

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 69-164)

FOR RELEASE August 27, 1969

BURNHAM & CO. CONSENTS TO SANCTION. The SEC today announced a decision under the Securities Exchange Act (Release 34-8679) imposing a 75-day suspension of trading in certain Canadian securities by Burnham & Company, New York broker-dealer firm, for violations of the Securities Act registration provisions in its offer and sale between November 1967 and July 1968 of stock of Neonex International, Ltd., a Canadian corporation, and for violating Rule 10b-6 under the Exchange Act by bidding for and purchasing Neonex stock while participating in its distribution. Without admitting the violations, Burnham consented to the entry of the Commission's decision and order, which during the suspension period (effective September 2) prohibit it from purchasing or selling Canadian securities which are not listed on a national securities exchange registered under the Exchange Act, or the issuer of which is not registered under that Act, or for which a Securities Act registration statement had not been filed and become effective within 90 days from June 16, 1969. In consenting to the suspension, Burnham undertook to adopt, implement and ensure compliance procedures designed to provide more effective protection against a repetition of the circumstances here involved.

NEONEX ENJOINED. The SEC today announced that on August 26 Neonex International, Ltd., of Vancouver, B.C., had consented to a Federal court order of injunction (LR-4405) enjoining the offer and sale of its shares in violation of the Securities Act registration provisions. According to the Commission's complaint, Neonex issued substantial blocks of its shares in the acquisition of other companies, some of which shares were resold into the United States without prior registration thereof under the Securities Act. (A Securities Act registration statement filed by Neonex, which related to 500,000 common shares to be issued from time to time in connection with acquisitions and 2,444,275 shares which have been issued in connection with consummated transactions, was declared effective earlier this date).

GUIDE FOR OIL OFFERING DISCLOSURES. The SEC today published a guide to be followed in the preparation and filing of Form S-1 registration statements under the Securities Act for offerings of interests in oil and gas drilling programs as to which there is no completed, proposed or pending transaction with respect to specific acreage. It is designed to accomplish, to the extent feasible, uniformity in both the sequence of disclosures and their general content; and it also should assist issuers in preparing such statements and facilitate the understanding and analysis of the program by the investor, enabling him also to compare more readily one offering with another. For details, see Release 33-5001. (Comments on guide due 9/26/69).

HAWAIIAN ELECTRIC FILES EXCHANGE OFFER. Hawaiian Electric Company, Inc., Honolulu, has filed a proposal with the SEC under the Holding Company Act for acquisition of the outstanding common stock of Hilo Electric Light Company pursuant to an exchange offer; and the Commission has issued an order (Release 35-16459) scheduling the proposal for hearing on September 16.

The applicant company ("Heco") is engaged in the electric utility business on the Island of Oahu, Hawaii; its wholly-owned subsidiary, Maui Electric Company, Limited, engages in such business on the Islands of Maui and Lanai. Hilo Electric is engaged in the electric utility business on the Island of Hawaii. Under the proposal, New Hawn Corporation, a newly-organized, wholly-owned subsidiary of Heco, will be merged into Hilo Electric. New Hawn will exchange all of its authorized and issued common stock for 528,780 shares of Heco common; and upon the merger of New Hawn into Hilo Electric, the stockholders of Hilo Electric will receive the 528,780 shares of Heco common in exchange for the outstanding 525,000 shares of Hilo Electric common (on the basis of 1.0072 shares of Heco common for each share of Hilo Electric common), whereupon Hilo Electric will be a subsidiary of Heco.

EASTERN UTILITIES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16461) authorizing Eastern Utilities Associates ("EUA") and four subsidiaries to issue and sell an aggregate of \$5,525,000 of short-term notes to banks in addition to the amounts authorized by the Commission December 19, 1968 (Release 35-16248), thus increasing the maximum amount of proposed borrowings by each. Aggregate construction expenditures for these companies are estimated at \$16,000,000 for 1969.

DIKEWOOD FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5795) exempting The Dikewood Fund, Inc., Albuquerque mutual fund, from the provisions of Rule 22c-1 of the Act to the extent that such rule requires that shares of applicant be priced for sale on the day orders for the purchase of such shares are received. The Fund presently offers its shares for sale only on the last trading day of each week on the New York Stock Exchange. The shares are valued on the basis of closing prices on that day. All orders received during the week are executed at these closing prices, but may be cancelled or withdrawn by the investor at any time prior to execution.

PRUDENTIAL FUNDS RECEIVE ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5796) amending its order of August 6 (Release IC-5767) exempting from various provisions of the Act certain investment plans or funds affiliated with The Prudential Insurance Company of America, Newark, N. J.

