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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MERRILL LYNCH FIRM, OTHERS CITED IN SEC ACTION. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the New York broker-dealer firm of Merrill Lynch, Pierce, Fenner & Smith, Inc., fourteen of its officers and salesmen and fifteen institutional investors. The Respondents are:

Merrill Lynch Respondents	Institutional Respondents
Merrill Lynch, Pierce Fenner & Smith, Inc.	Investors Management Co., Inc.
Winthrop Lenz, executive vice president	Madison Fund, Inc.
Gillette K. Martin, senior vice president	J. M. Hartwell & Co.
Julius H. Sedlmayer, vice president	J. M. Hartwell & Co., Inc.
Dean S. Woodman "	Hartwell Associates
George L. Shinn "	Park Westlake Associates
Archangelo Catapano "	Van Strum & Towne, Inc.
Edward N. McMillan "	Fleschner Becker Associates
Phillip F. Bilbao "	A. W. Jones & Co.
Norman H. Heindel, Jr. "	A. W. Jones Associates
Lee W. Idleman, salesman	City Associates
Lawrence Zicklin "	Fairfield Partners
James A. McCarthy "	Burden Investors Services, Inc.
Elias A. Lazor "	William A. M. Burden & Co.
Chester T. Smith, Jr. "	The Dreyfus Corporation

The proceedings are based upon ~~charges~~ allegations by the Commission's staff that the several respondents violated the anti-fraud provisions of the Exchange Act and the Securities Act of 1933 in connection with their activities in 1966 in the common stock of Douglas Aircraft Co., Inc. A hearing will be scheduled later to take evidence on the staff allegations and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature may be necessary or appropriate in the public interest.

More particularly, it is alleged by the staff (1) that the Merrill Lynch respondents during the period June 20-23, 1966, disclosed to certain institutional and other large customers certain non-public information about Douglas and its earnings (obtained in connection with a proposed underwriting of Douglas debentures); (2) that some of such customers thereafter sold from existing positions or effected short sales of Douglas stock prior to public disclosure of such information and without disclosure of the non-public information to any purchasers of such stock; and (3) that during such period the Merrill Lynch respondents effected on behalf of other customers purchases of Douglas stock without disclosure to them of such non-public information. It is further alleged by the staff that the Institutional respondents obtained the non-public information from the Merrill Lynch respondents and, thereafter, sold from existing positions or sold short Douglas stock prior to public disclosure of the information and without disclosing such information to the purchasers thereof.

According to the staff assertions, from April through July 1966, the Merrill Lynch firm was engaged in acting as prospective managing underwriter, and later managing underwriter, of a proposed Douglas offering of $75,000,000 of convertible debentures (Douglas' registration statement was filed June 7 and became effective July 12, 1966). On or about June 7, 1966, Douglas had released an earnings report reflecting 85¢ per share earnings for the five months ended April 30, 1966; subsequently, on or about June 24, it issued a news release in which it stated that its earnings for the six months ending May 31 were 12¢ per share and that in the opinion of management earnings for the full fiscal year ending November 30 would be nominal, if any.

The staff further asserts that, during the period June 17-22, Merrill Lynch by reason of its position as prospective managing underwriter learned that Douglas' six-month earnings would be sharply lower than those for the five-month period, that Douglas had sharply reduced its earnings estimates for the 1966 fiscal year and now expected to have little or no profit for the year, and that Douglas had substantially reduced its projections of earnings for its 1967 fiscal year. During the period June 20-23, the Merrill Lynch respondents disclosed the foregoing information to certain of its institutional and other large customers. Thereafter the Institutional respondents sold from existing positions or effected short sales of Douglas stock in amounts exceeding 190,000 shares, without the Merrill Lynch respondents or any of the Institutional respondents making any disclosures of the information to any of the purchasers of such stock. In connection with the aforesaid activities, Merrill Lynch received compensation in the form of customer-directed "give-ups" and commissions from the execution of securities transactions for such customers, certain of which had been conducting substantial brokerage business with Registrant during, before and after the time in which the activities occurred. Moreover, while making such non-public information available to certain customers, the Merrill Lynch respondents effected purchases of Douglas stock on behalf of certain other customers without disclosure to them of such information.

