

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the SEC

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VARIABLE ANNUITY FUND OF SOUTHWESTERN LIFE SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5936) giving interested persons until January 7 to request a hearing upon an application of Variable Annuity Fund I of Southwestern Life ("Fund") and Southwestern Life Insurance Company, Dallas, for exemption from certain provisions of the Act. Southwestern Life established Fund as the facility through which it will set aside and invest assets attributable to variable annuity contracts offered by Southwestern.

CAPITAL ESTATES SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5938) giving interested persons until January 21 to request a hearing upon an application of Capital Estates, Inc., Reno, for an order declaring that it is primarily engaged in a business other than that of an investment company. Labatt Breweries of British Columbia, Limited ("Breweries"), a Canadian brewing corporation, owns 61% of Capital Estates' outstanding common stock. In turn, about 97% of Breweries' outstanding common stock is owned by John Labatt Limited ("Labatt"), a Canadian corporation engaged primarily in the brewing business and also in the manufacture and sale of wines, fine chemicals and pharmaceutical products. Of Capital Estates' \$2,510,178 of assets, \$2,453,720 is represented by Capital Estates' holdings of 478,559 shares of common stock of General Brewing Corporation, equal to about 47.6% of General's outstanding common stock. Breweries owns 6% and Labatt 11% of General's outstanding common stock. Virtually all of Capital Estates' assets other than General Brewing stock are cash and government securities. The only major holding of General's common stock other than that of Capital Estates, Breweries and Labatt is the ownership by an individual and his wife of about 20%. Four directors of Capital Estates are also officers or directors of General, whose board of directors is comprised of six members. One of these individuals serves as board chairman of General and devotes 15% to 20% of his time to General. Capital Estates earned \$627,962 for the five fiscal years April 30, 1964 through April 30, 1968, of which \$597,226 was derived from dividends received from General and the balance from interests on short-term deposits.

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the further suspension of over-the-counter trading in the securities of Liquid Optics Corporation for the period December 27, 1969 through January 5, 1970, inclusive, and in the securities of Continental Vending Machine Corporation for the period December 28, 1969 through January 6, 1970, inclusive.

TRADING SUSPENDED IN STANDARD COMPUTER-PIC RES. The SEC today announced the issuance of an order (Release 34-8787) suspending over-the-counter trading in securities of Standard Computer and Pictures Corporation ("Standard"), of North Miami Beach, Fla. for the ten-day period December 24, 1969, through January 2, 1970. Standard's securities have not been registered with the Commission. The trading ban was ordered because it appears that, by reason of the unavailability of adequate and accurate information and/or the dissemination of false and misleading information about Standard, its operations, financial condition and prospects, an informed and realistic analysis and evaluation of its securities cannot be made by public investors. No income or profit and loss statements for Standard are available. A July 31 balance sheet shows 6,368,915 shares of 1c par common stock outstanding and to be issued, and an unspecified number of shares of convertible stock to be issued. A portion of Standard's stock was acquired by Spectrum, Ltd., of Fort Lauderdale, Fla.; the shares acquired by Spectrum were immediately spun off to Spectrum stockholders, following which a market for its shares developed. The bid price of Standard's common stock rose from \$9-3/4 on July 11 to \$15 on December 16, during the past four months the bid price ranged from \$12 to \$15 per share. Serious questions have arisen as to the value and ownership of properties carried on Standard's balance sheet at \$19,816,230. The Commission cautioned that, when trading in Standard shares resumes after January 2, present holders and prospective purchasers, as well as broker-dealer firms, should consider carefully all available information about the company, and should be particularly mindful of the fact that Standard securities have not been registered with the Commission and vital information which would be provided through registration is not available.

NEW ENGLAND ELECTRIC SYSTEMS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16564) giving interested persons until January 15 to request a hearing upon a proposal of New England Electric System ("NEES"), Boston holding company, for investment interests in its subsidiary companies, as required by a Commission order of 1964 and affirmed on appeal. NEES has requested an extension until April 1970 to comply with the divestiture order, which is currently pending before the Commission. The Plan provides that NEES will transfer to Massachusetts Gas System ("Mass Gas") a Massachusetts business trust organized by NEES for this purpose, the shares of capital stocks of its eight gas-utility subsidiaries and notes of the subsidiaries which NEES may own at the time of consummation. In exchange for such securities, NEES will receive 1,466,275 common shares of Mass Gas. NEES states that the ultimate disposition of the gas properties will be the subject of a further plan or plans to be filed with the Commission.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8781) granting an application of the American Stock Exchange to strike from listing and registration the common

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stock of Magnetics, Inc. effective at the opening of business December 26 because of the company's failure to comply with the terms of its listing agreement with the Exchange relating to obtaining shareholder approval for issuance of additional shares as consideration for an acquisition of the stock or assets of another company.

