

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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PACKAGE PRODUCTS FILES FOR OFFERING AND SECONDARY. Package Products Company, Inc., 1930 Camden Rd., Charlotte, N. C. 28203, filed a registration statement (File 2-34392) with the SEC on August 25 seeking registration of 120,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 20,000 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Interstate Securities Corporation, 221 S. Tryon St., Charlotte, N. C. 28202; the offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the printing and converting of cellophane, plastic films, foils and paper into flexible packaging materials, labels and folding cartons for the protection and identification of various products sold principally through retail stores. Net proceeds of its sale of additional shares will be added to the company's general funds and will be available for the purchase of production machinery and equipment primarily for the expansion of manufacturing capacity (\$775,000 was budgeted for that purpose for the fiscal year ending June 29, 1970); the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 399,582 common shares, of which Jord H. Jordan, board chairman, owns 20.88%, T. J. Norman, Jr., president, 9.76% and management officials as a group 51.19%. Jordan and Norman propose to sell 10,000 shares each of 83,449 and 38,988 shares held, respectively.

JANUS FUND PROPOSES OFFERING. Janus Fund, Inc., 300 Brooks Tower, Denver, Colo., filed a registration statement (File 2-34393) with the SEC on August 25 seeking registration of 1,000,000 shares of capital stock, to be offered for public sale at net asset value plus a sales charge of 8½% on purchases of less than \$10,000 (\$11.23 per share maximum*). The Fund is a non-diversified open-end investment company with the investment objective of maximum possible growth of its shareholders' capital through aggressive management without assuming unreasonable risks. Janus Management Corporation will act as investment adviser and principal underwriter of the Fund. Thomas H. Bailey is president of the Fund; he also is president and owns 55% of the voting stock of the adviser.

ELECTRONIC CONCEPTS TO SELL STOCK. Electronic Concepts, Inc., 183 East Newman Springs Road, Shrewsbury, N. J., filed a registration statement (File 2-34394) with the SEC on August 25 seeking registration of 88,000 shares of capital stock, to be offered for public sale at \$5 per share. The offering is to be made on an "all or none" basis through Robbins-Eitman-Joffe Co. Inc., 303 Bond St., Asbury Park, N. J., which will receive a 50¢ per share selling commission plus \$10,000 for expenses. The company has sold 8,000 shares to three principals of the underwriter at 20¢ per share, non-transferable for two years.

Organized in May, the company proposes to engage in the development, manufacture and sale of capacitors. Net proceeds of its stock sale will be added to the company's general funds and used for general corporate purposes (including working capital). The company has outstanding 275,000 common shares (with a 20¢ per share net tangible book value), of which Bernard Lavene, president, owns 53% and management officials as a group 75%. Purchasers of the shares being registered will acquire a 23% stock interest in the company for their investment of \$400,000 (they will sustain an immediate dilution of \$3.96 in per share book value from the offering price); the present shareholders will then own 77%, for which they will have paid \$54,070 or 20¢ per share.

AMTEK DATA SYSTEMS TO SELL STOCK. Amtek Data Systems, Inc., 53 Academy St., Poughkeepsie, N. Y. 12601, filed a registration statement (File 2-34395) with the SEC on August 25 seeking registration of 150,000 shares of common stock, to be offered for public sale on a "best efforts, all or none" basis through Nagler, Weissman & Co., Inc., 462 E. Tremont Ave., Bronx, N. Y. The offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$20,000 for expenses, to sell it 2,500 shares at 10¢ per share and five-year warrants to purchase 12,500 shares, exercisable after one year at \$5 per share.

Organized in November 1968, the company proposes to provide remote access time shared computer services, proprietary computer software packages, and related technical support to the hotel industry, manufacturing and distributing industries, and pension, welfare, retirement and health funds. Of the net proceeds of its stock sale, \$110,000 will be used for rental of IBM 360/25 computer and installation costs of terminals and customers' premises and related peripheral and communications hardware and \$117,000 for salaries; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 187,000 common shares, of which Bernard Belitsky, president, owns 28.54% and management officials as a group 100%.

ILLINOIS INDUSTRIES SHARES IN REGISTRATION. Illinois Industries, Inc., 69 West Washington St., Chicago, Ill. 60602, filed a registration statement (File 2-34396) with the SEC on August 25 seeking registration of 304,932 shares of common stock. These shares were purchased by Titan Wells, Inc. (parent of Illinois Industries) at 1¢ per share and distributed as a dividend to its shareholders on July 15.

