

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 July 6, 1966

TWO SEC STAFF LAWYERS APPOINTED. Chairman Manuel F. Cohen of the SEC today announced that Meyer Eisenberg and Richard M. Phillips, lawyers on the Commission's staff have been appointed to the positions of Assistant General Counsel in the Office of the General Counsel.

Mr. Eisenberg has been serving as a Special Counsel in the Office of the General Counsel since April, 1964. He first joined the Commission's staff as an attorney in the Office of the General Counsel on October 5, 1959, and subsequently served in progressively more responsible legal positions, including Legal Assistant to a Commissioner and Assistant Chief Counsel of the Division of Corporate Regulation. Prior to coming with the Commission he served for one year as Law Clerk to the Chief Justice, Supreme Court of Oregon, and was on active military duty in the United States Army for two years. Mr. Eisenberg received his B.A. degree from Brooklyn College in 1953 and his LL.B. degree from Columbia Law School in 1958. He was admitted to the New York Bar in March, 1960.

Mr. Phillips has been serving as a Special Counsel in the Office of the General Counsel since January, 1964. He first joined the Commission's staff as an attorney in the Office of the General Counsel on August 22, 1960. From December, 1961 to January, 1964, he was assigned to the position of Legal Assistant to a Commissioner. Before coming with the Commission, he was employed as an attorney in the Office of Counsel, Bureau of Aeronautics, Department of the Navy, Washington, D. C. from July, 1956 to January, 1957, when he was called to active duty in the United States Naval Reserve. He was released from active duty as a Lieutenant in April, 1960. Mr. Phillips received his B.A. degree from Columbia College in 1953 and his LL.B. degree from Yale Law School in 1956. He was admitted to the District of Columbia Bar in October, 1956, and to the New York Bar in 1962.

CONTINENTAL TELEPHONE FILES FOR OFFERING AND SECONDARY. Continental Telephone Corporation, 130 S. Bemiston, St. Louis, Mo. 63105, filed a registration statement (File 2-25232) with the SEC on June 30 seeking registration of \$25,000,000 of convertible subordinated debentures (due 1986). The debentures are to be offered for public sale through underwriters headed by E. F. Hutton & Co. Inc., One Chase Manhattan Plaza, New York 10005, and two other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment. Also included in the registration statement are 140,694 shares of common stock. Of such stock, 127,182 shares are to be issued upon exercise of stock options and warrants, the remaining 13,512 shares (being outstanding stock) may be offered for public sale by the present holders thereof on the American Stock Exchange at prices current at the time of sale (\$25.125 per share maximum*).

A telephone holding company, the company will use the net proceeds of its debenture sale to repay bank loans incurred in connection with its acquisition, investments and advances to its subsidiaries. Property additions of subsidiaries for the 12-month period ending June 30, 1967, are estimated at \$65,000,000. In addition to indebtedness and preferred stock, the company has outstanding 9,142,964 common and 131,225 Class B common shares. General Waterworks Corp. owns all of the outstanding Class B stock. The selling stockholders acquired the shares being registered in connection with the recent merger of Telephones, Inc., into the company. Partners or former partners of McCormick & Co., an underwriter for a 1961 public offering of stock by Telephones, Inc., propose to offer 5,512 shares; and Audrey E. Sikes, Sr., a former stockholder of Telephones, intends to sell 8,000 shares. Upon completion of the stock sale, the sellers will own 13,512 common shares. Phillip J. Lucier is president and Charles Wohlstetter is board chairman of the company.

MADISON G&E PROPOSES RIGHTS OFFERING. Madison Gas and Electric Company, 100 N. Fairchild St., Madison, Wisc. 53701, filed a registration statement (File 2-25244) with the SEC on July 1 seeking registration of 281,718 shares of common stock. The stock is to be offered for subscription by common stockholders at the rate of one new share for each seven shares held on July 19. The company intends to offer to its employees and officers a maximum of 5,000 shares which are not subscribed for pursuant to the rights offering. Any remaining shares are to be offered for public sale through underwriters headed by White, Weld & Co. Inc., 30 W. Monroe St., Chicago, Ill. 60603, and Robert W. Baird & Co., Inc., 731 N. Water St., Milwaukee, Wis. 53201. The offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment.

