

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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INTERNATIONAL FRANCHISE FOODS PROPOSES OFFERING. International Franchise Foods Management Corporation, 31985 Groesbeck Hwy, Fraser, Mich. 48026, filed a registration statement (File 2-24750) with the SEC on March 30 seeking registration of 1,290,000 shares common capital stock. Of this stock, 718,000 shares are to be offered for public sale at \$5 per share.** The offering is to be made by an underwriter (to be named by amendment), which will receive a \$.5625-per-share selling commission. The offering is conditioned upon the sale of at least 135,000 shares. Of the remaining stock, 512,000 shares are to be issued to former stockholders of The National Cibo House Corporation and 60,000 shares to former stockholders of the International Food Services of Michigan, Inc. (** on a best efforts basis).

Organized under Delaware law in 1966, the company succeeded to the business of promoting the sale of Cibo House Pizza Pies and other specialties, and operating Cibo House and Little Pigs of America restaurants. Net proceeds of its stock sale will be used to complete the purchase of all of the stock of The National Cibo House Corporation and added to working capital. According to the prospectus, National Cibo House has operated at/loss from its inception in 1961 except for the four-month period ending December 31, 1965, and its 88%-owned subsidiary, Little Pigs of America, Inc., has operated at a loss from its organization in 1962 except for the year 1963. J. D. Woods is board chairman and R. C. Schneider is president of the company. Woods is to receive 243,200 company shares for his interest in the predecessor companies.

BRISTOL DYNAMICS FILES STOCK PLAN. Bristol Dynamics, Inc., 150 Hinsdale St., Brooklyn, N. Y., filed a registration statement (File 2-24771) with the SEC on March 31 seeking registration of 55,000 shares of common stock, to be offered pursuant to its stock option plan.

BANCSTOCK CORP. PROPOSES OFFERING. Bancstock Corporation of America, First Marine Bank Office Bldg., Riviera Beach, Fla., filed a registration statement (File 2-24773) with the SEC on March 31 seeking registration of 100,000 shares of common stock, to be offered for sale to the public, management officials, and to stockholders of the company, First Marine Bank of Riviera Beach (Marine Bank) and First Bank of Jupiter Tequesta (Jupiter Bank). The offering is to be made through company officers and directors. The offering price (\$7.50 per share maximum*) is to be supplied by amendment.

Organized under Florida law in 1964, the company is engaged in the banking and finance business through its ownership of 51% of the outstanding stock of Marine Bank (of Riviera Beach, Fla.), 20.17% of the outstanding stock of Jupiter Bank (of Tequesta, Fla.), and 97.7% of the outstanding stock of United Capital Corporation. Of the net proceeds of its stock sale, \$600,000 will be used to reduce bank loans and the balance will be added to working capital. In addition to indebtedness, the company has outstanding 206,808 common and 3,000 Class B common shares, of which 61,100 common shares and all of the Class B stock were issued for \$5 per share. A substantial portion of the remaining outstanding common stock was issued in exchange for stock of the said two banks and United Capital Corp. Management officials own 30.2% of the outstanding common and 100% of the outstanding Class B stock. Jerry Thomas is president and board chairman.

GENERAL MORTGAGE BANK PROPOSES OFFERING. General Mortgage Bank Limited, 3-5 Ahuzat Bayit St., Tel Aviv, Israel, filed a registration statement (File 2-24774) with the SEC on March 31 seeking registration of \$5,000,000 of 25-year 6% registered debentures, Series XIX, 1982-1991. The debentures are to be offered for sale to certain fraternal and charitable groups in the United States through the United Jewish Appeal of Greater New York, Inc., which is to be reimbursed for actual expenses incurred in connection with the offering.

The Bank is a mortgage credit institution. Net proceeds of its debenture sale will be available for mortgage loans on immigrant housing in Israel. In addition to indebtedness and preference shares, the Bank has outstanding 250,000 management shares and 9,054,770 ordinary shares, of which Bank Leumi le Israel B. M. owns 100% and 21.5%, respectively. Dr. Yeshayahu Foerder is board chairman of the Bank.

