

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FIRST SECURITIES CORP. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5831) declaring that First Securities Corp. of Syracuse has ceased to be an investment company as defined in the Act.

SEC COMPLAINT NAMES INTERNATIONAL AEROSPACE ASSOCIATES. The SEC Boston Regional Office announced October 1 (LR-4423) the filing of a complaint in the Federal court in Boston seeking to enjoin violations of the Securities Act anti-fraud provisions in the sale of stock of International Aerospace Associates, Inc., of Bedford, Mass., by the issuing company and its president, Robert V. Pace of Waltham, Mass.

FOREIGN RESTRICTED LIST. The SEC has added American Mobile Telephone and Tape Company, Ltd., a Canadian company of Vancouver, B.C. to its Foreign Restricted List (Release 33-5013). The list is comprised of the names of foreign companies whose securities the Commission has reason to believe recently have been, or currently are being, offered for public sale and distribution within the United States in violation of the Securities Act registration requirement.

The revised restricted list of January 10, 1969 (Release 33-4943) carried the names of 19 Canadian, 11 Panamanian, 1 British Honduran, 1 European and 3 Bahamian companies, or a total of 35. Since then, three Canadian companies (Klondike Yukon Mining Co., Yukon Wolverine Mining Co., and now American Mobile Telephone and Tape Company), one Bahamian company (United Mining and Milling Corporation), and one West Indies company ("California and Caracas") have been added to the list and one Canadian company (Crest Ventures, Ltd.) has been removed from the list, which now contains the names of 39 companies.

HEALTH ORGANIZATIONS FILES FOR OFFERING AND SECONDARY. Health Organizations Systems & Planning Corp., 53 Hilton Ave., Garden City, N.Y. 11530, filed a registration statement (File 2-34790) with the SEC on September 26 seeking registration of 250,000 shares of common stock, of which 210,000 are to be offered for public sale by the company and 40,000 (being outstanding shares) by the present holder thereof. The shares are to be offered at \$3.50 per share; the offering is to be made on a "best efforts" basis by F.S. Donahue, Santo & Company, 176 Riverside Ave., Red Bank, N.J., which will receive a 35¢ per share selling commission plus \$32,500 for expenses. The company has agreed to sell the underwriter, for \$250, five-year warrants to purchase 25,000 shares, exercisable after 13 months at \$4.20 per share.

Organized in June, the company provides a variety of management consulting services to hospitals, health institutions and governments. Of the net proceeds of its sale of additional stock, \$400,000 will be used to establish regional offices in San Francisco, Chicago and at another location to be determined, \$105,000 to finance management studies and \$75,000 to establish a program for contractual operation of hospitals, nursing homes and other health facilities. The company has outstanding 315,000 common shares (with an 11¢ per share net tangible book value), all of which is owned by John G. Steinle, president; he proposes to sell 40,000 shares. Purchasers of the shares being registered will acquire a 47.6% stock interest in the company for their investment of \$875,000 (they will sustain an immediate dilution of \$2.23 in per share book value from the offering price); the present shareholder will then own 52.4%, which has a net book value of \$33,909.

APPLIED DIGITAL DATA SYSTEMS TO SELL STOCK. Applied Digital Data Systems, Inc., 89 Marcus Blvd., Hauppauge, N.Y., filed a registration statement (File 2-34791) with the SEC on September 26 seeking registration of 200,000 shares of common stock, to be offered for public sale on a "best efforts" basis through Darum Securities Corporation, 609 Fifth Ave., New York, N.Y. 10017. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$10,000 for expenses and to sell it, at 1¢ per warrant, five-year warrants to purchase up to 20,000 shares, exercisable initially (after one year) at 110% of the offering price.

