

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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A brief summary of financial proposals filed with and actions by the S.E.C.

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**FIDELITY CAPITAL FUND SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5855) giving interested persons until November 7 to request a hearing upon a proposal of Fidelity Capital Fund, Inc., Boston mutual fund, to acquire substantially all the assets of Vernon Kilns, Inc. Fidelity proposes to issue its shares at net asset value for Kilns' assets, which were valued at \$1,246,797 on August 29. Had the transaction been consummated on that date, Kilns would have received 106,655 shares of Fidelity stock. The Fidelity shares are to be distributed to Kilns' stockholders upon its liquidation.

**O'LEARY'S ICE CREAM PARLOURS TO SELL STOCK.** O'Leary's Ice Cream Parlours, Inc., 1512 Continental Life Bldg., Fort Worth, Tex. 76102, filed a registration statement (File 2-35026) with the SEC on October 14 seeking registration of 200,000 shares of common stock, to be offered for public sale on a best efforts basis through Shoemaker & Co., Inc., 110 Park Ave., Oklahoma City, Okla. 73102. The offering price (\$9 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to grant the underwriters five-year warrants to purchase 12,500 shares, exercisable after one year at prices ranging from 107% to 128% of the offering price. In August, the company sold 7,500 shares to the underwriter and two of its controlling shareholders for \$5,000.

Organized in February, the company proposes to own and operate and to grant franchises to others to own and operate limited menu combination ice cream parlour-restaurants, called "O'Leary's Ice Cream Parlour and Restaurant." Of the net proceeds of its stock sale, \$400,000 will be used for acquisition and development of real estate locations for proposed company-owned and operated restaurants, \$800,000 for construction and equipment costs of eight proposed company-owned and operated restaurants, and \$75,000 for establishing and stocking commissaries to serve company-owned and franchised restaurants; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 340,501 common shares, of which Arch B. Gilbert, board chairman, and William C. Jennings, a director, own 22.03% each and management officials as a group 97.8%. Benjamin M. Ray is president. Purchasers of the shares being registered will acquire 200,000 shares for a total of \$1,800,000\*; the present shareholders will then own 340,501 shares, for which they will have paid \$221,001.

**COLWYN RISK FUND PROPOSES OFFERING.** The Colwyn Risk Fund, Inc., 661 Palisades Ave., Englewood Cliffs, N. J. 07632, filed a registration statement (File 2-35027) with the SEC on October 15 seeking registration of 1,600,000 shares of common stock, to be offered for public sale at \$15 per share. The offering is to be made through W. C. Langley & Co., 115 Broadway, and Thomson & McKinnon Inc., 2 Broadway, both of New York, which will receive a \$1.275 per share commission (based on an 8.5% underwriting discount on purchases involving fewer than 2,000 shares). The Fund is a non-diversified, closed-end investment company which seeks maximum capital growth through high risk investments. Colwyn Advisers, Inc., a wholly-owned subsidiary of Technamental Investors Management Company, Inc., will serve as investment adviser. Lionel David is president of the Fund and board chairman of the adviser, and Robert Danielson is vice president of the fund and president of the adviser.

**SAN SEBASTIAN GOLD MINES PROPOSES OFFERING.** San Sebastian Gold Mines, Inc., 8101 Biscayne Blvd., Miami, Fla. 33138, filed a registration statement (File 2-35028) with the SEC on October 15 seeking registration of 120,000 shares of common stock and 120,000 common stock purchase warrants, to be offered for public sale in units, each consisting of one share and one warrant. The offering is to be made at \$6 per unit through underwriters headed by M. A. Allan & Co., Inc., 345 Clifton Ave., Clifton, N. J., which will receive a 60¢ per unit commission plus \$15,000 for expenses. In June, the company sold 10,000 shares to officers and employees of the Allan firm at 50¢ per share.

Organized in September 1968, the company has not yet commenced commercial operations. It holds a leasehold interest in certain gold mining properties located in Santa Rosa, El Salvador. Of the net proceeds of its stock sale, \$118,000 will be used for installation of water, electricity and telephone service to the mining area and deposits, \$100,000 for reconstruction and improvement of the refinery mill and \$190,000 for earth moving equipment, conveyor and track system and underground mining and ventilation equipment; the balance will be added to the company's general funds and used for working capital purposes. The company has outstanding 190,500 Class B and 208,500 common shares (with an aggregate book value of \$1.13 per share); of the Class B shares, John B. Miller, president, and Doris Miller own 15.7% each and management officials as a group 94.5%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.92 in per share book value from the offering price.

