

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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FOR RELEASE October 26, 1965

REGISTRATION RULE MODIFIED. The SEC has adopted an amendment to Rule 416 under the Securities Act (Release 33-4806) which broadens the scope of the rule as applied to the coverage by a registration statement of securities issued as a result of a stock dividend or split of shares included in the statement.

WHEELING ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15333) authorizing Wheeling Electric Company, Wheeling, W. Va., public-utility subsidiary of American Electric Power Co., Inc., to sell an aggregate of \$13,000,000 of unsecured notes to banks. According to the application, Wheeling will use the proceeds from the note sale (a) to pay \$7,000,000 of outstanding long-term bank notes, (b) to prepay outstanding short-term notes in the amount of \$4,250,000, and (c) to finance, in part, its 1965-66 construction program, estimated to cost \$4,500,000.

NEES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15334) authorizing Massachusetts Electric Co., Lawrence Gas Co., North Shore Gas Co., and Norwood Gas Co., public-utility subsidiaries of New England Electric System, Boston, Mass., to increase their sale of notes to banks and/or NEES from time to time through December 31, 1965, by an aggregate of \$3,325,000 (or to a maximum aggregate of \$31,305,000 of notes outstanding at any one time). On February 15, 1965, the Commission authorized the sale of such notes in an amount not to exceed \$27,980,000. According to the application, the additional borrowings will be used for increased construction expenditures of the subsidiaries or to reimburse their treasuries therefor.

LOUIS R. DREYLING & CO. ENJOINED. The SEC New York Regional Office announced October 21 (LR-3354) the entry of a Federal court order (USDC, NJ) permanently enjoining Louis R. Dreyling & Co., Inc., a registered broker-dealer, and its president, Louis R. Dreyling, both of Jamesburg, N. J., from further violations of the Securities Act registration and anti-fraud provisions in the sale of common stock of Northeastern Financial Corp. The defendants consented to the injunction.

LONG ISLAND BANK OF BAHAMAS ENJOINED. The SEC San Francisco Regional Office announced October 22 (LR-3355) the entry of a Federal court order (USDC, San Francisco) permanently enjoining Long Island Bank of the Bahamas, Ltd., and its board chairman, Rudolf Minoot, from further violations of the Securities Act registration requirements in the sale of securities of the Bank. The decree was entered with the consent of the defendants.

JACK-IN-THE-BOX PROPOSES OFFERING. Jack-in-the-Box, Inc., 9330 Balboa Ave., San Diego, Calif. 92123, filed a registration statement (File 2-24145) with the SEC on October 22 seeking registration of 270,000 shares of common stock. The stock is to be offered for public sale through underwriters headed by Hayden, Stone, Inc., 25 Broad St., New York. The public offering price (\$12.50 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in Delaware in July 1965, the company succeeded to the business of the Jack in the Box restaurant division of Foodmaker Company. It supervises the operation of a chain of rapid-service, drive-thru restaurants. Net proceeds from the company's stock sale will be added to working capital and may be used for further expansion of its business. A portion of the funds may also be used to prepay certain indebtedness. In addition to indebtedness, the company has outstanding 750,000 common shares, of which management officials own 83.9% (including 45.6% owned by Robert O. Peterson, board chairman). Foodmaker Co. (of which all but four company officials are partners) owns 89.5%. Lloyd L. Schunemann is president of the company.

IMPERIAL-AMERICAN FUND FILES FOR OFFERING. Imperial-American Fund, Inc., 3100 Security Life Bldg., Denver, Colo. 80202, filed a registration statement (File 2-24146) with the SEC on October 22 seeking registration of \$10,000,000 of limited partnership interests. Interests are to be offered for public sale under a single participation program and a monthly participation program. The single participation program provides for lump sum investments of \$1,400 or more and the monthly participation program provides for investments of \$50 to \$5,000 each month for one year, the minimum subscription being \$700.

To be organized under Colorado law, the partnership will engage primarily in the acquisition and development of oil and gas leases and related properties. The Fund, a wholly-owned subsidiary of Imperial-American Management Co., is the general partner. John M. King is board chairman and chief executive officer of the Fund.

DIAPULSE CORP. PROPOSES OFFERING. Diapulse Corporation of America, 350 Fifth Ave., New York, filed a registration statement (File 2-24147) with the SEC on October 25 seeking registration of \$400,000 of 7% convertible subordinated debentures due 1975. The debentures are to be offered for public sale, at \$100 per debenture, through Tessel, Paturick & Ostrau, Inc., 61 Broadway, New York, which will receive a \$10-per-debenture commission. In August 1965 the company issued to the underwriter 5-year warrants to purchase 6,000 common shares at \$2 per share and, in connection with the present offering, will sell to that firm, for

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\$600, five year warrants to purchase an additional 34,000 common shares at \$2.50 per share.