Organized in January, the company expects to be primarily engaged in the design, manufacture and marketing of video display computer terminal equipment. Of the net proceeds of its stock sale, \$575,000 will be used to establish regional sales and marketing offices, \$180,000 to purchase land and build and equip thereon a production facility, \$370,000 to fund research and development and \$265,000 to establish regional field service offices; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 2,781,289 common shares (with a 16¢ per share net tangible book value), of which William J. Catacosinos, president, owns 14.02%, Lowin Data Fund \$38.74%; and management officials as a group 66.78% (including the holdings of the Fund of which a company director is a partner). Purchasers of the shares being registered will acquire a 6.7% stock interest in the company for their investment of \$2,000,000*; the present shareholders will then own 93.3%, for which they will have paid \$683,031.

MAGNESS 1970 DRILLING FUND PROPOSES OFFERING. Magness 1970 Drilling Fund, Ltd. (the "Partnership"), 3535 Northwest 58th St., Oklahoma City, Okla. 73112, filed a registration statement (File 2-34792) with the SEC on September 26 seeking registration of \$5,000,000 of participations, to be offered for public sale at \$10,000 per unit. No underwriting is involved; participating NASD members will receive a 5% selling commission. The partnership was organized to engage in oil and gas exploration. Magness Petroleum Company ("Magness") will serve as the general partner and Moorman P. Prosser as the initial limited partner. Of the outstanding stock of Magness, A.J. Magness, president, owns 54.78% and management officials as a group 75.75%.

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BENEFICIAL NATIONAL FILES EXCHANGE OFFER. Beneficial National Corporation, ("Holding Corporation"), 76 Madison Ave., New York, N.Y. 10016, and DataServ, Inc., of the same address, filed a registration statement (File 2-34793) with the SEC on September 26 seeking registration of 1,842,500 shares of Holding Corporation common stock, 184,250 shares of DataServ common stock and rights to subscribe to 100,000 shares of Holding Corporation common. Holding Corporation proposes to offer these securities to holders of capital stock of Beneficial National Life Insurance Company ("Insurance Company"), at the rate of 1 Holding Corporation and 1/10 DataServe share for each Insurance Company share. Effectiveness of the exchange offer is contingent upon its acceptance by holders of at least 80% of Insurance Company's outstanding stock Beneficial Standard Life Insurance Company, which owns 54% of the outstanding stock of Insurance Company, and certain of its directors who are Insurance Company stockholders, have indicated that they will tender their shares. Insurance Company shareholders who accept the exchange offer will have the privilege of subscribing to 100,000 additional shares of Holding Corporation common stock at the rate of 5 such shares for each 100 Insurance Company shares exchanged (at a price to be supplied by amendment -- \$5.50 per share maximum*).

Holding Corporation was organized in 1966, but did not commence business until May 1969. It is the parent of 76 Securities Sales Corporation, a newly organized dealer in mutual funds, DataServ, a newly organized data processing company, and Cash-O-Matic Corporation of America, a newly organized life insurance sales company; it has contracted to purchase Triangle Systems, Inc., a company engaged in the premium finance business. Of the net proceeds of its stock sale, Holding Corporation will use \$280,000 to purchase 1,325,000 common shares of DataServ (which will use these funds for working capital and general corporate purposes), \$75,000 to supply working capital to Securities Sales (to pay bank loans for general corporate purposes), \$75,000 to purchase Triangle Systems, \$25,000 as working capital for Cash-O-Matic (for its general corporate purposes); the balance will be added to the Holding Corporation's general funds and used for general capital purposes, including possible acquisitions. Frank T. Crohn is president of Holding Corporation and of Insurance Company.

BEHRING TO SELL STOCK. Behring Corporation, 2800 East Oakland Park Blvd., Fort Lauderdale, Fla. 33306, filed a registration statement (File 2-34794) with the SEC on September 26 seeking registration of 700,000 shares of common stock, to be offered for public sale through underwriters headed by Oppenheimer & Co., 5 Hanover Square, New York, N.Y. 10004. The offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters up to \$5,000 for expenses. Recently certain of the partners (or their wives) of the Oppenheimer firm, one of its employees and a venture capital partnership affiliated with it purchased \$412,500 of 4% convertible subordinated notes, due 1979, and \$412,500 of 4% subordinated notes, due July 30, 1970.

