

# 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.

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SEC

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FOR RELEASE November 13, 1968

**EATON HOWARD FUND SEEKS ORDER.** Eaton & Howard Stock Fund, Boston mutual fund, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposed purchase of Henselmeier Building Co.; and the Commission has issued an order (Release IC-5538) giving interested persons until November 29 to request a hearing thereon. Henselmeier is an investment company all of whose stock is owned by two individuals. The said Stock Fund proposes to issue its securities at their net asset value in exchange for substantially all of the assets of Henselmeier (with a September 5 stated value of \$106,550). Had the transaction occurred on that date, the Stock Fund would have issued 6,155 shares therefor. Shares so issued will be distributed to the stockholders of Henselmeier following the sale of its assets and subsequent liquidation.

**NUVEEN FUND SEEKS ORDER.** Nuveen Tax-Exempt Bond Fund, Series 20, of Chicago, has applied to the SEC for an exemption from the net worth provisions of Section 14(a) of the Investment Company Act; and the Commission has issued an order (Release IC-5539) giving interested persons until November 29 to request a hearing thereon. The Fund is the 20th in a series of funds sponsored by John Nuveen & Co. The sponsor will deposit a minimum of \$10,000,000 of municipal bonds with United States Trust Company, as Trustee, and receive in exchange therefor certificates of undivided interest in the Bond Fund, which certificates will be offered for public sale pursuant to a Securities Act registration statement.

**REAL SILK HOSIERY MILLS SEEKS ORDER.** Real Silk Hosiery Mills, Inc., Indianapolis, Ind., an Illinois corporation and a closed-end non-diversified investment company, has applied to the SEC for an order under the Investment Company Act permitting it to repurchase shares of common stock from dissenting stockholders in connection with a proposed change in its state of incorporation to be effectuated by a merger into a wholly-owned Indiana subsidiary; and the Commission has issued an order (Release IC-5540) giving interested persons until November 29 to request a hearing thereon. The merger was proposed by the company's board of directors to obtain certain tax savings and other benefits. It is to be voted upon by shareholders at a special meeting scheduled for November 20.

**MICHIGAN CONSOLIDATED GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16204) authorizing Michigan Consolidated Gas Company, Detroit subsidiary of American Natural Gas Company, to issue and sell at competitive bidding \$31,000,000 of first mortgage bonds, due 1993. The net proceeds thereof will be used primarily for the redemption of \$30,837,000 of outstanding bonds.

**LOUISIANA POWER SEEKS ORDER.** Peoples Utilities, Inc., an electric utility subsidiary of Louisiana Power & Light Company, New Orleans subsidiary of Middle South Utilities, Inc., has joined with its parent in the filing of an application with the SEC under the Holding Company Act with respect to the proposed purchase by Louisiana Power of the assets of Peoples Utilities; and the Commission has issued an order (Release 35-16205) giving interested persons until December 2 to request a hearing thereon. Pursuant to an October 1966 order of the Commission, Louisiana Power purchased all of the outstanding stock of Peoples Utilities; that acquisition contemplated the later purchase by Louisiana Power of the assets of Peoples Utilities and the liquidation of the latter, which are the subject of the present application. To effect the liquidation of Peoples, Louisiana will acquire all the rights and assets of Peoples and will surrender for cancellation the outstanding common stock of Peoples and two outstanding notes totaling \$3,765,952.21 and assume all other liabilities of Peoples. Louisiana Power requests that following the transfer of such assets and assumption of obligations, the Commission issue an order under Section 5(d) of the Act terminating its registration as a holding company.

**STANDARD GAS FINAL DISTRIBUTION PROPOSED.** Standard Gas and Electric Company, New York holding company, has filed a proposal with the SEC under the Holding Company Act for the final distribution of its remaining assets, consisting of cash in the amount of about \$3,000,000; and the Commission has issued an order (Release 35-16206) giving interested persons until December 2 to request a hearing thereon. Various steps in Standard Gas' liquidation and dissolution were heretofore approved by the Commission as necessary to effectuate compliance with the Holding Company Act. As a final step in its liquidation, Standard Gas will distribute \$1.20 per share to its common stockholders, or a total of \$2,594,670. Subsequently, after payment of liabilities or making provision therefor, the balance will be distributed.

**TOP NOTCH URANIUM AND MINING SUSPENSION CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the securities of Top Notch Uranium and Mining Corporation for the further ten-day period November 14-23, 1968, inclusive.

**ESKOW & MACKENSEN GUILTY.** On November 5, a Federal court jury in New York City returned a verdict of guilty against Gerald W. Eskow, former president of Yale Express Systems, Inc., and Fred H. Mackensen, the former vice-president, on charges of violating the mail fraud statute in the issuance of fraudulent financial statements of Yale Express (LR-4155).

