

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

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

(Issue No. 70-82)

FOR RELEASE April 28, 1970

HOLDING COMPANY ACT RELEASE

ARKANSAS P & L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16700) authorizing Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., New York, to issue and sell \$25,000,000 of first mortgage bonds, due 2000, at competitive bidding. The company will use the net proceeds of its bond sale for its current construction program (estimated at \$74,400,000 for 1970) and for other corporate purposes, including repayment of short-term bank loans and commercial paper indebtedness approximating \$17,000,000.

COURT ENFORCEMENT ACTIONS

ALWEIL & RENO ENJOINED. The SEC New York Regional Office announced April 23 (LR-4594) that Howard Alweil and Rex Reno, defendants in the Commission's action against North American Research and Development Corporation and others, without admitting or denying the allegations, had consented to a court order of permanent injunction against the further offer and sale of Development Corp. stock in violation of the registration and anti-fraud provisions of the Federal securities laws.

INTERNATIONAL CHEMICAL, OTHERS CITED. The SEC Denver Regional Office announced April 23 (LR-4595) the filing of an action in the Federal court in Salt Lake City seeking to enjoin violations of the Securities Act registration provisions by the following in the offer and sale of International Chemical Development Corp. stock: International Chemical Development Corporation, a Nevada corporation, Intermountain Chemical, Inc., Golden Rule Associates, and MFTD Corporation, Utah Corporations, Richard T. Cardall, Irwin C. Glaser, William L. Allen, James G. Macey, Joseph A. Holman, John A. Syphers, and John D. Smith, all of Salt Lake City, Utah, Ray L. Pruett of Tooele, Utah, Frank Lloyd Parks of West Babylon, New York, Eugene J. Moran of New York City, New York, and Gean W. Cannon and Lorne Girletz of Los Angeles, Calif. Violations of the Securities Act anti-fraud provisions are alleged as to all of the defendants except John D. Smith, Gean W. Cannon and Lorne Girletz. The action also seeks an injunction against all the defendants except MFTD, Glaser, Syphers, Smith, Moran, Cannon and Girletz, with respect to the filing of a false and misleading registration under Section 12(g) of the Securities Exchange Act as an issuer of stock traded over-the-counter.

VIOLATIONS CHARGED IN SALE OF NATURIZER STOCK. The SEC Fort Worth Regional Office announced April 24 (LR-4596) the filing of an action in Federal court in Dallas, seeking to enjoin violations of the Securities Act registration provisions by the following in the offer and sale of stock of Naturizer, Inc.: Jack H. Blades of Fort Worth, Tex., W. D. Felder, III, Jack M. Park, Ralph Park and Royal Oak Foods, Inc., all of Dallas, Tex. and Norman A. Pierson of Oklahoma City.

SECURITIES ACT REGISTRATIONS

POLYDEX CHEMICALS FILES FOR OFFERING AND SECONDARY. Polydex Chemicals Limited, 421 Comstock Road, Scarborough, Ont., filed a registration statement (File 2-37175) with the SEC on April 24 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 by Shaskan & Co., Inc., 67 Broad St., New York 10004, which will receive a 50c per share commission plus \$12,000 for expenses. The company has agreed to sell to the underwriter, for \$100, five-year warrants to purchase 10,000 shares, exercisable after one year at \$5 per share. Also included in this statement are 140,200 outstanding common shares which may be offered for sale from time to time by the present holders thereof, at prices current at the time of sale.

Organized in January 1969, the company is engaged in research and development relating to Dextran and various of its derivatives for the ultimate purpose of manufacturing and marketing a blood plasma substitute for human and animal use employing Dextran and an iron supplying compound employing Dextran for animal husbandry application. Of the net proceeds of its sale of additional stock, \$90,000 will be used to purchase and install new machinery and equipment; the balance will be added to the company's general funds and used for working capital purposes. The company has outstanding 250,005 common shares (assuming anticipated exercise of 100,000 common stock purchase warrants issued to 12 persons, including the underwriter and certain of its officers, in connection with the placement in July 1969 of \$500,000 of debentures) of which Thomas C. Usher, president and board chairman, owns 30.5%, Ruth L. Usher (his wife and a director) 30.5% and management officials as a group 67%. Purchasers of the 100,000 shares being registered will sustain an immediate dilution of \$2.32 in per share book value from the offering price.

