

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 SEC Publications Unit cite number)

(Issue No. 69-224)

FOR RELEASE November 21, 1969

NATIONAL FUEL GAS PURCHASE OF PRODUCERS GAS APPROVED. The SEC has approved a proposal of National Fuel Gas Company, New York holding company, for its purchase of the outstanding common stock of Producers Gas Company. The proposal, filed pursuant to provisions of the Holding Co. Act, provides for the exchange of 28,800 shares of National common for the 48,000 outstanding shares of Producers common, at the rate of 0.6 shares of National for each share of Producers. Twenty-five holders of 39,892 shares (83%) of the outstanding Producers stock have agreed to accept the exchange offer; and National proposes to offer to acquire the remaining 8,108 shares on the same terms.

National owns all of the capital stock of three gas utility companies serving an area located principally in the western portion of the State of New York and in the adjacent northwestern portion of Pennsylvania. Producers distributes natural gas at retail in the western portion of New York to about 4,900 residential, commercial and industrial customers in Allegheny and Cattaraugus Counties. Its properties are located in or adjacent to the same service area in which gas utility assets of Iroquois Gas Corporation, a National subsidiary, are located. Observing among other things that the acquisition of Producers by National and its eventual merger into Iroquois Gas will result in the effectuation of substantial economies of operation, the Commission concluded that the acquisition satisfied the "integration" provisions of the Holding Company Act. Based upon its analysis of financial and related data relating to both companies, the Commission also concluded that the terms of the exchange offer are fair and reasonable. (Release 35-16527)

VERMONT YANKEE NUCLEAR POWER SEEKS ORDER. Vermont Yankee Nuclear Power Corporation, Rutland subsidiary of Northeast Utilities and New England Electric System, has filed a proposal with the SEC under the Holding Company Act for the issuance and sale of \$40,000,000 of first mortgage bonds to finance construction and to repay short-term notes issued therefor. The Commission has issued an order (Release 35-16521) scheduling the proposal for hearing on December 9, particularly with respect to the company's request for an exemption from the competitive bidding requirements of its Rule 50.

KINGSPORT POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16525) giving interested persons until December 12 to request a hearing upon an application of Kingsport Power Company, Roanoke subsidiary of American Electric Power Company, Inc., to issue and sell through 1970, up to \$3,500,000 of unsecured notes to two banks (including \$2,500,000 of notes previously authorized for sale during 1969). Kingsport Power will use the proceeds of its financing to reimburse its treasury for past expenditures in connection with its construction program, to provide funds to finance, in part, its future construction program, estimated for 1970 at \$1,800,000, and for other corporate purposes.

WHEELING ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16526) giving interested persons until December 12 to request a hearing upon a proposal of Wheeling Electric Company, Wheeling subsidiary of American Electric Power Company, Inc., to issue and sell through 1970 up to \$4,200,000 of notes to five banks (including \$4,000,000 of notes previously authorized for sale during 1969). Wheeling Electric will use the proceeds of its financing to reimburse its treasury for past expenditures in connection with its construction program, to provide funds to finance, in part, its future construction program, estimated for 1970 at \$2,300,000, and for other corporate purposes.

AMERICAN & ISRAEL GROWTH FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5889) giving interested persons until December 12 to request a hearing upon an application of America and Israel Growth Fund, Inc. ("Growth Fund"), New York mutual fund, for an order declaring that it has ceased to be an investment company as defined in the Act. In June, Growth Fund conveyed substantially all of its properties and assets to Israel American Diversified Fund ("Diversified Fund") in exchange for capital stock of Growth Fund, which stock has been distributed to the former stockholders of Growth Fund upon surrender of their stock certificates. At present 38 stockholders have not surrendered their certificates (representing 5,098 shares for Diversified Fund shares) to which they are entitled. Growth Fund is in the process of dissolution and does not propose to engage in the business of investing, reinvesting, or trading in securities and does not propose to make a public offering.

