

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. 67-124)

FOR RELEASE June 29, 1967

SCUDDER DUO-VEST RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5014) authorizing Scudder Duo-Vest Exchange Fund Inc., New York, to issue its shares in exchange for marketable securities which have been deposited by affiliated persons. The company proposes to issue its shares in Units, comprised of one Income Preferred Share and one Capital Share, in exchange for marketable securities having a federal tax basis of \$141,600 and an aggregate value of \$2,837,597 (as of April 28, 1967) which have been deposited by affiliated persons of applicant.

GREAT LAKES GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15775) authorizing Great Lakes Gas Transmission Company, New York subsidiary of American Natural Gas Company, to issue to its parent 99,900 shares of its \$100 par common stock; a like number of common shares are to be issued to Trans-Canada Pipe Lines Limited, which owns the remaining one-half of its outstanding stock. Great Lakes also proposes to issue and sell to a group of banks up to \$30,000,000 of its promissory notes. American Natural entered into an agreement with Trans-Canada under which the two companies agreed to participate in the construction and operation of a new pipeline to be constructed and operated by Great Lakes, the first segment of which will extend from the Austin Field storage area in west-central Michigan to St. Clair, Mich. American Natural and Trans-Canada have acquired substantially all of the pipe, equipment, and right-of-way required for the construction of the Austin-St. Clair line. Great Lakes will issue the common stock to the two companies in amounts equalling in par value the amounts expended by Trans-Canada and American Natural for pipe, equipment, and right-of-way, upon assignment thereof to Great Lakes, up to a total of \$9,990,000 each. The subsidiary will use the amounts borrowed on the notes to finance partially its construction costs, estimated at \$50,000,000 through May 1968, and to provide necessary working capital.

CORPORATE WORKING CAPITAL REPORTED. The SEC reports (for June 30 newspapers) that the net working capital of U. S. corporations increased \$2.5 billion in the first quarter of 1967 and at the end of March totaled \$195.2 billion. The first quarter gain compares with increases of \$1.2 billion in the fourth quarter and \$2.6 billion in the corresponding period of 1966. For further details, see Stat. Release 2214.

OSLO PROPOSES OFFERING. The City of Oslo, Kingdom of Norway, filed a registration statement (File 2-26805) with the SEC on June 27 seeking registration of \$12,000,000 of sinking fund external loan bonds (due 1977). The bonds are to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005, and three other firms. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The City will transfer the proceeds of the bond sale to its Loan Fund, from which advances are made from time to time to certain revenue-producing Municipal Enterprises for capital expenditures. The City's budget for 1967 provides for loans from the Loan Fund to such enterprises in an aggregate of 225.1 million kroner, consisting of 178 million kroner to the Oslo Electricity Works, 44.1 million kroner to the municipal tramway companies and 3 million kroner to the Oslo Harbor Authority.

WILSON & CO. PROPOSES OFFERING. Wilson & Co., Inc., Prudential Plaza, Chicago, Ill. 60601, filed a registration statement (File 2-26803) with the SEC on June 27 seeking registration of 1,000,000 shares of common stock, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004. The public offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of buying, slaughtering and dressing livestock and poultry, and processing and selling meats and related products. Net proceeds from the stock sale will be offered to the holders of the \$50,000,000 principal amount of 7-7/8% notes due January 6, 1969, as a partial pro rata prepayment of this indebtedness. The holders of \$33,000,000 of these notes have agreed to accept pro rata prepayments aggregating (amount to be supplied by amendment). In addition to indebtedness and preferred stock, the company has outstanding 3,000,000 shares of Class B common stock, all owned by Ling-Temco-Vought, Inc., which also owns all of the 100,000 outstanding shares of \$5 par Series A cumulative convertible preferred stock. Roscoe G. Haynie is board chairman and Roy V. Edwards is president.

FRANCIS DUPONT CO. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5013) granting an application of Francis I. DuPont & Co., of New York, the proposed representative of a group of underwriters of a proposed offering of shares of Putnam Duofund, Inc., for exemption from the provisions of Section 30(f) with respect to certain transactions in connection with the proposed offering. The DuPont firm expects to acquire from Putnam Duofund more than 10 percent of its Income Shares and Capital Shares and more than 50 percent of such shares which will be outstanding at the time of the closing with the underwriters. The Commission's order provides an exemption from the "insider" reporting and related provisions of the Act applicable to 10% owners of investment companies.

