

# 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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**TALLEY INDUSTRIES SEEKS ORDER.** Talley Industries, Inc., Mesa, Arizona, has filed an application with the SEC for an exemption order under the Investment Company Act with respect to certain transactions incident to the proposed merger of Talley and General Time Corporation; and the Commission has issued an order (Rel IC-5677) scheduling the application for hearing on June 4. Talley and General Time are each an affiliated person of American Investors Fund, Inc., a registered investment company; the Fund owns 210,000 shares (9.1%) of the stock of General Time and 238,051 shares (7.2%) of the stock of Talley. Talley also owns 257,937 shares of the stock of General Time.

The merger agreement has been approved by the boards of directors of both Talley and General Time. Talley is to be the surviving company. Upon effectiveness of the merger, each share of General Time common outstanding (other than shares thereof held by Talley) will be converted into one share of a new Series B \$1 Cumulative Convertible Preferred Stock of Talley (unless the holder thereof elects to receive, instead, one share of Talley common). Each share of General Time preferred stock (other than shares held by dissenting stockholders) will be converted into four shares of the new Talley B Preferred (unless the holder elects to receive, instead, four shares of Talley common). The 257,937 shares of General Time common owned by Talley are to be converted into shares of Talley common at the ratio above described, and will become treasury stock; and all shares of General Time stock held in General Time's treasury will be cancelled.

**COLUMBIA GAS RECEIVES ORDER.** The Securities and Exchange Commission has issued an order under the Holding Company Act (Release 35-16374) authorizing The Columbia Gas System, Inc. New York holding company, to sell up to \$155,000,000 of short-term notes to banks (including commercial paper notes to dealers in commercial paper). Net proceeds of such borrowings will be made available to Columbia's subsidiaries for construction purposes, for the purchase of underground storage gas during the summer months and for other short-term seasonal requirements. Construction expenditures of the subsidiaries are estimated to aggregate \$198,676,000 during 1969.

**NORTHEAST UTILITIES SEEKS ORDER** Northeast Utilities, Hartford, Conn., holding company, has joined with four of its subsidiaries in the filing of an application with the SEC under the Holding Company Act with respect to certain note financing; and the Commission has issued an order (Rel 35-16377) giving interested persons until May 29 to request a hearing thereon. Three of Northeast's electric utility subsidiaries own the Millstone Nuclear Power Station; another subsidiary, Millstone Point Company, is acting as their agent with respect to the construction and operation of the Station. The owners have entered into a fuel contract with respect to their nuclear fuel requirements, and the estimated fabrication cost of the first nuclear fuel core is \$9,250,000, the second \$26,700,000 and the third \$25,000,000. The three owner-companies propose to transfer and assign to Millstone Point their respective interests in the fuel contract and Millstone Point will reimburse the owners for all amounts theretofore paid by them under such contract. In order to temporarily finance this undertaking, Millstone Point proposes to issue \$7,500,000 of short-term notes to banks and \$2,750,000 of notes to Northeast. When permanent financing for nuclear fuel arrangements is completed, Millstone Point will retransfer and reassign its interest in the fuel contract and in the nuclear fuel acquired thereunder to the owners.

**INDIANA & MICHIGAN ELECTRIC SEEKS ORDER** The Securities and Exchange Commission has issued an order under the Holding Company Act (Release 35-16373) giving interested persons until June 4 to request a hearing upon a proposal of Indiana & Michigan Electric Company, Fort Wayne subsidiary of American Electric Power Company, Inc. ("AEP") to sell \$60,000,000 of first mortgage bonds, due 1974, at competitive bidding. The company will use proceeds together with \$15,000,000 of anticipated capital contributions from AEP, to finance construction, prepay an estimated \$36,000,000 of short-term notes issued for such purpose, and reimburse its treasury for payment at maturity in June 1969 of \$22,500,000 of first mortgage bonds; the balance will be used for general corporate purposes.