Organized in June as a wholly-owned subsidiary of Titan Wells, Inc., the company has no business or property. It has outstanding 604,932 capital shares, of which Richard D. Smith, president and board chairman, owns 21.3%, Westhem Industries Corp. 14.2% and management officials as a group 35.5% (including shares held by Westhem Industries). Richard D. Smith is president of Westhem Industries.

OVER

GUERDON INDUSTRIES TO SELL STOCK. Guerdon Industries, Inc., 510 West Broadway, Louisville, Ky. 40402, filed a registration statement (File 2-34401) with the SEC on August 26 seeking registration of 235,000 shares of common stock, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The offering price (\$40.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures mobile homes and related structures designed primarily for use as low cost housing. Net proceeds of its stock sale, together with the proceeds of the sale of 50,000 shares to City Investing Company, will be used to reduce short-term borrowings from banks and from City Investing which were incurred principally in connection with the purchase of 50.5% of the capital stock of Loneragan Corporation and the expansion of the company's mobile home manufacturing facilities. In addition to indebtedness, the company has outstanding 4,111,062 common shares, of which City Investing owns 53.8%. F. L. Cappaert is board chairman and president.

GREAT LAKES MEDICO TO SELL STOCK. Great Lakes Medico Products, Inc., 11 East Utica St., Buffalo, N. Y. 14209, filed a registration statement (File 2-34402) with the SEC on August 26 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Deutschmann & Co., 15 William St., New York 10005. The offering price (\$3.50 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell 5,000 shares to certain partners, officers or associates of the Deutschmann firm at 10c per share and to issue to such persons five-year warrants to purchase 10,000 shares, exercisable after one year at \$3.50 per share.

Organized in May, the company acquired through an exchange of stock all the stock of Vitamin Capsule Corp., organized in June 1966. It is engaged in the packaging and distribution of drugs under customers' labels and the company's labels, primarily to drug, discount and other retail outlets. Of the net proceeds of its stock sale, \$180,000 will be used for the acquisition of land and construction of a new building to house the company's offices, plant and warehouse on Grand Island, New York, and \$187,000 for the acquisition of equipment and fixture to set up production facilities for the manufacture of oral and parenteral medications; the balance 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 16c per share book value), of which Allan I. Sirkin, president, owns 52.25% and Gerald J. Stromberg, vice president, 42.75%. Purchasers of the shares being registered will acquire a 49.4% stock interest in the company for their investment of \$700,000; the present stockholders will then own 49.4%, for which they will have paid \$41,555 and the Deutschmann firm will own 1.2%, for which it has contracted to pay \$500.

BARON FUND PROPOSES OFFERING. Baron Fund, Inc., Suite 1009B, 2400 Virginia Ave., N. W., Washington, D.C. 20037, filed a registration statement (File 2-34403) with the SEC on August 26 seeking registration of 500,000 shares of common stock, to be offered for public sale at net asset value with no sales charge (\$10 per share maximum*). The Fund is a nondiversified, open-end, leveraged investment company, whose investment objective is possible long-term appreciation of capital for its investors. Baron Management Company will act as investment adviser. Ronald Baron is president of the Fund and of the investment adviser; he owns some 60% of the outstanding stock of the investment adviser.

SYNCOM TO SELL STOCK. Syncom Incorporated, 1914 Colvin Ave., Tonawanda, N. Y. 14150, filed a registration statement (File 2-34404) with the SEC on August 26 seeking registration of 200,000 shares of common stock, to be offered for public sale on a "best efforts--50% basis" through Centurion Securities, Inc., 200 West 57th St., New York 10019. The offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter up to \$20,000 for expenses and to sell it, for 1c each, six-year warrants to purchase up to 20,000 shares; it has also agreed to pay \$10,000 to Gary Alpert and to sell him up to 1,000 warrants in consideration for his services as a finder.

Organized in March, the company is in the business of testing, repairing, recertifying and otherwise maintaining magnetic computer tape under functionally integrated programs of "total concept" tape maintenance service. Of the net proceeds of its stock sale, \$265,000 will be used for the establishment of three new tape centers, \$105,000 for management and related salaries and fixed operating expenses for one year, \$145,000 for studies of the feasibility of entry into related areas and \$120,000 for marketing, promotional and advertising expenditures; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 317,440 common shares (with a 6c per share book value), of which Miles D. Bender, president and board chairman, own 28.9% and management officials as a group 57.4%.

