

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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SCIENTIFIC SOFTWARE TO SELL STOCK. Scientific Software Corporation, 5300 South Ulster, Englewood, Colo. 80110, filed a registration statement (File 2-34326) with the SEC on August 15 seeking registration of 300,000 shares of common stock, to be offered for public sale through Kleiner, Bell & Co., Incorporated. The offering price (\$10 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 50,000 shares to it for \$50,000 plus financial advisory services. In October 1968, the company sold 100,000 shares at \$4.25 per share. Also included in this statement are 23,600 shares of common stock to be offered to three persons in exchange for the 1,517 shares of common stock and 250 shares of Series A preferred stock of Education & Economic Systems, Inc. ("EES").

Organized in February 1968, the company engages in the business of developing and marketing proprietary computer software for others. Of the net proceeds of its stock sale, \$700,000 will be used to discharge a bank debt incurred for the purpose of retiring or reducing other indebtedness, including indebtedness of EES, \$350,000 to retire other EES indebtedness and \$310,000 to retire indebtedness of the company; the balance will be added to the company's working capital and used principally to pay the costs of developing proprietary computer software. In addition to indebtedness and preferred stock, the company has outstanding 5,710 common shares (with a 76¢ per share book value), of which John J. McGraw, vice president, owns 14.73% and management officials as a group 60.85%. E. A. Breitenbach is president. Purchasers of the shares being registered will acquire a 22.13% stock interest in the company for their investment of \$3,000,000*; the present shareholders will then own 77.87%, for which they will have invested \$858,000.

C.T.P. COMPUTERIZED TAX SYSTEMS TO SELL STOCK. C.T.P. Computerized Tax Systems, Inc., 75-12 Roosevelt Ave., Jackson Heights, Queens, N. Y., filed a registration statement (File 2-34327) with the SEC on August 15 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "50% or nothing best-efforts basis" through Whitehall Securities Corporation, 138 Main St., Oceanport, N. J., which will receive a 50¢ per share selling commission plus \$20,000 for expenses. The company has agreed to sell Joseph R. Cordaro, president of the underwriter, for 1¢ each, six-year warrants to purchase 3,500 shares, exercisable after one year at \$5.50 per share, and to sell Morris Berger, a finder, like warrants to purchase 1,500 shares.

Organized in June 1969, the company proposes to establish and to acquire by purchase or franchise tax return preparation centers, to prepare federal, state and local tax returns at such centers for individuals and businesses and to prepare tax and financial analyses and reports utilizing computerized completion of tax returns. Of the net proceeds of its stock sale, \$180,000 will be used to finance the purchase and acquisition of approximately 10 tax preparation centers and \$50,000 for training and installation of representatives in connection with the programming services; the balance will be used for general corporate purposes and working capital. The company has outstanding 253,500 common shares (with a 10¢ per share book value), of which Robert Sheldon Shapiro, president, Lawrence Scharfman, board chairman, and Irwin Shaneson, vice president, own 23.33% each. Purchasers of the shares being registered will acquire a 28.3% stock interest in the company for their investment of \$500,000 (they will sustain an immediate dilution of \$3.77 in per share book value from the offering price); the present shareholders will then own 71.7%, for which they paid \$25,000.

CONSOLIDATED SOFTWARE FILES FOR OFFERING AND SECONDARY. Consolidated Software Inc., 5 East 42nd St., New York 10017, filed a registration statement (File 2-34328) with the SEC on August 15 seeking registration of 210,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 10,000 (being outstanding shares) by the present holders thereof. The offering is to be made at \$8 per share through Baerwald & DeBoer, 70 Wall St., and Provident Securities, Inc., 95 Broad St., both of New York, which will receive a 5¢ per share commission plus \$17,500 for expenses. The company has agreed to sell the Baerwald firm, for \$200, five-year warrants to purchase 20,000 shares, exercisable initially (after one year) at 110% of the offering price.

