

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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FOR RELEASE December 29, 1967

STATE STREET INVESTMENT RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5211) authorizing State Street Investment Corporation, Boston, Mass., to issue its shares at other than the current public offering price for substantially all of the assets of Reeves Fund, Inc. Reeves, an Indiana corporation, is a personal holding company all of whose outstanding stock is owned by 24 stockholders.

CENTRAL P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15932) authorizing Central Power and Light Company, Corpus Christi, Texas subsidiary of Central and South West Corporation, to issue and sell, at competitive bidding, \$28,000,000 of first mortgage bonds, Series J, due 1998. Net proceeds from the company's sale of the bonds will be used to finance its construction program (including repayment of \$7,400,000 of bank loans incurred therefor). Construction expenditures for 1968 are presently estimated at \$33,000,000.

UNLISTED TRADING APPROVED. The SEC has issued an order under the Securities Exchange Act (Release 34-8220) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of The Bunker-Ramo Corporation.

THREE TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending over-the-counter trading in securities of Coditron Corp. and Leeds Shoes, Inc., for the further ten-day period January 1-10, 1968, inclusive, and in securities of Rover Shoe Company for the further ten-day period January 2-11, 1968, inclusive.

ENVIRONMENTAL RESEARCH PROPOSES OFFERING. Environmental Research Corporation, 3760 N. Dunlap St., St. Paul, Minn. 55112, filed a registration statement (File 2-27936) with the SEC on December 27 seeking registration of 90,000 shares of common stock, to be offered for public sale at \$6.00 per share. The offering is to be made through underwriters headed by Craig-Hallum, Inc., 133 S. 7th St., Minneapolis, Minn. 55402, which will receive a 60¢ per share commission.

The company is engaged in the research, development, manufacturing and selling of instruments and systems used primarily for the collection and assessment of the fine particle content of the air, including airborne pollutants. Of the net proceeds of its stock sale, \$52,800 will be used to repay short-term loans incurred to meet current working capital requirements (\$10,000 of which represents repayment of a demand note due the underwriter for this offering), \$50,000 to equip a new office, manufacturing and research facility, \$50,000 to purchase laboratory equipment and furnishings, and \$50,000 to support independent research and development projects; the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 92,600 common shares, of which management officials own 38.9%. LaVerne W. Rees is president. According to the prospectus, upon completion of this offering, the original shareholders will own 92,600 shares (50.8% of the outstanding shares) which were acquired at \$92,600, and the public will own 90,000 shares (49.2% of the outstanding shares) which will have been acquired at \$540,000.

PRATT & LAMBERT SHARES IN REGISTRATION. Pratt & Lambert, Inc. ("P&L"), 75 Tonawanda St., P.O. Box 22, Buffalo, N. Y. 14240, filed a registration statement (File 2-27937) with the SEC on December 27 seeking registration of 24,531 shares of common stock and 24,287 Series A \$2.25 cumulative convertible preferred shares (and a like number of common shares into which they are convertible). The shares are to be offered for public sale by the holders thereof on a national securities exchange at prices current at the time of sale (\$37.00 per common share maximum*). The Series A preferred shares will be redeemable by the company on and after December 31, 1972, are entitled to a liquidation preference of \$40 per share, and will vote share for share with the P&L common shares. The selling shareholders received their shares in connection with the acquisition by P&L of substantially all of the assets of Pierce & Stevens Chemical Corp. ("P&S") which was merged into a wholly-owned subsidiary of P&L on December 19, 1967, and which subsidiary will assume the P&S name effective as of December 31, 1967.

P&L is principally engaged in the manufacture and sale of paint and other protective coatings. Burton F. Wilkinson is president. P&S is principally engaged in the manufacture and sale of adhesives, protective coatings and solvent blends.

SANDGATE CORP. PROPOSES OFFERING. Sandgate Corporation, 31-04 Northern Blvd., New York, filed a registration statement (File 2-27938) with the SEC on December 27 seeking registration of 300,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Carter, Berlind & Weill, Inc., 55 Broad St., New York 10004. The public offering price (\$11.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company (formerly All-State Auto Rental Corp.) is engaged in the business of leasing motor vehicles on a long-term basis, and on December 14, 1967 it entered into an agreement to purchase all the stock of Daniel Radiator Corporation of Texas ("Daniel") and National Bumper Exchange, Inc. ("National") for an aggregate cost of \$2,500,000. Daniel manufactures radiator cores for the replacement market and National

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is engaged in the business of reconditioning and selling automobile bumpers. Net proceeds of the stock sale will be used to pay the remaining \$2,250,000 portion of the purchase price of the Daniel-National acquisition; the balance will be added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 384,478 common shares, of which management officials own 52.9% (including 40% owned by Harold L. Oshry, president).