A public utility, the company will use the net proceeds of its stock sale (together with proceeds of an \$8,000,000 bond sale and internally generated funds) in connection with its construction program. Its capital expenditures for 1965, together with budgeted capital expenditures for 1966, total \$17,070,000. In addition to indebtedness, the company has outstanding 1,930,000 common shares, of which management officials own 1.1%. Edward R. Felber is board chairman and Frederick D. Mackie is president.

WISCONSIN MICHIGAN POWER PROPOSES OFFERING. Wisconsin Michigan Power Company, 231 W. Michigan St., Milwaukee, Wisc. 53201, filed a registration statement (File 2-25245) with the SEC on July 1 seeking registration of \$10,000,000 of first mortgage bonds, due 1996, to be offered for public sale at competitive bidding. A subsidiary of Wisconsin Electric Power Co., the company will use the net proceeds of its bond sale to retire some \$2,900,000 of outstanding bank loans, to reimburse its treasury for capital expenditures previously made, and to finance its construction program (estimated at \$10,900,000 for 1966).

OVER

CONTRAFUND PROPOSES OFFERING. Contrafund, Inc., 35 Congress St., Boston, Mass. 02109, filed a registration statement (File 2-25235) with the SEC on June 30 seeking registration of 500,000 shares of capital stock, to be offered for public sale at about \$10 per share (plus a maximum sales charge of 7½%). The Crosby Corporation is the fund's distributor.

Organized under Massachusetts law in 1963, the Fund is engaged in the business of investing in securities; it recently became a registered investment company. Its investment objective is to seek possible capital appreciation "through investment in securities of companies which are believed to be undervalued due to an overly pessimistic appraisal by the public of their future outlook." Fidelity Management & Research Co., is the fund's investment adviser and its sole stockholder. In 1963 and 1964 the investment adviser purchased stock in the amount of \$650,000. Edward C. Johnson 2d is president of the fund and its investment adviser.

CONDUCTRON FILES FOR SECONDARY. Conductron Corporation, 3475 Plymouth Rd., Ann Arbor, Mich., filed a registration statement (File 2-25239) with the SEC on June 30 seeking registration of 54,621 shares of common stock. Of such stock, 42,121 shares are issuable upon exercise of outstanding warrants (exercisable at \$8.80 and \$16 per share); and the present holders thereof may offer the warrants or the stock received upon exercise thereof for public sale from time to time on the American Stock Exchange at prices current at the time of sale (\$85 per share maximum*). The remaining 12,500 shares (being outstanding stock) may also be offered by the present holder thereof, Halle & Stieglitz, on the American Stock Exchange.

The company is engaged primarily in military electronics research and production for the end use of Federal agencies. In addition to indebtedness, it has outstanding 2,481,809 common shares, of which management officials own 4.2% and McDonnell Aircraft Corp. 83.6%. McDonnell recently acquired 1,850,000 shares in exchange for the business and assets of its Electronic Equipment Division and its wholly-owned subsidiary Tridea Electronics Co. The prospectus lists 32 warrant holders. The warrants were issued in connection with the company's first public stock offering in 1962 and a 1961 loan agreement under which it borrowed \$800,000. The holders of the warrants and stock are present or former affiliates of Halle & Stieglitz. The prospectus states that none of the sellers will own any significant amount of securities of the company after the proposed sale, except that Research Investing Corp. will own 22,000 common shares. Keeve M. Siegel is board chairman and president.

RICHARD LOWRY BARRED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7914), barring Richard Dewey Lowry, former officer of Midwest Securities Corp., Oklahoma City, Okla., from future association with a broker-dealer firm. On the basis of a stipulation and consent submitted by Lowry, but without his admitting or denying the allegations of the order for proceedings, the Commission found that in 1965 and 1966 Lowry aided and abetted Midwest Securities in violating the SEC net capital rule, as well as the anti-fraud and record-keeping provisions of the Federal securities laws. The Commission previously revoked the broker-dealer registration of Midwest Securities.

