

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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AMERICAN INTERNATIONAL CORP. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5811) declaring that American International Corporation, New York, has ceased to be an investment company as defined in the Act.

MUTUAL INVESTING FOUNDATION SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5815) giving interested persons until October 3 to request a hearing upon an application of Mutual Investing Foundation, a Columbus, Ohio, mutual fund, and its investment advisor, Heritage Securities, Inc., for exemption from certain provisions of the Act so that Heritage may serve as advisor to the Fund without shareholder approval from the time of the purchase of all the outstanding capital stock of Heritage by Nationwide Corporation (a company related to the present shareholders of Heritage) until the next regular annual meeting of the shareholders of the Fund, but not later than January 29, 1970. Heritage has acted as investment advisor to the Fund under a contract dated July 1, 1965, which was most recently approved by shareholders on January 30, 1969. It provides for its automatic termination in the event of its assignment by Heritage. Mutual and Nationwide propose to execute a new investment advisory agreement to become effective immediately upon the effectiveness of the purchase of the outstanding capital stock of Heritage by Nationwide, which will be identical in all material respects to the present agreement.

MAIRS AND POWER INCOME FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5817) giving interested persons until October 3 to request a hearing upon application of Mairs and Power Income Fund, Inc. ("Mairs"), St. Paul, Minn., for exemption from Rule 22c-1 to the extent that said rule requires that shares of Mairs be priced for sale on the day orders for the purchase of such shares are received. Orders for shares of Mairs that are received in any week are filled at the net asset value as of the close of business on Friday of that week. Redemptions are priced as of the day shares are tendered for redemption.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act granting an application of the New York Stock Exchange to strike from listing and registration the common stock and 5% convertible subordinated debentures, due 1987, of Electronic Specialty Co., effective September 10, 1969. As a result of a merger effective August 1, Electronic Specialty has become a wholly owned subsidiary of International Controls Corporation, which is listed and registered on the American Stock Exchange.

LASER NUCLEONICS FILING QUESTIONED. The SEC has ordered administrative proceedings under the Securities Act of 1933 which question the accuracy and adequacy of disclosures contained in a registration statement filed by Laser Nucleonics, Inc. ("Laser"), of Waltham, Mass.

Organized in April 1968, the company is said to be engaged "in activities and in manufacturing apparatus involving the use of laser techniques and in certain other fields." Its registration statement proposed the public offering of 250,000 common shares at \$12.50 per share. The administrative proceedings are based upon allegations of the Commission's staff that Laser's registration statement and prospectus include untrue statements of material fact and omit to state material facts required to be stated therein, or necessary to make the statements therein not misleading. These relate to the proposed method for distribution of the shares being registered, the use of the proceeds of the stock sale, the background and experience of a management official and others upon whom the success of the company will depend, the interest of management and others in certain transactions, and the use of the word "nucleonics" in the company's name.

A hearing has been scheduled to take evidence on the staff allegations and to afford Laser an opportunity to offer any defense thereto, for the purpose of determining whether its registration statement and prospectus fail to comply with the Securities Act disclosure requirements and, if so, whether a stop order should be issued suspending the statement.

MUNICIPAL INVESTMENT TRUST FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5814) giving interested persons until October 2 to request a hearing upon an application of Municipal Investment Trust Fund, Tax Exempt Income Fund and Michigan Tax Exempt Bond Fund, New York unit investment trusts, for exemption of secondary market operations of applicants' sponsors from the provisions of Rule 22c-1, which provides that redeemable securities of registered investment companies must be priced at the current net asset value (computed at least once daily at the close of trading on the NYSE). The sponsors seek to continue the practice of valuing applicants' units, for repurchase and resale in the secondary market, once a week on the last business day of the week as of 3:30 p.m., effective for all transactions made during the following week. Applicants assert that such pricing by the sponsors in the secondary market in no way affects the assets of the Fund and that the public unit holders benefit from such pricing procedure by receiving a normally higher repurchase price for their units without the cost burden of daily evaluations of the unit redemption value.

