

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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MUNICIPAL FUND SEEKS ORDER. Municipal Investment Trust Fund, Series L, sponsored by Goodbody & Co and Bache & Co., has applied to the SEC for exemption from the \$100,000 minimum net worth provisions of the Investment Company Act; and the Commission has issued an order (Release IC-5496) giving interested persons until October 3 to request a hearing. The sponsors expect to deposit under a trust agreement between \$4,000,000 and \$6,000,000 of bonds and to receive therefor from the trustee from 4,000 to 6,000 of certificates, to be offered for public sale under a Securities Act registration statement

MICH. WIS. PIPE LINE BORROWINGS CLEARED. The SEC has issued an order under the Holding Company Act (Release 35-16164) authorizing Michigan Wisconsin Pipe Line Company, Detroit subsidiary of American Natural Gas Company, to sell promissory notes to a group of banks in amounts aggregating not more than \$71,000,000 to be outstanding at any one time. The funds will be used for 1968-69 construction and to reimburse the company's treasury for construction expenditures.

JOHN WALLING, OTHERS INDICTED. The SEC Fort Worth Regional Office announced September 13 (LR-4110) the return of a Federal court indictment charging the following with fraud in the sale of church bonds: John B. Walling, Homer G. Ritchie, Omer H. Ritchie and Lyal W. McKnight, all of Fort Worth, Tex., Glenn V. Paden, Sr., Cleburne, Tex., G. Bradley Bourland, Austin, Tex., Carl R. Dungan, Dallas, Tex., T. H. Ruth, Denton, Tex., Dwight Parks, Waco, Tex., Thomas A. Greer, Jr., Dunlap, Tenn., Horace D. Taylor, Clarksville, Tenn., Percy R. Clark, Pine Bluff, Ark., and Delbert M. Sawyers, West Germany, formerly of Lubbock, Tex.

INDICTMENT NAMES OSBORN, BELCHER. The SEC Fort Worth Regional Office announced 9/13 (LR-4111) the return of a Federal court indictment in Dallas charging fraud in the sale of Oklahoma oil interests by James William Osborn, Anderson M. Belcher and Mae Belcher.

DAYCO CORP. FILES EXCHANGE PLAN. Dayco Corporation, 333 West First St., Dayton, Ohio 45401, filed a registration statement (File 2-30156) with the SEC on September 17 seeking registration of \$47,280,600 of 6% convertible subordinated debentures, due 1994. Dayco proposes to offer the debentures for shares of common stock of Allen Industries, Inc., in the ratio of \$45 principal amount of debentures for 1 share of Allen common. The debentures are convertible into Dayco common at \$45 per share after January 31, 1970. Lehman Brothers, 1 William St., New York 10004, will serve as dealer manager. The exchange offer is conditioned upon approval thereof by Dayco stockholders, and a meeting of stockholders for this purpose has been called for December 10. If stockholder approval is obtained, and if at least a majority of outstanding Allen shares is tendered, Dayco will accept all shares tendered pursuant to its offer. Harold C. Allen, David E. Schimmel and four other directors of Allen are expected to become directors of Dayco if the exchange offer is consummated

CONSOLIDATED FUNDING FILES FOR OFFERING. Consolidated Funding Corporation, 10 South La Salle St., Chicago, Ill. 60603, filed a registration statement (File 2-30157) with the SEC on September 17 seeking registration of \$2,500,000 of programs for the purchase of mutual fund shares and life insurance, and \$1,000,000 of programs for the purchase of mutual fund shares and accident and health insurance. The programs contemplate that a participant will pay the premiums on insurance policies with the proceeds of loans from the company secured by the pledge of the mutual fund shares purchased by the participant for cash. The mutual fund shares and insurance policies offered in the programs are sold at the same prices and are subject to the same sales charges and commissions (8.5% of the offering price of the shares) as if they were purchased independently. The company presently offers in the program shares of Dreyfus Fund Inc. and Pilgrim Fund Inc. The insurance policies are those written by Foundation Life Insurance Company of America. Robert B. Nathan is president of Funding.

