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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WORK LOAD PROMPTS EXPEDITED PROCESSING PROCEDURES. The SEC today announced that it had invited the cooperation of the industry, the bar, underwriters, accountants and other experts in a program which will assist the Commission's staff in its processing of the increased volume of registration statements filed under the Securities Act of 1933.

The work load of the Commission's Division of Corporation Finance has greatly increased recently due in part to the substantial increase in the number of filings of registration statements under the Securities Act of 1933. 2,473 registration statements were filed in the fiscal year ending June 30, 1968 as compared to 1,543 in 1967. For the first quarter of fiscal 1969, 840 registration statements were filed as compared to 507 for the like period in 1968. There has also been a substantial increase in the number of registration statements filed by issuers which never before have been subjected to the registration process. For example, of the 840 registration statement filings in the first quarter of fiscal 1969, 414 were filed by such issuers as compared to 149 for the first quarter of 1968. These filings most often require time-consuming review by the staff. The substantial increase in the volume of filings, and the high percentage of new filings, have resulted in a lengthening of the period between the filing and effective dates of registration statements. Further, as a result of the Securities Act Amendments of 1964 approximately 3,200 additional companies became subject to the Commission's proxy rules. The number of definitive proxy statements filed with the Commission has increased from 2,661 in fiscal 1964 to 5,244 in fiscal 1968. The review of these filings has fallen almost entirely on the Division of Corporation Finance.

The backlog of registration statements to be processed by the staff of that Division has now reached an unprecedented high (852 as of October 31, 1968 as compared to 410 at October 31, 1967) because of the enormous increase in the number of filings and accompanied at the same time by a reduction of personnel in the Division due to budgetary cuts. While proposals for meeting this problem have been under constant study by the Commission and its staff and certain steps have been taken from time to time to that end, further measures now must be taken to reduce the backlog. Of course, the statutory standards of disclosure remain unchanged.

For new procedures, see Release 33-4934.

MISSISSIPPI POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16216) authorizing Mississippi Power & Light Company ("MP&L"), Jackson subsidiary of Middle South Utilities, Inc., to transfer $3,100,000 (or $1 for each of 3,100,000 outstanding common shares) from earned surplus to the common stock capital account. At August 31, 1968, the common stock capital and earned surplus of MP&L amounted to $58,900,000 and $13,473,890, respectively. Giving effect to the proposed transfer, common stock capital would be increased to $62,000,000 and earned surplus would be reduced to $10,373,890. The transfer is proposed for the purpose of effectuating a permanent capitalization of a portion of the company's earned surplus.

UNITED SAVINGS LIFE INSURANCE PROPOSES OFFERING. United Savings Life Insurance Company of Illinois, 120 East Ogden Avenue, Hinsdale, Ill., filed a registration statement (File 2-30757) with the SEC on November 18 seeking registration of 588,236 shares of common stock, of which 350,000 shares are to be offered for public sale at $3 per share. Of the remaining shares, 150,000 are to be reserved for sale to the Agency Director, Regional Managers, certain employees, consultants and other persons designated by management, and 88,236 for sale to United International Corporation, all at the public offering price. The offering is to be made by company officials and licensed salesmen appointed by the company; the latter will receive a 30¢ per share commission.

Organized under Illinois law in September 1968 as a stock legal reserve life insurance company, the company proposes to issue and sell the forms of life and disability insurance traditionally sold by life insurance companies. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. The company has outstanding 349,300 common shares, of which George T. Sloan, President, and United International Corporation own 28.6% each, and Richard T. Christoph, a director, and Earl A. Bowers, vice president, 11.5% each. John T. Sharpe is board chairman. Upon completion of this offering, the organizers and directors of the company will own 349,300 common shares, for which they paid $2.55 per share; while the purchasers of the shares being registered will own 588,236, for which they will have paid $1,764,708*.

DIRECTORY OF REPORTING COMPANIES. A new directory of companies which file annual reports with the Commission is available for purchase from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402, at a cost of $2.25 per copy. The directory covers 5,942 companies filing reports under the Securities Exchange Act of of December 1967; it also includes some companies which registered in the first six months of 1968. For further information, see Release 34-8457.

