

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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FOR RELEASE January 29, 1970

P A STRAFACE ENJOINED. The SEC San Francisco Regional Office announced January 20 (LR-4526) that the U. S. District Court in Reno had permanently enjoined Peter A. Straface, formerly of Las Vegas, from further acts constituting a gross abuse of trust with respect to Kent Growth Fund, an investment company of Las Vegas and Los Angeles. The Court also ordered Kent Growth Fund and Bonanza Investment Company, its investment adviser, to comply with the Commission's record-keeping regulations, and permanently enjoined the two companies, National Capital Corporation, and Straface from engaging in other acts violative of the Federal securities laws.

SEC COMPLAINT NAMES D G HAFEN. The SEC Denver Regional Office announced January 22 (LR-4527) the filing of an action in the U. S. District Court in Salt Lake City, seeking to enjoin violations of the anti-fraud provisions of the Securities Exchange Act by Darrell G. Hafen of Salt Lake City.

SEC COMPLAINT NAMES TED MARKS CO. The SEC Atlanta Regional Office announced January 26 (LR-4528) the filing of a complaint in the U. S. District Court in Miami, Fla., seeking to enjoin violations by Theodore Marks, c/b/a Ted Marks and Company, of the net capital, bookkeeping and margin requirements of the Securities Exchange Act.

FIRST FUND OF VIRGINIA RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5963) permitting First Fund of Virginia, Inc. ("Fund"), a mutual fund, and First Virginia Management and Research Corporation of Richmond, principal underwriter of Fund and sponsor of and principal underwriter for FFV Accumulation Plan ("FFV"), a unit investment trust, to sell Fund shares and FFV certificates without sales charge to company officials and full time employees of Richmond Corporation or one of its subsidiaries, to plans for the benefit of such persons, and to Richmond Corporation and its subsidiaries and Richmond Corporation Foundation.

STANDARD RESOURCES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5964) extending for 60 days the period in which Standard Resources Corporation, Copiague, N. Y. (the surviving corporation of the merger on November 28, 1969, of Standard Resources Corporation and Micro Semiconductor Corporation) must submit a certified balance sheet to the Commission. In September 1969, the Commission granted an order exempting the merger of Standard into Micro from the provisions of Section 17(a) of the Act, providing the surviving corporation submits to the Commission not later than 60 days following the merger a certified balance sheet as of the date of the merger (Release IC-5819).

MICHIGAN WISCONSIN PIPE LINE SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16593) giving interested persons until February 23 to request a hearing upon a proposal of Michigan Wisconsin Pipe Line Company ("Pipe Line"), wholly owned subsidiary of American Natural Gas Company, New York, to issue and sell \$40,000,000 of first mortgage pipe line bonds, due 1990, at competitive bidding, and to increase its authorized shares of common stock from 1,255,000 to 1,465,000 shares. Pipe Line proposes to sell the 210,000 additional common shares to its parent at \$100 per share, or for an aggregate of \$21,000,000. The company will apply the net proceeds of its financing to the retirement of \$71,000,000 of outstanding notes payable to banks.

AMERICAN NATURAL GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16594) giving interested persons until February 20 to request a hearing upon an application of American Natural Gas Company, New York holding company, to issue and sell \$40,000,000 of short-term promissory notes to two banks. The company will use the proceeds of its financing to acquire additional shares of common stock of two subsidiaries, Michigan Consolidated Gas Company and Michigan Wisconsin Pipe Line Company, up to a maximum of \$18,004,000 and \$21,000,000, respectively.

MICHIGAN CONSOLIDATED GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16595) giving interested persons until February 20 to request a hearing upon an application of Michigan Consolidated Gas Company ("Consolidated"), Detroit wholly-owned subsidiary of American Natural Gas Company, New York, to increase the number of its authorized shares of common stock from 10,350,000 to 11,636,000 and to issue and sell 1,286,000 common shares to its parent for \$18,004,000. Consolidated Gas will use the proceeds of its stock sale to pay a portion of some \$45,000,000 of bank notes expected to be outstanding at the time of the stock sale. It is anticipated that additional permanent financing during 1970 will include the sale of \$30,000,000 of first mortgage bonds to the public. Construction expenditures for 1970 are estimated at \$43,000,000.

OVER

SOUTHERN COMPANY RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16596) authorizing The Southern Company, Atlanta holding company, to issue and sell up to \$75,000,000 of unsecured notes to banks and to a dealer in commercial paper and to use the proceeds to acquire common stock of its subsidiaries as follows: Alabama Power Company, 200,000 shares for \$20,000,000; Georgia Power Company, 455,000 shares for \$45,500,000; Gulf Power Company, 45,000 shares for \$4,500,000; and Mississippi Power Company, 20,000 shares for \$2,000,000. The 1970 construction expenditures of the subsidiaries are estimated as follows: Alabama Power, \$149,587,000; Georgia Power, \$229,499,000, Gulf Power, \$21,664,000 and Mississippi Power \$19,431,000. The subsidiaries will use the proceeds of their sale of common stock to finance partially their 1970 construction programs, to pay short-term bank loans and commercial paper notes incurred for such purposes and for other lawful purposes.