**MONTE CRISTO OFFERING SUSPENDED.** The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by Monte Cristo Corporation, of Salt Lake City, Utah. The order provides an opportunity for hearing on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in October 1968, Monte Cristo (which is engaged in exploration for uranium and other minerals) proposed the public offering of 300,000 common shares at \$1 per share. The Commission asserts in its suspension order that it has reason to believe that the notification and accompanying offering circular were false and misleading with reference to (1) statements therein that Richard Minasian would be responsible for the offering and sale of the shares and that management officials would undertake to sell the securities directly to the public and they would not receive a commission on stock sales and (2) the failure to disclose that David K. Tanner would participate in the offering and would be paid 10¢ per share sold by him. There also was a failure to disclose, in response to a specific item of the Regulation A notification, that a Federal court order was issued on October 25, 1968, preliminarily enjoining violations by David K. Tanner of the anti-fraud provisions of the Securities Exchange Act.

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**PROFESSIONAL ACCEPTANCE SUSPENSION PERMANENT.** The Commission's order of April 1, 1969, temporarily suspending a Regulation A exemption with respect to a 1967 public offering of stock by Professional Acceptance Corporation, Pittsburgh, Pa., has become permanent. In its suspension order, the Commission asserted that it had reasonable cause to believe that the company's notification and accompanying offering circular contained false and misleading information particularly with respect to (1) the jurisdiction in which said securities would be offered and sold; (2) the extent to which securities would be issued on other than a cash basis; (3) the true financial condition of the issuer at the time of the commencement of the offering; (4) the amount of the "faithful performance deposits" which would be obtained from franchisees; (5) sales of the issuer's securities during the course of the offering in a different common stock to preferred stock ratio than that in which it was offered to the public; and (6) the sale of a large amount of the public offering to a wholly-owned subsidiary of the issuer.

**EXAMINER RULES IN "HODGDON" CASE.** SEC Hearing Examiner Sidney Gross has filed an initial decision in administrative proceedings under the Securities Exchange Act involving the Washington, D.C. firm formerly known as Hodgdon & Co., Inc., now called Haight & Co., Inc. (and herein referred to as the Hodgdon firm), and certain individual respondents. Based upon his findings that the Hodgdon firm and the several individuals engaged in activities violative of the Federal securities laws during the period May 1960 and June 1964, and subject to review by the Commission either on its own motion or on petition of a party, the Examiner ordered that the Hodgdon firm be suspended from NASD membership and from the Philadelphia-Baltimore-Washington Stock Exchange for four months. He also ordered that four of the individuals respondents be barred from further association with a broker-dealer, namely, A. Dana Hodgdon, James F. Haight, David M. Adam, Jr., and James W. Harper, III; that Louis A. Amann be likewise barred, with the understanding that he may apply for employment in a supervised capacity after nine months; that Burton Kitain and Homer E. Davis be suspended from such association for one year, W. Lyles Carr, Jr., for ten months, Robert F. Kibler for five months, and Harvey A. Baskin for fifteen days. Hodgdon was formerly president of the Hodgdon firm; Haight is now president and Carr, Kitain, Adam and Harper are officers; and the other respondents were registered representatives of the Hodgdon firm during the period in question.

In his decision the Examiner held that the respondents engaged in practices and a course of business which violated the antifraud provisions of the Federal securities laws in, among other things, the recommendation to and the purchase by unsophisticated customers of too great a proportion of securities of which Hodgdon & Co., Inc. was underwriter or which it sold out of its trading account as principal; the misrepresentation of anticipated distributions from real estate syndications; the making of false and misleading statements and omissions in the offer and sale of securities; and the making of unwarranted lulling representations. In addition, the Examiner held that respondents had violated other provisions of the Federal securities laws including the offer and sale of unregistered securities.