ALLIED CAPITAL SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5891) giving interested persons until December 11 to request a hearing upon a proposal of Allied Capital Corporation, Washington, D. C. closed-end non-diversified investment company, to participate with others in a public offering of shares of Pandick Press, Inc. Pandick and certain of its shareholders, including Allied, propose to offer some 356,543 common shares for public sale through various underwriters. Of these shares, Pandick proposes to offer 100,000 and Allied 13,000. Allied owns 133,600 shares (10.01%) of the 1,334,000 outstanding shares of Pandick and \$140,000 of its subordinated sinking fund term notes. Because of the intercompany affiliation, the Act prohibits the transaction unless the requested exemption order is issued by the Commission.

OVER

MIDTEX TO SELL STOCK OF SUBSIDIARY. Controls Research Corporation, 11814, Western Ave., Garden Grove, Calif., filed a registration statement (File 2-35376) with the SEC on November 17 seeking registration of 385,000 shares of common stock, to be offered for subscription by holders of the common stock of Midtex, Incorporated (parent), at the rate of one share for each $3\frac{1}{2}$ Midtex shares held. The subscription rate (\$3 per share maximum*) is to be supplied by amendment.

The company was organized in February 1966 to engage primarily in the design, development, manufacture and marketing of electronic keyboards and pushbutton switches for a wide variety of computer related and data processing devices. Part of the net proceeds of its stock sale will be used to repay short-term loans from Midtex; a substantial portion of the proceeds is to be used to finance development and operating expenses and to finance capital expenditures for production tooling and equipment; and the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 660,000 common shares (with a 34¢ per share book value), of which Midtex owns 75.76% and Curtis R. Stevens (vice president) and his wife 12.60%. J. R. Stone is president and board chairman. Purchasers of the shares being registered will acquire a 36.8% stock interest in the company for their investment of \$1,155,000*; the present stockholders will then own 63.2%, for which they paid \$389,575 or 59¢ per share.

BEEFY'S TO SELL STOCK. Beefy's, Inc., 222 Philadelphia Pike, Wilmington, Delaware 19809, filed a registration statement (File 2-35378) with the SEC on November 17 seeking registration of 170,000 shares of common stock, to be offered for public sale through underwriters headed by Arnold, Wilkens & Co. Incorporated, 61 Broadway, New York, N. Y. The offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters \$17,500 for expenses and to pay the Arnold firm \$32,000 in financial consultation fees. The principal stockholders have agreed to sell 15,000 shares to the Arnold firm for \$2,010.

The company was organized in September to acquire the outstanding stock of four corporations through which it is engaged in the operation and franchising of quick-service limited menu restaurants doing business under the name "Beefy's." Of the net proceeds of its stock sale, \$450,000 will be used to finance the acquisition, construction, leasing and initial opening costs of 6 to 8 additional Beefy's units and \$75,000 will be applied for national and regional advertising and promotional programs; the balance will be added to the company's general funds and used for working capital and other corporate purposes. The company has outstanding 380,000 common shares (with a \$.134 per share book value), of which Daniel Geller, president, owns 21.34% and management officials as a group 100%.

SOUTHDOWN FILES FOR SECONDARY. Southdown, Inc., 950 Tenneco Bldg., Houston, Tex. 77002, filed a registration statement (File 2-35380) with the SEC on November 18 seeking registration of 653,164 shares of \$1.80 cumulative convertible preferred stock (\$10 par). These shares are to be issued in connection with the December merger of Pearl Brewing Company into Southdown, whereby the Pearl stockholders will receive one Southdown preferred share for each Pearl common share held. The former Pearl shareholders then may offer such shares for public sale through underwriters headed by Lehman Brothers, One William St., New York, N. Y. 10004, and Howard, Weil, Labouisse, Friedrichs and Company, 211 Carondelet St., New Orleans, La. 70130; the offering price (\$50 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in this statement are 156,149 \$1.80 cumulative convertible preferred shares and 121,500 common shares of Southdown (outstanding or to be outstanding), which may be offered for sale from time to time by the present holders thereof. Such shares were issued in connection with the acquisition in August of Canal Assets, Inc., or are to be issued in connection with the proposed acquisition of Pearl.