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REALTRONICS PROPOSES OFFERING. Realtronics of Denver, Incorporated, 1492 Ammons St., Denver, Colo. 80215, filed a registration statement (File 2-29951) with the SEC on August 23 seeking registration of 175,000 shares of common stock, to be offered for public sale at $3 per share. The offering is to be made through company officials (and possibly through securities dealers, who will receive an 8% commission). The company will sell to such securities dealers, at 1¢ per warrant and at the rate of one warrant for each ten shares sold, five-year warrants to purchase 17,500 common shares, exercisable at $3 per share.

The company was organized under Colorado law in August 1967 for the purpose of developing and then merchandising a computer system for boards of realtors which enables members to automatically store and retrieve information about multiple listings and aids them in performing various aspects of their daily operations. Of the net proceeds of its stock sale, the company will use $90,000 for operating expenses, $208,500 for down payments on equipment purchased for resale, $50,000 for marketing and promotion and $50,000 for research and development; the balance will be used for general corporate purposes. The company has outstanding 459,695 common shares, of which Robert S. Seserman, president, owns 22.1%, and Financial Corporation of America and Acoustic Chemical Corp. 28.4% each (the latter corporations are controlled by Ben Eisenberg, president of both companies). Upon completion of this offering, the purchasers of the shares being registered will own 28% of the outstanding common stock, for which they will have paid $525,000, while the present stockholders will own 72%, for services, disbursements and cash in the sum of $44,500, assets having a depreciated cost of $4,726.80, and securities having a market value at time of transfer of $355,000.

INPUT, INC. PROPOSES OFFERING. Input, Inc., 500 Old Elm Road, Highland Park, Ill. 60035, filed a registration statement (File 2-29952) with the SEC on August 23 seeking registration of 100,000 shares of common stock and 100,000 common stock purchase warrants, to be offered for public sale in units, each consisting of one common share and one warrant, and at $6 per unit. The offering is to be made on an "all or none--best efforts" basis through Alessandrini & Co., Inc., 11 Broadway, New York, which will receive a 60¢ per share selling commission. The company has agreed to pay the underwriter up to $8,000 for expenses and to issue to it a five-year option to purchase 7,500 units, exercisable at $1 per unit.

The company is engaged in offering services to clients in the data processing field; to date, it has concentrated primarily on the development of the operational capabilities of its three areas of services. Of the net proceeds of its stock sale, the company will use $75,000 to retire notes, $150,000 for marketing campaign and sales force, $50,000 for research and development, and $125,000 for additional working capital; the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 300,000 common shares (with a 24¢ per share book value), of which Irwin Schier, president, owns 33-1/3%, Allan R. Koretz and John E. Koretz, directors 12-2/3% each and Adams Street Capital Incorporated 15%; management officials as a group own 71-2/3%. Upon completion of this offering, the present shareholders will own 75% of the outstanding common stock, with a $71,155 aggregate book value and for which they paid $28,000, while the purchasers of the shares being registered will own 25%, for which they will have paid $590,000.

OAKITE PRODUCTS FILES FOR SECONDARY. Oakite Products, Inc., 50 Valley Road, Berkeley Heights, N. J. 07922, filed a registration statement (File 2-29953) with the SEC on August 23 seeking registration of 260,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004; the offering price ($25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells a wide range of proprietary chemical products formulated and blended primarily to meet specialized industrial needs. Its products are used for cleaning both for maintenance purposes and for the treatment of metal and other surfaces as integral phases of manufacturing processes. It has outstanding 1,765,370 common shares, of which management officials as a group own 3.8%; David S. Ball, a director emeritus and one of the selling stockholders, and a trust under which he is beneficiary, owns 11.3%. Robert P. Jones is president. Names of the other selling stockholders are to be supplied by amendment.