Organized in November 1968, the company proposes to engage in designing and marketing "software packages" --computer programs and related documentary materials designed to meet the similar requirements of a number of computer system users. Of the net proceeds of its sale of additional stock, \$300,000 will be applied to the payment of bank loans; the balance will be added to the company's general funds and be used for general corporate purposes. The company has outstanding 822,500 common shares (with an 11¢ per share book value), of which William G. Debs, board chairman and president, owns 12% and Programming Sciences Corporation 76%. Purchasers of the shares being registered will sustain an immediate dilution of \$6.46 in per share book value from the offering price.

SOGEN INTERNATIONAL FUND PROPOSES OFFERING. SoGen International Fund, Inc., 595 Madison Ave., New York 10022, filed a registration statement (File 2-34329) with the SEC on August 15 seeking registration of 1,000,000 shares of capital stock, to be offered for public sale at \$10 per share plus a maximum sales charge of 8.5% on purchases of less than \$500. The Fund is an open-end diversified management company, whose

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investment objective is to provide long-term growth of capital and income by investing principally in common stocks of companies organized and operating in the United States or elsewhere in the free world. SoGen International Corporation, a wholly-owned subsidiary of Societe Generale, S. A. and its affiliate, Societe Generale, Alsacienne de Banque, Strasbourg, France, will act as investment adviser (with the assistance of Smith, Barney & Co. Incorporated), and as principal underwriter. Kenneth Barnhart is president of the Fund and vice president of the investment adviser.

SIGMA VENTURE SHARES PROPOSES OFFERING. Sigma Venture Shares, Inc., Wilmington Trust Bldg., Wilmington, Del. 19801, filed a registration statement (File 2-34331) with the SEC on August 18 seeking registration of 2,500,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by Delfi Capital Sales, Inc., which will receive an 85¢ per share underwriting discount on purchases of less than 1,500 shares. The Fund is a fully-managed, open-end, diversified investment company, whose investment objective is to seek maximum possible growth of capital through investments in new securities being offered to the public for the first time, investments in new or emerging industries and investments in newer or unseasoned companies. Delfi Management, Inc., wholly-owned subsidiary of Delfi American Corporation, will serve as investment adviser. Eleuthere I. DuPont is president of the Fund and board chairman of Delfi American and of the adviser. Continental American Life Insurance Company owns 17.59% of the 569,128 outstanding shares of voting securities of Delfi American.

SEQUOYAH INDUSTRIES FILES FOR OFFERING AND SECONDARY. Sequoyah Industries, Inc., 4545 N. Lincoln Blvd., Oklahoma City, Okla. 73105, filed a registration statement (File 2-34332) with the SEC on August 18 seeking registration of 1,700,000 shares of common stock, of which 850,000 are to be offered for public sale by the company and 850,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005; the offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily a manufacturer of tufted broadloom carpeting (made from synthetic fibers) for residential and commercial use. Of the net proceeds of its sale of additional stock, \$8,300,000 will be used to reduce short-term bank borrowings incurred to finance accounts payable and inventory requirements, \$962,000 to reduce short-term indebtedness to a factor which was incurred in connection with the sale of furniture and \$500,000 to purchase carpet manufacturing equipment; the balance will be added to the company's working capital and will be available for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 8,185,632 common shares, of which Don J. Greve, board chairman, owns 28.35% and management officials as a group 74.54%. Charles D. Purcell, Jr., is president. Greve proposes to sell 190,000 shares of 2,751,444 shares held, C. A. Hulme, secretary-treasurer, 114,780 of 503,656 and 32 others the remaining shares being registered.

LEISURE BAGS TO SELL STOCK. Leisure Bags, Inc., 367 Southern Blvd., Bronx, N. Y., filed a registration statement (File 2-34333) with the SEC on August 18 seeking registration of 80,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, all or none" basis through Parker, England & Co., Inc., 550 Old Country Road, Hicksville, N. Y., which will receive a 50¢ per share selling commission plus \$10,000 for expenses. The company has agreed to sell the underwriter, for \$80, five-year warrants to purchase 8,000 shares, exercisable after one year at \$5 per share.