The company is principally engaged in brewing, oil and gas operations, various agricultural enterprises and the ownership of commercial and industrial real estate. In addition to indebtedness, it has outstanding 2,320,153 common shares, of which Zapata Norness Incorporated owns 29.5%. D. Doyle Mize is board chairman and W. S. Chadwick president. The names of the selling stockholders and number of shares to be sold are to be supplied by amendment.

UNIONAMERICA MORTGAGE PROPOSES OFFERING. Unionamerica Mortgage and Equity Trust, 2700 Wilshire Blvd., Los Angeles, Calif. 90057, filed a registration statement (File 2-35381) with the SEC on November 18 seeking registration of 2,500,000 shares of beneficial interest with warrants to purchase 2,500,000 shares of beneficial interest, to be offered for public sale in units, each consisting of one share with one warrant. The offering is to be made at \$20 per unit through underwriters headed by Lehman Brothers, One William St., and Dean Witter & Co. Incorporated, 14 Wall St., both of New York, N. Y.; the underwriting terms are to be supplied by amendment.

Organized in November, the Trust intends to provide investors an opportunity to invest in a professionally managed portfolio, consisting principally of construction and development first mortgage loans, permanent loans and real estate equities, and to qualify as a real estate investment trust under the Internal Revenue Code. Unionamerica Advisors, Inc., a newly organized subsidiary of Unionamerica, Inc., will serve as investment adviser. Robert H. Volk is board chairman of the adviser and president of its parent and Ott Thompson, II, is president of the adviser. Thompson and seven others are trustees of the Trust.

ADR'S FOR SHISEIDO FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y., filed a registration statement (File 2-35382) with the SEC on November 17 seeking registration of 100,000 American Depository Receipts for dollar validated common stock of Shiseido Co., Ltd. (a Japanese firm).

SCOTT PAPER SHARES IN REGISTRATION. Scott Paper Company, Philadelphia, Pa. 19113, filed a registration statement (File 2-35385) with the SEC on November 18 seeking registration of 353,775 shares of common stock, to be offered under and pursuant to employee stock plans.

STUDEBAKER-WORTHINGTON PROPOSES EXCHANGE OFFER. STP Corporation, 125 Oakton St., Des Plaines, Ill. 60018, filed a registration statement (File 2-35386) with the SEC on November 18 seeking registration of 4,985,000 shares of common stock. Studebaker-Worthington, Inc. (which owns 4,985,000 STP common shares, or 87.2% of its outstanding common stock), proposes to offer 2,000,000 STP common shares and to reserve the right to offer up to 2,985,000 additional such shares in exchange for shares of common stock of Studebaker-Worthington, at the rate of 1.25 STP shares for each Studebaker-Worthington share. Goldman, Sachs & Co. and Lehman Brothers have agreed to head a group of dealers who will solicit acceptances of the exchange offer.

STP is engaged in the production of automobile chemical products, principally STP Oil Treatment, a petroleum based product designed to improve the lubricating properties of oil and grease under heat and pressure. It has outstanding 5,706,000 common shares. Anthony Granatelli is president.

CHILD MINDERS TO SELL STOCK. Child Minders, Incorporated, 34 South Broadway, White Plains, N. Y., filed a registration statement (File 2-35387) with the SEC on November 18 seeking registration of 100,000 shares of common stock, to be offered for public sale on a best efforts basis through Amwiss International Corp., 56 Beaver St., New York, N. Y. The offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the underwriter, at 1¢ per warrant, five-year warrants to purchase up to 10,000 shares.

Organized in May, the company proposes to open and operate child day care centers throughout the country for preschool children of middle to upper-middle income families. Net proceeds of its stock sale will be used for site selection, renovation and furnishing of buildings to be leased by the company for 10 child minder centers which the company intends to open by November 1970 and for related expenses; the balance will be added to the company's working capital and used for additional child minder centers to be opened after November 1970. The company has outstanding 907,500 common shares (with an 18¢ per share net tangible book value), of which Peter F. Terry, president, and Nancy McCormick Rambusch, executive vice president, own 40.8% each.

