

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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(Issue No. 68-206)

FOR RELEASE October 21, 1968

COMMISSION RATE STRUCTURE HEARING. The SEC today announced that the hearing concerning commission rate structure of registered national securities exchanges would resume during the last week of October 1968. At that time the Anti-Trust Division of the United States Department of Justice and others will present evidence concerning the necessity or justification for the fixing of rates of commission (including intra-member rates) and the standards for measuring reasonableness of such rates. Among the witnesses will be Professor William Baumol, a consultant to the Anti-Trust Division, and Professors Paul A. Samuelson and Henry C. Willich, both of whom will testify as interested members of the public. A more precise schedule will be announced prior to the resumption of the hearing.

Commencing on November 7, 1968, representatives of various national securities exchanges, third market makers, institutions and other interested persons will be afforded an opportunity to offer relevant economic and legal testimony and to present documentary exhibits for inclusion in the record concerning (a) commission rate levels for exchange members (intra-member rates), (b) exchange membership by financial institutions, (c) the necessity for restrictions on access of exchange members to the third market, and (d) competition among exchanges and among exchanges and other markets. Among the germane matters on which testimony should be offered are: the implications for the public and the securities industry of multiple markets versus a single market in listed securities; the desirability of competing markets providing different schedules of member or non-member commissions; New York Stock Exchange Rule 394 and the relationship of the third market to regional exchanges; access to transaction and floor information by competing markets and others; the impact of automation on competition between markets in exchange listed securities, and related matters.

Persons who wish to testify or offer evidentiary facts for inclusion in the record of the hearing are invited to notify the hearing officer (Roger S. Foster, Securities and Exchange Commission, Washington, D.C., 20549) by November 1, 1968.

SEC COMPLAINT NAMES CUNDARI OIL. The SEC Chicago Regional Office announced October 14 (LR-4137) the filing of a complaint in the U. S. District Court in Detroit seeking to enjoin violations of the Securities Act registration provisions by Cundari Oil Company, Inc., and Sante M. Cundari, of Detroit, in the sale of oil interests.

GRANITE STATE ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16192) giving interested persons until November 8 to request a hearing upon an application of Granite State Electric Company, Lebanon, N. H., subsidiary of New England Electric System ("NEES"), to increase its authorized capital stock by 5,000 shares to 35,400 shares. Granite State proposes to issue and sell the 5,000 additional shares at \$100 per share to NEES. Net proceeds of its stock sale will be applied toward the payment of \$4,370,000 of short-term notes evidencing borrowings made for construction purposes.

WISCONSIN ELECTRIC POWER TO SELL DEBENTURES. Wisconsin Electric Power Company, 231 West Michigan St., Milwaukee, Wisc. 53201, filed a registration statement (File 2-30489) with the SEC on October 18 seeking registration of \$40,000,000 of debentures, due 1993, to be offered for public sale at competitive bidding. An electric utility, the company will use the net proceeds of its debenture sale to retire some \$24,000,000 of short-term borrowings, to reimburse the company's treasury for expenditures previously made for capital improvements and to finance in part continuing construction expenditures. Construction expenditures are estimated at \$98,000,000 for 1968 and at \$64,000,000 for 1969.

HARVEY HUBBELL FILES FOR SECONDARY. Harvey Hubbell, Incorporated, State Street and Bostwick Ave., Bridgeport, Conn. 06602, filed a registration statement (File 2-30492) with the SEC on October 17 seeking registration of 4,346 outstanding shares of Class B common stock. These shares may be offered for public sale from time to time by the present holders thereof at prices current at the time of sale (\$45 per share maximum*).

The company is engaged in the manufacture and sale of high-quality electrical wiring devices, industrial controls, flexible holding devices, molded plastics, fasteners, outdoor lighting equipment and communications equipment. It has outstanding 843,154 Class A and 1,141,043 Class B common shares. The Louis E. Roche Trust and the Harvey Hubbell Trust own 22.84% and 12.41%, respectively of the Class A shares; management officials as a group own 4.10% of the Class A and 2.09% of the Class B shares. George R. Weppler is board chairman and president. Franklin C. and Tamara P. Salisbury propose to sell 1,135 shares each of 4,957 and 4,743 shares held, respectively, and three others the remaining shares being registered.