RADIATION RESOURCES TO SELL STOCK. Radiation Resources, Inc., 24 Kulick Road, Fairfield, N. J., filed a registration statement (File 2-34405) with the SEC on August 26 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on an "all or none" basis through T. H. Lehman & Co., Inc., 40 Exchange Pl., New York, which will receive a 50c per share selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$125, five-year warrants to purchase 12,500 shares, exercisable after one year at \$5.25 per share.

Organized in October 1968, the company intends to manufacture and distribute the Scholastic Radatron, a gamma ray irradiator designed to permit the study of the effects of radiation upon certain bodies. Its manufacturing operations will consist principally of the assembly of the Radatron; the parts will be purchased from outside sources. The company is in the early stages of development; only two models of the Radatron have been constructed to date. Of the net proceeds of its stock sale, \$75,000 will be used for construction of production facilities, \$70,000 for salaries and administration expenses and \$75,000 for research and development; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 321,000 common shares (with a 33c per share net tangible book value), of which Anthony P. Melillo, president, owns 64% and management officials as a group 74%. Purchasers of the shares being registered will acquire a 28% stock interest in the company for their investment of \$625,000 (they will sustain an immediate dilution of \$3.54 in per share book value); the present shareholders will then own 72%, for which they paid \$154,300 or 48c per share.

CONTINUED

SCHWABACHER CENSURED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8677) in which it censured Schwabacher & Co., former San Francisco broker-dealer firm (now a division of Blair & Co., Inc.), for violations of the Commission's record-keeping, hypothecation, and reporting rules. Albert E. Schwabacher, Jr. ("Schwabacher"), the senior general partner and chief executive of the Schwabacher firm ("Registrant"), also was censured; and in accordance with a settlement offer made by Registrant and Schwabacher on which the Commission's action is based, Schwabacher is prohibited from undertaking any supervisory duties with respect to back-office operations of any securities firm without prior approval of the Commission. This will not, however, preclude Schwabacher from serving as a vice-president of Blair, subject to the understanding that his duties will not be of a supervisory nature. In addition, Registrant, as a division of Blair, must continue to make a weekly report of condition to the Commission and to the New York Stock Exchange.

According to the Commission's decision, between January 1966 and July 1968, when its administrative proceedings were ordered, Registrant violated the Commission's record-keeping rules by its failure to make or keep current a large number of books and records related to its business. In addition, it violated the Commission's hypothecation rules by permitting the hypothecation of securities carried for the accounts of customers under circumstances permitting such securities to be commingled with securities carried for the accounts of persons other than bona fide customers under liens for loans made to Registrant. Moreover, the firm violated Commission rules by its failure to file timely reports of its financial condition for the years 1966 and 1967, and those reports, when filed, were not duly certified. Beginning in February 1968, the New York Stock Exchange placed various restrictions on Registrant because of its "inability to handle its business on an operationally sound basis;" and additional restrictions were imposed at the suggestion of the Commission's staff in July and August 1968. Included were prohibitions against the opening of new branch offices, advertising, and the conducting of investment classes, as well as restrictions on new registered representatives, new accounts, margin accounts and required margin, trading activity, underwriting organizations, bidding commitments and participations, lending of securities, and partnership withdrawals.

In December 1968, the NYSE called upon Registrant to merge with another firm or sell a number of branch offices; its merger with Blair & Co. followed, and since February 28, 1969, operations of Registrant have been under the supervision of Blair executives. Pursuant to a settlement in April 1969 of disciplinary proceedings brought by the NYSE, Registrant was fined \$50,000 and Schwabacher was fined \$25,000 and censured. In addition, Schwabacher agreed that he would not undertake any supervisory duties with respect to back-office operations of any Exchange member for five years without prior approval of the Exchange. In support of the settlement offer made by the two respondents, it was urged among other things that considerable improvement has been achieved in correcting the back-office problems which Registrant had experienced prior to its merger with Blair. The Commission noted that in May 1969 the NYSE determined, on the basis of improved operating conditions of Registrant, to modify the restriction against approval of new registered representatives and to rescind the restriction on underwriting activities.

