

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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FOR RELEASE January 21, 1969

SEC ORDER CITES HANCOCK SECURITIES. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Hancock Securities Corporation ("Hancock"), of New York City. Also named as respondents are Mortimer Tover, president and principal stockholder of Hancock since 1965 (he was vice president and treasurer for the period 1959-65), and M. William Grossman, who was president and a stockholder from 1959 to 1965.

The proceedings are based upon allegations of the Commission's staff that Hancock, Tover and Grossman, during the period June 1960 through December 1965, offered, purchased and sold stock of Medallion Pictures Corporation by means of various false and misleading representations of material fact, in violation of the anti-fraud provisions of the Federal securities laws, and controlled and manipulated the market for such stock, in violation of the anti-manipulative provisions of those laws.

A hearing will be scheduled by further order to take evidence on the staff charges and to provide 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 is necessary or appropriate in the public interest.

EXEMPTION SOUGHT FOR SBICs. The SEC has issued an order under the Investment Company Act (Release IC-5581) scheduling a hearing for February 19 upon an application filed by The National Association of Small Business Investment Companies, of Washington, D. C., on behalf of its members registered with the Commission as closed-end investment companies. The following member companies have joined in the application:

Advance Growth Capital Corp.

Business Capital Corp.

Capital Investors Corp. of Montana

Central Investment Corp. of Denver

Continental Capital Corp.

Delta Capital Corp.

Executive Investors, Inc.

First Connecticut SBIC

Illinois Capital Investment Corp.

La Salle Street Capital Corp.

Monmouth Capital Corp.

Narragansett Capital Corp.

Southeastern Capital Corp.

Westland Capital Corp.

Commerce Capital Corporation

The Citizens and Southern Capital Corp.

Applicant is a trade association, the active membership of which consists of 230 SBICs licensed by the Small Business Administration ("SBA"). Of the 230 active members, 29 are registered with the Commission under the Investment Company Act as management, closed-end, non-diversified investment companies. On behalf of these companies, the Association seeks an exemption from various provisions of the Investment Company Act for the reason that said provisions are deemed either not applicable to SBICs or not of regulatory importance as far as SBICs are concerned. The application further requests the Commission to delegate to the SBA its regulatory authority over SBICs pursuant to numerous provisions of the Investment Company Act.

In support thereof, the Association urges that dual regulation of SBICs by the Commission and SBA has impeded the ability of the SBICs to accomplish their statutory purpose to promote small business and has inhibited the operation of SBICs; also, that it would be consistent with the recent amendment to Section 308 (g)(2) of the Small Business Investment Act of 1958, which requires (among other things) that SBA include in its annual reports to Congress a report from the Commission enumerating actions undertaken by the Commission to simplify and minimize the regulatory requirements governing SBICs under the Federal securities laws and "to eliminate overlapping regulation and jurisdiction as between the Securities and Exchange Commission, the Administration, and other agencies of the executive branch."

VITERBO PROPOSES OFFERING. Viterbo Corp. of America, 1833 Front St., Scotch Plains, N. J., filed a registration statement (File 2-31360) with the SEC on January 14 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$3.25 per share. The offering is to be made on a "best efforts" basis by Patterson, Matskin & Company, Red Bank, N. J., which will receive a \$.325 per share selling commission and up to \$14,000 for expenses. The company has agreed to sell the underwriter, on the basis of one warrant for each 10 shares sold and at 1¢ each, five-year warrants to purchase 15,000 common shares, exercisable after one year at \$3.25 per share.

The company was organized under Delaware law in November 1968 to succeed to the interest of a New Jersey corporation of the same name. It is engaged in the importation and sale of construction stone, specializing in the sale and promotion of Viterbo stone. Of the net proceeds of its stock sale, \$200,000 will be used to facilitate procurement of letters of credit necessary to finance the importation of Viterbo and other stones, \$40,000 for advertising and promotion and \$100,000 for merchandise inventories; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 225,000 common shares (with a 3¢ per share book value), of which Robert M. Silverman, board chairman, Joseph Donatelli, president, and three other officers own 20% each. Upon completion of this offering, company officials will own 60% of the then outstanding common shares, for which they will have contributed an aggregate equity in the company for \$7,500, and the public investors will own 40%, for which they will have paid \$487,500.