LUMAC LEASING TO SELL STOCK. Lumac Leasing, Inc., 5760 Wayzata Blvd., Minneapolis, Minn. 55416, filed a registration statement (File 2-36087) with the SEC on January 27 seeking registration of 100,000 shares of common stock, to be offered for public sale through Engler & Budd Company, 401 Mobile Oil Bldg., Minneapolis, Minn. The offering price (\$3.30 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay Engler & Budd \$5,000 for expenses and to sell it, for \$67, five-year warrants to purchase 6,700 shares; it has also agreed to sell, for \$33, like warrants to purchase 3,300 shares to Richard B. Heise, in consideration for his services as a finder.

The company is engaged in long-term leasing, primarily of automobiles and trucks, and secondarily of various items such as automatic car wash equipment, shop machinery, office equipment, mobile homes and other consumer, commercial and industrial equipment. Net proceeds of its stock sale may be used for equipment purchases, possible acquisitions of companies engaged in similar lines of business and for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 400,000 common shares, all of which is owned by InterFinancial Corporation. John M. Morrison, president and board chairman, owns 21.72% and management officials as a group 58.38% of the outstanding common stock of InterFinancial. Purchasers of the shares being registered will acquire a 20% stock interest in the company for their investment of \$330,000*; InterFinancial will then own 80%, for which it paid \$300,000 in cash plus 125,000 shares of InterFinancial common stock.

COMSI SHARES IN REGISTRATION. COMSI, Inc., 1211 W. 22nd St., Oak Brook, Illinois 60521, filed a registration statement (File 2-36088) with the SEC on January 27 seeking registration of 100,000 shares of common stock, issuable pursuant to the company's 1969 Qualified Stock Option Plan.

FAIRFIELD COMMUNITIES LAND TO SELL STOCK. Fairfield Communities Land Company, 3424 Cantrell Road, Little Rock, Ark. 72201, filed a registration statement (File 2-36092) with the SEC on January 27 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Lombard, Vitalis, Paganucci & Nelson, Inc., 111 Broadway, New York 10006, and Hayden, Miller (Division of Stone & Webster Securities Corp.), 650 Union Commerce Bldg., Cleveland, Ohio 44115. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell Hayden, Miller, for \$750, five-year warrants to purchase 15,000 shares, exercisable after one year at from 107% to 128% of the offering price.

Organized in January 1966, the company is primarily engaged in acquiring large tracts of unimproved real estate and developing those properties into recreational and retirement communities, in which it sells lots for vacation and retirement homesites. Of the net proceeds of its stock sale, \$925,000 will be applied to the purchase of land, capital improvements and lot development at Fairfield Glade in Tennessee; \$1,675,000 will be used at Fairfield Bay in Arkansas; and \$600,000 will be used to retire the company's 7-1/2% subordinated notes; the balance will be added to the company's working capital and used to reduce outstanding short term debt. In addition to indebtedness, the company has outstanding 1,233,088 common shares (with a \$2.78 per share book value), of which George H. Jacobus, president, and Neal T. Simonson, vice president, own 30.7% each.

LOGIC CORP. TO SELL STOCK. Logic Corporation, 21 Olney Ave., Cherry Hill Industrial Park, Cherry Hill, N. J. 08034, filed a registration statement (File 2-36098) with the SEC on January 27 seeking registration of 500,000 shares of capital stock, to be offered for public sale through underwriters headed by Mason & Co., Inc., 1100 17th St., N. W., Washington, D. C. 20036. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in May 1965, the company is engaged in the development and manufacture of computer peripheral equipment, principally the LC-720 computer data entry system. Of the net proceeds of its stock sale, \$1,050,000 will be used to establish 8 new sales and service offices in the United States and 2 in Europe, \$140,000 to recruit and train 70 new sales, service and related clerical personnel, \$150,000 to construct a prototype of a billing and invoicing system and to develop software therefor, \$150,000 to construct a prototype of an inventory system and develop software therefor, \$300,000 to design new terminals, equipment and software for the LC-720 system, \$150,000 to build a laser-based mass storage computer memory system, \$300,000 to finance purchase of certain automated production machinery, \$500,000 to finance an adequate inventory for maintenance of an acceptable delivery schedule and \$3,000,000 to permit the company to finance the direct lease of its systems to certain potential customers; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 950,286 common shares (with an 85c per share net tangible book value), of which Henry M. Alken, president, owns 20.2% and management officials as a group 30.9%.

