

# 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 SEC Publications Unit cite number)

(Issue No. 70-15)

FOR RELEASE January 22, 1970

**BABCOCK & WOOLLEY FIRMS SUSPENDED.** The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-8804) in which it suspended the broker-dealer registration of Babcock and Company and suspended Robert P. Woolley Company from membership in the Salt Lake Stock Exchange, each for a 30-day period commencing February 2, for violations of the Securities Act registration provisions in the offer and sale of stock of Mountain States Development Company, Inc., during the period January-August, 1968. The two Salt Lake City firms consented to the suspensions, without admitting or denying the violations complained of. Louis Babcock and Robert P. Woolley, partners of the respective firms, were suspended from association with their firms or any other broker-dealer for the same period, for failure reasonably to supervise persons under their supervision with a view to preventing the registration violations.

**PENNSYLVANIA ELECTRIC SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16585) giving interested persons until February 16 to request a hearing upon an application of Pennsylvania Electric Company, Johnstown subsidiary of General Public Utilities Corporation, to increase the amount of short-term notes it may issue from 5% to 8% of the principal amount and par value of other securities outstanding. The company proposes to have outstanding at any one time not more than \$40,000,000 of short-term notes to banks (including \$18,500,000 of such notes now outstanding). It is proposed to issue up to \$33,200,000 of such notes to 31 banks. It will use the net proceeds of its borrowings to finance its business as a public utility, including provision for construction expenditures, repayment of other short-term borrowings and temporary reimbursement of its treasury for construction expenditures provided therefrom.

**KAP V FILMS TO SELL STOCK.** Kap V Films Ltd., 45 West 45th St., New York 10036, filed a registration statement (File 2-36014) with the SEC on January 19 seeking registration of 110,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, all or none" basis through Charisma Securities, Inc., 717 Fifth Ave., New York, which will receive a 50c per share selling commission plus \$10,000 for expenses. The company has agreed to sell the Charisma firm, at 1c each, seven-year warrants to purchase 7,000 shares.

Organized in July 1968, the company provides production, post-production and film print processing and distribution services for television commercials, industrial and full length films and television specials. Of the net proceeds of its stock sale, \$100,000 will be used to acquire, develop and/or produce scripts, screenplays and other presentations for educational projects, business and industrial programs, television specials and documentary and low budget films, and \$75,000 to acquire and install film editing and audio and video tape recording equipment; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 215,000 common shares (with a 5c per share negative net tangible book value), of which Stephen V. Kambourian, president, and three other officers own 23.25% each. Purchasers of the shares being registered will sustain an immediate dilution of \$3.68 in per share book value from the offering price.

**TEXTRON TO SELL NOTES.** Textron Inc., 10 Dorrance St., Providence, R. I. 02903, filed a registration statement (File 2-36022) with the SEC on January 19 seeking registration of \$50,000,000 of notes, due 1975, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a multi-market manufacturing company with sales in four principal product groups: aerospace, consumer, industrial and metal product. Net proceeds of its note sale will be applied to general corporate purposes, including the acquisition of businesses and the expansion of existing operations. In addition to indebtedness and preferred stock, the company has outstanding 27,769,650 common shares. G. William Miller is president and chief executive officer.

**PRINCE FERRARI TO SELL STOCK.** Prince Ferrari, Ltd., 44 W. 28th St., New York 10001, filed a registration statement (File 2-36023) with the SEC on January 19 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6.50 per share. The offering is to be made on a "best efforts, 50% all or none" basis through Fund Securities, Inc., 355 Victory Blvd., Staten Island, N. Y., which will receive a 65c per share selling commission plus \$10,000 for expenses. The company has agreed to sell the underwriter, at 1c per warrant, six-year warrants to purchase up to 10,000 shares, exercisable after 13 months at \$7.15 per share.