ELVIN GULL GUILTY. The SEC Denver Regional Office announced June 29 (LR-3535) that Elvin Gull, Denver, was found guilty of violating the Securities Act anti-fraud provisions in the sale of common stock and options of American Health Credit Plan, Inc., of Wyoming (USDC, Wyo.). Sentencing was deferred.

LEE NATIONAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4637) amending a prior Commission order which exempted Lee National Corp., New York, from certain provisions of the Act, so that any reference to Lee shall be deemed to include Alliston Corp., a wholly-owned subsidiary.

COPENHAGEN TELEPHONE RECEIVES ORDER. The SEC has issued an order under the Trust Indenture Act finding that the trusteeships of First National City Bank under three existing indentures, two of which are qualified under the Act, with Kjøbenhavns Telefon Aktieselskab (Copenhagen Telephone Co., Inc.) and its trusteeship under a new indenture, which is not to be qualified under the Act, are no so likely to involve any conflicts of interests as to make it necessary to disqualify the bank from acting as trustee. Under the new indenture, Telephone Company proposes to issue \$10,000,000 of 6-3/4% sinking fund dollar debentures due 1986.

REXALL FILES FOR SECONDARY. Rexall Drug and Chemical Company, 8480 Beverly Blvd., Los Angeles, Calif. 90054, filed a registration statement (File 2-25229) with the SEC on June 30 seeking registration of 561,599 outstanding shares of Series A \$2 cumulative convertible preferred stock, \$5 par. The holders thereof acquired the stock in connection with the recent merger of Thatcher Glass Manufacturing Co., Inc., with and into Rexall; they have indicated that they may offer the shares for public sale from time to time on the New York Stock Exchange at prices current at the time of sale (\$45 per share maximum*). The merger agreement provided for the issuance of 2,637,486 Rexall preferred shares in exchange for a like number of Thatcher Glass common.

The company manufactures and distributes chemical, plastic and drug products. In addition to indebtedness and preferred stock, it has outstanding 11,593,363 common shares. Louis Yaeger proposes to offer 130,000 preferred shares; Albert J. Dreitzer, 86,914; and First National City Bank as trustee for a non-affiliated pension plan, 172,000 shares. Justin W. Dart is president and board chairman of the company.

DU PONT RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-4639) with respect to the sale by E. I. du Pont de Nemours and Co., Wilmington, Del., of its 50% interest in Dekachimie, S. A., to Etablissements Kuhlmann (EK). Dekachimie was incorporated in France by du Pont and EK for the manufacture and sale of toluene diisocyanates. du Pont will receive \$2.4 million for the sale of its 50% interest.

TOWNE MINES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4638) declaring that Towne Mines Corporation and Compania Metalurgica Mexicana (CMM), New York, are primarily engaged in business other than that of an investment company. According to the application, CMM has been engaged in the mining business in Mexico since its organization in 1890. Its capital stock is 70-percent owned by Towne Mines and 30-percent by American Smelting and Refining Co. (ASARCO). In 1961 Mexico imposed certain restrictions upon corporations engaged in mining or metallurgical operations in Mexico which were not incorporated under Mexican law and where 51 percent of the outstanding stock was not held by Mexican nationals. In 1964 CMM transferred substantially all of its assets to its Mexican subsidiary, Compania Minera La Loteria, S. A. (Loteria), and in 1965 all of Loteria's Series "A" stock (51 percent of its capital) was sold to Asarco Mexicana, S. A., a corporation in which ASARCO holds a 49-percent interest and which meets the requirements of Mexican law.

BROWN FUND OF HAWAII RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4640) authorizing the Brown Fund of Hawaii, Ltd., Honolulu, Hawaii, to issue its shares at net asset value, without sales charge, for substantially all of the assets of the Profit Sharing Plan of Murrayair, Ltd., which are held by Bishop Trust Co., Ltd., pursuant to a profit sharing trust agreement. The assets of the trust consist substantially of stocks with a market value at March 15, 1966, of \$88,073 and U. S. Treasury bills in the face amount of \$15,000. The net assets of Brown Fund were \$2,386,935 on December 31, 1965.

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 July 1 News Digest.

