

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**NEW ENGLAND FUND SEEKS ORDER.** New England Fund, Boston, Mass., open-end diversified investment company, has applied to the SEC for an order under the Investment Company Act authorizing it to issue its shares at net asset value for substantially all of the assets of Franklin Research and Development Corp.; and the Commission has issued an order (Release IC-4764) giving interested persons until December 21 to request a hearing thereon. According to the application, Henry E. Kingman, board chairman of New England Fund, owns more than 5% of the outstanding voting securities of Franklin Research; as a result the two companies are affiliated. The assets of Franklin Research, which is a personal holding company having 71 stockholders, amounted to \$2,845,424 on June 30, 1966, and the net assets of New England Fund on that date amounted to \$24,202,054.

**BELL INTERCONTINENTAL, INTERNATIONAL BANK SEEK ORDER.** Bell International Corporation, New York, and International Bank, Washington, D. C., have applied to the SEC for an order under the Investment Company Act authorizing the Bank to purchase 333,249 shares of common stock (63.5%) of Central National Bank and Trust Company of Des Moines, Iowa, from Bell at \$33 per share, or an aggregate of \$11,000,000. The Commission has issued an order (Release IC-4770) giving interested persons until December 16 to request a hearing thereon. According to the application, the companies are affiliated by virtue of the fact that Bell is 50.2%-owned by The Equity Corporation and the Bank owns 31.5% of the outstanding common stock of Financial General Corporation which is 15%-owned by Equity.

**NORTHWESTERN TERRA COTTA RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4771) declaring that Northwestern Terra Cotta Corporation, Chicago, Ill., has ceased to be an investment company as defined in the Act. According to the application, the holders of a majority of the company's voting securities recently approved a proposal that it change the nature of its business so that it would cease to be an investment company and authorized a new class of preferred convertible voting shares, part of which are to be used to acquire all of the outstanding shares of Sponge-Cushion, Inc. Sponge-Cushion is engaged in the manufacture and sale of sponge rubber padding for the carpet industry. On November 7, 1966, the company's total assets (other than Government securities and cash items) amounted to \$857,476, of which \$284,570, or 33.2%, was investment securities at market value with the balance consisting of real estate valued at \$572,906.

**INTERNATIONAL UTILITIES INVESTMENT RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4773) exempting International Utilities Investment Corp., New York, from all provisions of the act, subject to certain conditions. According to the application, the applicant was recently organized by International Utilities Inc. (IU Inc.), which in turn is a subsidiary of International Utilities Corporation (IU Corp.). The applicant was formed in order that IU Inc. could, for organizational and state tax reasons, transfer to the applicant its portfolio of investment securities prior to a merger between IU Inc. and one of its wholly-owned subsidiaries which is not an investment company. Following the transfer, the applicant will be engaged in purchasing, holding and selling investment securities of United States issuers. Applicant represents that it will not issue any securities (other than debt securities) to any person other than IU Inc. or IU Corp., and that, immediately following such transfer, applicant will have no outstanding debt securities except debt of IU Inc. to IU Corp. which will be assumed by applicant, although applicant may later issue debt securities which would not involve public offerings. In addition, IU Inc. will not dispose of any securities of applicant (other than debt securities) owned by it except to IU Corp. IU Corp., a Canadian resident corporation most of whose shareholders are Canadians, is primarily engaged in the distribution of gas and electricity, the operation of motor bus routes, the ownership, operation and chartering of oil tankers, bulk carriers and refrigerator ships, the operation of truck lines, and other activities.

**OHIO POWER SEEKS ORDER.** Ohio Power Company, an electric-utility subsidiary of American Electric Power Company, Inc., has applied to the SEC for an order under the Holding Company Act authorizing it to acquire from Ormet Generating Corporation all of the latter's interests in a steam electric generating station (Kammer Station) located on the Ohio River; and the Commission has issued an order (Release 35-15615) giving interested persons until December 19 to request a hearing thereon. According to the application, the Kammer Station consists of three steam electric generating units, two of which are owned by Ormet Generating and the other by Ohio Power. Other facilities at the station are owned severally and in common by these companies. The Kammer Station is operated by a wholly-owned subsidiary of Ohio Power, as joint agent for the owners. Ohio Power proposes to acquire all of Ormet Generating's interests in the station for a purchase price equal to the depreciated book cost of its facilities at December 31, 1966 (estimated to be \$36,800,000), plus the book costs, as of such date, for coal in stock and other stores. A master agreement between Ormet Corporation (the parent company of Ormet Generating) and Ohio Power provides that all of the electric power and energy requirements of Ormet Corporation's expanded facilities, which are to be completed in March 1967, will be provided by Ohio Power for a period of 25 years.