OFFSHORE/SEA DEVELOPMENT PROPOSES OFFERING. Offshore/Sea Development Corporation, 99 Nassau St., New York 10038, filed a registration statement (File 2-29955) with the SEC on August 23 seeking registration of 150,000 shares of common stock, to be offered for public sale at $5 per share. The offering is to be made through Charles Plohn & Co., 200 Park Ave., New York 10017, which will receive a 50¢ per share commission. The company has agreed to pay the underwriter $7,500 for expenses plus up to $7,500 as fees of its counsel.

The company was organized under New York law in May 1968 by its president and principal shareholder, Cyrus Adler, for the purpose of engaging in certain aspects of oceanography and marine technology, including the development of products in these fields. Adler has transferred to the company his patent rights to a device for measurement and recording of ocean wave characteristics (the "Spider"), and to a system for the emplacement of large-diameter subaqueous pipe. Of the net proceeds of its stock sale the company will apply $200,000 to the preliminary design and stress analysis of large-diameter subaqueous pipe, $210,000 to the development of acquaculture systems and $110,000 to the development of the Spider and other oceanic instruments; the balance will be used for general corporate purposes. The company has outstanding 157,501 common shares (with a 54¢ per share book value), of which Adler owns 36.6%. Upon completion of this offering, the present stockholders will own 51.2% of the outstanding common shares, for which they contributed $90,002 plus certain patent rights, while the purchasers of the shares being registered will own 48.8%, for which they will have contributed $750,000.

BASE TEN SYSTEM PROPOSES OFFERING. Base Ten Systems, Inc., Route 1, Rd. 2, Box 248, Monmouth Junction, N. J. 08852, filed a registration statement (File 2-29956) with the SEC on August 23 seeking registration of 100,000 shares of common stock, to be offered for public sale at $6 per share. The offering is to be made through Gianis & Co. Inc., 44 Wall St., New York 10005, which will receive a 60¢ per share commission. The company has agreed to pay the underwriter $15,000 for expenses and to sell it, for $150, five-year warrants to purchase 15,000 common shares, exercisable initially at $6 per share.

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Organized under New Jersey law in January 1966, the company is engaged in the design, development, manufacture and sale of telemetry products. (Telemetry is said to be a technique by which measurements and data are collected and transmitted from a remote to a local station for automatic data reduction or computer processing). All of the company's sales to date have been either directly to the government or to companies engaged in government programs. Of the net proceeds of its stock sale, the company will use $55,000 to retire outstanding bank loans and $100,000 for research and development of hybridized circuitry and creation of new product designs in semiconductor technology; the remainder will be added to working capital and used for general corporate purposes. The company has outstanding 150,239 common shares (with a 58¢ per share book value), of which Myles M. Kranzler, president, owns 33%, William M. Errickson, treasurer, 14% and James A. Eby, chief engineer, 11%. Upon completion of the offering, the promoters of the company will own 35% of the outstanding common shares, for which they paid $51,000 and present minority stockholders will own 25%, for which they paid $196,645 and services valued at $7,450 while the purchasers of the shares being registered will own 40%, for which they will have paid $600,000.

GRANITE LEASING PROPOSES OFFERING. Granite Equipment Leasing Corp., 500 Old Country Road, Garden City, L.I., N.Y. 11530, filed a registration statement (File 2-29957) with the SEC on August 23 seeking registration of 400,000 shares of common stock and warrants to purchase 80,000 common shares, to be offered for public sale in 80,000 units, each consisting of five common shares with a warrant to purchase one additional common share. The offering is to be made through underwriters headed by E. F. Hutton & Company, Inc., 61 Broadway, New York 10006; the offering price ($275 per unit maximum*) and underwriting terms are to be supplied by amendment.

