

# 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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FOR RELEASE October 25, 1968

**COMMISSION RATE HEARING SCHEDULE.** The hearing on the stock exchange commission rate structure will resume at 10:00 a.m., Wednesday, October 30, 1968. On that day and through Friday, November 1st, the hearing will be held in Hearing Room "A", The Dodge House, 20 E Street, Washington, D. C. Testimony will be given on the necessity or justification for the fixing of rates of commission (including intra-member rates) and the standards for measuring the reasonableness of such rates. Professor Paul A. Samuelson will testify at 10:00 a.m. Wednesday, October 30, 1968 and Professor William Baumol, a consultant to the Anti-Trust Division of the United States Department of Justice, will testify at 2:00 p.m. that day; Professor H. Michael Mann, Economic Consultant in the Anti-Trust Division, will testify at 10:00 a.m. Thursday, October 31; Professor Henry C. Wallich will testify at 1:30 p.m. that day; and Professor Harold Demsetz, a consultant to the Anti-Trust Division, will testify at 10:00 a.m. Friday, November 1, 1968.

**MICHIGAN CONSOLIDATED GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16194) authorizing Michigan Consolidated Gas Company, Detroit subsidiary of American Natural Gas Company, to issue and sell to banks from time to time up to \$20,000,000 of promissory notes outstanding at any one time. The funds will be used to finance, in part, the company's 1968-1969 construction program, estimated at \$42,000,000 for 1968.

**ALLEGHENY POWER SUBSIDIARIES RECEIVE ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16195) approving an adjustment of ownership interests in Unit No. 1 of the Fort Martin electric generating station near Morgantown, W. Va., now owned by two subsidiaries of Allegheny Power System, Inc., Monongahela Power Company and The Potomac Edison Company, and a third non-affiliated company, Duquesne Light Company, and in a second unit now being constructed by Monongahela, Potomac and a third subsidiary of Allegheny, West Penn Power Company.

**ADAMS EXPRESS SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5523) giving interested persons until November 14 to request a hearing upon an exemption application filed by The Adams Express Company ("Adams") and American International Corporation ("AIC"), both of New York, with respect to transactions incident to the proposed merger of AIC and Adams, with Adams to continue as the surviving company. Adams owns 75.33% of AIC's outstanding common stock. The same individuals comprise the officers and directors of the two companies. Pursuant to the plan of merger adopted by the board of directors of each company September 10, each share of AIC common stock outstanding on the effective date of the merger (other than shares owned by Adams) will be converted into the number of shares of Adams common stock determined by dividing the net asset value per share of AIC common by the net asset value per share of Adams common.

**NATIONAL HARDGOODS DISTRIBUTORS FILES FOR OFFERING AND SECONDARY.** National Hardgoods Distributors Inc., 1328 Centre St., Newton Center, Mass. 02159, filed a registration statement (File 2-30537) with the SEC on October 23 seeking registration of 200,000 shares of common stock, of which 70,000 shares are to be offered for public sale by the company and 130,000 (being outstanding shares) by the present holders thereof. The offering is to be made by Gregory & Sons, 40 Wall St., New York 10005; the offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter up to \$20,000 for expenses and to sell it, for \$170, six-year warrants to purchase 17,000 common shares.

The company is engaged in the retail sale of hard goods through leased departments in self-service discount department stores. Net proceeds of its sale of additional stock will be used to reduce short-term bank indebtedness incurred to finance both the opening of new departments and the purchase of inventory. In addition to indebtedness, the company has outstanding 880,000 common shares, of which Sheldon M. Woolf, president, and Martin E. Feldman, executive vice president, own 22.4% each. Benjamin M. Woolf and David M. Woolf propose to sell 47,403 and 19,362 shares, respectively, of 51,171 and 39,362 shares held, respectively, and ten others the remaining shares being registered.

