ohio. The offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under Ohio law in May 1969 as a business trust, Fraser Mortgage intends to qualify as a real estate investment trust under Sections 856-858 of the Internal Revenue Code. The Trust intends to provide investors with an opportunity to participate in a professionally managed diversified portfolio of short-term first mortgage construction and development loans and permanent first mortgage loans. Construction and development loans to finance the acquisition of sites for, and construction of income producing properties such as shopping centers, apartment houses, motels and offices, commercial and industrial building will constitute the bulk of the mortgage loan portfolio, but up to one-third may be invested in permanent first mortgages. Net proceeds of the sale of shares will be applied to the purchase of short-term construction and development first mortgage loans. The company has outstanding 500 shares of beneficial interest, all owned by Fraser Mortgage Company. Wilbert E. Miller, Sr., is board chairman and Wilbert E. Miller, Jr., president.

TEXAS EASTERN TRANSMISSION TO SELL DEBENTURES. Texas Eastern Transmission Corporation, Southern National Bank Building, Houston, Tex. 77002, filed a registration statement (File 2-32965) with the SEC on May 8 seeking registration of \$50,000,000 of debentures, due 1989, to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York, N. Y. 10005. The interest rate on the debentures, offering price and underwriting terms are to be supplied by amendment. The company is principally engaged in the transportation and sale at wholesale of natural gas. Net proceeds of its debentures sale will be used to retire outstanding notes.

CARMINE FOODS FILES FOR OFFERING AND SECONDARY. Carmine Foods, Inc., 2004 Dabney Road, Richmond, Va. 23230, filed a registration statement (File 2-32966) with the SEC on May 8 seeking registration of 160,000 shares of common stock, of which 96,625 are to be offered for public sale by the company and 63,375 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Abbott, Proctor & Paine, 830 East Main St., Richmond, Va.; the offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the processing of a broad line of seafood and related food items and the wholesale distribution thereof, as well as in the operation of a retail seafood business and a seafood restaurant. It also is engaged in the business of operating and franchising "Chic A Sea Take Home Shops," which are limited menu, fast-service take home shops primarily selling prepared chicken and seafood. Of the net proceeds of its sale of additional stock, \$254,219 will be used to pay a note due July 1969, \$60,000 to purchase seafood processing machinery and equipment, \$100,000 to open a second restaurant, and \$100,000 to acquire and operate up to 5 additional Take Home Shops and to promote and sell additional Chic A Sea franchises; the balance will be added to working capital and will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 375,000 common shares, of which Samuel A. Carmine, Jr., president, owns 93.4%. Carmine proposes to sell 61,500 shares and three others the remaining shares being registered.

LENOX SHARES IN REGISTRATION. Lenox, Incorporated, Prince and Meade Streets, Trenton, N. J. 08605, filed a registration statement (File 2-32969) with the SEC on May 8 seeking registration of 60,000 outstanding shares of common stock. The shares may be offered for sale from time to time by the holders thereof, at prices current at the time of sale (\$55 per share maximum*).

The company is principally engaged in the manufacture and marketing of fine china dinnerware, giftware and other products. In addition to indebtedness, it has outstanding 1,376,700 common shares, of which management officials own 18.7% and Bangor Punta Operations Inc., 10.12%. J. M. Tassie is president. Of the shares being registered, the largest block (21,776 shares) is to be sold by Frank D. Turner, a director, who owns 103,461 shares; fourteen others are to sell the balance of the shares being registered.

SECURITIES ACT REGISTRATIONS. Effective May 8: Athlone Industries, Inc., 2-32592; Burndy Corporation, 2-32806; Cubic Corporation, 2-32871.

Effective May 9: American Medical Association Members Retirement Plan, 2-32569 (40 days); Continental Telephone Corp., 2-32623 (June 23); Dillard Department Stores, Inc., 2-31298 (August 7); Essex Chemical Corp., 2-31993 (40 days); Intravest, Inc., 2-31554; The Leisure Group, Inc., 2-32627; TRW Inc., 2-32715; The Variable Annuity Life Insurance Company Separate Account One, 2-32783; The Variable Annuity Life Insurance Company Separate Account Two, 2-32804.

Withdrawn May 1: Whitestone 1969 Program Corp., 2-32038; Bruce Mfg. Inc., 2-30691; Gorman Rupp Co., 2-31648. **Withdrawn May 2:** KEV Electronics Corp. 2-31555.

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.