Organized in 1964, the company derives its income from licenses it has granted P. F. Neckwear Corp., a 50% owned subsidiary, and Radiant Shirt Corp., an affiliated company, to manufacture ties and shirts, respectively, bearing the Prince Ferrari trademark name and "crest." Of the net proceeds of its stock sale, \$150,000 will be used towards obtaining additional licensees, \$150,000 to establish a pilot store, \$100,000 for advertising and \$125,000 to establish a network of franchised retail stores; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding

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500,000 common shares (with a 7-3/4c per share book value), of which Henry Amster, president, and Sidney Amster, vice president, own 40% each and management officials as a group 95%. Purchasers of the shares being registered will acquire a 17% stock interest in the company for their investment of \$650,000 (they will sustain an immediate dilution of \$5.35 in per share book value from the offering price); present shareholders will then own 83%, for which they paid \$30,800, or 19c per share.

**PHASE SIX DATA CENTERS TO SELL STOCK.** Phase Six Data Centers, Inc., 1776 Broadway, New York 10019, filed a registration statement (File 2-36025) with the SEC on January 19 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering is to be made on a "best efforts, all or none" basis through M. R. Safir & Co., Inc., which will receive a 25c per share selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$150, six-year warrants to purchase 15,000 shares, exercisable after 13 months at \$2.75 per share.

The company is engaged in computer programming, data processing and related services. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. The company has outstanding 620,000 common shares (with a 6c per share net tangible book value deficit), of which Lawrence B. Eichler, president, owns 32% and management officials as a group 98%. Purchasers of the shares being registered will acquire a 19.5% stock interest in the company for their investment of \$375,000 (they will sustain an immediate dilution of \$2.10 in per share book value from the offering price); present shareholders will then own 80.5%, for which they paid \$6,200, or 1c per share.

**CEN-COM TO SELL STOCK.** Cen-Com, Inc., 4250 Park Blvd., Pinnellas Park, Fla. 33565, filed a registration statement (File 2-36026) with the SEC on January 20 proposing the public offering of 125,000 shares of common stock. No underwriting is involved. The offering price (\$5 per share maximum\*) is to be supplied by amendment.

Organized in April 1969 as successor to Century Publishing Company, a sole proprietorship formed in February 1968, the company is engaged in a stock market advisory service, the "fast printing" business and the "raised-letter" business-card manufacturing business. Of the net proceeds of its stock sale, \$100,000 will be used for the purchase of "thermographic" manufacturing equipment, \$100,000 for developing and promoting its "fast printing" business and \$150,000 for expansion and development of future lines of business; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 165,821 common shares, of which John S. Villella, president, owns 51.7%. Purchasers of the shares being registered will acquire a 43% stock interest in the company for their investment of \$625,000; present stockholders will then own 57%, for which they will have paid an aggregate of \$99,500, or 58c per share, in cash, services, or other considerations.

**MEDICAL SYSTEMS TO SELL STOCK.** Medical Systems, Inc., 312 E. Wisconsin Ave., Milwaukee, Wisc. 53202, filed a registration statement (File 2-36027) with the SEC on January 19 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made on a "best efforts all or none" basis through The B. F. Seligmann Company, Inc., 110 E. Wisconsin Ave., Milwaukee, Wisc. 53202, which will receive a 70c per share selling commission plus \$3,000 for expenses. The company has agreed to sell the underwriter up to 5,000 shares at 20c per share, nontransferable for one year.

The company was organized in March 1969 for the purpose of entering the business of assisting in billing and related services for physicians, dentists, clinics and similar medical practitioners, of technical consulting for medical institutions through the use of data processing and computerized systems, and of developing personal medical records. Net proceeds of the company's stock sale will be used to further develop and market its medical practitioner services, to expand its staff of technical personnel, to lease an IBM 360 series computer, for leasing and equipping of office and operational facilities, for administrative expenses and supplies and for general corporate purposes. The company has outstanding 157,500 common shares (with a \$1.10 per share book value), of which Alexander Alex, board chairman and president, owns 19% and management officials as a group 71%. Purchasers of the shares being registered will sustain an immediate dilution of \$6.25 in per share book value from the offering price.

