

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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SEC

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REVISION OF B/D, ADVISER FORMS PROPOSED. The SEC today announced proposals for the revision of its broker-dealer registration Form BD under the Securities Exchange Act (Release 34-8424) and its investment adviser registration Form ADV under the Investment Advisers Act (Release IA-230); and it invited the submission of views and comments thereon not later than November 8.

The two registration forms generally require that corporate applicants and registrants submit certain descriptive data about their officers, directors, persons with similar status or functions and any other person who is directly or indirectly the owner of authorized shares of any class of equity security of the applicant or registrant. Recent letters from corporate broker-dealers or investment advisers and industry organizations have expressed the difficulty being encountered by such publicly held corporate firms who are attempting to obtain the descriptive data required by the applicable form. Such letters point out that firms whose stock is traded actively or who have thousands of stockholders have an extremely difficult task in identifying all of their minority stockholders and compiling, reporting, and keeping current the required information about such stockholders.

Accordingly, it is proposed that Item 12 of each form be amended to require the completion of Schedule A as to officers, directors, persons with similar status or functions and any other person who owns one (1) percent or more of the authorized shares of any class of equity security of the applicant or registrant. It is further proposed that Item 17 of each form be amended to require the completion of a Schedule D only for officers, directors, persons with similar status or functions, and any other person who owns ten (10) percent or more of any class of equity security of the applicant or registrant.

RE-CON PROPOSES OFFERING. Re-Con Corp., 342 Madison Ave., New York 10017, filed a registration statement (File 2-30410) with the SEC on October 4 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through underwriters headed by Doft & Co., Inc., 40 Wall St., New York 10005, which will receive a 50¢ per share commission plus \$25,000 for expenses.

The company was organized under Delaware law in March 1968 for the purpose of engaging in the business of using computer techniques to match job requirements of employers against the qualifications of graduating and graduate university students. Of the net proceeds of its stock sale, the company will use \$460,000 to cover costs of collecting student data for the current academic year required for its data bank, \$100,000 for advertising and promotion of the sale of its services to employers, and \$75,000 to repay current bank loans incurred for working capital purposes; the balance will be added to working capital and used for general corporate purposes, including payment of compensation to officers and directors and absorbing operational costs and losses anticipated in connection with initial operations. The company has outstanding 371,429 common shares (with a 36¢ per share book value), of which Arnold I. Frumin, president, owns 24.2%, William V. Held 12.7% and Alan Doft 15.4%. Upon completion of this offering, the present stockholders will own 65% of the outstanding common stock, for which they paid \$141,551, while the purchasers of the shares being registered will own 35%, for which they paid \$1,000,000.

PROGRESSIVE METAL EQUIPMENT FILES FOR OFFERING AND SECONDARY. Progressive Metal Equipment, Inc., Rhawn St. at Whitaker Ave., Philadelphia, Pa. 19111, filed a registration statement (File 2-30411) with the SEC on October 4 seeking registration of 185,000 shares of common stock, of which 160,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the present holder thereof. The shares are to be offered at \$6.25 per share, through underwriters headed by Robinson & Co., 42 S. 15th St., Philadelphia, Pa. 19102, which will receive a \$.5625 per share commission. The company has agreed to pay the Robinson firm \$15,000 for expenses and to sell it, for \$1,600, six-year warrants to purchase 16,000 common shares, exercisable initially (after one year) at \$6.75 per share. The company has also agreed to pay A. M. Taylor & Co., Incorporated \$7,500 as a finder's fee.

The company is engaged in the design, development, engineering, fabrication, assembly and sale of institutional food service equipment. Of the net proceeds of its sale of additional stock, \$180,000 will be used toward repayment of a \$225,000 five-year loan, incurred for use in general improvements to the plant and to modernize the production, storage and shipping facilities, as well as the purchase of new machinery and for additional working capital, \$200,000 for additional new modern metal working machinery, and \$500,000 to be available for future acquisitions; the balance will be used as additional working capital, some of which will be employed in a further expansion of marketing and sales efforts. The company has outstanding 320,000 common shares (with a \$2.66 per share book value), of which Benjamin Brodsky, president, owns 98.4%, and Seymour Brodsky, treasurer, 1.6%.