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TAPEWATCHER COMPUTER TO SELL STOCK. Tapewatcher Computer Corporation, 3 Park Row, New York, N. Y. 10038, filed a registration statement (File 2-30764) with the SEC on November 19 seeking registration of 100,000 common shares, to be offered for public sale at $7.50 per share. The offering is to be made through NASD members, who will receive a $.375 per share selling commission; company officials and employees also will assist in the offering.

The company was organized under New York law in August for the purpose of manufacturing and marketing the "Tapewatcher," a small computer designed to monitor electronically coded data transmitted from distant locations, to perform pre-selected operations upon and to store portions of such data and to alert the user upon the occurrence of pre-specified events with respect to such data. The first application of the Tapewatcher is to monitor stock market quotations and to alert the user when pre-programmed events occur with respect to certain user-selected stocks. The Tapewatcher was invented by Professor Sidney Epstein, company president, who transferred to the company his rights in and to the same (including a patent relating to the device), for which he received 55,000 common shares and was paid $20,000. Of the net proceeds of its stock sale, the company intends to utilize $250,000 to complete and test the prototype of the Tapewatcher presently being built and to establish manufacturing facilities for the unit when such testing has been completed, about $200,000 is expected to be used in advertising, promotion and initial marketing efforts and the balance added to working capital and used for general corporate purposes, including initial salaries for additional personnel. The company now has outstanding 200,000 common shares (with a 76¢ per share book value), of which Epstein owns 17.5%, Charles Plohn & Co., 12% and management officials as a group 37.7%. Upon sale of the 100,000 shares being registered the purchasers will own a 33% stock interest in the company for an investment of $750,000 whereas present stockholders will own 66%, for which they paid about $150,000.

MICHIGAN AVENUE FINANCIAL GROUP FILES EXCHANGE PLAN. Michigan Avenue Financial Group, Inc. ("Financial Group"), 30 North Michigan Avenue, Chicago, Ill., filed a registration statement (File 2-30765) with the SEC on November 19 seeking registration of 279,176 shares of common stock. It is proposed to offer these shares in exchange for shares of The Michigan Avenue National Bank of Chicago ("Bank") on a share-for-share basis. The exchange offer is contingent upon acceptance by holders of 80% of Bank shares.

The company was organized under Delaware law in September 1968 for the purpose of becoming a one bank holding company. It is contemplated that the wholly-owned subsidiaries of Bank, Town & Country Travel, Inc., and Michigan Avenue National Bank Leasing Company, will also become subsidiaries of Financial Group in the near future, either by purchase or by a dividend of the stock of these two subsidiaries from the Bank to Financial Group. Management is said to believes that the holding company will afford a vehicle for future growth in the acquisition of compatible financial institutions such as a savings and loan company, an insurance company, a factoring organization, and the like. Bank is a national banking association serving the metropolitan area of Chicago; it has outstanding 273,558 capital shares, of which Walter F. Mullady (board chairman of Financial Group), family members and corporations controlled by him, own, directly or indirectly, 21%, John Brown Cook (a director of Financial Group), family members and corporations controlled by him, 11%. Richard L. Curtis is president of Financial Group and of the Bank.

LEASING CONSULTANTS TO SELL DEBENTURES. Leasing Consultants Incorporated, 95-20 63rd Road, Forest Hills, N. Y. 11374, filed a registration statement (File 2-30767) with the SEC on November 19 seeking registration of $6,000,000 of 6-1/2% convertible subordinated debentures, due 1984, to be offered for public sale at $500 per debenture. The offering is to be made by Myron A. Lomasney & Co., 67 Broad Street, New York, N. Y. 10004, which will receive a commission of $38.35 per debenture plus $15,000 for expenses. The company has agreed to sell the underwriter, for $300, five-year warrants to purchase 30,000 common shares, exercisable initially (after one year) at $24 per share. In addition, it will pay Charles Abrams & Co., Inc., $60,000 for its services as a finder. The statement also includes 210,500 outstanding common shares, which are to be offered for public sale by the present holders thereof after thirty days from the date of issuance of the debentures, at prices current at the time of sale ($30 per share maximum*).