TELCOM PROPOSES OFFERING. Telcom, Inc., 8027 Leesburg Pike, McLean, Va. 22101, filed a registration statement (File 2-27939) with the SEC on December 27 seeking registration of 90,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Johnston, Lemon & Co., 900 Southern Bldg., 1425 H St., N. W., Washington, D. C. 20005. The public offering price (\$5.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in rendering engineering services in applied research and development, system analysis, design, procurement, construction, installation, testing, maintenance and operation of systems for industry, U.S. government agencies and foreign governments. Net proceeds of its stock sale will be used to retire current bank loans and a portion will be allocated over a period of several years to the development of new business in the satellite communications and data transmission fields; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 294,762 common shares, of which management officials own 276,566 shares (including 38,940 owned by Esterly C. Page, board chairman and 102,522 owned by Ross Bateman, president).

READING INDUSTRIES FILES FOR SECONDARY. Reading Industries, Inc., 350 Fifth Ave., New York 10001, filed a registration statement (File 2-27941) with the SEC on December 28 seeking registration of 352,544 outstanding shares of common stock. The shares are to be offered for public sale by the present holders thereof through underwriters headed by Kleiner, Bell & Co., Inc., 9756 Wilshire Blvd., Beverly Hills, Calif. 90212. The public offering price (\$11.00 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the refining of copper and in the manufacture and sale of copper and brass products for use in the construction, refrigeration, air-conditioning, oil burner, radiant heating, aircraft parts, automotive, sprinkler systems, irrigation and other industries. In addition to indebtedness and preferred stock, it has outstanding 929,697 common shares, of which management officials own 52.6% (including 6.8% owned by B. F. Stolinsky, board chairman). The prospectus lists three selling shareholders. Alvin Stolinsky (president) proposes to sell 25,000 of his holdings of 96,550 shares, Robert Jacobsen, 25,000 of 95,902, and the Lighting Corporation of America, 302,544 of 402,544 shares.

ALLIED AERO INDUSTRIES PROPOSES OFFERING. Allied Aero Industries, Inc., 405 Park Ave., New York 10022, filed a registration statement (File 2-27942) with the SEC on December 28 seeking registration of 225,000 shares of common stock. The shares are to be offered for public sale through underwriters headed Emanuel, Deetjen & Co., 120 Broadway, New York. The public offering price (\$7.375 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the underwriter, for \$2,000, a five-year warrant to purchase 20,000 common shares, and to pay to the underwriter \$7,500 for expenses. The company has also agreed to issue to W. Ian Mack & Associates, financial and public relations consultants, as a consultant's fee, for \$500, a similar warrant to purchase 5,000 common shares.

The company is engaged in the manufacture of "Franklin" aircraft engines used in light aircraft and helicopters and of replacement parts for airborne auxiliary power plants. Of the net proceeds of its stock sale, \$250,000 will be used for additional inventory of 130, 220 and 250 h.p. Franklin engines, \$150,000 for additional inventory of unfinished aircraft and accessories, \$150,000 for the acquisition of machinery and equipment, and tooling, to enable the company to machine and finish from rough forgings a portion of its crankshaft requirements for Franklin engines, and \$100,000 for building improvements at the company's Syracuse plant. The balance will be added to general funds. In addition to indebtedness, the company has outstanding 614,106 common shares, of which management officials own 39% (including 17% owned by Adolphe A. Juviler, board chairman, and 20% owned by Alexandre Berger, president).

REPUBLIC METAL PRODUCTS FILES FOR OFFERING AND SECONDARY. Republic Metal Products, Inc., 33 Commerce St., Springfield, N. J. 07081, filed a registration statement (File 2-27943) with the SEC on December 28 seeking registration of 70,000 shares of common stock. Of this stock, 20,000 shares are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holder thereof. The shares are to be offered at \$6.00 per share through underwriters headed by Gianis & Co., Inc., 44 Wall St., New York, which will receive a 72¢ per share commission. The company has agreed to sell to the underwriters, for \$120, 12,000 five-year warrants to purchase a like number of common shares, exercisable initially at the public offering price, and the company and the selling shareholder have agreed to pay the underwriters \$4,000 for expenses.

