

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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FOR RELEASE August 15, 1967

APPALACHIAN POWER SEEKS ORDER. Appalachian Power Company, Roanoke, Va. subsidiary of American Electric Power Company, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$48,500,000 of promissory notes to banks; and the Commission has issued an order (Release 35-15820) giving interested persons until September 6 to request a hearing thereon. The proceeds from the sale of the notes will be used by Appalachian to reimburse its treasury for past expenditures in connection with its construction program, to pay part of the cost of its future construction program, which is estimated at \$107,000,000 for the second half of 1967 and 1968, and for other corporate purposes.

INDIANA & MICHIGAN SEEKS ORDER. Indiana & Michigan Electric Company, Fort Wayne, Indiana subsidiary of American Electric Power Company, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell up to \$34,525,000 of promissory notes to banks; and the Commission has issued an order (Release 35-15821) giving interested persons until September 6 to request a hearing thereon. Net proceeds from the sale of the notes will be used by Indiana to reimburse its treasury for past construction expenditures, to pay part of the cost of its future construction program, which is estimated at approximately \$82,000,000 for the second half of 1967 and 1968, and for other corporate purposes.

PET INC. FILES EXCHANGE OFFER. Pet Incorporated, 1401 Arcade Bldg., St. Louis, Mo. 63166, filed a registration statement (File 2-27075) with the SEC on August 10 seeking registration of 192,642 shares of common stock. Of this stock, the company proposes to issue 52,002 shares to the stockholders of Parrish Bakeries, Inc., a Virginia corporation, and 140,640 shares to the stockholders of Parrish Bakeries of Georgia, Inc., a Georgia corporation, in exchange for substantially all of the assets owned by the two corporations. Upon liquidation of the two selling companies, the Pet shares will be distributed to the shareholders of the respective companies.

The company is engaged primarily in the manufacture, processing and distribution of milk and other dairy products. In addition to indebtedness and preference stock, the company has outstanding 4,960,585 shares (including the 192,642 shares being registered), of which management officials own 8.65%. Theodore R. Gamble is board chairman and Gordon Ellis is president. The stockholders of Parrish Bakeries, who will receive shares of Pet common are C. U. Parrish, 35,721 shares, Mrs. Vernon Grizzard, 4,131 shares, and Miss Louise Parrish, Mrs. Fred Cranford, and Mrs. Charles Knott, each of whom will receive 4,050 shares. The stockholders of Parrish Bakeries of Georgia, who will receive shares are Vernon Grizzard, 56,256 shares, C. U. Parrish, 28,128 shares, and Mrs. Vernon Grizzard, Miss Louise Parrish, Mrs. Fred Cranford, and Mrs. Charles Knott, each of whom will receive 14,064 shares.

ROYAL RESOURCES FILES. Royal Resources Exploration, Inc., Security Life Building, Denver, Colo. 80202, filed a registration statement (File 2-27083) with the SEC on August 11 seeking registration of \$20,000,000 of oil and gas participation plans and pre-organization subscriptions in limited partnerships. The securities are to be offered for public sale on a best efforts basis by The Denver Corporation, Securities Life Building, Denver, Colo., the stock of which is beneficially owned by John M. King. King also owns all the outstanding stock of Royal Resources Corporation, which in turn owns all the outstanding stock of Royal Resources Explorations, Inc. The latter is the issuer of the securities being registered and will be the General Partner of all Limited Partnerships; the former will manage the investment of the initial capital of the Limited Partnerships and will receive a 25% net operating profits interest in each lease or other property of the Limited Partnerships for such services.

The Limited Partnerships will primarily engage in acquiring and exploring for oil, gas and other mineral properties ". . . in an effort to locate, develop, and exploit new reserves of oil, gas and other minerals." Proceeds of the offering will be used for the exploration for oil, gas and minerals and other speculative projects in the oil, gas and minerals industry. The General Partner will have "full, exclusive and complete discretion in the management and control of the affairs of each Partnership . . ." Paul D. Bagwell is listed as board chairman.

