

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 Publications Unit, cite number)
SEC

(Issue No. 68-146)

FOR RELEASE July 26, 1968

COMMISSION RATE HEARING ANNOUNCEMENT. On May 28, 1968, the SEC announced it would hold hearings concerning the commission rate structure of registered national securities exchanges commencing on July 1, 1968, and subsequently requested the cooperation of interested persons to come forward with evidentiary facts for inclusion in the record of the hearing. Such persons were invited to notify the hearing officer (Roger S. Foster, Securities and Exchange Commission, Washington, D. C. 20549).

The initial phase of these hearings related to the nature and operation of the commission rate structure, certain procedures which have developed for sharing of commissions among members and with non-members of stock exchanges, and current practices with respect to membership on a national securities exchange by financial institutions, their managers or affiliates.

Commencing on August 19, 1968, representatives of various national securities exchanges and others will be afforded an opportunity to offer relevant legal and economic testimony and to present documentary exhibits for inclusion in the record concerning (a) the necessity or justification for the fixing of rates of commission (including intra-member rates), and (b) the standards for measuring reasonableness of such rates.

TWO ADDED TO RESTRICTED LIST. The SEC has added Crest Ventures Ltd., a British Columbia (Canada) corporation, and Trihope Resources Limited, an Ontario (Canada) corporation, to its Foreign Restricted List. The list is now comprised of 34 companies whose securities the Commission has reason to believe recently have been, or currently are being, offered for public sale and distribution in the United States in violation of the Securities Act registration provisions.

EDUCATORS LIFE SEPARATE ACCOUNT SEEKS ORDER. Educators Life Separate Account A ("Account A"), North Hollywood, Calif., has applied to the SEC for an exemption order under the Investment Company Act; and the Commission has issued an order (Release IC-5447) giving interested persons until August 12 to request a hearing thereon. Educators Life Insurance Company of America established Separate Account A to offer contracts which qualify as tax-deferred annuities under Section 403(b) of the Internal Revenue Code.

LIFE INSURANCE CO. OF N.A. SEPARATE ACCOUNT SEEKS ORDER. Life Insurance Company of North America Separate Account A ("Separate Account A"), Philadelphia, has applied to the SEC for an exemption order under the Investment Company Act; and the Commission has issued an order (Release IC-5448) giving interested persons until August 12 to request a hearing thereon. Life Insurance Company of North America established Separate Account A to offer contracts which qualify as tax-deferred annuities under Section 403(b) of the Internal Revenue Code.

TRADING BANS CONTINUED. The SEC has issued orders under the Securities Exchange Act suspending exchange and/or over-the-counter trading in the common stock of National Sweepstakes Corporation and the securities of Paramount General Corporation for the further ten-day period July 27 through August 5, 1968, inclusive; in the common stocks of Alscope Consolidated, Ltd., and Zimoco Petroleum Corp. for the further ten-day period July 28 through August 6, inclusive; and in the securities of BSF Company and the common stock of Leeds Shoes, Inc., for the further ten-day period July 29 through August 7, 1968, inclusive.

DIAMOND CRYSTAL SALT FILES STOCK PLAN. Diamond Crystal Salt Company, 916 S. Riverside Ave., St. Clair, Mich. 48079, filed a registration statement (File 2-29669) with the SEC on July 24 seeking registration of 79,706 shares of common stock. Of this stock, 52,941 shares are to be reserved for issuance under the company's Stock Option Plans and 26,765 were issued pursuant to the company's Restricted Stock Option Plan. The 26,765 may be offered for public sale from time to time by the present holders thereof at prices current at the time of sale (\$29 per share maximum*).

DATA NETWORK PROPOSES OFFERING. Data Network Corporation, 460 Twelfth Ave., New York 10018, filed a registration statement (File 2-29670) with the SEC on July 24 seeking registration of 175,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Stralem & Company Inc., 37 Wall St., New York. The offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized under New York law in March 1965, the company furnishes both simultaneous multiple user time-sharing computer facilities and batch time computer facilities. The company will add net proceeds of its stock sale to its general funds to be used to supply working capital for its continued operation and for expansion (at June 30 there was a \$332,734 working capital deficit). Specific uses for such funds include the start-up costs of introducing the GE 420 computer and the hiring of additional personnel. The company has outstanding 651,235 common shares (with a -36¢ per share book value), of which H. L. Meckler, board chairman and chief executive officer, owns 32.5% and management officials as a group 39.7%. John J. Callanan is president. Upon completion of this offering, the present shareholders will own 651,235 of the outstanding common shares, for which they paid \$530,250, and the purchasers of the shares being registered will own 175,000 shares, for which they will have paid \$1,925,000.*

OVER

LECTRO COMPUTER LEASING PROPOSES OFFERING. Lectro Computer Leasing Corporation, 295 Madison Ave., New York, filed a registration statement (File 2-29672) with the SEC on July 24 seeking registration of \$3,000,000 of convertible subordinated debentures, due 1984, and warrants to purchase 75,000 shares of common stock. The securities are to be offered for public sale in \$1,000 units, each consisting of one debenture in the principal amount of \$1,000 and warrants to purchase 25 common shares. The offering is to be made through underwriters headed by Alessandrini & Co., Inc., 11 Broadway, New York. The company will pay the underwriters \$15,000 for expenses and will sell to the Alessandrini firm (subject to sale of all the debentures), for \$300, two-year warrants to purchase 30,000 common shares, exercisable at 10% above the conversion price.

