

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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COMMISSION ANNOUNCEMENTS

SEC ENTERS RICH ENTERPRISES PROCEEDING. The SEC has filed a notice of appearance in Chapter X proceedings for the reorganization of the following (pending in Federal court in Salt Lake City): John Rich Enterprises, Inc., a Delaware corporation, and John Rich Enterprises, Inc., a California corporation, International Movie Chairs, Inc. (Utah), International Movie Chairs, Inc. (California), and Cal Movie Chairs, Inc. (Utah). The debtors are in the business of developing and marketing several new products including automobile bumpers which employ a water release device to cushion shock and a television movie chair designed to entertain an individual while passing time waiting at an airport or some similar place. Previously, pursuant to a complaint filed by the Commission charging the debtor corporations and others with violations of the Federal securities laws in the offer and sale of the debtors' securities, the defendants consented to a court order of permanent injunction and undertook to file reorganization petitions under Chapter X. The petitions were filed in January and the Court named William G. Fowler, Esq., as trustee for all of the debtor corporations. The unaudited financial statements accompanying the petitions appear to be incomplete and the true financial condition of all of the debtors is not clear. There are more than 2,500 public investors residing in most of the states of the United States who hold franchises from the debtors and other securities of the debtors. (Corp. Reorg. #292)

NEW RULES AND RULE PROPOSALS.

EFFECTIVE DATE OF "CREDIT" DISCLOSURE RULE POSTPONED. The SEC has extended to July 1, 1970, the effective date of its Rule 10b-16 adopted December 8, 1969. The rule requires broker-dealers who extend credit to customers to finance securities transactions to furnish specified information with respect to the amount of and reasons for the credit charges. The Commission has been advised that because of reprogramming and other operational problems involved, a substantial number of firms would have difficulty in complying with the requirements of Rule 10b-16 by April 1, the previous effective date. Therefore, the Commission has decided to extend the effective date of Rule 10b-16 to July 1, 1970. (Release 34-8844)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

INVESTORS INSTITUTE REVOKED. The SEC announced today that the investment adviser registration of Investors Institute, Inc., of Miami, Okla., has been revoked. Such revocation was ordered by a Commission Hearing Examiner upon the basis of findings contained in an "initial decision" by the Examiner that Investors Institute, aided and abetted by George W. Beck, III, violated various provisions of the Investment Advisers Act of 1940 and Commission rules thereunder. The respondents not having sought Commission review of the Examiner's decision, the decision and revocation order have been declared effective.

According to the Examiner's decision, Investors Institute ("registrant") distributed advertising brochures for its advisory publications known as "Chart-of-the-Week" and "Investor's Profit Guide" which were deceptive. Among other things, they contained flamboyant statements concerning the profitability of registrant's services without adequately disclosing the limitations and uncertainties inherent in such services. For example, one advertising brochure stated in the opening paragraph: "Now, by using new market techniques you can buy only those stocks which have a necessary and almost magic ingredient for capital gains - for investment success. . ." It further stated: "But while the market doubles we can pile up profit almost without limit, perhaps 1000% or more during the coming decade if we keep your money in stocks which are in tune with the future. . ." In addition, the advertising literature and "Chart-of-the-Week" included references to some of registrant's past recommendations which were or would have been profitable, without setting out or offering to furnish, on request, a list of all recommendations by registrant within the previous year, as required.

The Examiner also found that registrant, aided by Beck, violated the Commission's reporting rules by failure to file a timely report of a change of business address and to reflect the investment advisory service being offered and the rates thereof and by failure to report an August 1967 "Cease and Desist" order issued by the Oklahoma Securities Commission. Registrant also was found to have violated the Commission's record-keeping rules.

HOLDING COMPANY ACT RELEASES

GEORGIA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16643) authorizing Georgia Power Company, Atlanta subsidiary of The Southern Company, to sell \$60,000,000 of first mortgage bonds and 100,000 shares of preferred stock at competitive bidding. The company will use the net proceeds of its financing to finance, in part, its 1970 construction program estimated at \$231,961,000, to pay outstanding short-term bank notes incurred for construction purposes and for other corporate purposes.