SOUTH CAROLINA E&G TO SELL BONDS. South Carolina Electric & Gas Company, 328 Main St., Columbia, S. C. 29201, filed a registration statement (File 2-35388) with the SEC on November 18 seeking registration of \$15,000,000 of first and refunding mortgage bonds, Series A, due 1999, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Incorporated, 20 Exchange Place, 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 use the net proceeds of its bond sale to finance in part its construction program, including the retirement of some \$28,250,000 of short-term indebtedness incurred and to be incurred for such purposes. Construction expenditures are estimated at \$83,285,000 for 1969 and \$310,000,000 for the period 1970 through 1974.

SERVO SYSTEMS TO SELL STOCK. Servo Systems, Inc., 242 White Plains Road, Eastchester, N. Y., filed a registration statement (File 2-35391) with the SEC on November 19 seeking registration of 70,000 shares of common stock, to be offered for public sale at \$6 per share. No underwriting is involved; participating NASD members will receive a selling commission of up to 60¢ per share.

Organized in September, the company proposes to conduct a general maintenance service to commercial, industrial, public and residential properties. 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 244,000 common shares (with a 7½¢ per share book value), of which Joseph A. Alfredo, president, and Francis A. Alfredo, executive vice president, own 40% each. Purchasers of the shares being registered will acquire a 23% stock interest in the company for their investment of \$420,000 (they will sustain an immediate dilution of \$4.67 in per share book value from the offering price); the present shareholders will then own 77%, for which they paid \$18,370.

MERIDIAN SECURITIES PROPOSES OFFERING. Meridian Securities Corporation, 120 Montgomery St., San Francisco, Calif. 94104, Sponsor of Trust Securities Programs for Shares of Investment Trust of Boston ("ITB"), filed a registration statement (File 2-35394) with the SEC on November 19 seeking registration of \$2,500,000 of systematic investment programs, \$1,000,000 of systematic investment programs with insurance protection and \$1,500,000 of fully paid programs for the accumulation of shares of ITB. ITB is a mutual investment company which offers a portfolio consisting primarily of selected quality common stocks. Meridian Securities, a wholly-owned subsidiary of Meridian Capital Corporation, is underwriter for ITB. Robert R. Hagopian is president of the Sponsor and board chairman and president of its parent.

RESDEL ENGINEERING FILES FOR OFFERING AND SECONDARY. Resdel Engineering Corporation, 990 S. Fair Oaks Avenue, Pasadena, Calif. 91105, filed a registration statement (File 2-35396) with the SEC on November 19 seeking registration of 210,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 60,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Mitchum, Jones & Templeton, Incorporated, 510 South Spring St., Los Angeles, Calif. 90013; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company specializes in the design and manufacture of complex electronic and communications equipment for use primarily in reconnaissance, surveillance and data communications systems. Of the net proceeds of its sale of additional stock, \$1,000,000 will be used to reduce bank loans and \$200,000 for the purchase of capital equipment; the balance will be added to the company's general funds and used for working capital and other corporate purposes including expansion of the company's marketing activities and possible acquisitions. The company has outstanding 737,000 common shares (with a \$2.30 per share book value), of which Henry K. Abajian, board chairman and president, owns 51.1% and management officials as a group 69.7%.

NEW DELEGATION RULES ISSUED. The SEC today announced the revision of its rules governing the delegation of certain functions to staff officers, to provide for delegation of responsibility to its Division of Corporation Finance to clear any and all Securities Act registration statements (Release 33-5025). Previously, the Division had authority to take such action primarily with respect to companies which filed on certain registration forms and by companies subject to the reporting requirements of the Securities Exchange Act; the enlarged authority will permit Division clearance of registration statements filed by companies which have not previously registered securities under the Securities Act, commencing November 24.