OVER

MEDTRONIC FILES FOR OFFERING AND SECONDARY. Medtronic, Inc., 3055 Old Highway No. 8, Minneapolis, Minn. 55418, filed a registration statement (File 2-31361) with the SEC on January 14 seeking registration of 200,000 shares of common stock, of which 150,000 are to be offered for sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005, and Dain, Kalman & Quail, Inc., 110 S. 6th St., Minneapolis, Minn. 55402; the offering price (\$55 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures and sells medical electronic devices to doctors, hospitals, research institutions and universities; its principal product is a prosthetic device, known as an implantable heart pacemaker, which provides electric stimulation for hearts. Part of the net proceeds of its sale of additional stock will be used for repayment of short-term bank loans and bank loans outstanding under the company's revolving credit agreement (totaling \$1,795,000) incurred to finance part of the cost of a recently completed research, administrative and manufacturing facility, for working capital purposes and to pay the purchase price of the land on which the company's new plant will be built; \$2,500,000 will be used to finance the construction and equipping of its new plant; and the balance will be added to working capital to finance increased levels of accounts receivable and inventories and will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 2,721,012 common shares of which Earl E. Bakken, president, owns 17.98% and management officials as a group 29.8%. Bakken proposes to sell 20,000 shares of 489,364 shares held and Palmer J. Hermundsle (vice president) 30,000 of 272,434.

ALDON INDUSTRIES FILES FOR OFFERING AND SECONDARY. Aldon Industries, Inc., Lenni Road, Lenni, Pa. 19052, filed a registration statement (File 2-31362) with the SEC on January 14 seeking registration of 400,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Shearson, Hammill & Co., Inc., 14 Wall St., New York 10005; the offering price (\$21 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and markets tufted carpets and rugs for residential, commercial and institutional use. Of the net proceeds of its sale of additional stock, \$1,300,000 will be used to finance expanded inventories and the balance will be added to working capital and will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 1,350,000 common shares, of which Herbert Barg, board chairman, owns 71.93%, Bernard B. Barg, president, 18.20%, Alvin Barg, vice president, 8.41% and management officials as a group 100%. Herbert, Bernard and Alvin Barg propose to sell 70,582, 58,031, and 113,467 shares, respectively, of 971,082, 245,741, and 113,467 shares held, respectively, and two others propose to sell the remaining shares being registered.

YAKIMA MALL PROPOSES OFFERING. Yakima Mall--Shopping Center Corporation, 506 Miller Bldg., Yakima, Wash., filed a registration statement (File 2-31363) with the SEC on January 10 seeking registration of 18,000 Class A common shares and 3,000 Class "B" 7% cumulative preferred shares, to be offered for public sale at \$100 per common and \$100 per preferred share. No underwriting is involved.

Organized under Washington law in October 1967, the company is authorized to own, build and construct a shopping center and mall and to lease and sublease the rental space therein. It is also authorized to build and operate a covered parking center garage and to operate open parking spaces for automobiles in downtown Yakima. Net proceeds of this financing will be used in connection with the building and construction of a shopping center and mall in Yakima. The company has outstanding 11,875 Class A common shares. Merrill W. Scott is president; James O. May and Thomas F. Hargis, Jr. are promoters.

TECHNICAL OPERATIONS FILES FOR SECONDARY. Technical Operations, Incorporated, South Ave., Burlington, Mass. 01803, filed a registration statement (File 2-31364) with the SEC on January 14 seeking registration of 24,220 outstanding shares of common stock, to be offered for public sale from time to time by the present holder thereof at prices current at the time of sale (\$52.625 per share maximum*). The shares were issued to Robert S. Landauer, Jr., as part of the consideration for the sale by him to the company of all the capital stock of R. S. Landauer, Jr. & Co.

The company is engaged in performing research services in a variety of technical fields. In addition to indebtedness, it has outstanding 770,219 common shares, of which management officials as a group own 6.7%. Frederick C. Henriques is board chairman and president.

