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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A.G.E. FUNDS FILES FOR OFFERING. A.G.E. Funds, Inc., 120 South La Salle Street, Chicago, filed a registration statement (File 2-19138) with the SEC on October 16th seeking registration of $3,000,000 of Co-Ownership Participations in the company's 1962 Exploration and Development Fund I, to be offered for public sale (without underwriting) in 600 units, at $5,000 per unit. Participations in the Fund are not assessable except for the intangible completion cost of test wells believed to have encountered commercial production, estimated not to exceed $1,250 per unit. The company will receive from the Fund an amount equal to 5% of all subscriptions and assessments thereon plus an estimated $12,500 for expenses in connection with this offering.

The company, a wholly-owned subsidiary of Alco Oil and Gas Corporation, will utilize the Fund during 1962 to acquire undeveloped gas and oil leases for the participants in the Fund and explore for gas and oil thereon. The company may close the Fund and commence Fund operations at any time after participations aggregating $200,000 or more have been subscribed. The Fund will be managed by Alco Oil which will receive an interest equal to 25% of the net working interest of the principals in each lease acquired for the Fund after pay-out of such lease. Alco Oil will also receive for its administrative overhead an amount equal to 10% of aggregate subscriptions to the Fund and assessments thereon and so long as Alco Oil is the operator of any lease an amount equal to 5% of direct costs of drilling, reworking and equipping any development well. The prospectus states that in July 1962 Alco Oil will acquire through merger all of Pecos Exploration Company's assets in exchange for Alco Oil stock. The prospectus further states that, in addition to producing properties, Pecos owns leases on 176,000 acres of undeveloped lands principally located in Arkansas and Texas. G. W. Breuer is listed as president of the company and of Alco Oil, and A. C. Allyn, Jr., as vice president of both companies.

TEXAS ELECTRO-DYNAMIC CAPITAL FILES FOR STOCK OFFERING. Texas Electro-Dynamic Capital, Inc., 1947 West Gray Avenue, Houston, filed a registration statement (File 2-19139) with the SEC on October 16th seeking registration of 250,000 shares of common stock, to be offered for public sale on an all or none basis through underwriters headed by Moroney, Beissner & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment. The registration statement also includes 25,000 shares underlying 30-day options granted to the underwriters, exercisable at the offering price only to cover over-allotments in the sale of the 250,000 shares.

Organized under Texas law in August 1961, the company is registered under the Investment Company Act of 1940 as a non-diversified, closed-end, management investment company, and expects to be licensed as a small business investment company under the Small Business Investment Act of 1958. Net proceeds from the stock sale will be used to furnish equity capital and make long-term loans to small businesses, principally those engaged in the development of scientific or technical instruments, services, or equipment for application in the electronics, chemical, petro-chemical, oil and gas, or other fields; to provide financial, advisory and management counseling services to such concerns; and for operating expenses.

The company has accepted subscription agreements providing for the issue of 27,869 shares of common stock, at $18 per share, of which Keith R. Beeman, president, and Richard R. Parker, executive vice president, will own 19.94% each.

RANTEC FILES FOR OFFERING AND SECONDARY. Rantec Corporation, 23999 Ventura Blvd., Calabasas, Calif., filed a registration statement (File 2-19140) with the SEC on October 16th seeking registration of 100,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by the present holders thereof. The offering will be made by Blyth & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development and manufacture of microwave components, sub-systems and test instruments, including antennas, multiplexers, ferrite devices and filters. These products are used principally in the fields of telemetry, radar, communication and navigation. The net proceeds from the company's sale of additional stock will be used to defray costs of construction of a new engineering, laboratory and administration building and additions to existing manufacturing facilities (estimated at a total of $385,000). The balance will be added to working capital.

The company has outstanding 389,118 shares of common stock, of which Robert Krausz, president, owns 13.7% and management officials as a group 44.4%. The prospectus lists 31 selling stockholders who own an aggregate of 374,736 shares and propose to sell 50,000 shares. Krausz proposes to sell 6,939 shares of 53,375 shares held; and Richard M. Link, a director, and Clark B. Millikan propose to sell 3,917 shares each of their holdings of 30,132 shares each. Others propose to sell amounts ranging from 122 to 3,624 shares.

