

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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RULES GOVERNING SALE OF VARIABLE ANNUITIES DISCUSSED. The SEC today published a statement discussing some of the more common problems which have arisen in connection with the public offering of those investment contracts frequently referred to as "variable annuities," as well as the views expressed by its staff thereon. The discussion relates to the broker-dealer registration requirements and the filing of Form B-D registration applications, the filing of statements of financial condition, exemptions from the net capital requirements, the maintenance of books and records, and other related matters. For details, see Release 34-8389.

AMERICAN RESEARCH AND DEVELOPMENT RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5480) permitting American Research and Development Corporation, Boston, to sell 215,000 outstanding common shares of Digital Equipment Corporation at the same time that Digital Equipment itself sells 100,000 of its authorized but unissued common shares (see News Digest of August 1). American Research owns 1,750,000 of the 2,296,600 outstanding Digital shares.

EBASCO SUBSIDIARY RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5482) permitting Empresa Electrica Del Ecuador Inc. ("Empresa"), a wholly-owned subsidiary of Ebasco Industries Inc., a New York investment company, to purchase from Cuban Electric Company ("Cuban"), 88% owned by Ebasco, for a total of \$460,335, a 33,000 kw steam turbine generator unit and certain accessory equipment. Empresa (a Maine corporation) is engaged exclusively in the electric utility business in and near Guayaquil, Ecuador.

AMERICAN ELECTRIC POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16152) authorizing American Electric Power, Inc. ("AEP"), New York, to transfer, as a capital contribution, subordinated notes which it holds of Ohio Valley Electric Corporation ("OVEC") to subsidiary companies. OVEC was organized by a group of public utility and holding companies to construct and operate certain generating facilities along the Ohio River. AEP owns 37.8% of OVEC's outstanding stock and holds \$3,000,564 principal amount (37.8%) of OVEC's \$7,938,000 of outstanding subordinated notes issued to sponsor companies. AEP proposes to transfer the notes it holds to its subsidiaries as follows: Appalachian Power Company, \$1,206,576; Indiana & Michigan Electric Company, \$603,288; and Ohio Power Company \$1,190,700.

TEXAS GULF SULPHUR RULING. In Litigation Release No. 4099, the SEC reports the August 13 decision of the United States Court of Appeals for the Second Circuit in SEC v. Texas Gulf Sulphur Co., in an action charging misuse of inside information in violation of Rule 10b-5 under the Securities Exchange Act. The Court unanimously (9-0) affirmed those aspects of the district court's opinion that were favorable to the Commission, unanimously reversed the district court's decision in favor of Francis G. Coates, reversed by a divided vote (7-2 on most issues) the district court's decision in favor of all but one of the other defendants and unanimously affirmed the district's court's decision in favor of defendant John A. Murray. The Court remanded the case to the district court to determine the proper remedy to be invoked.

KPA COMPUTER TECHNIQUES PROPOSES OFFERING. KPA Computer Techniques, Inc., Lincoln Bank Bldg., Large, Pa. 15025, filed a registration statement (File 2-29972) with the SEC on August 27 seeking registration of 160,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made through Kern Securities Corporation, 111 Broadway, New York, which will receive a 60¢ per share commission. The company has agreed to pay the underwriter up to \$20,000 for expenses and to sell it, for \$160, seven-year warrants to purchase 16,000 common shares, exercisable initially at \$6.50 per share; and it has sold the underwriter 5,000 common shares at \$2 per share.

Organized under Delaware law in January 1968 to succeed to the business of Keane, Pomerantz & Association, Inc., the company is engaged in business as a consultant and offers a computer-oriented problem solving service for industry, business, government and institutions, advising on and preparing computer programs for the solution of scientific, engineering and management problems. Of the net proceeds of its stock sale, the company will use \$250,000 to finance the expansion of its technical and sales staff and capability in the problem-solving, computer science and nuclear areas, \$125,000 to finance the development and marketing of proprietary computer programs, and \$250,000 to finance the development and marketing of its time-sharing services; all or a part of the balance may be used in connection with the acquisition of digital computer equipment for use in time-sharing and to the extent the balance is not so used it will be added to the company's working capital and used to carry out additional research and development. The company has outstanding 345,000 common shares (with a 61¢ per share book value), of which Martin L. Pomerantz, president, owns 14.3%, Edwin B. Borison, board chairman, 12.8%, and management officials as a group 38.3%. Upon completion of this offering, the present shareholders will own 68.3% of the outstanding common stock, for which the company received \$182,000, while the purchasers of the shares being registered will own 31.7%, for which they will have paid \$960,000.