**HANDLEMAN FILES FOR OFFERING AND SECONDARY.** Handleman Company, 670 E. Woodbridge St., Detroit, Mich. 48226, filed a registration statement (File 2-35029) with the SEC on October 15 seeking registration of 850,000 shares of common stock, of which 177,856 are to be offered for public sale by the company and 672,144 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by E. F. Hutton & Co. Inc., 61 Broadway, New York; the offering price (\$37 per share maximum\*) and underwriting terms are to be supplied by amendment.

OVER

The company sells phonograph records and stereo tapes through 20 wholesale merchandising and distribution centers in 47 states, Puerto Rico and Canada. It also acts as a wholesale merchandiser of drugs, pharmaceuticals, health and beauty aids and sundries, primarily in Michigan and operates a 23-unit chain of discount outlets in Canada. Of the net proceeds of its sale of additional stock, \$4,866,000 will be used to retire all short term notes and long term debt; the balance will be added to the company's working capital and will be available for general corporate purposes. Upon completion of this registration, the Handleman families, directly and indirectly, will own 1,185,697 shares, or 26.7%, of the company's outstanding common shares. Paul Handleman, board chairman, proposes to sell 95,000 shares of 261,234 shares held, Joseph Handleman, a director, 130,000 of 311,825, Moe Handleman, executive vice president, 125,000 of 363,288, David Handleman, president, 80,000 of 239,488 and 17 others the remaining shares being registered.

**NUMERAX TO SELL STOCK.** Numerax, Inc., 467 Sylvan Ave., Englewood Cliffs, N. J. 07632, filed a registration statement (File 2-35030) with the SEC on October 15 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made through Charles Plohn & Co., 200 Park Ave., New York 10017, which will receive a 30¢ per share commission plus \$12,000 for expenses. The company has agreed to sell 20,000 shares to the underwriter at 10¢ per share.

Organized in June 1969, the company is a newly formed independent service organization which proposes to offer management consulting and computer "software" services relating to data processing requirements of manufacturers, distributors, carriers and receivers of goods. Of the net proceeds of its stock sale, \$195,000 will be applied to advertising and marketing, \$60,000 to salaries, \$50,000 to research and development, and \$105,000 toward enlarging present office facilities, to lease computer "hardware" and to open branch offices in Philadelphia and in Chicago; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 275,000 common shares (with a 27¢ per share net tangible book value), of which William D. Smith, president, owns 14.1%, E. Allen Schneider, board chairman, 11.8%, and management officials as a group 50.8%. Purchasers of the shares being registered will acquire a 42% stock interest in the company for their investment of \$600,000 (they will sustain an immediate dilution of \$1.79 per share in book value); the present shareholders will then own 58%, for which they paid \$89,080.

**COMPUTER KNOWLEDGE TO SELL STOCK.** Computer Knowledge Corporation, 4502 Centerview Drive, San Antonio, Tex. 78228, filed a registration statement (File 2-35032) with the SEC on October 16 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Russ & Co., Inc., 1600 Alamo National Bldg., San Antonio, Tex. The offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has sold the Russ firm, for \$200, five-year warrants to purchase 20,000 shares.

The company was organized in April for the purpose of providing data processing services through the establishment of a remote multiple access computer center and providing related software programs for use in conjunction with its computer center. Of the net proceeds of its stock sale, \$200,000 will be used as an additional deposit in connection with leasing of a CDC 6400 computer system from Control Data Corporation, and \$447,672 in connection with payment of first year rental for the CDC 6400 system; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 248,625 common shares, of which Charles W. Burmeister, board chairman and president, owns 24.13% and management officials as a group 65.51%.

**MANITOBA TO SELL DEBENTURES.** Province of Manitoba (U.S. Agent: Hon. R.G.C. Smith, Canadian Consulate General, 680 5th Ave., New York 10019), filed a registration statement (File 2-35033) with the SEC on October 16 seeking registration of \$50,000,000 of debentures, due 1994, to be offered for public sale through underwriters headed by Drexel Harriman Ripley Inc., 60 Broad St., New York, and nine others. The interest rate, offering price and underwriting terms are to be supplied by amendment. Net proceeds of its debenture sale will be advanced by the Province of Manitoba to The Manitoba Hydro-Electric Board for its general corporate purposes, including capital expenditures in connection with its construction program, estimated for the fiscal year ending March 31, 1970, at \$112,000,000.