**DOWNE COMMUNICATIONS FILES FOR SECONDARY.** Downe Communications, Inc. 641 Lexington Avenue, New York, N.Y. 10022, filed a registration statement (File 2-33033) with the SEC on May 14 seeking registration of 577,800 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$32 per share maximum\*).

The company is primarily engaged through subsidiaries in publishing Ladies' Home Journal, American Home and Family Weekly Magazines, the sale of watches, cosmetics and pet products, the mail order sale of books and general merchandise and in advertising representation. In addition to indebtedness, it has outstanding 4,020,078 common shares, of which Edward R. Downe, Jr., board chairman and president, owns 48.8%. The Value Line Special Situations Fund, Inc., proposes to sell all of 176,400 shares held, Morgan Guaranty Trust Company of New York, as Trustee of a commingled pension trust, all of 150,000 shares, and 23 others the remaining shares being registered. Registration of these shares will not become effective until 90 days following effectiveness of the registration of an additional 1,033,700 common shares to be offered pursuant to a separate registration statement (See News Digest of May 9).

**AMERICAN PHOTOCOPY FILES FOR SECONDARY.** American Photocopy Equipment Company, 2100 Dempster St., Evanston, Ill. 60204, filed a registration statement (File 2-33035) with the SEC on May 14 seeking registration of 73,998 outstanding shares of common stock. The shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$13.50 per share maximum\*). These shares were issued in connection with the company's acquisition of substantially all of the assets of Magnum Marine Corp., substantially all of the assets of RDA, Incorporated and all of the outstanding shares of Bosworth Marine Corporation.

The company is engaged in the assembling and sale of photocopy equipment and the preparation and sale of electrostatic type paper for use with such equipment, as well as in related activities. It has outstanding 8,114,283 common shares. Donald Aronow proposes to sell 37,401 shares, Vincent S. and Betty B. Lazzara 22,188 and Wakeem R. and Ada J. Azim 14,287.

**SOLBERN CORP. FILES FOR SECONDARY.** Solbern Corp., 8 Kulick Road, Fairfield, N.J. 07006, filed a registration statement (File 2-33037) with the SEC on May 14 seeking registration of 117,500 outstanding shares of common stock, to be offered for public sale by the present holder thereof (Bernard C. Eisenberg, president) through underwriters headed by Ladenburg, Thalmann & Co., 25 Broad St. New York, N.Y. 10004. Recently Eisenberg sold 7,500 shares to the Ladenburg firm at \$15.50 per share and he has agreed to pay that firm \$25,000 for expenses.

The company designs, manufactures and sells automatic container-filling machines used primarily in the food processing industry. It has outstanding 500,000 common shares, of which Eisenberg owns 82.5%.

**DENVER REAL ESTATE INVESTMENT PROPOSES RIGHTS OFFERING.** Denver Real Estate Investment Association, Continental Oil Building, 1755 Glenarm Place, Denver, Colo., filed a registration statement (File 2-33041) with the SEC on May 14 seeking registration of 181,762 shares of beneficial interest, to be offered for subscription by shareholders of record June 27 at the rate of one new share for each five shares held. The subscription price (\$12 per share maximum\*) is to be supplied by amendment.

A real estate investment trust pursuant to Sections 856-858 of the Internal Revenue Code, the Trust provides investors with an opportunity to own diversified income-producing properties through transferable beneficial interests. Its present holdings consist of office buildings, shopping centers and apartment houses and two commercial buildings and a hotel leased on a net basis which places the burden of substantially all expenses on the tenant. Net proceeds of its sale of shares will be used to retire short-term debt incurred to purchase the Downtowner Hotel in Denver. In addition to indebtedness, the Trust has outstanding 908,811 shares. Ralph B. Mayo is executive trustee.