OVER

TRANS NATIONAL COMMUNICATIONS PROPOSES OFFERING. Trans National Communications, Inc., 322 East 45th St., New York, filed a registration statement (File 2-29973) with the SEC on August 27 seeking registration of 375,000 shares of capital stock, to be offered for public sale through underwriters headed by Edwards & Hanly Securities, Inc., 55 Broad St., New York. The offering price (\$7 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell Edwards & Hanly, for \$750, five-year warrants to purchase 75,000 common shares.

The company, through its subsidiaries, produces, edits and distributes television film commercials and industrial films. It will use the net proceeds of its stock sale to repay short-term bank borrowings incurred for acquisition of its present operations and working capital and for working capital and general corporate purposes; the balance will be used for expansion within the company or acquisitions in the areas of radio, television, CATV, production and distribution of industrial films and television commercials, sports franchises, or related industries. In addition to indebtedness, the company has outstanding 600,000 capital shares (with a 40¢ per share book value), of which Ellis E. Erdman, president and board chairman, owns 21.84% and management officials as a group own 100%. Upon completion of this offering, management officials will own 62% of the outstanding common stock, for which they paid \$251,092, and the purchasers of the shares being registered will own 38%, for which they will have paid \$2,887,500*.

LMC DATA TO SELL DEBENTURES. LMC Data, Inc., 116 East 27th St., New York 10016, filed a registration statement (File 2-29975) with the SEC on August 27 seeking registration of \$4,000,000 of convertible subordinated debentures, due 1983, to be offered for public sale at \$500 per debenture. The offering is to be made through Myron A. Lomasney & Co., 67 Broad St., New York 10004, which will receive a \$40 per debenture commission. The company has agreed to pay the underwriter \$10,000 for expenses and to sell to it, for \$300, five-year warrants to purchase 30,000 common shares. The company has also agreed to pay Morton L. Janklow and Jerome S. Traum, counsel for the company, and John A. McNiff, counsel to the underwriter, an aggregate of 12% of the outstanding stock of American Medilease, Inc., subsidiary of LMC Data (in lieu of \$20,000), in consideration for their services as finders in connection with this offering. Also included in this registration statement are 24,925 outstanding common shares which may be offered for sale by the present holders thereof from time to time at prices current at the time of sale (\$14.25 per share maximum*).

The company presently is in the business of leasing used data processing equipment of the unit record type, known as punch card equipment. Of the net proceeds of its debenture sale, the company will make advances from time to time, in amounts aggregating \$2,250,000, to a newly-formed subsidiary which will engage in the business of leasing medical equipment, and will use \$160,000 to repay the outstanding balance on a demand loan made by Intermediate Credit Corporation (a principal stockholder); the balance will be used to purchase IBM System/360 computers for rental to customers. In addition to indebtedness, the company has outstanding 980,151 common shares, of which Seymour Silver, board chairman and president, owns 10.3%, management officials as a group 15.4% and Intermediate Credit Corporation 30.3%. Charles E. Steinberg, S. Herbert Meller and Meller & Company, Inc., propose to sell 7,625, 7,874 and 4,500 shares, respectively, and seven others the remaining shares being registered.

KING RESOURCES TO SELL DEBENTURES. King Resources Company, Security Life Bldg., Denver, Colo. 80202, filed a registration statement (File 2-29976) with the SEC on August 27 seeking registration of \$20,000,000 of convertible subordinated debentures, due 1988, to be offered for public sale at 100% of principal amount. The offering is to be made through Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101; the interest rate and underwriting terms are to be supplied by amendment.

