

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE December 17, 1969

TRADING SUSPENDED IN ALASKA INTERNATIONAL. The SEC today ordered the suspension of over-the-counter trading in securities of Alaska International Corporation, of Albuquerque, N. M. and Dallas, Tex., for the ten-day period ending December 26. The Commission has learned that the company has had no business operations since 1963. In March 1967, the state of Nevada revoked its corporate charter and the management of Alaska informs us that the corporate charter has not been reinstated. The management of Alaska further informs us that the company presently has no significant assets and has judgments outstanding against it of approximately \$340,000. Alaska has never filed a registration statement under the Securities Act of 1933 with the Commission. Alaska has approximately 7,500,000 shares of common stock outstanding, and as of December 2, 1969, was trading in the over-the-counter market at \$.05 bid, \$.12 asked. The Commission cautioned that, when the trading in Alaska shares resumes after December 26, holders and prospective purchasers of the stock as well as broker-dealers should carefully consider the information related above, including particularly the fact that financial and other information upon the basis of which the shares may be realistically evaluated is not available. Broker-dealers also are cautioned that in executing transactions in Alaska stock they should be mindful of their responsibilities under the Federal securities laws.

TRADING TO RESUME IN COMMONWEALTH UNITED. The SEC today announced that its suspension of trading in securities of Commonwealth United Corporation, of Beverly Hills, Calif., will terminate on December 20. The Commission has been advised by the American Stock Exchange that it will not permit the resumption of exchange trading in the securities until the continued listing status thereof is resolved. In making its announcement, the Commission called attention to the company's proxy statement mailed to stockholders on December 8 and filed with the Commission. It cautioned that, in future transactions in Commonwealth securities, information related thereto should be carefully considered; also, that in executing transactions in Commonwealth securities, broker-dealers should be mindful of their obligations under the Federal securities laws.

FOREIGN RESTRICTED LIST. The SEC has added Radio Hill Mines Co., Ltd., of Toronto to its Foreign Restricted List. The list is now comprised of the names of 40 foreign companies whose securities the Commission has reason to believe recently have been, or currently are being, offered for public sale and distribution within the United States in violation of the Securities Act registration requirement.

MARINUS LABORATORIES OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Marinus Laboratories, Inc., Malbourne, Fla. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in January 1969, Marinus Laboratories proposed the public offering of 75,000 common shares at \$4 per share. Scott, Gorman, O'Donnell & Co., Inc., of New York was named as underwriter. The offering commenced on June 26, 1969. In its order, the Commission asserts that it has reason to believe that the company's offering circular was false and misleading in reference to the escrow of proceeds of the stock sale until all shares were sold and the representation that, if all shares were not sold within 30 days of the commencement of the offering, the offering would be terminated, the underwriter would receive no commission, and all funds would be returned in full to the subscribers.

COMPLAINT CITES U. N. INDUSTRIES. The SEC Chicago Regional Office announced December 12 (LR-4500) the filing of a complaint in Federal court in Chicago, seeking to enjoin violations of the anti-fraud provisions of the Securities Exchange Act by U. N. Industries, Inc., Charles Oughton, Paul Dawson, Frank Greene, Jr., and Harry J. Mosser in connection with their transactions in U. N. Industries stock. The complaint also seeks a court order directing U. N. Industries to register pursuant to Section 12(g) of the Act.

KOSTA BARLAS ENJOINED. The SEC Chicago Regional Office announced December 12 (LR-4501) that the Federal court in Chicago had enjoined violations by Kosta Barlas of Flossmoor, Ill., of the anti-fraud provisions of the Securities Exchange Act in connection with securities transactions with broker-dealer firms.

FORSLUND SENTENCED. The SEC Seattle Regional Office announced December 12 (LR-4502) that the Superior Court of Orange County, Calif., had sentenced Dero Forslund to a five-year prison term following his plea of guilty to violations of the California Corporation Code, selling securities without a permit, and grand theft. The sentence was suspended and Forslund was placed on five-year probation, on condition that he spend six months in jail, make restitution, and not engage in the sale of securities without a license.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period December 18-27, 1969, inclusive.

