

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. 66-54)

FOR RELEASE March 21, 1966

SEC ENTERS CHAPTER X CASE. The SEC has filed notice of appearance in the Chapter X proceedings for the reorganization of Minneapolis Scientific Controls Corp. pending in the Federal court at Minneapolis, Minn. On January 24, 1966, the Debtor filed a voluntary petition for reorganization and on January 27, Judge Gunnar H. Nordbye approved the petition and appointed Stacy Angle, Allen Q. Moore and John B. Hatcher as co-trustees.

The Debtor is in the business of producing automotive and related specialty items. According to a balance sheet as at November 30, 1965, filed with the Chapter X petition, the Debtor had total assets of \$2,365,000, consisting substantially of net plant and equipment of about \$584,000 and current assets (mostly inventory) of about \$1,645,000. Its total liabilities then amounted to \$2,195,000, including current liabilities of about \$1,583,000. The Debtor has outstanding over 1,400,000 shares of common stock held by over 2,500 public investors, including 409,000 shares issued for the acquisition of American Monarch Corporation. For the year ended March 31, 1965, the combined sales of the two companies were \$3,877,000 and the combined losses were \$225,000. For the eight months ended November 30, 1965, the Debtor's losses were \$295,000.

INSURANCE INVESTMENT SECURITY, OTHERS CITED. The SEC Denver Regional Office announced March 15 (LR-3459) the filing of a complaint (USDC, Denver) seeking to enjoin Insurance Investment Security, Inc., John K. Galbraith, Valeria Galbraith, Richard M. Sherman, Gordon Marquette, Robert G. Fain, Richard Coons and L. P. Kindlin, Jr. (all of Denver), from further violations of the anti-fraud provisions of the Federal securities laws in the sale of 8% preferred notes of Insurance Investment Security.

H. I. WEINER ENTERS NOLO PLEA. The SEC Washington Regional Office announced March 17 (LR-3460) that Herman I. Weiner entered a plea of nolo contendere to a criminal information (USDC, ED Pa.) charging him with conversion and embezzlement of assets of a registered investment company (Revere Fund, Inc.) and transmitting a materially false and misleading letter to SEC with respect to said conversion and embezzlement. Bail was set at \$10,000. The defendant will be sentenced at a later date.

AMERICAN NATURAL GAS SEEKS ORDER. American Natural Gas Company, New York, has applied to the SEC for an order under the Holding Company Act authorizing it to increase its authorized shares of common stock from 15,000,000 to 15,650,000; and the Commission has issued an order (Release 35-15426) giving interested persons until April 8 to request a hearing thereon. Such charter amendment requires the affirmative vote of at least a majority of the holders of American Natural's presently outstanding common stock, and the company proposes to solicit proxies for this purpose, to be voted at the company's annual stockholders' meeting to be held on April 27. The additional shares will be issued (in part) for the acquisition of substantially all the assets of Central Indiana Gas Company, which will be the subject of a later notice and opportunity for hearing.

JOSTEN GROWTH FUND PROPOSES OFFERING. Josten Growth Fund, Inc., 10709 Wayzata Blvd., Minnetonka, Minn. 55343, filed a registration statement (File 2-24652) with the SEC on March 16 seeking registration of 100,000 shares of common stock. The shares are to be offered for sale to officers, employees and certain affiliates of Jostens, Inc., at net asset value (\$9.81 per share maximum*). Imperial Financial Services, Inc., of the Minnetonka address, will serve as underwriter and investment manager for the fund.

Organized under Minnesota law in November 1965, the fund is an open-end diversified investment company under the sponsorship of Jostens, Inc. The primary objective of the fund is "capital appreciation and capital gains." It has outstanding 17,700 common shares, of which management officials own approximately 15%. Daniel C. Gainey is board chairman of the fund and Jostens, Inc. William W. Bates is president of the fund.

KING RESOURCES FILES EXCHANGE PROPOSAL. King Resources Company, Security Life Bldg., Denver, Colo. 80202, filed a registration statement (File 2-24661) with the SEC on March 17 seeking registration of 175,000 shares of common stock. The stock is to be offered in exchange for certain interests in oil and gas properties which were acquired as a result of participation in Programs of K-S Funds, Inc. (a wholly-owned subsidiary of the company), or of predecessors of the company in the years 1957 through 1964.