The company was organized in November 1968 to engage in the manufacture and sale of bags and cases for sporting goods equipment such as golf bags, golf club head covers, golf shipping bags and gun cases. Of the net proceeds of its stock sale, \$200,000 will be used to manufacture golf bags and \$60,000 to purchase additional manufacturing equipment; the balance will be added to working capital and used for general corporate purposes. The company has outstanding 186,667 common shares (with a 27¢ per share net tangible book value), of which Josef A. Ross, president, owns 40% and management officials as a group 100%. Purchasers of the shares being registered will acquire a 30% stock interest in the company for their investment of \$400,000 (they will sustain an immediate dilution of \$3.61 in per share book value from the offering price); the present shareholders will then own 70%, for which they paid \$60,000 or 32¢ per share.

LANGE TO SELL STOCK. The Lange Co., Broomfield, Colo. 80020, filed a registration statement (File 2-34334) with the SEC on August 18 seeking registration of 225,000 shares of common stock, to be offered for public sale through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York 10005, and McCormick & Co., Inc., 135 S. LaSalle St., Chicago, Ill. 60603. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the production and sale of flexible epoxy ski boots under the trade name Lange Ski Boots. Of the net proceeds of its stock sale, \$625,000 will be used to construct and equip its manufacturing plant for the production of ski boots and \$570,000 to construct and equip a new manufacturing plant for the production of skis; the balance will be added to the company's general funds and used for working capital and general corporate purposes. In addition to indebtedness, the company has outstanding 2,377,375 common shares (with a 75¢ per share net tangible book value), of which Robert B. Lange, president, owns 24.9% and management officials as a group 70%.

PROFESSIONAL PETROLEUM MANAGEMENT PROPOSES OFFERING. Professional Petroleum Management, Inc. (the "general partner") Denver Club Building, Suite 450, Denver, Colo. 80202, filed a registration statement (File 2-34336) with the SEC on August 18 seeking registration of \$5,000,000 of preformation limited partnership interests in Professional Petroleum Exploration Drilling Program, to be offered for public sale in \$5,000 units. No underwriting is involved; participating NASD members will receive a 7½% selling commission. The partnership will engage in exploration for oil and gas, primarily in the Rocky Mountain region and in the Appalachian Basin Area. The general partner is a wholly-owned subsidiary of Professional Petroleum Exploration, Inc. Jack F. Conley is president of the general partner.

AVEMCO PROPOSES EXCHANGE OFFER. Avemco Corporation, 7979 Old Georgetown Road, Bethesda, Md., filed a registration statement (File 2-34337) on August 18 seeking registration of 350,000 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of common stock of Metropolitan National Bank of Maryland, at the rate of 5 shares for each Metropolitan share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 15,000 Metropolitan shares (in addition to the 20,193 shares, or 28.8%, which Russell D. Miller, principal stockholder of Metropolitan, has agreed to exchange).

Avemco is a holding company owning and managing four subsidiaries in the fields of insurance, finance and investment banking, whose business is conducted together as the "Avemco Group." It has outstanding 2,439,903 common shares. A. G. Hardy is board chairman and president.

SIMPLEX INDUSTRIES TO SELL DEBENTURES. Simplex Industries, Inc., Treat Road, Adrian, Mich. 49221, filed a registration statement (File 2-34338) with the SEC on August 18 seeking registration of \$10,000,000 of convertible senior subordinated debentures, due 1989, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by Rodman & Renshaw, 209 South LaSalle St., Chicago, Ill. 60604; the interest rate and underwriting terms are to be supplied by amendment.

The company manufactures paper products which are sold principally for use in the automotive, packaging and building (conventional and mobile homes) industries. Part of the net proceeds of its debenture sale will be used to pay outstanding bank loans which were principally incurred to finance certain acquisitions; the balance will be added to working capital and used for general corporate purposes, including the \$1,700,000 cost for expansion of plant facilities in Jacksonville, Florida, and Warren, Michigan. The company has outstanding 1,450,740 common shares, of which management officials as a group own 9.7%. Floyd M. Murphey, Jr., is president.