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**REALCO SHARES IN REGISTRATION.** Realco, Inc., One E. First St., Reno, Nev., filed a registration statement (File 2-25733) with the SEC on November 18 seeking registration of 500,000 shares of common stock. Of the shares being registered, 38,284 are outstanding and 53,506 have been purchased by subscribers but are unissued. The company is making an offer of rescission with respect to 25,643 of the unissued shares which were subscribed for at \$1 per share. According to the prospectus, the stock was purchased pursuant to a subscription agreement of April 3, 1963, the offering being limited to "residents of Nevada in reliance on the so-called intrastate exemption from Federal registration." In October, 1965, it was determined that the exemption was not available because certain persons who were continuing to make payments on the subscription contracts had moved from the State of Nevada. The shares being registered also include 170,200 shares which are reserved for issuance under said subscription agreement. The balance of the stock and any shares which are turned in for rescission are to be offered for public sale at \$1 per share through company officials.

Organized under Nevada law in 1963, the company proposes to construct and operate an apartment building; it has purchased real estate with improvements in Reno for this purpose. Of the net proceeds of its stock sale, \$229,000 will be used to discharge certain indebtedness and the balance will be applied toward the construction of the proposed apartment building. Don R. Eammell is president.

**GPU SEEKS ORDER.** General Public Utilities Corporation, New York, has applied to the SEC for an order under the Holding Company Act authorizing it to extend to February 15, 1970, the maturity date of outstanding notes of Laing Vortex, Inc., and to acquire an additional \$200,000 of Laing's 6% promissory notes, due 1968. The Commission has issued an order (Release 35-15614) giving interested persons until December 22 to request a hearing thereon. By a previous order, the Commission authorized GPU to acquire 50,000 common shares (50%) of Laing stock and its unsecured 6% three-year promissory note in the amount of \$230,000. The original filing stated that GPU would divest itself of its interest in Laing within three years after its acquisition thereof, unless an extension of not more than two years is granted by the Commission. The application states that the additional borrowings will be used by Laing to develop electric heating and air-conditioning products and to promote their manufacture for national marketing.

**TRANSITRON ELECTRONIC FILES FOR SECONDARY.** Transitron Electronic Corporation, 168 Albion St., Wakefield, Mass., filed a registration statement (File 2-25751) with the SEC on November 29 seeking registration of 110,000 shares of common stock. Of this stock, 55,060 shares are outstanding and the balance may be issued in connection with the company's acquisition of two companies. The present holder and/or recipients of the shares may offer the stock for public sale from time to time on the New York Stock Exchange at prices prevailing at the time of sale (\$13.50 per share maximum\*). No underwriting is involved.

The company is engaged in the business of developing, manufacturing and selling electronic components for commercial, industrial and military use. In addition to indebtedness, it has outstanding 7,714,576 common shares, of which management officials own 69%, including 33.3% owned by David Bakalar (president) 1/2. The selling stockholders are York Research Corp., which is offering 55,060 shares, and Bethcraft Corp., 20,740. York Research acquired its holdings in November 1966 in exchange for the business and assets of its Florida-Hindle Transformer Division. Pursuant to a Memorandum of Agreement, the 20,740 shares which are being registered on behalf of Bethcraft are to be issued to that company in exchange for all of its assets. Under the agreements, the company is obligated to issue stock to York Research having a value of \$742,764.29 and to Bethcraft having a value of \$280,000. It is obligated to issue additional shares if the proceeds realized from the sale of shares by the selling stockholders should be less than the specified contract purchase prices. 1/3 and 34.4% by Leo Bakalar (board chairman).

**SECURITIES ACT REGISTRATIONS.** Effective November 30: Commonwealth Edison Co., 2-25699; Lone Star Life Insurance Co., 2-24775 (Mar 1); Park Electrochemical Corp., 2-25463 (40 days).  
Effective December 1: Fiduciary Exchange Fund, Inc., 2-25299.  
Withdrawn November 30: Cincinnati Gas & Electric Co., 2-25587.

**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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