

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 Publications Unit, cite number)

(Issue No. 66-90)

FOR RELEASE May 11, 1966

SERVICE COMPANY ACCOUNT SYSTEM REVISION PROPOSED. The SEC today invited the submission of comments not later than May 31 upon a proposal (Release 35-15466) to revise the Commission's Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies under the Holding Company Act. The System of Accounts was adopted in 1936 for all service companies approved by the Commission under Section 13 of the Act. Rule 93 provides that every service company subject thereto shall preserve its records in accordance with the requirements of the System of Accounts, which in turn provide that every such service company shall retain its records permanently except as otherwise authorized by the Commission. The proposed revision of the System of Accounts would eliminate the aforesaid requirements, and substitute therefor a regulation permitting the orderly destruction of records, the continued retention of which is deemed no longer necessary or appropriate in the public interest or for the protection of investors or consumers.

MICHIGAN WISCONSIN PIPE LINE SEEKS ORDER. Michigan Wisconsin Pipe Line Company, Detroit gas transmission subsidiary of American Natural Gas Co., has applied to the SEC for an order under the Holding Company Act authorizing it to sell an aggregate of \$60,000,000 of its unsecured promissory notes to banks; and the Commission has issued an order (Release 35-15467) giving interested persons until June 3 to request a hearing thereon. The application states that the proceeds of the note sale will be applied to Michigan Wisconsin's 1966 construction program, estimated at \$90,000,000.

GULF POWER SEEKS ORDER. Gulf Power Company, Pensacola, Fla., electric-utility subsidiary of The Southern Co., has applied to the SEC for an order under the Holding Company Act authorizing it to sell at competitive bidding \$15,000,000 of first mortgage bonds (due 1996) and 50,000 shares of its preferred stock; and the Commission has issued an order (Release 35-15468) giving interested persons until June 6 to request a hearing thereon. According to the application, Gulf Power will apply a portion of the proceeds of this financing to its 1966 construction program (estimated at \$23,209,000) and the balance will be used to pay outstanding short-term bank notes and for other corporate purposes.

BALDWIN-FASCO ORDER ISSUED. The SEC has issued an exemption order under the Investment Company Act (Release IC-4598) permitting Baldwin Securities Corporation, New York investment company, to sell 180,000 common shares of Brown Company to Fasco Inc., for \$4,050,000, or \$22.50 per share.

MUNICIPAL INVESTMENT TRUST FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act exempting Municipal Investment Trust Fund, Second Pennsylvania Series, New York, from the \$100,000 minimum net capital requirement of the Act. According to the application, the fund proposes to offer for public sale 5,000 units (\$5,000,000) of undivided interest in its portfolio of municipal bonds. Applicant is one of a series of similar funds named "Municipal Investment Trust Fund" and will be governed by a Trust Agreement under which Bache & Co., Inc., Goodbody & Co., and Hornblower & Weeks-Hemphill, Noyes will act as sponsors and United States Trust Co. of New York will act as trustee.

CONTINENTAL VENDING MACHINE TRADING BAN CONTINUED. The SEC has issued an order suspending exchange and over-the-counter trading in securities of Continental Vending Machine Corporation for a further ten-day period, May 12-21, 1966, inclusive.

TWO STOCKS DELISTED. The SEC has issued an order under the Securities Exchange Act (Release 34-7886) granting an application of the New York Stock Exchange to strike from listing and registration the common stock of RAC Corporation, effective at the opening of business on May 13. According to the application, a plan for the complete liquidation and dissolution of the company has been substantially completed. The Commission also issued an order granting an application of the American Stock Exchange to delist the Class A common stock of Nat Nast, Inc., effective at the opening of business on May 23. The application states that the company's common stock does not meet the Exchange's standards for continued listing.

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act giving interested persons until May 25 to request a hearing on applications of the Boston Stock Exchange, Cincinnati Stock Exchange, Detroit Stock Exchange, Philadelphia-Baltimore-Washington Stock Exchange, and Pittsburgh Stock Exchange for unlisted trading privileges in the common stock of United States Steel Corp.

UNLISTED TRADING GRANTED. The SEC has issued an order under the Securities Exchange Act granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Leeds & Northrup Co.

HARTFIELD STORES FILES EXCHANGE PROPOSAL. Hartfield Stores, Incorporated, 441 Ninth Ave., New York 10001, filed a registration statement (File 2-24957) with the SEC on May 4 seeking registration of 198,050 shares of \$1.20 preferred stock, without par value, and warrants to purchase 198,050 shares of common stock. The stock and warrants are to be offered in exchange for \$3,961,000 of the company's outstanding 5½% convertible subordinated debentures, due 1981, at the rate of 50 preferred shares and a warrant to purchase 50 common shares, for each \$1,000 principal amount of outstanding debentures. Francis I. duPont, A. C. Allyn, Inc., as dealer manager, has agreed to use its best efforts to form and manage a group of soliciting dealers.