OVER

INVESTMENT COMPANY ACT RELEASES

DU PONT SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6002) giving interested persons until March 31 to request a hearing upon an application of E. I. du Pont de Nemours and Company ("du Pont") with respect to its proposed sale of 2,100 shares of common stock of Wheaton Plastics Company ("Wheaton") to Wheaton Glass Company ("Wheaton Glass") for \$2,600,000. Christiana Securities Company ("Christiana"), a registered closed-end investment company, owns 29% of the outstanding common stock of du Pont, and du Pont in turn owns 2,100 shares, or 17.5% of the outstanding common stock of Wheaton. Wheaton manufactures plastic bottles, containers, closures, bottle caps and fittings. It and Wheaton Glass are affiliated, being under the common control of the Wheaton family interests.

SECURITIES ACT REGISTRATIONS

INFOREX TO SELL STOCK. Inforex, Inc., 21 North Ave., Burlington, Mass. 01803, filed a registration statement (File 2-36587) with the SEC on March 13 seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Drexel Harriman Ripley, Inc., 60 Broad St., New York. The offering price (\$28 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in June 1968 to design, develop, manufacture and market computer peripheral equipment. Of the net proceeds of its stock sale, \$350,000 will be used for the purchase of machinery and equipment, \$500,000 for continuing engineering for the Inforex System (a multiple keystation, centrally-controlled, data entry system which permits operators to enter data from source documents onto magnetic tape for computer processing), including development of new features, \$600,000 for promotional and marketing activities, primarily opening and staffing of sales offices, and \$1,300,000 to finance in-process inventories and accounts receivable; the balance will be used to finance the company's rental program and for other corporate purposes. The company has outstanding 1,174,155 common shares (with a \$2.55 per share net tangible book value), of which J. H. Whitney & Co. owns 18%, G. H. Walker & Co. 16% and management officials as a group 60% (including the interests of two directors in the holdings of the Whitney and Walker firms, respectively). Thomas B. Horgan is president. Purchasers of the shares being registered will acquire an 18% stock interest in the company for their investment of \$7,000,000*; present shareholders will then own 82%, for which they paid \$5,168,706, or an average of \$4.40 per share.

FAMILIAN FILES FOR OFFERING AND SECONDARY. Familian Corp., 7651 Woodman Ave., Van Nuys, Calif. 91402, filed a registration statement (File 2-36588) with the SEC on March 13 seeking registration of 220,000 shares of common stock, of which 190,000 are to be offered for public sale by the company and 30,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Mitchum, Jones & Templeton Inc., 510 S. Spring St., Los Angeles, Calif.; the offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Mitchum firm, for \$100, a five-year warrant to purchase 10,000 shares, exercisable after one year at 120% of the offering price.

The company is engaged in the marketing, distribution and fabrication of products, such as pipe, fittings, pumps, valves and fixtures, for use by its customers primarily in systems for the transmission of water and other fluids and the removal of wastes and pollutants. Of the net proceeds of its sale of additional stock, \$400,000 will be used to repay long-term indebtedness incurred in 1967 to redeem the stock of certain previous shareholders, \$250,000 to pay indebtedness incurred through the acquisition of San Diego Pipe & Supply Co., Inc. and San Bernardino Pipe & Supply Co., Inc., \$161,000 to develop couplings for large diameter pipes, \$160,000 for heavy capital equipment for its fabrication division, \$500,000 for equipment and inventory for the City of Industry location, which includes the mobile home division, and the balance for working capital. In addition to indebtedness, the company has outstanding 607,000 common shares, of which Leonard Shapiro, president and board chairman, and Bernard Shapiro, executive vice president, own 39% each. They propose to sell 15,000 shares each.

OHIO NATIONAL FILES OFFERING PROPOSALS. The Ohio National Life Insurance Company, 237 William Howard Taft Road, Cincinnati, Ohio 44219, filed registration statements with the SEC on March 13 seeking registration of \$5,000,000 of individual variable annuity contracts to be issued by Ohio National Variable Account A (File 2-36590) and \$5,000,000 of individual variable annuity contracts to be issued by Ohio National Variable Account B (File 2-36591). Account A was established for the purpose of funding variable annuity contracts eligible for tax-deferred treatment; and Account B was established for the purpose of funding certain variable annuity contracts. The assets of each account are to be invested in shares of O. N. Fund, Inc., a mutual fund whose principal investment objective is long-term growth of capital through investments primarily in common stocks. The contracts will be sold by Ohio National life insurance agents who are also registered representatives of The O.N. Equity Sales Company, a subsidiary of Ohio National. The Sales Company is the sole shareholder of O. N. Investment Management Company, the investment adviser of O. N. Fund, Inc. M. Reynolds Dodson is president of Ohio National.