H & B AMERICAN FILES FOR SECONDARY. H & B American Corporation, 404 North Roxbury Drive, Beverly Hills, Calif., filed a registration statement (File 2-30413) with the SEC on October 4 seeking registration of 31,549 outstanding shares of common stock. These shares may be offered for public sale by the present holders thereof from time to time, through transactions on the American Stock Exchange or otherwise, at prices prevailing at the time of sale (\$22.75 per share maximum*).

OVER

The company is principally engaged in the community antenna television (CATV) business; it also owns and operates radio station KNEZ in Lompoc, Calif., and is applying for a permit to construct and operate a UHF TV broadcasting station in Dubuque, Iowa. The company is also participating with a market research company in a joint venture to utilize CATV facilities to develop innovative marketing research services for television advertisers and broadcasters. Pursuant to an agreement of September 4 with Jack Kent Cooke, the company proposes to acquire all of the outstanding capital stock of Jack Kent Cooke, Incorporated and Continental Cablevision, Inc. ("The Cooke companies"), in exchange for 1,600,000 common shares. Both Cooke companies are engaged in the CATV business. H & B has outstanding 3,325,239 common shares, of which management officials as a group own 95,597 shares. Upon completion of the Cooke companies acquisition, Jack Cooke will own 32-1/2% of the 4,925,239 H & B shares then outstanding. William M. Jennings is chairman and president, G. Norman Penwell and John R. Penwell propose to sell 4,389 and 4,117 shares, respectively, and sixteen others propose to sell the remaining shares being registered.

WESTERN RESOURCES PROPOSES EXCHANGE OFFER. Western Resources Corporation ("WRC"), 430 East First St., Casper, Wyo. 82601, filed a registration statement (File 2-30414) with the SEC on October 4 seeking registration of 462,133 shares of common stock. It is proposed to offer these shares in exchange for the 462,133 outstanding common shares of Big Horn National Life Insurance Company ("Big Horn") on a share-for-share basis. Effectiveness of the offer is contingent upon exchange of at least 80% of the Big Horn shares. Collins Securities Corporation, Western Federal Savings Bldg., Denver, Colo., has agreed to solicit acceptances of the exchange offer in certain states. Upon completion of the exchange, the company has agreed to issue to Collins 20,000 common shares.

Big Horn organized WRC under Nevada law in August 1968 for the purpose of making the exchange offer and in order to reorganize Big Horn into a holding company structure and thereby diversifying its activities, both in the insurance field and possibly in other lines of business. WRC has broad corporate powers and is not an insurance company. According to the prospectus, it is hoped that WRC may be used advantageously for the creation or acquisition of insurance company subsidiaries in areas in which Big Horn may be inadequately represented or for entrance into other businesses, either directly or through newly formed subsidiaries, or by acquiring existing companies. WRC has outstanding 100 common shares, all of which are owned by Big Horn. Big Horn has outstanding 462,133 common shares, of which management officials as a group own 14%. Robert E. Cole is president and Van Irvine is board chairman of both WRC and Big Horn.

COMPUTER TIME SHARING PROPOSES OFFERING. Computer Time Sharing, Corp., 525 University Ave., Palo Alto, Calif. 94302, filed a registration statement (File 2-30416) with the SEC on October 7 seeking registration of 200,000 shares of capital stock, to be offered for public sale through underwriters headed by Mitchum, Jones & Templeton, Inc., 510 S. Spring St., Los Angeles, Calif. 90013. The offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters \$5,000 for expenses and the Mitchum firm \$15,000 for certain financial advisory services.

Organized under California law in December 1967, the company commenced active operations in June 1968. Its business operations will be conducted in four areas: computer software, computer leasing, hospital computer time-sharing and computer facilities management. Net proceeds of its stock sale will be used in partial repayment of principal and interest on indebtedness previously incurred in connection with the purchase of computers for its computer leasing business. In addition to indebtedness, the company has outstanding 500,000 capital shares, for which the holders paid \$3,050,000 and of which Donald D. Bade, board chairman and president, owns 18%, Oswald S. Williams, Jr., vice president, 12%, William J. Ahern, Sr., a director, 20.4% and Harry Nieman 12%.