**PENNSYLVANIA POWER TO SELL BONDS.** Pennsylvania Power & Light Company, 901 Hamilton St., Allentown, Pa., filed a registration statement (File 2-33042) with the SEC on May 15 seeking registration of \$40,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. A public utility, the company will add the net proceeds of its bond sale to its general funds to be used to repay bank loans incurred to provide interim financing for construction expenditures (\$50 million of such loans are expected to be outstanding at the time of the sale of the bonds). Construction expenditures aggregated \$98 million for 1968 and are estimated at \$122 million for 1969.

**FIRST WORTH TO SELL STOCK.** First Worth Corporation, 2821 West Seventh St., Fort Worth, Texas, 76101, filed a registration statement (File 2-33045) with the SEC on May 15 seeking registration of 300,000 shares of common stock to be offered for public sale through underwriters headed by Eppler, Guerin & Turner, Inc., 3900 1st National Bank Building, Dallas, Texas. The offering price (\$28 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has sold to the Eppler firm, for \$150, five-year warrants to purchase 15,000 shares.

The company is engaged primarily in the manufacture and sale of clay brick and tile, concrete block, glazed concrete block (Spectra-Glaze) and precast and pre-stressed concrete products. It also manufactures and sells various leather products. Of the net proceeds of its stock sale, \$4,300,000 will be used to eliminate short-term indebtedness (of which \$1,000,000 was borrowed in connection with the recent acquisition of a concrete products company) and provide additional working capital, \$850,000 to retire certain long-term notes, and \$500,000 for the installation of a concrete block plant in Houston; the balance will be used for the purchase or acquisition of manufacturing facilities or operating companies (if the company is unable to utilize the balance for such acquisitions within one year, such funds will be utilized for the construction of a brick plant now in the planning stage) and for general corporate purposes. In addition to indebtedness, the company has outstanding 748,074 common shares. D.O. Tomlin is president.

**FINANCIERA BANCOMER PROPOSES OFFERING.** Financiera Bancomer, S.A. (Institucion Financiera y Fiduciaria), Venustiano Carranza 42, 6o Piso, Mexico 1, D.F., Mexico (U.S. Representative: Paul Weber, 74 Trinity Place, New York, N.Y.), filed a registration statement (File 2-33046) with the SEC on May 15 seeking registration of \$20,000,000 of 9.625% financial certificates, Series X (to mature in two years), to be offered for public sale at 100% of principal amount. The certificates are subject to a 4% Mexican withholding tax on the interest. No underwriting is involved.

Bancomer is a financiera (credit institution) which operates in the private sector of the Mexican economy. All financieras in Mexico are required to deposit all funds received from the sale of financial certificates with the Bank of Mexico. Bancomer will so deposit all funds; it may then borrow from the Bank of Mexico 60% of the sum deposited at a rate of interest substantially below the prevailing market rate and lend these funds to its customers. The remaining 40% must remain as a reserve on deposit with the Bank of Mexico or be invested in designated Mexican Government securities. In addition to indebtedness, the financiera has outstanding 3,154,112 capital shares, of which Fundacion Mary Street Jenkins owns 19.19%, Banco de Comercio, S.A. 28.30% and subsidiaries and affiliates of Banco de Comercio, S.A. 24.73%. Luis P. Estrop is president.

**TRADING SUSPENSIONS CONTINUED.** The Securities and Exchange Commission has ordered the suspension of over-the-counter trading in the securities of Continental Investment Corporation and Electrogen Industries, Inc. (formerly Jodmar Industries, Inc., and sometimes known as American Lima Corporation) for the further ten-day period May 17-26, 1969, inclusive.

**FLORIDA POWER & LIGHT TO SELL BONDS.** Florida Power & Light Company, 4200 Flagler St., Miami, Fla. 33134, filed a registration statement (File 2-33038) with the SEC on May 15 seeking registration of \$50,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. An electric utility, the company will use the net proceeds of its bond sale for construction and for other corporate purposes, including repayment of an estimated \$25,000,000 of short-term borrowings made in 1969 for similar purposes. Construction expenditures are estimated at \$171,880,000 for 1969.