**EXTEK MICROSYSTEMS TO SELL STOCK.** Extek Microsystems, Inc., 15424 Cabrito Road, Van Nuys, Calif. 91406, filed a registration statement (File 2-36029) with the SEC on January 20 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Bosworth, Sullivan & Co., Inc., 660 - 17th St., Denver, Colo. 80202. The offering price (\$12 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Bosworth firm, for \$150, four-year warrants to purchase 15,000 shares.

Organized in November 1968 as successor to a firm organized in March 1967, the company was formed to pursue the development, manufacture and sale of printers for the purpose of duplicating microfilm, including principally the duplication of computer output microfilm. Of the net proceeds of its stock sale, \$350,000 will be used towards completion, manufacturing start-up and advertising and promotion of the company's diazo film duplicating printer under development, \$1,000,000 for research and development of a microfilm storage and retrieval system, \$650,000 to pursue the development of additional duplicating printers for use with vesicular film (heat developed film) as well as for use with experimental duplicating films and \$155,000 to purchase equipment and fixtures to expand plant and offices; the balance will be added to the company's working capital and will be available for general corporate purposes. The company has outstanding 728,142 common shares (with a 30c per share net tangible book value), of which Robert Beispel, vice president, owns 19.8%, Robert H. Webster, director, 13.8% and management officials as a group 50.7%. Purchasers of the shares being registered will acquire a 29% stock interest in the company for their investment of \$3,600,000\*; present shareholders will then own 71%, for which they paid \$624,418 or 86c per share.

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**TAMARISK PETROLEUM FUND PROPOSES OFFERING.** Tamarisk Petroleum Fund, Inc. ("Fund"), First Federal Savings Bldg., Phoenix, Ariz. 85012 filed a registration statement (File 2-36031) with the SEC on January 20 seeking registration of \$30,000,000 of preorganizational subscriptions for and limited partnership interests in oil and gas programs, to be offered for public sale in minimum amounts of \$5,000. The offering is to be made through The Arbor Investment Company, wholly-owned subsidiary of Tamarisk Petroleum Corporation ("TPC"), which will receive a 7-1/2% selling commission; it will reallocate participating NASD members and Fund officials a 6-1/2% selling commission. Fund was formed by TPC for the primary purpose of sponsoring a series of limited partnerships which will engage primarily in the exploration for and production of oil and gas. TPC will serve as general partner of the partnerships. L. W. Smith is president of the Fund and of TPC; management officials as a group own 57.97% of the outstanding capital stock of TPC.

**UCB PROPOSES EXCHANGE OFFER.** UCB Corporation, 1025 Connecticut Ave., N. W., Washington, D. C. 20036, filed a registration statement (File 2-36033) with the SEC on January 20 seeking registration of 2,920,000 shares of \$2.25 cumulative preferred stock and 2,920,000 shares of common stock. It is proposed to offer these securities in exchange for the common stock of The Union Commerce Bank ("Bank") at the rate of two shares of either preferred or common stock for each one share of Bank stock.

UCB was formed by Bank's board of directors for the purpose of making the exchange offer. All members of the Bank's board of directors have indicated that they will accept the exchange offer. Donald H. Parsons is board chairman, David L. Tennent vice chairman and Alfred L. Jones president of UCB; Jones is also president of Bank.

**CORNERSTONE FUND PROPOSES OFFERING.** Cornerstone Fund, Inc., 55 Broad St., New York 10004, filed a registration statement (File 2-36034) with the SEC on January 20 seeking registration of 2,500,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by E. F. Hutton & Company, Inc., 61 Broadway, New York, which will receive an 8.5% commission. The Fund is a diversified, open-end investment company whose objective is capital appreciation by investing primarily in equity and convertible securities based upon fundamental investment analysis. Concord Asset Corp. (of which the Hutton firm is a parent) is the investment adviser. John I. Shaw, Jr., is board chairman of the Fund and the adviser and Henry A. Barclay, Jr., is president of the Fund.