OVER

ENERGY CONVERSION DEVICES TO SELL STOCK TO PUTNAM FUND. Energy Conversion Devices, Inc., 1675 West Maple Rd., Troy, Mich., filed a registration statement (File 2-37176) with the SEC on April 24 seeking registration of 100,000 shares of common stock, which the company has agreed to sell to Putnam Growth Fund for \$4,000,000 or \$40 per share. Riter and Company acted as a broker, for which it will receive a fee of \$200,000 and five-year options to purchase 5,000 shares at \$40 per share.

The company is engaged in the research and development of solid state semiconductor electronic switches which control and direct the flow of electrical current through a circuit. Net proceeds of its stock sale will be used for general corporate purposes, particularly to continue the development work on its switches. In addition to indebtedness, the company has outstanding 281,613 Class A common and 791,160 common shares. Of the Class A shares, Stanford R. Ovshinsky, board chairman, owns 88.7% (21.3% of total capital stock); Putnam Growth Fund will own 11.2% of the common stock (8.5% of total capital stock). Keith A. Cunningham is president.

HOLIDAY INNS PROPOSES OFFERING. Holiday Inns, Inc., 3742 Lamar Ave., Memphis, Tenn. 38118, filed a registration statement (File 2-37177) with the SEC on April 24 proposing the public offering of \$45,000,000 of first mortgage bonds, due 1995 (with warrants to purchase 315,000 shares of common stock) and 1,100,000 shares of common stock. The bonds and warrants are to be offered in units, each consisting of a \$1,000 bond and warrants to purchase 7 shares. The offering is to be made through underwriters headed by Smith, Barney & Co. Inc., 1345 Avenue of the Americas, New York 10019 and three other firms. The offering prices (\$1,000 per unit and \$37 per share maximum*) and underwriting terms are to be supplied by amendment.

The company and subsidiaries and its licensees constitute the Holiday Inns System, a lodging business with more than 160,000 rooms in over 1,175 Inns. Net proceeds of the sale of units will be expended for the construction, acquisition and improvement of Inns. Of the net proceeds of the sale of stock, \$31,000,000 will be used to prepay short term indebtedness to banks and to repay upon maturity commercial paper issued for working capital purposes (including interim construction financing), and the balance will be used in connection with the company's construction program. In addition to indebtedness and preferred stock, the company has outstanding 25,149,012 common shares and 1,324,905 Series A shares. Of the common shares, management officials as a group own 14.60%. Kemmons Wilson is board chairman and William B. Walton president.

NEW YORK TELEPHONE TO SELL BONDS. New York Telephone Company, 140 West St., New York 10007, filed a registration statement (File 2-37178) with the SEC on April 24 seeking registration of \$150,000,000 of refunding mortgage bonds, Series S, due 2010, to be offered for public sale at competitive bidding. A subsidiary of AT&T, the company will apply the net proceeds of its bond sale toward repayment of outstanding notes payable (bank loans and commercial paper), which are expected to approximate \$517,000,000 at the time the proceeds are received. Such notes were issued to obtain interim financing for general corporate purposes, including property additions and improvements. Construction expenditures were \$727,000,000 for 1969 and are estimated at \$1,000,000,000 for 1970.

ENNIS BUSINESS FORMS FILES FOR OFFERING AND SECONDARY. Ennis Business Forms, Inc., 214 W. Knox St., Ennis, Tex., filed a registration statement (File 2-37179) with the SEC on April 24 seeking registration of 630,742 shares of common stock, of which 600,000 are to be offered for public sale by the company and 30,742 (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, and Eppler, Guerin & Turner, Inc., 3900 First National Bank Bldg., Dallas, Tex. 75202; the offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells a diversified line of business forms and other business paper products. Of the net proceeds of its sale of additional stock, \$3,500,000 will be used to purchase machinery and equipment (including \$900,000 for a printing press) and some \$2,515,000 will be used to repay short-term debt and current maturities of long-term debt (largely incurred for acquisitions, equipment purchases and increased working capital requirements); the balance will be added to the company's general funds and will be available for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 2,413,058 common shares. Leonard F. Gehrig, president, proposes to sell 3,000 of 12,950 shares held, W. R. Schween 11,250 of 14,950, Morton Skolnik all of 6,666 and seven others the remaining shares being registered.