The company is engaged in the acquisition, exploration, development and operation of oil, gas and mineral properties for its own account and for the accounts of others, primarily in the United States and Canada. Of the net proceeds of its debenture sale, the company will use \$4,000,000 to repay bank borrowings made during the past year to refinance outstanding borrowings and to obtain working capital, \$10,000,000 to drill and equip development wells and \$3,000,000 for capital expenditures, primarily the acquisition of oil, gas and mineral properties; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 5,639,234 common shares, of which John M. King, board chairman, owns 20.3% and management officials as a group 23.9%. A. Rowland Boucher is president.

GILBERT/ROBINSON FILES FOR OFFERING AND SECONDARY. Gilbert/Robinson, Inc., 100 Ward Parkway, Kansas City, Mo., filed a registration statement (File 2-29977) with the SEC on August 28 seeking registration of 400,000 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 300,000 (being outstanding shares) by the present holders thereof. The offering is to be made through Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101; the offering price (\$12.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the operation of quality restaurants, cocktail lounges and other related activities. It will use the net proceeds of its sale of additional stock to repay the outstanding balance of its short term notes and 6% installment note; the balance will be added to working capital to be used primarily toward expenditures totaling \$3,250,000 incident to opening new restaurants, bars and hotels. In addition to indebtedness, the company has outstanding 1,000,000 Class A common shares, of which Joseph W. Gilbert, board chairman, owns 27.2%, Joseph W. Gilbert, Jr., president, 46.5%, and Paul M. Robinson, executive vice president, 18.8%. Joseph Gilbert, and Joseph Gilbert, Jr., propose to sell 125,000 shares each of 272,000 and 465,000 shares held, respectively, and Robinson 50,000 of 188,000.

KIN-ARK OIL FILES FOR OFFERING AND SECONDARY. Kin-Ark Oil Company, 1579 East 21st St., Tulsa, Okla. 74114, filed a registration statement (File 2-29978) with the SEC on August 28 seeking registration of 1,088,200 shares of common stock. Of this stock, 700,000 shares are to be offered for public sale by the company and 388,200 (being outstanding shares) by the present holders thereof. The offering is to be made through NASD dealers, the offering price (\$6 per share maximum*) and selling commissions are to be supplied by amendment.

The company has been engaged primarily in the acquisition of prospective oil and gas properties and the exploration and development of such properties and the production of oil and gas. It is also engaged in real estate investments and, through subsidiaries, in the manufacture of machine parts and tooling and in petrochemical, warehousing and in the operation of a storage terminal and canning facility. Of the net proceeds of its sale of additional stock, the company will use \$700,000 to prepay the second mortgage indebtedness on Camelot Inn, \$600,000 to prepay bank loans, \$500,000 to pay the cost of construction and/or acquisition of additional facilities for petrochemical warehousing and storage for Lake-River Terminals, Inc., a wholly owned subsidiary, \$1,000,000 for land acquisition, construction and equipment costs for a new "Camelot Inn" at a site to be selected and \$250,000 to expand Unifab, Inc., a wholly owned subsidiary; the balance will be added to the company's working capital and will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 3,342,549 common shares, of which management officials as a group own 7.87%. Ainslie Perrault proposes to sell 200,000 shares of 367,971 shares held, Curtis Kinard all of 100,000 and four others the remaining shares being registered. Howard K. Edwards is president and board chairman.

CONTINENTAL MANUFACTURING PROPOSES OFFERING. Continental Manufacturing Co., 3001 Washington Ave., St. Louis, Mo. 63103, filed a registration statement (File 2-29979) with the SEC on August 28 seeking registration of \$1,500,000 of convertible subordinated debentures, due 1983, and 120,000 shares of common stock, to be offered for public sale in 3,000 units, each consisting of one \$500 debenture and 40 common shares. Of the 120,000 shares being registered, 38,167 are being offered by the company, 20,000 (being outstanding shares) by the present holders thereof and 61,833 are issuable upon conversion of certain convertible securities. The offering is to be made through underwriters headed by Fusz-Schmelzle & Co., Inc., 522 Olive St., St. Louis, Mo. 63101; the offering price (\$7 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture, purchase, assembly warehousing, distribution and sale of products in the sanitary maintenance industry, mainly floor maintenance equipment. Of the net proceeds of its financing, the company will use \$474,000 to repay existing bank loans, \$76,000 to retire 8% subordinated nonconvertible debentures, \$344,000 to retire the balance of the 7% subordinated debentures to Small Business Investment Companies after exercise of stock purchase warrants, \$200,000 for expansion of present manufacturing operations and new manufacturing operations, \$480,000 for additional working capital requirements and \$51,000 for standby funds for retirement of 7% convertible debentures not converted. In addition to indebtedness and preferred stock, the company has outstanding 188,629 common shares, of which Lester Miller, president, owns 31% and management officials as a group 72%. John Tuchs Schmidt is board chairman. Miller proposes to sell 10,000 shares of 63,681 shares held, Marvin B. Levy, executive vice president, and Norma Tuchs Schmidt (wife of John Tuchs Schmidt) 5,000 shares each of 16,700 and 10,000 shares held, respectively; names of selling shareholders who will receive shares on conversion will be supplied by amendment.