JO MATTHEWS TO SELL STOCK. Jo Matthews Incorporated, 525 Seventh Ave., New York, N.Y. 10018, filed a registration statement (File 2-35707) with the SEC on December 19 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Weinberg, Ost & Hayton, Inc., 52 Broadway, New York, N.Y. The offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Weinberg firm \$15,000 for expenses and to sell it 10,000 shares at 25¢ per share.

The company is engaged in the design, manufacture and sale of moderate priced, ready-to-wear women's sportswear to department stores and specialty shops. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes, including the development of new product lines, the employment of additional salesmen and the development of an advertising and sales promotion program. The company has outstanding 300,000 common shares (with a \$1.45 per share net tangible book value), of which Matthew Matluck, president, and Joseph Izzo, vice president, own 41.8% each.

E W INDUSTRIES PROPOSES OFFERING. E W Industries, Inc., 1410 Spruce St., Stroudsburg, Pa. 18360, filed a registration statement (File 2-35709) with the SEC on December 19 proposing the public offering of 100,000 of common stock and \$500,000 of 7½% subordinated convertible debentures, due 1980 (the latter at 100% of principal amount). The offering is to be made through underwriters headed by Hamborg Securities Corporation, the offering price of the common stock (\$5 per share maximum*) and underwriting terms for both issues are to be supplied by amendment. The company has agreed to pay the underwriters \$15,000 for expenses and to pay \$10,000 to Charles Bensinger, Esq., in consideration for his services as a finder. It also has agreed to issue the Bensinger firm five-year warrants to purchase 8,750 shares, exercisable after one year at \$5 per share, and to issue like warrants to purchase 1,250 shares to Charles Bensinger. Also included in this statement are \$143,000 of 7½% subordinated convertible debentures, due 1980, to be issued by the company to Mr. and Mrs. William S. Wyckoff (president), Mr. and Mrs. Paul L. Edinger (secretary), Edward R. Bollard and Lester E. Meyers, in exchange for an equal face amount of 60 day notes held by them.

The company manufactures and sells merchandising fixtures and decorative elements for use in department and specialty stores. Of the net proceeds of its financing, \$335,000 will be used to pay outstanding bank indebtedness and \$170,000 to enlarge and provide additional equipment for the company's plant at Stroudsburg, Pa.; the balance will be used for the company's working capital and possible acquisitions of other businesses. In addition to indebtedness, the company has outstanding 200,000 common shares (with a \$1.96 per share net tangible book value), of which Paul and Hazel Edinger own 38.78% and William S. Wyckoff and Elizabeth S. Wyckoff 26.86% each.

PHARMACARE TO SELL STOCK. Pharmicare, Inc., 1609 Pasadena Ave., South, St. Petersburg, Fla. 33707, filed a registration statement (File 2-35710) with the SEC on December 19 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through Spingarn, Heine & Associates, Inc., 37 Wall Street, New York, New York, which will receive a 45¢ per share commission plus \$13,000 for expenses. The company has agreed to pay John A. Weil \$3,000 as a finder's fee and to sell the Spingarn firm 14,000 shares at 25¢ per share.

Organized in June 1969, the company is engaged in the operation of a pharmacy in the Palms of Pasadena Hospital in St. Petersburg, Florida, and intends to operate additional pharmacies in hospitals and nursing homes and similar institutions, principally in Florida. The company intends to implement a program called the "Pharmacare" (registered as a service mark with the U.S. Patent Office) plan through which individuals will be able to purchase from participating retail drug stores, at prices comparable to wholesale prices, prescription and non-prescription drugs, vitamins and certain other items. Of the net proceeds of its stock sale, \$295,000 will be used for advertising and promotion and the balance will be added to the company's working capital and used for general business purposes. The company has outstanding 150,000 common shares (with an 8¢ per share net tangible book value), of which Harold B. Siegel, president, owns 75% and management officials as a group 100%. Purchasers of the shares being registered will acquire a 48% stock interest in the company for their investment of \$750,000; the underwriter will then own 4% for which it will have paid \$3,500; and the present shareholders will own 48%, for which they contributed the Pharmacare service mark and program.

SPACE SYSTEMS LABORATORY FILES FOR OFFERING AND SECONDARY. Space Systems Laboratory, Inc., 1111 Sheridan Road, Melbourne, Fla. 32901, filed a registration statement (File 2-35711) with the SEC on December 19 seeking registration of 150,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made on an "all-or-none" basis through Benjamin Werner Co., 19 Rector St., New York, New York; the offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Werner firm \$15,000 for expenses and to sell it, for \$150, six-year warrants to purchase 15,000 shares.