Organized under Nevada law in 1960, the company (formerly King-Stevenson Gas and Oil Co.) is engaged in exploration and development of oil and gas properties. It has outstanding 575,395 common shares, of which management officials own approximately 51% (including 31% owned by John M. King, president and board chairman).

IFC COLLATERAL DEBENTURES IN REGISTRATION. IFC Collateral Corporation, 630 Fifth Ave., New York, filed a registration statement (File 2-24663) with the SEC on March 17 seeking registration of \$6,000,000 of 6% registered subordinated debentures, to be offered in three series of \$2,000,000 each (due 1973, 1975, and 1977). The debentures are to be offered for public sale in \$1,000 units, and at prices ranging from \$855 to \$893 per unit. The offering is to be made on a best-efforts basis through IFC Securities Corp., an affiliated company of the New York address, which will receive a \$75-per-unit selling commission. According to the prospectus, a maximum of \$300,000 of the debentures being registered may be reoffered by IFC Securities, as agent for persons who acquire such securities and subsequently desire to reoffer them at the then prevailing market

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price. The company is also registering \$750,000 of outstanding registered subordinated debentures. The present holders thereof may offer such debentures for public sale from time to time at the then current market price through IFC Securities.

Organized under New York law in 1960, the company is engaged in making loans secured by mortgages on real property and of purchasing, investing in and selling mortgages. Net proceeds of its debenture sale will be added to general funds and working capital. The company has outstanding 200 common shares, all of which are owned by Investors Funding Corp. of New York. Jerome Dansker is president of the company and is board chairman and president of the parent company.

FARMERS UNION COOP. PROPOSES OFFERING. The Farmers Union Cooperative Marketing Association, 740 Board of Trade Bldg., Kansas City, Mo., filed a registration statement (File 2-24665) with the SEC on March 17 seeking registration of \$2,500,000 of series 20-year 6% subordinated debentures, \$500,000 of series 12-year 6% subordinated debentures, and 50,000 shares of Class A 6% cumulative preferred stock, to be offered for sale to the public and to members of the Association. The company is also registering 5,000 shares of common stock, to be offered for sale to associations of agricultural producers eligible for membership in the Association. The debentures are to be offered at \$100 per unit and the stock at \$10 per share. The offering is to be made through employees of the Association.

The Association is an agricultural cooperative. Net proceeds of its sale of securities will be used for working capital and for expansion, improvements and replacement of facilities. In addition to indebtedness and preferred stock, the company has outstanding 614,682 common shares. Lud W. Strnad is president.

NATIONAL HERITAGE LIFE PROPOSES RIGHTS OFFERING. National Heritage Life Insurance Company, 53 W. Jackson Blvd., Chicago, Ill. 60603, filed a registration statement (File 2-24666) with the SEC on March 17 seeking registration of 300,000 shares of common stock. The stock is to be offered for subscription by policyholders of National Heritage Mutual Life Insurance Co. at \$4.50 per share and at the rate of one share for each share to be received by such policyholders upon consummation of a merger between the company and Mutual Life. Any unsubscribed shares are to be offered for public sale at the subscription price through McCormick & Co., Inc., 135 S. La Salle St., Chicago, Ill., which will receive a \$.45-per-share commission.

Organized under Illinois law in March 1966, the company has entered into an agreement with Mutual Life pursuant to which the latter will be merged into the company. Mutual Life is engaged in writing life insurance, and health and accident insurance. Upon consummation of the merger, the company will have 300,000 outstanding common shares. Richard B. Schuurman is president of the company.

SYSTEMATIC PLANS PROPOSES OFFERING. Systematic Plans, Inc., 717 Travis St., Houston, Tex. 77002, filed a registration statement (File 2-24667) with the SEC on March 17 seeking registration of \$20,000,000 of total payments under two types of Plans to accumulate shares of Industries Trend Fund, Inc., namely, Single Payment Plans and Systematic Plans. Systematic Plans, sponsor and depositor of the plans, was organized in 1961 and is a wholly-owned subsidiary of Texas Fund Management Co. Wilfred L. Doherty is president of Systematic Plans.

FIDUCIARY INVESTORS REVOKED; INDIVIDUAL SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-7840) revoking the broker-dealer registration of Fiduciary Investors, Inc., 1436 B St., Hayward, Calif., and suspending John Bruce Aga, president, from being associated with a broker or dealer for a 90-day period beginning on March 21. The order provided that upon expiration of such period the sanctions imposed shall not constitute a further bar to Aga's future employment in the securities business upon a suitable showing to the Commission that he will be employed only as a registered representative under appropriate supervision.