BT NEW YORK CORP. FILES STOCK PLAN. BT New York Corporation, 280 Park Ave., New York 10017, filed a registration statement (File 2-24780) with the SEC on March 31 seeking registration of 35,771 shares of common stock, to be offered to certain employees of Bankers Trust Company pursuant to the terms of the Stock Option and Savings Plan adopted by Bankers Trust in February 1965. The company is to assume the stock plan in accordance with the Plan of Acquisition among the company, Bankers Trust and three other banks.

PACIFIC ASBESTOS FILES PLAN. Pacific Asbestos Corporation, 407 North Eighth St., St. Louis, Mo., 63101, filed a registration statement (File 2-24782) with the SEC on March 31 seeking registration of 935,000 shares of common stock. According to the prospectus, the company at December 31, 1965, had current liabilities of \$3,732,819 and current assets of \$401,593. During the calendar year 1965, the company had net sales of \$2,803,466 and its operations during that period resulted in a loss of \$969,314. It proposes to offer its common shares (at \$5 per share) for past due interest and interest due in 1966 upon the Series A and Series B debentures whose holders consent to the plan of recapitalization; the company is also offering to exchange its common shares for any part or all of the principal of debentures.

OVER

The outstanding principal amount of the 6½% Series B subordinate debentures due 1966 is \$1,359,417; interest installments are due and unpaid for the years 1964 and 1965 in the sum of \$176,724. The outstanding principal amount of the 6½% Series A subordinate sinking fund debentures due 1966 is \$2,551,740; interest installments are due and unpaid for the years 1964 and 1965 in the sum of \$331,726.

The company (formerly Jefferson Mining Company, organized in 1959 on the initiative of Jefferson Lake Sulphur Company) is engaged principally in the production and sale of asbestos, which it mines and mills at the ore site in Calaveras County, Calif. According to the prospectus, its ore-body is subject to a mortgage securing the balance of \$1,737,282 due on its purchase price. Its mill and equipment are subject to a mortgage securing term loans in the balance of \$1,587,500, which are also secured by a mortgage on the ore-body junior to the purchase money mortgage. A mechanic's lien suit for a balance of \$258,179 has been filed against the mill. In the event of a liquidation of the company, its unsecured creditors (including the holders of its Series A and Series B debentures) would not receive any portion of the proceeds of sale of these assets unless those proceeds exceeded the amounts of the lien and mortgages.

In addition to various indebtedness, the company has outstanding 789,942 common shares, of which Asbestos Finance Company owns 65%. Presley W. Edwards is president of Asbestos Finance and of Pacific Asbestos.

FIRST AMERICAN GROWTH FUND SHARES IN REGISTRATION. First American Growth Fund, Inc., 112 South Hanley Rd., St. Louis, Mo. 63105, filed a registration statement (File 2-24787) with the SEC on March 31 seeking registration of 1,400,000 of common stock. Of this stock, 1,000,000 shares are to be offered for public sale by the company and the remaining 400,000 (being outstanding shares) by the holders thereof. The public offering price (\$1 per share maximum*) and underwriting terms are to be supplied by amendment. The offering is to be made by First American Security Life Insurance Company of Missouri.

The Fund was organized in November 1965 and acquired 200,000 shares (50%) of the outstanding stock of First American in January 1966. The latter, according to the prospectus, is engaged primarily in the sale of a participating life insurance policy (since it commenced business in April 1964, it has operated at a loss). The Fund issued 2,850,000 common shares to 20 persons in exchange for 190,000 shares of common stock of First American; and an additional 150,000 shares are to be issued to two other persons in exchange for 10,000 additional shares of First American common. As a result, the Fund owns 50% of the outstanding First American common having a cost basis to the company's incorporators, and to the Fund, of \$809,523. The book value of the 3,000,000 outstanding shares of the Fund's common stock is \$.2698, based on the cost to the original shareholders of the First American stock transferred to the Fund.