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**MIDLAND SECURITY, SANDIDGE ENJOINED.** The SEC Denver Regional Office announced November 7 (LR-4156) that the U. S. District Court in South Dakota had issued an order of permanent injunction against violations by Midland Security, Inc. and Donald P. Sandidge of the Commission's Rule 15c2-4, relating to the prompt transmission to the person entitled thereto of money received by any broker-dealer in connection with underwritings, and Rule 15c3-1, relating to broker-dealers' net capital. The defendants consented to the injunction, but without admitting the violations.

**RIX CORP. FILES FOR OFFERING AND SECONDARY.** Rix Corp., 84 Rowe St., Newton (Auburndale Section), Mass. 02166, filed a registration statement (File 2-30672) with the SEC on November 6 seeking registration of 200,000 shares of common stock, of which 40,000 are to be offered for public sale by the company and 160,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101; the offering price (\$14.50 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Dempsey-Tegeler firm, for \$1,000, five-year warrants to purchase 10,000 common shares, exercisable initially (after one year) at 107% of the public offering price.

The company through subsidiaries operates 24 retail discount health and beauty aid stores, 32 retail health and beauty aid departments in discount stores, and 4 pharmacy departments. In addition, the company sells its product line at wholesale, primarily to chain discount department stores. Net proceeds of its sale of additional stock will be used in connection with the opening of additional stores and departments as opportunities arise and for carrying of additional inventory, and in the interim may be used to reduce temporarily short-term indebtedness. In addition to indebtedness, the company has outstanding 600,000 common shares, of which Richard L. Weinberg, president, owns 50%, Morgan's Inc., 36-2/3%, and Abner Cohan and Sidney B. Rogal, directors, 6% each. Weinberg proposes to sell 80,000 shares of 300,000 shares held, Cohan and Rogal all of 36,000 shares held each and two others the remaining shares being registered.

**MASS. MUTUAL FUND PROPOSES OFFERING.** Massachusetts Mutual Variable Annuity Fund 1, 1295 State St., Springfield, Mass. 01101, filed a registration statement (File 2-30696) with the SEC on November 8 seeking registration of \$20,000,000 of variable annuity contracts, to be offered for public sale by Massachusetts Mutual Life Insurance Company. The individual variable annuity contracts are designed for qualified plans described in Section 401(a) or Section 403(a) of the Internal Revenue Code, including plans established by persons entitled to the benefits of the Self-Employed Individuals Tax Retirement Act of 1962, as amended ("H.R. 10 plans" or "Keogh plans"). They are also designed for annuity purchase plans which meet the requirements of Section 403(b) of the Internal Revenue Code ("tax-deferred annuity plans") adopted by public school systems and certain tax-exempt organizations meeting the requirements of Section 501(c)(3) of the Code. Massachusetts Mutual Life, investment manager of the Fund, established the Fund as a separate investment account. A. Peter Quinn, Jr., is chairman of the board of managers of the Fund and vice president and general counsel of Massachusetts Mutual Life.

**WESTCOAST PRODUCTION TO SELL STOCK.** Westcoast Production Co. Ltd., 310 Ninth Ave. S.W., Calgary, Alberta, Canada, filed a registration statement (File 2-30698) with the SEC on November 8 seeking registration of 2,400,000 shares, of which 1,920,000 shares are to be offered for public sale in the United States and 480,000 in Canada. The offering is to be made in the U.S. through underwriters headed by Eastman Dillon, Union Securities & Co., 570 Broad St., Newark, N. J. 07201, and in Canada through underwriters headed by Nesbitt Thomson Securities Limited, 355 St. James St. West, Montreal, Que. The offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment. The company is engaged in the exploration and development of oil and gas interests in properties in the Peace River Area of British Columbia and Alberta and the production and sale of oil and natural gas, including such by-products as sulphur, liquid petroleum gas ("LPG") and pentanes and heavier liquids ("Pentanes-Plus"). Of the net proceeds of its stock sale, the company will use 50% for land acquisition and rentals, 30% for exploratory drilling, 15% for geological and geophysical survey and study and 5% for miscellaneous. In addition to indebtedness, the company has outstanding 1,616,875 shares, all owned by Westcoast Transmission Company Limited; company officials own 6.2% of the outstanding shares of Westcoast Transmission. Frank Murray McMahon is board chairman and Donald Edward Anderson president.

**UNION ELECTRIC TO SELL STOCK.** Union Electric Company, One Memorial Drive, St. Louis, Mo. 63166, filed a registration statement (File 2-30700) with the SEC on November 8 seeking registration of 2,400,000 shares of common stock, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., Lehman Brothers, 1 William St., and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., all of New York. The offering price (\$22 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 to retire, in part, some \$67,000,000 of short-term bank loans and borrowings represented by commercial paper, incurred to meet in part the cost of additions to its property and plant during 1968 to date, to finance the cost of continuing additions to its property and plant and for other corporate purposes. Construction expenditures are estimated at \$127,000,000 for 1968 and at \$151,000,000 for 1969.

