

# 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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**UNITED VARIABLE ANNUITY FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5810) exempting United Variable Annuity Life Insurance Company and United Variable Annuity Fund A. Little Rock, Arkansas, from certain provisions of the Act. Insurance Company (a stock life insurance company) organized Fund A as a separate account for the purpose of setting aside and investing assets attributable to a variable annuity contracts offered by Insurance Company.

**LOOMIS-SAYLES FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5812) exempting Loomis-Sayles Canadian and International Fund, Ltd., Boston from provisions of Rule 22c-1 of the Act, which requires that redeemable securities of registered investment companies must be sold, redeemed or repurchased at a price based on the current net asset value computed at the close of the trading on the NYSE. The Fund proposes to compute the current net asset value of its shares at the close of trading on the Toronto Stock Exchange.

**FIDELITY FUND SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5813) giving interested persons until September 26 to request a hearing upon a proposal of Fidelity Fund, Inc., Boston mutual fund, to acquire substantially all of the assets of Court Investment Co. Fidelity proposes to issue its shares at net asset value for Court's assets valued at \$1,187,198 on September 30, 1968. Had the transaction been consummated on that date, Court would have received 57,687 shares of Fidelity stock. The Fidelity shares are to be distributed to Court shareholders on its liquidation.

**GENERAL PUBLIC UTILITIES RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16473) authorizing General Public Utilities Corporation, New York holding company, to offer up to 1,340,000 shares of common stock for subscription by its common stockholders, at the rate of one new share for each twenty shares held on September 10. GPU proposes to use the net proceeds of its stock sale to make additional investments in its subsidiaries, provided that GPU may use the proceeds temporarily to reduce its promissory notes then outstanding.

**NEW ENGLAND POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16474) authorizing New England Power Company ("NEPCO"), Boston subsidiary of New England Electric System to issue and sell \$15,000,000 of first mortgage bonds, Series P, and 100,000 shares of cumulative preferred stock (\$100 par), at competitive bidding. NEPCO will apply the proceeds of its financing to the payment of short-term notes (of which \$27,900,000 are outstanding), evidencing borrowings made to pay for capitalizable expenditures or to reimburse the treasury therefor.

**TECHNICAL RESOURCES TO SELL STOCK.** Technical Resources, Inc., 100 W. Clarendon, Phoenix, Arizona. 85013, filed a registration statement (File 2-34531) with the SEC on September 2 seeking registration of 450,000 shares of common stock, to be offered for public sale at \$1 per share. The offering is to be made on a best efforts basis through Kesko and Company, 614 Newhouse Building, 10 Exchange Place, Salt Lake City, Utah, which will receive a 15¢ per share selling commission.

Organized in December 1968, the company proposes to engage in the exploration for and mining of minerals. Net proceeds of its stock sale will be used for working capital and general corporate purposes. The company has outstanding 690,000 common shares (with an 8¢ per share book value), of which Clyde Berg, president, owns 91.3%. Purchasers of the shares being registered will acquire a 39.5% stock interest in the company for their investment of \$450,000 (they will sustain an immediate dilution of 62¢ in per share book value from the offering price); company officials and the promoter will then own 60.5%, for which they expended \$48,444 for property payments, survey, organization, examination and development of properties and contributed \$3,550 in cash.

**INTERCRAFT INDUSTRIES TO SELL STOCK.** Intercraft Industries Corporation, 1840 N. Clybourn Ave., Chicago, Ill. 60614, filed a registration statement (File 2-34532) with the SEC on September 3 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by A.G. Becker & Co. Incorporated, 120 South LaSalle St., Chicago, Illinois 60603. The offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the manufacture and sale of metal and wood photograph, document and general purpose frames and framed art reproductions. Of the net proceeds of its stock sale, \$1,000,000 will be used to purchase manufacturing and warehouse equipment and finance capital improvements to existing facilities and \$1,000,000 to repay short-term bank loans used for working capital; the balance will be used for working capital purposes, including financing of inventories resulting from increasing sales. In addition to indebtedness, the company has outstanding 1,037,100 common shares, of which Badona Spertus, a director, owns 13.9% and management officials as a group 39.3%. Herman Spertus is president.