OVER

PUTNAM DUOFUND RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5015) permitting Putnam Duofund, Inc., to issue Income Shares and to permit holders of Income Shares and Capital Shares to vote as separate classes on certain matters.

ROBERT L. CORDOVA ENJOINED. The SEC Chicago Regional Office announced June 26 (LR-3760) that the Federal court (USDC, Toledo, Ohio) entered a judgment permanently enjoining Robert L. Cordova, individually and d/b/a Cordova Oil and Gas Associates, from further violations of the registration and anti-fraud provisions of the Securities Act in the offer and sale of investment contracts and interests in oil and gas leaseholds located in Kentucky and elsewhere.

OLD FORT INDUSTRIES FILES FOR OFFERING AND SECONDARY. Old Fort Industries, Inc., 2013 S. Anthony Blvd., Ft. Wayne, Ind. 46803, filed a registration statement (File 2-26808) with the SEC on June 28 seeking registration of 166,000 shares of common stock. Of this stock, 140,000 shares are to be offered for public sale by the company and 26,000, being outstanding stock, by the present holders thereof. The offering is to be made through underwriters headed by Walston & Co., Inc., 74 Wall St., New York 10005. The public offering price (\$13 per share maximum*) and underwriting terms are to be supplied by amendment.

The company produces basic materials for the building and construction industries, such as fine aggregates, ready mixed concrete, concrete block, concrete sewer and culvert pipe, and high pressure concrete pipe, as well as concrete block manufacturing machinery. It will use the net proceeds of its sale of additional stock in connection with a tender offer to be made at \$25 per share to the holders of the 97,077 shares of Illinois Brick Company, which shares constitute the 47.5% minority interest in that company. Pending payment for the shares purchased, such proceeds will be temporarily applied to reduce short-term debt. In addition to indebtedness, the company has outstanding 397,388 common shares, of which management officials own 74.1%. F. Edwin Schouweller is president. The prospectus lists 6 selling stockholders, including Eugene F. Olsen and Stephanie Andrews, who propose to sell 8,000 of their holdings of 12,008 and 10,072 shares, respectively.

DALTO ELECTRONICS FILES FOR SECONDARY. Dalto Electronics Corporation, 38 Oak St., Norwood, N. J., filed a registration statement (File 2-26810) with the SEC on June 28 seeking registration of 293,047 shares of common stock. Of this stock, 267,747 are outstanding shares and the remaining 25,300 shares may be issued upon the exercise of outstanding warrants and option. The holders thereof propose to offer the shares for public sale from time to time on the over-the-counter market at prices prevailing at the time of sale (\$5.00 per share maximum*).

The company is engaged in the manufacture and sale of visual flight simulators for pilot training and research and development in connection with new aircraft and space vehicles. In addition to indebtedness, it has outstanding 1,019,168 common shares, of which management officials hold 27.5%. The prospectus lists 16 selling shareholders, including W. H. Hudson (president), who proposes to sell 200,000 of his holdings of 280,000 shares, Linda Stillman, 20,000 of 21,500 shares, and McDonnell & Co., Inc., all of its holdings of 20,000 shares. Arthur R. Tucker is president.

RAMO FILES EXCHANGE PROPOSAL. Ramo Inc., 702 San Fernando St., San Antonio, Tex. 78207, filed a registration statement (File 2-26811) with the SEC on June 28 seeking registration of 2,150 units, each consisting of 100 shares of Series A convertible preferred stock, 10 shares of new common stock and a warrant to purchase 10 shares of new common stock. The units are to be offered in exchange for the 2,150 outstanding \$1,000 of 6½% subordinated sinking fund debentures, Series A, due October 1, 1963, and unpaid and accrued interest thereon.