VAN DORN FILES OFFERING PROPOSAL. Van Dorn Company, 1685 E. 79th St., Cleveland, Ohio 44104, filed a registration statement (File 2-36592) with the SEC on March 13 seeking registration of 400,000 common shares, to be offered for public sale through underwriters headed by McDonald & Co., 1250 Union Commerce Bldg., Cleveland, Ohio. The offering price (\$18.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the manufacture and sale of cans, containers and closures, plastic injection molding machinery, and plastic pipe and fittings of polyvinyl chloride. The net proceeds of its stock sale will be applied to the repayment of short-term notes, representing borrowings for working capital purposes and for additions to plant and equipment. In addition to indebtedness, the company has outstanding 1,945,334 common shares, of which management officials as a group own 43%. Lawrence C. Jones is president.

ORIOLE LAND FILES FOR OFFERING. Oriole Land & Development Corp., 450 N. W. 6th Terrace, Margate, Fla. 33063, filed a registration statement (File 2-36593) with the SEC on March 13 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by H. Hentz & Co., 72 Wall St., New York. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. Hentz will be entitled to purchase, for \$200, five-year warrants for the purchase of 20,000 shares.

The company is a builder of single-family homes in Lauderdale Lakes and Margate, Fla. Of the net proceeds of its stock sale, \$525,000 will be used for the retirement of an obligation incurred in the purchase of some 940 acres of land in Margate, \$600,000 for development of additional lots in present subdivisions, \$205,000 for the partial retirement of mortgage notes, \$100,000 to repay loans from stockholder-officers, and the balance for general corporate purposes. In addition to indebtedness, the company has outstanding 600,000 common shares, of which Jacob L. Friedman, board chairman, owns 12%, E. E. Hubshman, president, 14.7% and management officials as a group 80.1%.

SERVICE CORP. INTERNATIONAL FILES. Service Corporation International, 22 Waugh Drive, Houston, Tex. 77007, filed a registration statement (File 2-36595) with the SEC on March 16 seeking registration of 2,000,000 shares of common stock and "Guarantees" of promissory notes of subsidiaries in the amount of \$25,000,000. According to the prospectus, 1,630,000 shares and the guarantees may be offered and issued by the company from time to time in the acquisition of other businesses or properties; 350,000 shares have been or may be issued in connection with acquisitions which will be consummated shortly before or concurrently with the effectiveness of this statement; and 20,000 are now outstanding and may be offered from time to time by the holders thereof at prices current at the time of sale (\$22 per share maximum*).

The company operates 36 funeral homes or mortuaries, 3 cemeteries and 3 crematories. In addition to indebtedness, it has outstanding 2,145,084 common shares, of which American General Life Insurance Company owns 16.9%, Robert L. Waltrip, board chairman, 28.2%, Sam P. Douglass, president, 5.8%, and management officials as a group 42%. Waltrip and Douglass may sell 10,000 shares each.

AMERICAN RESERVE TO SELL DEBENTURES. American Reserve Corporation, 65 East South Water St., Chicago, Ill. 60601, filed a registration statement (File 2-36594) with the SEC on March 10 seeking registration of \$12,500,000 of convertible subordinated debentures, due 1990, to be offered for public sale through underwriters headed by A. G. Becker & Co., Inc., 120 South LaSalle St., Chicago, Ill. The interest rate, offering price and underwriting terms are to be supplied by amendment.

American is a holding company; its only properties and business are its 100% interest in Reserve Insurance Company and other subsidiaries, all of which are engaged in various aspects of the property and casualty insurance business. A portion of the net proceeds of its debenture sale will be used to discharge certain short term bank loans in the amount of \$1,375,000; substantially all of the remainder of the net proceeds will be used to provide Reserve Insurance with additional working capital. In addition to indebtedness, the company has outstanding 1,105,593 common shares, of which management officials own 8.3%. Allan Seth Blank is chairman and Wallace J. Stenhouse, Jr., president.

UNION ELECTRIC PROPOSES BOND OFFERING. Union Electric Company, One Memorial Drive, St. Louis, Mo. 63166, filed a registration statement (File 2-36596) with the SEC on March 16 seeking registration of \$60,000,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding. The company will add the net proceeds of its bond sale to its general funds, through reimbursement of its treasury for capital expenditures heretofore made. Such general funds will be used to retire, in part, short-term bank loans and commercial paper (expected to approximate \$90,000,000 and incurred to meet the costs of property additions), to finance the cost of continuing additions, and for other corporate purposes. Cash requirements for construction during 1970 are estimated at \$150,000,000.