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The company is engaged in the general insurance brokerage and agency business. It also acts as average adjusters, life and employee benefit plan consultants and places most other types of insurance. Part of the net proceeds of its sale of additional stock will be applied to the partial repayment of the company's indebtedness to banks; the remainder will be applied to working capital and may be used in connection with possible acquisitions. The company has outstanding 1,074,714 common shares, of which management officials as a group own 629,250 shares. James Stewart is board chairman and Melvin A. Holmes president. Stewart proposes to sell 10,500 shares of 64,500 shares held, Holmes 4,200 of 40,500, Charles A. Severs and Edwin G. Stephens, vice presidents, 45,000 shares each (the largest blocks) of 75,000 shares held by each, and 23 others the remaining shares being registered.

THAYER INTERNATIONAL FILES FOR OFFERING AND SECONDARY. Thayer International Ltd., 498 7th Avenue, New York, N.Y., filed a registration statement (File 2-34432) with the SEC on August 27 seeking registration of 200,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Cantor, Fitzgerald & Co., Inc., 232 North Canon Drive, Beverly Hills, Calif. 90210; the offering price (\$13 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Cantor firm, for \$200, five-year warrants to purchase 20,000 shares.

The company directly and through subsidiaries designs and sells ladies' knitwear apparel, sold under the names "Knits by Thayer," "St. Andrews," "St. Moritz" and Giancarlo" to some 9,000 department stores and specialty shops. The bulk of the net proceeds of its sale of additional stock will be used for start-up expenses and development of the company's new "popular price" (\$20 to \$70 retail) lines under its "Roncelli Sportswear" label; the balance will be added to its working capital and used to expand its purchases from contractors in Hong Kong, Taiwan, Italy and England. The company has outstanding 461,000 common shares, of which Milton D. Skurka, president, owns 98%; he proposes to sell 100,000 shares of 450,000 shares held.

COMPUTER SOFTWARE SYSTEMS TO SELL STOCK. Computer Software Systems, Inc., 460 Summer St., Stamford, Conn. 06901, filed a registration statement (File 2-34434) with the SEC on August 27 seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Newburger, Loeb & Co., 5 Hanover Square, New York, N.Y. 10004. The offering price (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Newburger firm, for \$187.50, five-year warrants to purchase 18,750 shares, exercisable initially (after one year) at 110% of the offering price.

Organized in March 1967, the company is primarily engaged in providing computer services simultaneously to computer users on a remote access/immediate response basis, frequently referred to as "time sharing." Of the net proceeds of its stock sale, \$500,000 will be applied to finding and developing new locations for the installation of additional time sharing computers for the rental of additional space and possible leasehold improvements to house such equipment and to defray "start up" costs relating thereto, and \$1,750,000 to absorb initial operating losses of additional facilities which may be put into service by the end of 1970; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 745,500 common shares, of which Robert H. Bernard, president, owns 13.2% and management officials as a group 45.7%. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of \$3,850,000\*; the present shareholders will then own 75%, for which they paid prices ranging from \$.014 to \$6.67 per share.

SANTA FE NUCLEAR TO SELL STOCK. Santa Fe Nuclear, Inc., 101 West Marcy St., Santa Fe, New Mexico 87501, filed a registration statement (Release 2-34435) with the SEC on August 27 seeking registration of 350,000 shares of common stock, to be offered for public sale through Doherty & Co., 209 Gold Avenue S.W., Albuquerque New Mexico. The offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company was organized in August 1967 for the primary purpose of exploring for uranium. Of the net proceeds of its stock sale, \$2,000,000 will be used to purchase a working interest in the Gageby Creek Gas Field, Wheeler County, Texas, \$600,000 for overriding royalties and \$150,000 for drilling on the Green River Prospect (Utah); the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 926,677 common shares, of which John N. Eddy, president, owns 14%.