MEDIGROUP FILES FOR OFFERING AND SECONDARY. Medigroup, Inc., 2404 Centerline Industrial Drive, Maryland Heights, Mo., filed a registration statement (File 2-34339) with the SEC on August 19 seeking registration of 210,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 90,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Coenen & Co., Inc., 280 Park Ave., New York, N. Y. 10017; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in June 1969 as successor by merger to Bernard Nursing Home Inc., the company owns two health care facilities with a total of 223 beds, leases another facility with 101 beds and has contracted to purchase a fourth facility having 134 beds. Of the net proceeds of its sale of additional stock, \$285,000 will be used to retire a short-term loan incurred in connection with the purchase of outstanding stock of Parkview Manor, Inc., and Parkview Colonial Manor Investment Corporation, Inc., \$711,000 to retire or satisfy obligations incurred in connection with the purchase of Hillview Lodge, and \$140,000 to repay a bank loan made in connection with Bernard West Pine facility leased by the company; the balance will be added to the company's general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 400,000 common shares (with a 65¢ per share book value), of which International Super Stores, Inc., owns 91%; it proposes to sell 90,000 shares of 363,636 shares held. Harvey A. Friedman, president, and Burnett Schwartz, secretary, and family members own 70% of International Super Stores. Purchasers of the shares being registered will acquire a 40% stock interest in the company for their investment of \$3,150,000*; the present shareholders will then own 60%, for which they paid approximately \$390,600, or \$1.26 per share.

NEW YORK STATE ELECTRIC TO SELL STOCK. New York State Electric & Gas Corporation, 4500 Vestal Parkway East, Binghamton, N. Y., filed a registration statement (File 2-34340) with the SEC on August 19 seeking registration of 300,000 shares of convertible preference stock, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005, and three other firms. The offering price (\$100 per share maximum*) and underwriting terms are to be supplied by amendment.

A public utility, the company will apply the net proceeds of its stock sale toward the prepayment of notes (of which \$41,500,000 are outstanding) under its revolving credit agreements with 13 banks. The proceeds of such notes were used for construction purposes. Construction expenditures are estimated at \$178,000,000 for the period 1969 through 1971.

GENERAL BUILDERS SHARES IN REGISTRATION. General Builders Corporation, 75 Cedar St., Babylon, N. Y. 11702, filed a registration statement (File 2-34342) with the SEC on August 19 seeking registration of 125,000 outstanding shares of common stock. These shares may be offered for public sale from time to time by the present holders thereof, at prices current at the time of sale (\$8.50 per share maximum*). The shares were acquired in May 1969 at a price of \$4 per share upon exercise of common stock purchase warrants.

The company is engaged in the fields of construction and community development. It has outstanding 1,392,669 common shares. State Mutual Life Assurance Company of America may sell 100,000 shares and Northwestern Life Insurance Company 25,000 shares.

HERZING INSTITUTES FILES FOR OFFERING AND SECONDARY. Herzing Institutes, Inc., 174 West Wisconsin Ave., Milwaukee, Wisconsin 53203, filed a registration statement (File 2-34343) with the SEC on August 19 seeking registration of 125,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by The Milwaukee Company, 207 East Michigan St., Milwaukee, Wis. 53202; the offering price (\$10.25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is an operator of technical schools which offer courses in computer programming and operation in six locations under franchises granted by Electronic Computer Programming Institute, Inc. Net proceeds of its sale of additional stock will be added to the company's general funds and used for general corporate purposes, including working capital. The company has outstanding 280,000 common shares (with a 92¢ per share book value), of which Henry G. Herzing, president and board chairman, owns 91.8%. He proposes to sell 21,150 shares of 257,232 shares held and five others the remaining shares being registered.