EXCELLON INDUSTRIES FILES FOR OFFERING AND SECONDARY. Excellon Industries, 23915 Garnier St., Torrance, Calif. 90505, filed a registration statement (File 2-36597) with the SEC on March 16 seeking registration of 400,000 shares of common stock, of which 218,500 are to be offered for public sale by the company and 181,500 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Dean Witter & Co., Incorporated, 632 South Spring St., Los Angeles, Calif. 90014; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company engages principally in the design, manufacture and sale of manually controlled and automated (numerically controlled) precision drilling equipment for use in the fabrication of electronic circuit boards. Of the net proceeds of its sale of additional stock, \$932,325 will be used to retire all short term bank borrowings, \$180,000 for capital equipment and leasehold improvements for its Torrance and Runcorn, England facilities and \$250,000 to establish and equip additional drilling service facilities; the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 1,428,000 common shares, of which Joseph E. Smith, board chairman and president, owns 51.8% and management officials as a group 96.9%. Smith proposes to sell 74,000 shares of 740,000 shares held and four other management officials the remaining shares being registered.

TAUBROS MANAGEMENT PROPOSES OFFERING. Taubros Management Co., 525 University Ave., Palo Alto, Calif. 94301, filed a registration statement (File 2-36598) with the SEC on March 16 seeking registration of \$5,000,000 of participating interests in its 1970 Oil and Gas Drilling Program, to be offered for public sale in \$10,000 units. No underwriting is involved; participating broker-dealers will receive a 6% selling commission. The Program will be formed to drill wells on proven or semiproven oil and gas leases. Louis Taubman, president, and Robert M. Taubman, executive vice president, own the outstanding stock of the company.

TELFON COMMUNICATIONS TO SELL STOCK. Telfon Communications Corporation, 444 Geary Blvd., San Francisco, Calif. 94118, filed a registration statement (File 2-36599) with the SEC on March 16 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by First California Company Incorporated, 555 California St., San Francisco, Calif. 94104. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay First California Company up to \$15,000 for expenses and to issue it, for \$1,000, five-year warrants to purchase 14,000 shares exercisable initially (after one year) at 107% of the offering price.

The company is engaged in providing home study training in radio announcing under the name "Columbia School of Broadcasting" (it is not affiliated with Columbia Broadcasting System, Inc.). Of the net proceeds of its stock sale, \$1,112,500 plus an amount equal to accrued interest will be used to retire

notes held by certain officials, Bear, Stearns & Co., and others; the balance will be used for developing new courses and markets, increasing the number of the company's outlets and increasing the number of its sale, instructional and job placement personnel, repurchasing certain distributorships and for general corporate purposes. In addition to indebtedness, the company has outstanding 375,000 common shares (with a \$3.03 per share net tangible book value), of which William A. Anderson, board chairman and president, owns 14.43%, management officials as a group 21.70% and Bear, Stearns & Co. 13.33%. Purchasers of the shares being registered will acquire a 34.8% stock interest in the company for their investment of \$2,000,000*; present shareholders will then own 65.2%, for which they transferred to the company all of the outstanding stock of Telfon Corporation and paid \$487,500.

LIBBEY-OWENS-FORD SHARES IN REGISTRATION. Libbey-Owens-Ford Company ("LOF"), 811 Madison Ave., Toledo, Ohio 43624, filed a registration statement (File 2-36600) with the SEC on March 16 seeking registration of 8,736 shares of \$4.75 cumulative convertible preferred stock, Series A, reserved for issuance pursuant to the former Woodall Industries Inc., Qualified Employee Stock Options. Woodall Industries merged into a wholly-owned subsidiary of the company.

SECURITIES ACT REGISTRATIONS. Effective March 16: ECC Corp., 2-36129 (90 days).
Effective March 17: Baltimore Gas and Electric Co., 2-36438; Beck Industries, Inc., 2-39102, 2-31459 and 2-33988 (40 days); Becton, Dickinson & Co., 2-36460; Central Telephone & Utilities Corp., 2-36455; Connecticut General Mortgage and Realty Investments, 2-36306 (June 15); Donaldson Co., Inc., 2-36217 (40 days); Eldorado Fund, Inc., 2-30817; Graphic Sciences, Inc., 2-35077 (40 days); Immuno-Science Corp., 2-35121 (90 days); Jaco Electronics, Inc., 2-34664 (90 days); Southern California Edison Co., 2-36369; Western Union Computer Utilities, Inc., 2-35288 (90 days).

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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