

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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GENERAL ELECTRIC EMPLOYEE FUND DECISION ISSUED. SEC Hearing Examiner Sidney L. Feiler has issued an initial decision granting, in part, an application filed on behalf of General Electric S & S Program Mutual Fund for exemption from certain provisions of the Investment Company Act.

The Fund is a part of a General Electric employees' benefit program under which payroll deductions by employees are matched by a percentage contribution by their employer. Participating employees may choose among one or more investment media, one of which is the Fund, a mutual fund which makes investments principally in common stocks. Exemption was sought on behalf of the Fund from certain sections of the Act generally applicable to investment companies with operations similar to that of the Fund. The application was opposed by four labor unions representing groups of General Electric employees and, in part, by the Division of Corporate Regulation.

The Examiner, after finding that the Fund was an employees' security company as defined in Section 2(a) (13) of the Act to which special exemptive provisions applied, (Section 6(b)), granted exemption from: Section 8(b), registration; Section 15, shareholder approval of investment advisory contracts; Section 22(e), prohibition of suspension of right of redemption; Section 22(f), prohibition of restrictions on transferability; Section 24, registration of securities; and Section 32(a)(1), method of selection of accountant. Partial exemption was granted from Sections 16(a) and 18(i), selection of trustees of the Fund. Limited exemption was granted from Section 13(a)(4), termination of the Fund; and Section 30(d), reports to participants.

An important issue was whether the Fund should be exempt from the statutory requirement that its trustees be elected by employee investors (Section 16(a)). The requested exemption from this requirement would have permitted a continuance of the present practice of selection of the trustees by General Electric. The Examiner concluded that only a partial exemption was warranted - - that no more than two members of the five-man board of trustees should be selected by the company and the balance by employee-investors.

This decision will become the final decision of the Commission unless a petition for review is filed or the Commission determines on its own initiative to review it.

MISSISSIPPI POWER OFFERING CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-16203) authorizing Mississippi Power Company (Gulfport) to issue and sell 50,000 shares of \$100 par preferred stock at competitive bidding. Net proceeds of the preferred stock sale will be applied to the reduction of short-term bank loans incurred for construction purposes.

BEAVER ASSOCIATION, OTHERS ENJOINED. The SEC Denver Regional Office announced October 28 (LR-4153) that on October 14 Judge A. Sherman Christensen of the U. S. District Court in Salt Lake City had issued a summary judgment permanently enjoining violations of the registration and anti-fraud provisions of the Federal securities laws by the following: North American Beaver Association (formerly Weavers' Beaver Association), Beaver Sales, Inc., Beaver Ranchers Association, Weavers' Beaver Associated Ranchers, all of Salt Lake City, Utah, and Continental Marketing Corporation of Denver, Colo. Judge Christensen on October 24 issued a summary judgment and judgment by default of like nature against the following: American-Canadian Beaver Company, Inc., International Marketing Corporation, Mark L. Weaver, Van R. Weaver and Ted L. Weaver, all of Salt Lake City. One of the defendants, Continental Marketing appealed the lower court order of preliminary injunction; on December 26, 1967, the U.S. Court of Appeals for the Tenth Circuit affirmed the entry of the preliminary injunction and the U.S. Supreme Court thereafter denied a petition for writ of certiorari.

TAYLOR PLEADS GUILTY. The SEC Denver Regional Office announced November 4 (LR-4154) that Clyde R. Taylor, Jr., aka Reuben Taylor, of Denver, entered a plea of guilty to Count III of an indictment charging violation of the Securities Act antifraud provisions.

ATOKA FILES FOR OFFERING. Atoka, Inc., 1210 West Main St., Olney, Texas, filed a registration statement (File 2-30685) with the SEC on November 7 seeking registration of 400 units of partnership interest in the Atoka Plan No. Nine, to be offered for public sale at \$2,675 per unit. Craig-Hallum, Inc., the underwriter, has agreed to purchase for its own account at the offering price a minimum of 100 plan units (\$250,000); and the balance will be offered for public sale on a "best efforts" basis by that firm, for which it will receive a \$175 per unit selling commission. The Plan expects to make purchases of producing oil and gas properties. Atoka, Inc., will serve as manager; as compensation it will receive 4% of Plan funds originally subscribed and 25% interest in the Plan's net profit from properties owned by it after the Plan has recovered its entire investment in all such properties. Roy L. Strong is president of the company.