WESTERN OIL FUNDS PROPOSES OFFERING. Western Oil Funds, Inc. ("Management Company"), 98 Post St., San Francisco, Calif. 94104, filed a registration statement (File 2-31365) with the SEC on January 13 seeking registration of \$3,000,000 of participating units in its 1969 Western Oil and Gas Exploration and Development Fund, to be offered for sale in units of \$5,000 each. The offering is to be made through management officials and possibly through broker-dealers; the latter will receive a 5% selling commission. Western States Exploration, Inc., will be engaged to explore for oil and gas on behalf of Management Company. Western owns all of the outstanding stock of Management Company; all of Western's outstanding capital stock is owned by Paul F. Scheibe, president of both Western and Management Company.

JIM WALTER CORP. FILES EXCHANGE PLAN. Jim Walter Corporation, 1500 N. Dale Mabry Highway, Tampa, Fla., filed a registration statement (File 2-31366) with the SEC on January 14 seeking registration of 3,700,919 shares of \$1.60 cumulative convertible voting fourth preferred stock. Subject to shareholder approval at a meeting scheduled for February 28, the company proposes to offer the preferred shares in exchange for any and all shares of the outstanding common stock of United States Pipe and Foundry Company, in the ratio of one share of the preferred for each share of the U. S. Pipe common. Loeb, Rhoades & Co., 42 Wall St., New York 10005, will head the list of soliciting dealers.

The operations of the company and its subsidiaries include building materials, sugar, oil and gas, paper and savings and loan businesses. U. S. Pipe is a manufacturer of cast iron pressure pipe and fittings and other related products. According to the prospectus, the management of U. S. Pipe supports the exchange offer; and it is further proposed that that company will subsequently be merged with and into a newly-formed subsidiary of the Walter company. A meeting of its shareholders to vote upon such merger is scheduled for April 1, 1969.

REALIST FILES OFFERING PROPOSAL. Realist, Inc., N93 W16288 Megal Drive, Minomonee Falls, Wisc. 53051, filed a registration (File 2-31367) with the SEC on January 14 seeking registration of \$1,500,000 of convertible subordinated debentures, due 1984, and 50,000 shares of common stock. These securities are to be offered for public sale through underwriters headed by Loewi & Co., Inc., 225 E. Mason St., Milwaukee, Wisc., and Blunt Ellis & Simmons, 111 W. Monroe St., Chicago, Ill. 60603; the interest rate on the debentures, offering prices (\$25 per common share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the operation of film processing laboratories; it also designs, manufactures and sells electromechanical optical products. Of the net proceeds of this financing, \$1,800,000 will be used to retire interim indebtedness incurred in connection with the company's recent acquisition of Apex Color Photo Laboratories, Inc., a photofinishing firm with operations in St. Louis and Kansas City; the balance of the proceeds will be used to reduce other indebtedness or added to the general funds of the company for use as working capital. In addition to indebtedness, the company has outstanding 480,378 common shares, of which J. Victor Loewi, board chairman, owns 7.5%, William Balch, president, 11.2%, and management officials as a group 32.6%.

LYKES PROPOSES EXCHANGE OFFER. Lykes Corporation, Commerce Bldg., 821 Gravier St., New Orleans, La., filed a registration statement (File 2-31369) with the SEC on January 14 seeking registration of 38,224 shares of \$20 par \$4 convertible preferred stock (each share convertible into 3.885 common shares). It is proposed to offer these shares in exchange for the 169,955 outstanding common and 17,636 outstanding preferred shares of Coastal Plain Life Insurance Company, on the basis of one Lykes preferred share for each 5 Coastal Plain common shares and one Lykes preferred share for each .166 Coastal Plain preferred shares.