The company is engaged in the production of various items of hardware of an optical nature pursuant to prime contracts with the Government and sub-contracts with prime contractors. Of the net proceeds of its sale of additional stock, \$195,000 will be applied to the liquidation of the remaining balance due and payable to Southeastern Capital Corporation and \$170,000 will be allocated to discharge of accounts payable; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 465,635 common shares (with a 5¢ per share book value), of which Alfred K. Schiefner, president, owns 12% and management officials as a group 28%.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K 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 December 4 News Digest.

8-K Reports for November 1969

Science Management Corp. (2,7,13)	1-6059-2	Philadelphia Suburban Transportation Co. (7,9,13)	0-2655-2
Standard Products Co. (12,13)	1-2917-2	Titan Group Inc.(2,7,13)	0-594-2
Wells Television Inc. Aug. 69 (3)	0-3395-2	Total Energy Leasing Corp. (3,12)	0-3641-2 2-20810-2
American Photocopy Equipment Co. (2,13)	1-6081-2	Howard B. Wolf Inc. (7)	2-20810-2
Assn. Mortgage Investors (11)	0-3267-2	Zurn Ind. Inc. (7,13)	1-5502-2
Bristol Meyers Co. (3)	1-1136-2	Instrument Systems Corp. (2,8,13)	1-5643-2
CBK Agronomics Inc, (6,12)	1-3096-2	Milwaukee Professional Sports & Services Inc. (3)	0-3406-2
Intravest Inc. Jul 69 (7)	2-31554-2	Portsmouth Square Inc. (2,4,7,13)	0-4057-2
Ponderosa System Inc. (7,8,13)	0-3816-2	U.S. Natural Resources Inc. (2,7,13)	1-1537-2
Abbey-Lee Sportswear Inc. (1)	1-5871-2	Blasius Ind. Inc. (4,11,13)	0-3252-2
Allen Elect. & Equipment Co. (12)	1-6016-2	Lykes-Youngstown Financial Corp. (11)	2-15835-2
Comutrix Corp.(2,3,7,8,13)	0-3844-2	Master Inc. Oct.69 (11)	2-30568-2
Eckmar Corp. (2,13)	1-5405-2	Tresco Scientific Devices Corp. (2,11,13)	0-3814-2
Piedmont Develop. & Invest. Corp. (7)	0-3371-2	U.S. Smelting Refining & Mining Co. (12,13)	1-5172-2
Standard Pressed Steel Co. (7)	1-4416-2	Cascade Steel Rolling Mills Inc. (7,13)	0-3732-2
Skymark Airlines Inc. (1,13)	2-27895-2	International Recreation & Sports Inc.(2,7,8,13)	0-3373
Washington Water Power Co. (7)	1-3701-2	Northern Union Holding Corp. (7)	0-3565-2
ECO Elect. MFG. Corp. Amdt.#1 Mar.69 (13)	1-5819-2	Pickwick International Inc (2,13)	0-2812-2
Venice Ind. Inc. Amdt.#1 Oct.69(7)	1-5878-2	Woodward & Lothrop Inc. (13)	0-2445-2
Bross Utilities Service Corp (11,13)	0-4079-2	Zimmer Homes Corp. (12)	1-5712-2
Chemetron Corp.(12,13)	1-3061-2	American Realty Trust (11,13)	1-5954-2
Gordon Jewelry Corp. (11,13)	1-4540-2	Anthony Ind. Inc.(12,13)	1-4290-2
Photosystems Corp. (11)	2-31440-2	Geothermal Resources International Inc. Jul 69 (2,7,12)	0-3140-2 0-3140-2
Chicago & Eastern Ill RR Co. (12,13)	1-3148-2	Sep 69 (2)	0-3140-2
Contemporary Institute Inc. (12,13)	2-32303-2	Marshall & Wisley Bank Stock Corp (12)	0-1220-2
Hamco Machine & Electronics Corp. (12)	0-3078-2	Petrofunds Inc. (11)	2-27756-2
Louisville & Nashville RR Co. (3)	1-1116-2	Printogs LTD.(2,7,13)	2-31178-2
North American Royalties Inc. (2,7,8)	1-4027-2	Safeguard Ind. Inc. (7,12,13)	1-5620-2
Rudd-Melikain Inc, Jun 69 (7)	0-1993-2	Simplex Development Corp. (1,2,7,13)	2-27123-2
Uniservices Inc. (6)	0-77-2	Systems Engineering Lab. Inc. (12,13)	1-5635-2
Braden Ind. Inc. (11,13)	0-2270-2	Transcontinental Investing Corp. (12,13)	1-4945-2
Canadian Breweries LTD. Oct. 69 (11)	1-3374-2	Chemold Corp. (2)	0-3359-2
Northwest Airlines Inc. (3,12)	1-3139-2	Marmon Group Inc. (7)	1-2466-2
		Oregon National Life Insurance Co. (3,13)	2-22328-2
		Furity Stores Inc. (2)	0-1110-2
		Rex-Noreco Inc. (11,13)	1-6144-2