SIRCO INTERNATIONAL FILES FOR OFFERING AND SECONDARY. Sirco International Corp. 700 South Fulton Avenue, Mt. Vernon, N.Y. 10050, filed a registration statement (File 2-34436) with the SEC on August 27 seeking registration of 200,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by Burt J. Siris, the company's president and principal stockholder. The offering is to be made through underwriters headed by Walston & Co., Inc., 74 Wall Street, New York, N.Y.; the offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the design, import and manufacture of popular-priced ladies and children's handbags and related articles. Of the net proceeds of its sale of additional shares, \$1,000,000 will be used to retire short term indebtedness and bankers acceptances as they mature, \$111,954 to repay loans from the wife and children of Siris, and the balance for general corporate purposes. The company has outstanding 300,000 shares, of which Siris owns 99%.

CAROUSEL CANDY FILES OFFERING PROPOSAL. Carousel Candy Co., Inc. 393 Sagamore Avenue, Mineola, New York filed a registration statement (File 2-34437) with the SEC on August 27 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering is to be made on a best efforts, all or none basis by Austin, James & Co., Inc. 12 William Street, New York, N.Y.; which will receive a selling commission of 25¢ per share plus \$22,500 for expenses. The underwriter also will be entitled to purchase, for \$200, six-year warrants for the purchase of 20,000 shares, exercisable after one year at \$2.50 per share.

outstanding shares of common stock, to be offered for public sale through Walston & Co., Inc., 74 Wall St., New York, N.Y. 10005. The offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the consumer finance and leasing businesses and also in the insurance and computer services businesses. It has outstanding 3,514,321 common shares. First Railroad & Banking Company of Georgia proposes to sell 68,750 of 275,000 shares held and Weis, Voisin, Cannon, Inc., all of 7,875.

**MECHTRON-GENCO FILES TWO PROPOSALS.** Mechtron-Genco Corporation, 1730 Diplomacy Row, Orlando Central Park, Orlando, Fla. 32809, filed a registration statement (File 2-34517) with the SEC on August 29 seeking registration of 92,670 shares of common stock. It is proposed to offer at least 69,410 but not more than 92,670, of these shares in exchange for at least 34,705 but not more than 46,335 outstanding shares of Class A and Class B common stock of International Nutronics, Inc. ("INI"), at the rate of two shares for each INI share. Consummation of the exchange is subject to acceptance by holders of at least 34,705 shares of INI stock.

The company is engaged in developing, manufacturing and marketing electronic devices and systems principally for agencies of the United States Government and other businesses engaged in programs related to national defense and space exploration and in the manufacture and sale of combustion systems and related control instrumentation primarily for use in drying aggregate for the asphalt processing and paving industries. It has outstanding 495,800 common shares, of which management officials as a group own 33%. William T. Robbins is board chairman and Horst E. Asmann president.

In a separate registration statement (File 2-34518), the company seeks registration of 125,000 shares of common stock, to be offered for public sale through underwriters headed by J.N. Russell Inc., Investment Plaza, Cleveland, Ohio 44114. The offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Russell firm \$20,000 for expenses. Also included in this statement are 10,000 outstanding shares which may be offered for sale by the Russell firm (the selling stockholder) from time to time at prices prevailing at the time of sale. Of the net proceeds of the company's stock sale, \$300,000 will be used to repay short-term bank borrowings incurred to provide working capital, an unspecified amount to retire installment notes secured by various items of machinery, \$100,000 for continuing product development of an automatic station identifier, marine equipment, bin level indicator equipment and a digital control automatic batching scale, unspecified amounts to modernize portions of its production facilities, to establish radioisotope storage facilities to service the main product of INI, and to develop and establish an integrated distribution organization for the company's products and those of INI; the balance will be added to the company's general funds and used for general corporate purposes, including possible acquisitions.