STANWICK FILES FOR OFFERING AND SECONDARY. The Stanwick Corporation, 1401 Wilson Blvd., Arlington, Va. 22209, filed a registration statement (File 2-30417) with the SEC on October 7 seeking registration of 332,000 shares of common stock, of which 150,000 shares are to be offered for public sale by the company and 182,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Estabrook & Co., 15 State St., Boston, Mass. 02101; the offering price (\$10.50 per share maximum*) and underwriting terms are to be supplied by amendment. Tad Stanwick (president and board chairman and one of the selling stockholders) will sell to certain general partners of the Estabrook firm 10,000 common shares at a price representing a discount of not more than 25% from the public offering price.

An engineering and management service organization, the company was initially organized to engage in the business of providing reliability and maintainability engineering services for equipment and systems on ships of the U. S. Navy. It also provides technical management consulting and management training, computer processing and other services, primarily to Navy Department and other U. S. government agencies. Net proceeds of its sale of additional stock will be used to retire some \$350,000 of outstanding bank indebtedness under a \$1,250,000 line of credit; the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 658,197 common shares, of which Tad Stanwick owns 454,097 (69%), Theodore Ulmer, a director, and Joseph S. Meyer 53,360 and 53,320 shares, respectively, and Gordon S. Light 7,000. Stanwick proposes to sell 150,000 shares, Ulmer and Meyer 12,500 each and Light 7,000.

GENESCO SHARES IN REGISTRATION. Genesco, Inc., 111 7th Ave., North, Nashville, Tenn. 37202, filed a registration statement (File 2-30418) with the SEC on October 7 seeking registration of 394,737 shares of common stock. These shares are issuable upon conversion of 5 1/2% guaranteed (subordinated) debentures, due 1988, of Genesco World Apparel, Ltd. (convertible into Genesco common stock after November 1 at \$38 per share).

POLYMER MATERIALS PROPOSES OFFERING. Polymer Materials, Inc., 66 Marine St., Farmingdale, N. Y. 11735, filed a registration statement (File 2-30419) with the SEC on October 7 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by J. N. Russell & Co., Inc., Union Commerce Bldg., Cleveland, Ohio 44115, which will receive a 90¢ per share commission. The company has agreed to sell to the Russell firm, for \$1,000, five-year warrants to purchase 10,000 common shares, exercisable (after one year) initially at \$10 per share.

Organized under New York law in July 1967, the company's operations have been chiefly restricted to the purchase and resale of various thermoplastic raw materials and to the manufacture and sale of dry colorants. The company plans to engage in the processing and sale of thermoplastic raw materials and related materials such as pigments and fillers. Of the net proceeds of its stock sale, \$75,000 will be used to prepay borrowings from Louis Kogan, executive vice president, \$100,000 to prepay short term bank borrowings and \$300,000 to equip the new plant, laboratory and offices, including nominal start up expenses; the balance will be used as working capital for the expanded operations planned to be engaged in. The company has outstanding 180,000 common shares (with a 57¢ per share book value), of which Fred R. Barlow, president, and Louis Kogan own 40.5% each. Upon completion of this offering, company officials, promoters and two others will own 60% of the then outstanding common stock, for which they paid \$102,000, while the purchasers of the shares being registered will own 40%, for which they will have paid \$1,200,000.

FAMOUS ARTISTS SCHOOLS FILES FOR OFFERING AND SECONDARY. Famous Artists Schools, Inc., 437 Madison Ave., New York 10022, filed a registration statement (File 2-30420) with the SEC on October 7 seeking registration of 325,000 shares of common stock. Of this stock, 300,000 shares are to be offered for public sale by the company and 25,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Bear, Stearns & Co., 1 Wall St., New York 10005; the offering price (\$60 per share maximum*) and underwriting terms are to be supplied by amendment. This statement also relates to 333,333 common shares (issuable upon conversion, at a conversion price of \$30 per share, of \$10,000,000 principal amount of 5-3/4% guaranteed bonds, due 1982, of Famous Schools Overseas Corp.) and 87,725 outstanding shares which may be offered for public sale by the present holders thereof in the proximate future on the American Stock Exchange or otherwise, at prices current at the time of sale.

