

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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SEC

(Issue No. 68-237)

FOR RELEASE December 5, 1968

**TRADING TO RESUME IN CONTINENTAL VENDING.** The SEC today announced that over-the-counter trading in the common stock and 6% convertible subordinated debentures of Continental Vending Machine Corporation ("Continental"), of Long Island, N. Y., may be resumed at the opening of business on December 13. Trading in such securities has been suspended since March 8, 1963. The Commission cautioned, however, that present holders and prospective purchasers of Continental securities, in connection with any future transactions in such securities, should consider carefully the fact that Continental has been in bankruptcy-reorganization proceedings since 1963; that the court-appointed trustee has sold most of its properties and assets, the company has ceased operations, and the trustee is primarily engaged in marshalling the assets of the debtor (including recovery actions against former management officials and others) and the review and payment (where proper) of creditors' claims; that a serious question exists as to the validity of a substantial amount of the outstanding debentures; and that Continental's financial condition appears extremely poor and there may be a deficit in the equity of stockholders well in excess of \$12,600,000 (not including Federal tax claims exceeding \$11,000,000). Moreover, broker-dealer firms should be mindful of their responsibilities for disclosure of all material facts in connection with the execution of transactions in Continental securities for their customers. For further details, see Release 34-8465.

**SALE OF AMERICAN CONTINENTAL INDUSTRIES STOCK RESTRAINED.** The SEC Washington Regional Office announced December 4 (LR-4173) the filing of a complaint in the U. S. District Court in Baltimore seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of common stock of American Continental Industries, Inc. ("ACI"), of Baltimore. The court entered an order temporarily enjoining the sale of ACI stock in violation of the registration provisions by 17 of the defendants, including ACI, Robert L. Taylor, Michael LaMarca, Francis Peter Crosby, and Baptist Foundation of America, Inc. (Beverly Hills, Calif.). ACI, Taylor, LaMarca and five others were temporarily enjoined from violating the anti-fraud provisions; and Alessandrini & Co., Inc., Wellington Hunter Associates, and Louis B. Meadows & Co. were ordered to show cause why they should not be preliminarily enjoined from violating the anti-fraud provisions. Philip S. Budin and Philip S. Budin & Co., who were charged with violating the anti-fraud provisions, stipulated they would not further engage in the activities complained of.

**CAPITAL EXPENDITURES REPORTED.** The SEC and the Department of Commerce report (for December 6 newspapers) that businessmen anticipate that expenditures for new plant and equipment will rise about 6 percent in the final quarter of 1968 and a comparable amount in the first quarter of 1969. Tentative anticipations reported for the second quarter of 1969 point to a moderate decline from the first. The anticipated annual rate of expenditures for the first six months of 1969 is 10 percent above that for the full year 1968. Actual outlays in the third quarter of 1968 rose one percent to a seasonally adjusted annual rate of \$63.4 billion. This was about 2 percent short of businessmen's expectations reported in the August survey. The most recently programmed fourth quarter capital expenditures, at \$67.3 billion, are 3 percent above the August projections. At the present time, it appears that spending for all of 1968 will total \$64.5 billion, 4 1/2 percent above 1967. This is about the same as was projected in August but one percent below the annual anticipation for 1968 first reported in March. For further details, see Stat. Release No. 2327.

**SOUTHERN CO. SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16231) giving interested persons until December 26 to request a hearing upon a proposed charter amendment which The Southern Company, Atlanta holding company, proposes to submit to its stockholders at its annual meeting to be held May 28, 1969. Such amendment would eliminate a restriction which prohibits Southern from issuing debt securities (other than for refunding other debt securities) in excess of 10% of its outstanding capital stock, plus its paid-in and earned surpluses, unless authorized by the holders of the majority of its outstanding stock. It is stated that this restriction on Southern's ability to issue debt securities, in view of the Commission's authority under the Act over issuance of debt securities, is unnecessary for Southern's stockholders and may be detrimental to such interest by impeding Southern's freedom to choose otherwise desirable means of financing its requirements.