The company's business is the distribution and sale of non-heat inducing, electrotherapeutic units known as "Diapulse". Of the net proceeds from its debenture sale, approximately \$135,000 will be used to repay certain indebtedness and the balance (together with \$75,000 from a renewal loan) will be applied to the purchase of Diapulse units from an independent manufacturer under an agreement expiring November 1965. Under such agreement, the company may be obligated to make payments by January 1966 of an aggregate of not more than \$344,250, representing the purchase price of units deliverable after September 1, 1965. Of this amount, \$66,000 has already been advanced to the manufacturer. The company has entered into an agreement with another independent manufacturer pursuant to which during the two years commencing December 1965 the company will be obligated to make monthly purchases of units having an aggregate purchase price to the company of \$30,000. In addition to indebtedness, the company has outstanding 804,200 common shares, of which management officials own 56.8%. Jesse Ross is president.

DOLLY MADISON FOODS FILES FOR SECONDARY. Dolly Madison Foods, Inc., 350 Fifth Ave., New York, filed a registration statement (File 2-24148) with the SEC on October 25 seeking registration of 29,150 outstanding shares of common stock. The present holders thereof may offer such stock for public sale from time to time in the over-the-counter market at prices prevailing at the time of sale (\$37.313 per share maximum*).

The company is engaged in the manufacture, sale and distribution of ice cream and dairy products, the manufacture and sale of furniture, and the manufacture and sale of fertilizing mulch. In addition to indebtedness, the company has outstanding 446,000 common shares, of which management officials own 19.3%. The prospectus lists five selling stockholders, including James Heller (board chairman), offering 11,500 of 16,713 shares held; and Robert Rittmaster (president), 10,200 of 15,200. The remaining sellers are offering shares ranging in amounts from 950 to 4,000.

CAPITAL EXCHANGE FUND FILES PROPOSAL. Capital Exchange Fund, Inc., 111 Devonshire St., Boston, Mass. 02109, filed a registration statement (File 2-24149) with the SEC on October 25 seeking registration of 1,152,074 shares of common stock. The stock is to be offered in exchange for securities of certain other companies, on the basis of one Fund share for each \$25 of market value of the deposited securities after deducting a maximum sales charge of 4%. Vance, Sanders & Co., Inc., of the Boston address, will serve as the dealer-manager, as well as investment adviser to the Fund.

Organized under Massachusetts law in October 1965, the Fund is an open-end diversified investment company with the investment objective of seeking "possible long-term growth of capital and income." The Fund has one outstanding common share, issued to Arthur H. Haussermann, treasurer, for \$25. Henry T. Vance is board chairman and Robert S. Swain is president of the Fund. Vance is also chairman of the Vance, Sanders firm.

GIDDINGS & LEWIS MACHINE PROPOSES OFFERING. Giddings & Lewis Machine Tool Company, 142 Doty St., Fond du Lac, Wisc. 54936, filed a registration statement (File 2-24150) with the SEC on October 25 seeking registration of \$4,000,000 of convertible subordinated debentures. The debentures are to be offered for public sale through underwriters headed by Loewi & Co. Inc., 225 E. Mason St., Milwaukee, Wisc. 53202. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture of heavy duty metalcutting machine tools, cutting tools, electronic controls and gray iron castings. Net proceeds from its debenture sale will be added to working capital. Initially, the funds will be used to pay short-term bank loans incurred for working capital purposes. In addition to indebtedness, the company has outstanding 499,971 common shares, of which management officials own 11.2%. Ralph J. Kraut is president.

BANK STOCK FUND PROPOSES OFFERING. Bank Stock Fund, Ltd., 417 Mining Exchange Bldg., Colorado Springs, Colo., filed a registration statement (File 2-24151) with the SEC on October 22 seeking registration of 400,000 shares of capital stock. The stock is to be offered for public sale at net asset value (\$5.25 per share maximum*) plus a maximum sales charge of 8-1/2%. Lowry Investments, Inc., 418 Mining Exchange Bldg., Colorado Springs, Colo., is the principal distributor.

Organized under Colorado law in June 1965, the Fund is a non-diversified open-end investment company with "primary emphasis on capital appreciation possibilities." Its investment adviser is Ramah, Inc., which is 94%-owned by Wendell L. Shaffer, director of the Fund. The Fund has outstanding 6,900 capital shares, of which management officials own 97.1%. Edwin W. Hayes is president.