L & P ELECTRIC TO SELL STOCK. L & P Electric Co., Inc., 47-10 32nd Place, Long Island City, N. Y. 11101, filed a registration statement (File 2-36099) with the SEC on January 27 seeking registration of 340,000 shares of common stock, to be offered for public sale through underwriters headed by Scheinman, Hochstin & Trotta, Inc., 111 Broadway, New York 10006. The offering price (\$9 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Scheinman firm, for \$250, five-year warrants to purchase 25,000 shares, exercisable initially (after one year) at 107% of the offering price.

The company is engaged in the distribution of major household appliances. Net proceeds of its stock sale will be added to the company's general funds and will be available for general corporate purposes, including working capital requirements. The company has outstanding 740,000 common shares, of which Louis Lidsky, board chairman, owns 45.3% and management officials as a group 58.9%.

FAIR LANES FILES FOR OFFERING AND SECONDARY. Fair Lanes, Inc., 610 N. Howard St., Baltimore, Md. 21201, filed a registration statement (File 2-36100) with the SEC on January 27 seeking registration of 125,000 shares of common stock, of which 20,000 are to be offered for public sale by the company and 105,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Bear, Stearns & Co., 1 Wall St., New York 10005, and Robert Garrett & Sons, Inc., Garrett Bldg., Baltimore, Md. 21202; the offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the operation of bowling centers, the sale of food and beverages at such centers and in its Arundel and English food chains, and in commercial real estate development. Of the net proceeds of its sale of additional stock, \$790,000 will be used in connection with the opening of 10 English Chick 'N Steak Houses and the construction of a commissary for its English operation, \$465,000 in connection with the opening of three Arundel Yummy units, the opening of six regular Arundel units and the installation of Chick 'N Nooks in 12 Arundel units, \$120,000 for costs of modernization and refurbishing of four bowling centers, \$125,000 in connection with the opening of two bowling centers in the Baltimore-Washington metropolitan areas, \$67,500 in connection with the acquisition of a bowling center in East Cleveland, Ohio and \$313,000 as initial payments in connection with the acquisition of undeveloped real estate presently under contract. In addition to indebtedness, the company has outstanding 746,236 common shares, of which Sidney M. Friedberg, president and board chairman, owns 33.5% and management officials as a group 67.1%. Friedberg proposes to sell 50,300 shares of 252,084 shares held, Sylvia F. Nachlas, vice president, 26,300 of 192,920 and 12 others the remaining shares being registered.

DESERET PHARMACEUTICAL SHARES IN REGISTRATION. Deseret Pharmaceutical Company, Inc., 9450 S. State St., Sandy, Utah 84070, filed a registration statement (File 2-36101) with the SEC on January 27 seeking registration of 75,238 outstanding shares of common stock. These shares are part of 136,000 shares issued in connection with Deseret's acquisition of all the capital stock of Chemplast, Inc. They may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$40 per share maximum*).

Deseret is primarily engaged in the development, manufacture and marketing of disposable surgical products. In addition to indebtedness, it has outstanding 1,164,067 common shares. Wilton A. Hawkins and Stephen S. Dorn may sell 24,841 shares each of 55,222 shares held each, and five others may sell the remaining shares being registered.

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:

GRI Computer Corporation, Newton, Mass. 02166 (File 2-36102) - 142,800 shares
Lee Enterprises, Inc., Davenport, Iowa 52801 (File 2-36105) - 100,000 shares

LOEB, RHOADES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5962) granting an application filed by Loeb, Rhoades & Co. ("Loeb Rhoades") and Loeb, Rhoades Management Co., Inc. ("Management"). Loeb Rhoades, a registered broker and dealer with principal offices in New York City, is the owner of all of the outstanding capital stock of Management, which Loeb Rhoades organized in 1969 to act as the investment adviser to, and principal distributor for, Chelsea Fund, Inc. ("Chelsea"). Chelsea registered under the Investment Company Act on May 6, 1969, as an open-end management investment company. Several partners of Loeb Rhoades and employees of affiliated companies of Loeb Rhoades are proposed as officers and directors of Chelsea and of Management. The exemption order was necessitated by reason of a Federal court injunction issued in November 1968 against Loeb Rhoades and Gerard L. Burchard, one of its employees, with their consent, enjoining violations of the Securities Act registration provisions in the offer and sale of securities of Lynbar Mining Corporation, Ltd.

CORRECTION RE ARTRONIC FILING. Artronic Information Systems, Inc., proposes the public offering of 150,000 shares of common stock, not 105,000 shares as reported in the January 14 News Digest.

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 January 13 News Digest.