OVER

PENNSYLVANIA POWER TO SELL PREFERRED STOCK. Pennsylvania Power & Light Company, 901 Hamilton St., Allentown, Pa., filed two registration statements with the SEC on December 12 seeking registration of 77,630 shares of preferred stock (\$100 par), the Fourth Series (File 2-35653) and 222,370 shares of preferred stock (\$100 par), the Fifth Series (File 2-35654), to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y., and Drexel Harriman Ripley, Incorporated, 1500 Walnut St., Philadelphia, Pa. The dividend rates, offering prices (\$100 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its sale of Fourth Series stock to refund some \$7,763,000 of mortgage bonds which mature on January 15, 1970, and the net proceeds of its Fifth Series stock to reduce bank loans incurred to provide interim financing for construction expenditures and to refund \$3,500,000 principal amount of 6-1/8% notes. Construction expenditures are estimated at \$135 million for 1969, \$168 million for 1970 and \$154 million for 1971.

HILLIARD FUND PROPOSES OFFERING. The Hilliard Fund, Ltd. (a limited "Partnership"), 120 Montgomery St., San Francisco, Calif. 94104, filed a registration statement (File 2-35655) with the SEC on December 12 seeking registration of 200 limited partnership subscriptions, to be offered for public sale at \$25,000 per unit. Subscriptions will be solicited by Hilliard Oil & Gas Inc., the general partner, which will not receive a selling commission; they may also be solicited by selected NASD members which will receive a selling commission to be paid by the general partner. The Partnership will engage in the exploration, development, production and operation of oil, gas and other mineral properties. H. T. Hilliard is president and board chairman of the general partner.

TRW TO SELL NOTES. TRW Inc., 23555 Euclid Ave., Cleveland, Ohio 44117, filed a registration statement (File 2-35656) with the SEC on December 12 seeking registration of \$50,000,000 of notes, due 1975, to be offered for public sale through Smith, Barney & Co. Incorporated, 1345 Avenue of the Americas, New York, N. Y. 10019. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the design, manufacture and sale of products for industry and government and the performance of advanced systems engineering, research and technical services in the following lines of business: electronic components, systems and computer software, aerospace components, services and systems; vehicle components; and industrial components, systems and equipment. Net proceeds of its financing will be used to reduce some \$47,000,000 of domestic bank borrowings and for working capital purposes. In addition to indebtedness and preferred stock, the company has outstanding 24,396,018 common shares. H. A. Shepard is president and J. D. Wright board chairman.

GUENTHER SYSTEMS TO SELL DEBENTURES. Guenther Systems, Inc., Reynolds Lane, Buchanan, N. Y. 10511, filed a registration statement (File 2-35657) with the SEC on December 12 seeking registration of \$3,000,000 of convertible subordinated debentures, due 1985, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by Blair & Co., Inc., 20 Broad St., New York, N. Y. 10005; the underwriting terms are to be supplied by amendment. The company has agreed to sell the Blair firm, for \$165, five-year warrants to purchase 16,500 shares.

The company is engaged in the research and development, design, manufacture and sale of material handling systems and equipment, including a new and advanced continuous flow transporting system known as the Z-LODA (for loading and unloading cargo to and from aircraft and for use in multi-story assembly lines) and to a lesser extent precision components and mechanisms. Of the net proceeds of its debenture sale, \$1,035,000 will be used to retire short-term indebtedness incurred to meet working capital requirements primarily in connection with the Z-LODA systems and equipment; the balance will be added to the company's working capital and used for general corporate purposes, including payment of accounts payable. The company has outstanding 595,800 common shares, of which Guenther L. Kuehl, president and board chairman, owns 58.7%.