Organized under New York law in August 1966, the company is an equipment lessor specializing in the leasing of aircraft, automated equipment and prefabricated relocatable schoolrooms. Of the net proceeds of its debenture sale, $100,000 is to be used for opening of a new regional office in California; the balance will initially be added to the company's general funds and will be subsequently used to acquire additional equipment for leasing. In addition to indebtedness, the company has outstanding 1,165,600 common shares, of which Martin Miller, president, and David Miller, secretary-treasurer, own about 19% each. They propose to sell 25,000 shares each of 227,000 and 228,500 shares held, respectively, Brunswick Capital Corporation 33,000 of 83,000 and 16 others the remaining shares being registered.

MARK COMPUTER SYSTEMS TO SELL STOCK. Mark Computer Systems, Inc., 40 South Mall, Plainview, L. I., N. Y. 11803, filed a registration statement (File 2-30768) with the SEC on November 19 seeking registration of 100,000 shares of common stock, to be offered for public sale at $6 per share. The offering is to be made on a "best efforts" basis by S. B. Cantor Co., 79 Wall St., New York 10005, which will receive a selling commission of 60¢ per share plus $15,000 for expenses. The company has agreed to sell the Cantor firm, for $200, five-year warrants to purchase 20,000 shares at $6 per share.

The company is principally engaged in the engineering design and development of commercial and military electronic devices and systems combining the application of micro circuit digital data processing techniques and visual presentation. Of the net proceeds of its stock sale, $100,000 will be used to complete the design and development of weather dater entry terminal, flight director computer, synchrocomparator and parking lot computer, $75,000 to acquire manufacturing facilities, and the balance for general corporate purposes, including the carrying of increased accounts receivable, inventory and additional labor costs. The company now has outstanding 301,059 common shares, of which Ernest F. Martino, president, owns 12% and management officials as a group 61%. Purchasers of the shares being registered will acquire a 45% stock interest in the company at a cost of $600,000; management officials will then own 45.7%, for which they paid $15,000 in cash.

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MEDIX FILES OFFERING PROPOSAL. Medix, Inc., 1706 West Van Buren, Chicago, Ill. 60612, filed a registration statement (File 2-30769) with the SEC on November 19 seeking registration of 200,000 shares of common stock, 200,000 Class A warrants and 200,000 Class B warrants. It is proposed to offer these securities in units, each consisting of one share, one Class A warrant and one Class B warrant; the offering is to be made at $5 per unit through Charles Plohn & Co., 200 Park Avenue, New York, N. Y. 10017, which will receive a 50¢ per share commission plus $17,500 for expenses. Upon completion of the offering, the company will sell the underwriter 20,000 shares for an aggregate price of $2,000, which shares may not be offered for one year.

The company is engaged in the business of procurement and processing of human blood derivatives and in the development of technology relating thereto, through four procurement centers and a processing laboratory. Of the net proceeds of this financing, $300,000 will be used to expand the company's inventories of blood products, $200,000 to purchase additional equipment needed to set up four additional procurement centers and to obtain processing and laboratory equipment for the expansion of processing activities, and $150,000 for other corporate purposes. The company now has outstanding 200,000 common shares (with a 36¢ per share book value), of which Leonard I. Dagovitz, president, owns 68.75% and management officials as a group 98%. Purchasers of the 200,000 shares being registered will acquire a 47.6% stock interest in the company, at a cost of $1,000,000; the organizers of the company and the underwriter will then own 52.4%, for which they paid an average of 29¢ per share.

RUSCO INDUSTRIES TO SELL DEBENTURES. Rusco Industries, Inc., 1100 Glendon Avenue, Los Angeles, Calif. 90024, filed a registration statement (File 2-30770) with the SEC on November 19 seeking registration of $7,500,000 of convertible subordinated debentures, due 1989, to be offered for public sale through underwriters headed by Walston & Co., Inc., 74 Wall Street, New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are principally engaged in the manufacture and sale of aluminum and steel windows and doors and various types of metal bed frames. Of the net proceeds of its debenture sale, $1,625,000 will be used by the company to repay a term bank loan and about $1,600,000 to pay short-term bank loans secured by accounts receivable; the balance will be added to general funds and will be available as needed for the acquisition of other companies and for additional working capital and capital expenditure requirements. In addition to indebtedness and preferred stock, the company has outstanding 3,419,155 common shares, of which management officials as a group own 9.1%. Jack Catain, Jr., is president and board chairman.