CONNECTICUT GENERAL LIFE INSURANCE SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5797) giving interested persons until September 17 to request a hearing upon an application of Connecticut General Life Insurance Company ("Insurance Company") and CG Variable Annuity Account II (Account II) for exemption from certain provisions of the Act. Insurance Company established Account II in order to offer individual variable annuity contracts and group variable annuity contracts designed for use in connection with retirement annuity plans adopted by employers not qualifying for tax-deferred treatment under Section 401 of the Internal Revenue Code.

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-8674) granting applications of the New York Stock Exchange to strike from listing and registration the common stocks of Piper Aircraft Corporation and Pittsburgh Coke and Chemical Company, effective at the opening of business August 27, 1969. Only 319,468 shares of Piper Aircraft remain publicly held exclusive of 726,290 shares acquired by Bangor Punta Corporation and 596,032 shares acquired by Chris Craft Industries, Inc., pursuant to exchange offers. The common stock of Piper Aircraft remains listed and registered on the Philadelphia-Baltimore-Washington Stock Exchange. Only 144,540 shares of Pittsburgh Coke remain publicly held exclusive of concentrated ownership of 717,660 shares (and 300,400 required by the company).

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Federal Oil Company and Pacific Fidelity Corporation for the further ten-day period August 28 to September 6, 1969, inclusive.

COMMUNITY PUBLIC SERVICE TO SELL BONDS. Community Public Service Company, 501 West Sixth St., Ft. Worth, Tex. 76102, filed a registration statement (File 2-34383) with the SEC on August 22 seeking registration of \$10,000,000 of first mortgage bonds, Series J, due 1999, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale to finance its construction program and to repay some \$8,000,000 of bank loans incurred for construction purposes. Construction expenditures are estimated at \$5,500,000 in 1969.

ALLEGHENY AIRLINES SHARES IN REGISTRATION. Allegheny Airlines, Inc., Washington National Airport, Washington, D. C. 20001, filed a registration statement (File 2-34384) with the SEC on August 22 seeking registration of 55,220 outstanding shares of common stock and 31,375 outstanding common stock purchase warrants. These securities may be offered for sale from time to time by the present holders or recipients thereof at prices current at the time of sale (\$13-5/8 per share maximum*).

The company is a certificated air carrier engaged in the business of transporting passengers, property and mail. It has outstanding 3,144,618 common shares. Central Securities Corporation may sell 59,675 shares (including 11,935 issuable upon exercise of warrants) and three others the remaining shares being registered.

RITE AID FILES FOR OFFERING AND SECONDARY. Rite Aid Corporation, Trindle Road and Railroad Ave., Shiremanstown, Pa. 17091, filed a registration statement (File 2-34385) with the SEC on August 22 seeking registration of 535,000 shares of common stock, of which 140,000 are to be offered for public sale by the company and 395,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., and G. H. Walker & Co. Inc., 45 Wall St., both of New York, N. Y. 10005; the offering price (\$22.50 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in April 1968 and successor to a business founded in 1927, the company operates a chain of 120 retail stores through which it sells health and beauty aids, proprietary drugs, cosmetics, housewares, toys, tobaccos and sundries. Net proceeds of its sale of additional stock will be added to the company's working capital and used primarily in connection with the opening of additional stores during 1969 and 1970. In the interim, the proceeds may be used to reduce short-term bank borrowings which at August 15 aggregated \$2,500,000. In addition to indebtedness, the company has outstanding 2,759,466 common shares, of which Lewis E. Lehrman, president, owns 17.3%, Alex Grass, board chairman, 11.4% and management officials as a group 44.9%. Lehrman proposes to sell 78,390 shares of 478,390 shares held, Grass 39,295 of 314,050 and 20 others the remaining shares being registered.

RINFRET FUND PROPOSES OFFERING. The Rinfret Fund, Inc., 200 Park Ave., New York 10017, filed a registration statement (File 2-34386) with the SEC on August 22 seeking registration of 3,000,000 shares of common stock, to be offered for public sale at \$15 per share. The offering is to be made through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York, which will receive a \$1.30 per share underwriting discount on purchases of fewer than 1,000 shares.

Organized in August, the Fund is a diversified open-end investment company with the primary objective of seeking capital appreciation in its per share asset value. The Rinfret Management Company, Inc., will act as investment adviser. Pierre A. Rinfret is board chairman of the Fund and of the investment adviser and Alan C. Pratt is president of the Fund. Of the outstanding stock of the investment adviser, Rinfret owns 25%, Pratt 10% and The Boston Company, Inc., 10%.

