

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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SEC

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SEC ENTERS GENERAL TRUST CASE. The SEC has entered an appearance in Chapter X proceedings for the reorganization of General Trust Corp., pending in the Federal Court in Phoenix, Ariz. Judge William P. Copple has appointed Walter E. Fulford as trustee. The debtor is engaged in the business of developing real estate and buying and selling mortgages and real estate contracts. According to an unaudited balance sheet as of August 15, 1967, it has total assets of \$2,000,000, including contract receivables of \$500,000 and land carried at \$1,000,000, and total liabilities of \$1,250,000, including mortgages payable of \$286,000 and convertible subordinated debentures of \$420,000. The debentures are closely held and the outstanding 537,249 shares of common stock are held by approximately 2,200 persons.

LEXINGTON RESEARCH INVESTING SEEKS ORDER. Lexington Research Investing Corporation, Englewood, N. J. mutual fund, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of the assets of Haven Homes, Inc.; and the Commission has issued an order (Release IC-5177) giving interested persons until December 20 to request a hearing thereon. Haven is a personal holding company having one shareholder, and whose assets approximated \$313,496 on June 30. Lexington Research proposes to acquire substantially all of Haven's assets through the issuance of its shares at their net asset value (subject to certain adjustments).

ARKANSAS P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15908) authorizing Arkansas Power & Light Company, Little Rock, Ark., to amend its mortgage and deed of trust to remove the \$250,000,000 limitation on the aggregate principal amount of bonds, of all series, which may be outstanding at any one time (of which \$218,700,000 are now outstanding), to increase the permissible bond indebtedness to \$1,000,000,000, and to amend its charter to increase its authorized common stock from 10,000,000 to 20,000,000 shares, all subject to approval of security holders.

NEES SEEKS ORDER. New England Electric System, Boston holding company, has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell a \$16,000,000 five-year, unsecured installment promissory note to a bank; and the Commission has issued an order (Release 35-15909) giving interested persons until December 21 to request a hearing thereon. The proceeds from the sale of the note will be added to the general funds of NEES and made available to its subsidiaries (particularly New England Power Company which is building a 630 MW generating unit for operation in 1969), either through loans or purchases of additional shares of their capital stocks, in furtherance of their construction programs, to pay short-term notes to banks previously issued for that purpose, or to provide for other capitalizable expenditures. The balance, if any, is to be used for general purposes of NEES.

ISI GROWTH FUND PROPOSES OFFERING. ISI Growth Fund, Inc., 100 California St., San Francisco, Calif., filed a registration statement (File 2-27747) with the SEC on November 27 seeking registration of 10,000,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 8.5% on purchases under \$25,000 (the estimated offering price of \$5.46 per share maximum*).

The company was organized as an open-end diversified management investment company to seek capital appreciation. Insurance & Securities Inc. ("ISI") is the company's organizer, investment adviser and principal distributor. Elwood Murphey, president of the company and the adviser, owns 5% of the outstanding common shares of the company. Jerome C. Eppler is board chairman of the adviser and owns 7.5% of the company's common shares.

GENERAL TELEPHONE & ELECTRONICS PROPOSES DEBENTURE OFFERING. General Telephone & Electronics Corporation, 730 Third Ave., New York 10017, filed a registration statement (File 2-27752) with the SEC on November 28 seeking registration of \$150,000,000 of subordinated convertible debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York, and two other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company is an operating telephone utility and is also a manufacturer of communications, lighting and electronics equipment. Net proceeds of its debenture sale will be applied toward the reduction of some \$135,200,000 of bank loans incurred to purchase common stocks of and to make advances to subsidiaries primarily to finance, in part, their 1967 construction programs; the balance will be used to purchase during 1968 additional common stocks of subsidiaries. The subsidiaries' construction programs for 1968 are estimated at \$765,000,000, including \$690,000,000 for telephone companies and \$75,000,000 for manufacturing companies. In addition to indebtedness and preferred stock, the company has outstanding 100,767,025 common shares, of which management officials own 308,129 shares. Leslie H. Warner is president and Donald C. Power is board chairman.

