

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D. C. 20549

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

(Issue No. 68-229)

FOR RELEASE November 22, 1968

**STANDARD EDUCATIONAL LEASING PROPOSES OFFERING.** Standard Educational Leasing Corp., 475 East Main St., Patchogue, N. Y. 11772, filed a registration statement (File 2-30775) with the SEC on November 20 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on a "best efforts" basis by Standard Educational Leasing Corp., 475 East Main St., Patchogue, N. Y. 11772.

Organized under New York law in October 1968 to succeed to the interests of Christine Athans, its founder, who commenced business in April 1965, the company was formed for the purpose of engaging in the sale and leasing of educational facilities to school districts. Of the net proceeds of its stock sale, the company will reserve \$125,000 for commitment to the purchase of mobile leasing equipment; the balance will be added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 375,000 common shares (with an 18¢ per share book value), of which Christine Athans, secretary, owns 59% and Michael Athans 11%. Upon completion of this offering, the per share book value will be 85¢, an increase of 67¢ per share, resulting in an immediate dilution of \$2.15 per share to the purchasers of the shares being registered. Alfred N. Mauro is president.

**USLIFE HOLDING PROPOSES EXCHANGE OFFER.** USLife Holding Corp., 125 Maiden Lane, New York, N. Y. 10038, filed a registration statement (File 2-30776) with the SEC on November 20 seeking registration of 72,466 shares of \$4.50 Series A preferred stock (convertible into common shares at \$39 per share). It is proposed to offer these shares in exchange for capital shares of Inter-County Title Guaranty and Mortgage Company ("Inter-County"), at the rate of one preferred share for each 2.5 shares of Inter-County. Effectiveness of the exchange offer is conditional upon its acceptance by holders of at least 80% of Inter-County's outstanding capital stock. The statement also covers 4,358 outstanding common shares of USLife, which may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$37.75 per share maximum\*).

Organized under New York law in 1966 for the purpose of serving as a holding company, USLife is primarily engaged through subsidiaries in the business of life and accident and health insurance. Inter-County is engaged in the title insurance business primarily in the greater New York metropolitan area. USLife has outstanding 40,000 Series A preferred shares and 4,071,724 common shares. Robert L. Hatchett, Jr., proposes to sell all of 1,864 common shares held, Joseph P. Binns all of 630 and seven others the remaining shares being registered. Gordon E. Crosby, Jr., is board chairman and president of USLife.

**ARKANSAS POWER TO SELL PREFERRED STOCK.** Arkansas Power & Light Company, Ninth and Louisiana Streets, Little Rock, Ark. 72203, filed a registration statement (File 2-30777) with the SEC on November 20 seeking registration of 100,000 shares of \$100 par preferred stock, to be offered for public sale at competitive bidding. An electric utility subsidiary of Middle South Utilities, Inc., the company will use the net proceeds of its preferred stock sale, together with \$6,000,000 to be received from the sale of 480,000 additional common shares to the parent and funds derived from operations, for its 1969 construction program and other corporate purposes, including repayment of some \$14,000,000 of bank loans. The 1969 construction expenditures are estimated at \$62,700,000.

**SCIENCE CAPITAL FUND PROPOSES OFFERING.** Science Capital Fund, Inc., 26 Broadway, New York, N. Y. 10004, filed a registration statement (File 2-30778) with the SEC on November 20 seeking registration of 2,500,000 shares of capital stock, to be offered for public sale at \$20 per share. The offering is to be made through underwriters headed by S. D. Fuller & Co. Incorporated, which will receive a \$1.70 per share commission. The Fund was organized in November 1968 as a non-diversified, closed-end investment company. Fuller Management Corporation is the Fund's investment adviser.

**PUBLIC SERVICE CO. OF IND. TO SELL BONDS.** Public Service Company of Indiana, Inc., 1000 East Main St., Plainfield, Ind. 46168, filed a registration statement (File 2-30779) with the SEC on November 20 seeking registration of \$40,000,000 of first mortgage bonds, Series P, due 1999, to be offered for public sale at competitive bidding. A public utility, the company will apply the net proceeds of its bond sale to the prepayment of some \$40,000,000 of promissory notes, incurred or to be incurred for construction. Construction expenditures are estimated at \$56,964,000 for 1968 and \$227,390,000 for the years 1969-1972, inclusive.

