

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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COMMENTS INVITED ON NYSE "PUBLIC OWNERSHIP" PROPOSAL. The SEC today invited public comments on a proposal of the New York Stock Exchange to amend its Constitution to allow member firms to issue securities to the public. The comments are due not later than October 31 (Release 34-8717).

In its invitation for comments upon the NYSE proposal, which involves important "policy considerations", the Commission stated:

"In a memorandum which accompanied the actual amendments, the NYSE set forth twenty conditions which it intends, through these amendments and through later rule changes, to impose on public ownership of member firms. The Exchange has further supplemented its submission with opinions of counsel indicating that, while the matter is not entirely free from doubt, the proposed conditions are related to matters within the scope of the Exchange's duty of self-regulation and are either necessary in furtherance of the purposes of the Securities Exchange Act of 1934 or are sufficiently within the Commission's jurisdictional scope of review as to make the Exchange immune from liability under the antitrust laws. Since the Exchange proposals may have a significant impact upon New York Stock Exchange member firms, non-member broker-dealers, institutional investors, other exchanges and the public, the Commission believes it appropriate that all interested persons have an opportunity to comment on these conditions. It has therefore appended to this release the Exchange Special Bulletin to members and allied members describing the conditions under which member firms are to be allowed to go public."

"IN REGISTRATION" PUBLICITY DISCUSSED. The SEC has published a release (Release 33-5009) discussing the factors to be considered in determining whether or under what circumstances issuers, underwriters and dealers may publish information prior to or after the filing and effective date of a registration statement under the Securities Act of 1933. The Commission is concurrently inviting comments on proposed rules (Release 33-5010) which would establish more clearly defined standards in this area.

SEC INVITES COMMENTS ON PROPOSED "PUBLICITY" RULES. The SEC has invited comments (Release 33-5010) on certain rule proposals designed to establish standards for determining the circumstances under which broker-dealers and other persons may publish certain types of information regarding an issuer which proposes to or has registered securities under the Securities Act of 1933. The Commission is also proposing rules relating to the obligation of dealers to deliver prospectuses under Section 4(3) of the Act and the anti-fraud provisions of the Securities Exchange Act of 1934. Comments are to be submitted by November 7, 1969.

SEC INVITES COMMENTS ON PROPOSED SHORT FORM FOR CERTAIN OFFERINGS. The SEC has invited comments on a proposed Form S-16, a short form for registration under the Securities Act of 1933 of the following types of offerings:

Offerings on behalf of a person other than the registrant where the prospectus is to be delivered in accordance with Rule 153;

Offerings by a registrant in connection with the conversion of convertible securities of an affiliate; or

Offerings made in connection with the exercise of outstanding warrants.

Comments are to be submitted by November 7, 1969.

INTERNATIONAL AEROSPACE ASSOCIATES OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public stock offering by International Aerospace Associates, Inc. ("I.A.A."), of Lexington, Mass. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration for public offerings of securities not exceeding \$300,000 in amount. In a notification filed on July 24, 1969, I.A.A. proposed the public offering of 50,000 common shares at \$1 per share. In its suspension order, the Commission states that it has "reasonable cause" to believe, among other things, that the company's offering circular failed to disclose certain material facts with respect to the company's assets, its operating and earnings history, the nature of certain facilities purportedly operated by I.A.A., the impairment of a certain option held by the company, the pendency of bankruptcy proceedings involving an affiliate, and the reservation of certain options by the company's president. Moreover, according to the order, the notification indicates that 25,000 shares have been sold whereas, in fact, only some 3,030 shares have been sold.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period October 9-18, 1969, inclusive.

OVER

SEC COMPLAINT NAMES M & B MINING. The SEC San Francisco Regional Office announced October 3 (LR-4430) the filing of a complaint in the Federal court in Los Angeles seeking to enjoin violations of the Securities Act registration provisions by the following in the offer and sale of stock of M & B Mining Corporation: the issuing company, a Nevada corporation, Robert D. Grabar, Gary S. Mülliner, and Lela M. Grabar.

INDICTMENT NAMES PROFESSIONAL HEALTH SERVICES. The SEC New York Regional Office announced October 4 (LR-4431) that a Federal grand jury in New York City had returned an indictment charging violations of the registration and anti-fraud provisions of the Securities Act by the following in the offer and sale of stock of Professional Health Services, Inc., of New York City: the issuing company and six of its principals, Albert A. Bzura, Issac Kaplan, Joseph Krozak, Gerald Shilling, Melvin Shilling, and Arthur A. J. Weglein; also, Rugby Funding, Ltd., a subsidiary of PHS.