**SCOVILL MANUFACTURING FILES FOR SECONDARY.** Scovill Manufacturing Company, 99 Mill St., Waterbury, Conn. 06720, filed a registration statement (File 2-30538) with the SEC on October 23 seeking registration of 265,000 shares of \$2.50 preferred stock, Series A (each share convertible into 1.22 common shares, initially at \$60 per share). The shares are to be offered for public sale by the present holders thereof through Morgan Stanley & Co., 140 Broadway, and Kidder, Peabody & Co. Inc., 20 Exchange Pl., both of New York 10005. The offering price (\$75 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of a wide variety of products for industrial, home building and construction, consumer, defense and international markets. In addition to indebtedness and preferred stock, the company has outstanding 3,205,732 common shares, of which management officials as a group own 3.2%. Of the 1,146,748 Series A preferred shares outstanding, the Corbett Foundation owns 21.8% and J. Ralph and Patricia A. Corbett 5.55% and 5.74%, respectively; the Foundation proposes to sell 200,000 of 250,000 shares held, Ralph and Patricia Corbett 25,000 each of 63,694 and 65,782 shares held, respectively. Malcolm Baldrige is president.

OVER

**CARTER GROUP PROPOSES OFFERING.** The Carter Group Inc., 136 East 55th St., New York 10022, filed a registration statement (File 2-30539) with the SEC on October 23 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1993, 300,000 shares of common stock, and warrants to purchase 150,000 common shares. These securities are to be offered for public sale in units, each consisting of a \$1,000 debenture, 20 shares and warrants to purchase 10 shares. The offering is to be made through underwriters headed by D. H. Blair Securities Corporation, 66 Beaver St., New York 10004; the interest rate on the debentures, offering price (\$2,200 per unit maximum\*) and underwriting terms are to be supplied by amendment. Blair Securities has acquired 60,000 common shares at \$2 per share.

The company was organized on September 27 "to provide in one entity the fiscal and conceptual integration of the investment banking function with the acquisition and management of industrial companies." Management officials believe that it is desirable to create a publicly owned corporation which would use the investment banking and financial advisory skills and experience of its officers and directors to aid in the financial management of client companies, and to acquire operating companies which can advantageously make use of these same investment banking skills. The company proposes to acquire such operating companies either for cash or securities of the company; and the net proceeds of this financing will be used in such business activities (except that \$300,000 may be used for operating expenses). The company now has outstanding 557,500 common shares for which \$1,115,000 has been paid; management officials own 497,500 shares. Arthur L. Carter is president and Kenneth S. Rosen executive vice president.

**UNITED ARTISTS THEATRE CIRCUIT FILES FOR SECONDARY.** United Artists Theatre Circuit, Inc., <sup>1/</sup> filed a registration statement (File 2-30540) with the SEC on October 23 seeking registration of 260,935 outstanding shares of common stock. The holders thereof propose to offer the shares for public sale from time to time at prices current at the time of sale (\$27.75 per share maximum\*). No underwriting is involved. <sup>1/</sup> (of 60 East 42d St, New York 10017).

The company is engaged principally in motion picture exhibition, primarily in California, New York, Texas and Wisconsin. In addition to indebtedness, it has outstanding 1,528,764 common shares, of which management officials as a group own 55.01%. Marshall Naify is president. Members of the Skouras family (Spyros S. Skouras is a director) propose to sell 177,435 of 237,171 shares held; the balance of the shares being registered are to be sold by seven others (including 25,000 each by two officers).

**FLORIDA POWER & LIGHT TO SELL BONDS.** Florida Power & Light Company, 4200 Flagler St., Miami, Fla. 33134, filed a registration statement (File 2-30542) with the SEC on October 24 seeking registration of \$50,000,000 of first mortgage bonds, due 1998, to be offered for public sale at competitive bidding. An electric utility, the company will use the net proceeds of its sale of bonds for construction and other corporate purposes, including repayment of an estimated \$17,000,000 of short-term borrowings made in 1968 for such purposes. Construction expenditures for 1968-69 are estimated at \$327,700,000.

**MISSISSIPPI POWER TO SELL PREFERRED.** Mississippi Power Company, Gulfport subsidiary of The Southern Company, filed a registration statement (File 2-30543) with the SEC on October 24 seeking registration of 50,000 shares of \$100 par preferred stock, to be offered for public sale at competitive bidding. Net proceeds of the sale of such stock will be applied to the reduction of outstanding bank notes, which were incurred for construction purposes and are expected to approximate \$7,500,000 on December 31. Construction expenditures for 1968-70 are estimated at \$41,075,000.