**MISSISSIPPI P&L TO SELL BONDS.** Mississippi Power & Light Company, P. O. Box 1640, Jackson, Miss. 39205, filed a registration statement (File 2-35034) with the SEC on October 16 seeking registration of \$20,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. A subsidiary of Middle South Utilities, Inc., the company will use \$5,700,000 of the net proceeds of its bond sale to retire short term borrowings made for the purpose of temporarily financing its 1969 construction program and the remaining proceeds for its 1969-1970 construction program and other corporate purposes. Construction expenditures are estimated at \$68,280,000 for 1969 and 1970.

**TEKMAR TO SELL STOCK.** Tekmar Corporation, 39 Broadway, New York 10006, filed a registration statement (File 2-35035) with the SEC on October 16 seeking registration of 75,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made on a best efforts, all or none basis through First Trinity Security, Ltd., 80 Park Ave., New York, which will receive a 60¢ per share selling commission plus \$9,000 for expenses. The company has agreed to sell the underwriter, for \$75, five-year warrants to purchase 7,500 shares, exercisable after one year at \$7 per share.

The company was organized in March for the purpose of engaging in the design, development, and distribution of products for the marine field. Of the net proceeds of its stock sale, \$250,000 will be applied to the development, design, testing, assembly and marketing of an incinerating toilet and \$50,000 to the assembly and marketing of a portable clothes washing device; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 262,500 common shares (with a 23¢ per share book value), of which Philip C. Speer, president, owns 41%, and Oscar Sonkin 19%. Purchasers of the shares being registered will acquire a 22% stock interest in the company for their investment of \$450,000 (they will sustain an immediate dilution of \$4.79 in per share book value from the offering price); the present shareholders will then own 78%, for which they will have paid \$60,000.

**MICRODOT SHARES IN REGISTRATION.** Microdot Inc., 99 Park Ave., New York 10016, filed a registration statement (File 2-35036) with the SEC on October 16 seeking registration of 79,040 outstanding shares of common stock, to be offered for public sale from time to time by the present holder or recipient thereof at prices current at the time of sale (\$22.63 per share maximum\*). These shares were issued to The Mid-Continent Securities Company as part of 2,858,094 shares issued in connection with the company's acquisition of Vare Corporation in January. Mid-Continent expects that all of its outstanding shares will be transferred by the holders thereof to State Street Investment Corporation in exchange for shares of State Street, and that immediately following such transfer, Mid-Continent will be liquidated and its portfolio securities, including the 79,040 Microdot shares, transferred to State Street. When the transaction is completed, State Street will be substituted for Mid-Continent as the selling shareholder. Microdot has outstanding 4,088,197 common shares.

**WHITE HALL FARMS PROPOSES OFFERING.** White Hall Farms Inc., North Garden, Va. 22959, filed a registration statement (File 2-35038) with the SEC on October 16 seeking registration of investment contracts related to 30 Aberdeen Angus Cattle Managed Breeding Herds, to be offered for public sale at \$100,000 per herd. The offering is to be made through company officials and participating NASD members; the latter will receive a 7½% selling commission.

Organized in February, the company is engaged principally in the breeding of Aberdeen Angus breeding cattle. The company has outstanding 1,000 common shares, of which Billings K. Ruddock, president, and Ellen F. Ruddock, secretary, own 300 shares each and management officials as a group 100%.

**WALTER HELLER & CO. TO SELL DEBENTURES.** Walter E. Heller & Company, 105 West Adams St., Chicago, Ill. 60690, filed a registration statement (File 2-35040) with the SEC on October 16 seeking registration of \$30,000,000 of senior debentures, due 1989, to be offered for public sale through underwriters headed by Salomon Brothers, 60 Wall St., 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.

The company and its subsidiaries are engaged principally in furnishing financing services to business and industry and to a lesser degree in making personal installment loans. Net proceeds of its debenture sale will be added to the company's general funds and applied initially to the reduction of short term notes issued in the course of its financing activities. In addition to indebtedness, the company has outstanding 100 common shares, all of which are owned by Walter E. Heller International Corporation. Norman B. Schreiber is board chairman and Franklin A. Cole president.