The company operates stores selling women's and children's wearing apparel under the name "Hartfield Stores," and self-service discount department stores under the name "Zodys." In addition to indebtedness, it has outstanding 793,931 common shares, of which management officials and their spouses own 59.75% (including 13.40% owned by Leo Hartfield, board chairman). Abe L. Marks is president.

SOUTHEASTERN GENERAL FILES FINANCING PROPOSAL. Southeastern General Corporation, 1175 N.E. 125th St., North Miami, Fla. 33161, filed a registration statement (File 2-24958) with the SEC on April 27 seeking registration of \$1,500,000 of 6% convertible subordinated debentures (due 1981) and five-year warrants to purchase 30,000 shares of common stock. The debentures, with warrants attached to purchase 20 shares for each \$1,000 principal amount of debentures, are to be offered for public sale through underwriters headed by S. D. Fuller & Co., 26 Broadway, New York. The public offering price and underwriting terms are to be supplied by amendment. The company has also agreed to sell to S. D. Fuller & Co., for \$250, five-year warrants to purchase 25,000 common shares.

The registration statement also includes \$400,000 outstanding 6% convertible subordinated debentures (due 1975), outstanding warrants for the purchase of 10,000 shares of common stock at \$3 per share, and 18,750 outstanding common shares. The present holders of these securities propose to offer them for public sale in the over-the-counter market at prices prevailing at the time of sale (\$8 per common share maximum*).

The company is engaged in the construction business as a general contractor, and in the sale of correspondence courses through franchised dealers. Of the net proceeds of its debenture sale, \$721,000 will be used to repay certain indebtedness (\$550,000 of which was incurred in connection with the company's acquisition in 1964 of Key Training Service, Inc.); the balance will be added to working capital. In addition to indebtedness, the company has outstanding 241,126 common shares. Herbert D. Meyers is president. The prospectus lists 13 selling debentureholders. Beatrice Miller, James H. Keegan, Jr., Paul Berkowitz and two other sellers are each offering \$50,000 of the debentures. Irving Kantor is offering all of the 10,000 outstanding warrants. The four selling stockholders propose to sell shares ranging in amounts from 1,250 to 5,834.

COLLINS RADIO SHARES IN REGISTRATION. Collins Radio Company, 1200 N. Alma Rd., Richardson, Tex. 75081, filed a registration statement (File 2-24959) with the SEC on May 4 seeking registration of 1 warrant to purchase 10,766 shares of common stock, as well as the underlying stock. The warrant was issued in 1960 in connection with the purchase by New York Life Insurance Co. of \$3,000,000 principal amount of the company's first mortgage 6% sinking fund bonds. The exercise price of the warrant is \$37.15 per share. According to the prospectus, the warrant or any shares issued upon exercise thereof may be offered for public sale.

The company designs and manufactures specialized radio communication equipment, and aircraft navigation and flight control equipment. In addition to indebtedness, the company has outstanding 2,433,976 common shares, of which management officials own 16.19%. Arthur A. Collins is president and board chairman.

BELDEN & BLAKE PROPOSES OFFERING. Belden & Blake and Company Limited Partnership No. 14, 702 Tuscarawas St., W. Canton, Ohio 44702, filed a registration statement (File 2-24963) with the SEC on May 4 seeking registration of 100 units of participation in the partnership, to be offered for public sale at \$2,700 per unit. The offering is conditioned upon the subscription of at least 75 units by July 1, 1966. The partnership was organized under Ohio law for the purpose of drilling oil and gas well locations in Ohio, where certain acreage can be acquired from Belden & Blake Oil Production, a general partnership. The latter is 75%-owned by Henry S. Belden, III, and Glenn A. Blake, general partners in the limited partnership. Belden and Blake will operate the business of the limited partnership.

STANDARD COMPUTERS FILES FINANCING PROPOSAL. Standard Computers Incorporated, One Wynnewood Rd., Wynnewood, Pa. 19096, filed a registration statement (File 2-24966) with the SEC on May 5 seeking registration of \$2,000,000 of 6% convertible subordinated debentures (due 1981) and 100,000 shares of common stock. The securities are to be offered for public sale in units consisting of \$1,000 principal amount of debentures and 50 common shares and at \$1,250 per unit (\$1,000 per debenture and \$5 per share). The offering is to be made through underwriters headed by Blair & Co., Inc., 20 Broad St., New York.