Addressograph Multigraph Corp May 66 (12,13)	1-683-2	DPA Inc May 66 (12,13)	0-2061-2
Admiral Corp May 66 (11,13)	1-3234-2	Dallas Power & Lgt Co May 66 (11)	0-1250-2
Albertson's Inc May 66 (1,2,12)	0-1552-2	El Paso Natural Gas Co May 66 (13)	1-2700-2
Almar Rainwear Corp May 66 (11,13)	1-4561-2	Electro-Voice Inc May 66 (11,13)	1-4655-2
Aluminum Co of Amer May 66 (13)	1-3610-2	Emerson Elec Co May 66 (2,7,11,13)	1-278-2
Amer Electronics Inc May 66 (4,7,8,11,12,13)	1-3954-2	Equitable Savings & Loan Assoc (Calif) May 66 (8)	0-1345-2
Amer Recreation Ctrs Inc May 66 (12,13)	2-16911-2	Fia East Coast Ry Co May 66 (4,11)	1-2100-2
Amer Tobacco Co May 66 (2,7)	1-92-2	Hess Oil & Chemical Corp May 66 (2,7,13)	1-1951-2
Automation Inds Inc Apr 66 (11)	0-804-2	PEC Israel Economic Corp May 66 (11)	0-1039-2
L S Ayres & Co May 66 (11,13)	0-1316-2	Paddington Corp May 66 (1)	1-4226-2
Bell Intercont Corp May 66 (7,11,12,13)	1-4354-2	Panacolor Inc May 66 (11,13)	0-536-2
Bloomfield Bldg Inds Inc May 66 (8,12,13)	1-4608-2	Park Chemical Co Jun 66 (11)	1-3175-2
Bullion Monarch Uranium Co Inc May 66 (1,12)	1-3896-2	Peterson Parchment Paper Co May 66 (11)	1-5049-2
Big "C" Stores Inc May 66 (7)	0-14-2	Pa Power Co May 66 (11,13)	1-3491-2
Can Pacific Ry Co May 66 (11,13)	1-1342-2	Peoples Gas Lgt & Coke Co May 66 (12)	1-1573-2
Central Foundry Co May 66 (11)	1-2764-2	Perkin-Elmer Corp May 66 (12)	1-4389-2
Central Tel Co May 66 (11,12,13)	0-751-2	Pioneer Finance Co May 66 (6,10,12)	0-1564-2
Chesebrough-Pond's Inc May 66 (11,13)	1-4641-2	Pioneer Natural Gas Co May 66 (7)	0-525-2
Chi Milwaukee St P & Pac RR Co May 66 (11)	1-3288-2	Polycast Corp May 66 (11)	1-4374-2
Chi & North Western Ry Co May 66 (7,11,13)	1-3211-2	Puritan Fashions Corp May 66 (12)	1-5071-2
Col Milling & Elevator Co Jun 66 (2,4,13)	0-1754-2	Ramada Inns Inc May 66 (4,7,8,11,13)	0-304-2
Commonwealth United Corp May 66 (2,7,13)	1-4563-2	Revco D S Inc May 66 (12,13)	1-5025-2
Conn Yankee Atomic Power Co May 66 (7)	2-22958-2	Reynolds Metals Co May 66 (4,12,13)	1-1430-2
Consolidated Freightways Inc May 66 (7,11,13)	1-5046-2	Richardson-Merrell Inc May 66 (3)	1-1029-2
Consolidated Leasing Corp of Amer May 66 (7,8)	1-5201-2	Roadway Express Inc May 66 (11,12)	0-600-2
Cook Coffee Co May 66 (7)	1-4959-2	Roblin Steel Corp May 66 (9)	1-5213-2
Consumer's Cooperative Assoc May 66 (8)	2-7250-2	Roto American Corp May 66 (3)	1-5215-2
Cowles Communications Inc May 66 (11,12)	1-5221-2	Roxbury Carpet Co May 66 (11)	1-4058-2
Curtis Publishing Co Jun 66 (2,3,4,8,13)	1-69-2	Royal Inds Inc May 66 (12)	0-787-2
Coca-Cola Btlg Co of St Louis May 66 (2,8,11,13)	0-844-2	Rucker Co May 66 (7,13)	2-19797-2
		Rusco Inds Inc May 66 (7,11,12,13)	1-5087-2
		B F Saul Real Estate Invst Trust May 66 (7,12)	2-21825-2
		Frank G Shattuck Co May 66 (3,12,13)	1-485-2
		Shell Oil Co Apr 66 (11)	1-2475-2
		Shoe Corp of Amer May 66 (11,13)	1-317-2
		Sierra Elec Corp May 66 (8)	2-16355-2
		Sinclair Oil Corp May 66 (11,13)	1-1247-2
		Skaggs Pay Less Drug Stores Amd #1 to 8K for Jul 65 (13)	0-1434-2
		South Carolina Elec & Gas Co May 66 (11,13)	1-3375-2
		Standard Brands Inc May 66(7,11,13)	1-1186-2