The company is engaged principally in developing residential communities in suburban areas of Fort Lauderdale and St. Petersburg, Florida. Of the net proceeds of its stock sale, \$4,700,000 will be used for the construction of a fully equipped factory to assemble modular homes, \$1,500,000 for preliminary site development of certain golf courses, \$500,000 for additional water and sewerage facilities in the Fort Lauderdale area, \$250,000 toward the construction cost of an office building for the company in the Fort Lauderdale area, \$1,975,000 for retirement of short term bank loans and \$500,000 to repay 4% subordinated notes, due July 30, 1970; the balance will be added to the company's working capital and will be available for other corporate purposes, including possible acquisition of land in Florida and elsewhere. In addition to indebtedness, the company has outstanding 4,115,000 common shares (with a 59¢ per share book value), of which Kenneth E. Behring, board chairman and president, owns 99%. Purchasers of the shares being registered will acquire a 14% stock interest in the company for their investment of \$15,400,000*; Behring will then own 85%, at an aggregate cost of \$600,000 or 15¢ per share.

DIAMOND BROS. TO SELL STOCK. Diamond Bros. Company, 9th Cotton St., Reading, Pa., filed a registration statement (File 2-34795) with the SEC on September 26 seeking registration of 400,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering is to be made on a "best efforts, all of none" basis through Kelly, Andrews & Bradley, Inc., 111 John St., New York, N.Y., which will receive a 64¢ per share selling commission plus \$35,000 for expenses. The company has agreed to pay \$100,000 to S. Zachary Swidler as a finder's fee and to sell the underwriter, for \$400, five-year warrants to purchase 40,000 shares exercisable after one year at \$8.25 per share.

The company through subsidiaries manufactures and sells a complete line of upholstered living room furniture upholstered convertible living room furniture and occasional tables. Of the net proceeds of its stock sale, \$1,450,000 will be used to pay indebtedness to a factor, \$200,000 to pay two bank notes, \$300,000 to establish a factory to manufacture upholstered furniture and contract furniture in San Juan, Puerto Rico, and the balance for working capital and other corporate purposes. In addition to mortgage indebtedness, the company has outstanding 500,000 common shares (with a 28¢ per share book value), of which Frederick Sherman, president, owns 29.2%, management officials as a group 46.4% and Joseph Diamond 30.6%. Purchasers of the shares being registered will sustain an immediate dilution of \$4.50 in per share book value from the offering price.

STRONG-WEAR HOSIERY FILES FOR OFFERING AND SECONDARY. Strong-Wear Hosiery Co., Inc., "K" and Venango Sts., Philadelphia, Pa. 19134, filed a registration statement (File 2-34796) with the SEC on September 26 seeking registration of 120,000 shares of common stock, of which 70,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Woodcock, Moyer, Fricke & French, Inc., 1500 Chestnut St., Philadelphia, Pa. 19102; the offering price (\$7 per share maximum*) and underwriting terms are to be supplied by amendment. The underwriters will receive \$12,000 for expenses; the company has agreed to sell the Woodcock firm, for \$600, six-year warrants to purchase 12,000 shares. Also included in this statement are 25,000 shares issuable under the company's 1969 Qualified Stock Option Plan.

The company manufactures women's and misses' hosiery, its products being seamless stockings and panty-hose. Net proceeds of its sale of additional stock will be applied principally to expansion of the company's manufacturing capacity, including establishing a new mill; the balance will be available for working capital. In addition to indebtedness, the company has outstanding 186,000 common shares, of which Richard Ginsberg, president, Herman Ginsberg, board chairman, and Stanley Ginsberg, secretary, own 33.3% each. Richard and Stanley Ginsberg propose to sell 16,667 shares each and Herman Ginsberg 16,666 of 62,000 shares held each.