**SOUTHWESTERN ELECTRIC PROPOSES RIGHTS OFFERING.** Southwestern Electric Service Company, 1012 Mercantile Bank Bldg., Dallas, Tex., filed a registration statement (File 2-35042) with the SEC on October 17 seeking registration of 33,895 shares of common stock, to be offered for subscription by common stockholders at the rate of one new share for each 13 shares held. The offering is to be made through Rauscher Pierce & Co., Inc. 1200 Mercantile Dallas Bldg., Dallas, Tex.; the subscription price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment. The underwriter has agreed to purchase the unsubscribed shares at the offering price; the company has agreed to pay the underwriter 25¢ per share offered plus 6% of the bid price for each share actually purchased by the underwriter. An electric utility, the company will apply the net proceeds of its stock sale toward reduction of some \$750,000 of short term obligations, incurred for general corporate purposes, including construction expenditures. It now has outstanding 440,632 common shares. Charles D. Goforth is president and board chairman.

**AGWAY PROPOSES OFFERING.** Agway Inc., 333 Butternut Drive, De Witt, N. Y., filed a registration statement (File 2-35043) with the SEC on October 17 seeking registration of \$4,000,000 of 6½% subordinated debentures, due 1989, \$4,000,000 of 6% subordinated debentures, due 1979, 20,000 shares of 6% cumulative preferred stock (\$100 par) and 10,000 shares of membership common stock. Of these securities, the membership common stock is to be offered for sale by the company at \$25 per share only to persons entitled to membership in the company (farmers and cooperative organizations of farmers who desire to do business with the company); the 6½% debentures are to be offered at 100% of principal amount only to members of the company. The preferred stock is to be offered for public sale at \$100 per share and the 6% debentures at 100% of principal amount, to both farmer and non-farmer patrons of the company. No underwriting is involved.

The company functions as an agricultural cooperative directly engaged in product manufacturing, processing and distribution, wholesale purchasing and the marketing of commodities for its farmer members and other patrons in the Northeast. Of the net proceeds of its financing, \$4,000,000 will be used for redemption of outstanding securities of the company, \$3,300,000 to reduce long term indebtedness, \$5,400,000 to finance a portion of replacement and additions to plant and equipment and \$2,000,000 for possible acquisitions; the balance will be used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 104,867 common shares. Harold G. Soper is board chairman and Jonathan Davis president.

**SOUTH CENTRAL BELL TELEPHONE TO SELL DEBENTURES.** South Central Bell Telephone Company, 701 S. 20th St., Birmingham, Ala. 35233, filed a registration statement (File 2-35044) with the SEC on October 17 seeking registration of \$125,000,000 of debentures, due 2001, to be offered for public sale at competitive bidding. A wholly-owned subsidiary of AT&T, the company will use the net proceeds of its debenture sale to repay some \$56,000,000 of advances from AT&T and \$46,000,000 of notes payable and for general corporate purposes, including construction expenditures.

**INTERNATIONAL LAND PROGRAM PROPOSES OFFERING.** International 1970 Land Program, Ltd. (the "Partnership"), Adams Petroleum Center, 6910 Fannin, Houston, Tex. 77025, filed a registration statement (File 2-35045) with the SEC on October 17 seeking registration of \$10,000,000 of partnership shares, to be offered for public sale at \$4,000 per share. No underwriting is involved; participating NASD members (including Ada Securities Corporation, an affiliate of the partnership) will receive a \$280 per share commission for up to 25 shares and for additional shares a commission computed on a sliding scale down to \$180 per share for each share in excess of 125 shares. The partnership was organized to invest in undeveloped real estate on a highly leveraged basis, which it will manage and hold for long-term capital appreciation. International Land Resources Inc., is the general partner and Ernest C. Hurst an existing limited partner. K. S. Adams, Jr., president and board chairman of the general partner, owns all of its outstanding capital stock.

**ADR'S FOR KAO SOAP FILED.** Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y. 10015, filed a registration statement (File 2-35046) with the SEC on October 16 seeking registration of dollar validated common stock of Kao Soap Co., Ltd., a Japanese company.