OVER

HARLEYSVILLE MUTUAL INSURANCE PROPOSES OFFERING. Harleysville Mutual Insurance Company, 355 Maple Ave., Harleysville, Pa. 19438, filed a registration statement (File 2-27754) with the SEC on November 28 seeking registration of \$12,000,000 of insured investment accounts under its insured mutual fund redemption value program.

Organized under Pennsylvania law, the company is a multiple line insurance company writing casualty and fire insurance. Arthur A. Alderfer is board chairman and Otto C. Lee is president. According to the prospectus, the program "is intended to furnish protection . . . against a long term loss in an investment in mutual fund shares or in a Plan to purchase direct or indirect interests in mutual fund shares."

INTERNATIONAL CONTROLS FILES FINANCING PROPOSAL. International Controls Corp., 88 Clinton Rd., Fairfield, N. J. 07006, filed a registration statement (File 2-27755) with the SEC on November 28 seeking registration of \$2,000,000 of 6-7/8% subordinated debentures, due 1983, with warrants attached for the purchase of common stock, and 220,000 shares of common stock, to be offered for public sale in units consisting of \$500 of debentures, 50 warrants and 55 common shares. The offering is to be made through underwriters headed by Orvis Brothers & Co., 30 Broad St., New York 10005; and the public offering price and underwriting terms are to be supplied by amendment. The company has agreed to pay \$15,000 to the underwriters for expenses.

The company is primarily engaged in the manufacture and distribution of control devices (such as pneumatic and hydraulic valves and pressure switches) for sale to both industrial and military customers, and the manufacture and assembly of cryogenics instruments and precision parts for computers, airplanes and other machines and industrial equipment. It also operates an airport, including charter service, pilot training and related activities, at Fairfield, N. J. Of the net proceeds of this financing, \$400,000 will be used to repay bank loans and other indebtedness incurred for working capital, \$300,000 to discharge chattel mortgages on equipment and to exercise purchase options under equipment leases, and \$45,320 to retire outstanding 6% preferred stock; the balance will be used for general corporate purposes, including increased working capital requirements. In addition to indebtedness and preferred stock, the company has outstanding 2,170,591 common shares, of which management officials own 54.0% (including 44.8% owned by Robert L. Vesco, president).

PETROFUNDS, INC. FILES. Petrofunds, Inc., 1711 Esperson Bldg., Houston, Tex. 77002, filed a registration statement (File 2-27756) with the SEC on November 28 seeking registration of \$4,000,000 of interests in its 1968 annual drilling fund, to be offered for public sale at \$10,000 per unit. The offering is to be made through company representatives (without commission), but units may also be sold by NASD members who will be entitled to a 5% commission.

The company was organized to engage in the exploration for oil and gas. Net proceeds of its sale of units will be applied to such venture. The company has issued and outstanding 1,000 shares of common stock, all owned by McRae Oil Corporation, its parent. James A. McRae is president and board chairman of both the company and its parent.

ARTEX HOBBY PRODUCTS FILES FOR OFFERING AND SECONDARY. Artex Hobby Products, Inc., 711 W. Vine St., Lima, Ohio 45802, filed a registration statement (File 2-27757) with the SEC on November 28 seeking registration of \$200,000 of 7-1/4% subordinated sinking fund debentures, due 1979, and \$300,000 of 6-1/4% convertible subordinated sinking fund debentures, due 1979, to be offered for public sale by the company at 100% of principal amount. Also included in the prospectus are 55,000 outstanding shares of common stock to be offered for public sale by the present holders thereof at \$5.00 per share. The offerings are to be made through underwriters headed by The First Columbus Corporation, 58 East Gay St., Columbus, Ohio 43215. The company has agreed to issue to the underwriter a five-year option to purchase 9,750 common shares at \$5.00 per share.

