

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. 70-10)

FOR RELEASE January 15, 1970

FLOYD GILBERT NAMED SEC BOSTON ADMINISTRATOR. SEC Chairman Budge today announced the appointment of Mr. Floyd H. Gilbert as Regional Administrator of the Boston Regional Office, effective March 1. Mr. Gilbert succeeds Mr. James E. Dowd who resigned to become President of the Boston Stock Exchange. A member of the Bar and a native of Massachusetts, Mr. Gilbert was born on August 19, 1917. He received his LL.B. degree from Suffolk Law School in 1940. Mr. Gilbert has been self-employed in the general practice of law in Brockton, Mass., since 1946, including the handling of SEC and Blue Sky Laws and related matters in the securities field. From 1963 to 1967, he served part-time as City Solicitor in Brockton, Mass., and was previously Assistant Attorney General for the Commonwealth of Massachusetts for six years. He was on active duty in the United States Army from 1940 to 1946.

UNITED ENERGY FILES FOR OFFERING. United Energy Corporation, A-112 Petroleum Center Bldg., San Antonio, Tex. 78209, filed a registration statement (File 2-35950) with the SEC on January 9 seeking registration of 2,000 units of participation in its Drilling Fund - 1970, to be offered for public sale at \$5,000 per unit. The Fund will engage in drilling for oil and gas on semi-proven acreage and, to a more limited extent, exploratory drilling; and the net proceeds of the sale of units will be used for such purposes. I. A. McNab is president of the company.

ADRS FOR VAM LTD FILED. Morgan Guaranty Trust Company of New York, New York, N. Y. 10015, filed a registration statement (File 2-35951) with the SEC on January 9 seeking registration of 100,000 American Depositary Receipts for ordinary registered shares of Vam Limited, an Australian company.

FRANKLIN DISCOUNT PROPOSES OFFERING. Franklin Discount Company, 213 East Tugalo St., Toccoa, Ga. 30577, filed a registration statement (File 2-35952) with the SEC on January 9 seeking registration of \$1,700,000 of 8% subordinated debentures (due serially 1973-1981), to be offered for public sale at 100% of principal amount, and 2,000 shares of 8% cumulative preferred stock, to be offered at \$100 per share. No underwriting is involved.

The company is engaged in the following activities: small loans to consumers, instalment sales financing, second mortgage loans on real estate, and retail furniture and appliance stores. Of the net proceeds of its proposed financing, \$800,000 will be used to pay off maturing subordinated indebtedness through 1974 and the balance for the purpose of increasing notes and contracts receivable in the company's financing offices. In addition to indebtedness and preferred stock, the company has outstanding 1,700 common shares, of which Ben F. Cheek, Jr., president and board chairman, owns 64.71% and management officials as a group 85.30%.

DUNKIN' DONUTS FILES FOR SECONDARY. Dunkin' Donuts Incorporated, 440 Hancock St., Quincy, Mass. 02171, filed a registration statement (File 2-35953) with the SEC on January 9 seeking registration of 350,000 outstanding shares of common stock, to be offered for public sale by the holders thereof through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York. The offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in developing and franchising "Dunkin' Donuts" shops. In addition to indebtedness, it has outstanding 1,864,446 common shares, of which William Rosenberg, board chairman, owns 727,021 (38.9%) and proposes to sell 217,741 and Robert M. Rosenberg, president, owns 184,805 (9.9%) and proposes to sell 58,017. Eleven other holders propose to sell the balance of the shares being registered.

FITCHBURG G & E TO SELL NOTES. Fitchburg Gas and Electric, 655 Main St., Fitchburg, Mass. 01420, filed a registration statement (File 2-35954) with the SEC on January 9 seeking registration of \$7,500,000 of notes, due 1995, to be offered for public sale through Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment. An electric and gas utility, the company will apply the net proceeds of its note sale to the reduction of outstanding bank loans incurred in connection with its construction program and amounting to \$8,470,000 on December 31. Construction expenditures are estimated at \$1,570,000 for 1970 and \$1,725,000 for 1971.

