

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. 69-157)

FOR RELEASE August 18, 1969

STEIN ROE FUND RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-5783) permitting Stein Roe & Farnham Stock Fund, Inc., Chicago, to acquire substantially all of the assets of Royal Investment Corporation. Stein Roe proposes to issue its shares at net asset value for Royal's assets, which were valued at \$1,401,219 on March 31, 1969.

AFFILIATED FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5782) giving interested persons until September 9 to request a hearing upon a proposal of Affiliated Fund, Inc., New York mutual fund, to acquire substantially all of the assets of Eich Motor Company. Affiliated Fund proposes to issue its shares at net asset value for Eich's assets, which were valued at \$515,487.50 on February 28. Had the transaction been consummated on that date, Eich would have received 58,511 Affiliated Fund shares. The shares of Affiliated Fund are to be distributed to the sole Eich stockholder on liquidation of Eich.

AMERICAN INTERNATIONAL SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5781) giving interested persons until September 8 to request a hearing upon an application of Adams Express Company, New York, on behalf of American International Corporation ("AIC"), a management, closed-end diversified investment company, for an order declaring that AIC has ceased to be an investment company as defined in the Act. On November 22, 1969, holders of more than two-thirds of the outstanding shares of AIC and Adams adopted a plan of merger with Adams as the surviving corporation. On January 1, the merger of AIC into Adams became effective and Adams succeeded to all the assets, rights, liabilities and obligations of AIC and the existence of AIC as a separate corporation ceased.

STEADMAN FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5784) giving interested persons until September 2 to request a hearing upon a proposal of Steadman Fiduciary Investment Fund, Inc., Washington, D. C., mutual fund, to acquire substantially all of the assets of Hillsborough Bridge Corporation. Steadman proposes to issue its shares at net asset value for Hillsborough's assets, which were valued at \$537,000 on March 31. Had the transaction been consummated on that date, Hillsborough would have received 65,730 shares of Steadman stock. The shares of Steadman are to be distributed to Hillsborough stockholders on the liquidation of Hillsborough.

TRADING BAN CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Commercial Finance Corporation of New Jersey for the further ten-day period August 19-28, 1969, inclusive.

WOOLWORTH FILES FOR SECONDARY. F. W. Woolworth Co., 233 Broadway, New York, N. Y. 10007, filed a registration statement (File 2-34300) with the SEC on August 13 seeking registration of 217,754 outstanding shares of \$2.20 Series A convertible preferred stock (and the underlying common shares). These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$54.75 per share maximum*).

The company and its subsidiaries operate a chain of more than 3,100 stores providing customers with a broad range of popular priced merchandise. It has outstanding 29,250,000 common shares. Consors Incorporated proposes to sell 74,800 preferred shares and nine others the remaining shares being registered. The selling shareholders were shareholders of The Richman Brothers Company, acquired by Woolworth as a result of a merger in March.

WISCONSIN NATURAL GAS TO SELL BONDS. Wisconsin Natural Gas Company, 231 West Michigan St., Milwaukee, Wisconsin 53201, filed a registration statement (File 2-34303) with the SEC on August 14 seeking registration of \$10,000,000 of first mortgage bonds, due 1994, to be offered for public sale at competitive bidding. A subsidiary of Wisconsin Electric Power Company, the company will use the net proceeds of its bond sale to retire some \$7,000,000 of short-term bank loans, made to provide a portion of the funds needed for construction expenditures; to reimburse the company's treasury for capital expenditures previously made; and to finance in part continuing additions and improvements to the company's utility property. Construction expenditures are estimated at \$11,900,000 for 1969 and \$11,800,000 for 1970.

DATATRON PROCESSING FILES. Datatron Processing Inc., 58-51 Maspeth Ave., Flushing, N. Y. 11378, filed a registration statement (File 2-34304) with the SEC on August 14 seeking registration of 5,358,467 shares of common stock. These shares constitute all the outstanding shares of Datatron and are to be distributed to stockholders of record on August 12 of Diversified Industries, Inc. (which company owns all of Datatron's outstanding stock), at the rate of one Datatron share for each Diversified share held.

Datatron is a computer service organization specializing in systems design and computer programming. James F. Cear is president and board chairman.

OVER

PROPERTY LEASING TO SELL STOCK. Property Leasing Corp., 407 Lincoln Road, Miami Beach, Fla., filed a registration statement (File 2-34305) with the SEC on August 14 seeking registration of 100,000 shares of common 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 Wall Street Corporation, 711 Main St., Avon, N. J., which will receive a 50¢ per share selling commission plus \$7,500 for expenses. The company has agreed to sell 10,000 shares to the underwriter for \$1,000.