Over

**CHURCHILL FUND PROPOSES OFFERING.** Churchill Fund, Inc., 3774 Merrick Road, Seaford, N.Y. 11783, filed a registration statement (File 2-34547) with the SEC on September 4 seeking registration of 1,000,000 shares of capital stock, to be offered for public sale at net asset value (\$10 per share maximum\*) plus an 8.75% sales charge (9.59% of the net amount invested) on purchases of less than \$25,000. The Fund is a non-diversified open-end investment company whose primary investment objective is capital appreciation. PMH Management Corporation will serve as investment adviser and PMH Distributor Corp., wholly-owned by the adviser, as principal underwriter. Of the adviser's outstanding voting stock, Security Programmers, Inc., owns 49.5%, and Robert M. Epstein (trustee f/b/o Lawrence S. Herold and Paula M. Herold) and Carl Olla (trustee f/b/o Matthew M. Gerald and Andrew E. Gerald) own 19.75% each. Robert Wachterman is president of the Fund.

**GREEN POND MOUNTAIN CORP. PROPOSES OFFERING.** Green Pond Mountain Corporation, RR 2, Green Pond, Newfoundland, N.J. 07435, filed a registration statement (File 2-34548) with the SEC on September 4 seeking registration of \$300,000 of 6½% senior subordinated notes, due 1974, \$369,000 of 5½% junior subordinated debentures, due 2019, 3,690 shares of Class A voting stock (\$100 par) and 2,981 shares of Class B non-voting stock (\$100 par), to be offered for sale exclusively to 369 stockholder-members of The Green Pond Corporation ("Pond"). The notes are to be offered for sale to stockholder-members of Pond only if, and to the extent that, proceeds from the sale of debentures, Class A and Class B stock aggregate less than \$950,000. Stockholder-members of Pond have indicated their intention to subscribe for more than \$900,000 of the offered securities.

The company was organized in August by the officers and directors of Pond for the purpose of acquiring from the Dudley B. Dawson Estate a tract of land fronting on and including approximately one-half of Green Pond in Morris County, N.J., and heretofore leased by Pond ("the Dawson Tract"). Pond has subleased portions of the Dawson Tract to stockholder-members of Pond, upon which they have erected summer cottages and, in some instances, all-year homes. Upon completion of the acquisition of the Dawson Tract, the company may be merged with and into Pond, which would assume the company's debt obligations. Of the net proceeds of its financing, \$50,000 will be applied to the \$900,000 purchase price of the Dawson Tract, \$90,000 to reimbursement of payments heretofore made by Pond under contract for purchase of the Dawson Tract and the balance will be paid to the Dawson Estate upon conveyance of the premises. John H. Skinner is president.

**FML EQUITY INCOME FUND PROPOSES OFFERING.** FML Equity Income Fund, Inc., The Parkway at Fairmount Ave., Philadelphia, Pa. 19101, filed a registration statement (File 2-34549) with the SEC on September 4 seeking registration of 1,900,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 7½% on purchases of less than \$10,000 (\$10.81 per share maximum\*). The Fund is a diversified open-end investment company whose objective is to earn high current income consistent with investment in common stocks. FML Funds Advisory Company, a wholly-owned subsidiary of The Fidelity Mutual Life Insurance Company, will act as investment adviser and FML Funds Distribution Company as distributor of the Fund's shares. Richard A. Hess is president of the Fund.

**TECHNOLOGY SYSTEMS TO SELL STOCK.** Technology Systems, Incorporated, Cockeysville, Md., filed a registration statement (File 2-34550) with the SEC on September 4 seeking registration of 250,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by Coggeshall & Hicks, 1 Liberty Street, New York, N.Y., which will receive \$1 per share commission plus \$25,000 for expenses. The said underwriter also will be entitled to purchase, for \$250, five-year warrants for the purchase of 25,000 shares, exercisable after one year at from \$10.70 to \$12.80 per share.