JEFFERSON COUNTY KENNEL CLUB PROPOSES RIGHTS OFFERING. Jefferson County Kennel Club, Inc., Monticello, Fla., filed a registration statement (File 2-30482) with the SEC on October 17 seeking registration of 49,445 shares of common stock and \$988,900 of 7% subordinated sinking fund debentures, due 1978 (convertible into common stock at \$5 per share), to be offered for subscription by common stockholders in units, each consisting of 5 common shares and \$100 of debentures, and at the rate of one unit for each 40 shares held. The offering is to be made through Lincoln Securities Corporation, 909 Florida Bank Bldg., Jacksonville, Fla., which will receive a \$6 per unit commission on each unit offered, plus an additional \$6 per unit for each unsubscribed unit purchased by the underwriter; the interest rate, offering price (\$120 per unit maximum*) and underwriting terms are to be supplied by amendment.

OVER

The company is engaged in the business of conducting greyhound racing. Of the net proceeds of its financing, \$750,000 will be reserved for possible acquisition of an additional greyhound race track; the balance will be added to working capital and used for general corporate purposes. The company has outstanding 395,533 common shares, of which Steve Andria, president, owns 15.8% and management officials as a group 22.4%. Fred E. Deeb is board chairman.

MEDI-SERV PROPOSES OFFERING. Medi-Serv Corporation of America, 11 Sunrise Plaza, Valley Stream, N. Y. 11581, filed a registration statement (File 2-30484) with the SEC on October 17 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on an "all-or-none, best efforts" basis through Weinberg, Ost & Hayton, Inc., which will receive a 30c per share selling commission and \$15,000 for expenses. The company has agreed to sell the underwriter for \$150, upon consummation of this offering, six-year warrants to purchase 15,000 common shares, exercisable after one year at \$3.60 per share, and to sell to Jerry Calick an employee of the underwriter, for \$50, similar warrants to purchase 5,000 common shares. 1/ (of 52 Broadway, New York 10004)

Organized under Delaware law in June 1968, the company is engaged in the business of equipping and licensing professional offices, primarily for members of the dental profession ("subscribers"), preparing for subscribers invoices and vendor statements to governmental agencies under medical assistance programs such as the New York State Medicaid program, establishing non-medical systems and procedures for subscribers to assist them in meeting the requirements of Medicaid, purchasing subscribers receivables due from governmental agencies under Medicaid, and furnishing lay consultation to subscribers as to Medicaid and other governmental, union and group health plans. Of the net proceeds of its stock sale, the company will use \$100,000 to lease and purchase all major dental equipment necessary to establish and equip two dental offices, which the company intends to license to subscribers, and \$150,000 to purchase accounts receivable from subscribers; the balance will be added to working capital. The company has outstanding 402,500 common shares (with a 13c per share book value), of which Martin Feldman, president, and Dolores Feldman, vice president, own 200,000 each. Upon completion of this offering, the present shareholders will own 67% of the outstanding common stock with a \$50,730 book value, while the purchasers of the shares being registered will own 33%, for which they will have paid \$600,000.

AMERICAN FUNDING PROPOSES OFFERING. American Funding Corporation, 315 S. Beverly Drive, Beverly Hills, Calif. 90212, filed a registration statement (File 2-30485) with the SEC on October 17 seeking registration of \$500,000 of programs for the acquisition of mutual fund shares and insurance. The programs allow a participant to purchase mutual fund shares for cash and to pledge those mutual fund shares with the company as collateral for a loan from the company with which to pay premiums on insurance policies. Organized under California law in December 1967, the company is engaged primarily through wholly-owned subsidiaries in the sale separately of mutual fund shares, through AFCO Securities Corporation, and life insurance, health insurance and disability income insurance through AMFUND Agency, Inc. The company is not a registered investment company and does not in any way participate in the management or supervision of any of the mutual funds whose shares are sold in the programs. The company has outstanding 492,500 common shares, of which Charles A. Peterson, president, owns 48.2% and management officials as a group 70.6%.