AMERICAN FIDELITY VARIABLE FUND FILES. American Fidelity Variable Annuity Fund A, 2901 Classen Blvd., Oklahoma City, Okla., filed a registration statement (File 2-30771) with the SEC on November 19 seeking registration of $1,000,000 of group variable annuity contracts. The contracts, which are to be sold by American Fidelity Assurance Company, are designed to provide participants with lifetime annuity payments, which "will tend to reflect changes in the cost of living." C. B. Cameron, president of American Fidelity, is chairman of the Board of Managers of Fund A.

IPCO HOSPITAL SUPPLY PROPOSES OFFERING. Ipco Hospital Supply Corporation, 161 Avenue of the Americas, New York, N. Y. 10013, filed a registration statement (File 2-30772) with the SEC on November 19 seeking registration of $8,000,000 of convertible subordinated debentures, due 1989, to be offered for public sale by the company and 257,250 shares of common stock, of which 150,007 are to be offered by the company and 107,243 (being outstanding shares) by the present holders thereof. The interest rate, offering prices ($30 per share maximum*) and underwriting terms are to be supplied by amendment. Burnham & Company, 60 Broad St., New York, N. Y. 10004, is the principal underwriter.

The company is engaged in the national distribution of a complete line of medical-surgical, hospital and laboratory supplies (some of which are manufactured by the company) and equipment to hospitals, nursing homes, laboratories and similar institutions and is also the exclusive distributor to hospitals and physicians throughout the United States of medical X-ray film manufactured by Gevaert-Agfa, N.V. It also operates 19 retail optical outlets, principally in New York State, under the name "Sterling Optical," and is engaged through the Nobilium Companies in the manufacture, fabrication and distribution of various items used principally by dental laboratories and through the Dental Prosthetics Companies in filling prescriptions for dentists. Of the net proceeds of its financing, the company will apply $6,510,000 to the retirement of short term bank loans, $1,000,000 (in excess of amounts to be raised by mortgages) to the construction of new headquarters and distribution facilities in Mount Pleasant, New York, and $500,000 for the construction of additional manufacturing facilities required for its Hospital Division; the balance will be added to working capital to finance increased inventories and accounts receivable and will be used for other general corporate purposes (including possible acquisitions). In addition to indebtedness, the company has outstanding 2,963,942 common shares, of which Max M. Low, board chairman, owns 23%, Evlynne K. Low, 12.1%, and management officials as a group 27%. The prospectus lists nine selling stockholders, who hold an aggregate of 272,331 shares; of these, Dr. Elmer T. Jaffe and Emil Prosen, both of Chicago, propose to sell 22,440 shares each. A group of 18 others, who own 62,329 shares, propose to sell 15,939 shares.

CONTEMPT CITATION NAMES R. G. STOKES. The SEC Chicago Regional Office announced November 19 (LR 4161) on its application to the U. S. District Court in Louisville, Judge Henry L. Brooks issued an order requiring Richard G. Stokes to show cause why he should not be punished for criminal contempt for alleged violation of a February 1968 court order enjoining his offering and sale of oil interests in violation of the Securities Act registration provisions.

OVER

TRADING SUSPENDED IN MAJESTIC CAPITAL SHARES. The SEC today announced the temporary suspension of over-the-counter trading in the common stock of Majestic Capital Corporation (Majestic), a Colorado corporation with offices in Encino, California. The suspension is for the period November 21, 1968 to November 30, 1968, inclusive.

The action was based on information developed in an inquiry by the Commission's staff concerning the adequacy and accuracy of information recently disseminated by the company regarding its financial condition and operations. It appears that a recent letter to Majestic stockholders concerning the assets of the company was materially inaccurate.

Accordingly, the Commission deemed it necessary and appropriate in the public interest and for the protection of the investors to suspend trading in Majestic shares pending clarification of the facts and adequate dissemination of all pertinent information.

SEC JOINS TWO NEW ORLEANS PROCEEDINGS. The SEC has filed notice of appearance in proceedings under Chapter X of the Bankruptcy Act for the reorganization of the following, both of New Orleans:

a) Louisiana Loan and Thrift Corporation
b) Mid-City Baptist Church

The Mid-City Baptist Church operates a school. Schedules attached to its voluntary petition for reorganization show assets of $6.6 million, which includes church and school properties stated to have a current value of about $5 million, and undeveloped real estate carried at its cost of $1.2 million. The liabilities total $5.6 million of which $4.8 million represents publicly held debt.