**NORTHERN NATURAL GAS PROPOSES FINANCING.** Northern Natural Gas Company, 2223 Dodge St., Omaha, Nebr. filed registration statements with the SEC on October 24 seeking registration of 150,000 shares of cumulative preferred stock, \$100 par (File 2-30545) and \$40,000,000 of sinking fund debentures, due 1988 (File 2-30546). These securities are to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005; the interest rate on the debentures, dividend rate on the stock, offering prices (\$102 per share maximum\*) and underwriting terms are to be supplied by amendment. The company will use the net proceeds of its financing to repay short-term loans incurred in connection with the 1968 expansion program of the company and its subsidiaries. Construction expenditures for 1968 are estimated at \$137 million.

**KOTKIN ASSOCIATES FILES FOR SECONDARY.** Lawrence Kotkin Associates, Inc., 40 Exchange Pl., New York 10005, filed a registration statement (File 2-30541) with the SEC on October 23 seeking registration of 225,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Pressman, Frohlich & Frost Inc., 140 Broadway, New York 10005. The offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The selling stockholders have agreed to pay the underwriters up to \$15,000 for expenses and to sell the Pressman firm, for \$202.50, five-year warrants to purchase 20,250 common shares. The selling stockholders also have agreed to sell to Bressler & Meislin, counsel to the company and the selling stockholders, for \$56.25, like warrants to purchase 5,625 common shares.

The company is a broker-dealer registered with the SEC and is engaged in the business of acting as broker or dealer for the purchase and sale of put and call options. It has outstanding 650,000 common shares, of which Lawrence Kotkin, president, and Catherine Shulman (wife of Samuel Shulman, vice president), own 50% each. They propose to sell 112,500 shares each.

**BONNEY FILES PLEA.** The SEC Fort Worth Regional Office announced October 22 (LR-4140) that William C. Bonney of Oklahoma City entered a "nolo" plea to an indictment charging violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of bonds of Liberty Plan of America, Inc.

**SEC CITES WIDE INC., CONTINENTAL MTGE., OTHERS.** The SEC Fort Worth Regional Office announced October 22 (LR-4141) the filing of an action in the U. S. District Court in Kansas City, Mo., seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws by the following in connection with their transactions in stock of W.I.D.E., Inc.: W.I.D.E., the issuer, Continental Mortgage Co., Inc., Clemens Alexander, Jr., Mark V. Corporation, and Byron E. Prugh, all of Kansas City, and James W. Brewer, of Oklahoma City.

**STOCK ACQUISITION STATEMENTS FILED.** Acquisition statements of persons owning more than a 10% interest in the following issuers have been filed with the SEC during the week ending October 18:

<u>Issuer</u>	<u>Acquiring Firm or Individual</u>
Mallory Randall Corp.	Jerome Lewis
Eastern Air Devices, Inc.	Nytronics, Inc.
Cap-Roc, Inc.	Duplan Corp.
Ash Grove Cement Co.	Oregon Portland Cement Co.

**GEODATA SYSTEMS PROPOSES OFFERING.** Geodata Systems, Inc., 1228 West Collins Ave., Orange, Calif., filed a registration statement (File 2-30547) with the SEC on October 24 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through Myron A. Lomasney & Co., 67 Broad St., New York 10004, which will receive a \$1 per share commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$500, five-year warrants to purchase 5,000 common shares, exercisable initially (after one year) at \$12 per share. The company and the underwriter have agreed to pay a total of \$10,000 and \$5,000, respectively, to Empire Trust Company, New York, and Bruce Juell in consideration for their services as finders.