CABLE COM-GENERAL FILES FOR OFFERING AND SECONDARY. Cable Com-General, Inc., 3524 North Tejon St., Colorado Springs, Colo. 80907, filed a registration statement (File 2-30486) with the SEC on October 17 seeking registration of 500,475 shares of common stock. Of this stock, 275,475 shares are to be offered for public sale by the company and 225,000 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Shields & Co., 44 Wall St., New York 10005; the offering price (\$17 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the operation of 36 community antenna television systems ("CATV"); through a subsidiary, it also provides microwave service to affiliated and independent CATV companies. Of the net proceeds of its sale of additional stock, the company will apply a portion to the retirement of \$3,021,482 of loans payable to its parent, Video Independent Theatres, Inc. (incurred principally to finance capital expenditures and investments in and advances to affiliates); the balance will be applied to the cost of improvements to existing systems, to the continuation of construction of new systems and to general corporate purposes. John B. Poor is board chairman and Robert M. Clark president. In addition to indebtedness, the company has outstanding 1,329,525 common shares, all owned by Video Independent Theatres, Inc. (a wholly-owned subsidiary of RKO General, Inc.); Video Independent proposes to sell 225,000 shares.

MARINDUQUE MINING & INDUSTRIAL TO SELL DEBENTURES. Marinduque Mining & Industrial Corporation, Ledesma Bldg., Intramuros, Manila, Philippines, filed a registration statement (File 2-30487) with the SEC on October 18 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1988, to be offered for public sale through underwriters headed by Glore Forgan, Wm. R. Staats, Inc., 45 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the mining and processing of copper ore and the production of cement. It produces copper ore and copper and molybdenum concentrates which are exported primarily to Mitsui Mining & Smelting Co., Ltd., Japan. Net proceeds of its sale of debentures will be added to the company's working capital and, together with other funds, will be used primarily to finance its commitment to develop a mine and construct a refinery facility for the recovery of nickel on the Government-owned Surigao Mineral Reservation pursuant to an agreement with the Philippine Government. Expenditures for this project are estimated at \$13,000,000. In addition to indebtedness, the company has outstanding 4,763,035 common shares, of which Jesus S. Cabarrus, board chairman and president, owns 11.436% and management officials as a group 16.48%.

BARON INDUSTRIES PROPOSES OFFERING. Baron Industries Corporation, 2515 East Indian School Road, Phoenix, Ariz. 85016, filed a registration statement (File 2-30488) with the SEC on October 18 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering is to be made through underwriters headed by Young, Smith & Peacock, Inc., 3443 North Central Ave., Phoenix, Ariz. 85012, which will receive a 67¢ per share commission. The company has agreed to sell the Young, Smith firm, for \$120, warrants to purchase 12,000 common shares, exercisable at \$9 per share.

The company was organized under Arizona law in December 1967, principally to manufacture and market polystyrene foam cups and container and thermoformed plastic resin cups, containers and lids; its activities have been limited principally to research, design, testing and development of equipment to be used in the manufacture of its products, in setting up marketing arrangements and in seeking financing for its proposed production facilities. Of the net proceeds of its stock sale, \$500,000 will be invested in its production subsidiary, Baron Container Corporation, which will use the funds to install three plants; the remainder will be used as working capital, for salaries and other administrative costs and to augment the working capital of the subsidiaries where necessary and for other corporate purposes. The company has outstanding 178,300 common shares (with a 38¢ per share book value), of which Glen E. Wiltsey, president, owns 35% and Bryce D. Confair, vice president, 24.7%. Upon completion of this offering, the present shareholders will own 63% of the company's outstanding common stock, for which the company received \$178,300, while the purchasers of the shares being registered will own 37%, for which they will have paid \$900,000.

MICHIGAN CONSOLIDATED GAS TO SELL BONDS. Michigan Consolidated Gas Company, One Woodward Ave., Detroit, Mich. 48226, filed a registration statement (File 2-30490) with the SEC on October 18 seeking registration of \$31,000,000 of first mortgage bonds, due 1993, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale to retire \$30,837,000 aggregate principal amount of the 3-1/2%, 2-7/8% and 3-3/8% series of first mortgage bonds, due 1969. Construction expenditures for 1968 and 1969 are estimated at \$90,000,000.

SEC ORDER CITES INSTITUTE FOR MEDICAL MANAGEMENT. The SEC has ordered proceedings under the Investment Advisers Act of 1940 involving the investment advisory firm of Institute for Medical Management, Inc., of New York City, and its president and principal stockholder, Edward M. Eglowsky.