Of the net proceeds of the Fund's sale of additional stock, \$5,000 will be used to pay outstanding bank indebtedness; an unspecified amount will be invested in First American through the purchase of additional shares of its stock (a substantial additional investment in that company is deemed advisable to permit it to expand its operations); and any remaining balance will be added to the Fund's working capital and used for general corporate purposes. The Fund's prospectus lists Thomas F. Zimmerman as board chairman and A. Haeworth Robertson as president. Of the Fund's outstanding stock, 18.8% is owned by Ray Swisher (a director) and his wife and 32.5% by AHR Enterprises, Inc. (50.2% of whose stock is owned by Robertson). The latter proposes to sell 250,000 shares and Robertson 100,000. The remaining 50,000 shares are to be sold by G. Weber Gilmore, director and secretary.

FOOTE CONE & BELDING FILES STOCK PLAN. Foote, Cone & Belding, Inc., 200 Park Ave., New York, N. Y. 10017, filed a registration statement (File 2-24789) with the SEC on March 31 seeking registration of 60,000 shares of common stock, to be offered to eligible employees under its Stock Purchase Plan.

KINEMOTIVE PROPOSES RIGHTS OFFERING. Kinemotive Corporation, 222 Central Ave., Farmingdale, N. Y., filed a registration statement (File 2-24790) with the SEC on March 31 seeking registration of \$735,600 of 5% subordinated convertible debentures, due 1976. It is proposed to offer the debentures for subscription by common stockholders on the basis of \$100 of debentures for each 30 common shares held; the subscription price is to be 100% of principal amount of debentures, and the record date is to be supplied by amendment. Andresen & Co., Inc., 30 Broad St., N. Y. 10004, is the underwriter; and the underwriting commission also is to be supplied by amendment.

The company's principal business is the design, development, manufacture and sale of metal bellows for use as components in precision instrument and control mechanisms. Of the net proceeds of its debenture sale, \$150,000 will be used to repay outstanding bank notes, \$315,000 for acquisition and installation of machinery and equipment to improve the efficiency of and expand manufacturing capacity, and the balance for working capital. In addition to indebtedness, the company has outstanding 220,704 common shares, of which management officials own 36.92%. William A. Woodcock is president.

THREE FIRMS SPONSOR FUND. Bache & Co. Incorporated, 36 Wall St., Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., and Goodbody & Co., Two Broadway, all of New York, depositors and sponsors of Municipal Investment Trust Fund, Second Pennsylvania Series, filed a registration statement (File 2-24792) with the SEC on March 31 seeking registration of 5,000 units of interest in said Fund. The sponsors have deposited with the Fund trustee, United States Trust Company of New York, \$5,000,000 of tax-exempt bonds. Simultaneously with such deposit, the trustee delivered to the sponsors registered certificates for 5,000 units which represent the entire ownership of the Fund, which are to be offered for public sale.

PACIFIC ATLANTIC LIFE PROPOSES OFFERING. Pacific Atlantic Life Insurance Company, 1819 Warren Ave., Cheyenne, Wyo., filed a registration statement (File 2-24770) with the SEC on March 29 seeking registration of 200,000 shares of common stock. The stock is to be offered for public sale (on a best-efforts basis) at \$5 per share through the Pacific Atlantic Underwriting Co., a wholly-owned subsidiary of the company.

The company conducts a general life insurance business. Net proceeds of its stock sale will be added to capital and surplus and used in the conduct of its insurance business. The company has outstanding 239,964 common shares and is obligated to issue an additional 200 shares to George W. Hopper as part payment for legal services rendered in connection with the preparation of this registration statement. Management officials own approximately 18.97% of the outstanding stock. Marlin T. Kurtz is president.

BLUEJAY OIL PROPOSES OFFERING. Bluejay Oil Co., Inc., 1206 National Press Bldg., Washington, D. C., filed a registration statement (File 2-24793) with the SEC on March 31 seeking registration of 200 units in its 1966 drilling fund. The units are to be offered for public sale at \$2,500 per unit through company officials and employees. The offering is conditioned upon the receipt of subscriptions for at least 20 units by September 1, 1966.

Organized under Delaware law in 1961, the company will manage the program, which is to acquire, test, develop, and operate oil and gas leaseholds. The company has 15,000 outstanding common shares, all owned by management officials. Pierre S. duPont is president.