**DHJ INDUSTRIES FILES FOR OFFERING AND SECONDARY.** DHJ Industries, Inc., 16 East 34th St., New York, N.Y. 10016 filed a registration statement (File 2-34519) with the SEC on August 29 seeking registration of 400,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 100,000 (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, N.Y. 10005; the offering price (\$17.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in processing and distributing interlinings, interfacings, shirt fabrics, pocket fabrics and related textile products for the apparel trades. Of the net proceeds of its sale of additional stock plus repayment to it of \$142,103 due from a selling stockholder, \$2,500,000 will be used to facilitate the financing of increases in inventories and receivables, \$200,000 for the improvement of existing plants, and \$400,000 for further development in connection with an automatic cutting machine and for the purchase of certain patent rights in connection with a fusing machine; the balance will be added to the company's working capital. The company has outstanding 992,930 common shares, of which Herbert Haskell, board chairman, owns 47.6%, Eugene M. Jacobson, president, 21.4% and management officials as a group 83.3%. They propose to sell 50,000 shares each of 472,194 and 212,894 shares held respectively.

**AFFILIATED CAPITAL TO SELL STOCK.** Affiliated Capital Corporation, 539 Capital National Bank Building, Houston, Texas 77002, filed a registration statement (File 2-34520) with the SEC on August 29 seeking registration of 800,000 shares of common stock, to be offered for public sale through Rauscher Pierce & Co., Inc., 1200 Mercantile Dallas Building, Dallas, Texas. The offering price (\$12.50 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Rauscher firm, for \$200, five-year warrants to purchase 20,000 shares, exercisable after one year at prices ranging from 107% to 128% of the offering price. Also included in this statement are an unspecified number of shares of common stock to be offered in exchange for outstanding permanent reserve fund stock (\$5 par) of Arlington Savings Association, ("Arlington") (except 11,940 shares to be acquired from Charles E. Arnold, vice president and a director of the company), at the rate of 1.7056 shares and \$27.25 cash for each Arlington share.

The company is a savings and loan holding company. Of the net proceeds of its stock sale, \$7,360,000 will be applied to purchase 320,000 shares of outstanding permanent reserve stock of Center Savings Association, \$1,202,000 against the purchase price of certain outstanding shares of permanent reserve fund stock of Arlington and \$900,000 (plus an amount for interest) to pay indebtedness assumed by the company in connection with the acquisition of State Savings and Loan Association of Lubbock; the balance will be used for general corporate purposes. The company has outstanding 612,000 common shares (with a \$1.03 per share book value), of which Billy B. Goldberg, president, owns 540,000.

**FOUNDERS MORTGAGE INVESTORS TO SELL STOCK.** Founders Mortgage Investors, 225 Franklin St., Boston, Mass. filed a registration statement (File 2-34528) with the SEC on September 2 seeking registration of 1,000,000 shares of beneficial interest, to be offered for public sale through underwriters headed by Salmon Brothers & Hutzler, 60 Wall Street, New York, N.Y. The offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized in August, the Trust is intended to provide investors with an opportunity to invest in a "professionally managed portfolio" consisting almost entirely of mortgage loans. It plans to qualify as a real estate investment trust under Sections 856-858 of the Internal Revenue Code. Net proceeds of the sale of shares will be used to acquire mortgage loans, at least 65% of which will be government insured or guaranteed. Founders Advisory Company will advise the Trust with respect to investments and investment policy and will administer the day to day operations of the Trust, subject to supervision of the Trustees. The Adviser is 60% owned by The Charter Company, of Jacksonville, Fla., and 40% by Salomon Brothers & Hutzler. Robert B. Phillips, managing trustee and secretary, is president of Founders Advisory Company.

**MURPHY OIL CORP. SHARES IN REGISTRATION.** Murphy Oil Corporation, 200 Jefferson Avenue, El Dorado, Arkansas 71730, filed a registration statement (File 2-34529) with the SEC on September 2 seeking registration of 480,769 shares of common stock. The shares are issuable upon conversion of 5% convertible debentures issued in January by Murphy Oil International Finance Corporation, a subsidiary, at a conversion price of \$52 per share.

**CONVERSATIONAL COMPUTING TO SELL STOCK.** Conversational Computing, Inc., 10465 Melody Drive, Denver, Colo. 80234, filed a registration statement (File 2-34530) with the SEC on September 2 seeking registration of 300,000 shares of common stock. The shares are to be offered for public sale on an all or none, best efforts basis by Kureen & Cooper, Inc., 26 Broadway, New York, N.Y. 10004; the offering price (\$1 per share maximum\*) and underwriting terms are to be supplied by amendment. The underwriter is to receive \$12,000 for expenses; it also will be entitled to purchase, for \$150, five-year warrants for the purchase of 30,000 shares, exercisable after one year at \$1.20 per share.