Organized under Pennsylvania law in August 1965, the company proposes to engage principally in the purchase, leasing and sale of electronic data processing equipment. Net proceeds of its sale of stock will be used to finance the purchase of equipment as needed to conduct such business. In addition to indebtedness, the company has outstanding 150,000 common shares, all of which were sold for \$1 per share. Auerbach Corp., Lease Financing Corp., and Blair & Co., Inc., each owns 50,000 of the outstanding shares. Herman A. Affel, Jr., is president of the company.

MOUNTAIN STATES T&T PROPOSES OFFERING. The Mountain States Telephone and Telegraph Company, 931 Fourteenth St., Denver, Colo. 80202, filed a registration statement (File 2-24967) with the SEC on May 6 seeking registration of \$50,000,000 of debentures, due 2005. The debentures are to be offered for public sale at competitive bidding. A subsidiary of American Telephone and Telegraph Co., the company will use the net proceeds of its debenture sale to repay some \$47,000,000 of advances from the parent company and for other corporate purposes. Its 1965 construction expenditures amounted to \$165,800,000 and 1966 expenditures are expected to be somewhat less.

LEXINGTON LIFE FILES FOR OFFERING. Lexington Life Insurance Company, 380 Lexington Ave., New York 10017, filed a registration statement (File 2-24970) with the SEC on May 5 seeking registration of 100,000 shares of common stock. The stock is to be offered for public sale at \$10 per share (approximately 50,000 of the shares may be purchased by present stockholders and general agents or proposed general agents of the company). The offering is to be made through company officials.

Organized under New York law in July 1964, the company writes life insurance. Net proceeds of its stock sale will be added to capital and surplus and used in the conduct of such business. The company has outstanding 500,000 common shares, which were sold for \$1,500,000. Management officials own 55% of the outstanding stock. Seymour Goodman is president.

ALL-STATE CREDIT PROPOSES DEBENTURE OFFERING. All-State Credit Corporation, 381 Sunrise Highway, Lynbrook, N. Y., filed a registration statement (File 2-24971) with the SEC on May 6 seeking registration of \$1,500,000 of 7% convertible junior subordinated debentures, due 1981. The debentures are to be offered for public sale through underwriters headed by P. W. Brooks & Co. Inc., 120 Broadway, New York 10005. The public offering price and underwriting terms are to be supplied by amendment. The company has also agreed to sell to the principal underwriter, for \$500, five-year warrants to purchase an aggregate of 50,000 shares of Class A stock.

The company (not associated with Allstate Insurance Co. or Sears, Roebuck and Co.) is engaged primarily in the consumer sales finance business. Net proceeds of its debenture sale will be used to reduce short-term indebtedness, the proceeds of which were used as working capital. In addition to indebtedness and preferred stock, the company has outstanding 264,120 Class A and 344,505 Class B shares, of which management officials own 3,018 and 335,763 shares, respectively. Sidney M. Vine is board chairman and president.

COLONIAL DISTRIBUTORS FILES. Colonial Distributors, Inc., 75 Federal St., Boston, Mass. 02110, depositor and sponsor of single payment plans for the accumulation of shares of Colonial Fund, Inc., filed a registration statement (File 2-24972) with the SEC on May 6 seeking registration of \$10,000,000 of interests in said Plans. The Colonial Fund, Inc., is an open-end mutual investment fund "whose investment objectives are income and, depending on business and economic conditions, capital appreciation or preservation." The First National Bank of Boston is the custodian of the plans. The Fund's investment adviser is Colonial Management Associates, Inc., which owns all of the outstanding shares of the sponsor. James H. Orr is board chairman and president of the sponsor and is also president of the Fund and its investment adviser.

MINNESOTA MINING AND MFG. FILES FOR SECONDARY. Minnesota Mining and Manufacturing Company, 2501 Hudson Rd., St. Paul, Minn. 55119, filed a registration statement (File 2-24973) with the SEC on May 6 seeking registration of 200,000 outstanding shares of common stock, to be offered for public sale by the present holder thereof. The offering is to be made through underwriters headed by Lazard Freres & Co., 44 Wall St., New York. The public offering price (\$73.625 per share maximum*) and underwriting terms are to be supplied by amendment.

The company produces and markets electrical products, graphic systems, tape and allied products, and other items. In addition to indebtedness, it has outstanding 53,434,794 common shares. William L. McKnight is board chairman of the company and Bert S. Cross is president. The selling stockholder is Instituto Finanziario Industriale, S.p.A., which acquired the shares being registered in July 1964 in exchange for capital stock of Ferrania S.p.A. The seller presently owns 318,615 company shares.

