

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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A brief summary of financial proposals filed with and actions by the S.E.C.

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SEC

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PAUL REVERE CORP. SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5113) giving interested persons until October 20 to request a hearing upon the application of The Paul Revere Corporation, Worcester, Mass., for an order declaring that it has ceased to be an investment company. Applicant states that it is primarily engaged in the insurance business, and its income from insurance has been and will be its principal source of income. It is a general business corporation and through its wholly-owned subsidiary, The Paul Revere Life Insurance Company ("Life Company"), has written accident and health insurance and life insurance since 1930. On January 1, 1967, all obligations under outstanding insurance contracts issued by applicant were assumed by Life Company and applicant was no longer a direct issuer of insurance contracts. In February 1967, applicant acquired pursuant to tender offer 4,000,000 shares or approximately 28% of the outstanding common voting stock of Avco Corporation ("Avco"), a holding company. By agreement entered into on July 5, 1967 between applicant and Avco, Avco agreed (subject to approval by its shareholders and provided other conditions are satisfied) to make an offer to all holders of applicant's common voting stock to exchange each share of such stock for one share of a new class of convertible preferred voting stock of Avco and 1.8 shares of Avco's common voting stock. If holders of at least 80% of the common voting stock of applicant tender their shares to Avco, the exchange will be consummated and applicant will become an Avco subsidiary having as one of its two principal assets (the other being stock of Life Company) stock of Avco.

EATON & HOWARD STOCK FUND SEEKS ORDER. Eaton & Howard Stock Fund, Boston open-end diversified management investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to its proposal to issue its shares in exchange for substantially all of the assets of Westford, Inc. The Commission has issued an order (Release IC-5114) giving interested persons until October 20 to request a hearing thereon. Westford, a Delaware corporation, is a personal holding company all of whose outstanding stock is owned by one individual and five trusts. Its assets of approximately \$3,981,708 will be transferred to Eaton & Howard in exchange for shares of its capital stock, on the basis of their net asset value. The only affiliation which exists between Eaton & Howard and Westford is that a trustee of Eaton & Howard is an officer and a director of Westford and a co-trustee of three trusts which own 50% of the shares of Westford. Therefore, it would be unlawful for an affiliated person of a registered investment company, or any affiliated person of such a person, to sell to or to buy from such registered company any security or other property, or for the investment company to sell its shares at other than the current public offering price unless the Commission grants exemption therefrom.

MID-CONTINENT OIL, OTHERS, ENJOINED. The SEC Denver Regional Office announced September 29 (LR-3818) the entry of a Federal court judgment in Omaha permanently enjoining Mid-Continent Oil Corporation, a Nebraska corporation of Omaha, Nebr., Eureka Oil, Ltd., a Nebraska corporation of Mead, Nebr., Harry Duane Sheets, Council Bluffs, Iowa, Donald L. Osterloh, Mead, Nebr. and Glenn A. Johnson and Kenneth A. Moore of Omaha, Nebr., from further violations of the anti-fraud provisions of the Securities Act in the offer and sale of fractional undivided interests in oil and gas wells and leases located on land situated in Red Willow, Sherman, Butler and Furnas Counties in Nebraska. The defendants, without admitting the allegations of the complaint, consented to the entry of the judgments. Action is still pending against Wallace Haugen formerly of Council Bluffs, Iowa.

CALVERT FUNDS FILES. Calvert Funds, Inc., 1120 Liberty Bank Bldg., Oklahoma City, Okla. 73102, filed a registration statement (File 2-27423) with the SEC on October 2 seeking registration of 200 units of participation in its 1968 oil and gas fund, to be offered for public sale at \$10,000 per unit.

The company was organized under Oklahoma law in January 1967 to engage generally in oil and gas exploration and development. It is a wholly-owned subsidiary of Calvert Exploration Company, an independent oil and gas company. Upon its formation, the company issued 1,000 shares of its capital stock to Calvert Exploration (at its par value in cash of \$10,000). Management officials are the indirect beneficial owners of 47% of the stock of the company by virtue of their stock holdings in the parent (including 19.4% owned of record by H. K. Calvert, president of the company).

LYNCH COMMUNICATION SHARES IN REGISTRATION. Lynch Communication Systems Inc., 204 Edison Way, Reno, Nev. 89502, filed a registration statement (File 2-27425) with the SEC on October 2 seeking registration of 58,026 shares of capital stock. Of this stock, 28,026 shares are to be offered for public sale by the holders thereof from time to time at prevailing market prices (\$41 per share maximum*); the remaining 30,000 shares may be offered to employees of the company pursuant to its incentive or stock option plans.