SK Reports for Dec '69

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| Haven Ind. Inc. (8,12) | 1-4647-2 | California Health Care Inc. (2,7,13) | 0-3927-2 |
| Hexagon Lab., Inc 11,13) | 0-2301-2 | Chemical & Pollution Sciences Inc.(7,8,11,13) | 2-24062-2 |
| Kane Miller Corp. (3,7,13) | 1-5014-2 | Chromalloy American Corp. (7) | 1-5792-2 |
| Metro Goldwyn Mayer Inc (3) | 1-2500-2 | Commonwealth Natural Gas Corp. (7) | 0-266-2 |
| Missouri Beef Packers Inc (12) | 1-6046-2 | Hubinger Co. (4,7,13) | 0-579-2 |
| Allen Organ Co. (12) | 0-275-2 | International Textbook Co. (3,13,13) | 0-800-2 |
| Audiotronics Corp. (7) | 0-3298-2 | Mangel Stores Corp. (7) | 1-1118-2 |
| Berns Air King Corp. (7,10) | 0-2772-2 | Missouri National Life Insurance Co. (12) | 2-21744-2 |
| Cannon Mills Co. (12) | 0-758-2 | Baron Ind. Corp. (11,13) | 2-30488-2 |
| Devonbrook Inc. & Sigfried S. Alper Issuer of Options (9,13) | 2-18275-2 | AMK Corp. (12,13) | 1-2704-2 |
| Gulf & Western Ind. Inc. (7,8,11,13) | 1-5404-2 | Chattanooga Gas Co. (11) | 1-5565-2 |
| Hamburger Dens Inc. (7) | 2-32552-2 | Foster Grant Co. Inc. (7) | 0-78-2 |
| ISI Corp. (2,3) | 0-1843-2 | Heli-Coil Corp. (3,12) | 1-4149-2 |
| Johnny Uitas Quarterback Clubs Inc. (11) | 2-30895-2 | Mangurian's Inc. (12) | 1-6087-2 |
| Lehigh Vally Ind. Inc. (7,8,13) | 1-155-2 | Mccord Corp.(11,12,13) | 1-1233-2 |
| Marine Resources Inc. Nov. 69 (12,13) | 2-29869-2 | Morton-Norwich Products Inc. (1,4,10,11,13) | 1-6179-2 |
| National Ind. Inc. (2,3,7,9,11,13) | 1-5512-2 | Montana Dakota Utilities Co. (12) | 1-3480-2 |
| Numerax Inc. (3,7,) | 2-35030-2 | Hertiage Nursing Centers Inc. (2,8,11,12,13) | 0-4199-2 |
| Sam Goody Inc. Jan 70 (7,13) | 0-3513-2 | Morton-Norwich Products Inc. (1,4,10,11,13) | 1-6179-2 |
| Alden Electronic & Impulse Recording Equipment Co. (11) | 0-1555-2 | Abkco Ind. Inc. Jan. 70 (12) | 1-4672-2 |
| Allied Aero Ind. Inc. (2,13) | 0-360-2 | American Medical Enterprises Inc. (2,7,13) | 1-5714-2 |
| American Bakeries. Co. (4,7,12,13) | 1-74-2 | Bergen Brunswick Corp. (7,8,11,13) | 1-5110-2 |
| American Finance System Inc (7,8,13) | 1-5625-2 | CBK Agronomics Inc. (6) | 1-3096-2 |
| American Export Ind. Inc. (7) | 1-5054-2 | Cohu Electronics Inc. (3) | 1-4298-2 |
| American Precision Ind Inc.(7,8,13) | 1-5601-2 | Crown Corp. (2,13) | 1-6090-2 |
| Ametek Inc. (13) | 1-168-2 | Dana Corp. (13) | 1-1063-2 |
| Arizona Valley Development Co. Inc.(8,12,13) | 0-2594-2 | Eldon Industries Inc. (7,10,13) | 0-1374-2 |
| AVCO Savings and Loan Assn. (1,2,7,13) | 0-3672-2 | Flo-Tronics Inc. (7) | 0-1388-2 |
| | | Indiana Ind. Inc. (2,13) | 0-1418-2 |
| | | International Funeral Services Inc. (3,7,) | 0-3198-2 |
| | | International Rectifier Corp. (3) | 1-4399-2 |

SECURITIES ACT REGISTRATIONS. Effective January 27: Croddy Mortgage Investment Trust, 2-34164 (90 days).
Effective January 28: ANW, Inc., 2-35857 (90 days); Bagprint Ltd., 2-33595 (90 days); Bancohio Corp.,
2-34695 & 2-35608 (90 days); First Fidelity Investment Trust, 2-35007 (90 days); Flexsteel Industries, Inc.,
2-35917; Florida Gas Transmission Co., 2-35947 (40 days); Prospect Industries Corp., 2-34574 (90 days);
Rectisel Corp., 2-33823 (90 days); Scientific Software Corp., 2-34326 (90 days); Tidewater Group, Inc.,
2-34244 (90 days). Withdrawn January 26: Atex Enterprises, Inc., 2-32896.

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.