According to the prospectus, Ramo's financial condition "is critical and its ability to continue operations is dependent upon securing sufficient working capital." Its directors have reviewed various proposals "but considers the only alternative to receivership or bankruptcy reorganization" is to carry out an agreement reached with Texas Capital Corporation which is conditioned upon a reclassification of the company's outstanding common stock and satisfactory consummation of the exchange offer with debenture holders. The prospectus indicates that the company has not paid interest on its \$2,150,000 of Series A debentures since April 1, 1966 and as of April 1, 1967, there was \$134,375 of interest due and delinquent thereon. The trustee for the debenture holders has given notice of default and declared all of the debentures due and payable. The holder of a \$400,000 first mortgage note has advised that foreclosure proceedings will be commenced unless the stock reclassification and exchange offer are carried out in fulfillment of the agreement with Texas Capital.

In March Ramo entered into a conditional agreement with Texas Capital, a federal licensee under the Small Business Investment Act, to borrow a sufficient amount (\$600,000) from Texas Capital evidenced by a convertible debenture to allow Ramo to continue to operate as a going concern. Texas Capital also is to furnish management, advice, and additional financing. This agreement is conditioned, among other things, upon acceptance of the Ramo exchange offer by holders of at least 95% of the outstanding Series A debentures. Upon consummation of the agreement with Texas Capital, the present directors of Ramo will resign and be succeeded by John Gatti, a director of Texas Capital, and five others. The Texas Capital agreement also provides for a recapitalization of Ramo's Class A common stock (of which 591,168 shares are outstanding) and its common stock (of which 273,992 shares are outstanding) into the new common stock with a resultant twenty for one reverse split. This would be effected by reclassifying each 20 common shares into one new common share, and each 80 Class A shares into one new common share; upon such reclassification, each shareholder would receive for each share of new common a warrant to purchase four shares of new common for a period of ten years, exercisable at prices ranging from \$3 to \$5 per share (Ramo's operating losses and write-down of assets during the past four years have exceeded \$3,270,000; since June 1964 a \$2,579,000 stockholders' equity has been converted into a \$979,125 deficit).

Ramo's operations consist of the purchasing, shelling, processing, packaging and wholesale and retail distribution of pecans, including particularly the purchase of pecans in the shell and extracting the pecan nutmeats which are sold in bulk. William J. Goad, Jr., the largest owner of the outstanding common and Class A shares, resigned as president and board chairman in April. Lester Larson, former comptroller, succeeded him as president.

ISRAEL PROPOSES BOND OFFERING. The State of Israel (Agent's Address: 850 Third Ave., New York) filed a registration statement (File 2-26816) with the SEC on June 28 seeking registration of \$500,000,000 of 15-year, 4% dollar coupon bonds to be issued in five series: Series A, 1967; Series B, 1968; Series C, 1969; Series D, 1970; Series E, 1971; maturing serially from 1982 to 1986. The bonds are to be offered for sale to banks, insurance companies, labor unions, and employee benefit funds at 100% of the principal amount, through Development Corporation for Israel, 215 Park Ave. S., New York 10003, which will receive a 6% selling commission. The offering is to be made on a "best efforts" basis. Israel will apply the net proceeds of this financing to its development program which, according to the prospectus, is directed toward the ultimate achievement of a self-supporting economy. Since the formation of the State it has channeled its funds (to the extent possible) into productive investment: to increase the cultivated and the irrigated areas of farmland; to establish industrial plants and develop the natural resources of the country; to build an adequate transportation and communication system; and to stimulate the construction of housing for the accommodation of new immigrants and the natural increase in population. The proceeds of this offering will be applied to such purposes (among others) as industry and crafts, irrigation, mining and minerals, road building and maintenance and telecommunications.

CORRECTION RE HAGEN & CO. PROCEEDING. Release 34-8099 of June 12, 1967, incorrectly included the name of Joyce L. Howe as one of three individual respondents in administrative proceedings involving the broker-dealer firm of Hagen & Co., Inc., of Portland, Oregon. Although the order authorizing such proceedings identified her as a former "secretary-treasurer" of Hagen & Co., Inc., she was not named as a respondent in the proceedings nor charged with any of the violations set forth in the order.

In addition, the release inadvertently omitted the name of Merlyn R. Hottmann as one of the respondents and incorrectly identified another respondent, Pierre A. Kosterman, as Pierre A. Hosterman.