The company is engaged in the business of providing home study courses by correspondence in the fields of art, writing, photography and accounting, classes in the field of rapid reading, and recorded courses and classes in the field of languages. Net proceeds of its sale of additional stock will be used for the acquisition of other businesses and for additional working capital and capital expenditure requirements, both in connection with the present business of the company and with businesses that may be acquired in the future. In addition to indebtedness, the company has outstanding 3,322,043 common shares, of which management officials as a group own 8.54%. Fred Ludekens is board chairman and Gilbert K. Granet president. Edwin Eberman, secretary, and Janet Eberman propose to sell 13,500 and 11,500 shares, respectively of 39,444 and 32,555 shares held. Of the non-underwritten shares being registered, Paul Matthews proposes to sell 10,013 of 11,126 shares held, Edwin and Janet Eberman 8,000 and 7,000 shares respectively, and twelve others the remaining shares being registered.

CONTINENTAL MORTGAGE INSURANCE FILES FOR OFFERING AND SECONDARY. Continental Mortgage Insurance, Inc., 2 East Gilman St., Madison, Wisc. 53701, filed a registration statement (File 2-30421) with the SEC on October 7 seeking registration of 290,000 shares of common stock, of which 200,000 shares are to be offered for public sale by the company and 90,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by E. F. Hutton & Company, Inc., 61 Broadway, New York 10006; the offering price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the business of insuring mortgage lenders against loss when borrowers fail to pay their obligations. It insures first mortgage loans that do not exceed 90% of appraised value in the case of single-family and two-family, owner-occupied homes, and 80% in the case of non-owner-occupied and more-than-two-family residential mortgage loans, and semi-commercial loans. Net proceeds of its sale of additional stock will be added to its capital and surplus and thereby expand the company's underwriting capacity. The company has outstanding 832,469 common shares, of which management officials as a group own 22.2%. Bishop Construction Co. (the largest selling stockholder) proposes to sell 30,000 of 31,579 shares held, and fifteen others propose to sell the remaining shares being registered.

REPUBLIC MORTGAGE INVESTORS PROPOSES OFFERING. Republic Mortgage Investors, 8966 S. W. 87th Court, Miami, Fla. 33156, filed a registration statement (File 2-30422) with the SEC on October 8 seeking registration of 1,000,000 shares of beneficial interest, with warrants attached (exercisable at \$20 per share) to purchase 500,000 additional shares. These securities are to be offered for public sale in units, each consisting of one share and 1/2 warrant, and at \$20 per unit. The offering is to be made through underwriters headed by Francis I. duPont, A. C. Allyn, Inc., 1 Wall St., New York 10005, which will receive a \$2 per unit commission.

The Trust intends to qualify as a real estate investment trust under Sections 856-858 of the Internal Revenue Code. It is designed to provide investors with an opportunity to invest in a professionally managed, diversified portfolio of development, construction and permanent first mortgage loans and other real estate interest. It plans to invest primarily in development and construction first mortgage loans as well as permanent FHA and VA first mortgage loans. Net proceeds of the sale of Trust shares will be used for the acquisition of first mortgages and for general operating expenses. Initially, the Trust expects to use 25% of the net proceeds to acquire FHA and VA first mortgage loans, since it is believed a portfolio of such investments may enable the Trust to borrow larger sums from banks and other lenders than might be available if substantially all of the Trust's assets were invested in other first mortgage loans. The Trust has outstanding 27,778 shares of beneficial interest, of which Bernard Janis, president, owns 30-5/6%, and Bernard Jacobson, trustee, and Martin Fine, secretary, 15-2/3% each. Upon completion of this offering, the present stockholders will own 27,778 of the outstanding shares of beneficial interest, for which they paid \$500,000, while the purchasers of the shares being registered will own 1,000,000 shares, for which they will have paid \$20,000,000*.

ATMOSPHERIC CONTROL PROPOSES OFFERING. Atmospheric Control Industries, Inc., 40-28 23rd St., Long Island City, N. Y. 11101, filed a registration statement (File 2-30423) with the SEC on October 8 seeking registration of 180,000 shares of common stock, to be offered for public sale through Shaskan & Co., Inc., 67 Broad St., New York 10004. The offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$18,000 for expenses and to sell it, for \$200, six-year warrants to purchase 20,000 common shares, exercisable after one year at the initial offering price.