Through subsidiaries, the company is engaged in the operation of a steamship line under the "Lykes" name, in the sale of life and health insurance policies and in the sale of electronic equipment and parts. On January 2, Lykes made a merger proposal to management officials of The Youngstown Sheet & Tube Company, pursuant to which stockholders of Youngstown would receive, for each Youngstown common share, \$55 principal amount of 25-year 7% subordinated debentures and a 10-year warrant to purchase 1/2 common share at \$40 per full share. In addition to indebtedness, Lykes has outstanding 8,467,268 common shares, of which management officials as a group own 32%. J. T. Lykes, Jr., is board chairman and F. A. Nemec president.

OCEAN RESEARCH FILES FOR OFFERING AND SECONDARY. Ocean Research Equipment, Inc., Falmouth Heights Rd., Falmouth, Mass., filed a registration statement (File 2-31371) with the SEC on January 14 seeking registration of 230,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 30,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Goldwater, Valente, Fitzpatrick & Schall, 5 Hanover Square, New York; the offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company and the selling shareholders have agreed to pay the underwriters up to \$10,000 for expenses, and the company has agreed to sell the Goldwater, Valente firm, for \$200, six-year warrants to purchase 20,000 common shares.

The company operates through its wholly-owned subsidiary, O.R.E., Inc., which is engaged primarily in the design and manufacture of acoustical equipment for use in oceanographic research, undersea navigation, and offshore oil drilling and recovery. It also designs and manufactures oceanographic and meteorological buoys and various other products for undersea use, performs environmental tests for other manufacturers and provides various oceanographic field services. Of the net proceeds of its sale of additional stock, \$225,000 will be used to acquire and install a fully-instrumented acoustic test tank, electronic quality control and production test equipment, machine tools and material handling equipment, all to be used in ORE's business, \$150,000 to be used during the next three years to expand ORE's sales and service activities in the offshore oil equipment market, \$475,000 to improve ORE's research and development efforts in the field of undersea communication and control equipment, and \$750,000 as reserve for the possible acquisition of companies whose products or technical capabilities are believed to complement those of ORE; the balance will be used for general corporate purposes. The company has outstanding 1,015,021 common shares (with a 30¢ per share book value), of which Albert S. Wilson, board chairman, owns 14%, Odean Resources, Inc., 25%, and management officials as a group 66%. David H. Frantz, Jr., is president. Odean Resources, Inc., proposes to sell 11,208 shares of 253,703 shares held, Wilson 6,141 of 138,999 and ten others the remaining shares being registered.

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

TRW, Inc., Cleveland, Ohio 44117 (File 2-31368) - 5,548 \$4.50 convertible Series 3 preferred shares and 13,454 common shares

The First Republic Corporation of America, New York 10001 (File 2-31370) - 500,000 shares

Atlantic Richfield Company, New York 10022 (File 2-31372) - 178,050 \$2.80 convertible preferred shares and 106,830 common shares

TWO SUSPENSIONS CONTINUED. The SEC has ordered the further suspension of exchange and/or over-the-counter trading in the securities of Continental Vending Machine Corporation and Westec Corporation for the ten-day period January 22-31, 1969, inclusive.

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 January 2 News Digest.