The proceedings are based upon allegations of the Commission's staff that the said Institute and Eglowsky engaged in activities violative of the anti-fraud and other provisions of the Federal securities laws, including the alleged conversion of customers' funds obtained as a deposit for the purchase of securities.

A hearing will be held pursuant to further order to take evidence on, and afford the respondents an opportunity to defend against, the staff charges, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature should be taken in the public interest.

UTAH BUSINESS DEVELOPMENT RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5518) exempting Utah Business Development Corporation, Salt Lake City, from all provisions of the Act. According to its application, the company's authorized capital consists of 2,000 shares of common stock, \$500 par. It plans to offer 600 shares of stock pursuant to a Regulation A exemption from Securities Act registration. The company's primary function is to supply needed capital to Utah business, which businesses are unable to obtain capital from conventional lending sources and whose primary motive is the industrial and commercial expansion of Utah. Applicant will do business only in Utah and only with companies or other business entities doing or proposing to do business in Utah (although some of the companies may be non-Utah corporations).

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-8430) giving interested persons until November 5 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of The Fluor Corporation, Ltd., Memorex Corporation, Simmonds Precision Products, Inc., and Sun Chemical Corporation.

BOSTON EDISON TO SELL BONDS. Boston Edison Company, 800 Boylston St., Boston, Mass. 02199, filed a registration statement (File 2-30491) with the SEC on October 18 seeking registration of \$50,000,000 of first mortgage bonds, Series K, due 1998, to be offered for public sale through competitive bidding. A public utility, the company will apply the net proceeds of its bond sale towards reduction of short-term notes, incurred for construction purposes and expected to approximate \$60,000,000 at the time of the issuance of the Series K bonds. Construction expenditures were \$55,000,000 for 1967 and are estimated at \$57,000,000 for 1968; for the 1968-1972 period such expenditures are estimated at \$314,000,000.

CORRECTION RE SHARE PRICING RULE. The SEC release reflecting the adoption of Rule 22c-1 under the Investment Company Act and an amendment to Rule 17a-3 under the Securities Exchange Act, referred to in the News Digest of October 17, carries Release No. "IC-5519," not "IC-5520."

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.

| | | | |
|----------------------------------|-----------|--|----------|
| UTD Corp Sept 68 (11,13) | 1-233-2 | Pioneer Plastics Corp Sept 68 (7) | 1-4487-2 |
| Clear Creek Corp Sept 68 (6) | 0-1379-2 | United Fruit Co Sept 68 (8) | 1-1550-2 |
| Digitek Corp Jul 68(2,7,13) | 2-24230-2 | Warner & Swasey Co Sept 68 (4,7,13) | 1-4787-2 |
| Morton Internatl Inc Sept 68(13) | 0-1404-2 | | |

