

# 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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SEC

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**STATE STREET RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-5441) with respect to the proposed purchase by State Street Investment Corporation, Boston investment company, of substantially all the assets of Adams Securities Company. Adams, a personal holding company all of whose outstanding shares are owned by 25 stockholders, had assets approximating \$2,571,243 on May 17. Such assets are to be transferred to State Street Investment. The latter will issue its shares at their net asset value in exchange for such assets (had the exchange occurred on May 17, 48,407 shares would have been issued in exchange). Upon receipt by Adams, the State Street shares will be distributed to Adams' shareholders in connection with the liquidation of that company.

**MASS. INVESTORS TRUST RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-5445) authorizing Massachusetts Investors Trust ("MIT"), Boston mutual fund, to issue its shares at their net asset value in exchange for substantially all of the assets of Cobasco Corporation (which had a market value of \$1,678,243 on June 10, 1968). Upon receipt by Cobasco, the MIT shares will be distributed to Cobasco shareholders on liquidation of Cobasco. Had the transaction been completed on June 10, Cobasco would have received 25,790 MIT shares.

**NN CORP. RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-5442) with respect to the proposed purchase by NN Corporation, Milwaukee, Wisc, from Wisconsin Securities Company of Delaware of 50,000 shares (5.63%) of the outstanding capital stock of Northwestern National Insurance Company in exchange for 50,000 shares of common stock of NN Corp. as part of a plan of exchange. NN Corp. was organized in February for the purpose of becoming the parent of Insurance Company and to provide a holding company having general business purposes. In May it made a share-for-share offer of its stock for outstanding shares of Insurance Company stock. As of June 27, holders of about 670,000 of the 887,954 shares of Insurance Company stock had tendered their shares in acceptance of the exchange offer.

**NORTHWESTERN NATIONAL INSURANCE CO. RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-5443) with respect to the proposed purchase by Northwestern National Insurance Company, Milwaukee, Wisc. from ISI Trust Fund (formerly Insurance Securities Trust Fund) of 85,000 shares of Insurance Company's stock at \$41 per share. The Trust Fund and Insurance Company are affiliated by reason of the Trust Fund's ownership of 85,000 shares (9.57%) of the outstanding stock of Insurance Company, which is in the process of a reorganization whereby NN Corporation, created to become Insurance Company's parent, is offering its stock on a share-for-share basis for the outstanding stock of Insurance Company. Upon purchase of the 85,000 shares, Insurance Company proposes that said shares will be retired and restored to authorized and unissued shares.

**TRANSDUCER SYSTEMS PROPOSES OFFERING.** Transducer Systems, Inc., Easton and Wyandotte Roads, Willow Grove, Penna. 19090, filed a registration statement (File 2-29639) with the SEC on July 19 seeking registration of 90,000 shares of common stock, to be offered for public sale at \$5.50 per share. The offering is to be made through underwriters headed by Smith, Jackson & Company, Incorporated, 17 Battery Place, New York 10004, which will receive a 50¢ per share commission. The company has agreed to pay the Smith, Jackson firm \$25,000 for expenses and has retained the firm as financial consultants for five years, at an annual rate of \$7,500. In addition, the company has sold to the Smith, Jackson firm, for \$200, 20,000 five-year warrants to purchase 20,000 common shares, exercisable initially at \$5.50 per share.

Organized under Ohio law in July 1967, the company designs, manufactures and markets a wide variety of transducers, which are electromechanical measuring and control devices used in the computer, electronic weighing, aircraft, machine tool, nuclear, semi-conductor and process control industries. Of the net proceeds of its stock sale, the company will use \$59,650 to repay short term indebtedness, \$100,000 for research, design, development, and marketing of products presently sold and being developed, \$100,000 to purchase material and parts for products which it manufactures, and \$50,000 to purchase new test equipment and otherwise equip and improve the plant facilities. The balance will be added to the company's general funds. The company has outstanding 200,026 common shares (reflecting a proposed 103-for-1 stock split and with a 31¢ per share book value), of which Burton F. Drill, president, owns 25.75%, Michael Nakonechny, board chairman, 10.30% and Louis Nagy 13.23%. Upon completion of this offering, the present shareholders will own 69% of the company's outstanding common stock, for which they paid \$193,000, and the purchasers of the shares being registered will own 31% for which they will have paid \$495,000.

