

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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FOR RELEASE October 29, 1969

HERLONG BECOMES SEC MEMBER. Albert Sydney Herlong, Jr., today took the oath of office as a Member of the Securities and Exchange Commission. He succeeds to the vacancy created by the recent resignation of Commissioner Francis M. Wheat, for the balance of the term ending June 5, 1971.

Until his retirement from Congress on January 3, 1969, Commissioner Herlong had served for twenty years as a Member of the Florida delegation to the House of Representatives. While in the House, he served on the Post Office, Civil Service and Agriculture Committees, and for the last 14 years on the Ways and Means Committee. After leaving Congress, he served as Consultant for the Association of Southeastern Railroads. Following graduation from the University of Florida (LL.B., 1930, later changed to JD.), Commissioner Herlong practiced law in Leesburg, Fla., for seven years; and from 1937-49 he served as County Judge, Lake County, Fla.

R. F. BURNS SUSPENDED. The SEC today announced a decision and order under the Securities Exchange Act (Release 34-8731) suspending Roland F. Burns, of Great River, N. Y. from association with any broker, dealer or investment adviser, for a period of 11 months for violations of the anti-fraud provisions of the Federal securities laws in the purchase and sale of U. S. Treasury securities. Burns waived a hearing; and solely for the purpose of settling the issues in these proceedings but without admitting the violations, he consented to Commission findings of violation and to the 11-month suspension.

According to the Commission's decision, for several years prior to April 1968 Burns, while employed as a government securities trader by a bank and in concert with others, used the bank's inventory of government securities for his own benefit, by causing purchases and sales of government securities to be made from and to the bank and broker-dealers, through secret accounts established with another bank and other firms, whereby he obtained secret trading profits for himself without the necessity of advancing or paying any personal funds, while concealing from his employer the nature of such transactions and his beneficial interests in them. Earlier this year, he consented to a court order of injunction against a continuance of the acts and practices complained of.

BANGOR HYDRO-ELECTRIC, OTHERS SEEK ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16504) giving interested persons until November 21 to request a hearing upon an application of Bangor Hydro-Electric Company ("Bangor"), Bangor, Me., Central Maine Power Company ("Central Maine"), Augusta, and Maine Public Service Company ("Maine Public"), Presque Isle, to acquire common shares of Maine Electric Power Company ("MEPCO"). Pursuant to an agreement of July 31, 1969, MEPCO assumed the rights and obligations of Central Maine under a 25-year Interconnection Agreement and a Power Agreement with The New Brunswick and Electric Power Commission ("New Brunswick EPC"), a statutory body created by the Province of New Brunswick, Canada. Under such agreements, MEPCO and New Brunswick EPC will build, maintain and operate a 345 kv transmission line from Keswick, New Brunswick, to Wiscasset, Maine, with MEPCO constructing the portion of the line from the Canadian border to Wiscasset which will there interconnect with the New England transmission grid. After the line is constructed, MEPCO will pay New Brunswick EPC for blocks of power to be delivered to the border and will be reimbursed at cost by the electric utilities in the New England region which have contracted to take power at the border. All mainland electric utility companies in Maine were offered an opportunity to participate in the ownership of MEPCO and all mainland electric utility companies in New England were offered the opportunity to purchase power at the border for transmission over the MEPCO portion of the line. Five Maine electric utility companies have agreed to purchase 20,000 MEPCO common shares (\$100 par) for an aggregate of \$2,000,000, as follows: Central Maine 15,587 shares (17.938%); Bangor 2,838 shares (14.188%); Maine Public 1,498 shares (7.49%); Rangeley Power Company, 43 shares (.216%); and Woodland Water & Electric Company, 34 shares (.168%). Three additional electric utility companies in Maine have only expressed an interest; should they decide to purchase common stock in MEPCO, there will be a reallocation of shares. Proceeds of MEPCO's stock sale will be used for initial expenses such as land acquisition, engineering, and preliminary construction. MEPCO expects to finance its remaining capital requirements, estimated at \$18,000,000, by an interim line of credit with banks for \$8,200,000 and later by a public sale of long term debt of up to \$18,000,000 to repay the bank loans and to provide the funds for the balance of the construction.