The company was organized in August 1968 primarily to undertake the design, development and production of cash-handling and security systems; it has been principally engaged in the design and development of a line of automatic cash-handling units (to be marketed under the trade name "Safe-O-Matic") which record transactions, receive, circulate and dispense coins and paper currency and secure such monies against theft and pilferage. Of the net proceeds of its stock sale, \$750,000 will be used to purchase component parts and raw materials for use in the production of the Safe-O-Matic line and in maintaining an inventory of spare parts and finished units, \$500,000 for research and development for the modification, improvement and broadening of the Safe-O-Matic line, \$350,000 to purchase additional machinery, equipment, tools and dies, \$150,000 for marketing and promotion, and the balance for other corporate purposes. The company now has outstanding 877,250 common shares, of which 646,500 were issued for inventions and other assets transferred to the company by Morrow Associates and for promotional and other services and 230,750 were issued for \$415,750 in cash, or \$1.80 per share. Of the outstanding stock, Charles Ellerin, board chairman, owns 21.5% and Robert D. Morrow, president, 14.2%; Morrow has an 80% interest in Morrow Associates, which owns 20.8% and management officials as a group own 74.4% of the outstanding stock. Purchasers of the shares being registered will acquire a 22% stock interest in the company for their investment of \$2,500,000.

**NASHUA CORP. TO SELL DEBENTURES.** Nashua Corporation, 44 Franklin St., Nashua, N.H. 03060, filed a registration statement (File 2-34551) with the SEC on September 4 seeking registration of \$15,000,000 of sinking fund debentures, due 1989, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, New York, N.Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company has two principal product groups: (a) reprographic products, including office copy papers, toners, office copy machines and recording charts, and (b) packaging and identification products, including coated label papers and printed labels, printed packaging materials, newspaper color advertising inserts, sealing tapes and other paper products. The net proceeds of its debenture sale will be added to the company's general funds and will be available for capital expenditures, additional working capital and other corporate purposes; a portion thereof will be applied to retire or substantially reduce short-term bank loans, which aggregated \$8,500,000 on August 31.

**MAGNACAP FUND FILES OFFERING PROPOSAL.** MagnaCap Fund, Inc., 185 Cross St., Fort Lee, N.J. 07024, filed a registration statement (File 2-34552) with the SEC on September 4 seeking registration of 1,000,000 shares of capital stock. The company is a diversified, open-end investment company with the sole objective of seeking growth of capital. Its shares will be offered at net asset value (\$10 per share maximum\*) plus a sales commission of up to 8-3/4%. Pilgrim Management Corporation will serve as investment adviser and manager; its subsidiary, Pilgrim Fund Distributors, Inc., as principal underwriter. Pilgrim Management is a subsidiary of Magavest Corporation, whose stock is 39% owned by its president, William J. Lippman. Lippman also is president of the Fund and of its investment adviser and distributor.

**CERES CATTLE FILES FOR OFFERING.** Ceres Cattle Company, Sterling, Colorado 80751, filed a registration statement (File 2-34553) with the SEC on September 4 seeking registration of \$20,000,000 of limited partnership interests in Cattle Feeding Partnerships and Cattle Breeding Partnerships. The price per unit for a feeding partnership is \$5,000 and for a breeding partnership is \$10,000. The offering is to be made by the company, as general partner, though its officials and employees; NASD members will be entitled to a 4 1/2% commission. The company is a subsidiary of Ceres Land Company; the latter has agreed to enter into a contract with each limited partnership to furnish, on a fee basis, all of the facilities necessary for cattle feeding and breeding. The business of a feeding partnership will be to fatten cattle in feed yards for market; that of breeding partnership will be to fatten cattle in feed yards for market; that of breeding partnerships to maintain, breed and enlarge a herd of cattle and from time to time to sell cattle from the herd to feeders and packers. The management of each partnership is vested in Ceres Cattle, the general partner; Simon Chlewic is its board chairman and Frank H. Seckler its president and chief executive officer.

**MARRIOTT INN TRUST FILES.** Marriott Inn Participating Investors, 5161 River Road, Washington, D.C. 20016, filed a registration statement (File 2-34555) with the SEC on September 4 seeking registration of 54,000 units each consisting of five shares of beneficial interest and one warrant to purchase shares of beneficial interest, and \$5,500,000 of subordinated debentures, convertible series due 1989. The units are to be offered for sale at \$100 each to certain employees of Marriott Corporation; this offering is not underwritten. The debentures are to be offered for public sale at 100% of their principal amount, through underwriters headed by New York Securities Co., One Whitehall St., New York, N.Y., whose commission is to be supplied by amendment.