KINNEY SERVICE SHARES IN REGISTRATION. Kinney National Service, Inc., 10 Rockefeller Plaza, New York 10020, filed a registration statement (File 2-35955) with the SEC on January 9 seeking registration of securities, as follows: (1) 4,463,715 common shares issuable upon conversion of 5c Series C convertible preferred stock by the surrender of one share of Series C stock plus \$37 in cash; (2) 171,560 shares of 5c Series C convertible preferred stock and 173,705 shares of \$1.25 Series D convertible preferred stock, issuable upon exercise of options heretofore granted under an executive employee option plan for restricted stock (a Warner Bros.-Seven Arts Limited plan assumed by Kinney National Service); (3) 9,750 outstanding common shares, which may be offered by the present holders thereof; and (4) 5,108 shares of \$4.25 Series B convertible preferred stock, which also may be offered by the present holders thereof.

OVER

The company and its subsidiaries are engaged principally in the following activities: (i) leisure time services; (ii) building services; (iii) banking and financial services; and (iv) other services. In addition to indebtedness and preferred stock, it has outstanding 7,738,305 common shares. William V. Frankel is board chairman and Steven J. Ross president.

MUNICIPAL FUND FILES FOR OFFERING. Bache & Co., Inc., Goodbody & Co., and Walston & Co., Inc., sponsor of Municipal Investment Trust Fund, Series T, filed a registration statement (File 2-35956) with the SEC on January 9 seeking registration of 6,000 units or interests in the Fund. The objectives of the Fund are tax exempt income and conservation of capital through a diversified investment in revenue and general municipal bonds rated "BBB" or better.

PILGRIM FARMS TO SELL STOCK. Pilgrim Farms Inc., Shawnee, Okla. 74801, filed a registration statement (File 2-35957) with the SEC on January 9 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Parker, Bishop & Welsh, Inc., 100 Park Ave., Oklahoma City, Okla. The offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. The Parker firm will be entitled to purchase, for \$.50 per warrant, five-year warrants for the purchase of 30,000 shares, exercisable initially (after one year) at 107% of the offering price.

Organized in December 1968, the company consists of a subsidiary, River Rest International A.G., a Swiss company, and an operating division, Pilgrim Farms Restaurants. The Swiss company is engaged in the business of breeding and distributing turkeys in Europe, South America and the Balkans; the restaurant division opened its first turkey specialty restaurant in Norman, Okla. in January 1970. The company has options to purchase from certain affiliated persons all of the outstanding stock of River Rest Inc., an Oklahoma corporation engaged in turkey production and breeding research, and 51% of the stock of River Rest (U.K.) Ltd., a British corporation engaged primarily in the production and sale of turkey breeding stock. Of the net proceeds of its stock sale, \$250,000 will be utilized to build four turkey specialty restaurants; in addition, \$200,000 will be used to repay current indebtedness and \$425,000 for buildings and equipment for breeding and production facilities. The balance will be available for general corporate purposes. Conditional upon its receiving net proceeds of at least \$1,500,000 in its sale of stock, the company has long-term debt commitments from John Hancock Mutual Life Insurance Company and the Oklahoma Industrial Finance Authority for \$1,900,000 and \$500,000, respectively; these funds will be utilized to expand the operations of the company in all areas of endeavor. The company now has outstanding 100,710 common shares, owned in equal amounts by Roy C. Ferguson, II president, and Margaret Ferguson, secretary-treasurer.