**ARISAIG REGISTRATION TERMINATED.** The SEC has issued an order under the Investment Company Act (Release IC-5555) declaring that Arisaig Corporation, Newark, N. J., has ceased to be an investment company and that its registration as such shall cease to be in effect.

**EATON HOWARD FUND RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-5556) permitting Eaton & Howard Stock Fund, Boston mutual fund, to purchase Henselmeier Building Co., an investment company all of whose stock is owned by two individuals. The Fund proposes to issue its securities at their net asset value in exchange for substantially all of the assets of Henselmeier (with a September 5 stated value of \$106,550). Had the transaction occurred on that date, the Stock Fund would have issued 6,155 shares therefor. Shares so issued will be distributed to the stockholders of Henselmeier following the sale of its assets and subsequent liquidation.

OVER

EQUITABLE LIFE SEPARATE ACCOUNT EXEMPTED. The SEC has issued an order under the Investment Company Act (Release IC-5558) granting application of The Equitable Life Assurance Society of the United States and its "Separate Account A" from various provisions of the said Act. Separate Account A was established by Equitable in August 1968 to afford a medium for equity investments for certain variable annuity contracts and agreements issued by Equitable.

COMPREHENSIVE COMPUTER SYSTEMS FILES OFFERING PROPOSAL. Comprehensive Computer Systems, Inc., One East Fifty Seventh St., New York 10022, filed a registration statement (File 2-30898) with the SEC on November 29 seeking registration of 120,000 shares of common stock and warrants to purchase an additional 120,000 shares. It is proposed to sell these shares in units of one share and one warrant, through Braun, Yampell & Hess, 25 Broad St., New York 10004; the offering price (\$15 per unit maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the underwriter, for \$120, six-year warrants for the purchase of 12,000 shares and to pay it \$15,000 for expenses. Also included in the statement are an additional 14,400 outstanding shares, to be offered for sale by the present holders thereof.

Organized in September 1967, the company, as successor to Interdata Systems, Inc., and Medidata Management Systems, Inc., specializes in computerized applications and management services for the transportation, distribution, pharmaceutical and allied health care industries. In March it organized a subsidiary to provide its clients with computer utility services through terminal input/output devices over communication lines from remote locations. Of the net proceeds of its stock sale, \$400,000 will be allocated to the expansion of systems design and development for use with real time, on-line services, \$187,000 to the hiring of additional personnel, \$125,000 towards further development and marketing of computerized techniques and applications, and \$195,000 to design, develop and market additional systems and facilities; the balance will be added to general funds and used for working capital. In addition to indebtedness, the company has outstanding 514,000 common shares, of which Robert B. Schaefer, president, owns 47,790 and Seymour B. Jeffries, board chairman, 46,890.

WOODHEAD CO. FILES FOR OFFERING AND SECONDARY. Daniel Woodhead Company, 220 Huehl Rd., Northbrook, Ill. 60062, filed a registration statement (File 2-30899) with the SEC on November 29 seeking registration of 100,000 common shares, of which 30,000 are to be offered for public sale by the company and 70,000 (being outstanding shares) by the present holders thereof. The offering is to be made through Blunt Ellis & Simmons, 111 W. Monroe St., Chicago, Ill. 60603; the offering price (\$13 per share maximum\*) and underwriting terms are to be supplied by amendment. The underwriter has agreed to pay a finder's fee of \$10,000 to Michigan Corporation.

The company manufactures and sells a broad line of electrical specialties, primarily for heavy-duty industrial use. The net proceeds of its sale of additional stock will be added to the general funds of the company - for use as working capital, additions to plant and equipment, and in connection with possible acquisitions of other companies. In addition to indebtedness, the company has outstanding 300,000 common shares, of which Daniel Woodhead, Jr., board chairman, owns 46.27% and management officials as a group 68.35%. The prospectus lists 23 selling stockholders, who own an aggregate of 277,532 shares; Woodhead and two family trusts propose to sell an aggregate of 26,550 shares and Valerie G. Biederman 15,000 shares.

