

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D. C. 20549

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

In ordering full text of Releases from Publications Unit, cite number)
SEC

(Issue No. 68-140)

FOR RELEASE July 18, 1968

GOODBODY FUND SEEKS ORDER. Municipal Investment Trust Fund, Series K, a New York unit investment trust, has applied to the SEC under the Investment Company Act for exemption from the \$100,000 minimum net worth provisions of the Act; and the Commission has issued an order (Release IC-5437) giving interested persons until August 5 to request a hearing thereon. The Fund is one of a series of similar funds named "Municipal Investment Trust Fund"; it was organized pursuant to a Trust Agreement under which Goodbody & Co., Bache & Co. and Walston & Co., Inc., will act as Sponsors and the United States Trust Company of New York as Trustee. Pursuant to the Trust Agreement, the Sponsors will deposit with the Trustee between \$4,000,000 and \$6,000,000 principal amount of bonds and will receive from the Trustee registered certificates for between 4,000 and 6,000 units which, in turn, will be offered for public sale by the Sponsors.

SCUDDER FUND SEEKS ORDER. Scudder Dual-Purpose Exchange Fund, Inc., New York, 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-5438) giving interested persons until August 8 to request a hearing thereon. Scudder was organized for the purpose of operating as a tax free exchange fund. However, because of an amendment to the Internal Revenue Code, it is now impossible for Scudder to offer its shares to the public in exchange for securities in a nontaxable transaction. Its registration statement under the Securities Act has not become effective and has been withdrawn; it has neither offered nor issued any shares of its capital stock and does not propose to make any public offering; and it has never conducted the business of an investment company.

STATE BOND & MTGE. RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5439) with respect to the proposed merger of State Bank of New Ulm ("Bank") into a subsidiary of the State Bond and Mortgage Company ("Mortgage Company"), New Ulm, Minn. Mortgage Company proposes to organize a new bank, Winslow State Bank of New Ulm ("Winslow Bank"). Winslow Bank and Bank will be merged; and for each share of Bank stock the holders thereof will receive 4.7 shares of Mortgage Company stock. Shareholders of the Mortgage Company and of Bank have approved the merger.

FLETCHER SENTENCED. The SEC Chicago Regional Office announced July 12 (LR-4065) that David R. Fletcher of Salem, Ill., had received a two-year prison sentence on his plea of guilty to charges of violating the Securities Act registration provisions in the sale of Sail Oil Company stock.

CORDOVA SENTENCED. The SEC Chicago Regional Office announced July 15 (LR-4066) that Robert L. Cordova had received a six-month prison sentence on his plea of guilty to criminal contempt for wilful disobedience of a prior court order enjoining his sale of oil interests in violation of the Securities Act registration provisions.

LEEDS SHOES TRADING SUSPENSION CONTINUED. The SEC has issued an order under the Securities Exchange Act suspending over-the-counter trading in the securities of Leeds Shoes, Inc., for the further ten-day period July 19-28, 1968, inclusive.

UNLISTED TRADING SOUGHT. The SEC has issued orders (Release 34-8356) giving interested persons until August 1 to request a hearing upon applications of the Midwest Stock Exchange for unlisted trading privileges in the common stock of Northwest Industries, Inc., and of the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stock of Associated Baby Services, Inc.

CENTRAL BANKING SYSTEM PROPOSES OFFERING. Central Banking System, Inc., 301 Twentieth St., Oakland, Calif. 94612, filed a registration statement (File 2-29608) with the SEC on July 16 seeking registration of 200,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005; the offering price (\$26 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under Delaware law in November 1966, the company is a bank holding company; it acts as controlling stockholder of Central Valley National Bank (Oakland) and First National Bank of Fresno. Of the net proceeds of its stock sale, the company will use \$3,000,000 to repay a loan incurred primarily in connection with its acquisition of First National Bank of Fresno and \$500,000 to increase the capital of Central Valley National Bank by the purchase of additional shares of its authorized but unissued capital stock; the balance will be used in connection with the purchase of a portion of the outstanding capital stock of Livermore National Bank of Livermore, Calif. In addition to indebtedness, the company has outstanding 932,122 common shares, of which management officials as a group own 16.3%. Michael G. Rafton is board chairman and president.

OVER

FREQUENCY ELECTRONICS FILES FOR OFFERING AND SECONDARY. Frequency Electronics, Inc., Three Delaware Dr., New Hyde Park, N. Y. 11040, filed a registration statement (File 2-29609) with the SEC on July 16 seeking registration of 200,000 shares of common stock. Of this stock, 120,000 shares are to be offered for public sale by the company and 80,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Emanuel, Deetjen & Co., 120 Broadway, New York; the offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The ^{company} has agreed to sell the underwriter, for \$2,500, five-year warrants to purchase 25,000 common shares, exercisable initially at 107% of the public offering price.