The company fabricates (from sheet metal and steel plate) metal products such as cabinets for electronic equipment, chassis and frames which are used as basic components of finished products manufactured by other companies. Net proceeds of its sale of additional stock will be added to general funds to be available for additional working capital and general corporate purposes. In addition to indebtedness, the company has outstanding 180,000 common shares. Leo V. Stavenick (president) owns 90% of the outstanding common shares (of which 53% is owned of record by Hollyn Corp., 100% owned by Mr. Stavenick), and Bertha Stavenick (his wife) owns the remaining 10%. Mr. Stavenick proposes to sell 50,000 shares.

LAKESIDE HOLDING CO. RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5210) granting an application of Lakeside Holding Co., Baker Foundation, and The Center, Inc., Minneapolis, Minn., with respect to (1) the proposed sale to IDS Properties, Inc. ("IDSP"), a wholly-owned subsidiary of Investors Diversified Services, Inc. ("IDS"), a face-amount certificate company, of real property and related assets and securities of affiliated companies which own, service or manage real property;

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and (2) the future exercise of an option by IDSP to purchase all of the capital stock of an affiliated company which owns real property. The Commission also authorized (1) the participation of IDS or IDSP in the liquidation of two enterprises, now owned jointly by IDS and an affiliated person of IDS, (2) the entering into agreements between IDSP and Baker Properties Management Company, a corporation to be formed, which will be a wholly-owned subsidiary of IDSP, to manage real property to be acquired by IDSP or owned jointly by IDSP and persons affiliated therewith, and (3) the employment of affiliates of affiliated persons of IDS, William M. Baker and Roger L. Baker by IDSP. The aggregate purchase price for all of the assets to be acquired by IDSP is \$52,305,807.

TRAVELERS INSURANCE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5212) exempting The Travelers Insurance Company ("Company") and The Travelers Fund for Variable Annuities ("Fund") from certain provisions of the Act. Fund is an open-end diversified management investment company registered under the Act. Company established Fund in order (1) to offer contracts designed for annuity purchase plans adopted by public school systems and certain tax exempt organizations, which contracts qualify as tax deferred annuities under Section 403(b) of the Internal Revenue Code of 1954, and (2) to offer contracts which are to be issued with respect to plans established by persons entitled to the benefits of the Self-Employed Individuals Tax Retirement Act of 1962, as amended ("H. R. 10").

AMERICAN GENERAL INSURANCE RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5213) granting an application of American General Insurance Company with respect to certain transactions incident to the proposed merger of Life and Casualty Insurance Company of Tennessee ("Casualty Insurance") into American General. The merger proposal provides for the issuance by American General of two-tenths of a share of its convertible preferred stock and eight-tenths of a share of its common stock in exchange for each outstanding share of capital stock of Life and Casualty owned by Insurance Securities Trust Fund ("ISTF"), a registered open-end, diversified investment company (for further details, see News Digest of December 20).

SALE OF ROTO AMERICAN STOCK ENJOINED. The SEC today announced (LR-3892) that, upon the basis of a complaint filed by it in the Federal court in New York, the following (without admitting or denying the allegations of such complaint) consented to a court order of permanent injunction against the sale of stock of Roto American Corporation, Paramus, N. J. in violation of the Securities Act registration provision: Roto American Corporation ("Roto"), manufacturer of bag making and packaging machinery; Roto American Sales Corporation, of New York City, a company engaged in the operation, control and management of Roto; Herbert Frutkin, chairman of the board and legal counsel of Roto; Joseph J. Solon, a controlling person of Roto; First Prudential Corporation, of New York City, a registered broker-dealer and member firm of the New York and American Stock Exchanges; H. L. Robbins & Company, Inc., a registered broker-dealer with principal offices in Worcester, Mass.; and, Norman Robbins, president of H. L. Robbins & Company, Inc. Max Blauner, former registered representative of First Prudential, consented to an order of preliminary injunction; and First Prudential also consented to the suspension, for ten business days commencing December 29, of certain activities of its over-the-counter trading department, which suspension was ordered by the Commission on December 27 (Release 34-8221).

The Roto common stock is listed on the National Stock Exchange and is also traded over-the-counter. Trading in Roto securities has been suspended by orders of the Commission since August 10, 1967. In its complaint, the Commission alleged that from about January 16 to August 10, 1967, approximately 80,000 shares of Roto common which were beneficially owned by Joseph J. Solon, Herbert Frutkin and other members of the control group of Roto, had been distributed.