OTTO BERNZ CO. FILES FOR OFFERING AND SECONDARY. Otto Bernz Company, Inc., 740 Driving Park Avenue, Rochester, N. Y., filed a registration statement (File 2-19141) with the SEC on October 16th seeking registration of 150,000 shares of Class A stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 shares, being outstanding stock, by the present holders thereof. The offering will be made on an all or none basis through underwriters headed by Reynolds & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

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The company's principal business is the manufacture of small expendable steel cylinders marketed under the trade name "Bernz-O-Matic" which are filled with slightly less than one pound of liquified petroleum gas (propane), together with various products which use these propane-filled cylinders as a source of heat, light and power. It also manufactures and markets garden sprinklers and other garden hose accessories, principally under the trade name "Green Spot." Of the net proceeds from the company's sale of additional stock, $350,000 will be used to reduce short term indebtedness to a bank, $150,000 for working capital, and the balance to finance the production and market development of the company's new portable refrigerator and a new garden sprinkler product.

Pursuant to a proposed reorganization to be effected by the company in December 1961, the 500,000 common shares now outstanding will be reclassified into a like number of Class A shares, and an offer will be made to such Class A holders to exchange their shares for newly authorized Class B shares on a share for share basis. Six stockholders have agreed to exchange their Class A shares for an aggregate of 394,850 Class B shares, leaving a total of 105,150 Class A shares outstanding prior to sale of the new 100,000 shares. Of such 394,859 Class B and 105,150 Class A shares to be outstanding, Sidney J. Reich, president, and Helene H. Reich, a director, will own 25,000 Class A shares each and propose to sell all such shares. In addition, they will own 41.2% and 27.7%, respectively, of the Class B shares, and management officials as a group 88.7%.

POLICY-MATIC AFFILIATES FILES FOR STOCK OFFERING. Policy-Matic Affiliates, Inc., 1001 15th Street, N.W., Washington, D. C., filed a registration statement (File 2-19142) with the SEC on October 16th seeking registration of 200,000 shares of capital stock, to be offered for public sale at $3.25 per share. The offering will be made on a best efforts basis by Balogh & Company, Inc., which will receive a $.325 per share commission and $12,500 for expenses. The registration statement also includes 35,000 shares underlying three-year options to be issued to the underwriter, exercisable initially at $3.25 per share. The company will also issue like options to Special Counsel for the purchase of 2,000 shares.

The company was organized under Delaware law in April 1961 as Policy-Matic Corporation of Pennsylvania and adopted its present name in May 1961. It proposes to engage in the business of leasing electrically operated insurance vending machines to general insurance agents for the sale of land travel accidental death and medical insurance policies which are underwritten by Beneficial Standard Life Insurance Company of Los Angeles, California or one of its subsidiaries. Policy-Matic Corporation of America (Atlanta), the developer, patent owner and distributor of the vending machine has granted the company exclusive franchises for the use of the trade name and trade mark "Policy-Matic," and the use and lease of the machines in certain territories. Under the franchise agreements, the company has agreed to purchase as needed not less than 3,900 machines within the next two years. The $585,000 estimated net proceeds from the stock sale will be used as reserve to purchase about 3,900 machines ($331,500), for advertising ($50,000), for costs of opening an office and selection of additional agents ($23,000), and for working capital for general corporate purposes ($155,000).

Upon organization, the company issued 150,000 capital shares to the promoters in consideration of organizational services, the transfer of franchises issued to promoters in consideration for services rendered cash disbursements approximating $14,570, and aggregate cash payments of $1,000. During the period from June 1 to August 17, 1961, the company sold an aggregate of 60,000 shares to a private group consisting of 13 persons at $1 per share. Of the 210,000 capital shares outstanding, George F. Harris, board chairman, George C. William, treasurer, and Gus Levathes, a director, own 17.09%, 19.47% and 12.73%, respectively. After the sale of new shares, present book value of 36¢ per share will be increased to about $1.55 per share.