TONKA CORP. PROPOSES OFFERING. Tonka Corporation, Mound, Minn. 55364, filed a registration statement (File 2-27086) with the SEC on August 14 seeking registration of 100,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Bache & Co. Inc., 36 Wall St., New York 10005 and Dain, Kalman & Co., Inc., 110 S. Sixth St., Minneapolis, Minn. 55402. The public offering price (\$45.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and markets metal toys. Net proceeds of its sale of common stock will be applied to the reduction of some \$5,560,000 of short-term bank borrowings. In addition to indebtedness, the company has outstanding 572,000 common shares, of which management officials own 10.42% (including 3.82% owned by R. L. Wenkstern, board chairman, and 4.37% owned by G. E. Batdorf, president).

OVER

NATIONAL SYSTEMS FILES FOR OFFERING AND SECONDARY. National Systems Corporation, 4401 Birch St., Newport Beach, Calif. 92660, filed a registration statement (File 2-27087) with the SEC on August 14 seeking registration of 80,000 shares of capital stock. Of this stock, 59,000 shares are to be offered for public sale by the company and 21,000 shares (being outstanding stock) by the holders thereof. The public offering price (\$19.50 per share maximum*) and underwriting terms are to be supplied by amendment. J. Barth & Co., 404 Montgomery St., San Francisco, Calif., is listed as the principal underwriter. The company has granted four-year warrants to the underwriter to purchase an additional 5,000 shares of capital stock, which warrants are exercisable at 120% of the public offering price.

The company is engaged primarily in the business of operating an accredited educational institute which provides graded lesson home study courses in the fields of advertising, conservation, drafting and travel. Of the net proceeds from its sale of additional stock, \$73,000 will be used to retire bank loans used for working capital, \$100,000 to reduce payables, \$90,000 in the construction of additions and improvements to existing plant and office facilities, and \$200,000 for increased advertising expenditures over the next 18 months; the balance will be added to working capital to be available for general corporate purposes. In addition to indebtedness, the company has outstanding 278,380 capital shares. The prospectus lists seven selling stockholders. John J. McNaughton (president) and his family propose to sell 11,410 of their holdings of 71,715 shares, Gordon L. Van der Boom (a director), 3,245 of 21,636 shares, and Jay Corley and family, 2,433 of 16,221 shares; others propose to sell shares ranging in amount from 182 to 1,669 shares.

SHERMAN, DEAN FUND PROPOSES OFFERING. Sherman, Dean Fund, Inc., 140 Broadway, New York 10005, filed a registration statement (File 2-27081) with the SEC on August 10 seeking registration of 750,000 shares of common stock. The shares are to be offered for public sale at net asset value (\$25.43 per share maximum*).

The company was organized under Delaware law on February 9, 1967, as an open-end, non-diversified management investment company, to seek capital appreciation. In addition to indebtedness, the company has outstanding 51,250 common shares, of which management officials own 61%. Sherman, Dean Management & Research Corporation will serve as investment adviser and fund manager. J. Walter Sherman is president.

TOWER FUND PROPOSES OFFERING. The Tower Fund, Inc., 111 Broadway, New York 10005, filed a registration statement (File 2-27088) with the SEC on August 14 seeking registration of 2,000,000 shares of common stock. The shares are to be offered for public sale at net asset value (\$10.00 per share maximum*), plus an 8-1/2% sales load on amounts under \$10,000. The offering is to be made through underwriters headed by Weis, Voisin, Cannon, Inc., 111 Broadway, New York.

The company was organized as an open-end non-diversified, management investment company to seek capital appreciation. Weis, Voisin, Cannon Advisory Co., Inc., is the investment adviser; all of its stock is owned by the principal underwriter. Herbert S. Cannon is board chairman of the fund and president of the underwriter. Stuart J. Voisin is president of the fund and board chairman of the underwriter.

AMERACE CORP. PROPOSES DEBENTURE OFFERING. Amerace Corporation, 245 Park Ave., New York 10017, filed a registration statement (File 2-27089) with the SEC on August 14 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Salomon Brothers & Hutzler, 60 Wall St., New York 10005; the interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is principally engaged in the development, manufacture and sale of rubber and plastic based products and specialty chemicals for industrial and consumer use. It also produces fine-gauge insulated wire, cable and harness assemblies. Net proceeds to be received from its sale of the debentures will be used to prepay the remaining balance of \$720,000 of the company's outstanding note due 1972 and to pay some \$2,050,000 of outstanding bank borrowings; the balance will be added to the company's general corporate funds and may be used for the construction and equipping of additional plants. In addition to indebtedness, the company has outstanding 2,319,122 common shares, of which management officials own 13%. Victor T. Norton is board chairman and John T. Whitely is president.