**FDI FUND TO SELL STOCK.** PDI Fund, Inc., 2 Overhill Road, Scarsdale, N. Y. 10583, filed a registration statement (File 2-35048) with the SEC on October 16 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum\*) with no sales load. The Fund was organized in October as a no-load mutual fund designed primarily as an investment vehicle for employee benefit plans and other institutions which are exempt from taxation on their investment income under the Internal Revenue Code. Its objective is principally to seek capital appreciation through growth of diversified common stock holdings, but it may also purchase securities for income purposes. PDI Management Corp. will serve as investment adviser and underwriter. Gabriel A. Valenzuela, board chairman of the Fund and vice president of the adviser, and George Handler, treasurer of the Fund and president of the adviser, own 45% each of the outstanding stock of the adviser; J. Perry Smith is president of the Fund and a director of the adviser.

**WESTOURS FILES FOR OFFERING AND SECONDARY.** Westours, Inc., 900 IBM Bldg., Seattle, Washington 98101, filed a registration statement (File 2-35049) with the SEC on October 17 seeking registration of 200,000 shares of common stock, of which 163,000 are to be offered for public sale by the company and 37,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Blyth & Co., Inc., Russ Building, San Francisco, Calif. 94104; the offering price (\$17 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in the business of organizing, operating and marketing scenic tours to Alaska and Western Canada. Of the net proceeds of its sale of additional stock, \$1,000,000 will be used as a down payment in the proposed acquisition of the cruise ship M.V. Cabo Izarra, whose total price is \$4,700,000, \$200,000 for refurbishing that ship and \$550,000 to finance the construction, equipping and furnishing of a new hotel at Whitehorse, Yukon Territory, Canada; 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 643,616 common shares, of which Charles B. West, president, owns 71.4% and management officials as a group 91.9%. West proposes to sell 37,000 shares of 459,360 shares held.

**PUBLIC SERVICE E&G TO SELL BONDS.** Public Service Electric and Gas Company, 80 Park Place, Newark, N. J. 07101, filed a registration statement (File 2-35050) with the SEC on October 17 seeking registration of \$60,000,000 of debenture bonds, due 1996, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will add the net proceeds of its sale of debentures and the proposed sale of 350,000 shares of preferred stock in December to its general funds to be used for general corporate purposes, including construction expenditures and payment of a portion of its unsecured short term obligations (of which \$104,100,000 were outstanding at September 30). Construction expenditures are estimated at \$254,000,000 in 1969, \$380,000,000 in 1970 and \$359,000,000 in 1971.

**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 savings and related stock plans:  
 Anderson Industries, Inc., Dallas, Tex. 75205 (File 2-35023) - 100,000 shares  
 The Travelers Corporation, Hartford, Conn. 06115 (File 2-35031) - 1,009,467 shares  
 Pratt & Lambert, Inc., Buffalo, N. Y. 14240 (File 2-35037) - 73,855 common and 3,446 Series A preferred shares  
 The Rouse Company, Baltimore, Md. 21210 (File 2-35039) - 175,000 shares  
 The Suburban Companies, Pomona, Calif. 91767 (File 2-35047) - 252,200 shares

**SECURITIES ACT REGISTRATIONS.** Effective October 21: Aabco Industries, Inc., 2-33249 (90 days); Alabama Power Company, 2-34952 (40 days); Alison Mortgage Investment Trust, 2-33543; Arthur D. Little, Inc., 2-33585 (40 days); Auric Corporation, 2-34557 (90 days); Michael Baker, Jr., Inc., 2-34123 (40 days); Becton, Dickinson and Company, 2-34945; The Cleveland Electric Illuminating Company, 2-35008; Collins & Aikman Corporation, 2-33944; Fanning Enterprises, Inc., 2-33450 (90 days); Foremost-McKesson, Inc., 2-34888 (40 days); Ferronics Inc., 2-32686 (90 days); General Educational Services Corp., 2-34296 (40 days); ICV Inc., 2-32480 (90 days); The Quaker Oats Co., 2-34907; Earl Scheib, Inc., 2-32868 (40 days); Southern California Edison Co., 2-34839; Southwest Forest Industries, Inc., 2-33188 (40 days); Taco Bell, 2-33173 (90 days); Tidewater Telephone Co., 2-33421 (40 days); United Nuclear Corporation, 2-34263 (40 days); Ward Foods, Inc., 2-32619 (40 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.