BOSTON EQUITY EXCHANGE FUND SEEKS ORDER. Boston Equity Exchange Fund, Inc., Boston investment company, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-3335) giving interested persons until November 1st to request a hearing thereon.

NEW ENGLAND POWER FINANCING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-14532) authorizing New England Power Company, of Boston, to issue and sell at competitive bidding $20,000,000 of Series I First Mortgage Bonds due 1991. Net proceeds of the bond sale will be applied first to the payment of some $7,721,000 of outstanding 3¼% Series A first mortgage bonds due November 15, 1961, then to the payment of short-term notes then outstanding, and the balance will be used for capitalizable expenditures or to reimburse the company's treasury therefor. In the event the new bonds are not sold prior to maturity of the Series A bonds, the company proposes to issue $6,000,000 of notes to the First National Bank of Boston or to New England Electric System, its parent (of which $1,500,000 were previously authorized); and the proceeds of the notes and treasury cash would be used to discharge the Series A bonds.

GENERAL DEVELOPMENT FILES FOR SECONDARY. General Development Corporation, 2828 S.W. 22nd Street, Miami, filed a registration statement (File 2-19143) with the SEC on October 16th seeking registration of 61,500 outstanding shares of common stock, to be offered for public sale by the holders thereof through Allen & Company. The public offering price and underwriting terms are to be supplied by amendment.

The company's principal business is the development of large tracts of unimproved land into planned communities in which its offers for sale homesite lots, houses and commercial and industrial sites. In these communities, the company owns and operates the water, sewer and gas utilities and the major shopping centers. It is presently engaged in development activities in several locations within Florida, including three major developments, Port Charlotte on the west coast and Port St. Lucie and Port Malabar on the east coast, two smaller developments on the east coast and two smaller subdivision developments on the east coast. In addition to various indebtedness, the company has outstanding 6,561,256 shares of common stock, of which Chesler Operations, Inc. (wholly owned by Louis Chesler, a vice president as sole trustee for his children) owns about 15% and management officials as a group over 17%. Frank E. Mackle, Jr. is listed as board chairman and H. A. Yoars as president. The prospectus lists five selling stockholders, each of whom owns 20,133 shares.

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Laura G. Hooper proposes to sell 13,500 shares and the others 12,000 shares each. They acquired such shares in June 1961 in exchange for their stock in Hooper Construction Company.

MIDWESTERN INVESTMENT FILES FOR STOCK OFFERING. Midwestern Investment Corporation, 1730 K Street, N.W., Washington, D. C., filed a registration statement (File 2-19145) with the SEC on October 16th seeking registration of 200,000 shares of common stock, to be offered for public sale at $2 per share. The offering will be made on a best efforts basis by Affiliated Underwriters, Incorporated, which will receive a 20¢ per share selling commission and $7,000 for expenses. The company will issue to the underwriter five-year warrants to purchase 20,000 shares at $1.80 per share at the rate of one warrant for each ten shares sold.

Organized under District of Columbia law in April 1961, the company proposes to engage in the commercial finance and factoring business as well as in other financing procedures relative thereto. The $333,760 estimated net proceeds from the stock sale will be used principally for reserve for factoring and direct purchase of commercial paper, notes, contracts and accounts receivable ($220,000), and for certain other expenses and as a reserve for working capital and contigent fund.

The company has outstanding 144,000 shares of common stock (purchased by 17 persons at 50¢ per share), of which Dale O. Ross, a director, Marion L. Watkinson and Louis E. McMahan, president, own 10.41%, 13.88%, and 13.88%, respectively. The underwriter is controlled by Watkinson and McMahan. After the sale of the new shares, the 50¢ per share book value of outstanding stock will be increased to about $1.17 per share.