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| Genl Foods Corp Sept 68(12) | 1-1354-2 | Congoleum-Mairn Inc Sept 68(2,11) | 1-1073-2 |
| Halliburton Co Sept 68 (13) | 1-3492-2 | Delta Air Lines Inc | |
| Revco D S Inc Sept 68 (12) | 1-5025-2 | Sept 68 (7) | 1-5424-2 |
| Riker Video Inds Inc | | Farrel Corp Aug 68 (12) | 0-447-2 |
| Sept 68(2,13) | 0-2715-2 | Piedmont Natural Gas Co Inc | |
| | | Sept 68 (7,13) | 0-1123-2 |
| Chesapeake Corp of Virginia | | | |
| Sept 68 (13) | 1-3203-2 | Fabien Corp Jun 68 (1,13) | 1-5633-2 |
| Gum Prods Inc Sept 68(3,6,12) | 0-3007-2 | Johns-Mansville Corp | |
| Leeds & Northrup Co Sept 68(11) | 1-5192-2 | Sept 68 (12,13) | 1-1251-2 |
| Northwest Inds Inc | | Wetterau Foods Inc Sept 68(7) | 0-1451-2 |
| Sept 68(11,13) | 1-5509-2 | | |
| Roto American Corp Jul 68(2,13) | 1-5215-2 | Anaconda Co Sept 68(7,13) | 1-2280-2 |
| Stelber Inds Inc Sept 68(11,13) | 2-27500-2 | Arizona Agrochemical Corp | |
| Zurn Inds Inc Sept 68 (7) | 1-5502-2 | Sept 68 (7,11,13) | 0-1606-2 |
| | | Federal Sign & Signal Corp | |
| Keystone Valve Corp Sept 68(11) | 0-2115-2 | Sept 68 (7,8,13) | 0-693-2 |
| Marine Midland Banks Inc | | Invmt Corp of Florida | |
| Sept 68 (13) | 1-2940-2 | Aug & Sept 68 (7,13) | 0-1796-2 |
| Marine Midland Overseas Corp | | Southern Securities Corp | |
| Sept 68 (13) | 1-5662-2 | Sept 68 (1,3,6,13) | 0-1840-2 |
| Robert Reis & Co Sept 68 (6) | 0-2175-2 | Special Studies Inc | |
| Sinclair Oil Corp Sept 68(12,13) | 1-1247-2 | Sept 68 (11,13) | 2-27243-2 |
| Stone & Webster Inc Sept 68(13) | 1-1228-2 | Tipperary Land Corp Sept 68(7) | 0-2960-2 |
| T R W Inc Sept 68(2,4,7,13) | 1-2384-2 | | |
| West Bay Financial Corp | | Dutchess Ski Corp & Dutchess Ski Club Inc | |
| Sept 68 (1,7,12,13) | 0-2519-2 | Aug 68(11,12,13) | 2-26101-2 |
| Western Transmission Corp | | General Alloys Co Sept 68(7,9) | 1-1870-2 |
| Sept 68 (2,13) | 1-5167-2 | Insurance Securities Inc | |
| | | Sept 68 (12) | 0-1843-2 |
| Royal American Inds Inc | | Internatl Business Machines Corp | |
| Sept 68(7,13) | 1-4109-2 | Sept 68 (12) | 1-2360-2 |
| Southern Rlty & Utilities Corp | | Tastee Freez Inds Inc | |
| Sept 68 (8) | 1-4253-2 | Sept 68 (2,7,8,13) | 1-4722-2 |
| | | | |
| Auto-Leg Stores Inc (Formerly) Sanfield Corp | | Simon & Schuster Inc | |
| Sept 68(11,13) | 0-2932-2 | Sept 68 (12,13) | 0-389-2 |
| Briggs & Stratton Corp | | L S Starrett Co | |
| Sept 68 (11) | 1-1370-2 | Sept 68(4,7,11,13) | 1-367-2 |
| | | Whitaker Cable Corp | |
| Lee Way Motor Freight Inc | | Sept 68(11,13) | 1-5510-2 |
| Sept 68 (7,13) | 0-747-2 | | |
| United Ins Co of America | | Interpace Corp Sept 68 (3) | 1-4669-2 |
| Sept 68 (1) | 2-12002-2 | Magnetics Inc Sept 68(12) | 0-700-2 |
| Western Microwave Laboratories | | Okonite Co Aug 68 (7) | 1-5267-2 |
| Sept 68(12,13) | 2-27469-2 | Charles Pindyck Inc Sept 68(2,12) | 0-2870-2 |
| | | John Sexton & Co Sept 68(2,3,13) | 0-1804-2 |
| Liberty Equities Corp | | Sunset House Sept 68(12,13) | 1-5285-2 |
| Sept 68 (7,11,13) | 0-2258-2 | VTR Inc Sept 68(2,13) | 1-3393-2 |
| Rapid American Corp Sept 68(3) | 1-750-2 | Wilson Pharmaceutical & Chemical Corp | |
| Spector Inds Inc Sept 68 (12,13) | 1-5206-2 | Apr 68(11,13) | 1-5444-2 |
| Volume Shoe Corp Sept 68 (7) | 0-1961-2 | | |

SECURITIES ACT REGISTRATIONS. Effective October 18: Equity Resources Limited Partnership 1968, 2-29787 (90 days); Glen Alden Corp., 2-30041; Interchemical Corp., 2-30233; Mesa Petroleum Co., 2-30202 (Nov 28); Occidental Petroleum Corp., 2-30064; Pictoral Productions, Inc., 2-29800 (40 days); Programming Sciences Corp., 2-28961 (90 days); Rice Broadcasting Company, Inc., 2-29221 (90 days); Sam Boren Oil, Inc., 2-29035 (90 days).

Withdrawn October 18: Valdak Corp., 2-27126.

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.