GENERAL ACCEPTANCE SHARES IN REGISTRATION. General Acceptance Corporation ("GAC"), 1105 Hamilton St., Allentown, Pa., 18101, filed a registration statement (File 2-26812) with the SEC on June 28 seeking registration of 72,750 shares of voting preference stock 60c Series B and 25,000 shares of voting preference stock \$5.625 convertible series. Of this stock, 45,000 Series B shares are to be offered for public sale by the underwriter, Warren W. York & Co., Inc., 514 Hamilton St., Allentown, Pa., who acquired such shares from Investors Mutual, a stockholder of GAC. The remaining 27,750 Series B shares and 25,500 convertible shares may be offered for sale by the holders thereof from time to time on the over-the-counter market at prices prevailing at the time of sale. The prospectus also covers the offering of (1) 250,000 common shares issuable upon the exercise of 10,000 of the 1969 warrants and (2) 90,000 common shares issuable upon the exercise of 90,000 of the 1976 warrants.

HARVEY ALUMINUM SHARES IN REGISTRATION. Harvey Aluminum (Incorporated) 19200 S. Western Ave., Torrance, Calif. 90509, filed a registration statement (File 2-26813) with the SEC on June 28 seeking registration of 27,916 outstanding shares of A common stock. Of this stock, 20,666 may be issued upon conversion of like number of shares of B common stock by the holder thereof and 7,250 shares upon exercise of outstanding stock options. The shares may be offered for sale by the holders thereof on a national securities exchange or otherwise at prices prevailing at the time of sale (\$45 per share maximum*).

The company is principally engaged in the business of producing primary aluminum and aluminum mill products. In addition to indebtedness, the company has outstanding 3,093,063 A common shares and 4,000,000 B common shares. Leo M. Harvey is board chairman, Lawrence A. Harvey is president, and Home M. Harvey is executive vice president. They own 32.8%, 33.3% and 33.3%, respectively, of the 4,000,000 presently outstanding B common shares; and management officials as a group own 99.4%. Carmen Warschaw, daughter of Leo M. Harvey, is the holder of the 20,666 A common shares.

INTERNATIONAL UTILITIES SHARES IN REGISTRATION. International Utilities Corporation ("International"), 200 University Ave., Toronto, Ontario, Canada, filed a registration statement (File 2-26814) with the SEC on June 28 seeking registration of 375,000 shares of common stock. The shares are issuable upon conversion of \$12,000,000 principal amount of 5-1/4% guaranteed convertible bonds, due 1986, of International Utilities Overseas Capital Corporation ("Overseas"), a wholly-owned subsidiary of International. The bonds were sold to underwriters by Overseas on May 18, 1966, and were sold by the underwriters to investors outside the United States. The initial conversion price of the stock is \$32 per share.

A T & T FILES FOR OFFERING. American Telephone and Telegraph Company, 195 Broadway, New York 10007, today filed a registration statement (File 2-26827) with the SEC seeking registration of \$250,000,000 of 33-year debentures (due 2000), to be offered for public sale at competitive bidding. Net proceeds of this financing will be used for advances to subsidiary and associated companies; for the purchase of stock offered for subscription by such companies; for property additions and improvements to its own telephone plant; and for general corporate purposes.

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's "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 June 1 News Digest.

Connecticut Water Co
 Apr 67 (11,13) 0-512-2
 Cox Broadcasting Corp
 May 67 (12) 1-4933-2
 Cyclops Corp
 May 67 (4,7,13) 1-2858-2
 Daisy Mfg Co
 May 67 (11) 0-253-2
 Diamond Alkali Co
 May 67 (2,13) 1-3638-2
 Evans Aristocrat Ind Inc
 Amend #1 to 8K for Apr 66 (4,7,13) 1-4592-2
 Amend #1 to 8K for Jun 64 (7,13) 1-4592-2
 Farmers Union Cooperative Marketing Assoc
 May 67 (7,8) 2-22230-2
 First Illinois Trust
 Jun 67 (2,7,11,13) 0-1770-2
 MRB Inc
 May 67 (8) 0-1895-2
 IFC Collateral Corp
 May 67 (7) 2-19513-2
 I-T-F Circuit Breaker Co
 May 67 (11) 1-3784-2
 Iowa Electric Light and Power Co
 May 67 (11,13) 1-4117-2