SEC ORDER CITES VALUE LINE SECURITIES. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Value Line Securities, Inc. ("Registrant"), New York broker-dealer firm and principal distributor of shares of Value Line Fund, Inc., Value Line Income Fund, Inc., and Value Line Special Situations Fund, Inc. Also named as respondents were Arnold Bernhard and Arnold Van Hoven Bernhard. The latter is president of Registrant; the former, a director, owns all the outstanding voting securities of Arnold Bernhard & Co., Inc., manager of and investment adviser to the Funds, which in turn owns all of the outstanding stock of Registrant.

The proceedings are based upon allegations of the Commission's staff that Registrant and the two individual respondents offered and sold shares of the three Funds by means of prospectuses which failed to disclose that the Funds and their agents did not have the personnel and facilities to properly service shareholder accounts, particularly with respect to (a) receipt of monies, (b) confirmation of orders, (c) delivery of certificates to shareholders and (d) redemptions. More particularly, the allegations involve the asserted failure (i) to make timely entries on the books and records of Registrant to correct errors in customers' accounts and to reflect the true state of such accounts, (ii) promptly to deliver securities and funds and otherwise consummate securities transactions on behalf of customers, (iii) to maintain adequate personnel and facilities to receive and process promptly customers' complaints in order to timely respond to their requests for the delivery of funds and securities due them and to promptly make adjustments in the accounts of customers, and (iv) to insist upon and obtain prompt payment to Value Line Special Situations Fund, Inc., for shares purchased by dealers. It was further alleged that the respondents permitted the continuation on the books and records of the said Special Situations Fund, receivables from dealers that had remained unpaid for periods exceeding one year; permitted the sale of shares of that Fund to a non-NASD member foreign dealer, contrary to a representation in its prospectus; and failed to maintain and keep (from April to December 1968) customers' individual ledger accounts, as required, resulting, among other things, in the loss of control over sales to dealers. The staff asserts that these activities were violative of Sections 10b-5 and 15(c)(1) of the Exchange Act; and in connection with the foregoing, it also alleges that the Registrant and the two Bernhards filed misleading affidavits with the Commission in January 1969. Moreover, it further asserts that Registrant violated the Commission's record keeping rules and that the three respondents failed reasonably to supervise persons under their supervision and control with a view to preventing the violations alleged.

A hearing will be scheduled by further order to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature is necessary or appropriate in the public interest.

SMD INDUSTRIES FILES FOR SECONDARY. SMD Industries, Inc., 39 Old Colony Ave., Boston, Mass. 02127, filed a registration statement (File 2-34344) with the SEC on August 19 seeking registration of 225,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Francis I. duPont, A. C. Allyn, Inc., 1 Wall St., New York 10005. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a "rack service merchandiser" of non-food consumer items to supermarkets and to a small number of other retail establishments. In addition to indebtedness, the company has outstanding 1,277,892 common shares, of which David Knopping, board chairman, owns 11.5%, Joseph L. Milhender, treasurer, 12.4%, and management officials as a group 46.6%. Knopping and Milhender propose to sell 100,000 shares each of 146,940 and 158,340 shares held, respectively, and five others the remaining shares being registered.

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:
 Inspiration Consolidated Copper Company, New York, N. Y. 10004 (File 2-34330) - 134,000 shares
 Super Food Services, Inc., Dayton, Ohio 45439 (File 2-34335) - 80,000 shares
 The Commodore Corporation, Omaha, Nebraska 68114 (File 2-34341) - 180,000 shares
 Sola Basic Industries, Inc., Milwaukee, Wisc. 53202 (File 2-34345) - 110,000 shares

SECURITIES ACT REGISTRATIONS. Effective August 20: Aquasonics Inc., 2-32464 (90 days); Municipal Investment Trust Fund, Series Q, 2-34158; First Holding Co., Inc., 2-31692 (90 days); Kollmergen Corp., 2-29452; Pacific Vegetable Oil Corp., 2-32719 (40 days); Washington Water Power Co., 2-34041 (40 days).

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.