NY LIFE FUND FILES OFFERING PROPOSAL. New York Life Fund, Inc., 327 Park Ave. South, New York 10010, filed a registration statement (File 2-35958) with the SEC on January 9 seeking registration of 3,500,000 shares of common stock, to be offered for sale at net asset value (\$10 per share maximum*). A diversified open-end management investment company, the Fund will invest primarily in common stocks based upon an investment policy concerned with the preservation of capital and its potential growth. New York Life Insurance Company is investment adviser to the Fund; Fund shares will be sold to separate accounts established by New York Life for individual variable annuity contracts sold by it; in addition, shares of the Fund may be sold to other separate accounts of New York Life as well as to New York Life itself and organizations approved by it. Charles M. Sternhell and Wilson M. Underwood, executive vice presidents of New York Life, are president and board chairman, respectively, of the Fund.

NY LIFE ACCOUNT N FILES FOR OFFERING. New York Life Separate Account N, 51 Madison Ave., New York 10010, filed a registration statement (File 2-35959) with the SEC on January 9 seeking registration of \$25,000,000 of interests under variable annuity contracts being offered by New York Life Insurance Company.

NY LIFE ACCOUNT Q FILES FOR OFFERING. New York Life Separate Account Q, 51 Madison Ave., New York 10010, filed a registration statement (File 2-35960) with the SEC on January 9 seeking registration of \$10,000,000 of interests under variable annuity contracts being offered by New York Life Insurance Company in connection with pension, profit-sharing and annuity plans and trusts qualifying for special federal income tax treatment.

INTERSCIENCE GROWTH FUND PROPOSES OFFERING. Interscience Growth Fund, Inc., 527 Madison Ave., New York, filed a registration statement (File 2-35961) with the SEC on January 9 seeking registration of 100,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum*) plus a sales charge of 8.75% on purchases of less than \$10,000. The Fund is a diversified open-end investment company whose objective is appreciation of capital through substantial investment in companies expected to derive benefits from advancements in science and technology. Interscience Capital Management Corporation will serve as investment adviser and Interscience Securities Inc., a wholly-owned subsidiary of the adviser, as distributor of Fund shares. Frank Boatner Smith is board chairman of the Fund and board chairman and president of the adviser and Alan Jay Miller is president of the Fund and executive vice president of the adviser.

VIOLATIONS CHARGED IN ADVERTISING CHANNING AND VALIC SECURITIES. The SEC today announced the filing of a complaint in Federal court in New York City, seeking to enjoin violations of the prospectus and sales literature provisions of the Federal securities laws in the offer of shares of the "Channing group" of investment companies and variable annuity contracts issued by the Variable Annuity Life Insurance Company separate accounts. Named as defendants were the following: American General Insurance Company, Channing Financial Corporation, Channing Company, Incorporated, and The Variable Annuity Life Insurance Company. The Channing group of investment companies include Channing Shares, Inc., Channing Securities, Inc., and Channing Income Fund, Inc. (LR-4522)

NORTH SHORE GAS TO SELL BONDS. North Shore Gas Company, 3001 Grand Ave., Waukegan, Ill. 60085, filed a registration statement (File 2-35965) with the SEC on January 12 seeking registration of \$10,000,000 of first mortgage bonds, Series E, due 1995, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

A wholly-owned subsidiary of Peoples Gas Company ("Peoples"), the company is an operating utility engaged primarily in the purchase, distribution and sale of gas in an area along Lake Michigan from Winnetka, Ill. to the Illinois-Wisconsin state line. Net proceeds of its bond sale will be used to repay in full a \$6,300,000 interim loan from The Peoples Gas Light and Coke Company (former parent of North Shore Gas) and a portion of an interim loan from Peoples Gas (\$4,975,000 at January 1), proceeds of which were used to finance construction expenditures and other corporate needs. Ward C. McCallister is board chairman and Edwin M. Taber president.

CONVALESCENT CENTERS TO SELL STOCK. Convalescent Centers Development Corporation, 250 Park Ave., New York 10017, filed a registration statement (File 2-35968) with the SEC on January 12 seeking registration of 400,000 shares of common stock, to be offered for public sale at \$3 per share. No underwriting is involved; participating broker-dealers will receive a commission of \$9 per 100 shares sold.