 Jack-In-The-Box Inc
 May 67 (11) 0-2152-2
 Jonathan Logan Inc
 May 67 (11,13) 1-4276-2
 Kansas State Network Inc
 May 67 (2) 0-2336-2
 Kennametal Inc
 Jun 67 (12,13) 1-5318-2
 King's Department Stores Inc
 May 67 (11,13) 1-4838-2
 Lincoln Electric Co
 May 67 (11,13) 0-1402-2
 Lone Star Cement Corp
 May 67 (13) 1-2333-2
 Longines Wittnauer Watch Co Inc
 May 67 (7,12) 1-3386-2
 Mangel Stores Corp
 May 67 (11) 1-1118-2
 Marshall Ind
 May 67 (4,7,8,13) 0-1746-2
 Merritt-Chapman & Scott Corp
 May 67 (11,12,13) 1-1390-2
 Michigan Sugar Co
 Apr 67 (11,13) 1-4953-2

 Mission Leuties Corp
 May 67 (11,13) 0-871-2
 Missouri-Kansas-Texas RR Co
 May 67 (11,12) 1-4396-2
 Norris Ind Inc
 May 67 (2,13) 1-4322-2
 Northwest Natural Gas Co
 May 67 (11,13) 0-994-2
 Packard-Bell Electronics Corp
 Apr 67 (4,13) 1-4196-2
 Peckham Ind Inc
 May 67 (1,12) 2-20178-2
 Perfect Fit Ind Inc
 May 67 (11) 0-1486-2
 Pike Corp of America
 May 67 (4,7,11,12,13) 1-5203-2
 Quaker State Oil Refining Corp Thrift
 & Stock Purchase Plan
 May 67 (9) 2-23428-2
 Reliable Stores
 Feb 67 (12) 1-1249-2
 Scruggs-Vandervoort-Barney Inc
 Dec 66 (2,13) 2-6892-2
 Southeastern Tel Co
 May 67 (7) 0-756-2
 Stanley Warner Corp
 May 67 (12,13) 1-3729-2
 Tamar Electronics Ind Inc
 May 67 (11) 0-695-2
 Taylor International Corp
 May 67 (4,7,9,10,11,12,13) 0-2126-2

 Teledyne Inc
 May 67 (7) 1-5212-2
 Treasure State Ind Inc
 Jun 66 (2,11,12) 0-2054-2
 Universal Food Products Inc
 Apr 67 (1,7) 0-1336-2
 UsLife Holding Corp
 May 67 (7,11) 2-25711-2
 Weyenberg Shoe Mfg Co
 Jun 67 (11,13) 1-2854-2

SECURITIES ACT REGISTRATIONS. Effective June 28: Apache Corp., 2-26674 (40 days); Austral Oil and Gas Exploration Corp., 2-26624 (40 days); "Automatic" Sprinkler Corp. of America, 2-26402 (40 days); Indian Head Inc., 2-26344; Kaufman and Broad Bldg. Co., 2-26643 (40 days); Mc Call Corp., 2-26635; The New York Times Co., 2-26644 (Sept 29); Overseas National Airways, Inc., 2-26602 (90 days); Pacific Industries, Inc., 2-26267; Polychrome Corp., 2-26722; Sears, Roebuck & Co., 2-26539 & 2-26610; 1967 Sentinel Development Fund, 2-26239 (90 days); Teledyne, Inc., 2-26663 (40 days); Tridair Industries, 2-26646 (40 days); Wagner Industries, Inc., 2-26639 (90 days); White Shield Oil & Gas Corp., 2-26201 (90 days).
Effective June 29: Grolier Inc., 2-26677 (40 days); Frazier-Walker Aircraft Corp., 2-22042 (90 days); Hart Schaffner & Marx, 2-26716 (40 days); Howell International Inc., 2-26554 (90 days); Putnam DuoFund, Inc., 2-26419 (90 days); Williams Brothers Pipe Line Co., 2-26523.

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.