Organized in June for the purpose of acquiring from Desert Inn Annex, Inc., all the outstanding stock of H. J. Ft. Lauderdale Corp., H. J. Jacksonville Corp., H. J. St. Pete Beach Corp. and H. J. Pompano Beach Corp., the company is principally engaged in the operation of two Howard Johnson motor lodges in Florida. A third motor lodge is under construction. All of the net proceeds of the stock sale will be devoted to the construction and furnishing of the company's Howard Johnson motor lodge and restaurant in St. Petersburg Beach. In addition to indebtedness, the company has outstanding 300,000 common shares (with a 94¢ per share book value), all of which is owned by Desert Inn Annex, Inc. All of the outstanding stock of Desert Inn Annex, Inc., is owned by Chaves Construction Co. of Miami, which in turn is owned equally by Benjamin Chaves, president, and Leon Chaves, executive vice president, of Property Leasing. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of \$500,000 (they will sustain an immediate dilution of \$3.26 in per share book value from the offering price); the present stockholder will then own 75%, for which it will have invested and contributed an aggregate of \$283,333.

GULF STATES UTILITIES TO SELL BONDS. Gulf States Utilities Company, P. O. Box 2951, Beaumont, Tex. 77704, filed a registration statement (File 2-34306) with the SEC on August 14 seeking registration of \$25,000,000 of first mortgage bonds, 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 pay a portion of the \$58,000,000 of short-term notes due on or prior to December 31 (proceeds of which were used in connection with the company's construction program and for other corporate purposes). Construction expenditures are estimated at \$124,500,000 for 1969.

ELBA SYSTEMS FILES FOR OFFERING AND SECONDARY. Elba Systems Corporation, 5909 East 38th St., Denver, Colo. 80207, filed a registration statement (File 2-34313) with the SEC on August 14 seeking registration of 309,387 shares of common stock, of which 100,000 are to be offered for public sale by the company and 209,387 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York, N. Y. 10005; the offering price (\$70 per share maximum*) and underwriting terms are to be supplied by amendment.

The company develops and markets audio-visual sales training and motivational materials and related portable audio-visual equipment which to date have been sold to the life insurance industry. The company will use the net proceeds of its sale of additional stock to repay all of its borrowings under its line of credit incurred for working capital purposes and will add the balance to its treasury to be used for working capital purposes. During the three months ended July 31, bank borrowings ranged from a low of \$1,700,531 to a high of \$2,707,852. In addition to indebtedness, the company has outstanding 1,929,890 common shares, of which E. L. Barrett, president and board chairman, owns 9.86%, his wife (Mildred Barrett) 10.17% and management officials as a group 48.4%. Mildred Barrett proposes to sell 21,320 shares of 196,320 shares held, E. L. Barrett 15,320 of 190,320, and a large number of others the remaining shares being registered.

WEIGH OF LIFE TO SELL STOCK. Weigh of Life, Inc., 4 New Hyde Park Road, Franklin Square, N. Y., filed a registration statement (File 2-34312) with the SEC on August 14 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a "best efforts all or none" basis through G. K. Scott & Co., Inc., 54 Wall St., New York, N. Y., which will receive a 20¢ per share selling commission plus \$12,000 for expenses. The company has agreed to sell to the underwriter, for \$200, five-year warrants to purchase 20,000 shares, exercisable after one year at \$2.50 per share; it has also agreed to pay \$10,000 to the finders, Messrs. Goldstein & Goldstein, counsel to the underwriter.

Organized in December 1967, the company is engaged in helping overweight people lose their excess weight and maintain such weight losses. To accomplish this, the company conducts lecture classes in which people are taught how to change their eating habits. Of the net proceeds of its stock sale, \$100,000 will be used for the expansion of the company's franchise operations and hiring additional personnel, \$100,000 for the expansion of its operations in the Greater New York City area acquisition of additional classroom space and furnishing therefor, and \$100,000 for the proposed development of specially prepared foods and the development of facilities to manufacture and distribute such products; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 400,000 common shares, of which Educational Sciences Programs, Inc., owns 95%. Mike Maislen is president. Purchasers of the shares being registered will acquire a one-third stock interest in the company for their investment of \$400,000; the present shareholders will then own two-thirds, for which they will have paid an aggregate of 6,000 shares of Educational Sciences and \$1,000.

HANOVER INSURANCE PROPOSES RIGHTS OFFERING. The Hanover Insurance Company, 130 William St., New York, N.Y. 10038, filed a registration statement (File 2-34310) with the SEC on August 14 seeking registration of 414,434 shares of capital stock, to be offered for subscription by its capital stockholders of record September 10, at the rate of one new share for each three shares held. State Mutual Life Assurance Company of America, the owner of 373,300 shares (30%), has agreed to subscribe for 124,433 new shares and in addition will purchase any shares which are not subscribed for by others. No underwriting is involved.

The company and its subsidiaries are engaged in writing fire, marine, casualty, workmen's compensation and allied lines of insurance. Net proceeds of its stock sale will be added initially to the company's general funds and will be invested in securities which will qualify as legal investment for New York fire and casualty companies. The proceeds are to be used to increase the company's capital and surplus and thereby furnish it with additional capital funds necessary to expand its business. The company has outstanding 1,243,302 common shares. H. Ladd Plumley is board chairman and John Adam, Jr., president.