The Trust intends to provide investors with an opportunity to participate in professionally managed, income-producing portfolio of real estate mortgages primarily in the motor inn field and to realize the income tax benefits available to qualified real estate investment trusts. It has contracted with Marriott Financial Services, Inc., a subsidiary of Marriott Corporation, to advise the Trust with respect to investments and investment policy and to administer the operations of the Trust subject to the supervision of its Trustees. The Trustees believe that the advisor will be able to offer the Trust a substantial number of investment opportunities in connection with the "Marriott Inn" program. J. Willard Marriott, Jr., president of Marriott Corporation, also is president of the advisor.

**CAMCOR PACKAGING FILES FOR OFFERING AND SECONDARY.** Camcor Packaging, Inc., 1225 Seamist Drive, Houston, Texas 77008, filed a registration statement (File 2-34556) with the SEC on September 5 seeking registration of 200,000 shares of common stock, of which 115,000 are to be offered for public sale by the company and 85,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Sanders & Company, Inc., 830 Republic National Bank Bldg., Dallas, Texas; the offering price (\$3 per share maximum\*) and underwriting terms are to be supplied by amendment. The Sanders firm will be entitled to purchase, for \$100, five-year warrants for the purchase of 20,000 shares.

The company is primarily engaged in the manufacture of paper and plastic packaging materials for the food, cookie, candy, cosmetic, pharmaceutical and electric lamp industries. The net proceeds of its sale of additional shares, will be used for the purchase of additional machines and equipment, for the payment of a \$40,000 bank loan, and for working capital. In addition to indebtedness, the company has outstanding 585,000 common shares (with a \$1.47 per share book value), of which Esteban Kampler, board chairman, owns 30.45%, Zoltan Engel, president and chief executive officer, 19.55% and Corrugated Products Ltd. (of London) 50%. They propose to sell 32,000, 23,000 and 30,000 shares, respectively.

**AURIC CORP. FILES OFFERING PROPOSAL.** Auric Corporation, 470 Frelinghuysen Ave., Newark, N.J. 07114, filed a registration statement (File 2-34557) with the SEC on September 5 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 underwriters headed by John J. Ryan & Co., Inc., 744 Broad St., Rm. 1810, Newark, N.J., which will receive a commission of 60¢ per share plus \$14,000 for expenses. The Ryan firm will be entitled to purchase, for \$100, five-year warrants to purchase 10,000 shares at \$6 per share.

The company and subsidiaries are engaged in the business of providing chemical products, gold processes and solutions and electroplating services, equipment and materials, all of which are used primarily in the electronics, aerospace and computer industries. Of the net proceeds of its stock sale, \$175,000 will be applied to the repayment of bank loans, \$150,000 toward the establishment and operation of additional plant facilities, and \$75,000 to the expansion of existing production and plating facilities; the balance will be used for working capital and other corporate purposes. The company has outstanding 300,000 common shares, of which Maurice Bick, president, owns 75% and Leo Kosowsky, vice president, 25%.

**CINCINNATI & SUBURBAN BELL TELEPHONE FILES.** The Cincinnati and Suburban Bell Telephone Company, 225 East Fourth St., Cincinnati, Ohio 45202, filed a registration statement (File 2-34558) with the SEC on September 5 seeking registration of \$35,000,000 of forty-year debentures, due 2009, to be offered for public sale at competitive bidding. A telephone utility whose stock is 27% owned by AT&T, the company proposes to apply the net proceeds of its debenture sale to the payment of some \$37,400,000 of advances from AT&T and about \$9,400,000 of bank loans then expected to be outstanding.

**ALLTAPES FILES FOR OFFERING.** Alltapes, Inc., 2623 North Pulaski Road, Chicago, Ill. 60639, filed a registration statement (File 2-34559) with the SEC on September 5 seeking registration of 240,000 shares of common stock. The stock is to be offered for public sale through Rodman & Renshaw 209 So. LaSalle St., Chicago, Ill.; the offering price (\$7 per share maximum\*) and underwriting terms are to be supplied by amendment. The said underwriter will be entitled to purchase for \$2,000, a five-year warrant to purchase 20,000 shares, exercisable after one year at from 107% to 128% of the offering price.

The company is engaged as a national distributor, wholesale and full service merchandiser of pre-recorded stereotapes, phonograph records and accessories. Of the net proceeds of its stock sale, \$125,000 will be used to retire bank notes and the balance will be added to working capital and used for general operations. In addition to indebtedness, the company has outstanding 600,000 common shares, of which Edward Yalowitz, president, and Kent Beauchamp, executive vice president, own 50% each.