Organized originally under California law in March 1966, the company provides advanced exploration services to the extraction industries, particularly the mining industry and others engaged in the search for natural resources. Of the net proceeds of its stock sale, \$100,000 will be used for marketing and sales development of the company's new technical services, including its mobile geochemical laboratories, \$250,000 to hire and train some 20 scientific and technical personnel with advance degrees in geology, geochemistry and geophysics, \$125,000 to acquire and customize 3,000 square feet of laboratory and home office facilities and to establish and equip the 3 branch offices with laboratory and office equipment, \$100,000 to complete the existing mobile geochemical laboratory and to purchase, customize, equip and field test a second such laboratory, and \$200,000 to purchase capital equipment for its main laboratory, data processing facility and drilling operations; the balance will be added to working capital. The company has outstanding 95,000 common shares (with a \$2.55 per share book value), of which Frederick W. Tahse, Jr., president and board chairman, owns 12.7%, John M. Beardsley, vice president, 17.4%, and management officials as a group 36.4%. Upon completion of this offering, the present shareholders will own approximately 48.7% of the outstanding common stock, for which the company received \$241,956, or \$2.55 per share, while the purchasers of the shares being registered will own 51.3%, for which they will have paid \$1,000,000, or \$10 per share.

**MECCA COMPUTER SYSTEMS PROPOSES OFFERING.** Mecca Computer Systems, Inc., 1200 Simms Bldg., Albuquerque, New Mexico 87101, filed a registration statement (File 2-30548) with the SEC on October 24 seeking registration of 600,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a "best efforts" basis through Shoemaker & Co., Inc., 110 Park Ave., Oklahoma City, Okla. 73102, which will receive a 20¢ per share selling commission plus \$24,000 for expenses. The company has granted the Shoemaker firm six-year warrants to purchase 60,000 common shares, exercisable after one year at \$2.50 per share.

Organized under New Mexico law in July 1968, the company intends to engage in the following areas of the computer business: computer acquisition and leasing, service bureau operations and programming and consulting services. Net proceeds of its stock sale will be used for the purchase of computers and auxiliary equipment for lease to others, for the purchase and/or lease of computer and auxiliary equipment for use by the company and for working capital. The company has outstanding 90,500 common shares (with a \$1.83 per share book value), of which John B. Mattson, Jr., president, owns 27.9%, John Blackburn, vice president 22.3%, J. C. Cravens 13.8%, and Capital, Inc., 19.2%. Henry Lewis is board chairman. Upon completion of this offering, the present shareholders will own 13% of the outstanding common stock, for which the company received \$166,000 cash and certain computer programming packages and materials developed by Mattson and Blackburn valued at \$40,000, while the purchasers of the shares being registered will own 87%, for which they will have paid \$1,200,000.

**FOUR TRADING BANS CONTINUED.** The SEC has ordered the suspension of exchange and/or over-the-counter trading in securities of Stanwood Oil Corporation for the further ten-day period October 26 to November 4, inclusive, in the securities of BSF Company and Mountain States Development Company for the further ten-day period October 27 to November 5, inclusive, and in securities of Mooney Aircraft, Inc., for the further ten-day period October 28 to November 6, 1968, inclusive.

**AMERICAN ELECTRIC POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16196) with respect to a proposal of American Electric Power Company, Inc. ("AEP"), New York holding company, to cause Michigan Gas and Electric Company ("MGE"), a 98.2% owned subsidiary, to sell its gas properties and certain related assets to Michigan Gas Utilities Company ("MGU"), Monroe, Mich. For this purpose AEP proposes to organize MacLane Gas Company ("MGC"), which will purchase the MGE gas properties for \$20,696,456. On the date of closing, MGC will sell to AEP \$10,000,000 principal amount of demand notes and 4,000,000 common shares for a consideration equal to the purchase price (\$20,696,456), less the principal amount of the demand notes. AEP will transfer to MGU, for cash, such MGC demand notes and common stock at the same price, plus the incidental costs of incorporating MGC.

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 7 News Digest.