MUTUAL INVESTING FOUNDATION RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5833) permitting Heritage Securities, Inc., Columbus, Ohio, to act under a new investment advisory contract with Mutual Investing Foundation (the "Fund") without Fund shareholder approval from the effective date of a proposed agreement, pursuant to which Nationwide Corporation would purchase all the outstanding stock of Heritage from the present shareholders until the new investment advisory contract has been approved or disapproved by the vote of a majority of the outstanding voting securities of the Fund at the next annual meeting of Fund shareholders to be held no later than January 29, 1970.

MAIRS & POWER FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5834) exempting Mairs and Power Income Fund, Inc., St. Paul, Minn., mutual fund, from provisions of Rule 22c-1 of the Act to the extent that said rule requires shares of Mairs to be priced for sale on the day orders for the purchase of such shares are received. Orders for shares of Mairs that are received in any week are filled at the net asset value as of the close of business on Friday of that week.

FLUIDIC INDUSTRIES FILES FOR OFFERING AND SECONDARY. Fluidic Industries Inc., 366 United Nations Plaza, New York, N. Y. 10017, filed a registration statement (File 2-34827) with the SEC on September 29 seeking registration of 133,000 shares of common stock, of which 94,334 are to be offered for public sale by the company and 38,666 (being outstanding shares) by the present holders thereof. The offering is to be made through C. E. Unterberg, Towbin Co., 61 Broadway, New York, N. Y. 10006; the offering price (\$13 per share maximum*) and underwriting terms are to be supplied by amendment. In July, a predecessor company sold \$131,250 of 6% convertible subordinated notes, due 1974, in a private placement to six purchasers, four of which were partners of and two of which were associated with the underwriter; these notes became obligations of the company and are convertible at \$10.50 per share.

The company was organized in June to succeed to the businesses of selling rebuilt, converted and new valves for the control of fluids, distributing industrial supplies and developing air logic systems for the control of machinery and industrial processes. Of the net proceeds of its sale of additional stock, \$700,000 will be used to reduce short term bank borrowings and \$150,000 for product development; 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 362,502 common shares (with a \$1.76 per share book value), of which William L. Wayne, board chairman and president, owns 37.4% and management officials as a group 64.2%. John R. House, vice president, proposes to sell 18,000 shares of 24,039 shares held and three others (including a vice president) the remaining shares being registered.

REPUBLIC DEVELOPMENT FILES FOR SECONDARY. Republic Development Corporation, 14201 West Eight Mile Road, Detroit, Mich. 48235, filed a registration statement (File 2-34830) with the SEC on September 29 seeking registration of 305,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Goodbody & Co., 55 Broad St., New York, N. Y. 10004; the offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the development and sale of land and the building and marketing of single-family homes in low and medium price ranges. In addition to indebtedness, it has outstanding 1,000,000 common shares, of which Abe Green, board chairman, and Aubrey H. Ettenheimer, vice chairman, own 25.8% each, Leonard R. Farber, president, 24.0% and management officials as a group 100%. Green and Ettenheimer propose to sell 78,690 shares each of 257,965 shares held each, Farber 73,292 of 240,325 and five others the remaining shares being registered.

COMMERCE BANCSHARES PROPOSES EXCHANGE OFFER. Commerce Bancshares, Inc., 911 Main St., Kansas City, Mo. 64199, filed a registration statement (File 2-34831) with the SEC on September 29 seeking registration of 119,660 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of Columbia National Bank (at the rate of one share for each 2.75 Columbia shares held); Mexico Savings Bank (at the rate of one share for each 6 Mexico Savings shares held); Tipton Farmers Bank (at the rate of one share for each 19 Tipton shares held); and American Trust Company of Hannibal (at the rate of one share for each 3 shares held). Effectiveness of each exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding stock of the respective bank.

Commerce Bancshares owns a majority of the voting shares of nine banks and also owns a majority of the voting shares of certain non-banking corporations. It has outstanding 2,179,005 common shares, of which The Kemper Investment Company owns 14.1% and Commerce Trust Company, as trustee or co-trustee holds 15% and management officials as a group 18.1%. James M. Kemper, Jr., is board chairman and president of Commerce Bancshares and of Commerce Trust Company.

CALIFORNIA VENTURE FUND PROPOSES OFFERING. California Venture Fund, Inc., 611 West Sixth St., Los Angeles, Calif. 90017, filed a registration statement (File 2-34832) with the SEC on September 29 seeking registration of 500,000 shares of common stock, to be offered for public sale at \$12 per share with a \$1.02 underwriting discount. The Fund will cease to offer its shares when it first reaches \$6,000,000 in assets. The Fund was organized in August as a non-diversified, open-end investment company with the objective of seeking capital appreciation through the use of aggressive investment techniques including limited use of leveraging, short selling, purchasing option contracts and purchasing restricted securities. Blake, Stephens & Kittredge, Inc., will serve as investment adviser and principal underwriter. James H. Blake is president of the Fund and board chairman of the adviser, Richard C. Stephens and David R. Kittredge are vice presidents of the Fund and of the adviser; they own 10% or more of the outstanding stock of the adviser.