ABERDEEN MFG. FILES FOR OFFERING AND SECONDARY. Aberdeen Manufacturing Corporation, 16 East 34th St., New York, N. Y. 10016, filed a registration statement (File 2-30158) with the SEC on September 17 seeking registration of \$3,200,000 of convertible subordinated debentures, due 1988, to be offered for public sale by the company, and 70,000 outstanding shares of common stock, to be offered by the present holders thereof. The offering is to be made through underwriters headed by New York Hanseatic Corporation, 60 Broadway, New York 10004; the interest rate on the debentures, offering prices (\$17.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and sells home furnishings. Net proceeds of its debenture sale will be used to reduce short term bank borrowings (incurred for working capital purposes) and to construct and equip an addition to its drapery plant at Conway, S. C. In addition to indebtedness, the company has outstanding 592,641 common shares, of which management officials as a group own 38.2%. Leonard E. Finkel is president and Arthur and Milton Finkel are vice presidents. The latter two and two other members of the Finkel family propose to sell 17,500 shares each.

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CONSOLIDATED EDISON (NY) TO SELL BONDS. Consolidated Edison Company of New York, Inc., 4 Irving Place, New York, N. Y., 10003, filed a registration statement (File 2-30159) with the SEC on September 17 seeking registration of \$60,000,000 of first and refunding mortgage bonds, Series FF due 1998, to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., and The First Boston Corporation, 20 Exchange Place, both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the generation, purchase and sale of electricity, gas and steam. Net proceeds of its bond sale will become part of its treasury funds and will be used to retire short term bank loans, if any, at the time of closing incurred in connection with its construction program and to reimburse the company for a portion of its capital expenditures therefor. Construction expenditures are estimated at \$1,400,000,000 for the period 1968-72.

SUNSET INTERNATIONAL MGT. PROPOSES OFFERING. Sunset International Management Company, 8920 Wilshire Blvd., Beverly Hills, Calif. 90211, filed a registration statement (File 2-30160) with the SEC on September 17 seeking registration of \$1,500,000 of commitments to its 1968 Year-End Exploration Program (300 units to be offered at \$5,000 per unit). The offering will be made by the Management Company, which also will be engaged to explore for oil and gas and otherwise to conduct the program, using funds committed by the participants. A. Bruce Rozet is board chairman and Oliver A. Under president.

PROGRESS FUND FILES. Progress Fund, Inc., 28 North Minnesota St., New Ulm, Minn., filed a registration statement (File 2-30162) with the SEC on September 16 seeking registration of 2,000,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 8% of the offering price for purchases under \$15,000 (\$5.43 per share maximum*). The Fund was organized under Maryland law in August. State Bond and Mortgage Company, 28 North Minnesota St., New Ulm, Minn., is investment adviser and principal underwriter. Ford H. Winslow is board chairman and Harold R. Feuerhelm is president of the Fund; they are president and vice president, respectively, of State Bond and Mortgage.

FAB INDUSTRIES FILES FOR SECONDARY. Fab Industries, Inc., 20 West 37th St., New York, N. Y., filed a registration statement (File 2-30163) with the SEC on September 17 seeking registration of 312,500 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by Bear, Stearns & Co., One Wall St., New York 10005. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

Fab is engaged in the knitting, dyeing, finishing, converting, laminating and bonding of tricot and raschel fabrics, circular knits, novelty knits, laces and nettings. In addition to indebtedness, it has outstanding 1,414,047 common shares, of which Samson Bitensky, board chairman, and Arthur J. Kreizel, president, own 28.8% each and management officials as a group 96%. Bitensky and Kreizel propose to sell 100,000 shares each of their holdings of 407,500 shares each; Bankers Life and Casualty Company, of Chicago, 100,000 of 518,060 shares (John D. MacArthur, a director of Fab, owns all of the outstanding stock of Bankers Life); and Alexander J. Della Valle, 12,500 of 25,000.