The company is a diversified leasing organization concentrating in both "third-generation" computers and industrial equipment. In addition, it is engaged in computer programming and systems design, educational training in computer programming and systems engineering, developing real-time and commercial service bureau computer applications, re-marketing of unit record and other data processing equipment and providing transportation services. The company will use $8,900,000 of the net proceeds of its stock sale to repay short-term bank loans made to purchase computers; the balance initially will be added to working capital and subsequently will be used primarily to provide the equity portion of the purchase price of additional third-generation computers to be leased. The company has outstanding 1,282,212 common shares, of which Jack P. Miner, board chairman, owns 11.3%, Sam Sivakoff, a director, 9.6% and management officials as a group 30.9%.

PRODUCTS RESEARCH FILES FOR SECONDARY. Products Research & Chemical Corporation, 2919 Empire Ave., Burbank, Calif. 91504, filed a registration statement (File 2-29959) with the SEC on August 26 seeking registration of 150,000 outstanding shares of common stock. The shares are to be offered for public sale by the holders thereof through underwriters headed by Lazard Freres & Co., 44 Wall St., New York 10005; the offering price ($45 per share maximum*) and underwriting terms are to be supplied by amendment. The statement also relates to 6,000 outstanding common shares which may be offered for sale from time to time by Lazard Freres at prices current at the time of sale.

The company develops and manufactures specialized chemical sealants and coatings designed to withstand various types of stress and temperature extremes and to meet critical customer requirements in a number of industries. It has outstanding 1,484,998 common shares, of which George Gregory, board chairman and president, owns 9.6% and management officials as a group 18%. Gregory proposes to sell 40,000 shares of 143,232 shares held, John W. Quinn, Sr., Carroll G. Quinn and Quinn Trusts 30,000, 45,620 and 19,380 shares, respectively, of 72,333, 91,981 and 38,936 shares held, respectively, and two others the remaining shares being registered.

WHITE EAGLE INTERNATIONAL PROPOSES RIGHTS OFFERING. White Eagle International, Inc., 1701 Gaskell Ave., Erie, Pa. 16503, filed a registration statement (File 2-29961) with the SEC on August 26 seeking registration of 255,750 shares of common stock, to be offered for subscription by common stockholders. The record date, subscription rate and subscription price ($4 per share maximum*) will be supplied by amendment. The company will pay securities dealers who assist in solicitation of acceptances of the offer a 25¢ per share commission. Small Business Investment Company of New York, Inc. (S.B.I.C.), the holder of 28.2% of the company's outstanding common stock, has agreed to exercise its rights and, in addition, if all the shares offered are not sold, to lend to the company an amount equal to the purchase price of the shares not sold less the maximum commissions otherwise payable in connection with the sale.

The company through its subsidiaries is engaged in the manufacture of plastic products. It will use an unspecified amount of the net proceeds of its stock sale to purchase additional presses and related equipment (two thirds of which cost it will be able to finance); the balance will be used for working capital. In addition to indebtedness, the company has outstanding 993,000 common shares; S.B.I.C. owns 28.2% plus warrants to purchase an additional 300,000 common shares. Edward J. Bermingham, Jr., is board chairman and Olin R. Prather president; Bermingham is also board chairman of S.B.I.C.

PATRICK PLYWOOD FILES FOR OFFERING AND SECONDARY. Patrick Plywood Enterprises, Inc., 1930 West Lusher Ave., Elkhart, Ind. 46514, filed a registration statement (File 2-29962) with the SEC on August 26 seeking registration of 250,000 shares of common stock. Of this stock, 125,000 shares are to be offered for public sale by the company and 125,000 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Gregory & Sons, 40 Wall St., New York 10005; the offering price ($14 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Gregory firm, for $250, three-year warrants to purchase 25,000 common shares; the Gregory firm, in turn, will assign to RES Corporation 7,000 of the warrants as a finder's fee.

The company is engaged principally in the business of buying pre-finished plywood paneling, tileboard, hardboard, insulation and other materials, generally in carload or truckload quantities, from supply sources and then warehousing and reselling the materials, usually delivered by company-operated truck, to manufacturers of mobile homes. Of the net proceeds of its sale of additional stock, the company will use $600,000 to repay current bank loans incurred for working capital purposes, $200,000 to repay an unsecured 6% promissory note to

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a major supplier, and $150,000 for the purchase of tractors, trailers and other equipment; the balance will be added to working capital and may be used for establishment of additional branches. In addition to indebtedness, the company has outstanding 422,400 common shares (with a $1.16 per share book value), of which Mervin D. Lung, president, owns 95%; he proposes to sell 125,000 shares of 401,280 shares held.