UNITED COMPANIES LIFE INSURANCE PROPOSES EXCHANGE OFFER. United Companies Life Insurance Company, 430 Commerce Building, Baton Rouge, La., filed a registration statement (File 2-34833) with the SEC on September 29 seeking registration of 110,500 shares of common stock. It is proposed to offer these shares to common stockholders of United National Life Insurance Company, at the rate of one United Companies share for each 2 United National shares. United Companies owns approximately 36.9% of the outstanding common stock of United National.

United Companies is an insurance company engaged principally in writing life insurance, credit life insurance and mortgage cancellation insurance and through wholly-owned subsidiaries is engaged in the fields of consumer loans, sales finance and first and second mortgages on real property. United National was organized in August 1968 by a former wholly-owned subsidiary of United Companies and others. Upon formation, it issued 119,920 common shares to the former United Companies subsidiary, which subsidiary was later liquidated and the shares held by it transferred to United Companies. United National was formed for the purpose of operating primarily as a life insurance company in Ohio and other states. United Companies has outstanding 1,298,510 capital shares, of which management officials as a group own 26.5%. Lloyd F. Collette is board chairman, Harris J. Chustz vice chairman and Alvin G. Mack president of United Companies.

In a separate registration statement (File 2-34834), United Companies seeks registration of 384,183 shares of common stock, of which 351,490 are to be offered for public sale by the company and 32,693 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Howard, Weil, Labouisse, Friedrichs and Company, 211 Carondelet St., New Orleans, La. 70130. The offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

Of the net proceeds of its sale of additional stock, the company will use \$5,500,000 to retire bank indebtedness and \$2,250,000 to expand its mortgage loan operation and will add the balance to its general funds for working capital purposes. Collette proposes to sell 10,693 shares of 60,693 shares held, Mack 9,746 of 45,632, Chustz 1,000 of 18,358 and six others the remaining shares being registered.

SUPERIOR EQUITY PROPOSES EXCHANGE OFFER. Superior Equity Corporation, 11th and O Sts., Lincoln, Nebraska 68508, filed a registration statement (File 2-34835) with the SEC on September 29 seeking registration of 1,409,070 shares of common stock. It is proposed to offer these shares to holders of common stock of Superior Benefit Life Insurance Company, Pioneer Insurance Company and Educator's Security Insurance Company, at the rate of one share for each share of Superior Benefit, each two shares of Pioneer and each two shares of Educator's. The company presently owns 25% of the outstanding common stock of Superior Benefit, 51% of the outstanding common stock of Pioneer and 41% of the outstanding common stock of Educator's.

Superior Equity was organized in February to act as an insurance holding company. Superior Benefit, Pioneer and Educator's are all legal reserve stock insurance companies. Each concentrates primarily upon writing various types of life insurance policies. Superior Equity has outstanding 387,533 common shares, of which Dean Sack, board chairman, owns 39.9% and Roger D. Sack, president, 36.5%.

HYDROCARBON RESOURCES PROPOSES OFFERING. Hydrocarbon Resources, Inc., 90 West First North St., Price, Utah 84501, filed a registration statement (File 2-34836) with the SEC on September 29 seeking registration of 920,000 shares of common stock, to be offered for public sale at \$30 per share. The offering is to be made through company officials or through licensed security dealers (the latter will receive a 10% selling commission).

The company was organized in September 1968 for the purpose of engaging in the oil and gas business, including exploration, drilling, mining, production, refining and sale of crude oil and refined products. Net proceeds of its stock sale will be used for oil and gas exploration and general corporate purposes. The company has outstanding 500 common shares, of which Donald T. Whalen, president, owns 29% and management officials as a group 100%.

ELIXIR INDUSTRIES FILES FOR OFFERING AND SECONDARY. Elixir Industries, 17905 South Broadway, Gardena, Calif. 90247, filed a registration statement (File 2-34837) with the SEC on September 29 seeking registration of 300,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Batemann Eichler, Hill Richards Inc., 460 S. Spring St., Los Angeles, Calif. 90013; the offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a manufacturer and supplier of components and supplies used by its customers who are primarily engaged in manufacturing mobile homes and recreational vehicles. Of the net proceeds of its sale of additional stock, \$1,125,000 will be used for a new manufacturing facility to be located in the Ft. Worth-Dallas area, \$310,000 to retire short-term bank borrowings incurred for working capital purposes, \$300,000 for construction of additional manufacturing facilities and new executive offices in Gardena, \$250,000 for construction of new manufacturing facilities in Douglas, Ga., to replace the major portion of its existing leased plant and \$250,000 to defray the remaining construction costs of an additional manufacturing plant in Elkhart, Ind., now under construction; the balance will be added to the company's general funds. In addition to indebtedness, the company has outstanding 2,200,000 common shares, of which Roland R. Sahn, board chairman and president, owns 95%. Sahn proposes to sell 150,000 shares of 2,090,000 shares held.