The company is engaged in the business of designing and manufacturing electronic communication systems, the principal products being telephone and telegraph carrier equipment with its related accessories, signaling systems, and electronic supervisory control, monitoring, and telemetering systems. In addition to indebtedness, it has outstanding 746,000 capital shares, of which management officials own 1.15%. The prospectus lists four selling stockholders. Donald E. Campbell (president) proposes to sell all of his holdings of 5,860 shares, E. E. Combs, 13,166 of 15,086 shares, Charlotte H. Schield and Edgar N. Greenebaum, Jr., all of their holdings of 7,000 and 2,000 shares, respectively.

OVER

LANCER PACIFIC PROPOSES OFFERING. Lancer Pacific, Incorporated, 2814-B Metropolitan Place, Pomona, Calif. 91767, filed a registration statement (File 2-27426) with the SEC on October 3 seeking registration of 80,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through company representatives.

The company proposes to design, manufacture and sell a selected variety of precision-made orthodontic appliances for use by doctors of dental surgery specializing in orthodontics. Net proceeds of its stock sale will be used as working capital for the development of the company's business. In addition to indebtedness, the company has outstanding 16,000 common shares, of which management officials own 69.38% (including 44.44% owned by Patrick B. Martin, board chairman and president, and 18.13% owned by Robert J. Wisely, vice president).

KING BROS. INDUSTRIES FILES FOR OFFERING AND SECONDARY. King Bros. Industries, Inc., 551 S. Van Ness Ave., Torrance, Calif. 90501, filed a registration statement (File 2-27429) with the SEC on October 3 seeking registration of 300,000 shares of common stock. Of this stock, 100,000 shares are to be offered for public sale by the company and 200,000 (being outstanding stock) by the present holders thereof. The public offering price (\$25.00 per share maximum*) and underwriting terms are to be supplied by amendment. Dempsey-Teget & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101, is listed as the principal underwriter.

The company is engaged principally in the manufacture of major aerospace structural components for commercial and military aircraft and missiles. It also conducts motion pictures for theater and television exhibition. Of the net proceeds of its sale of additional shares, \$650,000 will be used for capital expenditures, and \$700,000 will be used to pay the long-term debt of a subsidiary to a bank and to O. M. Bell (president) and R. L. Davidson (an officer of a subsidiary); the balance will be added to working capital. In addition to indebtedness, the company has outstanding 999,853 common shares, of which management officials own beneficially 15.3%. The prospectus lists as selling stockholders Merion Industries, Inc., which proposes to sell 148,000 of 447,819 shares held, O. M. Bell, 15,000 of 51,000 shares, and Frank King (board chairman), 9,000 of 48,000 shares; the 18 others propose to sell shares ranging in amount from 75 to 6,000 shares.

OWENS-ILLINOIS PROPOSES DEBENTURE OFFERING. Owens-Illinois, Inc., Owens-Illinois Bldg., Toledo, Ohio 43601, filed a registration statement (File 2-27430) with the SEC on October 3 seeking registration of \$50,000,000 of convertible subordinated debentures, due 1992. The debentures are to be offered for public sale through underwriters headed by Lazard Freres & Co., 44 Wall St., and Goldman, Sachs & Co., 20 Broad St., both of New York 10005. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company is a manufacturer of packaging products with five operating divisions: glass container, forest products, consumer and technical products, plastic products and international. Net proceeds of its debenture sale, together with funds from borrowings permitted under the Revolving and Term Loan Credit Agreement, will be utilized to repay a portion of some \$94,500,000 of short-term indebtedness to banks, incurred for general corporate purposes (including facilities expansion and financing increased inventories and receivables). During the five-year period beginning with 1967, the company's capital expenditures are expected to aggregate some \$500,000,000. In addition to indebtedness and preferred stock, the company has outstanding 14,813,100 common shares, of which management officials own .84%. J. P. Levis is board chairman and R. H. Mulford is president.

UNLISTED TRADING APPROVED. The SEC has issued an order under the Securities Exchange Act (Release 34-8174) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of McLouth Steel Corporation.

CORRECTION RE THERM-AIR MFG. The SEC News Digest of October 3 should have stated that of the 250,000 shares being registered by Therm-Air Mfg. Co., Inc. (File 2-27392), 190,000 shares (not 150,000) are to be offered for public sale by the company and the 60,000 share balance by the present holders thereof. It also should have stated that of the 252,492 common shares outstanding, George Cooper (president) owns 39% (not 18%) and Carl A. Fehrenbach, Jr. (vice president), 11% (not 3%).

SECURITIES ACT REGISTRATIONS. Effective October 3: Aero-Chatillon Corp., 2-27171 (90 days); Automation Industries, Inc., 2-27150 (Nov 13); Brun Sensor Systems, Inc., 2-27105 (90 days); Columbus and Southern Ohio Electric Co., 2-27241; Ethyl Corp., 2-27182; International Telephone and Telegraph Corp., 2-27269 (40 days); Simmonds Precision Products, Inc., 2-27141 (40 days); Technical Tape, Inc., 2-27114 (90 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.