TRADING IN APEX MINERALS SUSPENDED. The SEC has issued an order under the Securities Exchange Act temporarily suspending trading in the common stock of Apex Minerals Corporation on the San Francisco Mining Exchange and the over-the-counter market, for a further ten-day period October 18 to 27, 1961,inclusive.

DONALD HINKLEY & CO. ENJOINED. The SEC Denver Regional Office announced October 11th (Lit-2122) the entry of a Federal court order (USDC, Colo.) permanently enjoining Donald J. Hinkley & Co., Inc., and Donald J. Hinkley from further violations of the registration and anti-fraud provisions of the Securities Act in the sale of stock of Dominion Granite & Marble Co. Ltd., as well as violations of the SEC net capital rule. William G. Berge was named receiver for the corporate defendant.

P. MICHAEL & CO. ENJOINED. The SEC New York Regional Office announced October 13th (Lit-2123) the entry of a Federal court order (USDC NJ) permanently enjoining P. Michael & Co., Patrick McClaren, Michael Favata and Frederick P. House, company officials, from further violating the Securities Act registration and anti-fraud provisions in the offer and sale of stock of National Telepix (Canada) Ltd.

RACING INCORPORATED FILES FOR STOCK OFFERING. Racing Incorporated, 21 North 7th Street, Stroudsburg, Pa., filed a registration statement (File 2-19146) with the SEC on October 16th seeking registration of 1,250,000 shares of common stock. Of such stock, 150,000 shares are to be offered for public sale (subject to the restriction that they not be re-sold before December 31, 1963) at $2 per share by management officials without commission. The remaining 1,100,000 shares are to be offered for public sale (without restriction) at higher prices (not more than $4 per share) by salesmen and dealers, who will receive a 60¢ per share commission.

The company was organized in 1957 to build and operate an automobile racing center in the Pocono Mountain vacation area of Pennsylvania, to be known as "Pocono Mountains International Raceway." The company expects to operate under that name. The Raceway is not in operation or under construction. According to the prospectus, the stock is being offered primarily as an opportunity to promote the sport of racing rather than as an opportunity for gains or profits. The $300,000 estimated proceeds from the sale of the first 150,000 shares will be used principally to purchase land now held under option (the aggregate option prices plus cost being estimated at $130,000), for certain expenses and for corporate purposes. Out of the proceeds from the sale of the remaining shares, $3 per share will be deposited in escrow with Philadelphia National Bank and the balance will be used to pay administrative expenses, to make payments in furtherance of the planning and promotion of the Raceway, and for other corporate purposes. The funds in escrow will be held until such time as the company has resources (including such funds, proceeds of the sale of any other securities, secured or unsecured borrowings and funds or commitments from any other sources) which are sufficient to justify embarking on Phase One of construction of the Raceway (estimated at $1,750,000 including working capital). Phase Two, which includes an extension of the course, a garage, office building and enlargement of seating capacity, is expected to cost an additional $2,050,000. If the escrow is not terminated by December 31, 1963, the funds will be returned, subject to rights of creditors, to shareholders.

Of the 916,536 shares now outstanding, 804,636 are held by management officials and members of their families, who organized and promoted the company and have invested $24,290.80 in its stock. David Montgomery, Jr., president, owns 72.3% of such outstanding stock.

SECURITIES ACT REGISTRATIONS. Effective October 17: The American Distilling Co. (File 2-18891); Baldwin-Montrose Chemical Company, Inc. (File 2-18452); The Black and Decker Manufacturing Co. (File 2-18678); Mortgage Guaranty Insurance Corp. (File 2-17187); Movie Star, Inc. (File 2-18660); The Narrow Fabric Co. (File 2-18711); Northern Natural Gas Co. (File 2-18852); Oklahoma Cement Co. (File 2-18848); Patent Resources, Inc. (File 2-18177); Premier Albums, Inc. (File 2-18592); Robins Industries Corp. (File 2-18580); The Stouffer Corp. (File 2-18853); Tri Metal Works, Inc. (File 2-18431); Water Industries Capital Corp. (File 2-18539).

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