**R T E CORP. FILES FOR SECONDARY.** R T E Corporation, 1900 East North St., Waukesha, Wisc. 53186, filed a registration statement (File 2-30780) with the SEC on November 20 seeking registration of \$2,600,000 of 5½% subordinated debentures, due 1978, convertible initially into 136,839 common shares at \$19 per share. The debentures or the shares issued upon conversion of the debentures may be offered for public sale from time to time by the holders or recipients thereof at prices current at the time of sale.

The company is engaged principally in the manufacture and sale of electric distribution transformers for use by electric power companies. In addition to indebtedness, the company has outstanding 5,046,690 common shares, of which management officials as a group and their family members own 33%. Rolland D. Nelson is president and Clyde W. Shaw board chairman. Assuming conversion of the debentures being registered, Continental Assurance Company would sell 34,210 shares, Continental Illinois National Bank and Trust Company of Chicago 35,526, Harris Trust and Savings Bank 26,315 and four others the remaining shares being registered.

OVER

**NORTHWEST INDUSTRIES FILES FOR SECONDARY.** Northwest Industries, Inc., 400 West Madison St., Chicago, Ill. 60606, filed a registration statement (File 2-30782) with the SEC on November 20 seeking registration of 50,000 outstanding shares of \$4.20 cumulative convertible prior preferred stock (no par). The holder thereof, Howard A. Newman, board chairman, has advised the company that he may dispose of such shares from time to time on the New York Stock Exchange or otherwise, at prices related to the then current market price (\$104.50 per share maximum\*). He now owns 61,915 preferred shares.

**KAYOT FILES FOR OFFERING AND SECONDARY.** Kayot, Inc., 500 Industrial Road North, Mankato, Minn. 56001, filed a registration statement (File 2-30783) with the SEC on November 20 seeking registration of 120,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 70,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Dain, Kalman & Quail, Inc., 110 South 6th St., Minneapolis 2, Minn.; the offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company and subsidiaries are engaged primarily in the manufacture and sale of recreational products, including boats, travel trailers and campers, and in the distribution of marine hardware. Net proceeds of its stock sale will be used primarily for the expansion of company operations and facilities, including a new manufacturing plant for its "Duravac" plant near Mankato and an addition to the said plant for tooling operations. The company now has outstanding 468,792 common shares, of which management officials as a group own 63.8%. Lowell W. Andreas is board chairman and Eugene J. Biedscheid is president and chief executive officer. The prospectus lists sixteen selling stockholders; among these are the Estate of Herman W. Miller, deceased (which proposes to sell 18,000 of 71,736 shares held), Roy Schram, a director (13,000 of 77,615), and Reuben Grell, a director (10,500 of 63,000). Andreas proposes to sell 4,000 of 29,087 shares held.

**DYNA RAY EXPLORATION FUND FILES.** First Dyna Ray Exploration Fund - 1969, 4101 East Louisiana Avenue, Denver, Colo., filed a registration statement (File 2-30784) with the SEC on November 20 seeking registration of 1,000 units of participation in the Fund, to be offered for public sale at \$10,000 per unit. The offering is to be made by Dyna Ray Explorations, Inc., the general partner; the net proceeds will be used by the general partner for oil and gas exploration and related purposes. The partnership will enter into a management agreement with Dyna Ray Oil & Gas Corporation for the administration of the program. Dyna Ray Corporation owns all of the outstanding stock of that company and of the general partner. Jack Ralston is president of the general partner.

**DOREMUS CO. TO SELL STOCK.** Doremus & Company, 120 Broadway, New York, N. Y. 10005, filed a registration statement (File 2-30785) with the SEC on November 20 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by New York Securities Co., One Whitehall St., New York, N. Y. 10004. The offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment.