MINUTEMAN MOTELS OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to an offering of securities by Minuteman Motels, Inc., Salt Lake City, Utah. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed in July 1966, Minuteman Motels, Inc. proposed the public offering of 300,000 common shares at \$1.00 per share. The offering was commenced on October 13, 1966; and on July 13, 1967, Minuteman filed a report indicating that 45,596 shares had been sold for \$11,585 and that the offering had been discontinued. In its suspension order, the Commission questions the accuracy and adequacy of certain informational disclosures contained in the company's notification and offering circular and asserts that certain other provisions of Regulation A were not complied with.

CALIFORNIA-WESTERN STATES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5057) exempting California-Western States Life Insurance Company ("Insurance Company") and California-Western Separate Account A ("Separate Account"), Sacramento, Calif., from certain provisions of the Act. Separate Account is an open-end diversified management investment company. It was established by Insurance Company in order to offer contracts designed for annuity purchase plans adopted by public school systems and certain tax-exempt organizations.

HAMILTON MANAGEMENT SEEKS ORDER. Hamilton Management Corporation ("Hamilton"), Denver, Colo., has applied to the SEC for an order under the Investment Company Act exempting International Balanced Fund, Inc., International Growth Fund, Inc., and International Income Fund, Inc. ("the new funds"), of which Hamilton is the investment adviser and sole stockholder, from certain provisions of the Act; and the Commission has issued an order (Release IC-5058) giving interested persons until August 31 to request a hearing thereon. Hamilton, a wholly-owned subsidiary of International Telephone and Telegraph Corporation, is primarily engaged in the business of rendering investment advice to Hamilton Funds, Inc., a registered diversified open-end management investment company, and of underwriting and distributing the securities of Hamilton Funds, Inc. and Hamilton Fund, a unit investment trust. The new funds were incorporated under Delaware law on May 1, 1967. Each is registered under the Act as a diversified open-end management investment company. Hamilton requests that so long as each new fund does not make a public offering of its securities and Hamilton remains the sole stockholder, they shall be exempt from those provisions of the Act which require (a) that no more than 60% of the members of the board of directors of each new fund be persons who are investment advisers of, affiliated persons of an investment adviser of, or officers or employees of such company; (b) approval of the investment advisory contract, at least annually, by vote of a majority of the outstanding voting securities of the company or by a majority of the unaffiliated directors of the company; (c) the filing of certain periodic reports and financial statements; and (d) the selection of an independent public accountant by the unaffiliated directors of the registered company.

CALIFORNIA PACIFIC TRADING DEREGISTERED. The SEC has issued an order under the Investment Company Act (Release IC-5059) declaring that California Pacific Trading Corporation of San Francisco, has ceased to be an investment company and that its registration as such is no longer in effect.

CENTRAL INDIANA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15819) authorizing Central Indiana Gas Company, Inc., Muncie, Ind. subsidiary of the American Natural Gas Company, to issue and sell up to \$5,000,000 of unsecured promissory notes to a bank. Net proceeds from the sale of the notes will be used to pay Central's presently outstanding \$4,000,000 of notes and to finance, in part, its 1967 construction program, estimated at \$2,800,000.

SEC ENTERS ARLINGTON DISCOUNT CASE. The SEC has entered its appearance in Chapter X proceedings for the reorganization of Arlington Discount Company pending in the U.S. District Court in Cincinnati. The Court has appointed Jerome K. Jelin and Stanton G. Brock as trustees. Arlington is an Ohio corporation engaged in the business of purchasing, at a discount, second mortgages and installment land contract receivables. In addition, Arlington and its two wholly-owned subsidiaries, Victor Realty, Inc. and Arlington Company, own and operate certain real properties. According to schedules filed in the Chapter XI proceedings, Arlington and its subsidiaries have total assets of approximately \$7.4 million and total liabilities of \$6.6 million. Arlington has outstanding \$1,194,000 of subordinated certificates of indebtedness which are held by approximately 400 public investors. The common stock is closely held, with Emanuel S. Marks, Arlington's president, owning and controlling more than 90 percent of the outstanding shares.