**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 May 9 News Digest.

Preferred Risk Life Assurance Co Mar 65(11,13), Apr 66(4,11,13) May 66(7,10) Dec 66(10) Mar 67(11,13) Apr 67(7,10) & Mar 69(11,13) Feb 69(7)	2-16930-2	Hess of Allentown Inc Jan 69(7)	2-30205-2
		Television Communications Corp Jan 69(7)	2-29969-2
General Mortgage Investments Dec 68(7)	2-30392-2	Charter Co Amdt #1 to 8K for Dec 68 (2)	0-1825-2
Fremont First National Co Dec 68(7)	2-27699-2	Unicare Health Services Inc Amdt #1 to 8K for Dec 68(7)	2-29127-2
Rem Metals Corp Mar 69(1)	0-3276-2	Whale Inc Amdt #1 to 8K for Sept 68(13)& Amdt #1 to 8K for Dec 68(7)	1-4517-2
Alexanders Inc Jan 69(12,13)	2-29780-2		
Business Funds Inc Feb 69(2,7,9,13)	0-3557-2		
Dynalab Corp Jan 69(11)	2-29369-2		
Hillhaven Inc Dec 68(7)	2-29777-2		
Information & Computing Centers Corp Jan 69(2,13)	2-30657-2		
Investors Growth Industries Inc Jan 69(11)	0-796-2		
Resorts International Inc Feb 69 (2,3,7,9,13)	1-4748-2		
Family Bargain Centers Inc Jan 69(7)	1-5173-2		
Metropolitan Quarterback Inc Dec 68(7)	2-30226-2		
Chesapeake Industries Inc Feb 69 (2)	2-30328-2		
All American Life & Financial Corp Dec 68(2,7,13)	2-29948-2		
Curtis Publishing Co Feb 69(3)	1-69-2		
Mouldings Inc Jan 69(7,13)	2-30506-2		
Savings Financial Dec 68(7)	2-30761-2		

**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 and related plans:

Lyon Metal Products, Incorporated, Aurora, Ill. (File 2-33018) - 70,000 shares  
Whirlpool Corporation, Benton Harbor, Mich. (File 2-33030) - 500,000 shares  
Cole National Corporation, Cleveland, Ohio (File 2-33031) - 30,000 shares  
LTV Ling Altec, Inc., Dallas, Tex. (File 2-33034) - 207,043 shares  
Trans World Airlines, Inc., New York, N. Y. (File 2-33036) - \$7,210,167 of deposits by eligible employees and 209,598 shares  
Tool Research and Engineering Corporation, Beverly Hills, Calif. 90212 (File 2-33039) - 290,724 shares

**SECURITIES ACT REGISTRATIONS.** Effective May 14: Houston Lighting & Power Company, 2-32751; R. E. D. M. Corporation, 2-30827 (40 days).

Effective May 15: Air Reduction Co., Inc., 2-32660; Barth-Spencer Corp., 2-31536 (40 days); Burroughs Corp., 2-32722; C. R. Bard, Inc., 2-32720 (40 days); Central Vermont Public Service Corp., 2-32917 (June 25); Continental Funding Corp. 2-32111 (Aug. 13); Control Data Corp., 2-32127 (40 days); Detection Systems, Inc., 2-31621 (90 days); Gulf & Western Industries, Inc., 2-32972; Gulf Life Holding Co., 2-32649; Labarge, Inc., 2-32116 (40 days); Mid-Continental Realty Corp., 2-33006 (Aug. 13); Millmaster Onyx Corp., 2-32665 (June 24); Monica Simone Cosmetics, Inc., 2-32433 (90 days); NMC Corp., 2-31562 (40 days); Prudential Funds, Inc., 2-32799 (40 days); Retirement Living, Inc., 2-31528 (90 days); Sanitas Service Corp., 2-32817; U. S. Realty Investments, 2-32460 (June 24); Young World Corp., 2-31826 (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.