**BEECH AIRCRAFT TO SELL DEBENTURES.** Beech Aircraft Corporation, 9709 East Central Avenue, Wichita, Kansas 67201, filed a registration statement (File 2-29643) with the SEC on July 22 seeking registration of \$30,000,000 of convertible subordinated debentures, due 1993. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a manufacturer of single and twin engine aircraft for private and corporate use as well as for commuter airlines and air taxi and charter fleets. It also manufactures aircraft and missile targets for the Government and is a producer of major subassemblies and components for manufacturers of military and commercial aircraft. The company will use \$25,000,000 of the net proceeds of its debenture sale to repay outstanding short-term borrowings incurred to meet working capital requirements (principally for inventories), and the balance for general corporate purposes. In addition to indebtedness, the company has outstanding 4,527,603 common shares, of which management officials as a group own 11.9%. O. A. Beech is board chairman and chief executive officer, and Frank E. Hedrick president.

**METROPOLITAN EDISON TO SELL BONDS.** Metropolitan Edison Company, 2800 Pottsville Pike, Muhlenberg Township, Berks County, Penna., filed a registration statement (File 2-29644) with the SEC on July 22 seeking registration of \$26,000,000 of first mortgage bonds, due 1998, to be offered for public sale at competitive bidding.

A public utility holding company subsidiary of General Public Utilities Corporation, the company will use the net proceeds of its bond sale for construction purposes, including payment of some \$17,700,000 of short-term bank loans outstanding which have been or will be used for construction purposes. Construction expenses for 1968 are estimated at \$48,600,000. G. R. Parry is board chairman and Frederick Cox president.

**DREXEL HEDGE FUND PROPOSES OFFERING.** Drexel Hedge Fund, Inc., 1500 Walnut St., Philadelphia, Penna. 19101, filed a registration statement (File 2-29646) with the SEC on July 22 seeking registration of 2,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum\*). The Fund was organized as a "no load" fund in June 1968 by the investment banking firm of Drexel Harriman Ripley, Incorporated, which is the Fund's investment adviser and distributor. Clay J. Anderson, Jr., is president of the Fund and a vice president of the adviser.

**ADR'S FOR INTERNATIONAL COMPUTERS LTD. FILED.** Morgan Guaranty Trust Company, 23 Wall St., New York 10015, filed a registration statement (File 2-29647) with the SEC on July 19 seeking registration of 100,000 American Depositary Receipts for ordinary registered shares of International Computers (Holdings) Limited, a United Kingdom corporation.

**\*\* SECURITIES ACT REGISTRATIONS. Effective July 22:** Beneficial Standard Life Insurance Company 2-29344; Beneficial Standard Corporation 2-29345; Allen Electric and Equipment Company 2-28897 (40 days); Sprague Electric Company 2-29278; Xerox Corporation 2-29626; First Virginia Bankshares Corporation 2-29326 (40 days); **Effective July 23:** Monitor Fund, Inc. 2-27360; **Withdrawn July 19:** Bacm Industries Limited 2-28162.

**STOCK PLANS FILED.** The following companies have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under stock option and related plans:

Data Automation Company, Inc., Dallas, Texas 75247 (File 2-29645) - 75,000 shares  
 Lewis Business Forms, Inc., Jacksonville, Fla. 32203 (File 2-29648) - 121,875 shares  
 Jefferson Stores, Inc., Miami, Fla. 33147 (File 2-29649) - 37,500 shares

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (please give News Digest "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the July 3 News Digest.

SSP Inds June 68 (11,13)	0-1506-2	Reserve Oil & Gas Co	
Newell Inds Inc June 68 (12,13)	2-27503-2	June 68 (2,4,7,13)	1-3474-2
Pennsylvania Power & Light Co			
June 68 (13)	1-905-2	Pioneer Natural Gas Co	
Standard Tube Co		June 68 (8)	0-525-2
Jun & July 68 (2,11,13)	1-2598-2		
Consumers Power Co (Maine)		Genl Tel Co of Calif June 68(7)	0-765-2
June 68 (2,3,13)	1-2216-2	W R Grace & Co June 68 (8)	1-3720-2
Pictorial Productions Inc		Natural Gas Pipeline Co of Amer	
June 68 (7)	0-2970-2	June 68 (12,13)	2-14243-2
Will Ross Inc June 68(4,11,13)	0-1578-2	North Canadian Oils Ltd	
		June 68 (8)	1-3659-2
Midwestern Companies Inc		Peoples Gas Co June 68 (12)	1-5540-2
June 68 (10,13)	0-1925-2	Resorts Internatl Inc (Formerly)	Mary Carter
Noxell Corp June 68(7,11,13)	0-734-2	Paint Co June 68(11,12,13)	1-4748-2

**\*\* 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.