EDWARD A. DOSEK GUILTY. The SEC Denver Regional Office announced August 11 (LR-3786) that a Federal court jury in Lincoln, Nebr., had returned a verdict of guilty against Edward A. Dosek. Dosek was found guilty on nine counts of violating the anti-fraud provisions of the Securities Act of 1933 and the mail fraud statute, in the offer and sale of subscriptions for and shares of capital stock and options to purchase the common stock of Securities Investors, Inc., a Nebraska corporation.

WAYMAN AND BEAL ENJOINED. The SEC Denver Regional Office announced August 15 (LR-3787) that the Federal court in Salt Lake City, Utah, had issued an order permanently enjoining Larry O. Wayman of Ogden, Utah, and G. Ben Beal of Salt Lake City, Utah, from further violations of the anti-fraud and anti-manipulative provisions of the Federal securities laws in the sale of the shares of First Western Fidelity Real Estate Investment Trust.

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 captions of the several items of the form was included in the August 2 News Digest.

Roosevelt Raceway Inc Jul 67 (3,13)	1-3966-2	Gordon Jewelry Corp Jul 67 (7,13)	1-4540-2
Rusco Ind Inc Jul 67 (12,13)	1-5087-2	Gulf Life Insurance Co	
Shelby Williams Ind Inc Jul 67 (7)	1-5419-2	Aug 67 (7,13)	2-10307-2
Simon & Schuster Inc Jul 67 (3)	0-389-2	Harrisonburg Telephone Co	
Texas Oil & Gas Corp Jul 67 (7,8)	1-4995-2	Jul 67 (7,13)	0-724-2
Thrift Drug Co of Pennsylvania		Alfred Hart Co	
Jul 67 (12,13)	0-1-2	Jul 67 (12)	1-5136-2
		Heinicke Instruments Co	
Eagle National Life Insurance Co		Jul 67 (1,12)	1-4604-2
Jul 67 (2,8,11,13)	2-22359-2	Houston Lighting & Power Co	
Economy Bookbinding Corp		Jul 67 (13)	1-3137-2
Jul 67 (11,13)	0-143-2	Hunt Foods & Industries Inc	
Rli Lilly & Co Jul 67 (8)	0-1060-2	Jul 67 (12)	1-3982-2
Emporium Capwell Co		Jayark Films Corp Jul 67 (7)	2-18743-2
Jul 67 (7,10)	1-2786-2	Kalamazoo Paper Co Jul 67 (12)	0-2530-2
Gardner Denver Co Jul 67 (8,11)	1-1182-2	King Resources Co Jul 67 (7,11)	2-16982-2
Gillette Co Jul 67 (13)	1-922-2	Kaiser Steel Corp Jul 67 (8)	0-433-2
		Laurentide Financial Corp Ltd	
		Jul 67 (1,12)	2-16067-2