Organized under New York law in February 1966, the company (formerly Lectro Lease, Inc.) is engaged in the business of leasing unit-record equipment and electronic data processing equipment to commercial users. The company will use all of the net proceeds of the offering to finance the purchase of computer equipment. In addition to indebtedness, the company has outstanding 352,500 common shares, of which Jerold Nabridge, president, owns 20% and Maurice Deiter, secretary, and Saul Kampf own 14% each.

TIME SHARE CORP. PROPOSES OFFERING. Time Share Corporation, Commerce Bldg., Hanover St., Lebanon, N. H. 03766, filed a registration statement (File 2-29673) with the SEC on July 24 seeking registration of 180,000 shares of common stock, to be offered for public sale at \$11 per share. The offering is to be made through underwriters headed by D. H. Blair Securities Corporation, 66 Beaver St., New York 10004, which will receive an 82-1/2c per share commission. The company has agreed to pay the D. H. Blair firm up to \$20,000 for expenses and to sell to D. H. Blair & Company, an affiliate of D. H. Blair Securities, for \$1,800, five-year warrants to purchase 18,000 common shares at \$13.20 per share.

The company was organized in June 1968 as successor to Time Share Corporation (organized under Delaware law in April 1966), with which it recently merged. It is principally engaged in the development and sale of time-shared software systems and programming services. Of the net proceeds of its stock sale, the company will use \$125,000 for completion of its time-sharing system and of its college records systems, \$600,000 for the purchase of five computers to be used in connection with the time-sharing system, \$150,000 to retire all of its outstanding debt, incurred to meet operating expenses, and \$240,000 for marketing the time-sharing and college record systems; the balance will be available for general corporate purposes. In addition to indebtedness, the company has outstanding 393,860 common shares, of which Richard T. Beuschel, president, and Charles A. Morrissey, executive vice president, own 22.9% each, and management officials as a group own 59.6%.

PETROFUNDS PROPOSES OFFERING. Petrofunds, Inc., 1711 Esperson Bldg., Houston, Tex. 77002, filed a registration statement (File 2-29674) with the SEC on July 24 seeking registration of 400 units in its 1968 Year End Drilling Fund (\$2,000,000), to be offered for sale in \$5,000 units. The units will be sold by officers and directors of Petrofunds, without commission, and may be sold by any NASD member, who will receive a 5% commission. The Drilling Fund was organized for the purpose of the exploration of oil and gas. Petrofund Inc., organized in 1967 as a wholly-owned subsidiary of McRae Oil Corporation, will manage the Drilling Fund. James A. McRae, president and board chairman of Petrofunds and of McRae Oil Corp., owns 61.5% of McRae Oil.

VENICE INDUSTRIES FILES FOR OFFERING AND SECONDARY. Venice Industries Incorporated, 1407 Broadway, New York 10018, filed a registration statement (File 2-29675) with the SEC on July 24 seeking registration of 300,000 shares of common stock. Of this stock, 200,000 shares are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Bache & Co. Inc., 36 Wall St., New York. The offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs women's knit suits and dresses produced with knit fabrics manufactured by the company. Of the net proceeds of its sale of additional stock, the company will use \$480,000 to repay long-term indebtedness, \$150,000 of which was incurred in connection with the purchase of additional production facilities, and \$500,000 to provide for the expansion and improvement of production facilities and the purchase of additional equipment; the balance will be used to provide working capital including financing of possible acquisitions. In addition to indebtedness, the company has outstanding 800,000 common shares, of which Al Paris, board chairman and president, owns 67.5%, George Petrossian, executive vice president, 9.9% and Kenarik Petrossian 11.4%. Management officials as a group own 83.4%. Paris proposes to sell 68,540 shares of his holdings of 539,950, and George and Kenarik Petrossian 9,980 and 11,480 shares, respectively, of 79,558 and 91,492 shares held.

SECURITIES ACT REGISTRATIONS. Effective July 25: American Export Industries, Inc., 2-29181 (40 days); Apco Oil Corp., 2-29527; Allegheny Airlines, Inc., 2-29539 (40 days); Commonwealth United Corp., 2-29286 (40 days); Dickson Electronics Corp., 2-28979; Fleetwood Enterprises, Inc., 2-29342 (40 days); Hoffman Electronics Corp., 2-29398; Leasco Data Processing Equipment Corp., 2-29371; Pinkerton's Inc., 2-29403 (40 days); Province of Nova Scotia, 2-29481; Radiation Research Corp., 2-28531 (90 days); Sterling Electronics Corp., 2-29456 (40 days); Unicare Health Services, Inc., 2-29127 (90 days); Wigwam Stores, Inc., 2-28944 (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.