SMITH INDUSTRIES FILES FOR OFFERING AND SECONDARY. Smith Industries International, Inc., 300 E. Penn St., Whittier, Calif. 90602, filed a registration statement (File 2-24974) with the SEC on May 6 seeking registration of 159,800 shares of common stock. Of this stock, 90,000 shares are to be offered for public sale by the company and 69,800 shares (being outstanding stock) by the present holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005. The public offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells earth drilling and boring tools, tunneling and boring machinery, the Dyna-Drill (a specialized downhole motor used in directional oil and gas well drilling), and steel and aluminum grating products. Net proceeds of the company's sale of additional stock will be used for capital expenditures, which are expected to aggregate approximately \$2,300,000 in 1966. The principal capital expenditures planned for 1966 are the construction of a new plant, estimated at \$1,100,000 and the production of additional Dyna-Drills for leasing, estimated to cost \$500,000. In addition to indebtedness, the company has outstanding 756,748 common shares, of which management officials own 53.5%. Herman C. Smith (board chairman) and certain members of his family own 56.9% of the outstanding stock. The prospectus lists ten selling stockholders, including Smith, who is offering 18,000 of 169,290 shares held, and Steven L. Rose (vice president), 15,000 of 60,000. The other sellers are offering stock ranging in amounts from 3,750 to 6,000 shares. Donald E. Graham is president of the company.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the May 4 News Digest.

Masco Corp. Amd #2 to 8K for Dec 65 (13) 1-2736-2	Allegheny Pepsi Cola Bottling Co. Mar 66 (2,13) 0-1053-2
Veeco Instruments Inc. Amd #1 to 8K for Mar 66 (12) 0-87-2	American Fidelity Life Ins. Co. Mar 66 (11,13) 2-14748-2
Collins Radio Co. Amd #1 to 8K for Mar 66 (7,13) 1-4248-2	Breeze Corp. Apr 66 (9,13) 1-2805-2
Dragor Shipping Corp. Amd #1 to 8K for May 65 (2) 0-191-2	Cavitron Ultrasonics, Inc. Mar 66 (8,10) 2-16711-2
George A. Hormel & Co. Amd #1 to 8K for Mar 66 (4,7,13) 1-2402-2	General Tel Co. of Florida Mar 66 (11) 1-3090-2
American Zinc, Lead & Smelting Co. Amd #1 to 8K for Feb 66 (13) 1-59-2	New Britain Gas Light Co. Jan 66 (7,13) 0-421-2
Combined Insurance Co. of America Amd #1 to 8K for Aug 66 (11,13) 2-18761-2	Consolidated Development Corp. Jan 66 (7,11) 2-14238-2
Addison-Wesley Publishing Co., Inc. Amd #1 to 8K for Feb 66 (7) 0-248-2	Mallinckrodt Chemical Works Apr 66 (11,13) 0-1274-2
Insurance Co. of No. America Apr 66 (11,13) 1-5035-2	General Supermarkets April 1966 (13) 1-4782-2
Reliable Stores Corp. Jan 66 (7,13) 1-1249-2	Va. Iron Coal & Coke Co March 1966 (3) 1-210-2
Riverside Financial Corp. Apr 66 (3) 0-203-2	Hanover Shoe, Inc April 1966 (11) 0-897-2
Brown-Forman Distillers Corp. Apr 66 (4,7,13) 1-123-2	Cincinnati Union Stock Yard, Inc March 1966 (3,11) 1-1623-2
Smith Industries International, Inc. Feb 66 (12) 0-1124-2	General Tel. Co of Illinois April 1966 (11) 0-1048-2
Southland Life Insurance Co. Mar 66 (7,10,11,13) 2-17820-2	Cannon Mills Co April 1966 (11,12) 0-758-2
Monsanto Company Apr 66 (7,13) 1-2516-2	Standard Dredging Corp April 1966 (11,13) 1-2973-2
Tudor City Ninth Unit Inc. Apr 66 (12) 0-1323-2	Penn State Invstrs. Corp March 1966 (3) 0-730-2
Seismograph Service Corp. Mar 66 (12) 0-852-2	Tower Ind., Inc Feb. 1966 (12) 2-18746-2
Acme Visible Records, Inc. Mar 66 (4,7,10,11,13) 0-2014-2	Elizabethtown Gas Co Amend #1 to 8K for March 1966 (4,11) 0-683-2
Central and South West Corp. Apr 66 (11) 1-1443-2	
Jervis Corp. Mar 66 (3,13) 1-5073-2	

SECURITIES ACT REGISTRATIONS. Effective May 10: American Electronics, Inc., 2-24570 (40 days); Fidelity and Deposit Co. of Maryland, 2-24525; The Hoover Company, 2-24534; Illinois Tool Works Inc., 2-24754; Informatics, Inc., 2-24589 (Aug 6); Transcontinental Gas Pipe Line Corp., 2-24720.

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

*As estimated for purposes of computing the registration fee.

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