FALCON SEABOARD DRILLING TO SELL STOCK. Falcon Seaboard Drilling Company, 3701 Allen Parkway, Houston, Tex. 77019, filed a registration statement (File 2-30686) with the SEC on November 7 seeking registration of 75,000 shares of common stock, to be offered for public sale on a "best efforts" basis by Carl H. Pforzheimer & Co., 25 Broad St., New York 10004. The offering price (\$20.75 per share maximum*) and underwriting terms are to be supplied by amendment. For each 100 shares sold by the underwriter, the company will issue to the underwriter, without charge, five-year warrants to purchase 7 shares exercisable after one-year at the offering price.

OVER

The company is engaged in contract drilling of oil and gas wells, in the exploration for, and the development of, oil and gas reserves and in the manufacture and distribution of pumps, valves and related products. Pursuant to a subscription offer which expired on October 15, it sold 206,938 shares and received net proceeds of \$2,300,000; these funds were used to repay a \$1,543,369 short-term loan incurred in connection with the acquisition of the business of Frank Wheatley Industries, Inc., and for the repayment of other loans. Of the net proceeds of the sale of the shares being registered, \$410,000 will be used to pay for major improvements and modifications of an offshore drilling rig and the balance will be added to general funds of the company and will be used for the repayment of loans and for other corporate purposes. Theo. N. Law is board chairman and Horace Coon, Jr., president. Law owns 234,153 or 22.67% of the outstanding stock.

NORTHLAND BANCSHARES FILES FOR OFFERING AND EXCHANGE. Northland Bancshares, Inc., whose name is to be changed to Mark Twain Bancshares, Inc., Bridgeton, Mo. 63042, filed a registration statement (File 2-30687) with the SEC on November 7 seeking registration of 514,050 shares of common stock. A portion of these shares are to be offered in exchange for stock of South County Bank and Mark Twain State Bank at the rate of 4.70 shares of company stock for each share of South County Bank stock, and 4.22 shares for each share of Mark Twain State Bank stock. The company also offers to issue its common shares in exchange for its outstanding subordinated notes at the rate of 6.81 shares for each \$110 principal amount of such notes. An additional 188,858 shares are to be offered at a price of \$10.59 per share; of these shares, at least 169,973 will initially be offered by Bancshares to the stockholders of Bancshares, South County and Mark Twain and to noteholders of Bancshares, and not more than 18,885 to certain early depositors at Mark Twain. The company was organized in April 1967 for the purpose of purchasing substantially all of the stock of Northland Bank; it subsequently purchased 9,825 of the 10,000 outstanding shares of that Bank. Net proceeds of its cash sale of additional stock will be applied to the purchase of additional stock of the "constituent banks". The company now has outstanding 78,200 shares of stock. Adam Arsonson is president and board chairman of the company and of each of the banks.

MANAGEMENT DATA FILES EXCHANGE OFFER. Management Data Corporation, 1424 Walnut St., Philadelphia, Pa. 19102, filed a registration statement (File 2-30688) with the SEC on November 7 seeking registration of 137,280 shares of \$3.50 convertible preferred stock, Series A, \$1 par. The company proposes to offer this stock in exchange for common stock of The Bryn Mawr Trust Company, in the ratio of 2 preferred shares for each 3 shares of Trust Company stock. Drexel Harriman Ripley, Inc., has agreed to manage a group of dealers to solicit acceptances of the exchange offer.

The company's operations divide into three groups, Leasing, Management Services and Finance. The leasing activities involve the purchase and leasing of third generation computers and related data processing equipment. The Trust Company is engaged in commercial banking and trust business in Bryn Mawr, Pa. The company is seeking to obtain 100% of its outstanding 205,920 common shares through the exchange offer. In addition to indebtedness, the company has outstanding 709,299 common shares, of which management officials own 30.6%. Gilbert N. Zitin is president.

HUFFINGTON PROPOSES OFFERING. Huffington Sixty-nine, Ltd., 2210 Tennessee Bldg., Houston, Tex. 77002, filed a registration statement (File 2-30689) with the SEC on November 7 seeking registration of \$1,000,000 of "limited partnership and partnership in commendam interests" in an oil exploration and drilling venture, to be offered for public sale in \$10,000 units. The offering will be made on an agency basis by Underwood, Neuhaus & Co., 724 Travis St. at Rusk Ave., Houston, Tex. 77002. Net proceeds will be applied by the General Partner, Roy M. Huffington, Inc., a Texas corporation, toward the cost of selecting and acquiring drilling blocks and drilling and testing exploratory and development wells, plugging and abandoning wells resulting in dry holes or wells which have ceased to produce, and other related purposes.