UNEXCELLED SHARES IN REGISTRATION. Unexcelled, Inc., 375 Park Ave., New York 10022, filed a registration statement (File 2-34387) with the SEC on August 22 seeking registration of 256,500 shares of common stock, issuable upon exercise of common stock purchase warrants. The warrants were issued in connection with the placement of \$10,000,000 of 7% guaranteed debentures of Unexcelled International N.V., a wholly-owned subsidiary of the company.

MASTER HOSTS INNS FILES FOR OFFERING AND SECONDARY. Master Hosts Inns, Inc., 6901 West Freeway, Ft. Worth, Tex. 76116, filed a registration statement (File 2-34388) with the SEC on August 25 seeking registration of 400,000 shares of common stock. The company is offering to enter into charter franchise agreements with "qualified member properties" of Masters Hosts, a Texas non-profit membership corporation (the "Association"). In April, the company acquired all of the business, properties and assets, and assumed all of the liabilities and obligations of the Association in exchange for 100,203 shares of its common stock. The principal assets acquired by the company consisted of registered trade names, trademarks and service markets relating to the name and emblem "Master Hosts". At the time of such acquisition, the Association consisted of 263 motor hotels (member properties) which were entitled to display the Master Hosts emblem and receive certain other benefits in exchange for annual membership dues and advertising and marketing fees. Of the shares being registered, 325,000 are to be offered for subscription by charter franchisees at \$3 per share. Unsubscribed shares and the remaining 75,000 shares (being outstanding shares) are to be offered for public sale at \$4 per share. The offerings are to be made through Sterling, Grace Securities Corporation, which will receive a maximum of 30¢ per share commission. The company has agreed to grant the underwriter a five-year warrant to purchase 20,000 shares, exercisable at \$4 per share. Of the net proceeds of its sale of additional stock, \$150,000 will be used by the company to purchase signs and \$250,000 to ward the purchase of a motor hotel to serve as corporate headquarters; the balance will be added to the company's general funds and will be used for general corporate purposes. The company has outstanding 75,000 shares of non-voting common stock and 100,203 shares of common stock; of the combined common and non-voting common stock, Sterling, Grace & Co. owns 42.85%. Elmer Premo is president, R. P. Donaldson, Trustee under Agreement with Antoinette Donaldson, and a Trust for the benefit of David Rosenbloom propose to sell all of 17,250 shares held each, and 12 others the remaining shares being registered.

NUCLEAR ASSOCIATES TO SELL STOCK. Nuclear Associates, Inc., 35 Urban Ave., Westbury, N. Y., filed a registration statement (File 2-34390) with the SEC on August 25 seeking registration of 120,000 shares of capital stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, all or none" basis through Grimm & Davis, Inc., 15 William St., New York 10005, 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 12,000 shares, exercisable after one year at \$6 per share.

Organized in 1960, the company was wholly inactive until January 1966 when it began its present business of distributing accessories, supplies and equipment needed by industrial laboratories, research organizations, educational institutions, hospitals and others in connection with their use of nuclear materials and x-ray equipment. Of the net proceeds of its stock sale, \$200,000 will be used for additional inventory; the balance will be added to the company's working capital and used for general corporate purposes. In addition to preferred stock, the company has outstanding 250,984 common shares (with a \$1.49 per share book value), of which Herman Glasser, president, owns 43.5%. Purchasers of the shares being registered will acquire a 32.3% stock interest in the company for their investment of \$600,000; the present shareholders will then own 67.7%, for which they will have paid \$361,000 or an average of \$1.44 per share.

FULLER TO SELL STOCK. H B Fuller Company, 2400 Kasota Ave., St. Paul, Minn. 55108, filed a registration statement (File 2-34391) with the SEC on August 22 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Dain, Kalman & Quail Inc., 100 Dain Tower, Minneapolis, Minn. 55402. The offering price (\$32 per share maximum*) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are principally engaged in the manufacture and sale of industrial adhesives, coatings, and related products. Part of the net proceeds of its stock sale will be used to repay \$1,450,000 of short-term bank debt incurred, in part, for additions to property, plant and equipment and to meet the other financial requirements of the company's expanded operations; \$500,000 will be used to construct an additional plant at Platine, Ill.; and the balance will be added to the company's working capital and will be available for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 1,137,991 common shares, of which Elmer L. Anderson, board chairman and president, owns 11.6% and management officials as a group 39%. (The combined holdings of common and preferred stock of Andersen, his wife, children and family foundation equal 63.8% of the total voting power of both classes of stock).

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 August 6 News Digest.