Schedules filed in the proceedings involving Louisiana Loan and Thrift Corporation, a small loan company, show assets of $2.9 million, of which $2.3 million are represented by outstanding loans. Its liabilities, totaling $2.5 million, represent over 1,500 deposit accounts. The debtor's common stock appears to be closely held.

DEFENSIVE INSTRUMENTS PROPOSES OFFERING. Defensive Instruments, Inc., 925 Penn Ave., Pittsburgh, Penna. 15222, filed a registration statement (File 2-30773) with the SEC on November 20 seeking registration of 140,000 shares of capital stock, to be offered for public sale at $5 per share. The offering is to be made on an "all or nothing, best efforts" basis by Grimm & Davis, Inc., 54 Wall Street, New York, N. Y., which will receive a 50¢ per share selling commission plus $7,500 for expenses. The company has agreed to issue the underwriter five-year warrants to purchase 14,000 capital shares, exercisable after one year at $5.50 per share, and the underwriter has agreed to transfer a portion of such warrants to its finder, Russell & Saxe. The company has agreed to pay $20,000 to its finder and financial consultant, Murray G. Lowenthal, and to issue to him like warrants to purchase 5,000 capital shares.

Organized under Pennsylvania law in February 1966, the company began active operation in March 1968. It is engaged in marketing, under the name "The Preventor," a fountain pen-like device which ejects a non-lethal chemical which causes temporary incapacity upon contact with facial skin. The Preventor is sold to individuals for use as a defensive weapon in case of attack by another person. Of the net proceeds of its stock sale, $205,000 will be used for inventory, promotion and advertising expenses for a burglar/fire alarm system under development since April 1968, $150,000 for testing, manufacturing, inventory, promotion and advertising expenses for a fire extinguisher, $85,000 for the manufacture, inventory, promotion and advertising for related protective and defensive products and $125,000 for working capital purposes. The company has outstanding 360,000 common shares (with a 19-1/3¢ per share book value), of which Don R. Horowitz, president, owns 20.4%, John Levendos 15% and management officials as a group 47.9%. Upon completion of this offering, the purchasers of the shares being registered will own 28% of the company's capital stock, for which they will have paid $700,000, or $5 per share; the present shareholders will own 72%, for which they paid $45,676, or an average of 12.7¢ per share.

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act giving interested persons until December 4 to request a hearing upon applications of the Pacific Coast Stock Exchange for unlisted trading privileges in the common stock purchase warrants of Gulf & Western Industries, Inc., and of the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stocks of California Computer Products, Inc., Diners Club, Inc., Mallory Randall Corporation and Rockwell Manufacturing Company.

An order has also been issued granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of Systems Engineering Laboratories, Inc., and Hewlett-Packard Company.

STOCK PLANS FILED. The following companies have filed Form S-8 registration statements with the SEC proposing the offer of stock under employee stock option and similar plans:

Technology Incorporated, Dayton, Ohio 45431 (File 2-30754) - 6,250 shares
Gateway Sporting Goods Company, Kansas City, Mo. 64111 (File 2-30756) - 46,620 shares
The National Cash Register Company, Dayton, Ohio 45409 (File 2-30755) - 17,274 shares
Infotronics Corporation, Houston, Tex. 77042 (File 2-30758) - 35,000 shares
The Offshore Company, Houston, Texas 77027 (File 2-30766) - 150,000 shares

SECURITIES ACT REGISTRATIONS. Effective November 20: All American Life & Financial Corp., 2-29948 (90 days); Belden Corp., 2-30105; Budget Industries, Inc., 2-30564 (40 days); The Canterbury Co., 2-30107 (90 days); CG Income Fund, Inc., 2-28899, Great American Reserve Corp., 2-29842 (90 days); Harleysville Mutual Insurance Co., 2-27754; Jasmin Groves Co., 2-30302 (90 days); Lum's Inc., 2-29885; National Gypsum Co., 2-30649 (40 days); National Investment Corp., Inc., 2-29781 (40 days); New England Power Co., 2-30529; Sola Basic Industries, Inc., 2-29325 (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.

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