GULF LIFE HOLDING FILES EXCHANGE PLAN. Gulf Life Holding Company, Jacksonville, Fla. 32201, filed a registration statement (File 2-30693) with the SEC on November 8 seeking registration of 1,120,770 shares of common stock. The Holding Company proposes to offer its shares in exchange for common stock of American-Amicable Life Insurance Company at the rate of one share of Holding Company stock for 2½ shares of Insurance Company stock. The Holding Company and a subsidiary currently own about 61% of the outstanding Insurance Company stock. Goldman, Sachs & Co., 55 Broad St., New York 10004, and Lehman Brothers, 1 William St., New York 10004, will manage a group of dealers who will solicit acceptances of the offer.

Pursuant to a July 1968 offer, the Holding Company acquired more than 80% of the outstanding stock of Gulf Life Insurance Company, it continued to accept shares and as of October 31 owned 94.75% of such stock. It also has acquired from Gulf Life Insurance 100% of the stock of Stonewall Insurance Company and 80.4% of the stock of Gulf Enterprises, Inc., and it has acquired from Ling-Temco-Vought, Inc., 4,068,766 shares of American-Amicable Life, or about 57.3 of the outstanding shares (Stonewall Insurance owns an additional 3.7%). In addition to indebtedness, the Holding Company has outstanding 4,642,273 common shares.

ASSOCIATES INVESTMENT PROPOSES OFFERING. Associates Investment Company, South Bend, Ind. 46624, filed a registration statement (File 2-30694) with the SEC on November 8 seeking registration of \$35,000,000 of Senior Debentures, due 1988, to be offered for public sale through underwriters headed by Lehman Brothers, 1 William St., and Salomon Brothers & Hutzler, 60 Wall St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company through subsidiaries is engaged primarily in financing sales of consumer and industrial products, in wholesale financing, in making personal installment loans, in industrial and commercial financing, in commercial banking, in writing insurance and in manufacturing. Gulf & Western Industries, Inc., owns about 92% of the company's outstanding stock; and recently the two companies announced an agreement to merge the company into a wholly owned subsidiary of Gulf & Western Industries; the proposed merger is subject to approval of the shareholders of the company. Net proceeds of the company's debenture sale will initially be applied to the reduction of short-term notes; additional borrowings are anticipated by reason of the volume of business.

SCHOLASTIC MAGAZINES FILES FOR OFFERING AND SECONDARY. Scholastic Magazines, Inc., 50 West 44th St., New York 10036, filed a registration statement (File 2-30695) with the SEC on November 8 seeking registration of 297,200 shares of common stock, of which 50,000 are to be offered for public sale by the company and 247,200 (being outstanding shares) by the present holders thereof. The offering is to be made by underwriters headed by White, Weld & Co., 20 Broad St., New York 10005; the offering price (\$22 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a publisher of supplementary materials for elementary and secondary school classrooms. Net proceeds of its sale of additional stock will be used to replace funds to be used in December for the redemption, at \$105 per share, of the outstanding 1,619 shares of preferred stock; the balance will be added to working capital for use in the ordinary course of business. In addition to indebtedness, the company has outstanding 336,868 shares of Class A and 1,355,132 shares of common stock. M. R. Robinson, board chairman and chief executive officer, owns 27.35% of the Class A and 13.95% of the common; G. Herbert McCracken, vice chairman, 15.88% and 11.75%, respectively; and management officials as a group 61.07% and 42.14%, respectively. McCracken proposes to sell 30,000 and The Maurice R. Robinson Fund, Inc., 26,500 shares; the balance of the shares being registered are to be sold by nineteen other holders. After this offering, management officials will own 61.38% of the Class A and 34.56% of the common stock. Donald E. Layman is president.

AL HIRT'S SANDWICH SALOONS FILES FOR OFFERING. Al Hirt's Sandwich Saloons, Inc., 404 James Robertson Parkway, Nashville, Tenn. 37219, filed a registration statement (File 2-30699) with the SEC on November 8 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$10.50 per share. The offering is to be made by underwriters headed by First Alabama Securities, Inc., 400 Frank Leu Bldg., Montgomery, Ala., which will receive an 84c per share commission. The company has agreed to sell the underwriter three-year warrants to purchase 20,000 shares, exercisable after one year at 100% of the offering price.