Organized in April, the company proposes to establish and operate a school in the metropolitan area of Denver, offering courses in computer programming for computer time-sharing systems. Net proceeds of its stock sale will be used for various corporate purposes, including \$89,000 for the acquisition of an inventory of electronic audio-visual equipment and recordings for course instructions to be made available for sale to possible franchisees. The company has outstanding 274,000 common shares (with a 4¢ per share book value), of which Dr. Michael J. Pedelty, president and promoter, owns about 96%. Purchasers of the shares being registered will acquire a 52.2% stock interest in the company for their investment of \$300,000\* (they will sustain an immediate dilution of \$.571 in per share book value from the offering price); present stockholders will then own 47.8%, for which they paid \$11,100.

**CHAPPAQUA OIL TO SELL STOCK.** Chappaqua Oil Corporation, 444 Madison Ave., New York, N.Y. 10022, filed a registration statement (File 2-34536) with the SEC on September 3 seeking registration of 1,700,000 shares of common stock, to be offered for public sale through underwriters headed by D.H. Blair Securities Corporation, 66 Beaver St., New York, N.Y. The offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell 170,000 shares to the Blair firm for \$13,600. Also included in the statement are an unspecified number of shares issuable upon exchange of \$800,000 of 5% promissory notes, due 1974, and 350,000 shares of common stock issuable pursuant to options granted under the company's Employees' Qualified Stock Option Plan.

The company was organized in June 1968 primarily to explore for petroleum and natural gas and to produce and market any petroleum and natural gas it may discover. Of the net proceeds of its stock sale, \$4,500,000 will be used for preliminary exploration and evaluation of properties, \$2,000,000 for repayment of 5% notes due 1969, \$500,000 in payment of other obligations incurred in connection with a Joint Venture Agreement, \$3,500,000 for use as required under the Agreement in connection with further exploration and development of properties and \$275,000 for administrative and overhead expenses; 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 5,214,375 common shares, of which Burnham and Company owns 17.3%, Dixelo Holding, S.A., Lugano, Switzerland 24% and management officials as a group 10.5%. Donald E. Paradis is president.

**BARNETT SERIO EXPLORATION PROPOSES OFFERING.** Barnett Serio Exploration Company ("Serio"), 331 Market St., Natchez, Miss. 39120, filed a registration statement (File 2-34535) with the SEC on September 3 seeking registration of \$1,500,000 of units of participation in Serio Fund--1969 (Series B) (the Fund), to be offered for public sale in 300 units at \$5,000 per unit. The offering is to be made on a best efforts basis through Vance, Sanders & Company, Inc., 111 Devonshire St., Boston, Mass. 02109, which will receive a 6% selling commission. The Fund is a limited partnership to be formed between Serio as general partner and the purchasers of Fund units ("Venturers") as limited partners. The Fund's purpose will be to pay over the moneys received from Venturers to a limited partnership (the "Drilling Partnership"), in which Serio will serve as general partner and the Fund as limited partner. The Drilling Partnership will conduct oil and gas operations on behalf of the Fund. S. Barnett Serio is president of Serio; company officials of Serio are its sole shareholders.

**SECURITIES ACT REGISTRATIONS. Effective September 9, 1969:** Beatrice Foods Co., 2-34291 (40 days); Eagn Machinery Company, 2-33712 (90 days); Elba Systems Corporation, 2-32413 (40 days); First Mortgage Investors, 2-33648 (40 days); The Golden Cycle Corporation, 2-31595 (40 days); Informatics, Inc. 2-34184; Kalvar Corporation, 2-33727 (40 days); The E.F. MacDonald Company, 2-33564 (40 days); Monsanto Company, 2-33122 (40 days); Nytronics, Inc., 2-34497 (40 days); Rockower Brothers, Inc., 2-33300 (40 days); Washington Homes, Inc., 2-31941 (90 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.