**NORTHERN NATURAL GAS FILES OFFERING PROPOSAL.** Northern Natural Gas Company, 2223 Dodge St., Omaha, Nebr. 68102, filed a registration statement (File 2-34560) with the SEC on September 5 seeking registration of 150,000 shares of \$100 par preferred stock. The stock is to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall Street, New York, N.Y.; the dividend rate, offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the extraction, transportation and sale of liquefied petroleum gas, natural gasoline and helium and in the production and sale of petrochemicals and related products. The net proceeds of its preferred stock sale will be used to repay \$5.5 million of short-term borrowings which were incurred in connection with the 1969 expansion program of the company and its subsidiaries and the balance will be used for current cash requirements. Some \$48 million of short-term bank loans and \$46 million of commercial paper will be outstanding at the date of receipt of such proceeds. Capital expenditures for 1969 are estimated at \$169 million.

**ILLINOIS POWER TO SELL BONDS.** Illinois Power Company, 500 South 27th St., Decatur, Ill., 62525, filed a registration statement (File 2-34561) with the SEC on September 5 seeking registration of \$35,000,000 of first mortgage bonds, due 1999, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., both of New York, N.Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will add the net proceeds of its bond sale to its general funds to be applied either to repayment of short-term bank loans or to new construction, or both. Construction expenditures for the period July 1, 1969, to December 31, 1974, are estimated at \$629,000,000.

**MARKEM PRINTING TO SELL STOCK.** Markem Printing Co., Inc., 145 Hudson St., New York, N.Y. 10013, filed a registration statement (File 2-34563) with the SEC on September 5 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 underwriters headed by Dunscombe & Co., 111 Broadway, New York, N.Y. 10006, which will receive a 60¢ per share commission plus \$15,000 for expenses. Samuel Kanover, a director of the company, has agreed to sell 10,000 shares to the Dunscombe firm at \$1 per share.

The company is engaged in commercial printing of business machine forms and has recently entered the financial printing field. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. The company has outstanding 200,000 common shares (with a 30¢ per share book value), of which Lawrence Kanover, president and board chairman, and Matthew Nathan, secretary-treasurer, own 37½% each and Samuel Kanover 25%. Purchasers of the shares being registered will sustain an immediate dilution of \$4.15 in per share book value from the offering price.

**TRADING SUSPENSIONS CONTINUED.** The SEC has ordered the further suspension of exchange and/or over-the-counter trading in the securities of Rajac Industries, Inc., for the ten-day period September 14-23, 1969, inclusive, and in the securities of Federated Purchaser, Inc., for the period September 15-24, 1969, inclusive.

**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 plans:

- Media General, Inc., Richmond, Va. 23213 (File 2-34533) - 85,908 Class A common shares and (File 2-34534) - \$4,500,000 of Interests of Participation in the Employees Thrift Plan and 128,571 Class A common shares
- Allegheny Airlines, Inc., Washington, D.C. 20001 (File 2-34538) - 432,975 shares
- Pennsylvania Life Company, Cleveland, Ohio 44114 (File 2-34554) - 121,371 shares

**SECURITIES ACT REGISTRATIONS.** Effective September 10: United States Smelting Refining and Mining Company, 2-34345 (Oct 20). Effective September 11: Bio-Medical Sciences, Inc., 2-32533 (90 days); Blye International Ltd., 2-33163 (90 days); Computer Credit Systems, Inc., 2-33185 (90 days); Countrywide Credit Industries, IJC, 2-33782 (90 days); Extracorporeal Medical Specialties, Inc., 2-32400 (90 days); First-Met Realty Corporation, 2-32450 (90 days); Funeral Homes of America, Inc., 2-33957 (90 days); Hach Chemical Company, 2-34110 (40 days); Key Punch Computer Temporaries, Inc., 2-31928 (90 days); Reinell Industries, Inc., 2-32866 (90 days); Resources Management Corporation, 2-32785 (90 days); Trans-Lux Corporation, 2-33818 (40 days); Wisconsin Michigan Power Company, 2-34365 (90 days). Effective September 12: National Color Laboratories, Inc., 2-32266 (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 registration fee.