Big Horn Powder River Corp Jun 68(2,13)	0-2337-2	C I T. Financial Corp Sept 68(7,13)	1-1861-2
Computdyne Corp Sept 68(2,13)	1-4245-2	Continental Food Mkts of Cal Inc Aug 68(9)	0-1941-2
Algemene Kunstzijde Unie NV (6K) Sept 68	1-3774-2	The Cyclotron Corp Sept 68(7)	0-2554-2
Bio-Dynamics Inc Sept 68(12)	0-3169-2	KDI Corp Sept 68(2,7,13)	0-2556-2
Buehler Corp Aug 68(4,7,8,11,13)	0-1108-2	Buffalo Forge Co Sept 68(12)	1-3165-2
Daryl Inds Sept 68(2,12,13)	1-4321-2	Coburn Corp of America Sept 68(7,8)	1-4730-2
Hawaiian Elec Co Inc Sept 68(11,13)	1-4955-2	Fedders Corp Aug 68(12)	1-2150-2
Michigan Gas & Elec Co Sept 68(12,13)	0-355-1	Acushnet Process Co Sept 68(12)	0-2535-2
Data Technology Corp Sept 68(11)	2-29265-2	Energy Resources Corp Jun 68(2,13)	0-1917-2
Freeport Sulphur Co Sept 68(13)	1-605-2	Guaranty Financial Corp Sept 68(2,9)	0-1539-2
Glastron Boat Co Apr 67(2,8,13)	2-16016-2		
Amtel Inc Sept 68(2,7,12,13)	0-1095-2	Appollo Inds Inc Sept 68(11)	1-1677-2
Cuneo Press Inc Sept 68(7,13)	1-1104-2	Garan Inc Sept 68(7)	1-4506-2
Ex-Cello Corp Sept 68(7)	1-1334-2	W R Grace & Co Sept 68(7,8)	1-3720-2
Daylin Inc Oct 68(2,13)	1-5018-2		
American Standard Inc Sept 68(7)	1-470-2	Bunker-Ramo Corp Sept 68(12)	1-4158-2
Automation Inds Inc Sept 68(2,11,13)	1-5655-2	Condec Corp Sept 68(7,8,13)	1-3899-2
Commercial Acceptance Corp Sept 68(11,13)	0-1874-2	Foster Wheeler Corp Sept 68(12,13)	1-286-2
Diversified Metals Corp Sept 68(2)	1-5490-2	DPA Inc Jul 68(11,13)	0-2061-2
Electronic Assistance Corp Sept 68(2,13)	1-4338-2	Aero Chattillion Corp Sept 68(3)	1-5592-2
Electronic Specialty Co Sept 68(1,3)	1-4240-2	American Tobacco Co Aug 68(2,13)	1-92-2
Household Finance Corp Sept 68(2,4,7,13)	1-75-2	Chester Electronic Laboratories Inc Sept 68(7,8)	0-1774-2
St Louis San Francisco Ry Co Sept 68(7,8)	1-3404-2	Empire Life Ins Co Sept 68(7,9)	2-20749-2
		CNA Financial Corp Oct 68(12,13)	0-3065-2
		Aero-Flow Dynamics Inc Sept 68(12)	1-690-2
		American Electronics Inc Sept 68(2,7,8,12,13)	1-3954-2
		Candeub Fleissig & Associates Oct 68(12)	2-29430-2
		Great Western United Corp Sept 68(11,12)	1-5443-2
		Lortogs Inc Sept 68(1,12,13)	0-1703-2

SECURITIES ACT REGISTRATIONS. Effective October 24: Belco Petroleum Corp., 2-29596 (40 days); Budget Industries, Inc., 2-30442 (40 days); Central Transformer Corp., 2-29556; Consumers Water Co., 2-29302 (90 days); Clevepak Corp., 2-29839 (90 days); Data-Ram Corp., 2-29934 (90 days); Eckerd Drugs of Florida, Inc., 2-29683; Flowers Industries, Inc., 2-29849 (90 days); Jaclyn, Inc., 2-29970 (90 days); Papercraft Corp., 2-29898 (40 days); Paramount Packaging Corp., 2-30180 (90 days); Polychrome Corp., 2-30122 (Dec 3); The Polymer Corp., 2-29389; Presido Oil Funds, Inc., 2-29699 (90 days); SMC Investment Corp., 2-30224 (Jan 22); SAGA Administrative Corp., 2-29836 (90 days); Sea Containers Inc., 2-29822 (90 days); Specialty Restaurants Corp., 2-29698 (Jan 23); Teaching Technology Corp., 2-29913 (90 days).  
Effective October 22: Tassette, Inc., 2-28891 (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.