Levingston Shipbuilding Co Jul 67(7,8)	2-13343-2	Cattlemen's Foundation Corp Inc Jul 67 (7,9)	0-2067-2
Lindberg Steel Treating Co Inc Jul 67 (11,13)	0-2476-2	Chromalloy American Corp Jul 67 (4,7,13)	1-4073-2
Loral Corp Jul 67 (11)	1-4238-2	Columbia Pictures Corp Jul 67 (7,13)	1-3108-2
Lortogs Inc Oct 66 (4,13)	0-1703-2	R J Enstrom Corp Jul 67 (9)	0-586-2
Louisiana Power & Light Co Jul 67 (7)	0-1236-2	W R Grace & Co Jul 67 (13)	1-3720-2
Maine Sugar Industries Inc Jul 67 (7)	0-2426-2	Hilco Homes Corp May 67 (2,10,12,13)	2-18447-2
Mammoth Mart Inc Jul 67 (7)	1-5059-2	Hycon Mfg Co Jul 67 (13)	1-4375-2
Natural Gas Pipeline Co of America Jul 67 (7,12,13)	2-14243-2	Interphoto Corp Jul 67 (2,13)	1-4864-2
Owens Corning Fiberglas Corp Jul 67 (7)	1-3660-2	Jervis Corp Jul 67 (12,13)	1-5073-2
Pathe Industries Inc Jul 67 (1,13)	0-1441-2	Lipe-Rollway Corp Jul 67 (7,11,12,13)	0-942-2
H K Porter Co Inc Jul 67 (8)	1-4157-2	Marriott-Hot Shoppes Inc Jul 67 (7,12,13)	0-23-2
Portland General Electric Co Jul 67 (13)	0-986-2	Martin-Marietta Corp Jul 67 (13)	1-4552-2
Puget Sound Power & Light Co Jul 67 (7)	1-4393-2	New Jersey Aluminum Extrusion Co Inc Apr 67 (11,13)	2-16231-2
Reeves Broadcasting Corp Jul 67 (4,7,13)	1-4361-2	Organizers & Underwriters Inc Jul 67 (12,13)	0-1983-2
Servomation Corp Jul 67 (4,7,13)	1-4775-2	The Pavelle Corp Jul 67 (1)	2-18726-2
Sorg Paper Co May 67 (7)	0-284-2	Pennsylvania Power & Light Co Jul 67 (12,13)	1-905-2
Spacerays Inc Jun 67 (11)	0-2634-2	Peoples Drug Stores Inc Jul 67 (13)	1-174-2
Sterling Extruder Corp Jul 67 (11,13)	2-18877-2	Public Service Co of Colorado Jul 67 (7,13)	1-3280-2
Swanee Paper Corp Jul 67 (8)	1-4681-2	Reserve Ins Co Jul 67 (1)	2-16082-2
TBS Computer Centers Corp Jul 67 (8,13)	2-24094-2	Royal School Laboratories Inc Jul 67 (11)	1-4551-2
Telex Corp Jul 67 (11,13)	1-5414-2	Safe Flight Instrument Corp Jul 67 (2)	2-26648-2
Tenneco Inc Jul 67 (11,13)	1-4101-2	South Jersey Gas Co Jul 67 (7,13)	1-3990-2
Texas Industries Inc Jul 67 (7)	1-4887-2	Uslife Holding Corp Jul 67 (2,7)	2-25711-2
Tidewater Marine Service Inc Jul 67 (7,13)	0-1604-2	The Warner Bros Co Jul 67 (13)	1-4715-2
Tidewater Telephone Co Jul 67 (7,13)	0-726-2	York Water Co Jul 67 (11)	0-690-2
Virco Mfg Co May 67 (11,13)	0-1353-2	Amer Motorist Ins Co Jun 67 (12,13)	2-7687-2
Vornado Inc Jul 67 (13)	1-5098-2	Amer Reality & Petroleum Corp Jul 67 (7,13)	1-4702-2
Winslow Tele Tronics Inc Jul 67 (7,8,12)	0-2483-2	Amphenol Corp Jul 67 (7,13)	1-4158-2
Lortogs Inc Amd #1 for Mar 64 (1,4,13)	0-1703-2	Avnet Inc Jul 67 (8,13)	1-4224-2
Omark Industries Inc Amd for Aug 66 (2,7,13)	1-5385-2	The Bali Co Inc Jul 67 (7)	1-5378-2
		Barton Distilling Co Jul 67 (3)	1-1593-2
		H C Bohack Co Inc Jul 67 (6)	1-5304-2
		Boise Cascade Corp Jul 67 (4,7)	1-5057-2
		Bowl America Inc Jul 67 (12)	0-1830-2
		Canadian Javelin Ltd Jul 67 (1,2,3,12,13)	1-4192-2
		Capital Finance Corp Jul 67 (7,8)	0-813-2
		Ceco Corp Jul 67 (11,13)	1-4514-2
		Century Acceptance Corp Jul 67 (4,7,13)	0-373-2
		Certain-Teed Products Corp Jul 67 (3)	1-292-2
		Charter New York Corp Jul 67 (7,12,13)	0-2256-2
		Commonwealth Oil Refining Co Inc Jul 67 (4,7,12)	1-4900-2

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended August 10, 1967, 45 registration statements were filed, 33 became effective, 6 were withdrawn, and 428 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective August 14: Cal-Western Separate Account A, 2-26414; Dow Theory Investment Plans, 2-25985; Data Automation Co., Inc., 2-26425 (90 days).
Effective August 15: Old Fort Industries, Inc., 2-26808 (90 days); Wilson Pharmaceutical & Chemical Corp., 2-26925 (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.

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