WISCONSIN GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16505) authorizing Wisconsin Gas Company, Milwaukee subsidiary of American Natural Gas Company, to issue up to \$22,000,000 of unsecured promissory notes to banks. It will use part of the proceeds of its financing to pay some \$7,000,000 of outstanding notes and the balance to finance its 1969 construction program.

CML VARIABLE ANNUITY ACCOUNT B SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5859) giving interested persons until November 7 to request a hearing upon an application of CML Variable Annuity Account B and Connecticut Mutual Life Insurance Company, Hartford, for exemption from certain provisions of the Act. Insurance Company established Account B as the facility through which it will set aside and invest assets attributable to variable annuity contracts.

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TRW INTERNATIONAL FINANCE CORP. SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5860) giving interested persons until November 19 to request a hearing upon an application of TRW International Finance Corporation, Cleveland, for exemption from all provisions of the Act. The company was organized in January 1968 as a wholly-owned subsidiary of TRW Inc., to finance the foreign business operations of TRW Inc. through the sale of Applicant's securities, including borrowings, outside the United States.

BORG-WARNER OVERSEAS CAPITAL CORP. SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5861) giving interested persons until November 18 to request a hearing upon an application of Borg-Warner Overseas Capital Corporation ("Capital Corporation"), Chicago, for exemption from all provisions of the Act. Capital Corporation is a wholly-owned subsidiary of Borg-Warner Corporation, it was formed by Borg-Warner for the purpose of making investments, including loans, in connection with various international operations of Borg-Warner and its subsidiaries outside the United States. It intends to issue for offer and sale outside the United States to non-United States purchasers not more than DM (Deutsche Mark) 100,000,000 principal amount (worth approximately \$25,000,000 American dollars) of bearer bonds.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and/or over-the-counter trading in the securities of Commonwealth United Corporation for the further ten-day period October 30 to November 8, 1969, inclusive.

GORDON JEWELRY PROPOSES EXCHANGE OFFER. Gordon Jewelry Corporation, Stewart Bldg., Houston, Tex. 77002, filed a registration statement (File 2-35110) with the SEC on October 23 seeking registration of a minimum of 14,213 and a maximum of 17,057 shares of Class A stock. It is proposed to offer these shares in exchange for 1,959 outstanding common shares (\$100 par) of The Star Engraving Company, at the rate of a number of Gordon shares having a value of \$250.48 for each Star share provided that the minimum number of Gordon shares to be offered for each Star share shall be 7.255 (equivalent to a value of \$34.525 per Gordon share) and that Gordon may cancel the exchange offer if the ratio would require Gordon to offer more than 8.707 of its shares (equivalent to \$28.768 per share) for each Star share. Gordon has also contracted to buy an additional 8,022 common shares of Star (80.4%) held by certain principal stockholders of Star and to issue up to 69,846 Gordon shares in exchange therefor.

Gordon operates a retail jewelry store chain in the United States through 234 stores and leased departments in 23 states, the District of Columbia and Puerto Rico. Star is engaged primarily in the manufacture and sale of class rings for senior students in high schools and colleges; it also manufactures and sells engraved paper products including announcements, calling cards and thank you cards for the same market. In addition to indebtedness, Gordon has outstanding 2,663,738 Class A and 2,238,362 Class B shares. Of its B shares, Harry B. Gordon, president, owns 34.78%, Aaron S. Gordon, executive vice president, 32.53% and I. L. Miller, senior vice president, 27.98%; management officials as a group own 95.29% of the B shares and 48.02% of the outstanding voting stock of Gordon.

GENERAL PUBLIC UTILITIES TO SELL DEBENTURES. General Public Utilities Corporation, 80 Pine St., New York, filed a registration statement (File 2-35111) with the SEC on October 23 seeking registration of \$50,000,000 of debentures, due 1974, to be offered for public sale at competitive bidding. A public utility holding company, the company will use the net proceeds of its debenture sale for additional investments in its subsidiaries for use by them for construction purposes; pending such investments, it may use part of such proceeds towards payment of \$58,300,000 of unsecured promissory notes which were issued in 1969 to provide funds for investment in its subsidiaries. Construction expenditures of the subsidiaries are estimated at \$260,000,000 for 1969 and \$650,000,000 for 1970-1971.