Digitek Corp Dec 68 (7,11,13)	0-3261-2	Four Seasons Nursing Centers of America Dec 68 (7)	1-5765-2
First Charter Financial Corp Dec 68 (7)	1-4301-2	Lin Tso Corp Oct 68 (7,12)	2-27957-2
Harvey Aluminum Inc Dec 68 (12,13)	1-4507-2	Nov 68 (2,12,13)	2-27957-2
Hazeltine Corp Dec 68 (4,12,13)	1-230-2	Rapid American Corp Dec 68 (3)	1-75C-2
Holly Sugar Corp Dec 68 (12)	1-2270-2	York Research Corp Dec 68 (1)	0-72-2
Keuffel & Esser Co Dec 68 (12)	0-2117-2		
Kimberly-Clark Corp Dec 68 (12,13)	1-225-2	Consumer Acceptance Corp Nov 68 (2,4,6,7,8,9,11,13)	0-1334-2
Chas Pfizer & Co Inc Dec 68 (3)	1-3619-2	Gulf States Utilities Co Dec 68(12,13)	1-2703-2
Portec Inc Dec 68 (7,13)	1-500-2	Northwestern States Portland Cement Co Dec 68 (12,13)	0-858-2
Providence & Worcester RR Co Dec 68 (3,12,13)	0-2555-2	Puget Sound Power & Light Co Dec 68 (7,12)	1-4393-2
Texas Instruments Inc Dec 68 (13)	1-3761-2		
Western Orbis Co Dec 68 (2,13)	1-4783-2		
Horizon Corp Dec 68 (7,8,12)	0-1725-2	AMI Inc Dec 68 (2)	0-2368-2
Liberty Corp Dec 68 (2,4,7,8,12)	1-5846-2	Graat Northern RY Co Dec 68 (7,13)	1-2571-2
National Service Industries Inc Dec 68 (2,7,11,13)	1-3208-2	Inforamtics Inc Dec 68 (11)	0-2654-2
Reeves Brothers Inc Dec 68 (11)	1-3358-2	IngersollRand Co Dec 68 (11,13)	1-985-2
Southwestern Electric Service Co Dec 68 (7,11,13)	0-22-2	Questor Corp Dec. 1968(13)	1-269-2
Tool Research And Engineering Corp Dec 68 (2,7,11,13)	1-5308-2	Merck & Co Inc Dec. 1968 (12)	1-3305-2
Weight Watchers International Inc Dec 68 (3)	2-29411-2	Nevada Power Co Dec. 1968 (7,13)	1-4698-2
		Prudent Resources Trust June 1968 (8)	1-5536-2
		July 1968(7)	1-5536-2
		Public Service Elec. & Gas Co Dec. 1968 (7,13)	1-973-2
Chatham Mfg Co Dec 68 (8)	0-2699-2	Triangle Ind., Inc Dec. 1968 (13)	1-4088-2
Dayton Malleable Iron Co Dec 68 (11)	0-947-2		

INSTITUTIONAL STUDY ADVISORY COMMITTEE NAMED. Manuel F. Cohen, Chairman of the SEC, announced today that the Commission had designated the individuals who will serve on the Advisory Committee for the Institutional Investor Study. Congress authorized the Commission to undertake this Study (Public Law 90-438, of July 29, 1968), and in so doing, directed the Commission to "consult with representatives of various classes of institutional investors, members of the securities industry, representatives of other Government agencies and other interested persons." The law also directed the Commission to consult with an advisory committee "for the purpose of advising and consulting with the Commission on a regular basis on matters coming within the purview of such study."

The persons who will serve on the Advisory Committee are as follows: Charles W. Buek, President, U. S. Trust Company, New York; Milton Cohen, Schiff, Hardin, Waite, Dorschel & Britton, Chicago; Walter Frank, Marcus & Co., New York; Wm. C. Freund, Vice President and Economist, New York Stock Exchange, New York; Alfred P. Johnson, Vice President & Economist, Investment Company Institute; Robert Loeffler, Vice President-Law, Investors Diversified Service, Inc., Minneapolis, Minn.; Fred H. Merrill, Chairman of the Board, Fireman's Fund American Insurance Co., San Francisco, Calif.; Lewis G. Odom, Jr., Odom, Wright & Long, Montgomery, Ala.; Phil Pearce, G. H. Crawford Co., Inc., Columbia, S. C., Davidson Sommers, Sr. Vice President & General Counsel, Equitable Life Assurance Society of the U.S., New York; John C. Whitehead, Goldman Sachs & Co., New York and Honorable Byron D. Woodside, Haymarket, Virginia.

The first meeting of the Advisory Committee with the Commission and the Director of the Study will be held at the Commission headquarters in Washington on January 31.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended January 16, 1969, 52 registration statements were filed, 80 became effective, 2 were withdrawn, and 1,072 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective January 17: The Acadia Co., Inc., 2-30309 (90 days); Dallas Power & Light Co., 2-31080 (Mar 19); General Telephone Co. of Wisc., 2-30952; International Hydrolines, Inc., 2-29689 (90 days); Jervis Corp., 2-28655; National Gypsum Co., 2-31268 (40 days); The Value Line Development Capital Corp., 2-30597 (40 days); World Industries, Inc., 2-29933 (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.