SLICK CORP. FILES FOR SECONDARY. The Slick Corporation, 20200 Ashland Ave., Chicago Heights, Ill. 60411, filed a registration statement (File 2-24794) with the SEC on March 31 seeking registration of \$540,000 of 5½% outstanding convertible subordinated debentures, Series B, due 1978. The present holder thereof, Canadair Limited, may offer the debentures, or the 54,000 shares of common stock into which the debentures are convertible, for public sale from time to time through brokers.

The company manufactures pulverizing machinery, dust collecting equipment, and coated fabrics. Through Slick Airways Division, it is a common carrier of air freight and air mail, such operations presently being suspended. According to the prospectus, on March 30 the company and Airlift International, Inc., "agreed in principle to the transfer of the Airways Division to Airlift." The agreement provides, in part, for the transfer of all of the assets of the Airways Division based on their book value of approximately \$15 million with a \$5 million initial payment, plus deferred payments, a portion of which can be made in Airlift stock at the company's option. In addition to indebtedness, the company has outstanding 1,397,921 common shares, of which management officials own 16.8% (including 14.8% owned by Earl F. Slick, board chairman). Members of the Slick family or their estates own an additional 11.9% of the company's outstanding stock, and Martin Marietta Corp., owns 30.9%. David A. Edwards is president. The selling debentureholder, Canadair Limited, acquired the debentures being registered in 1963 in connection with the company's purchase of aircraft from that corporation.

SOCONY MOBIL OIL FILES STOCK PLAN. Socony Mobil Oil Company, Inc., 150 E. 42nd St., New York 10017, filed a registration statement (File 2-24796) with the SEC on April 1 seeking registration of 300,000 shares of capital stock, to be offered under the Socony Mobil 1965 Stock Option Plan.

SONOTRONICS PROPOSES OFFERING. Sonotronics, Inc., 1182 W. Peachtree St., N. W., Atlanta, Ga., filed a registration statement (File 2-24797) with the SEC on March 31 seeking registration of 508,625 shares of common stock, to be offered for public sale at \$5 per share. The name of the underwriter and underwriting terms are to be supplied by amendment.

Organized under Delaware law in 1964, the company intends to manufacture items for use in the air, space and missile field, its principal product being a Sono-System which is designed to freeze metal or other flexible materials for matching to close tolerances. Net proceeds of its stock sale will be used to acquire a plant site, building and equipment, and the balance will be added to working capital. The company has outstanding 191,375 common shares, of which management officials own 167,375 shares. It issued 135,060 shares to Charles Hulen (president) to repay him for \$33,765 of expenses advanced by him in the research and development of the Sono-System. He in turn granted the company the rights to manufacture, sell and otherwise distribute the Sono-System.

COMMUNITY PUBLIC SERVICE PROPOSES BOND OFFERING. Community Public Service Company, 501 W. Sixth St., Fort Worth, Tex. 76102, filed a registration statement (File 2-24798) with the SEC on April 1 seeking registration of \$5,000,000 of first mortgage bonds, Series I, due 1996. The bonds are to be offered for public sale at competitive bidding. A public utility operating in Texas and New Mexico, the company will use the net proceeds of this financing in connection with its construction program (estimated to cost \$9,005,000 in 1966).

L R ARNOLD FILES GUILTY PLEA. The SEC San Francisco Regional Office announced March 28 (LR-3472) that Lloyd Raymond Arnold had entered a plea of guilty (USDC SD Cal.) to two counts of indictment charging that he aided and abetted Lloyd Arnold & Company, former Beverly Hills broker-dealer, to engage in unlawful hypothecation of customers securities. He was fined \$500 on each count.

CONSTITUTION EXCHANGE FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4558) authorizing Constitution Exchange Fund, Inc., Boston, Mass., open-end diversified investment company, to acquire some \$30,000 of common stock of American Machine & Foundry Co. from John L. Grandin, Jr., in exchange for Fund shares equal to the market value of the A.M.F. stock.