TODHUNTER-MITCHELL PROPOSES OFFERING. Todhunter-Mitchell & Co. Limited, P.O. Box 244, Freeport, Bahamas, filed a registration statement (File 2-29980) with the SEC on August 28 seeking registration of 300,000 shares of common stock, to be offered for public sale through Consolidated Securities Corp., 920 No. Federal Highway, Pompano Beach, Fla. The offering price (\$2 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$11,000 for expenses and to sell it, for \$5,000, five-year warrants to purchase 25,000 common shares, exercisable at \$2.50 per share.

The company (a Bahamian corporation) is engaged in the production and distribution of alcoholic beverages. Of the net proceeds of its stock sale, the company will use \$73,000 to pay long-term debt, \$128,500 to pay bank loans and certain other short term debt, and \$51,000 to repay loans from a stockholder; the balance will be added to working capital and be available for general corporate purposes, including carrying increased inventories and accounts receivable. In addition to indebtedness, the company has outstanding 375,000 common shares, of which A. Kenneth Pincourt, Jr., president, his mother and sister, own 33-1/3% each.

ROCKY MOUNTAIN NATURAL GAS PROPOSES RIGHTS OFFERING. Rocky Mountain Natural Gas Company, Inc., 420 Capitol Life Center, 1600 Sherman St., Denver, Colo. 80203, filed a registration statement (File 2-29981) with the SEC on August 28 seeking registration of 105,692 shares of common stock. The shares are to be offered for subscription by common stockholders at the rate of one additional share for each six shares held. The offering is to be made through Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 10005; the record date, offering price (\$9 per share maximum*) and underwriting terms are to be supplied by amendment.

The company operates as a regulated utility supplying natural gas at retail to 19 towns and cities in Colorado. Of the net proceeds of its stock sale and of the proposed private sale of \$1,500,000 of sinking fund debentures, the company will use \$1,500,000 to reduce short-term bank borrowings incurred to finance capital improvements in 1967 and 1968 (other than the construction of a new ten-inch transmission pipeline), and \$400,000 to reduce short term bank borrowings incurred to finance construction of the pipeline; the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 634,153 common shares, of which management officials as a group own 3.5%. William A. Newton is board chairman and president.

SOUTHERN NEW ENGLAND TELEPHONE FILES STOCK PLAN. The Southern New England Telephone Company, 227 Church St., New Haven, Conn., filed a registration statement (File 2-29982) with the SEC on August 28 seeking registration of 465,000 shares of capital stock, reserved for issuance under an Employee's Stock Plan authorized by the company's stockholders in 1968.

LINCOLN FUND PROPOSES OFFERING. Lincoln Fund, Inc., Suite 300, 235 Montgomery St., San Francisco, Calif. filed a registration statement (File 2-29983) with the SEC on August 28 seeking registration of 1,000,000 shares of capital stock. The shares are to be offered for public sale at net asset value (\$10 per share maximum*) without a sales charge. The Fund was organized under California law in January 1968 as an open-end registered investment diversified management company. Lincoln Management Corporation serves as investment manager and adviser. Robert F. Wiest is president of the Fund and of the investment adviser.