**NATIONAL INDOOR TENNIS TO SELL STOCK.** National Indoor Tennis Ltd., 1097 Goffle Road, Hawthorne, N.J. 07506, filed a registration statement (File 2-36035) with the SEC on January 20 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Coenen & Co., Inc., 280 Park Ave., New York. The offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Coenen firm, for \$200, five-year warrants to purchase 20,000 shares.

The company was organized in April 1969 for the purpose of operating and franchising a series of uniformly and uniquely designed indoor tennis centers. Of the net proceeds of its stock sale, \$1,500,000 will be used for the acquisition of sites for, and the construction of 12 additional centers; the balance will be added to the company's working capital and used for general corporate purposes, including \$100,000 for its 1970 franchising program. In addition to indebtedness, the company has outstanding 232,500 common shares (with a \$1.29 per share net tangible book value) of which Norman Lee, president and board chairman, owns 25.8% and management officials as a group 72.9%. Purchasers of the shares being registered will acquire a 46.2% stock interest in the company for their investment of \$2,000,000; present shareholders will then own 53.8% for which they will have paid \$336,750, or \$1.45 per share.

**CAPEHART CORP. TO SELL STOCK.** Capehart Corporation, 770 Lexington Ave., New York 10021, filed a registration statement (File 2-36037) with the SEC on January 20 seeking registration of 200,000 shares of common stock, to be offered for public sale through Culverwell & Co., Inc., 1341 Main St., Springfield, Mass. The offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters \$25,000 for expenses and to sell the Culverwell firm, for \$200, six-year warrants to purchase 20,000 shares, exercisable after one year at \$4.50 per share.

Organized in March 1969, the company acquired rights to the "Capehart" name and trademarks. It is engaged in selling and distributing at the wholesale level stereophonic radio and phonograph equipment. Of the net proceeds of its stock sale, \$50,000 will be used for research and development of new consumer home entertainment equipment and broadening of product lines and \$150,000 for advertising and market penetration; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 375,000 common and 200,000 Class A capital shares. Of the common shares, Melvin Koenig, president, and John Giannetti, board chairman, own 15.6% each, Leonard Kaye, treasurer, 23.4% and management officials as a group 93%; State Mutual Life Assurance Company of America owns all of the capital stock. Purchasers of the shares being registered will acquire a 21% stock interest in the company for their investment of \$2,000,000\*; present shareholders will then own 79%, for which they contributed \$1,818,150 (including \$66,990 attributed to warrants prior to exercise), or an average of \$2.39 per share.

**TRAVELERS FUNDS SEEK ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5958) giving interested persons until February 9 to request a hearing upon an application of The Travelers Fund for Variable Annuities and The Travelers Fund B for Variable Contracts, Hartford, Conn. The Travelers Insurance company established the Funds as facilities through which the Insurance Company sets aside and invests assets attributable to variable contracts.

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**GLEASON NATIONAL FILES FOR OFFERING AND SECONDARY.** Gleason National Corporation, One West Alameda Ave., Burbank, Calif. 91502, filed a registration statement (File 2-36030) with the SEC on January 20 seeking registration of 332,400 shares of common stock, of which 166,200 are to be offered for public sale by the company and 166,200 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Dean Witter & Co. Inc., 632 S. Spring St., Los Angeles, Calif. 90014; the offering price (\$12.50 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized in December 1969, the company is a diversified manufacturer engaged in the marketing of wheels and casters, outdoor leisure and recreation products, shopping and special purpose carts, highway vehicle safety equipment and miscellaneous products and services. Of the net proceeds of its sale of additional stock, \$478,000 will be used to retire short term indebtedness incurred in connection with the expansion of the company's facilities at Fort Madison, Iowa and Burbank, Calif.; \$1,022,000 will be used to retire short term indebtedness incurred in connection with the manufacture of seasonal inventories; and the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,023,525 common shares, of which A. L. Kotler, president, owns 87.2% and his wife 12.7%. A. L. Kotler proposes to sell 166,200 shares of 892,190 shares held.