ELECTRONIC MEMORIES SHARES IN REGISTRATION. Electronic Memories & Magnetics Corporation, 3435 Wilshire Blvd., Los Angeles, Calif. 90005, filed a registration statement (File 2-35658) with the SEC on December 12 seeking registration of 402,985 shares of common stock. These shares are issuable on conversion of the 5 1/2% subordinated guaranteed convertible bonds 1988 issued by Electronic Memories International N.V., a wholly-owned subsidiary of the company.

NEURO-DATA TO SELL STOCK. Neuro-Data, Inc., 666 Anderson Ave., Cliffside Park, N. J. 07010, filed a registration statement (File 2-35660) with the SEC on December 15 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. No underwriting is involved; participating NASD members will receive a 50¢ per share selling commission.

Organized in October, the company intends to engage in the design, development, manufacture and marketing of special purpose computers, principally for medical diagnosis and other scientific applications. Of the net proceeds of its stock sale, \$330,000 will be reserved for production of its computer systems, \$320,000 for salaries and opening and operating three regional offices and \$100,000 for advertising and sales promotion, the balance will be added to the company's working capital. The company has outstanding 709,000 common shares, of which E. Roy John, board chairman and president, owns 30% and management officials as a group 72.1%.

ALPHA RESEARCH PROPOSES OFFERING. Alpha Research Corporation ("Sponsor"), 2900 First National Bank Tower, Atlanta, Ga., filed a registration statement (File 2-35661) with the SEC on December 15 seeking registration of \$5,000,000 of Systematic Investment Plan Contracts and Single Payment Plan Contracts for the Accumulation of Shares of Alpha Fund, Inc. ("Fund"). The Sponsor acts as investment adviser and principal underwriter for the Fund. Montag & Caldwell, Inc. and Financial Service Corporation, International own 50% each of the outstanding common shares of the Sponsor. Richard R. Felker is board chairman of the Sponsor and president of Financial Service Corp. and Solon P. Patterson is president of the Sponsor and a vice president of Montag & Caldwell.

BANKS OF IOWA FILES FOR OFFERING AND SECONDARY. Banks of Iowa, Inc., 222 Second Ave., S. E., Cedar Rapids, Iowa 52401, filed a registration statement (File 2-35662) with the SEC on December 15 seeking registration of 130,000 shares of common stock, of which 65,000 are to be offered for public sale by the company and 65,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Loewi & Co. Incorporated, 225 East Mason St., Milwaukee, Wisc. 53202; the offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in this statement are 300,000 common shares, which may be issued from time to time in exchange for securities of banks in Iowa in which the company may acquire an interest.

Banks of Iowa was organized in December 1968 for the purpose of acquiring all the outstanding common stock of The Merchants National Bank of Cedar Rapids. It intends to acquire control of additional banks in Iowa and to operate as a registered bank holding company. Net proceeds of its sale of additional stock will be added to the company's working capital and used to enable it to acquire securities of Iowa banks and to add to the capital of subsidiary banks as the need may develop. The company has outstanding 800,000 common shares, of which the Anne Hamilton Killian Trust owns 14.18%, John T. Hamilton II, president, 16.65% and management officials as a group 23.39%. The Anne Hamilton Killian Trust proposes to sell 50,000 shares of 113,440 shares held and John Hamilton 15,000 of 133,200.

INTERNATIONAL VIDEO TO SELL STOCK. International Video Corporation, 675 Almanor Ave., Sunnyvale, Calif. 94086, filed a registration statement (File 2-35663) with the SEC on December 15 seeking registration of 230,000 shares of common stock, to be offered for public sale through underwriters headed by Hayden, Stone Incorporated, 25 Broad St., New York, N. Y. The offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment. Of these shares, 50,000 are to be sold to Allstate Insurance Company, Bessemer Securities Corporation, J. H. Whitney & Co. and Donald F. Eldridge, principal shareholders of the company. Also included in this statement are 20,000 common shares to be offered to company employees.