**EXOTECH TO SELL STOCK.** Exotech Incorporated, 12601 Twinbrook Parkway, Rockville, Md. 20852, filed a registration statement (File 2-30701) with the SEC on November 8 seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by Wheat & Co., Inc., 801 E. Main St., and Mason-Hagan, Inc., 830 E. Main St., both of Richmond, Va. The offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the production of infrared and electro-optical systems for space and military applications, research and development in the area of high velocity liquid jet technology, and the providing of services in systems analysis and technology planning. Of the net proceeds of its stock sale, the company will use \$698,000 as additional working capital (\$200,000 of which may be allocated for development of new products in the Hydromechanics and Instrumentation and Control Division) and the balance for capital equipment additions. The company has outstanding 328,380 common shares, of which Carter C. Chinnis, a director, owns 21.74%, William C. Cooley, president and board chairman, 15.99% and Samuel Schaikowsky, vice president, 12.63%.

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**DIAMOND STATE TELEPHONE TO SELL DEBENTURES.** The Diamond State Telephone Company, One Parkway, Philadelphia, Pa. 19102, filed a registration statement (File 2-30704) with the SEC on November 12 seeking registration of \$10,000,000 of debentures, due 2008, to be offered for public sale through competitive bidding. A subsidiary of AT&T and an associate of the Bell System, the company will apply the net proceeds of its debenture sale toward repayment of some \$14,000,000 of advances from AT&T, obtained for general corporate purposes, including construction.

**NEWPORT FUND PROPOSES OFFERING.** Newport Fund, Inc., 6th and Olive Sts., Los Angeles, Calif., filed a registration statement (File 2-30706) with the SEC on November 12 seeking registration of 5,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum\*) plus a sales charge of 8-1/2% on purchases under \$25,000. The Fund was organized under Delaware law in October 1968 as a diversified open-end investment company. Shareholders Management Company, a wholly-owned subsidiary of Shareholders Capital Corporation, is the investment adviser and underwriter. Douglas B. Fletcher, president of the Fund, owns 26% of the outstanding stock of Shareholders Capital Corp., and Fred Carr, and Myron D. Winkler, vice presidents of the Fund, own 17% and 15%, respectively; all are also officers of the investment adviser and of its parent.

**STOCK PLANS FILED.** The following companies have filed Form S-8 registration statements proposing the offer of stock under employee stock option and similar plans:

Tensor Corporation, Brooklyn, N. Y. (File 2-30690) - 10,000 shares  
Talcott National Corporation, New York 10019 (File 2-30691) - 79,240 shares  
Mid-Continent Telephone Corporation, Elyria, Ohio (File 2-30697) - 100,000 shares  
Lincoln Consolidated, Inc., Houston, Tex. 77002 (File 2-30702) - 79,668 shares

**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 "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 November 1 News Digest.

Allied Artists Pictures Corp Sept 68(6)	1-2965-2	Harvey Radio Co Inc Oct 68(2,7,13)	1-4626-2
Air Inds Corp Barton's Candy Corp Cinema V Distributing Inc Sept 68(2,7)	Oct 68(11,13) Jul68(3,7) 2-29512-2	0-3258-2 1-4281-2	North American Acceptance Corp Oct 68(11,12) 2-29775-2
Greater Iowa Corp Fields Plastics & Chemicals Inc Oct 68(11)	Oct 68(12,13) 1-4675-2	0-1403-2	The Commodore Corp General Signal Corp Oct 68(8)
Coronet Inds Inc Oct 68(11,13)	1-4889-2	Ortronix Inc Amd #1 to 8K for Jul 68(1,7)	1-996-2 0-1703-2
		Genisco Technology Corp Amd #1 to 8K for Jul 67(4,7,13) Amd #1 to 8K for Jun 68(7,13)	1-4853-2 1-4853-2

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended November 7, 1968, 49 registration statements were filed, 53 became effective, and 999 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective November 12: Boston Edison Co., 2-30491; California Medical Centers, 2-29655 (Feb 10); Falcon Seaboard Drilling Co., 2-29744; Gamble-Skogmo, Inc., 2-29684 (40 days); Heath Tecna Corp., 2-27187; Petro-Lewis Fund/68, 2-30556 (90 days); Mississippi Power Co., 2-30543 (Dec 30); Northeast Airlines, Inc., 2-29745 (40 days); Revenue Properties Co. Ltd., 2-30314 (90 days); S-G Metals Industries, Inc., 2-29925 (Feb 11); Vance, Sanders Special Fund, Inc., 2-28471; Simmonds Precision Products, Inc., 2-30187 & 2-30188; Warnaco Inc., 2-29052.

**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.