**GULF STATES UTILITIES PROPOSES OFFERING.** Gulf States Utilities Company, P. O. Box 2951, Beaumont, Tex. 77704, filed a registration statement (File 2-36032) with the SEC on January 19 seeking registration of \$1,400,000 shares of common stock and \$30,000,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its financing to pay off part of its short-term notes due on or prior to December 31, 1970, of which an estimated \$66,550,000 will be outstanding at the time of this offering. Proceeds of the notes were used in connection with the company's construction program and for other corporate purposes. Construction expenditures are estimated at \$123,000,000 for 1969 and \$114,000,000 for 1970.

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:

- Microwave Associates, Inc., Burlington, Mass. 01803 (File 2-36028) - 50,000 shares
- Connelly Containers, Inc., Bala-Cynwyd, Pa. (File 2-36036) - 100,000 shares
- Comress, Inc., Rockville, Md. 20850 (File 2-36040) - 1,283,100 shares
- Pet Incorporated, St. Louis, Mo. 63166 (File 2-36043) - 100,000 shares

**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 "\*\*\*"):

File No.	O-Registrants	Location		
			4258	Monmouth Real Estate Investment Trust Eatontown, NJ
4220	A D Data Systems Inc	Rochester, NY	4221	National Fast Food Corp Columbus, Ohio
4217	Aceto Chemical Co Inc**	Flushing, NY	4241	Northern Realty Shares Cleveland, Ohio
4259	Credit Bureau Reports Inc	Houston, Tex	4212	Radiation Machinery Corp**Hanover, NJ
4229	Columbia General Corp	Chicago, Ill	4225	Rix Corp** Newton, Mass.
4244	Cuzn Industries Inc	L.A., Calif.	4232	Scholastic Magazines Inc**New York, NY
4223	First Combined Enterprises Inc	Chicago, Ill	4234	Scottish Inns of America Inc Kingston, Tenn
4257	First National Charter Corp**K.C., Mo.			
4227	Galaxie National Corp	L.A., Calif.	4233	Sensitron Inc** Costa Mesa, Calif.
4213	Gifford-Hill & Co Inc**	Dallas, Tex	4226	Shell's City Inc** Miami, Fla.
4222	Graham Stuart Corp	New York, NY	4230	Texas Plastics Inc** Elsa, Tex.
4228	Hargrom Services Corp	L.A., Calif.	4231	Union Gas System Inc Independence, Kans.
4235	Maxed Inc	Anaheim, Calif.	4219	Wakefield Engineering Inc Wakefield, Mass.

**'33 ACT PROCEDURAL RULES PROPOSED.** The SEC today announced a proposal (Release 33-5038) for the revision of Rules 402, 424, 470 and 472 under the Securities Act governing the number of copies of prospectuses which must be filed, in addition to those included in the eight copies of the registration statement, as well as the number of copies of amendments which must be filed. Interested persons are invited to submit comments upon the proposal not later than February 21.

**SECURITIES ACT REGISTRATIONS.** Effective January 21: Consolidated Edison Co. of New York, Inc., 2-35734; Display Sciences, Inc., 2-32168 (90 days); Gourdine Systems, Inc., 2-34217 (90 days); Indiana Bell Telephone Co., Inc., 2-35897; Overseas Shipholding Group, Inc., 2-34124 (90 days); Pan Minerals, Inc., 2-33775 (90 days); Rahall Communications Corp., 2-34176 (90 days).  
 Withdrawn January 20: Commodities Distributions Co. 2-35719.

**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.