An advertising and public relations agency, the company's predecessor was organized under West Virginia law in 1903. Pursuant to statutory merger, the new company (organized on October 30 under Delaware law) will succeed to the business, assets and liabilities of the predecessor. Pursuant to a purchase agreement dated November 6, the company has agreed to purchase immediately prior to the merger 9,880 shares (about 57% of the shares outstanding) of its common stock from William H. Long, Jr. (honorary chairman, member executive committee and director), for the sum of \$2,450,240 payable in cash. The company will apply all of the proceeds from its public offering of shares, to a reimbursement of its treasury for amounts expended for the purchase of Long's shares. Under terms of the merger, the 7,518 common shares of the West Virginia corporation outstanding subsequent to the purchase of Long's shares will be exchanged for 300,720 shares of the Delaware corporation, of which George A. Erickson, board chairman and chief executive officer, will own 18.6%, Franklin E. Schaffer, president, 15.2%, G. Berry McMennamin, executive vice president, 16.6%, and management officials as a group 69.8%.

**WASHINGTON REAL ESTATE TRUST TO SELL STOCK.** Washington Real Estate Investment Trust, 919 18th St., N.W., Washington, D. C. 20006, filed a registration statement (File 2-30786) with the SEC on November 20 seeking registration of 400,000 shares of beneficial interest in the Trust, to be offered for public sale through underwriters headed by Bache & Co., 36 Wall St., and New York Securities Co., One Whitehall St., both of New York, N. Y. The offering price (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment.

The Trust was organized in 1960 for the purpose of offering investors the opportunity to own an interest in income producing property, such as apartment buildings, shopping centers and other commercial buildings; its present investments include seven apartment buildings, two shopping centers and two commercial buildings, all located in Washington, D. C., and its environs. Of the net proceeds of this offering, \$590,000 will be used to repay unsecured bank loans recently incurred primarily to purchase an additional property and to make capital improvements to an existing property; the balance will be used for real estate acquisitions and, to a limited extent, capital improvements on properties presently owned. In addition to indebtedness, the company has outstanding 364,732.5 shares. B. Franklin Kahn is president.

**AGWAY FILES OFFERING PROPOSAL.** Agway Inc., 333 Butternut Drive, De Witt, N. Y., filed a registration statement (File 2-30790) with the SEC on November 21 seeking registration of \$5,000,000 of 6½% subordinated debentures due 1989, \$5,000,000 of subordinated debentures due 1979, 25,000 shares of 6% cumulative preferred stock (\$100 par), and 10,000 shares of membership common stock (\$25 par). The securities are to be offered for public sale at their principal amount or par value; no underwriting is involved.

The company functions as an agricultural cooperative directly engaged in product manufacturing, processing and distribution, wholesale purchasing and the marketing of commodities for its farmer members and other patrons in Pennsylvania and several other states. Net proceeds of this financing will be used in part (\$2,500,000) for the redemption of certain outstanding securities; the balance will be added to general funds of the company and used for general corporate purposes. Harold G. Soper is board chairman, Jonathan Davis president and Edmund H. Fallon general manager.

**SKAMPER CORP. FILES FOR OFFERING AND SECONDARY.** Skamper Corporation, Bristol, Ind., 46507, filed a registration statement (File 2-30792) with the SEC on November 21 seeking registration of 235,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 185,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Bacon, Whipple & Co., 135 S. LaSalle St., Chicago, Ill; the offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of fold-down camping trailers and truck-mount campers, as well as travel trailers. The net proceeds of its sale of additional stock will be applied in part to the cost of land acquired, facilities being constructed and machinery and equipment purchased in connection with the company's entry into the travel trailer field; the balance will be added to working capital. The company now has outstanding 453,000 common shares, of which management officials own 91.3%. Lee E. Markel is president; he and his wife own 116,000 shares each (25.6% each); and each proposes to sell 50,000 shares. Roland F. Wade, Jr., is a director; he and Margaret A. Wade own 120,000 shares and propose to sell 65,000. Three other stockholders propose to sell the balance of the shares being registered.