Organized in March 1966, the company principally engages in the design, manufacture and sale of both color and monochrome video tape recorders and relatively low priced color television cameras. Part of the net proceeds of the company's stock sale will be used to retire short-term debt incurred for working capital purposes and the balance will be added to working capital. In addition to preferred stock, the company has outstanding 497,800 common shares (with a \$.03 per share net tangible book value, assuming issuance of 562,500 shares upon conversion of its preferred stock), of which Donald F. Eldridge, president and board chairman, owns 15.1%, management officials as a group 33%, Bessemer Securities Corporation 20% and Allstate Insurance Company 14.7%. Upon completion of this offering and assuming conversion of the preferred stock and the issuance of an additional 250,000 shares in a private financing, there will be 1,560,300 outstanding common shares. Purchasers of the shares being registered will acquire 16% of such outstanding common shares for their investment of \$4,500,000*; the present shareholders will then own 84%, for which they will have paid \$5,713,000 or \$4.36 per share.

MEDI-COMPLEX TO SELL STOCK. Medi-Complex, Ltd., 132 East 35th St., New York, N. Y. 10016, filed a registration statement (File 2-35670) with the SEC on December 15 seeking registration of 100,000 shares of common stock, to be offered for public sale on a "best efforts, all or none" basis through L. Flomenhaft & Co. Incorporated, 76 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 pay the Flomenhaft firm \$7,500 for expenses. From May to September, certain officers, directors and others purchased 400,000 common shares and notes convertible into 100,000 shares at \$1 per share, for about \$303,000. In June, Leonard Flomenhaft, sole stockholder of the underwriter, purchased 10,000 shares for \$1,000 nontransferable prior to January 2, 1971.

The company was organized in May 1969 to deal in various activities involving the development, financing and management of real estate for medically related uses. Of the net proceeds of its stock sale, \$70,000 will be used to complete the acquisition of a medical office building in Babylon, N. Y., \$75,000 for the proposed acquisition of a medical office building in Setauket, N. Y., \$115,000 for repayment of construction loans or for working capital to complete the company's Lawrence Hill Medical Building and \$110,000 for salaries and overhead for a one-year period; the balance will be applied to increase working capital and for general corporate purposes. In addition to indebtedness, the company has outstanding 410,000 common shares (with a 39¢ per share net tangible book value), of which Ira Weissman, president, owns 38.65% and management officials as a group 57.6%. Purchasers of the shares being registered will acquire a 19.6% stock interest in the company for their investment of \$600,000*; present shareholders will then own approximately 80%, for which they paid \$204,000 or 50¢ per share.

REDMOND GROWTH FUND PROPOSES OFFERING. Redmond Growth Fund, Inc., 1750 Pennsylvania Ave., N. W., Washington, D. C., filed a registration statement (File 2-35671) with the SEC on December 15 seeking registration of 500,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum*) with no sales charge. The Fund is an open-end non-diversified investment company, whose investment objective is maximum capital appreciation. J. W. Redmond & Co. will serve as investment adviser. J. Woodward is president of the Fund and a partner of the adviser.

MATTEL FILES FOR SECONDARY. Mattel, Inc., 5150 Rosecrans Ave., Hawthorne, Calif. 90250, filed a registration statement (File 2-35672) with the SEC on December 15 seeking registration of 35,000 outstanding shares of common stock. These shares may be offered for sale from time to time by Louis Marx, Jr., at prices current at the time of sale (\$70 per share maximum*).

The company is engaged in the manufacture and sale of toys. It has outstanding 6,200,700 common shares.

OCEAN DATA ACTION CLARIFIED. On October 21, the Commission ordered the suspension of over-the-counter trading through October 30 in securities of Ocean Data Industries, Inc., of Cocoa Beach, Fla. This company is not to be confused with Ocean Data Equipment Corporation, of East Providence, Rhode Island, which is not related to the Florida company.