The company was organized in July under Tennessee law for the purpose of establishing a system of company-owned and franchised retail outlets, to be known as "Al Hirt's Sandwich Saloons" and selling on a fast food basis specially prepared food products. The company has only one company-owned sandwich saloon in operation and has sold no franchises. Of the net proceeds of its stock sale, some \$950,000 will be reserved for the development of ten company-owned sandwich saloons during the ensuing eighteen months, \$350,000 will be reserved to defray the expenses of the franchise program during the ensuing year, and \$250,000 will be reserved to defray general administration and promotion expenses during that year; the balance will be used as working capital and for general corporate purposes, including the possible acquisition of existing fast food businesses which may be converted into sandwich saloons. The company now has outstanding 200,000 common shares (with a \$1.29 per share book value), of which 20% is owned by Al Hirt (a director), 20% by Gerard W. Purcell Associates, Ltd., a corporation controlled by Gerald Purcell (a director) and Hirt's business and professional representative, in exchange for the right to the use of the name and likeness of "Al Hirt" and his promotional efforts; management officials as a group own 69%. Upon completion of the public offering, present shareholders will own 50% of the then outstanding stock, for which they have paid an aggregate of \$271,000; public investors will own the remaining 50% for which they will have paid \$2,100,000.

TWO SUSPENSIONS CONTINUED. The SEC has ordered the suspension of exchange and/or over-the-counter trading in securities of Continental Vending Machine Corp. and Westec Corporation for the further ten-day period November 13-22, 1968, 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-Registrant</u>	<u>Location</u>
3228	Arkwin Industries, Inc**	Westbury, N.Y.
3229	Atlantic States Ind., Inc	New York, N.Y.
3232	Calif. Real Estate Invst. Tr.	San Francisco, Calif.
3227	Damon Creations, Inc**	New York, N.Y.
3226	General Research Corp**	Santa Barbara, Calif.
3264	Haydon Switch & Instrument, Inc**	Waterbury, Conn.
3223	Information Intl., Inc.	Cambridge, Mass.
3225	Kewanee Scientific Equipment Corp**	Adrian, Michigan
3236	Knight Ind., Inc.	Broken Arrow, Okla.
3224	Mauchly Associates, Inc**	Montgomeryville, Penna
3235	Parkway Distrib. Inc	Holbrook, Mass.
3233	Programmed & Remote Systems Corp	St. Paul, Minn.
3234	Puratronics Ind., Inc	Minn. Minnesota.
3230	Scientific Control Corp**	Dallas, Texas

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 November 1 News Digest.

Medco Inc Oct 68(2,4,13)	1-4724-2
Mickelberry's Food Products Co Sept 68(12)	1-67-2
McDonald's Corp Sept 68(12)	1-5231-2
Kentucky Utilities Co Oct 68(13)	1-3464-2
Keystone Railway Equipment Co Oct 68(11,13)	1-5310-2
Koss Electronics Inc Aug 68(11,13)	0-3295-2
Lea-Ronal Inc Oct 68(7,11)	0-3183-2
Joseph Magnin Co Inc Oct 68(11,13)	0-2261-2
Ling-Temco Vought Inc Jun 68(2,7,8,10,13)	1-4368-2
Internatl Seaway Trading Corp Oct 68(7)	0-2070-2
Ludlow Corp Amd #1 to 8K for May 68	1-5006-2
Marmoth Mountain Inn Corp Amd #1 to 8K for Sept 68(7)	0-2447-2

SECURITIES ACT REGISTRATIONS. Effective November 8: Ampex Corp., 2-30652; AVM Corp., 2-29310; Bobbie Brooks, Inc., 2-30501; Cavitron Corp., 2-29811 (Dec 27); Dayco Corp., 2-30387 & 2-30156 (40 days); Granite Equipment Leasing Corp., 2-29957 (40 days); Great American Industries, Inc., 2-29964 (40 days); The Hartford Electric Light Co., 2-30285; Non-Commissioned Officers Life Insurance Co., 2-29381 (90 days); Northwest Industries, Inc., 2-30460 & 2-30032 (40 days); Patrick Plywood Enterprises, Inc., 2-29962 (Feb 69); "Q"uote Co. of America, Inc., 2-29333 (90 days); Time Share Corp., 2-29673 (90 days); TST Industries, Inc., 2-29840 (40 days); Wisconsin Electric Power Co., 2-30489.
Withdrawn November 8: Kimco of Florida, Inc., 2-27489.

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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