MODERN MAID FOOD PRODUCTS FILES FOR OFFERING AND SECONDARY. Modern Maid Food Products, Inc., 110-00 Dunkirk St., Jamaica, N. Y. 11412, filed a registration statement (File 2-34838) with the SEC on September 29 seeking registration of 350,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 250,000 (being outstanding shares) by the present holders thereof. The offering is to be made at \$12 per share through underwriters headed by Ladenburg, Thalmann & Co., 25 Broad St. New York 10004, which will receive an 84¢ per share commission. The company and selling stockholders have agreed to pay \$42,000 to Stephen Spahn as a finder's fee, the company has agreed to issue to the Ladenburg firm and Spahn five-year warrants to purchase 30,625 and 4,375 shares, respectively, exercisable after 11 months at prices ranging from \$12 to \$14.40 per share.

The company manufactures breading and batter mixes, prepared to customer specifications, for food processors, it also manufactures fully prepared flour mixes for use in restaurants, hotels, hospitals and other institutional mass feeding outlets. Of the net proceeds of its sale of additional stock, \$800,000 will be used to finance the construction of a new plant, the balance will be added to the company's working capital. The company has outstanding 964,435 common shares, of which Jack Silverman, president, owns 22.28% and management officials as a group 50.47%. Silverman proposes to sell 125,000 shares of 214,909 shares held and eight others the remaining shares being registered.

SOUTHERN CALIFORNIA EDISON TO SELL BONDS. Southern California Edison Company, 601 West 5th St., Los Angeles, Calif. 90053, filed a registration statement (File 2-34839) with the SEC on September 29 seeking registration of \$100,000,000 of first and refunding mortgage bonds, Series Y, due 1994, to be offered for public sale through The First Boston Corp., 20 Exchange Pl., New York and Dean Witter & Co., Inc., 45 Montgomery St., San Francisco, Calif. The interest rate, offering price and underwriting terms are to be supplied by amendment. An electric utility, the company will use the net proceeds of its bond sale to repay short-term obligations (incurred in connection with its construction program and estimated to be \$84,000,000 at the time such proceeds are received); it will add the balance to its general funds for use in connection with its construction program. Construction expenditures are estimated at \$649,300,000 for the years 1969-1970.

W. W. GRAINGER PROPOSES OFFERING. W. W. Grainger, Inc., 5959 West Howard St., Chicago, Ill. 60648, filed a registration statement (File 2-34840) with the SEC on September 29 seeking registration of \$10,000,000 of convertible subordinated debentures, due 1994, and 40,000 outstanding shares of common stock. The debentures are to be offered for public sale by the company and the common shares (being outstanding shares) by the present holders thereof. The offerings are to be made through Gore, Forgan, Wm. R. Staats, Inc., 135 S. LaSalle St., Chicago, Ill. 60603; the interest rate on the debentures, offering prices (\$38 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture of electric motors and the national distribution of electric motors and related products. Net proceeds of its debenture sale will be used to reduce short-term bank borrowing which have been incurred both to finance construction of branches and for working capital purposes. In addition to indebtedness, the company has outstanding 1,270,000 common shares and 1,704,000 Class B shares. Of the Class B shares, David W. Grainger, board chairman, owns 24.03%, W. W. Grainger, Trustee, 45.80% and management officials as a group 43.47%; of the common shares, Lee A. Doerr, a director, owns 10.72%, management officials as a group 11.05% and Emmett J. Doerr 14.38%. Edwin Doerr and Lee A. Doerr propose to sell 25,000 and 15,000 shares, respectively, of 119,861 and 136,203 shares held, respectively.

SECURITIES ACT REGISTRATIONS. Effective October 7: Ampex Corp., 2-34763, The Anaconda Co., 2-33204; Appalachian Power Co., 2-34563, Buning the Florist, Inc., 2-33128 (90 days); Computer Learning & Systems Corp., 2-32961 (90 days); Data Packaging Corp., 2-34448 (40 days); Howaro Bros. Discount Stores, Inc., 2-32642 (90 days), Interservice Corp., 2-34428 (90 days); Jersey Central Power & Light Co., 2-34430 (40 days); Medic-Shield Nursing Centers, Inc., 2-31855 (90 days); National Faragon Corp., 2-32314 (90 days), Pennsylvania Power & Light Co., 2-34633, Tyco Laboratories, Inc., 2-33382 (90 days), Union Electric Co., 2-34617; Union Fidelity Corp., 2-33700 (40 days), F. W. Woolworth Co., 2-34300.

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.