BENEFICIAL FINANCE PROPOSES DEBENTURE OFFERING. Beneficial Finance Co., Beneficial Bldg., Wilmington, Del. 19899, filed a registration statement (File 2-24153) with the SEC on October 25 seeking registration of \$100,000,000 of debentures, due 1990. The debentures are to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is a holding company whose subsidiaries are engaged principally in the small loan, merchandising and sales finance businesses. Net proceeds from its debenture sale will be added to general funds. It is the present intention of the company to use substantially all of such proceeds to reduce outstanding short-term bank loans and commercial paper, which indebtedness was incurred primarily to provide subsidiaries with funds to carry on their respective businesses. In addition to indebtedness and preferred stock, the company has outstanding 14,290,167 common shares, of which management officials own 70,938 shares. Beneficial Corp. owns 27.41% of the outstanding common. DeWitt J. Paul is board chairman and Thomas A. McGrath is president of the company.

AUSTRALIA PROPOSES BOND OFFERING. The Commonwealth of Australia today filed a registration statement (File 2-24155) with the SEC seeking registration of \$25,000,000 of 20-year bonds, due 1985, to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment. Net proceeds from the bond sale will be added to the Commonwealth's international reserves and used to finance public works projects.

STANDARD-THOMSON FILES STOCK PLANS. Standard-Thomson Corporation, 152 Grove St., Waltham, Mass. 02154, filed a registration statement (File 2-24156) with the SEC on October 25 seeking registration of 39,000 stock options and 115,000 shares of common stock, to be offered pursuant to its Employee Stock Option Plans and Qualified Stock Option Plan.

AMERICAN GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15335) granting an application of American Gas Co. (American) and its public-utility subsidiary, American Gas Co. of Wisconsin, Inc. (Wisconsin), Omaha, Nebr., proposing certain financing transactions, reclassification of Wisconsin's common stock, and related matters.

According to the application, American's total assets as of June 30, 1965, amounted to \$4,025,604, including its 88% ownership of Wisconsin's outstanding common stock. As of the same date, Wisconsin's total assets amounted to \$4,024,897. In order to provide funds needed by the two companies in their respective public-utility businesses and, in the case of American, to make a semi-annual interest payment of \$74,750 due November 1, 1965, on its outstanding 6-1/2% subordinated debentures and to effect a substantial reduction in American's total outstanding indebtedness, the companies propose the following program: (1) American and Wisconsin will sell additional short-term notes to a bank in the amounts of \$276,000 and \$130,000, respectively; (2) Wisconsin's presently outstanding 1,806,500 shares of \$1 par value common will be reclassified into 144,766 common shares of \$1 par, and it will concurrently credit its premium on common stock account with an amount equal to the resulting reduction in the aggregate par value of the common stock; (3) all of the 127,457 reclassified shares of Wisconsin owned by American will be offered for subscription, through an underwritten pro rata rights offering, to the stockholders of American; and (4) American proposes to solicit a number of securities firms for proposals to act as managing underwriters in connection with the subscription offer and public offering of any unsubscribed shares of Wisconsin.

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's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the October 1 News Digest.

Reliance Universal, Inc July 1965 (7,11)	0-165-2	Knappe & Vogt Mfg. Co Sept. 1965 (11)	2-18868-2
Riegel Textile Corp Sept. 1965 (7,10,11,13)	1-5070-2	Transitron Electronic Corp Sept. 1965 (2,13)	1-4261-2
General Electric Co Sept. 1965 (3)	1-35-2	Union Carbide Corp Sept. 1965 (7)	1-1463-2
General Steel Industries, Inc Sept. 1965 (3,12)	1-4008-2	Armour & Company (Del) Sept. 1965 (3)	1-4405-2
Inter-Island Resorts, Ltd Sept. 1965 (7,13)	13-24-2	Burrus Mills, Inc Sept. 1965 (11,13)	2-6239-2
Nalley's, Inc Sept. 1965 (11,13)	0-1777-2	Globe Industries, Inc Sept. 1965 (4,7,13)	0-133-2
Penn Controls, Inc Sept. 1965 (8)	0-1183-2	Moog, Inc Sept. 1965 (11,12,13)	1-5129-2
Redman Industries, Inc Sept. 1965 (7,8)	1-4998-2		
Nautec Corp Sept. 1965 (2,8,10,11,13)	1-2326-2	Culligan, Inc Sept. 1965 (7,11,12)	0-1785-2
Seeburg Corp(Del) Sept. 1965 (7)	1-4631-2	Endicott Johnson Corp Sept. 1965 (2,7,8,13)	1-578-2
South Jersey Gas Co Sept. 1965 (12,13)	1-3990-2	General Motors Corp Sept. 1965 (8)	1-143-2
Duffy-Mott Co, Inc Sept. 1965 (12,13)	1-4888-2	The Greater Nebraska Corp Sept. 1965 (7)	0-537-2
Hercules Galion Prod, Inc Sept. 1965 (4,7,9,13)	1-3593-2	Holiday Inns of America, Inc Sept. 1965 (12)	1-4804-2
International Salt Co Sept. 1965 (3)	1-643-2	House of Vision, Inc Sept. 1965 (12,13)	0-1087-2
New York Airways, Inc June, July, Aug, & Sept. 1965 (2,7,9,12,13) (1 Report)	0-1032-2	Hunt Foods & Industries, Inc Sept. 1965 (2,7)	1-3982-2
Bush Terminal Co Sept. 1965 (2)	1-3047-2	Kay Jewelry Stores, Inc Sept. 1965 (11,13)	1-4233-2
Greer Hydraulics Inc Sept. 1965 (12,13)	1-3706-2	Seaboard Life Insurance Co of America Sept. 1965 (2)	2-20552-2
Wheeling Steel Corp Sept. 1965 (4,7,9,13)	1-2394-2	Magic Chef, Inc Sept. 1965 (11,13)	2-22262-2
Spencer Shoe Corp Sept. 1965 (2,7,11,13)	1-26-4-2	McCulloch Oil Corp of Calif. Sept. 1965 (7,13)	1-3924-2
Western Union International, Inc Sept. 1965 (4,7,9,13)	2-21250-2	Mississippi River Corp Sept. 1965 (12,13)	1-3599-2
		Progress Webster Electronics Corp Sept. 1965 (2,13)	2-17468-2