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act (Release 34-8411) giving interested persons until October 2 to request a hearing upon applications of (a) the Boston Stock Exchange for unlisted trading privileges in the common stocks of Armstrong Cork Company, Boise Cascade Corporation, Cabot Corporation, Commonwealth United Corporation, The Dexter Corporation, Engelhard Minerals & Chemicals Corporation, Fedders Corporation, Melville Shoe Corporation, Oklahoma Gas & Electric Company, Sundstrand Corporation and The Susquehanna Corporation, (b) the Pacific Coast Stock Exchange for such privileges in the common stock of Consumers Power Company, (c) the Philadelphia-Baltimore-Washington Stock Exchange for such privileges in the common stocks of Pargas Incorporated and Jim Walter Corporation and the \$4.75 convertible preference stock, Series A of American Standard, Inc., and (d) the Pittsburgh Stock Exchange for such privileges in the common stocks of Fisher Scientific Company, Washington Steel Corporation and White Consolidated Industries, Inc.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8411) granting an application of the New York Stock Exchange to strike the 3-3/4% convertible preferred stock of The Lionel Corporation from listing in registration, effective at the opening of business September 19, 1968. Information supplied by the company or taken from other sources believed by the Exchange to be reliable indicates that only 9,854 shares of the Lionel preferred (less than the required 10,000 shares) remain outstanding in the hands of the public.

LEEDS SHOE SUSPENSION TO BE LIFTED. The Commission announced that Leeds Shoes, Inc., of Tampa, Fla., has advised that it will today send a communication to its security holders concerning its financial situation, certain developments at the company since the initial suspension of trading in the company's securities, and details of a proposed refinancing plan. This plan includes an offer by certain underwriters of the company's 6% convertible debenture offering in 1967 to purchase debentures at par from persons who were registered holders at the time trading in the debentures was suspended. The offer is also being mailed today to the company's debenture holders.

Under the circumstances, the Commission has modified its current suspension order entered September 16, 1968, so as to permit the making of the offer to the debenture holders and the deposit of debentures pursuant to the offer. In view of the disclosures contained in the company's communication to its security holders, the Commission stated it will terminate the suspension as to all trading in the company's securities at the close of business September 23, 1968. Trading in the company's securities in the over-the-counter market may therefore resume at the opening of business on September 24, 1968.

The Commission cautioned, however, that broker-dealers and investors should consider carefully the facts and circumstances set forth in the company's communication in connection with any transactions in Leads' securities. Brokers and dealers should be particularly mindful of their obligations under the federal securities laws in effecting transactions in these securities in the future. Copies of the communication may be obtained from the company at 1701 North West Shore Blvd., Tampa, Florida 33607. In addition, copies may be examined at the Commission's main office in Washington, D. C.

CAROLINA P & L TO SELL BONDS. Carolina Power & Light Company, 336 Fayetteville St., Raleigh, N. Car. 27602, today filed a registration statement (File 2-30172) with the SEC seeking registration of \$40,000,000 of first mortgage bonds, due 1998, to be offered for public sale at competitive bidding. An electric utility, the company will apply the net proceeds of its bond sale to the reduction of short-term loans estimated to be outstanding at the offering date in the amount of \$48,000,000, incurred by the company for corporate purposes including the financing of the cost of construction of additional electric plant facilities. The company's construction program is estimated at \$76,000,000 for 1968 and \$107,000,000 for 1969.

PUERTO RICO TELEPHONE TO SELL DEBENTURES. Puerto Rico Telephone Company, 1500 Franklin D. Roosevelt Ave., Pueblo Viejo, San Juan, Puerto Rico, today filed a registration statement (File 2-30168) with the SEC seeking registration of \$25,000,000 of debentures, due 1993, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., and Lazard Freres & Co., 44 Wall St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment. Net proceeds of the debenture sale will be added to the company's general funds and used by it towards repayment of indebtedness to International Telephone and Telegraph Corporation, its parent (\$48,445,833 at July 31) incurred in the construction and improvement program initiated by the company in 1959.

SECURITIES ACT REGISTRATIONS. Effective September 17: Alex Colman, Inc., 2-29633 (Dec 16); Boise Southern Company, 2-29625 (40 days); A. M. Castle & Co., 2-29802; Colonial Life & Accident Insurance Company, 2-29467 (40 days); Edwards Industries, Inc., 2-29493 (40 days); Mattel, Inc., 2-29412; Province of New Brunswick, 2-30015; Products Research & Chemical Corporation, 2-29959 (40 days); Sterling Electronics Corporation, 2-29456 (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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