FIDELITY CAPITAL FUND RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5892) permitting Fidelity Capital Fund, Inc., Boston mutual fund, to issue its shares at the net asset value thereof in exchange for substantially all of the assets of Vernon Kilns, Inc.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Rajac Industries, Inc., for the further ten-day period November 23 through December 2, 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:
Data Automation Company, Dallas, Tex. 75247 (File 2-35392) - 45,000 shares
Farinon Electric, San Carlos, Calif. 94070 (File 2-35395) - 20,000 shares
Programming Sciences Corporation, New York 10016 (File 2-35398) - 110,000 shares

ROYAL INNS PROPOSES OFFERING. Royal Inns of America, Inc., 4855 North Harbor Drive, San Diego, Calif. 92106, filed a registration statement (File 2-35397) with the SEC on November 19 seeking registration of 225,000 shares of common stock with warrants to purchase 225,000 additional shares, to be offered for public sale in units, each consisting of one share with an attached warrant. The offering is to be made through underwriters headed by Bateman Eichler, Hill Richards Incorporated, 460 South Spring St., Los Angeles, Calif. 90013; the offering price (\$45 per unit maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Bateman firm, for \$200, five-year warrants to purchase 20,000 shares.

The company and its subsidiaries are engaged in the development and operation of a chain of motor hotels including restaurants and cocktail lounges. Of the net proceeds of its stock sale, \$4,000,000 will be invested in joint ventures expected to be formed in the next two years for the operation of new motor hotels and \$2,000,000 to purchase restaurant equipment and color television sets which the company will lease to restaurant and hotel joint ventures; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 1,374,313 common shares, of which Earl Gagosian, president and board chairman, owns 20% and management officials as a group 29.4%.

AUTOMATIC DATA PROCESSING FILES FOR OFFERING AND SECONDARY. Automatic Data Processing, Inc., 405 Route 3, Clifton, N. J. 07015, filed a registration statement (File 2-35399) with the SEC on November 19 seeking registration of 654,807 shares of common stock, of which 300,000 are to be offered for public sale by the company and 354,807 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N. Y.; the offering price (\$36.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged primarily in the electronic data processing service business. Net proceeds of its sale of additional stock will be available for general corporate purposes, including expansion of operations. The company has outstanding 4,815,204 common shares, of which Henry Taub, board chairman, owns 17.70%, Joseph Taub, vice chairman, 15.19%, and management officials as a group 40.07%. Frank R. Lautenberg is president. Joseph Taub proposes to sell 300,000 of 731,400 shares held; seventeen others will sell the remaining shares being registered.

GENERAL TELEPHONE (CAL.) TO SELL BONDS. General Telephone Company of California, 2020 Santa Monica Blvd., Santa Monica, Calif. 90404, filed a registration statement (File 2-35400) with the SEC on November 19 seeking registration of \$60,000,000 of first mortgage bonds, Series V, due 1999, to be offered for public sale at competitive bidding. Net proceeds of the bond sale will be applied toward the discharge of short-term loans and commercial paper borrowings (estimated not to exceed \$106,000,000 at the time of such application) obtained for the purpose of financing the company's construction program. Property additions are estimated at \$185,820,000 for 1969 and \$202,369,000 for 1970.

SECURITIES ACT REGISTRATIONS. Effective November 20: Atlantic Bancorporation, 2-34742 (40 days); Chatter Drug & Chemical Co., 2-34209 (Feb 18); Clarkson Industries, Inc., 2-35089 (40 days); Coldwell Banker & Co., 2-35278; Controlex Corp. of America, 2-33837 (90 days); Falcon Fund, Inc., 2-30794; Gold Medallion Nursing Centers, Inc., 2-33633 (90 days); Great Plains Western Ranch Co., Inc., 2-34259 (90 days); Greenfield Electronics, Inc., 2-33133 (90 days); Hunt Building Marts, Inc., 2-34238 (90 days); Northern States Power Co., 2-35117; Panelfab International Corp., 2-33301 (90 days); Project 7 Films, Inc., 2-33586 (90 days); Property Leasing Corp., 2-34305 (90 days); S&P Counselors Fund, Inc., 2-33381.
Withdrawn November 20: Phase Six Data Centers, Inc., 2-34447; Time & Space Computer Corp., 2-31127; Three G Oil Co., 2-28384.

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.