3H BUILDING CORP. TO SELL STOCK. 3H Building Corporation, 4902 Tollview Drive, Rolling Meadows, Ill. 60008, filed a registration statement (File 2-34797) with the SEC on September 26 seeking registration of 220,000 shares of common stock, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 208 South LaSalle St., Chicago, Ill. 60604. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the development and production of communities of single family homes in the Chicago area. Of the net proceeds of its stock sale, \$1,500,000 will be used to finance the construction of homes; the balance will be added to the company's general funds and used for the development of existing and planned construction projects and the purchase of land. The company has outstanding 800,000 common shares, of which Stewart L. Grill, board chairman, owns 22.1%, Ronald J. Benach, president, 20.4% and management officials as a group 67.8%.

GILBERT ASSOCIATES FILES FOR OFFERING AND SECONDARY. Gilbert Associates, Inc., 525 Lancaster Ave., Reading, Pa. 19603, filed a registration statement (File 2-34798) with the SEC on September 26 seeking registration of 200,000 shares of Class A common stock, of which 179,500 are to be offered for public sale by the company and 20,500 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad Street, New York, N.Y. 10005; the offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters \$20,000 for expenses.

The company is principally engaged in providing design, engineering, architectural, construction management and consulting services for electric power generating stations and electric transmission and distribution systems. It provides similar services for water and sanitary utilities and industrial plants and processes. Net proceeds of its sale of additional stock will be applied to repayment of some \$1,350,000 of short-term bank borrowings, proceeds of which were added to working capital, to acquire 16% of the outstanding non-voting common stock of GaiTronics Corporation (which primarily develops and assembles specialized telephonic and communications systems for electric power stations and other high noise level industrial plants) and for working capital purposes. In addition to indebtedness, the company has outstanding 399,460 Class A and 251,630 Class B common shares; management officials as a group own 31% of the B shares and 1% of the A shares. James R. Stoudt is president. John O. Leslie and Edith D. Leslie (Tenants by the Entireties) propose to sell 10,000 shares of 14,400 shares held, J. Anson Wilhelm 10,000 of 15,000 and George S. Calhoun 500 of 3,000.

ALOE-CREME LABS. FILES FOR SECONDARY. Aloe-Creme Laboratories, Inc., N.E. 5th Ave. & 42nd St., Fort Lauderdale, Fla. 33310, filed a registration statement (File 2-34799) with the SEC on September 26 seeking registration of 59,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$9 per share maximum*).

The company is primarily engaged in distributing a proprietary line of medicated sun tan cosmetic products which are manufactured by others under its formula and label. It has outstanding 1,259,511 common shares. Allen & Company may sell all of 18,000 shares held and 24 others the remaining shares being registered.

QUALITY COURTS MOTELS FILES FOR OFFERING AND SECONDARY. Quality Courts Motels, Inc., 11161 New Hampshire Ave., Silver Spring, Md. 20904, filed a registration statement (File 2-34800) with the SEC on September 26 seeking registration of 423,511 shares of common stock, of which 400,000 are to be offered for public sale by the company and 23,511 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York, N.Y.; the offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in this statement are 20,516 outstanding shares of common stock which may be offered for sale from time to time by the present holders thereof at prices current at the time of sale.

The company and its subsidiaries are engaged primarily in the business of owning and operating motels and franchising other persons to operate motels under the Quality name. Of the net proceeds of its sale of additional stock, \$1,975,000 will be used for the acquisition of four parcel of land, three of which are being acquired as sites for motor hotels in Seattle, San Francisco and Vancouver and the fourth as a site for the company's corporate headquarters in Silver Spring, Maryland, \$625,000 for the construction and completion of additional motels in Arlington, Virginia, and Daytona Beach, Florida; \$690,000 for completion of major improvements at certain company-operated motels; and \$2,400,000 for the construction and completion of motor hotels in Los Angeles, San Francisco, Seattle and Vancouver and the company's headquarters facilities. The balance will be added to the company's working capital and will be used principally for the continuation of its program of acquiring existing motels. In addition to indebtedness, the company has outstanding 2,072,688 common shares of which Stewart Bainum, president, owns 30.7%. William A. Baiardo and Benjamin D. Kremen, a director propose to sell 7,280 shares each of 21,844 and 21,842 shares held, respectively, and ten others the remaining shares being registered. Seven other shareholders may sell the 20,516 shares being registered.