The company was organized under New York law in August 1968; in September, it acquired all of the outstanding shares of Integrity Service, Inc., and Climate Master of New York, Inc. Arthur Milgram, president and board chairman, and Sidney Siegel, secretary-treasurer, each owned 50% of the outstanding stock of Integrity Service, and Milgram owned 83-1/3% of the outstanding stock of Climate Master. The company is engaged in the development, manufacture, maintenance and distribution of equipment and supplies in the air pollution control, heating, ventilation and air-conditioning fields. Of the net proceeds of its stock sale, \$150,000 will be used to purchase and construct environmental testing chambers and additional testing facilities with emphasis on its air pollution control products, \$100,000 to increase the inventory of its products, \$100,000 to expand marketing activities with regard to its products, and \$100,000 to pay an outstanding 5% note; the balance will be added to the company's general funds for general business purposes, principally to meet the costs of conducting its research and development and for additional working capital. The company has outstanding 220,000 common shares (with a 65c per share book value), of which Milgram owns 59.1% and Siegel 35.4%.

CASUALTY INSURANCE CO. FILES FOR OFFERING AND SECONDARY. Casualty Insurance Company, 208 S. LaSalle St., Chicago, Ill. 60604, filed a registration statement (File 2-30424) with the SEC on October 8 seeking registration of 100,000 shares of common stock, of which 60,000 are to be offered for public sale by the company and 40,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Blunt Ellis & Simmons, 111 West Monroe St., and The Chicago Corporation, 208 South LaSalle St., both of Chicago, Ill.; the offering price (\$18.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a stock insurance company engaged in writing workmen's compensation and certain other lines of casualty insurance almost entirely in Illinois. Net proceeds of its sale of additional stock will be added to the company's capital and surplus. With these proceeds the company will seek increased business in its existing insurance lines and may apply for authority to write fire and property insurance and to write insurance in states in addition to Illinois and Indiana where it is presently authorized to transact business. The company has outstanding 140,000 common shares, of which Ralph W. Applegate, president and board chairman, owns 33.5% and management officials as a group 65.7%. Hielscher Insurance Agency, Inc., proposes to sell 10,000 of 12,000 shares held, Robert T. Luce 7,100 of 12,000, James T. Donahue all of 5,000 and seventeen others the remaining shares being registered.

NATIONAL FUEL SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16179) giving interested persons until October 28 to request a hearing upon a proposal of Iroquois Gas Corporation ("Iroquois") and United Natural Gas Company ("United"), two subsidiaries of National Fuel Gas Company, a New York holding company, to purchase (for an estimated \$6,500,000) an 89.2-mile, 29-inch pipeline from The Tennessee Gas Pipeline Company. Of the \$6,500,000, Iroquois is to pay \$5,330,000 and United \$1,160,000. To finance the acquisition of its segment of the pipeline, Iroquois proposes to issue and sell to National an unsecured promissory note not to exceed \$4,000,000, due December 1969. In turn, National proposes to issue and sell to A. G. Becker & Co., Incorporated, commercial paper in an amount not to exceed \$4,000,000.

HARTFORD ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16180) giving interested persons until November 1 to request a hearing upon a proposal of The Hartford Electric Light Company, a Wethersfield, Conn., subsidiary of Northeast Utilities, to issue and sell \$25,000,000 principal amount of first mortgage bonds, 1968 2nd Series, due 1998, at competitive bidding. Net proceeds of its bond sale, together with \$8,000,000 of capital contributions by Northeast, will be used to pay \$20,000,000 of short-term borrowings (incurred, in part, to finance its construction program and to supply funds in 1968 for its investment in regional nuclear generating companies); the balance will be used for construction expenditures and investments in regional nuclear generating companies. Construction expenditures are estimated at \$37,300,000 for 1968 and \$34,600,000 for 1969.

SECURITIES ACT REGISTRATIONS. Effective October 7: Madison Fund, Inc., 2-28520 (Jan 24).
Effective October 8: Aileen, Inc., 2-29277 (40 days); The Ceco Corp., 2-30097; Clinton Merchandising, Inc., 2-30001 (90 days); Dresser Industries, Inc., 2-27040; Consolidated Edison Co. of New York, Inc., 2-30159; Eastern Air Lines, Inc., 2-30075 (40 days); Harrel, Inc., 2-29829 (90 days); Hi-G, Inc., 2-29779 (40 days); Mammoth Mart, Inc., 2-29862 (40 days); National Systems Corp., 2-29783 (40 days); New Jersey Power & Light Co. 2-30000 (40 days); Resources and Facilities Corp., 2-29391 (90 days); Sequential Information Systems, Inc., 2-29731 (90 days); Scheffres Industries, Inc., 2-29740 (90 days); Valve Corp. of America, 2-30126 (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.