MILES LABORATORIES SEEKS ORDER. The SEC has issued an order giving interested persons until September 23, 1968, to request a hearing upon an application of Miles Laboratories, Inc., of Elkhart, Ind., for an order under the Trust Indenture Act of 1939 finding that the trusteeship of First National City Bank under a 1960 trust indenture and under a new "1968 Indenture" is not so likely to involve a material conflict of interest as to require disqualification of First National from acting as trustee under such indentures.

As of July 31, 1968, there were outstanding $2,251,900 of 4-3/4% convertible subordinated debentures due 1980 issued by Miles Laboratories under the 1960 indenture. Its wholly-owned subsidiary, Miles International Inc., has issued and sold under the 1968 indenture $15,000,000 of 4-3/4% subordinated guaranteed convertible debentures due 1993, guaranteed by Miles Laboratories. The 1960 indenture and the 1968 indenture are wholly unsecured. According to the application, all debentures issued under the 1960 Indenture rank equally with the guarantee by the company of the new debentures. The indentures differ as to the issuance of coupon debentures, qualification under the Act, redemption provisions, maturity dates, conversion features, provision relating to sinking fund, conversion and other matters. The application asserts that such differences as exist between the 1960 indenture and the 1968 indenture are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify First National from acting as trustee under either of said indentures.

JERSEY CENTRAL POWER & LIGHT SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16148) giving interested persons until September 17 to request a hearing upon the proposal of Jersey Central Power & Light Company, Morristown subsidiary of General Public Utilities Corp., to issue and sell $26,000,000 principal amount of first mortgage bonds, due 1998, at competitive bidding. Net proceeds of its bond sale will be used to finance Jersey Central's business as a public utility, including the reimbursement of its treasury for construction expenditures prior to January 1, 1968, and the payment of a portion of some $29,500,000 of outstanding short-term bank loans. Construction expenditures for 1968 are estimated at $57,000,000.

CENTRAL INDIANA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16149) authorizing Central Indiana Gas Company, Inc. ("Central Indiana"), a subsidiary of American Natural Gas Company ("American Natural"), to acquire substantially all the assets of Pendleton Natural Gas Company ("Pendleton"). In consideration for such purchase, American Natural will issue and deliver to Pendleton 10,000 shares of its $10 par common stock; and Central Indiana, in turn, will issue and deliver 190 shares of its $100 par common stock to American Natural and will assume all of Pendleton's liabilities. Pendleton will then be liquidated, and the American Natural shares will be distributed to its stockholders. Pendleton is a public utility company which distributes natural gas in Pendleton and certain other communities located principally in Madison County, Ind.; it is substantially surrounded by the service area of Central Indiana.

CONSOLIDATED GAS SUPPLY SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16147) giving interested persons until September 18 to request a hearing upon a proposal of Consolidated Gas Supply Corporation, a wholly-owned subsidiary of Consolidated Natural Gas Company, to acquire $51,000 of 8% promissory notes to be issued by Town & Country Villages of Bridgeport, Inc. Town & Country was organized under West Virginia law in April 1968 for the purpose of acquiring a 53-acre tract of land in Harrison County and developing it as a residential area.

TWO TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in the securities of BSF Company and Leeds Shoes, Inc., for the further ten-day period August 28 to September 6, 1968, inclusive.

SECURITIES ACT REGISTRATIONS. Effective August 26: Cal Tica, Inc., 2-27995 (90 days); Cleary Funds Inc., 2-29247 (Nov 26); The Deltona Corp., 2-29440 (40 days), Levin-Townsend Computer Corp., 2-29419; New Dimensions in Education, Inc., 2-29122 (90 days).

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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