LING-TEMCO-VOUGHT FILES EXCHANGE PLAN. Ling-Temco-Vought, Inc., ("LTV"), 1600 Pacific Ave., Dallas, Tex. 75222, filed a registration statement (File 2-29986) with the SEC on August 28 seeking registration of 5,000,000 warrants (expiring January 15, 1978) to purchase shares of common stock of LTV, each presently evidencing the right to purchase 1.1127 shares of LTV common for \$115 at \$103.35 per share. LTV proposes to offer to exchange such warrants and the capital stock of three subsidiaries, namely Braniff Airways, Incorporated, National Car Rental System, Inc., and Computer Technology Inc., for certain outstanding LTV securities, as follows: up to 2,000,000 shares of common stock, up to \$100,000,000 of 6½% notes payable June 1, 1973, up to \$30,000,000 of 6-3/4% debentures due January 10, 1970, up to \$100,000,000 of 5% subordinated debentures due January 15, 1988, and up to \$18,361,000 of 5-3/4% subordinated debentures due September 1, 1976. The exchange ratio is to be supplied by amendment.

TEXAS CAPITAL CORP. SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5481) giving interested persons until September 18 to request a hearing upon a proposal of Texas Capital Corporation ("Texas Capital"), a Texas management investment company, to cause its name, its license as a small business investment company and certain of its assets which qualify as SBIC assets to be transferred to Texas '68, Inc. ("SBIC subsidiary"), organized by Texas Capital as a wholly-owned subsidiary in April 1968. The subsidiary, under the name "Texas Capital Corporation," will thereafter operate as a small business investment company, engaged in the business of furnishing capital to industry, financing promotional enterprises, purchasing securities of issuers for which there is no ready market, reorganizing companies and similar activities. The parent, Texas Capital, will change its name to "TeleCom Corporation" and will be primarily engaged in the business of operating its majority owned subsidiaries. Approximately 21% of the assets of Texas Capital will be represented by the stock of the SBIC subsidiary.

UNLISTED TRADING PRIVILEGES SOUGHT. The SEC has issued an order (Release 34-8387) giving interested persons until September 12 to request a hearing upon an application of the Pittsburgh Stock Exchange for unlisted trading privileges in the common stock of Dravo Corporation.

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 August 5 News Digest.

		Union Financial Corp	
		Apr 68 (11,13)	0-1211-2
Allied Chemical Corp			
Jul 68 (7,8)	1-1269-2	Colorado CNB Bankshares Inc	
Epko Shoes Inc Jul 68 (7)	1-5125-2	Jun 68 (2,7,11,13)	2-28007-2
Medusa Portland Cement Co		Loew's Theatres Inc Jul 68 (3)	1-4204-2
Jul 68 (2,7,13)	1-1274-2	Nevada Power Co Jul 68 (7,13)	1-4698-2
Southern Indiana Gas & Elec Co		Pantasot Co Jul 68 (7,13)	1-5339-2
Jul 68 (13)	1-3553-2	"Shell" Transport & Trading Co Ltd	
Whale Electronics Inc		(6K) Apr 68	1-4039-2
Jul 68 (2,7,13)	1-4517-2	Wyoming Industrial Development Corp	
		Jul 68 (7)	2-26917-2
Interstate Motor Freight System			
Aug 68 (1)	1-4758-2	City Stores Co Aug 68 (12)	1-2661-2
National Equities Inc		Cyber-Tronics Inc	
Jul 68 (9,11,13)	0-2140-2	Jul 68 (2,7,8,13)	0-2807-2
Trunkline Gas Co		Hooker Chemical Corp	
Jun 68 (11,13)	2-25332-2	Jul 68 (1,2,8,11,13)	1-3449-2
Doyle Dane Bernbach Inc		Jones & Laughlin Steel Corp	
Jul 68 (12)	0-171-2	Jul 68 (1)	1-463-2
Richman, Bros Co		Nuclear Corp of America	
Jul 68 (7,11,13)	1-1371-2	Jul 68 (7,13)	1-4119-2
		Simon & Schuster Inc Jul 68(3)	0-389-2

SECURITIES ACT REGISTRATIONS. Effective August 28: Administrative Systems, Inc., 2-28405 (Nov 26); Commonwealth United Corp., 2-29080 (40 days); John Nuveen & Co. (Inc.), 2-29612; Metropolitan Edison Co., 2-29644 (40 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.