RECEIVER APPOINTED IN SECURITIES INVESTORS CASE. The SEC Denver Regional Office announced December 26 (LR-3893) that the Federal court in Lincoln, Nebr., on motion of the Commission, had appointed Charles J. Kimball as receiver of all monies, funds, assets and property of, belonging to, or in possession of Securities Investors, Inc. or to which it may become entitled. The court previously had permanently enjoined Securities Investors, Inc., Dosek Bonding and Insurance, Inc. and Edward A. Dosek from violations of the anti-fraud provisions of the Federal securities acts and from dissipating or wasting assets of the two corporate defendants.

E B & S - AMERICAN FOREIGN POWER MERGER CLEARED. The SEC has issued an exemption order under the Investment Company Act permitting the merger of Electric Bond and Share Company and its 56% owned subsidiary, American & Foreign Power Company Inc., both of which are registered as closed-end investment companies (Release IC-5215). Under the terms of the merger, each shareholder of Foreign Power other than Bond and Share will receive 0.6 share of the surviving company for each share of Foreign Power while the Bond and Share stockholders will retain their present certificates. The merger agreement also provides for an initial post-merger annual dividend of \$2 per share.

Bond and Share, in addition to its holding of Foreign Power stock, which represents its largest single asset, has various operating subsidiaries including several service companies and a chemical company, and it has a portfolio of marketable securities. Foreign Power's principal assets are dollar obligations of the governments of various Latin American countries which it received in payment for utility interests formerly owned by it in these countries. In addition, Foreign Power has utility operations in certain Latin American countries and it also holds investments in several Latin American industrial ventures and various short-term obligations. The common stocks of both companies are traded on the New York Stock Exchange.

The Commission considered the terms of the proposed merger in the light of various factors, including the relative market values of the common stock of the two companies and comparative earnings, dividends and asset values. It concluded that under all the circumstances those terms were "within a range that is reasonable and fair and do not indicate overreaching on the part of any person concerned." It overruled objections to the merger terms that were raised by Charles Monheit, a shareholder of Foreign Power, and Harry C. Grumpelt, a shareholder of Bond and Share.

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 December 4 News Digest.