The company designs and manufactures frequency and time control components, instruments and systems. These products are used in the fields of communications, guidance and navigation, time synchronization and computers, and have military, space and commercial applications. It will apply \$200,000 of the net proceeds of its sale of additional stock to the reduction of a \$700,000 note; the balance will be used as additional working capital. In addition to indebtedness, the company has outstanding 563,340 common shares (with a \$1.82 per share book value), of which Martin B. Bloch, president, owns 31.5%, and Kent M. Klineman, secretary, 10%. Bloch proposes to sell 23,609 of his holdings of 177,400 shares, Klineman 6,983 of 56,550 and fifty-three others the remaining outstanding shares being registered.

ESD CO. FILES FOR OFFERING AND SECONDARY. ESD Company, 435 Second Ave., San Diego, Calif., filed a registration statement (File 2-29610) with the SEC on July 17 seeking registration of 150,000 shares of common stock. Of this stock, 50,000 shares are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Mitchum, Jones & Templeton, Inc., 510 S. Spring St., Los Angeles, Calif. 90013; the offering price (\$16 per share maximum*) and underwriting terms are to be supplied by amendment. The company and selling stockholders have agreed to pay the underwriters \$5,000 for expenses.

The company is engaged in the wholesale distribution of a broad line of electrical supplies and equipment for both new construction and replacement use. It will apply the net proceeds of its sale of additional stock to the retirement of short term borrowings, incurred primarily for financing of inventories and receivables; the balance will be added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 380,052 common shares, of which Fred G. Goss, president, owns 32.4%, Sam L. Hall, board chairman, 30.6%, and Gene M. Cramer, executive vice president, 8.8%; management officials as a group own 95.6%. Goss and Hall propose to sell 38,037 shares each of their holdings of 123,124 and 116,096 shares, respectively, and three others the remaining outstanding shares being registered.

WINNEBAGO INDUSTRIES FILES FOR OFFERING AND SECONDARY. Winnebago Industries, Inc., Forest City, Iowa 50436, filed a registration statement (File 2-29611) with the SEC on July 17 seeking registration of 450,000 shares of common stock. Of this stock, 250,000 shares are to be offered for public sale by the company and 200,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Dean Witter & Co., 33 North Dearborn St., Chicago, Ill. 60602; the offering price (\$36 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures a broad line of recreational vehicles consisting principally of motor homes, travel trailers and camper coaches. It will use the net proceeds of its sale of additional stock for the acquisition and improvement of some 65 acres of land in Forest City, Iowa, and for constructing and equipping thereon a new motor home production complex (for which production is scheduled to begin in January 1969); the remainder will be utilized to provide additional working capital required to support the operation of the increased production facilities. In addition to indebtedness, the company has outstanding 2,774,200 common shares, of which John K. Hanson, president, his wife and children own 76.5% and management officials as a group 88.9%. Hanson proposes to sell 142,800 of his holdings of 1,816,928 shares and six others propose to sell the remaining outstanding shares being registered.

NUVEEN FUND PROPOSES OFFERING. Nuveen Tax-Exempt Bond Fund, Series 19, 209 S. LaSalle St., Chicago, Ill. 60604, filed a registration statement (File 2-29612) with the SEC on July 17 seeking registration of \$16,500,000 of units. The Fund is one of a series of investment companies created by the sponsor and underwriter, John Nuveen & Co. (Inc.), a wholly owned subsidiary of Nuveen Corporation; it consists of a diversified portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest from which, in the opinion of counsel for the sponsor, is exempt from all Federal income taxes under existing law.

INFOTEC PROPOSES OFFERING. Infotec, Inc., 22 Purchase St., Rye, New York 10580, filed a registration statement (File 2-29613) with the SEC on July 17 seeking registration of 250,000 shares of common stock. The shares are to be offered for public sale through First Investment Planning Company, 1500 Massachusetts Ave., N. W., Washington, D. C.; the offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to issue to the underwriter a three-year transferable warrant to purchase 20,000 common shares.

The company is primarily engaged in the design, development, manufacture and marketing of digital communications and computer peripheral equipment and systems, including supporting software. Of the net proceeds of its stock sale, the company will use \$180,000 for continued development and product improvement of its Data Station and terminal equipment, \$70,000 for development and improvement of its magnetic tape systems, \$115,000 to expand sales and marketing activities, including the addition of sales personnel, advertising and promotion and sales demonstration equipment, and \$110,000 for capital equipment; the balance will be added to working capital, of which \$150,000 will be required to finance currently needed increases in inventory. The company has outstanding 675,200 common shares, of which John P. Brogan, board chairman, owns 16.9% and management officials as a group 35.4%. Paul F. Seckendorf is president.