Standard Register Co April 1965 (11,12)	0-1097-2	Republic Steel Corp Sept. 1965 (12,13)	1-2388-2
Stratoflex, Inc Feb. 1965 (12)	2-18265-2	Southern Bell Tel & Tel Co Sept. 1965 (7,13)	1-1049-2
Vitamix Pharmaceuticals, Inc Oct. 1962 & '63 (11)	2-17677-2	S W Industries, Inc Sept. 1965 (7,8,13)	0-846-2
Gulf & Western Ind, Inc Sept. 1965 (2,13)	1-2712-2	Seaboard Finance Co Sept. 1965 (4,7,)	1-3440-2
Zero Mfg. Co Sept. 1965 (12)	1-1573-2	Seligman & Latz Inc Sept. 1965 (8)	1-4437-2
Chester Electronic Lab., Inc Sept. 1965 (11)	0-1774-2	Washington Natural Gas Co Sept. 1965 (12,13)	0-951-2
Marsh Supermarkets, Inc Sept. 1965 (8)	0-1532-2	Greater Iowa Corp Sept. 1965 (12)	0-1403-2
Metro, Inc May 1965 (4,7,8,13)	2-13132-2	B. F. Saul Real Estate Investment Trust Sept 1965 (12)	2-21825-2
Weiss Bros. Stores, Inc Sept. 1965 (8,13)	2-19216-2	Southeastern Timberland Trust Sept. 1965 (11,13)	0-1778-2
Harnischfeger Corp Sept. 1965 (12)	1-1288-2	Universal Moulded Fiber Glass Corp Sept. 1965 (7,13)	0-470-2
Tonka Corp Sept. 1965 (13)	1-4863-2	Western Investment Real Estate Trust Sept 1965 (2)	2-23013-2
Virginia & Southwestern Ry Co Sept. 1965 (11)	1-749-2	Youngstown Sheet & Tube Co Sept. 1965 (7,8)	1-1315-2
William Wallace Corp Sept. 1965 (2,4,8,9,13)	0-907-2	Pacific Industries, Inc Sept. 1965 (12)	1-1360-2
Walter E. Heller & Co Sept. 1965 (8,12,13)	1-2291-2	Purex Corp Ltd Sept. 1965 (13)	1-4816-2
Livingston Oil Co Sept. 1965 (11)	1-4539-2	Republic Corp Sept. 1965 (3)	1-3286-2
Perfect Fit Ind, Inc Sept. 1965 (11,13)	0-1486-2	Roxbury Carpet Co Sept. 1965 (1)	1-4058-2
Standard Prudential Corp Sept. 1965 (2,7,13)	1-5078-2	Seaboard Air Line RR Company Sept. 1965 (7,13)	1-3359-2
General Tel. Co of Florida Amend #2 8K for June 1965 (7)	1-3090-2	Western Oil Fields, Inc Aug. 1965 (8) Sept. 1965 (7,13)	0-715-2 0-715-2
Mankato Citizens Tel. Co Amend #1 to 8K for Apr. 1965 (11,13)	0-673-2	Transwestern Life Insurance Company Sept. 1965 (1,3)	2-22805-2
		U. S. Industries, Inc Sept. 1965 (3)	1-3772-2

SECURITIES ACT REGISTRATIONS. Effective October 25: Louisville Cement Co., 2-23837.

Effective October 26: Hardee's Food Systems, Inc., 2-24001 (90 days); Palm Beach Co., 2-24038 (Jan 25); Redcor Corp., 2-24054 (90 days); United Merchants and Manufacturers, Inc., 2-24109 (Dec 6); Wings and Wheels Express, Inc., 2-23997 (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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