HORACE MANN INSURANCE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4559) exempting Horace Mann Insurance Company Separate Account (the Separate Account) from certain provisions of the Investment Company Act. The Separate Account was organized by Horace Mann Life Insurance Company, an Illinois life insurance company, principally to sell tax-deferred annuities (for details see SEC News Digest of March 21).

CORNING INTERNATIONAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-4560) exempting Corning International Corporation, subsidiary of Corning Glass Works, from all provisions of the Act, subject to certain conditions. The subsidiary was organized to provide assistance in improving the balance of payments position of the United States, in compliance with the voluntary cooperation program instituted by the President in February 1965, while at the same time continuing the expansion and development of the parent company's operations outside the United States. The subsidiary intends to borrow \$5,000,000 from the London Branch of First National City Bank, which loan is to be guaranteed as to payment of principal and interest by the parent company. It is also expected that the subsidiary will subsequently borrow additional amounts up to \$10,000,000, possibly in foreign currencies, from one or more banks, which loans are also to be guaranteed by the parent company. It is intended that the proceeds of such loans will be invested in or loaned to foreign subsidiaries or affiliates of the parent company, which is engaged in glass and ceramic products for consumer and industrial uses.

TWO FUNDS PROPOSE MERGER. Investors Inter-Continental Fund, Inc., and Investors Variable Payment Fund, Inc., both of Minneapolis, have applied to the SEC for an order under the Investment Company Act exempting certain transactions incident to a proposed merger of the two companies; and the Commission has issued an order (Release IC-4561) giving interested persons until April 22 to request a hearing thereon. According to the application, Inter-Continental at December 31, 1965, had net assets of \$41,978,261 and 6,055,002 shares outstanding (with a net asset value of \$6.933 per share). On the same date, Variable had net assets of \$469,177,826 and 55,603,127 shares outstanding (with a net asset value of \$8.438 per share). Inter-Continental is to be merged into Variable; and Inter-Continental shareholders will receive shares of Variable at a ratio determined by the respective per-share net asset values of the two companies on the day immediately preceding the effective date of the merger. Shareholders of both companies are to vote upon the merger proposal at meetings to be held on May 11, 1966.

MONONGAHELA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15437) authorizing proposed charter amendments by Monongahela Power Co., electric-utility subsidiary of Allegheny Power System, Inc. According to the application, the company proposes to amend certain provisions of its charter to conform to the standards set forth in the Commission's Statement of Policy, principally in respect to voluntary liquidation prices of preferred stock, acquisition of preferred stock, and payment of dividends on common stock. It is also proposed to amend the charter to permit the issuance of unsecured indebtedness to the maximum authorized under the Commission's Statement of Policy. The proposed amendments will be submitted to stockholders for their approval at Monongahela's annual meeting to be held on April 18, 1966; and the company proposes to solicit approval thereof from shareholders. Allegheny, the holder of all of Monongahela's outstanding common, will vote such stock in favor of the proposed amendments. Monongahela proposes to acquire the preferred stock of any dissenting stockholders.

DELAWARE POWER SEEKS ORDER. Delaware Power & Light Company and its public-utility subsidiary, Eastern Shore Public Service Company of Virginia, have applied to the SEC for an order under the Holding Company Act authorizing an extension to May 1, 1967, for the subsidiary to sell up to \$1,000,000 of its promissory notes (due 1973) to the parent company; and the Commission has issued an order (Release 35-15438) giving interested persons until April 22 to request a hearing thereon. By previous order, the Commission has authorized the subsidiary to sell such notes to the parent company by April 30, 1966, and authorized the parent company to acquire the notes and pledge them with Chemical Bank New York Trust Co., trustee, under its indenture of mortgage and deed of trust. The proceeds of the notes were to be used by the subsidiary in its construction program. The time extension is requested because the construction program has not advanced as rapidly as originally anticipated.

SECURITIES ACT REGISTRATIONS. Effective April 1: Armco Steel Corp., 2-24644; Colonial Stores Inc., 2-24237. Effective April 4: American Insurance Investors Stock Fund, Inc., 2-24246; Maryland Telecommunications, Inc., 2-24554 (90 days); Supervised Investors Growth Fund, Inc., 2-24392.

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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