Based on the allegations in the order for proceedings and an offer of settlement submitted by the two respondents, the Commission found that the firm, aided and abetted by Aga made "untrue and misleading statements" in its application for registration and effected securities transactions in violation of the Commission's net capital rule.

METROPOLITAN EDISON RECEIVES ORDER. The SEC has issued a supplemental order under the Holding Company Act (Release 35-15428) authorizing Metropolitan Edison Co., Berks County, Pa., electric utility subsidiary of General Public Utilities Corp., to purchase a total of 100 shares of its cumulative preferred stock at \$83.87 per share from two stockholders who dissented with respect to certain charter amendments.

The Commission previously had authorized the company to amend its charter to permit an increase in the amount of unsecured debt securities that may be outstanding from 10% to 20% of the aggregate of its secured indebtedness, capital, and surplus (see SEC News Digest of November 8, 1965). The company also proposed to purchase and retire such number of preferred shares as, together with any shares acquired from dissenting stockholders who perfected their appraisal rights, do not exceed 25,500.

MONONGAHELA POWER SEEKS ORDER. Monongahela Power Company, Fairmont, W. Va., subsidiary of Allegheny Power System, Inc., has applied to the SEC for an order under the Holding Company Act authorizing certain transactions relating to appliance sales; and the Commission has issued an order (Release IC-4546) giving interested persons until April 7 to request a hearing thereon. Monongahela is a successor by merger of three companies in the Allegheny system; and it also has an electric utility subsidiary and is therefore a holding company. Its predecessor companies have engaged in the financing of customer appliance purchases; and Monongahela seeks authority to continue such financing.

ASSOCIATED LIFE INSURANCE INVESTORS SEEKS ORDER. Associated Life Insurance Investors Corporation, Oakland, Calif., has applied to the SEC for an exemption from certain provisions of the Investment Company Act; and the Commission has issued an order (Release IC-4546) giving interested persons until April 15

to request a hearing thereon. According to the application, the company has outstanding 9,755 shares of its common stock and 210 shares have been subscribed for, all of which were sold to California residents at \$1 per share. The company proposes to sell an additional 89,035 shares to residents of California at \$1 per share. Section 6(d) of the Act provides that the Commission shall exempt a closed-end investment company from all provisions of the Act where the aggregate sums received by the company from the sale of all of its outstanding securities do not exceed \$100,000 and where no such securities will be publicly offered to any person who is not a resident of the state under the laws of which it is organized. The company seeks a conditional exemption from the Act, and undertakes if such exemption is granted to comply with certain provisions of the Act and SEC rules thereunder, including the filing of certain reports with the Commission.

HORACE MANN INSURANCE SEEKS ORDER. Horace Mann Insurance Company Separate Account (the Separate Account), Springfield, Ill., has applied to the SEC for an exemption order under the Investment Company Act permitting it to sell contracts which qualify as tax-deferred annuities under the Internal Revenue Code; and the Commission has issued an order (Release IC-4550) giving interested persons until March 31 to request a hearing thereon. According to the application, the Separate Account was organized by Horace Mann Life Insurance Company (an Illinois life insurance company) principally to sell such tax-deferred annuities. It is proposed that a purchaser may make a series of payments under the contract over a period of years at a dollar level selected by the purchaser. The payments, net of deductions for insurance (certain death benefit and mortality guarantees), sales, administrative and other expenses, are to be invested through the Separate Account in the shares of Horace Mann Fund, Inc., a diversified, open-end, management investment company. The contracts are to provide for lifetime annuity payments, either fixed or variable, or other settlement options. The value of a contract will fluctuate as the value of the shares of Horace Mann Fund, Inc., credited to such contract fluctuates.