HAMILTON GROWTH FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5927) giving interested persons until January 6 to request a hearing upon an application of Hamilton Growth Fund, Inc., ("Fund"), a mutual fund and Hamilton Management Corporation ("Hamilton"), its principal underwriter and investment manager, both of Denver, for an exemption order with respect to the sale of Fund shares at net asset value plus a reduced sales charge to bona fide, full-time, salaried employees in the United States of International Telephone and Telegraph Corporation ("ITT") or any of its affiliates or subsidiaries. Hamilton is a wholly-owned subsidiary of ITT Management and Research Co., Inc., which in turn is a wholly-owned subsidiary of ITT. The public offering price of Fund shares is the current net asset value per share plus a sales charge ranging from 8½% on sales of \$15,000 or less to ½% on sales over \$5,000,000. It is proposed that Fund shares be offered through a salary deduction plan to U. S. ITT full-time employees at a reduced sales load ranging from 5.1% on sales of \$15,000 or less to .3% on sales over \$5,000,000.

AMERICA & ISRAEL FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5928) declaring that America and Israel Growth Fund, Inc., has ceased to be an investment company.

PENN SQUARE FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5931) giving interested persons until December 29 to request a hearing upon an application of Penn Square Mutual Fund, Philadelphia mutual fund, for an exemption order with respect to the proposed acquisition of substantially all of the assets of JCM, Inc. Penn Square proposes to issue its shares at net asset value for JCM's assets, which were valued at \$3,889,219.93 as of October 31, 1969 and virtually all of which consist of common stock and preferred stock and debt securities. Had the transaction been consummated on that date, JCM would have received 440,872 of Penn Square stock. The Penn Square shares are to be distributed to JCM shareholders on its liquidation.

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act (Release 34-8781) giving interested persons until December 30 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies: Cincinnati Stock Exchange - Vulcan Corporation; Detroit Stock Exchange - UAL, Inc.; Pacific Coast Stock Exchange - American South African Investment Co., Ltd., Campbell Red Lake Mines Limited, Canadian Breweries Limited, Granby Mining Company Limited, KLM Royal Dutch Airlines, Massey-Ferguson Limited, Molybdenite Corporation of Canada Ltd., Schlumberger Limited, Supercrete Limited, Union Pacific Corporation, Electric & Musical Industries Limited - American Shares, Roan Selection Trust Limited - American Shares, Tubos de Acero de Mexico, S.A. - American Depositary Receipts; Pittsburgh Stock Exchange - American General Insurance Company, Coleman Company, Inc.; Philadelphia-Baltimore-Washington Stock Exchange - Circuit Foil Corporation, Lykes-Youngstown Corporation, Rohr Corporation, Union Pacific Corporation.

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:

First Union National Bancorp, Inc., Charlotte, N. C. 28201 (File 2-35640) - 7,500 shares
Spartans Industries, Inc., New York 10001 (File 2-35651) - 100,000 shares
First & Merchants Corporation, Richmond, Va. 23219 (File 2-35652) - 8,363 shares
Rickover Brothers, Inc., Philadelphia, Pa. 19120 (File 2-35659) - 120,000 shares

SECURITIES ACT REGISTRATIONS. Effective December 15: Bio-Derivatives Corp., 2-34285 (90 days).
Effective December 16: Alltapes, Inc., 2-34559 (90 days); Avemco Corp., 2-34337 (40 days); Bio-Cal Instrument Co., 2-34733 (90 days); Centurion Fund, Inc., 2-33509; Colonial Income Fund, Inc., 2-34923 (Mar 17); Den-Tal-Ez, Inc., 2-34913 (90 days); General Leisure Products Corp., 2-35132 (90 days); Kane-Miller Corp., 2-33825 (Jan 26); MGIC Investment Corp., 2-35484 (40 days); National Geriatric Centers, Inc., 2-32847 (Mar 17); Robinson-Halpern Co., 2-34081 (90 days); Scan Optics, Inc., 2-33279 (90 days); Stratford of Texas, Inc., 2-34470 (90 days); Survival Technology, Inc., 2-34569 (90 days); West Indies Enterprises, Inc., 2-34102 (Mar 16).
Withdrawn December 10: American General Insurance Co., 2-30774; Optimax Inc., 2-33239.
Withdrawn December 16: Houston Biochemical Industries, Inc., 2-31938.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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