Organized in March 1968, the company is in the developmental stage and has not yet commenced operations. It intends to acquire from Continana Corporation two completed and operating convalescent centers in Calif., the right to use the name "Continana" in connection with its present and future centers, and certain other assets of Continana Corporation. Paul A. Fund and Sidney Markley, board chairman and president, respectively, and promoters of the company, also were promoters of Continana, which is to receive 200,000 common shares of the company for the centers to be acquired from Continana. The company also proposes to undertake the development and construction, for its own account and for sale and licensing to others, of additional convalescent centers. Of the net proceeds of its stock sale, \$200,000 will be used for reduction of mortgage debt on the two centers and \$600,000 for construction and/or acquisition of additional centers; the balance will be used for the company's general working capital purposes, including advertising, promotion and site selection. In addition to indebtedness, the company has outstanding 200,000 common shares (with a \$1.15 per share net tangible book value), of which The Fund Company, Inc. owns 100%; management officials own all of the outstanding stock of Fund Company. Purchasers of the shares being registered will acquire a 50% stock interest in the company for their investment of \$1,200,000 (they will sustain an immediate dilution of \$1.16 in per share book value from the offering price); present shareholders of their affiliates will then own 50%, for which they will have paid \$459,850 in cash or in contribution of assets, or \$1.15 per share.

OFFSHORE CO. FILES FOR SECONDARY. The Offshore Company, 3411 Richmond Ave., Houston, Tex. 77027, filed a registration statement (File 2-35966) with the SEC on January 12 seeking registration of 557,694 outstanding shares of common stock, to be offered for public sale by the present holder thereof through underwriters headed by Eastman Dillion, Union Securities & Co., 1 Chase Manhattan Plaza, New York 10005, and two others. The offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in this statement are 50,000 outstanding shares which may be offered for sale from time to time by the present holders thereof at prices current at the time of sale. The 50,000 shares were issued in connection with the company's acquisition of all the outstanding stock of H. B. Fowler & Co., Inc.

The company is engaged in the business of contract drilling for oil and gas. In addition to indebtedness, it has outstanding 7,565,150 common shares. John S. Shaw, Jr., is board chairman and W. Henson Moore president. J. Ray McDermott & Co., Inc. proposes to sell all of its holdings of 557,694 shares.

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:

U. S. Plywood-Champion Papers Inc., New York (File 2-35931) - 80,000 shares
DeLuxe Check Printers, Incorporated, St. Paul, Minn. 55113 (File 2-35936) - 200,000 shares
AFA Protective Systems, Inc., New York 10036 (File 2-35944) - 31,500 shares
Teledyne, Inc., Los Angeles, Calif. 90067 (File 2-35962) - 173,040 shares
Revell, Incorporated, Venice, Calif. 90291 (File 2-35963) - 55,000 shares
Minnesota Mining and Manufacturing Company, St. Paul, Minn. 55101 (File 2-35967) - 27,593 shares

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-8801) giving interested persons until January 29 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Coleman Company, Inc.

SECURITIES ACT REGISTRATIONS. Effective January 14: Atron Corp., 2-34754 (90 days); Computer Databanks, Inc., 2-34185 (90 days); The Dai-Ichi Bank, Ltd., 2-35887; The Dexter Corp., 2-35076 (40 days); Double X Ranch, Inc., 2-35948 (90 days); Walter Kidde & Co., Inc., 2-34293 (40 days); Nuveen Tax-Exempt Bond Fund, Series 23, 2-35104; Orange and Rockland Utilities, Inc., 2-35617; Pennsylvania Power & Light Co., 2-35654; Royalpar Industries, Inc., 2-33809 (90 days); Sav-A-Stop, Inc., 2-35648 (40 days); U. S. Industries, Inc., 2-35699.

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.