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 March 1 News Digest.

| | | | |
|---------------------------------|-----------|------------------------------------|-----------|
| Chemetron Corp, Feb 66 (12,13) | 1-3061-2 | Avnet, Inc, Feb 66, (4,7,13) | 1-4224-2 |
| La Maur Inc, Apr 65, (11) | 1-4924-2 | Computer Sciences Corp, Feb 66, | |
| New England Tel & Tel Co, Feb | | (3) | 1-4850-2 |
| 66, (3) | 1-1150-2 | Hecla Mining Co, Feb 66,(7,13) | 1-1527-2 |
| The Ohio Bell Tel Co, Feb 66, | | Multnomah Kennel Club, Feb 66, | |
| (7,13) | 2-24383-2 | (6) | 0-687-2 |
| Potter Co, Feb 66, (12,13) | 1-1632-2 | Northern Indiana Pub. Service Co, | |
| Southern Bell Tel & Tel Co, | | Feb 66, (13) | 1-4125-2 |
| Feb 66, (13) | 1-1049-2 | Avco Corp, Feb 66, (8) | 1-124-2 |
| J. I. Case Co, Feb 66, (11) | 1-138-2 | Internl Paper Co, Feb 66 (13) | 1-3157-2 |
| Chesapeake Corp of Va, Feb 66 | | Times Mirror Co, Feb 66 (13) | 1-4914-2 |
| (13) | 1-3203-2 | United Industrial Corp, Feb | |
| Elizabethtown Water Co (N.J.) | | 66, (12,13) | 1-4252-2 |
| Feb 66, (12,13) | 0-628-2 | Aristo Foods, Inc, Feb 66, | |
| Management Assistance Inc, | | (7,11) | 2-24354-2 |
| Feb 66, (7,9,11) | 0-2017-2 | Atico Financial Corp, Feb 66 | |
| American Motors Corp, Feb 66, | | (13) | 1-4666-2 |
| (11) | 1-622-2 | General Motors Corp, Feb 66, | |
| Aries Corp, Feb 66, (11,13) | 2-23133-2 | (8,12,13) | 1-143-2 |
| Rocket Research Corp, Feb 66, | | Hussman Refrigerator Co, Feb | |
| (11,13) | 2-23868-2 | 66, (1,2,4,8,11,13) | 1-1374-2 |
| Atlantic Refining Co, Feb 66, | | Jervis Corp, Feb 66, (4,12,13) | 1-5073-2 |
| (7) | 1-1196-2 | Howard W. Sams & Co., Inc, | |
| Lawrence Gas Co, Feb 66, (11) | 2-13696-2 | Feb 66, (4,7,13) | 0-1902-2 |
| Mystic Valley Gas Co, Feb 66, | | American Bowling Enterprises, Inc, | |
| (11) | 2-10637-2 | Feb 66, (10) | 0-2007-2 |
| North Shore Gas Co, Feb 66(11) | 2-12013-2 | Dean Foods Co, Feb 66(4,7,8, | |
| Pacific American Corp, Feb 66, | | 13) | 0-1118-2 |
| (8,12,13) | 1-1807-2 | Mississippi River Corp, Feb 66, | |
| Pan American World Airways, Inc | | (12,13) | 1-3599-2 |
| Feb 66, (7) | 1-3532-2 | Nuclear Matls. & Equip Corp | |
| Reeves Broadcasting Corp, Feb | | Feb 66, (11,13) | 0-104-2 |
| 66, (2,4,7,13) | 1-4361-2 | Plastics Corp of America, Inc, | |
| Associated Dry Goods Corp, | | Feb 66, (4,10,11,12,13) | 0-1675-2 |
| Feb 66, (2,7,13) | 1-599-2 | H. K. Porter Co, Inc, Feb 66, | |
| Jackes-Evans Mfg Co, Feb 66, | | (3,13) | 1-4157-2 |
| (7,13) | 2-23213-2 | Gulf & Western Industries, Inc, | |
| Lucky Stores, Inc, Feb 66(7) | 1-4839-2 | Feb 66, (2,3,4,7,13) | 1-2712-2 |
| Mangood Corp, Feb 66, (8) | 0-791-2 | Kashmir Oil, Inc, Feb 66, (9) | 1-3629-2 |
| Supermarkets Operating Co, | | | |
| Feb 66, (12) | 1-4495-2 | | |

Louis Sherry, Inc, Feb 66,
(1,7,13) 1-4574-2
Dolly Madison Industries, Inc,
Feb 66, (7,11) 0-737-2
Rusco Industries, Inc, Feb 66,
(12) 1-5087-2

Commonwealth Oil Refining Co,
Inc, Feb 66, (12) 1-4900-2

Melville Shoe Corp, Feb 66, (13) 1-1011-2
NRM Corp, Feb 66, (3) 1-2503-2
New Orleans Terminal Co, Feb 66,
(11,13) 1-748-2
The Stanley Works, Feb 66,
(12,13) 0-778-2
Union Pacific RR Co, Feb 66(8) 1-1324-2