In discussing the necessity in the public interest for maintenance of back-office operations on a current basis, the Commission observed: "A firm's obligation to investors to conduct its securities business on a sound basis requires that it be sensitive to any back-office problem as soon as it arises, and take prompt and effective steps to bring itself into compliance with applicable rules and, if necessary to prevent further delinquencies, to curtail activities not essential to providing service to existing customers. The maintenance of the back-office mechanisms and their relation to the firm's overall operations must be the subject of constant close attention, in order to insure that customers' interests are being served and protected. A failure to effect prompt handling of all record and delivery requirements not only imposes substantial risks on the firm's own customers but also on those of the broker-dealers with whom its transactions are entered into. It tends to have a chain effect which can compound the delays and risk of injury and adversely affect investor confidence in the securities markets."

DUPONT SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5769) giving interested persons until September 11 to request a hearing upon an application of E. I. du Pont de Nemours and Company ("du Pont"), Wilmington, Del., for an exemption order with respect to the sale of shares of common stock of Cryogenic Engineering Company ("Cryenco") by Cryenco and by du Pont as part of a proposed public offering of Cryenco common stock. Christiana Securities Company, a close-end investment company, owns 29% of the outstanding common stock of du Pont, which owns 110,252 shares (or 18%) of Cryenco's outstanding common stock. Cryenco has filed a registration statement proposing the public offering of 221,000 shares of common stock, of which 99,748 shares are to be offered by Cryenco, 55,252 shares by du Pont and 66,000 shares by other shareholders of Cryenco. Because of the intercompany affiliation, the Act prohibits the transaction unless the requested exemption order is issued by the Commission.

COLUMBIA GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16458) giving interested persons until September 17 to request a hearing upon a proposal of The Columbia Gas System, Inc., New York holding company, to issue and sell \$50,000,000 of debentures, due 1994, at competitive bidding. Columbia Gas will add the net proceeds of its debenture sale to its general funds and use such funds, together with funds presently available and those to be generated from operations, to finance, in part, the cost of its subsidiaries' 1969 construction program, estimated at \$200,000,000.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Commercial Finance Corporation of New Jersey for the further ten-day period August 29 to September 7, 1969, inclusive.

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

<u>File No.</u>	<u>O-Registrants</u>	<u>Location</u>
3835	Abercrombie & Fitch Co**	New York, NY
3841	Alabama Oxygen Co Inc	Birmingham, Ala.
3838	Associated Madison Companies Inc**	New York, NY
3831	Assurance Investment Corp	Mansfield, Ohio
3836	California General Inc	Chula Vista, Cal.
3837	Cannon Shoe Co	Balti., Md.
3843	Caruso Foods Inc	Lindenhurst, NY
3844	Commatrix Corp	Miami, Fla.
3842	Equity National Industries Inc	Atlanta, Ga.
3827	First Florida Bancorporation**	Haines City, Fla.
3834	National Mortgage Fund**	Cleveland, Ohio
3829	Northlode Exploration Ltd(N.P.L.)	Beverly Hills, Cal.
3840	Pacific Standard Life Co**	Burlingame, Cal.
3828	Proteus Foods & Industries Inc **	New York, NY
3910	Southwestern Research & Gen'l Invst Co**	Phoenix, Ariz.
3822	Transcontinental Oil Corp	Shreveport, La.
3779	United International Inc	Indianapolis, Ind.
3845	Vibration Mountings and Controls, Inc.	Butler, NJ

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:
 CTC Computer Corporation, Palo Alto, Calif. 94301 (File 2-34389) - 70,000 shares
 Laboratory for Electronics, Inc., Waltham, Mass. 02154 (File 2-34397) - 117,447 shares
 Cascade Natural Gas Corporation, Seattle, Wash. 98109 (File 2-34398) - 41,222 shares
 Docutel Corporation, Irving, Texas 75060 (File 2-34400) - 50,000 shares

SECURITIES ACT REGISTRATIONS. Effective August 26: The First Republic Corp. of America, 2-31370.
 Effective August 27: J. L. Clark Manufacturing Co., 2-34260; Compumarketing Services Corp., 2-32312 (90 days); Duke Power Co., 2-34289 & 2-34290; The Judson-Brooks Co., 2-33881 (90 days); Kustom Electronics, Inc., 2-32277 (90 days); Lexington Instruments Corp., 2-32067 (90 days); Lilli Ann Corp., 2-33660 (90 days); Neonex International Ltd., 2-30734 (90 days); North American Publishing Co., 2-32759 (90 days); Sterling Computer Systems Inc., 2-32374 (90 days); Triangle Mobile Home Products, Inc., 2-34052 (90 days); White Shield Oil and Gas (Canada) Ltd., 2-33000 & 2-33640 (90 days).

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

*As estimated for purposes of computing the registration fee.

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