TECHNICAL PUBLISHING FILES FOR OFFERING AND SECONDARY. Technical Publishing Company, 308 East James St., Barrington, Ill. 60010, filed a registration statement (File 2-30900) with the SEC on November 29 seeking registration of 200,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made by underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005; the offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in publishing and distributing engineering trade magazines (including "Power Engineering"), catalogs and product postcards; most of its revenue is derived from sales of advertising space in its publications. Of the net proceeds of its sale of additional shares, the company will apply \$250,000 toward the purchase of new company headquarters and \$350,397 will be used to retire indebtedness incurred in connection with the repurchase of stock from retired employees; the balance will be used for working capital requirements, which may include the development of new publications and related services and the possible acquisition of publishing, education and knowledge businesses. In addition to indebtedness, the company has outstanding 633,540 common shares, of which Arthur L. Rice, Jr., president, owns 34.3% and management officials as a group 81.6%. Rice proposes to sell 30,000 of 298,832 shares held, and three others the additional shares being registered.

ASTROSYSTEMS FILES FOR SECONDARY. Astrosystems, Inc., 6 Nevada Drive, New Hyde Park, N. Y., filed a registration statement (File 2-30901) with the SEC on November 29 seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Allen & Co., Inc., 30 Broad St., and Arnold Wilkens & Co., Inc., 50 Broadway, both of New York. The offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment. The selling stockholders will reimburse the underwriters for up to \$10,000 of their expenses; and they also will sell to the Allen firm, for \$200, five-year options to purchase 20,000 shares and issue the Allen firm warrant to purchase up to an additional 5,000 shares as a financial consultation fee.

The company's business consists of the design and manufacture of complex electronic equipment, principal computer data converters, and high precision manual and automatic test equipment. In addition to indebtedness it has outstanding 500,000 common shares, of which Seymour Barth, president, owns 191,400 shares, Gilbert Steinberg and Elliot Bergman, vice presidents, 95,700 shares each, and management officials as a group 383,200. Barth proposes to sell 50,000 shares and Steinberg and Bergman 25,000 shares each.

**HOSPITAL CORP. TO SELL STOCK.** Hospital Corporation of America, 242 25th Ave., North, Nashville, Tenn. 37203, filed a registration statement (File 2-30902) with the SEC on November 29 seeking registration of 400,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Goodbody & Co., 55 Broad St., New York 10004; the offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company owns and operates ten hospitals (five in Tennessee, two in Virginia, two in Texas and one in Alabama); all except the Park View Hospital in Nashville have been acquired since September 1968 (in exchange for an aggregate of 1,634,514 shares of company common stock). Net proceeds of the company's stock sale will be added to its general funds and, it is anticipated, will be used for the construction, equipment and working capital requirements of additional hospital facilities. It is estimated that total capital expenditures during the three years ending June 30, 1971, in connection with hospitals and hospital additions presently under construction or planned to be constructed will be approximately \$33,000,000 - mortgage or other financing, including construction loans, will be required for such construction program. In addition to indebtedness, the company has outstanding 3,545,140 common shares, of which management officials own 16.9%. Jack C. Massey is board chairman, Henry W. Hooker vice chairman, Dr. Thomas F. Frist, president, and Dr. Thomas F. Frist, Jr., executive vice president.

**I.P.G. RESOURCES TO SELL STOCK.** I.P.G. Resources & Development Corp., 8 West 40th St., New York 10018, filed a registration statement (File 2-30903) with the SEC on November 29 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering is to be made on a best efforts, all or none basis by H. E. Simpson Securities, Inc., 40 Exchange Pl., New York, for which it will receive a 75¢ per share selling commission plus \$9,000 for expenses. Subject to sale of all shares being registered, the company has agreed to sell the underwriter, for 1¢ per warrant, five-year warrants to purchase 10,000 common shares, exercisable after one year at \$8.25 per share; identical warrants to purchase 5,000 shares are to be sold to Harry Tandler, a finder.