**FALCON FUND PROPOSES OFFERING.** Falcon Fund, Inc., 56 Pine St., New York 10005, filed a registration statement (File 2-30794) with the SEC on November 21 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 8½% (\$10 per share maximum\*) on single purchases of less than \$10,000. Falcon Distributing Corporation will serve as distributor and Falcon Management Corporation as advisor. Dunn E. Smith is president and board chairman of the Fund, he also is president of the adviser and vice president of the distributor. Gordon G. Melcher owns 34.7% of the stock of Agents' Investments, Inc., of Encino, Calif., which owns 35% of the outstanding stock of the advisor and 58.88% of the stock of the Fund; Robert K. McCormick, board chairman of the advisor, owns 34.7% of the stock of Agents' Investments, Inc.; Marion H. Deckard, president and board chairman of the distributor and a director of the advisor, owns 15% of the stock of the advisor; Roberta K. McCormick, of New York, owns 14% of the stock of the advisor.

**ADVANCE INVESTMENT FUND FILES FOR OFFERING.** Advance Investment Fund, 44 Wall St., New York, filed a registration statement (File 2-30795) with the SEC on November 21 seeking registration of 500,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum\*). LMH Associates, Inc., is the Fund's investment adviser. Leonard M. Heine is president of the Fund; he also is president and principal shareholder of LMH Associates.

**CLEVELAND ELECTRIC ILLUMINATING TO SELL BONDS.** The Cleveland Electric Illuminating Company, Cleveland, Ohio 44101, filed a registration statement (File 2-30759) with the SEC on November 18 seeking registration of \$50,000,000 of first mortgage bonds, due 1990, to be offered for public sale at competitive bidding. An electric utility, the company will use the net proceeds of its bond sale to make payment of about \$33,000,000 to Ohio Edison Company under an electric generating plant construction agreement, the balance will be used to repay a portion of outstanding short term bank loans and commercial paper made and issued to finance temporarily the company's construction program and provide working capital. The company's construction program is expected to involve expenditures of \$371,000,000 over the next five years (\$103,000,000 was expended in 1968). Under a February 1965 agreement, the company and Ohio Edison each agreed to construct a 625,000-kilowatt electric generating unit and associated interconnection facilities.

**APPALACHIAN POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16218) authorizing Appalachian Power Company, a Roanoke, Va., subsidiary of American Electric Power Company, Inc., to issue and sell at competitive bidding \$45,000,000 aggregate principal amount of first mortgage bonds, due 1998. Net proceeds of its bond sale will be used to prepay without premium some \$10,000,000 of notes to banks; the balance will be added to Appalachian's general funds. This order supplements a Commission order of May 13 (Holding Company Act Release No. 16067) authorizing the issuance and sale by Appalachian of \$65,000,000 of bonds, which Appalachian states did not take place because of the high interest rates existing at that time.

**LYNN GAS AND MYSTIC VALLEY GAS RECEIVE ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16219) authorizing Lynn Gas Company and Mystic Valley Gas Company, Boston subsidiaries of New England Electric System, to increase the amounts of their authorized short-term debt to banks, as follows: Lynn to increase its bank borrowings from \$3,675,000 to \$3,775,000 and Mystic from \$10,125,000 to \$10,625,000. Lynn and Mystic propose the additional borrowings to meet their cash requirements through December 31, 1968.

**CENTRAL & S.W. SEEKS ORDER.** Central and South West Corporation, Wilmington, Del., holding company, has joined with its utility subsidiary, Public Service Company of Oklahoma (Tulsa), in the filing with the Commission of a financing proposal of the subsidiary; and the Commission has issued an order (Release 35-16221) giving interested persons until December 10 to request a hearing thereon. The proposal contemplates that the subsidiary will issue and sell at competitive bidding \$25,000,000 of first mortgage bonds, Series K, due 1999; that the par value of its common stock (of which 6,650,000 shares are outstanding) will be increased from \$10 to \$12 per share; that \$13,300,000 of earned surplus will be capitalized by transferring that amount

from earned surplus to capital surplus; and that the subsidiary will issue and sell an additional 250,000 common shares to the parent for a cash consideration of \$3,000,000. Net proceeds of the subsidiary's sale of bonds and stock will be used to pay, or reimburse its treasury, for a part of the cost of property additions and improvements, including the payment of some \$8,758,761 of loans by the parent. Construction expenditures for the fourth quarter of 1968 are estimated at \$9,080,000 and for the year 1969 at \$38,530,000.