Stratoflex Inc			
Amd #1 to 8K for Feb 66 (13)	2-18265-2	Brown & Sharpe Mfg Co	
Swank Inc May 66 (3)	0-432-2	Amd #2 to 8K for Apr 66 (11)	1-5106-2
Teleflex Inc Apr 66 (11,13)	0-908-2	Northern Chemical Industries Inc.	
Tex Gulf Sulphur Co Apr 66 (3,7,13)	1-1065-2	Oct 65(11,13)	2-11305-2
May 66 (3,7)	1-1065-2	Aurora Corp of Ill May 66(12)	0-1737-2
Amd #1 to 8K for Apr 66 (7)	1-1065-2	Reeves Broadcasting Corp	
U S Consumer Products May 66 (2,11,13)	1-5003-2	Dec 65(6)	1-4361-2
U S Gypsum Co May 66 (11)	1-960-2	Mar 66(6)	1-4361-2
Universal Container Corp		Apr 66(12)	1-4361-2
Amd #1 to 8K for Mar 66 (4)	1-4277-2	Alloys Unlimited Inc	
Warner Lambert Pharmaceutical Co		May 66(2,13)	1-4479-2
May 66 (11,13)	1-3608-2	HM Liquidating Corp May 66(3,13)	0-1628-2
Warren Bros Co May 66 (2,13)	1-5104-2	National Cash Register Co	
Wash Terminal Co Jun 66 (11)	1-889-2	May 66(12,13)	1-395-2
Westec Corp (Formerly Western Equities		American Realty & Petroleum Corp	
Inc) May 66 (9,11,13)	1-4371-2	May 66 & June 66(7,13)	1-4702-2
Wetterau Foods Inc May 66 (4,13)	0-1451-2	Interstate Bakeries Corp	
White Consolidated Inds Inc		June 66(12)	1-4969-2
May 66 (11,13)	1-826-2	Combined Paper Mills Inc	
Woods Inds Inc May 66 (11)	1-4999-2	June 66(11,13)	0-1463-2
Insur City Life Co Aug 65(7,13)	2-21838-2	Baird-Atomic Inc. May 66(2,3,13)	0-1065-2
Apr 66 (11,13)	2-21838-2	Gem International Inc May 66(1)	0-1505-2
Freeport Savings & Loan Association Ltd		Pepsico Inc	
June 66 (12,13)	2-22928-2	Amend #1 for Apr 66(13)	1-1183-2
Natl Finance Life Underwriters Inc		Bloomfield Bldg Industries Inc	
May 66 (7,8,11,12)	0-1523-2	Amend #1 for May 66(8)	1-4608-2
United Control Corp June 66 (12)	0-33-2	Hercules Inc	
Kelly Services Inc May 66 (3)	0-1088-2	Amend #1 for Mar 66(11)	1-496-2
Mallinckrodt Chemical Works		Transogram Co Inc	
May 66 (1,7,13)	0-1274-2	Amend #1 for May 66(4,7)	1-5216-2
E J Brach & Sons May 66 (11,13)	1-156-2		
CCI Corp Amd #1 to 8K for Apr 66(13)	1-4239-2		
The Deltona Corp			
Amd #1 to 8K for May 66 (11)	1-4719-2		

SECURITIES ACT REGISTRATIONS. Effective July 5: Standard Prudential United Corp., 2-25033 (90 days).
Withdrawn July 5: Delaware Securities Corp., 2-15840.

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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