Columbia Pictures Corp Nov 67 (7,8,12,13)	1-3108-2	U S Envelope Co Dec 67 (13)	0-235-2
Continental Steel Corp Nov 67 (12,13)	1-2330-2	Utah Construction & Mining Co Nov 67 (7,13)	0-623-2
Control Data Corp Oct 67 (7)	1-4712-2	Jim Walter Corp Oct 67 (12)	1-4868-2
Walt Disney Productions Nov 67(12,13)	1-4083-2	Weil-McLain Co Inc Nov 67 (4,11,13)	1-5484-2
Dome Petroleum Ltd Nov 67 (7,12)	1-3694-2	Wellco Ro-Search Ind Inc Nov 67 (11,12,13)	0-2876-2
Equitable Savings and Loan Assoc Nov 67 (12)	0-1345-2	Willcox & Gibbs Inc Nov 67 (11,13)	0-682-2
First Republic Corp of Amer Nov 67 (3,9,13)	0-1437-2	Yale and Mercer Inc Nov 67 (2,11,13)	0-570-2
First Western Financial Corp Nov 67 (12)	0-2004-2	Yoo-Hoo Chocolate Beverage Corp Nov 67 (2,12,13)	1-5342-2
Florida Gas Transmission Co Nov 67 (7)	2-26874-2	Continental Baking Co Amend #1 to 8K for Oct 67 (3,12,13)	1-786-2
General Contract Finance Corp Nov 67 (3)	1-4143-2	Thompson-Starrett Co Inc Amend 8K for Aug 67 (1,2,12,13)	1-301-2
Gulf Amer Corp Nov 67 (3,12,13)	1-4470-2	"Automatic" Sprinkler Corp of America Nov 67 (2,7,11,13)	1-5456-2
Gulf & Western Ind Inc Nov 67(4,7,13)	1-5404-2	Bonneville Capital Corp Sept 67(2,13)	0-1204-2
Harrworth Inc Nov 67 (2,4,11,13)	1-437-2	Collins Radio Co Nov 67 (4,11,12,13)	1-4248-2
Holyoke Water Power Co Nov 67 (1)	0-645-2	Continental Air Lines Inc Nov 67 (4,7)	1-3661-2
Inflight Motion Pictures Inc Nov 67 (11)	1-5245-2	Cyclops Corp Nov 67 (7)	1-2858-2
Kennebec Cons Mining Co Nov 67 (11)	1-1740-2	Dictaphone Corp Nov 67 (7,8)	1-5148-2
Kirby Ind Inc Nov 67 (11,12,13)	1-4035-2	Joseph Dixon Crucible Co Nov 67 (12,13)	0-856-2
Knott Hotels Corp Nov 67 (12,13)	1-1208-2	Eckerd Drugs Inc Oct 67 (7,13)	0-2199-2
Latrobe Steel Co Nov 67 (13)	1-5144-2	Empire Gas Corp Aug 67 (2,13)	0-2905-2
Lear Jet Ind Inc Nov 67 (12)	0-1693-2	Farmers Union Cooperative Marketing Assoc Nov 67 (7,8)	2-22230-2
Leslie Salt Co Nov 67 (8)	1-2897-2	Franklin Creamery Inc Mar 67 (1,6,7,11,13)	0-1476-2
McDonald's Corp Nov 67 (3,12)	1-5231-2	Grinnell Corp Nov 67 (8)	0-780-2
Michigan Gas & Elec Co Nov 67 (12)	0-335-2	Harvard Industries Inc Nov 67 (12,13)	1-1044-2
Midwestern Natl Life Ins Co of Ohio Nov 67 (12)	2-22686-2	Holiday Inns of Amer Inc Nov 67 (7,11,12,13)	1-4804-2
Missouri Public Service Co Nov 67 (7,13)	1-3562-2	Investors Funding Corp of N Y Nov 67 (8)	1-4600-2
Mitsubishi Jukogyo Kabushiki Kaisha Dec 67 (6K)	2-20536-2	Irving Air Chute Co Inc Nov 67 (3,12)	1-149-2
Monogram Ind Inc Nov 67 (7,13)	1-4185-2	Jantzen Inc Nov 67 (12,13)	0-629-2
Natl Papent Devel Corp Nov 67 (7,13)	0-2743-2	Laboratory for Electronics Inc Nov 67 (3,7,13)	1-4571-2
Northeast Utilities Nov 67 (2)	1-5324-2	Liberty Leasing Co Inc Nov 67 (2,7,13)	0-2875-2
Norwich Pharmacal Co Nov 67 (7)	1-3113-2	Lincoln Liberty Life Ins Co Nov 67 (1)	2-18894-2
Pepsico Inc Nov 67 (12,13)	1-1183-2	Monarch Marking System Co Nov 67(7,8)	0-1066-2
Pittway Corp Nov 67 (11,13)	1-3606-2	Nibco Inc Nov 67 (7)	0-2662-2
Revo D S Inc Nov 67 (2,13)	1-5025-2	Organizers & Underwriters Inc Sept 67 (11,13)	0-1983-2
Royal Castle System Inc Nov 67 (3)	0-2276-2	Pennsylvania Elec Co Nov 67 (7,13)	1-3522-2
Sanfield Corp Nov 67 (11,13)	2-6892-2	Polarad Electronics Corp Nov 67 (4,7,13)	1-4258-2
Scientific Atlanta Inc Nov 67 (7,8)	1-5517-2	Possis Machine Corp Dec 67 (11)	0-944-2
Spokane Natl Mines Inc Aug 67 (1,2,13)	0-1389-2	Renaire Foods Inc Nov 67 (3)	0-1074-2
Talley Ind Inc Nov 67 (4,7,8,13)	1-4778-2	SCM Corp Nov 67 (7)	1-3143-2
Texize Chemicals Inc Nov 67 (4,11)	0-173-2	Screen Gems Inc Nov 67 (11,13)	1-4481-2
The Texstar Corp Nov 67(2,4,7,13)	1-4229-2		
Tri-Point Ind Inc Nov 67 (11,13)	0-1477-2		
The Union Corp Nov 67 (11,13)	1-5371-2		

SECURITIES ACT REGISTRATIONS. Effective December 28: Allegheny Beverage Corp., 2-27073 (90 days); Jupiter Broadcasting of Georgia, Inc., 2-27586 (90 days); Melville Shoe Corp., 2-27635; Ozark Air Lines, Inc., 2-27684 (Feb 6); P & F Industries, Inc., 2-27642; Pet Incorporated, 2-27814 (40 days); Royal Hawaiian Management Corp., 2-27451 & 2-27456.

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.