The company is engaged in the business of designing, assembling and selling products involving the decoration of fabrics and other surfaces using indelible paint applied by means of a ball-point-tipped tube (the process being generally described as "painted embroidery"). Net proceeds of its debenture sale will be added to general funds to be used as working capital, of which \$150,000 will be used for the purchase of equipment and inventory to permit the company to engage in the manufacture of the paint used in its business and packaging thereof. In addition to indebtedness, the company has outstanding 275,000 common shares, of which management officials own 75.86%. The prospectus lists six selling stockholders. Charles H. Crockett, III (president and board chairman) proposes to sell 15,000 of his holdings of 69,650 shares, Shirley J. Crockett (his wife and treasurer of the company), 10,000 of 46,450, The J-S Realty Company, 20,000 of 100,000, Roger A. Lammers and Lester E. Woods (vice presidents), 2,500 of 12,500 each, and J. Craig R. Wright (secretary), 5,000 of 22,500 shares.

DATA PATHING FILES RIGHTS OFFERING PROPOSAL. Data Pathing Incorporated, 370 San Aleso Ave., Sunnyvale, Calif. 94086, filed a registration statement (File 2-27758) with the SEC on November 28 seeking registration of 148,440 shares of common stock. These shares are to be offered for subscription (1) by preferred stockholders and junior preferred stockholders at the rate of one share for each five warrants (issued incident to the preferred and junior preferred); and (2) by common stockholders, at the rate of one new share for each five shares held. The offering price is \$20.00 per share. No underwriting is involved.

The company is engaged in the manufacture and sale (or lease) of source data gathering systems and equipment compatible with digital computers and other data processing systems. Net proceeds of its stock sale will be used to repay certain short-term bank loans and the balance will be applied to working capital. In addition to indebtedness, the company has outstanding 371,700 common shares, of which management officials own 16.5%. Robert C. Stender is president. Alsta & Co. (nominee of Allstate Insurance Company) owns 95.2% of the outstanding junior preferred and all of the 6,000 outstanding preferred shares.

ITTEX FUND FILES. Ittex Fund, 320 Park Ave., New York 10022, filed a registration statement (File 2-27759) with the SEC on November 29 seeking registration of 100,000 units of Trustees' Certificates. The units are to be offered to executives, officials, leading employees, persons on retainer and retired employees of the International Telephone and Telegraph Corporation and/or its subsidiary or controlled companies and the spouse or children of such eligible persons, and to the Trustee or Trustees of certain pension and profit-sharing trusts created by the International Telephone and Telegraph Corporation. The offering is to be made at net asset value (\$10.00 per unit maximum*).

HANKO PROPERTIES PROPOSES OFFERING. Hanko Properties, Inc., 44 Whitehall St., New York 10004, filed a registration statement (File 2-27760) with the SEC on November 29 seeking registration of 80,000 shares of common stock and \$200,000 of 6% convertible subordinated debentures, due 1987, to be offered for public sale in units consisting of 40 common shares and \$100 of debentures. The offering is to be made at \$140.00 per unit through company representatives without commission.

The company was organized on October 4, 1967 by Magnefax Corporation for the principal purpose of acquiring real estate and real estate interests. Of the net proceeds of this financing, \$210,000 will be used to purchase the properties and rights from Magnefax, \$30,000 to reimburse Magnefax for expenses of the offering advanced by it, and \$12,500 to pay off the balance due on chattel mortgage and lease of furnishings of the Flagstaff apartments; the balance will be used for working capital. In addition to indebtedness, the company has outstanding 20,000 common shares, of which Magnefax Corporation and J. W. Hancock Inc. each own 10,000 shares. Jerome Kass is president and Kenneth Kass is secretary and treasurer. Messrs. Kass are also directors and officers of Magnefax Corporation, J. W. Hancock Inc. and Technology Leasing & Capital Corp. Jerome Kass owns 21% of the common stock of Technology, which owns 57.5% of the shares of Magnefax Corporation which, in turn, owns 75% of the common stock of J. W. Hancock. Upon completion of the offering (if Magnefax does not subscribe to any of such securities), Magnefax and Hancock will each own 10% of the outstanding common shares, for which the other purchasers will have paid the equivalent of \$1 per share, or \$80,000, and Magnefax will receive \$210,000 cash for the properties sold to the company and reimbursement of its registration expenses. The book value of the common stock will be 81¢ per share as against \$1.00 per share paid by the purchasers and 10¢ paid by Magnefax and nothing in cash paid by Hancock.