The company was organized in August to engage in the sale of mutual funds shares and programs and the production and servicing of a general insurance business; it has acquired all the outstanding stock of Leewall Associates, Inc., Island Planning Corp. of America, I.P.A. Planning, Inc., and IPG-Lande, Inc. Of the net proceeds of its stock sale, \$100,000 will be used to increase the net capital of a broker-dealer subsidiary and \$50,000 each for expansion of overseas operations, recruiting and training mutual fund and life insurance salesmen, and establishment of a re-insurance company; the \$378,500 balance will be used for working capital (including ordinary operating expenses). The company now has outstanding 332,500 common shares (with a 38¢ per share book value), of which Ronald M. Walerstein, board chairman, owns 24%, Murray Silver, president, 18%, and management officials as a group 79.4%. Purchasers of the shares being registered will acquire a 23.1% stock interest in the company for an investment of \$750,000, and will suffer a \$5.74 per share dilution in book value.

**PROFESSIONAL HEALTH SERVICES TO SELL STOCK.** Professional Health Services, Inc., 1562 Westchester Ave., Bronx, N. Y. 10472, filed a registration statement (File 2-30904) with the SEC on November 29 seeking registration of 250,000 shares of common stock, to be offered for public sale at \$8 per share. The offering is to be made through underwriters headed by Shaskan & Co., Inc., 67 Broad St., New York 10004, which will receive an 80¢ per share commission plus \$15,000 for expenses. The company has agreed to sell the Shaskan firm, for \$250, three-year warrants to purchase 25,000 shares, exercisable after one year at \$9 per share.

The company's business principally relates to accelerating the payment to professional participants of charges incurred by their patients and customers under the New York "Medicaid" program. It was organized on November 19 and on November 27 acquired all the outstanding stock of Professional Billing Services, Inc., and 125th Street Medical Building, Inc. Of the net proceeds of its stock sale \$300,000 will be used to acquire a building on the lower East Side of New York City and renovate it as a medical and dental facility, \$325,000 to remodel and equip a company-owned building in Buffalo as a medical and dental facility, \$150,000 to remodel and equip four premises, to be leased, as medical and dental facilities, \$300,000 to discharge certain indebtedness incurred in connection with constructing and equipping the facility on 125th Street, and the \$455,000 balance to increase working capital, including funds to be utilized in connection with the company's account purchasing operations. In addition to indebtedness, the company has outstanding 583,333 common shares, of which Melvin Shilling, two other officers and a fourth individual own 106,333 shares each. Purchasers of the shares being registered will acquire a 30% stock interest in the company at a cost of \$2,000,000, or \$8 per share; holders of the outstanding shares will then own 70%, for which they will have paid \$555,686, or an average of 95¢ per share.

**RESTRICTED LIST REVISED.** The SEC has removed Victoria Algoma Minerals Company, Ltd., an Ontario (Canada) corporation, from its Foreign Restricted List. The list is comprised of the names of companies whose securities it has reason to believe recently have been, or currently are being, offered for public sale and distribution within the United States in violation of the registration requirements of the Securities Act of 1933. Companies may be removed from the list under certain circumstances, including (as appears in the case of Victoria Algoma Minerals) the lapse of time (generally one year, at least) since the unlawful offering into the United States was discontinued (Release 33-4937).

**TWO TRADING SUSPENSIONS CONTINUED.** The SEC has ordered the suspension of exchange and/or over-the-counter trading in securities of BSF Company and Mountain States Development Company for the further ten-day period December 6-15, 1968, inclusive.

**COLLINS, TRI-STATE INVESTMENT ENJOINED.** The SEC Denver Regional Office announced December 2 (LR-4174) that the U.S. District Court of Omaha had permanently enjoined Edward C. Colling of Scottsbluff, Nebr., and the Tri-State Investment Club (formerly Valentine "100" Investment Club) from violating the Securities Act registration provisions in the sale of securities. The defendants consented to the injunction but without admitting the allegations of the Commission's complaint against them.