TURBODYNE TO SELL STOCK. Turbodyne Corporation, 800 Central Ave., Minneapolis, Minn. 55413, filed a registration statement (File 2-37180) with the SEC on April 24 seeking registration of 500,000 shares of common stock, to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York. The offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

A wholly-owned subsidiary of Worthington Corporation, the company is engaged in the business of producing and distributing jet turbine power plants (and also turbo generators and controls sold separately), mechanical drive steam turbines and steam turbine generator units, large industrial motors and generators and adjustable speed drives and controls and other electrical products. Of the net proceeds of its stock sale, some \$1,500,000 will be applied to current plant expansion of the company's turbo generator manufacturing facility in St. Cloud, Minn.; the balance will be added to the company's working capital and used for general corporate purposes, including repayment of any outstanding advances to Worthington (which amounted to \$6,428,000 at March 31). In addition to indebtedness, the company has outstanding 3,300,000 Class B common shares, all owned by Worthington (a wholly-owned subsidiary of Studebaker-Worthington, Inc.). Arthur P. Burris is board chairman and president.

AMERICAN BRANDS TO SELL NOTES. American Brands, Inc., 245 Park Ave., New York, N. Y. 10017, filed a registration statement (File 2-37182) with the SEC on April 24 seeking registration of \$100,000,000 of notes, due 1975, to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., and Goldman, Sachs & Co., 55 Broad St., both of New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company (formerly The American Tobacco Company) is engaged in the manufacture of tobacco products and also in the manufacture and distribution of crackers, cookies, snacks, juices, canned foods, distilled beverages as well as information storage and retrieval systems. The company has offered to purchase all the outstanding common stock of Swingline, Inc., for \$35 per share, or an aggregate of about \$200 million. Net proceeds of the company's financing will be added to its general funds for use, together with internally generated funds and short-term borrowings, for general corporate purposes, including the acquisition of Swingline, working capital requirements and capital expenditures. In addition to indebtedness, the company has outstanding 28,696,253 common shares. Robert B. Walker is board chairman and Robert K. Heimann president.

PINKERTON'S SHARES IN REGISTRATION. Pinkerton's, Inc., 100 Church St., New York, N. Y. 10007, filed a registration statement (File 2-37189) with the SEC on April 27 seeking registration of 150,000 shares of Class B common stock. These shares have been or may be delivered from time to time by Pinkerton Holding Corporation (which holds 75.7% of the outstanding Class A common stock and 16.1% of the outstanding Class B common stock of the company) pursuant to stock purchase agreements.

ALZA CORP. PROPOSES RIGHTS OFFERING. Alza Corporation, 950 Page Mill Rd., Palo Alto, Calif. 94304, filed a registration statement (File 2-37181) with the SEC on April 24 seeking registration of 560,142 shares of common stock with warrants to purchase 560,142 shares, to be offered for subscription by common stockholders (other than Dr. Alejandro Zaffaroni, president) at the rate of two units for each five shares held. Each unit consists of one share and one warrant. The offering is to be made through Allen & Company, Incorporated, 30 Broad St., New York, N. Y. 10004; the subscription price (\$30 per unit maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in June 1968 for the primary purpose of conducting basic research activities in the fields of drug-delivery systems and biochemically pure diets, and in the hope that its research program will lead to the development of commercial products. Net proceeds of its stock sale will be added to the company's general funds and will be available along with other funds for working capital and plant expansion. In addition to indebtedness, the company has outstanding 2,735,000 common shares, of which Zaffaroni owns 47%.

KENTON FILES FOR SECONDARY. Kenton Corporation, 757 Third Ave., New York, N. Y. 10017, filed a registration statement (File 2-37187) with the SEC on April 27 seeking registration of 350,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by A. G. Becker & Co., 120 South LaSalle St., Chicago, Ill.; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in October 1968 as successor to The Family Bargain Centers, Inc., the company is engaged principally in the business of wholesale and retail distribution. In addition to indebtedness and preferred stock, it has outstanding 1,472,298 common shares. Robert H. Kenmore is board chairman and Sidney E. Kamino president. Enterprise Fund, Inc. proposes to sell all of 106,500 shares; the names of the other selling stockholders and number of shares being sold are to be supplied by amendment.

CORN SWEETENERS PROPOSES OFFERING. Corn Sweeteners, Inc., 922 Merchants National Bank Bldg., Cedar Rapids, Iowa 52406, filed a registration statement (File 2-37190) with the SEC on April 27 seeking registration of \$2,475,000 of subordinated debentures, Series A, due 1985 and 110,000 shares of common stock, to be offered for public sale in 5,500 units, each consisting of a \$450 debenture and 20 shares. The offering is to be made through underwriters headed by First Mid America Corporation, 1001 "O" St., Lincoln, Nebr. 68501; the offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment. The company has sold First Mid America, for \$165, five-year warrants to purchase 16,500 shares, exercisable after one year at prices ranging from 107% to 128% of the offering price.