WARBERN PACKAGING FILES FOR OFFERING. Warbern Packaging Industries, Inc., 200 Madison Avenue, New York, N.Y. filed a registration statement (File 2-34801) with the SEC on September 26 seeking registration of 180,000 shares of common stock, to be offered for public sale through underwriters headed by Halle & Stieglitz, 52 Wall Street, New York, N.Y. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the manufacture of disposable plastic hangers. Of the net proceeds of its stock sale, some \$800,000 will be used for the construction of a new plant facility to replace its New York plant and \$450,000 for the purchase of new equipment to be installed in such plant. The balance will be added to the general funds of the company and used for general corporate purposes, including working capital. In addition to indebtedness, the company has outstanding 470,000 common shares, owned in equal amounts by Robert Phillips, president, and Bernard Levine, executive vice president.

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the further suspension of over-the-counter trading in the securities of Rajac Industries, Inc., for the ten-day period October 4-13, inclusive, and in the securities of Liberty Equities Corporation for the period October 6-15, 1969, inclusive.

CONSOLIDATED NATURAL GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16489) giving interested persons until October 22 to request a hearing upon an application of Consolidated Natural Gas Company, New York holding company, and four of its subsidiaries. Consolidated proposes to issue and sell \$30,000,000 of debentures, due 1994, at competitive bidding. As authorized on June 10 (Release 35-16397), Consolidated will use \$20,000,000 of the proceeds of its debentures sale to finance, in part, the 1969 construction program of its subsidiaries, such program estimated at \$104,000,000; the balance will be used as partial payment of Consolidated's \$20,000,000 construction bank loan. In 1966 the Commission authorized open-account advances by Consolidated to its subsidiaries for construction purposes, which advances mature in October 1970. These advances were authorized with the understanding that upon the payment of short-term notes to banks from the proceeds of the issue and sale of debentures by Consolidated in 1969, the outstanding advances to subsidiaries would be converted into long-term notes. Consolidated now proposes to acquire and the subsidiaries propose to issue and sell to Consolidated promissory notes as follows: Consolidated Gas Supply Corporation, \$,400,000; The East Ohio Gas Company, \$2,750,000; The Peoples Natural Gas Company, \$2,750,000 and The River Gas Company, \$100,000.

SECURITIES ACT REGISTRATIONS.

Effective October 2: A.B.A. Industries, Inc., 2-34026 (90 days); APCO Oil Corporation, 2-34457; Alderman Interior Systems, Inc., 2-32932 (90 days); Astrodine Food Systems, Inc., 2-33155 (90 days); Compucomp Corporation, 2-33067 (90 days); Dayton Power and Light Company, 2-34603; Equity Resources Limited Partnership, 2-34577 (Dec 31); Filter Flow Corp., 2-33142 (90 days); Heublein, Inc., 2-34032; Illinois Power Company, 2-3456; Lomas & Nettleton Mortgage Investors, 2-33821 (90 days); LPI Data Communications Systems, Inc., 2-33266 (90 days); Nantucket Industries, Inc., 2-33459 (90 days); Nashua Corporation, 2-34551; Presidential Life Corp., 2-32405 (90 days); Pro-Pizza, Inc., 2-32222 (90 days); Proof Lock International, Inc., 2-31948 (90 days); Summit Capital Fund, Inc., 2-31035; Sun Oil Company, 2-34921; Vanguard Security Funding Corporation, 2-33725.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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