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 November 2 News Digest.

Allen Aircraft Radio Inc Nov 67 (4)	0-2850-2	Rover Shoe Co Oct 67 (3)	2-25090-2
Atlanta Motor Lodges Inc Jul 67 (1)	0-1995-2	Royal Land & Development Corp	
Brite Universal Inc Nov 67 (12,13)	2-18612-2	Oct 67 (2,13)	0-760-2
Columbia Natl Corp Nov 67 (7)	0-2125-2	SCM Corp Oct 67 (11)	1-3143-2
Crystal Mountain Inc Aug 67 (11)	0-2374-2	Salant & Salant Inc Nov 67 (7,8)	0-2433-2
Cyclotron Corp Oct 67 (7)	0-2554-2	Schlumberger Technology Corp	
Dan River Mills Inc Oct 67 (4,7,13)	1-3912-2	Jan 67 (11)	1-2753-2
Di Giorgio Corp Oct 67 (7,8,12,13)	1-1790-2	Standard Brands Paint Co Jan 67 (11)	1-4505-2
Fansteel Metallurgical Corp		State Credit Corp Nov 67 (11)	0-2278-2
Oct 67 (12,13)	1-2331-2	Sunasco Inc Oct 67 (6,12,13)	1-4771-2
Genesee Brewing Co Inc Oct 67 (11)	0-1653-2	Super Valu Stores Inc Sept 67 (13)	1-5418-2
Greater Iowa Corp Sept 67 (11,12,13)	0-1403-2	Syracuse China Corp Nov 67 (3)	0-473-2
Hermetite Corp Nov 67 (3)	0-555-2	Villager Inc Oct 67 (2,13)	1-5382-2
Inland Western Loan & Finance Corp			
Mar 67 (11) Apr 66 (11) Jun 67 (11,13)		Arkansas La Gas Co	
Feb 67 (1)	0-1976-2	Amd #1 to 8K for Oct 67 (13)	1-3751-2
Leeds Travelwear Inc Nov 67 (2,11,13)	0-531-2	Cameo-Parkway Records Inc	
Miracle Mart Inc Oct 67 (1,2,3,7,13)	0-1360-2	Amd #1 to 8K for Jul 67 (1,2)	1-4672-2
North Carolina Tel Co		Consol Water Co	
Oct 67 (4,7,13)	0-1130-2	Amd #1 to 8K for Sept 67 (13)	0-202-2
Occidental Petroleum Corp		National Car Rental System Inc	
Oct 67 (3,7)	1-520-2	Amd #1 to 8K for Oct 67 (1)	2-19978-2
Pathe Inds Inc Oct 67 (2,13)	0-1441-2		
Perfect Film & Chemical Corp			
Oct 67 (2,7,9,13)	1-2991-2		

SECURITIES ACT REGISTRATIONS. Effective November 29: Bangor Punta Corp., 2-27490 (40 days); Bell & Howell Co., 2-27624; Charter New York Corp., 2-27596 (40 days); The Chesapeake Systems Corp., 2-27285 (Feb 29); Continental Computer Associates, Inc., 2-27467 (90 days); The Dexter Corp., 2-27447 (90 days); ECG, Inc., 2-27420; Hamco Machine & Electronics Corp., 2-27441 (90 days); The Manhattan Shirt Co., 2-27546 (40 days); The Perkin-Elmer Corp., 2-27715.

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.