8K Reports for July 69

Ceco Corp (7)	1-4514-2	Hazeltine Corp (7)	1-230-2
Clear Creek Corporation		Morian Pacific Corporation	
(6)	0-1379-2	(4,7,13)	0-745-2
Crown Cork & Seal Company, Inc		Parklane Hosiery Co., Inc	
(7,11,13)	1-2227-2	(13)	1-5997-2
Beneficial Finance Co (7,8,		Servair Inc (2,11,13)	0-3353-2
13)	1-1177-2	Winter Park Telephone Co (4,	
Diebold Computer Leasing, Inc		7,13)	0-1254-2
(8)	0-3566-2	A C F Industries, Inc (7,	
El Paso Natural Gas Co		12,13)	1-1333-2
(7)	1-2700-2		

8K Reports for July 69 Cont'd

American Book-Statford Press, Inc (2,13)	1-4701-2	American Medicorp, Inc (2,7, 13)	2-28313-2
Baltimore Business Forms, Inc (13)	0-2111-2	Brush Beryllium Co (7)	0-484-2
Bolt, Baranek and Newman Inc (4,7,13)	0-1844-2	Central Vermont Public Service Corp (7,13)	0-1240-2
C. Brewer & Co Ltd (3)	1-4519-2	Commonwealth Edison Company (7,13)	1-1839-2
Columbus Founders Saving and Loan Association (2,7,11,13)	0-2101-2	Defiance Industries, Inc (3)	1-2910-2
Cutter Laboratories, Inc (12)	1-4286-2	Diamond International Corporation (8)	1-378-2
Flowers Industries, Inc (2,7,13)	2-29849-2	Reynolds Metals Co (12,13)	1-1430-2
General Electric Overseas Capital Corp (8)	1-5176-2	Weinschel Engineering Co., Inc (2,13)	2-17532-2
Gould Inc June (2,4,7,9,11, 12)	1-3278-2	Consolidated Bowling Corp (7)	0-2328-2
Imoco-Gateway Corp (12,13)	1-5806-2	Cybermatics Inc (11)	0-3856-2
Kentucky Finance Co., Inc (7,13)	0-2846-2	Davlin Inc (2)	1-5018-2
Mac Dermid Incorporated (7,11,13)	0-2413-2	EDP Resources, Inc (11,12)	2-27278-2
Newberry Energy Corporation (11)	2-29459-2	Morton's Shoe Stores, Inc (2,7, 13)	1-5605-2
Ohio Power Co. (11)	0-1090-2	National Environment Corp (2,7,13)	0-1330-2
Vulcan, Inc (12)	1-5729-2	Pacific Lumber Company (4,11,13)	0-633-2
Associated Investors Secs, Inc (3,13)	0-1468-2	Parvin-Dohrmann Co (8,12)	1-2762-2
Carter-Wallace, Inc (11,13)	1-5910-2	Servitech, Inc June 69 (2,7,9,13)	1-5914-2
Elizabethtown Water Co (2,7)	0-628-2	Sam P. Wallace Co., Inc (7,13)	0-3435-2
Halliday Lithograph Corp June 69 (2,11,13)	0-3120-2	Central Telephone Company (7,13)	0-751-2
The Interpublic Group of Companies Inc (7)	2-30151-2	Essex International, Inc (7)	1-5013-2
Marinduque Mining & Industrial Corp (6K for July 69) ¶	1-5534-2	Ford International Capital Corp (13)	1-5644-2
Northwest Industries, Inc (3,7,13)	1-5509-2	Globe Industries, Inc (12)	0-133-2
Oneida Ltd (12,13)	1-5452-2	Goldsmith Bros. (7,11,13)	2-20527-2
Petroleum Resources Corporation (7,9,13)	0-3329-2	Household Finance Corp (7, 13)	1-75-2
Walgreen Company (12,13)	1-604-2	Investors Diversified Services, Inc (12)	1-5226-2
Welded Tube Co of America (2,7,8,13)	1-5461-2	Jefferson Stores, Inc June 69 (3,12,13)	1-5930-2
		National Cash Register Co (7,13)	1-395-2
		Underwriters Natl Assurance Co. (7,13)	2-21929-2

SECURITIES ACT REGISTRATIONS. Effective August 26: Asamera Oil Corp. Ltd., 2-33877 (40 days); American Greetings Corp., 2-34181 (40 days); Cousins Properties Inc., 2-32275 (40 days); Mobile Home Communities of America, 2-32844 (90 days); Punta Gorda Isles, Inc., 2-32227 (90 days); Shapell Industries, Inc., 2-32381 (90 days); Suburban Propane Gas Corp., 2-34271; Wally F Findlay Galleries International, Inc., 2-34057 (90 days); Westwood Inc., 2-33738 (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.