TAD'S ENTERPRISES FILES FOR OFFERING AND SECONDARY. Tad's Enterprises, Inc., 119 W. 42nd St., New York 10036, filed a registration statement (File 2-29614) with the SEC on July 17 seeking registration of 175,000 shares of common stock. Of this stock, 115,000 shares are to be offered for public sale by the company and 60,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Gregory & Sons, 40 Wall St., New York 10005, and Henry F. Swift & Co., 510 Montgomery St., San Francisco, Calif. 94111; the offering price (\$7 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to the Gregory and Swift firms, for \$150, five-year warrants to purchase 15,000 common shares.

The company is engaged principally in the operation of self-service restaurants under the trade name "Tad's Steaks." It will use the net proceeds of its sale of additional stock to repay certain indebtedness to Midland Capital Corporation, to retire short term bank loans incurred for general corporate purposes and to retire certain short term bank indebtedness incurred for purposes of purchasing meat; the balance will be added to working capital and will be available for general corporate purposes, including the possible development of new suburban and metropolitan restaurant operations. In addition to indebtedness, the company has outstanding 440,000 common shares, of which Neal Townsend, board chairman and chief executive officer, and Don Townsend, president, own 42.1% each and Midland Capital Corporation 15.3%. Neal and Don Townsend propose to sell 21,818 shares each of 220,000 shares held each and Midland Capital Corp. 16,364 of 80,000 shares held. Midland also owns a \$300,000 8% convertible debenture of the company, which it expects to convert into 85,000 shares of Class B stock and into 80,000 shares of common stock (of which 16,364 common shares are to be sold).

INVESTMENT FUNDING PROPOSES OFFERING. Investment Funding Corporation, Suite 410, White Station Tower Bldg., 5050 Poplar Ave., Memphis, Tenn. 38117, filed a registration statement (File 2-29615) with the SEC on July 17 seeking registration of \$3,500,000 of programs for the acquisition of mutual fund shares and life insurance. The programs propose that participants will purchase ^{both} mutual fund shares and life insurance policies.

Organized under Tennessee law in May 1968, the company and its wholly-owned subsidiary, Alpha Securities Corporation, will engage primarily in the sale of life insurance policies and mutual fund shares either separately or together in programs. The company has entered into an agreement to sell life insurance policies issued by National Trust Life Insurance Company of Memphis, Tenn.; and Alpha Securities Corp. has entered into brokerage agreements with the Keystone Custodian Funds, Inc., for the sale of mutual fund shares. The company is not itself an investment company and does not participate in any way in the management or supervision of the mutual funds sold in the programs. The company has outstanding 3,000 Class A common shares, of which Ward Sheffe, Jr., president, A. Dulaney Tipton, Jr. secretary-treasurer, and National Trust Life own 1,000 shares each. Pursuant to a stockholder agreement, Tipton will deliver to Sheffe his 1,000 shares under a Voting Trust Agreement for a period of three years wherein Sheffe will have the authority to vote the stock. The company has granted Sheffe three-year options to purchase 1,001 Class A shares at \$10 per share.

ENCODER RESEARCH PROPOSES OFFERING. Encoder Research & Development Corporation, 5 Rochester Court, Huntington, N. Y. 11743, filed a registration statement (File 2-29602) with the SEC on July 16 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$2.75 per share. The offering is to be made through Shaskan & Co., Inc., 67 Broad St., New York 10004, which will receive a 27-1/2¢ per share commission. The company has agreed to pay the underwriter \$8,250 for expenses and to sell it, for \$650, warrants to purchase 65,000 common shares, exercisable at \$2.75 per share.

Organized under New York law in January 1964, the company was formed for the purpose of developing and manufacturing shaft encoders, program switches, slip rings and other products for use in digital computers and automated systems utilizing electrical signals. However, to date, it has engaged only in the research and development of these products. Of the net proceeds of its stock sale, the company will use \$150,000 for sales, engineering and administrative expense, \$35,000 for research and development, and \$105,000 for equipment, leasehold and improvements; the balance will be added to working capital. The company has outstanding 1,030,000 common shares (with an \$.008 per share book value), of which Martin S. Arbonies, president, and Jack B. Speller, secretary, own 36.4% each. Upon completion of the offering, the present shareholders will own 65% of the outstanding common stock, which will then have a book value of 53¢ per share. This increase in the book value will be contributed by public investors who will suffer an immediate \$2.22 per share dilution from the initial public offering price of the stock.

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 3 News Digest.