Organized in February, the company proposes to engage initially in the manufacture and sale of corn syrup and related by-products. Of the net proceeds of its financing, together with \$1,650,000 received from organizers of the company, \$150,000 will be used for purchase of land and improvements, \$1,150,000 for plant construction, \$3,300,000 for equipment of a plant and \$200,000 for administrative and related expenses during the construction period; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 74,999 common shares, of which Louis Fellman, board chairman, owns 14.4%, F. Leon Dogon, a director, 16.7%, management officials as a group 50.4% and Arlie Sinaiko 16.7%. Leslie C. Liabo is president.

FERRONICS TO SELL STOCK. Ferronics Incorporated, 66 North Main St., Fairport, N. Y. 14450, filed a registration statement (File 2-37192) with the SEC on April 27 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through S. J. Salmon & Co., Inc., 101 Maiden Lane, New York, N. Y. 10038, which will receive a 50¢ per share commission plus \$16,250 for expenses. The company has agreed to issue the underwriter five-year warrants to purchase 12,500 shares, exercisable at \$6.50 per share.

Organized in October 1968, the company will engage in manufacturing and marketing of ceramic magnetic materials known as ferrites for the electronics, computer, automotive, appliance and other industries. Of the net proceeds of its stock sale, \$110,000 will be used for ceramic process equipment and the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding

419,261 common shares (with a 2¢ per share net tangible book value), of which Roger Woodward, president, owns 33.3% and management officials as a group 53.8%. Purchasers of the shares being registered will acquire a 23% stock interest in the company for their investment of \$625,000 (they will sustain an immediate dilution of \$4.02 in per share book value from the offering price); the founder, officers, directors and other shareholders will then own 74.5%, for their investment of \$185,500 and other non-cash consideration.

RAYMOND CORP. FILES FOR OFFERING AND SECONDARY. The Raymond Corporation, Greene, N. Y. 13778, filed a registration statement (File 2-37194) with the SEC on April 27 seeking registration of 225,000 shares of common stock, of which 200,000 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 Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York, N. Y. 10004; the offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells narrow-aisle electric industrial lift trucks and related materials handling equipment. Part of the net proceeds of its sale of additional stock will be used to repay in part outstanding short-term bank loans; the balance will be used to provide additional capital to support the production, marketing and continued development of the company's automated and semi-automated vehicular systems. In addition to indebtedness, the company has outstanding 958,800 common shares, of which George G. Raymond, Jr., president, and other members of the family of George G. Raymond, Sr., own 43% and management officials, their spouses and minor children as a group 31%. The George Raymond, Sr. Estate proposes to sell 15,000 of 67,540 shares held and George Raymond, Jr., and Madeleine Raymond Young 5,000 shares each of 126,423 and 68,192 shares held, respectively. Thomas A. Wilson is board chairman.

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans.

W. R. Grace & Co., New York, N. Y. 10005 (File 2-37183) - 60,000 shares
 Gulf Resources & Chemical Corporation, Houston, Tex. 77002 (File 2-37184) - 240,150 shares
 Interpace Corporation, Parsippany, N. J. (File 2-37185) - 100,000 shares
 University Computing Company, Dallas, Tex. 75235 (File 2-37191) - 200,000 shares
 Prudential Building Maintenance Corp., New York, N. Y. 10018 (File 2-37186) - 135,000 shares
 John Blair & Company, New York, N. Y. 10022 (File 2-37188) - 108,719 shares
 Kawecky Berylco Industries, Inc., Muhlenburg Township, Pa. (File 2-37193) - 319,137 shares

SECURITIES ACT REGISTRATIONS. Effective April 27: American Enka Corp., 2-37173; Corning Glass Works, 2-36977; Evans Products Co., 2-36985; General Public Utilities Corp., 2-36750; The Hilliard Fund, Ltd., 2-35655 (90 days); McGraw Hill, Inc., 2-36798; Monsanto Co., 2-36636; Mountain Fuel Supply Co., 2-36983; MPO Videotronics, Inc., 2-32757 (40 days); Chas. Pfizer & Co., Inc., 2-36994; Tenneco Inc., 2-37123; Texaco, Inc., 2-37010.

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.

---ooo0ooo---