NIAGARA MOHAWK TO SELL BONDS. Niagara Mohawk Power Corporation, 300 Erie Blvd. West, Syracuse, N. Y. 13202, filed a registration statement (File 2-35112) with the SEC on October 23 seeking registration of \$75,000,000 of general mortgage bonds, due 1999, to be offered for public sale through underwriters headed by Drexel Harriman Ripley, Inc., 60 Broad St., and White, Weld & Co., 20 Broad St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its bond sale to pay some \$74,000,000 of outstanding short term debt incurred to meet construction costs and to finance in part the company's construction program. Construction expenditures are estimated at \$105,000,000 in 1969 and \$112,000,000 for 1970.

NOVA SCOTIA TO SELL DEBENTURES. Province of Nova Scotia (U.S. Agent: Hon. R. G. C. Smith, Canadian Consulate General, 680 5th Ave., New York 10019), filed a registration statement (File 2-35113) with the SEC on October 24 seeking registration of \$35,000,000 of sinking fund debentures, due 1994, to be offered for public sale through underwriters headed by Halsey, Stuart & Co., Inc., 123 S. LaSalle St., Chicago, Ill. 60690, and Royal Securities Inc., 2 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. Of the net proceeds of its debenture sale, the Province will use \$15,000,000 for industrial development (including loans to Industrial Estates Limited, a corporation wholly-owned by the Province), \$10,000,000 for highway construction and the remainder for general Government purposes and for loans to universities for capital purposes.

CAMBRIDGE APPRECIATION FUND PROPOSES OFFERING. The Cambridge Appreciation Fund, Inc., 18 East 48th St., New York 10017, filed a registration statement (File 2-35114) with the SEC on October 24 seeking registration of 200,000 shares of common stock, to be offered for public sale at net asset value (\$5 per share maximum*) plus a sales charge of 8.5% on purchases of less than \$10,000. Organized in May as The Profit Fund, Ltd., the Fund is an open end, non-diversified investment company of the management type. Its primary

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objective is capital appreciation. To meet this objective, the Fund may engage in such activities as borrowing limited sums to purchase securities, selling short, purchasing and selling warrants and rights, investing in special situations, trading for the short term and investing in unregistered stock. Objective Management Advisers, Inc., will serve as investment adviser and distributor of Fund shares. Joel A. Adler is president of the Fund and a director of the adviser and William R. Appleby, Jr., is secretary of the Fund; both are principal stockholders of the adviser.

FIRST CHARTER FINANCIAL FILES FOR SECONDARY. First Charter Financial Corporation, 9465 Wilshire Blvd., Beverly Hills, Calif. 90212, filed a registration statement (File 2-35115) with the SEC on October 24 seeking registration of 1,000,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10005, and two other firms. The offering price (\$44 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a savings and loan holding company and through a subsidiary is engaged in the business of lending money, principally secured by first liens on real estate in California, to enable borrowers to purchase, construct or refinance real property. It has outstanding 10,368,238 common shares, of which S. Mark Taper, board chairman and president, and certain family members and trusts own 48.6%. The Mark Taper 1969 Trust No. 1 (of which S. Mark Taper is beneficiary) proposes to sell 536,382 shares of 2,450,000 shares held and five others (including three trusts under the Will of Amelia Taper) the remaining shares being registered.

DYNAVEST FUND PROPOSES OFFERING. Dynavest Fund Inc., 9420 West Foster Ave., Chicago, Ill. 60656, filed a registration statement (File 2-35116) with the SEC on October 24 seeking registration of 1,500,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 8-3/4% on purchases of less than \$15,000. The Fund is a diversified, open-end management investment company, whose primary objective is capital appreciation. Dynavest Capital, Inc., a wholly-owned subsidiary of Dynavest Management Company, will act as investment adviser and DV Securities, Inc., as distributor of Fund shares. Robert D. Wicks, president of the Fund and of the adviser and distributor, owns 100% of DMC's outstanding Class B voting stock; the Class A non-voting stock is owned by 18 other shareholders not otherwise affiliated with the Fund.