**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 December 3 News Digest.

North Simon Inc Oct 68 (7,8)	1-5687-2	B B Walker Shoe Co	
Panelfab Inc Oct 68 (7)	0-1911-2	Amd #1 to 8K for Nov 67(13)	0-934-2
Toro MF( Co Oct 68 (11,13)	0-20-2	Ward Foods Inc	
		Amd #1 to 8K for Jul 68(13)	1-1042-2
Dectron Electronics Corp		Lewis Business Forms Inc	
Oct 68 (12,13)	0-2833-2	Amd #1 to 8K for Sept68(4,7)	0-186-2
Dunhill International Corp		Charter Co Oct 68(2,7,13)	0-1825-2
Oct 68 (3,11)	1-269-2	New England Tel & Tel Co	
American Pyramid Co Inc		Sept 68(7,13)	1-1150-2
Oct 68 (2,12,13)	0-2372-2	Optical Coating Laboratory Inc	
Gulf & Western Industries Inc		Oct 68(7)	0-2537-2
Sep 68 (7,13)	1-5404-2	Champion Parts Rebuilders Inc	
Roblin Industries Inc		Oct 68(12,13)	0-227-2
Oct 68 (2,7,9,12,13)	1-5213-2	El Chico Corp Oct 68(11,13)	0-3250-2
The Bureau Of National Affairs Inc		First Capital Corp Oct68(2,7,12,13)	2-29897-2
Oct 68 (7)	2-28286-2	General Kinetics Inc Oct 68(11)	0-1738-2
Antilles Brewing Co Inc		Kentucky Finance Co Inc	
Oct 68 (1,7,8,12)	0-1448-2	Oct 68(7,13)	0-2846-2
Champion Home Builders Co		Leath & Co Oct 68(2)	1-992-2
Oct 68 (3)	1-4993-2	Marriott Corp Nov 68(7,11,12)	1-5664-2
Cleveland Cliffs Iron Co Oct 68 (3)	1-3443-2	Arizona Biochemical Co Oct 68(3)	1-5668-2
South east Forest Industries Inc		General Crude Oil Co	
Oct 68 (9,11)	1-5763-2	Oct 68(2,7,11,13)	0-472-2
American Life Companies Inc		Natl Casket Co Inc Oct 68(11,13)	1-3987-2
Amd #1 to 8K for Jul68(12,13)	0-1283-2	Pay'N Save Corp Sept 68(2,7,13)	0-1445-2
Ortronix Inc		EG & G Inc Oct 68(4,7)	1-5075-2
Amd #3 to 8K for Jul68(1,13)	0-1703-2	Aseco Inc Oct 68(1)	0-2404-2
Royal Inds Inc		Aurora Corp of Illinois	
Amd #1 to 8K for Aug 68(7)	1-5797-2	Sept 68(7,13)	0-1737-2
Zurn Inds Inc		Baruch Foster Corp Oct 68(2)	1-1464-2
Amd #1 to 8K for Sept 68(7)	1-5502-2	Bell Intercontinental Corp	
Bro-Dart Inds		Sept 68(12,13)	1-4354-2
Amd #1 to 8K for Sept 68(13)	0-2873-2	Gulf States Land & Inds Inc	
Vesely Co		Jun 68(11)	1-621-2
Amd #1 to 8K for Sept 68(7)	0-102-2	Howard Johnson Co Oct 68(3)	1-4594-2
Coronet Inds Inc		Union Corp Oct 68(2,7,13)	1-5371-2
Amd #1 to 8K for Oct 68(11)	1-4889-2	Sept 68(2,4,13)	1-5371-2
		Western Harness Racing Assn	
		Nov 68(11,13)	0-1429-2
		Data Lease Financial Corp Oct68(2)	2-29603-2
		Mitsui Bussan Kabushiki Kaisha	
		(6K) Sept 68	2-21097-2

**SECURITIES ACT REGISTRATIONS. Effective December 4:** Corometrics Medical Systems, Inc., 2-29997 (90 days); Gilbert/Robinson, Inc., 2-29977 (90 days); Gulf & Western Industries, Inc., 2-30848 (Jan 11); Levin-Townsend Computer Corp., 2-30444 (40 days); Mid-Continent Telephone Corp., 2-30697; The National Cash Register Co., 2-30755; Responsive Environments Corp., 2-30658.

**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.