		American Credit Corp	
		June 68 (7,13)	1-4491-2
Allied Stores Corp		Amco Inds Inc June 68 (12,13)	1-2866-2
June 68 (11,13)	1-970-2	Elizabethtown Water Co	
Arwood Corp June 68 (7)	1-5024-2	June 68 (3,12,13)	0-628-2
Baltimore Business Forms Inc		Sunray Dx Oil Co June 68 (3,11)	1-2379-2
June 68 (2,7,11,13)	0-2111-2	U S Steel Corp June 68 (7,13)	1-5153-2
GKM Co (Formerly) Gloray Knitting Mills Inc			
June 68 (2,11,13)	1-4593-2	Duffy Mott Co Inc June 68 (1)	1-4888-2
Gulton Inds Inc (a N J Corp)		Marine Midland Banks Inc	
June 68 (11,13)	1-4330-2	June 68 (13)	1-2940-2
Mercantile-Safe Deposit & Tr Co		Transnation Rlty Corp June 68 (11)	2-16190-2
June 68 (13)	0-388-2	Universal Cigar Corp	
		June 68 (2,3,13)	1-4974-2

Lilly-Tulip Cup Corp Nov 67 (4,13)	1-1223-2	Norfolk & Western Ry Co June 68 (3)	1-546-2
Narragansett Elec Co June 68 (11)	0-898-2	Textron Inc June 68 (11)	1-5480-2
United Elastic Corp June 68 (2,4,8,11,13)	1-4865-2	Navigation Computer Corp June 68 (11)	2-16601-2
Canadian Internat'l Power Co Ltd June 68 (7,11,13)	1-5299-2	Carpenter Steel Co June 68 (12)	1-2856-2
Curtiss-Wright Corp Apr 68 (11,12,13)	1-134-2	Northern Illinois Gas Co June 68 (7,11,12,13)	1-3821-2
Electronic Assistance Corp May 68 (11,13)	1-4338-2	Bristol-Myers Co June 68 (3,11)	1-1136-2
New Mexico & Arizona Land Co June 68 (11,13)	0-497-2	Commerce Bancshares Inc Apr 68 (11)	0-2989-2
West Virginia Pulp & Paper Co June 68 (13)	1-3013-2	General Portland Cement Co June 68 (13)	1-3438-2
McLean Trucking Co June 68 (12)	1-4093-2	Ritter Finance Co Inc June 68 (11,13)	1-4531-2
Nashua Corp June 68 (7,8)	1-5492-2	Royal School Laboratories Inc June 68 (11)	1-4551-2
National Capitol Life Ins Co Mar 68 (2,12,13)	2-22920-2	Gem Electronic Distributors Inc June 68 (3,11)	2-18757-2
Vornado Inc June 68 (11,13)	1-5098-2	Joy Mfg Co June 68 (7)	1-3156-2
Inland Steel Co June 68 (13)	1-2438-2	Merco Enterprises Inc June 68 (7,13)	0-2130-2
Beeline Fashions Inc Apr 68 (11,13)	0-2119-2	Santa Fe Internat'l Corp Amd #1 to 8K for May 68(11,12)	1-4827-2
Florida Power & Light Co June 68 (7)	1-3545-2	Matrix Corp June 68 (1,7,12,13)	0-3071-2
The Greater Nebraska Corp June 68 (2,13)	0-537-2	Agway Inc June 68 (7)	0-2011-2
MCA Inc June 68(4,7,8,11,13)	1-4243-2	Caribbean Cement Co Ltd (6K) for May 68	2-19155-2
Mohawk Data Sciences Corp May 68 (2,7,13)	1-5474-2	EDP Resources Inc June 68 (12,13)	2-27278-2
Yates-American-Machine Co June 68 (12,13)	1-2925-2	New England Elec System June 68 (12,13)	1-3446-2
G-L Inds Inc June 68 (12,13)	1-4987-2	New England Power Co June 68 (3)	0-1229-2
Global Marine Inc June 68 (7)	1-5471-2	Elcor Chemical Corp June 68 (11,13)	1-5341-2
Keebler Co June 68 (1)	1-236-1	Northern Indiana Public Serv Co June 68 (12)	1-4125-2
Loew's Theatres Inc June 68 (3,11)	1-4204-2	MacAndrews & Forbes Co June 68 (2)	1-1222-2
Public Service Elec & Gas Co June 68 (7,13)	1-973-2	J J Newberry Co June 68(11,13)	1-616-2
Resistoflex Corp June 68 (7)	1-4128-2	Multi-Amp Corp June 68 (7,10)	1-5545-2
Societe Du Pipe-Line Sud-Europeen (6K) for June 68	1-4627-2	Jayark Corp June 68(7,12,13)	2-18743-2
General Instrument Corp June 68 (11,13)	1-5442-2		
Internat'l Business Machine Corp May 68 (7)	1-2360-2		
KLM Royal Dutch Airlines (6K) for June 68	1-4059-2		
Nebraska Consolidated Mills Co June 68 (4,13)	0-1826-2		

SECURITIES ACT REGISTRATIONS. Effective July 17: Lafayette Funds, Inc., 2-28620 (90 days); Texaco Inc., 2-29542; TMR Appreciation Fund, Inc., 2-28266; Xerox Corp., 2-29570.

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.