Atlanta Gas Light Co, Feb 66
(13) 0-109-2
Bacharach Industrial Instruments
Co, Feb 66, (8) 2-19300-2
Bergen Drug Co., Inc, Feb 66
(8) 1-5110-2
Bowser, Inc, Feb 66(2,8,10,11,
13) 1-4867-2
Cyprus Mines Corp, Feb 66, (13) 1-5132-2
Hewlett-Packard Co, Feb 66,
(4,11,13) 1-4423-2
Iet Milk Co, Feb 66, (2,4,7,11
12,13) 1-242-2
Sun Life Ins Co of America,
Feb 66, (13) 2-22102-2
Thrift Interstate Corp, Feb 66,
(4,7,13) 0-807-2

American Cement Corp, Feb 66(8) 1-4716-2
The Alfred Hart Co, Feb 66,
(12,13) 0-1705-2
Joy Mfg Co, Feb 66, (7,10) 1-3156-2
Kellogg Co, Feb 66, (13) 1-4171-2
Networks Electronic Corp, Feb
66, (12,13) 0-1817-2
North American Aviation Inc,
Feb 66, (11,13) 1-1035-2
Ocean Drilling & Exploration Co
Feb 66, (12) 0-336-2
Scovill Mfg Co, Feb 66, (4,7,
11,13) 1-3374-2
Standard Pressed Steel Co,
Feb 66, (12) 1-4416-2
Sunset International Petroleum Corp,
Feb 66, (2,7,8,13) 1-2733-2
United Engineering & Foundry Co,
Feb 66, (7) 1-1711-2

Amer Realty Trust
Amd #5 - 8K for Apr 65 (13) 0-1806-2

Atlantic Utilities Corp 0-1795-2
Feb 66, (2,8,13)
Automatic Retailers of America
Inc, Feb 66, (7,13) 1-4762-2
Communications Satellite Corp
Feb 66, (3) 1-4929-2
Duquesne Light Co, Feb 66
(7,13) 1-956-2
Hallicrafters Co, Feb 66 (3) 1-4533-2
Hatteras Yacht Co, Feb 66,
(4,11,12,13) 0-2030-2
Neisner Brothers Inc, Feb 66,
(12,13) 1-607-2

Associated Mortgage Companies,
Inc, Jan 66, (11,12,13) 2-20960-2
Cambridge Elec Light Co, Feb
66, (11) 2-7909-2
Internl Railroads Weighing Corp,
Feb 66, (3,11,13) 0-1440-2
Levine's, Inc, Feb 66, (12) 1-4609-2
Luminator-Harrison Inc, Feb 66,
(3) 2-6371-2
New Bedford Gas & Edison Light
Co, Feb 66, (11) 2-7749-2
Penn Controls, Inc, Feb 66,
(4,12,13) 0-1183-2
Revco D.S., Inc, Feb 66, (3,7,
12,13) 1-5025-2
Southwestern Elec Service Co,
Feb 66, (7) 0-22-2
Spencer Packing Co, Feb 66,
(11) 0-2035-2
Worcester Gas Light Co, Feb 66,
(11) 2-1647-2

Commonwealth, Inc, Feb 66 (2,7) 0-1488-2
N-L, Inc, Nov 65, (11) 0-1571-2
Shoe Corp of Amer, Jan 66,
(7,13) 1-317-2

Colgate-Palmolive Co, Feb 66
(12,13) 1-644-2
Indianapolis Pwr & Lgt Co,
Feb 66, (7,13) 1-3132-2
Keyes Fibre Co, Feb 66, (3) 0-1092-2
King Kullen Grocery Co, Inc,
Feb 66, (2,11,13) 0-71-2

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended March 17, 1966, 53 registration statements were filed, 28 became effective, 3 were withdrawn, and 365 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective March 18: Family Finance Corp., 2-24504; Parkview Drugs Inc., 2-24496 (40 days); Reading & Bates Offshore Drilling Co., 2-24483 (Apr 27).
Effective March 21: Commonwealth Financial Corp., 2-24352 (40 days); National Union Electric Corp., 2-24528 (May 1); The Warner Brothers Co., 2-24551 (Apr 30).

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.