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under employee stock and related plans:

American General Insurance Company, Houston, Tex. 77019 (File 2-30774) - 58,265 common and 14,556 \$1.80 preferred shares

Interchemical Corporation, New York 10036 (File 2-30781) - \$1,500,000 of Plan Interests

Marriott Corporation, Washington, D. C. 20016 (File 2-30787) - 100,000 shares

The Murray Ohio Mfg. Co., Nashville, Tenn. 37204 (File 2-30789) - 21,000 shares

Northrop Corporation, Beverly Hills, Calif. 90212 (File 2-30791) - 432,828 shares

Unishops, Inc., Jersey City, N. J. 07305 (File 2-30793) - 114,570 shares

The Golden Cycle Corporation, Colorado Springs, Colo. 80909 (File 2-30796) - 35,000 shares

Litton Industries, Inc., Beverly Hills, Calif. 90210 (File 2-30797) - 240,000 shares

In a form S-7 filing, Federated Department Stores, Inc., Cincinnati, Ohio 45202 (File 2-30788), seeks registration of 375,000 shares to be credited, for the company's three fiscal years beginning February 2, 1969, to accounts of participants in its Executive Deferred Compensation Plan.

**FOUR SUSPENSIONS CONTINUED.** The SEC has issued orders suspending exchange and/or over-the-counter trading in securities of Continental Vending Machine Corporation and Westec Corporation for the ten-day period November 23 to December 2, in securities of Top Notch Uranium and Mining Corporation for the period November 24 to December 3, and in securities of Texas Uranium Corporation for the period November 25-December 4.

**MARIE PIGALLE OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a stock offering by Marie Pigalle, Inc. ("MPI"), New York cosmetics firm. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from Securities Act registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed in March 1967 MPI proposed the public offering of 120,000 shares of common stock at \$1.25 per share; the offering commenced in May 1968 and the stock distribution is said to have been completed on June 28, 1968. In its suspension order, the Commission asserts that it has "reasonable cause to believe," upon the basis of information reported by its staff, that the company's offering circular was false and misleading, by reason of which the MPI stock was offered and sold in violation of Section 17 (the anti-fraud provision) of the Securities Act. It is alleged, among other things, (a) that the offering circular failed to reflect a deteriorating financial position since the November 1967 financial statements included therein (it appears that the company had more than doubled its current liabilities since November 1967, had expended large sums of money on unrecoverable operating expenses and was in a precarious financial position); (b) that there was a failure to disclose that certain officials and promoters had loaned \$15,000 to the company for working capital which at the time of the offering had been substantially expended, and that these loans were to be immediately repaid from the proceeds of the offering; (c) and that there was a failure to disclose that the company planned to engage in businesses totally unrelated to the cosmetics business, the investment risks pertaining to its proposed acquisitions of such other businesses, and a management change involving the appointment as chief executive officer of a person having no knowledge of the cosmetics business who would be responsible for seeking out and possibly acquiring unrelated operating companies. It also is alleged that the reported \$38 per share book value was false and misleading, that the proceeds of the stock sale were not used in accordance with representations in the offering circular, and that, contrary to representations in the notification and offering circular, that the services of an underwriter would not be employed, MPI engaged Eaton & Co., Inc., to participate as underwriter in the offering of its shares, whose underwriting commission and expenses were not disclosed.

**SECURITIES ACT REGISTRATIONS.** Effective November 21: Accelerators, Inc., 2-29469 (90 days); Adobe Investment Corp., 2-30127 (90 days); Burnup & Sims Inc., 2-29723 (Feb 19); The Citadel Life Insurance Co. of New York, 2-30120 (Dec 31); Coldwell, Banker & Co., 2-30039 (90 days); Digital Equipment Corp., 2-30343 (40 days); Di-An Controls, Inc., 2-29967 (90 days); Hayes-Albion Corp., 2-30722; KPA Computer Techniques, Inc., 2-29972 (Feb 19); Logetronics, Inc., 2-30111 (Feb 19); Municipal Investment Trust Fund, Series M, 2-30500; Public Service Co. of New Hampshire, 2-30553 (Dec 31); Quasar Microsystems, Inc., 2-30134 (Feb 19); Ryan Homes, Inc., 2-30044 (Feb 20); Simco Stores, Inc., 2-30036 (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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