NORTHERN STATES POWER PROPOSES OFFERING. Northern States Power Company (a Wisconsin corporation) 100 North Barstow St., Eau Claire, Wis. 54701, filed a registration statement (File 2-35117) with the SEC on October 24 seeking registration of \$10,000,000 of first mortgage bonds, due 1999, to be offered for public sale at competitive bidding. An electric utility subsidiary of Northern States Power Company (a Minnesota corporation), the company will use the net proceeds of its bond sale to prepay part of the \$11 million of bank loans, expected to be outstanding at the date of issuance of the new bonds, which were incurred in connection with its construction program. Construction expenditures are estimated at \$13 million for 1969 and \$34 million for the four-year period 1970-73.

CONVENIENCE PRODUCTS TO SELL STOCK. Convenience Products Corp., 218 Little Falls Road, Cedar Grove, N.J. 07009, filed a registration statement (File 2-35118) with the SEC on October 24 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6 per share. No underwriting is involved.

The company was organized in March to produce and market personal and household products in packets intended to make them more convenient to handle and use in small quantities. The initial products will consist principally of cosmetics to be packaged as saturated pads in foil envelopes. Of the net proceeds of its stock sale, \$150,000 will be used for promotion (principally advertising); the balance will be used for the company's general corporate purposes. The company has outstanding 177,800 common shares (with a 63¢ per share net tangible book value), of which Kenneth Burgher, president, owns 39.4% and management officials as a group 58.5%. Purchasers of the shares being registered will acquire a 36% stock interest in the company for their investment of \$600,000; the present shareholders will then own 64%, for which they paid \$116,700.

NYSE ASKED TO SUPPLEMENT PUBLIC OWNERSHIP PROPOSAL. The SEC today made public a letter from its Division of Trading and Markets to the New York Stock Exchange requesting that the Exchange supplement its proposal to allow public ownership of member corporations with an explanation of the basis for the proposed conditions to such ownership. For details of the Division's letter, see Release 34-8734.

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 October 9 News Digest.

8K's for Sept 69

Amtel Inc(2,13)	1-5826-2	Columbia Pictures Industries Inc	
Financial General Corp(11,13)	1-3272-2	(7,13)	1-3108-2
First National Realty & Construction Corp		Empire State Oil Co July 69(8,12)	
Aug 69(7,9)	1-441C-2	Jun 69(8) & May 69(11,12)	0-666-2
Presidents-First Lady Spa Inc		Lane Industries Inc Mar 69(2,7,	
(12,13)	2-31666-2	13)	2-30267-2
Telautograph Corp(12)	1-632-2	Price-Meyers Corp Jun 69(8)	2-31565-2
Yard-Man Inc(4,11,12,13)	0-1884-2	Studebaker-Worthington, Inc(13)	1-5579-2

AK's for Sept 69 Cont'd

Clark Equipment Credit Corp(11, 13)	2-17988-2	Development Corp of America(12)0-3175-2
Clark Equipment Overseas Finance Corp (11,13)	1-5220-2	First Executive Corp(9,12,13)0-3042-2
Curtiss Wright Corp(3)	1-134-2	G-L Industries Inc(12,13)
Investors Diversified Services Inc (12)	1-5226-2	International Harvester Co(12, 13)
Philips Industries Inc(2,4,7,11, 13)	1-5146-2	Lehigh Coal & Navigation Co(7)0-1760-2
Software Systems Inc(2,13)	0-3277-2	Merck & Co Inc(12,13)
Thermotech Ind Inc(12,13)	0-1309-2	Rouse Co(7,13)
Allied Chemical Corp(7)	1-1269-2	Brown Co(6)
Consumers Power Co(3,13)	1-5611-2	Stanley Aviation Corp(11)
FR Corp Apr 69(2,11,13)	2-6428-2	Telectro-Mek Inc Aug 69(3,13)1-6130-2
Glen Alden Corp(7,8,12,13)	1-5448-2	Tyco Laboratories Inc(8)
Long Island Lighting Co(7,13)1-3571-2		Williamhouse-Regency Inc(2,7,12, 13)
Allied Management & Systems Corp (2,13)	2-31194-2	A & E Plastik Pak Co Inc(12, 13)
Coburn Corp of America Jun 69 (7,8)	1-4730-2	Allied Mills Inc(11)
Economy Finance Corp(7,8)	0-2352-2	Elba Systems Corp(7,11,13)
General Development Corp(7,12)1-4080-2		Green Giant Co(4)
Insley Mfg Corp(1,12)	0-2581-2	Hercules Inc(2,7,12,13)
Kysor Industrial Corp(11,13)	1-3609-2	Ramada Inns Inc(12)
Netcom Inc(2,7,13)	0-1598-2	Gray Communications Systems Inc(11, 12,13)
Penrose Industries Corp June 69 (2,13)	1-1277-2	King Radio Corp(3,13)
Texstar Corp(3,7)	1-4229-2	Methode Electronics Inc(11,13)0-2816-2
Dendix Corp(13)	1-952-2	Pacific Coast Holdings Inc(7)0-935-2
Block Engineering Inc(11)	0-3999-2	Pacific & Southern Broadcasting Co Inc (12)
Cle-Ware Industries Inc(12,13)0-1683-2		Pocono Downs Inc Apr 69(3,7,11, 12,13)
Commonwealth Gas Co(12)	0-728-2	Roosevelt National Investment Co and Roosevelt National Life Ins Co of America(2,11,13)
Eastern Air Lines Inc(7,8)	1-3049-2	Western Nuclear Inc(7,8)
Fortuna Corp(1)	0-1972-2	H & R Block Inc(2,3,13)
Greenman Brothers Inc Aug 69 (4,12,13)	1-6083-2	Dana Corp(8)
John Roberts Inc(3)	0-3531-2	Gladding Corp(2,13)
Beacon Resources Corp(7,12)	2-26079-2	Great Western United Corp(11)1-5443-2
Chicago Milwaukee St Paul & Pac RR Co (12,13)	1-3288-2	H J Heinz Co(4,11,13)
Contico International Inc(11, 12,13)	0-4001-2	Jersey Central Power and Light Co (10)
		Lane Co Inc(2,7,13)

SECURITIES ACT REGISTRATIONS. Effective October 28: American Health Services, Inc., 2-32864 (90 days); American Standard Inc., 2-34708; Atlantic Information Systems, Inc., 2-34322 (90 days); Automatic Data Processing, Inc., 2-35033; Robert Bruce, Inc., 2-34713 (Jan 26); Coldwell, Banker & Co., 2-34620 (40 days); Consumers Power Co., 2-34951; Donovan Companies, Inc., 2-33428 (Jan 26); Ecology Industries, Inc., 2-33311 (90 days); The Fairall Co., 2-32558 (90 days); Franklin Realty, 2-33958; Holiday Airlines, Inc., 2-32963 (90 days); Iowa Electric Light and Power Co., 2-34689; Laser Energy, Inc., 2-33993 (90 days); The L. E. Myers Co., 2-34440 (90 days); Modern Maid Food Products, Inc., 2-34838 (90 days); Northern Natural Gas Co., 2-35024; Northwest Cattle & Resources, Inc., 2-31547 (90 days); Ocean Data Equipment Corp., 2-33448 (90 days); Quality Acceptance Corp., 2-32568 (90 days); Roosevelt National Investment Co., 2-34494 (40 days); Splentex, Inc., 2-33842 (90 days); Tektronix, Inc., 2-34015; Trailer Equipment Distributors, Inc., 2-34265 (90 days); Union Capital Fund, Inc., 2-33566; Vari-Care, Inc., 2-33374 (90 days); Walls Industries, Inc., 2-33344 (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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