

# 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. 69-1)

FOR RELEASE January 2, 1969

**CINCINNATI FINANCIAL PROPOSES EXCHANGE OFFER.** Cincinnati Financial Corporation ("CFC"), 2934 Central Parkway, Cincinnati, Ohio 45225, filed a registration statement (File 2-31156) with the SEC on December 27 seeking registration of 1,714,128 shares of common stock, to be offered in exchange for shares of capital stock of The Cincinnati Insurance Company ("CIC"), at the rate of  $3\frac{1}{2}$  shares of CFC for each share of CIC. Effectiveness of the exchange offer is contingent upon exchange of 80% of CIC stock.

CFC was organized under Delaware law in September 1968 for the purpose of making the exchange offer and becoming the parent of CIC. CIC is an insurance carrier licensed to conduct multiple line underwriting in accordance with Ohio law, including all forms of property and casualty insurance. CIC has outstanding 402,987 common shares, of which Harry M. Turner, board chairman, owns 8.98%, John J. Schiff, president, 12.81% and management officials as a group 45.7%. Turner and Schiff hold the same offices with CFC.

**UNIVERSITY BANCORP PROPOSES EXCHANGE OFFER.** University Bancorp, Inc., 115 W. 63rd St., Kansas City, Mo. 64113, filed a registration statement (File 2-31157) with the SEC on December 27 seeking registration of 30,000 shares of common stock. It is proposed to offer these shares in exchange for all of the 15,000 outstanding capital shares of The University Bank, at the rate of two shares for each Bank share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 95% of the outstanding Bank stock.

Bancorp was organized under Delaware law in November 1968 for the purpose of holding all the capital stock of Bank and thereafter be able to take advantage of merger, acquisition, and other investment opportunities and activities which will provide flexibility in responding to competitive changes occurring in the banking and financial world. Bank has outstanding 15,000 common shares of which Sam M. Schultz board chairman, owns 19.01%; corporations owned directly or indirectly by children of Schultz or their spouses own 46%. Schultz is board chairman and president of Bancorp and William J. Knipmeyer is treasurer of Bancorp and president of Bank.

**MERCHANTS BANCORP PROPOSES EXCHANGE OFFER.** Merchants Bancorp, Inc., 531 Walnut St., Kansas City, Mo. 64106, filed a registration statement (File 2-31158) with the SEC on December 27 seeking registration of 231,000 shares of common stock. These shares are to be offered in exchange for all of the 115,500 outstanding capital shares of Merchants-Produce Bank, at the rate of two shares for each Bank share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 95% of the outstanding Bank stock.

Bancorp was organized under Delaware law in November 1968 for the purpose of acquiring the outstanding stock of Bank and thereafter to be able to take advantage of merger, acquisition and other investment opportunities and activities which will provide new flexibility in responding to competitive changes occurring in the banking and financial world. Bank has outstanding 115,500 common shares, of which Sam M. Schultz, board chairman and president of Bancorp and of Bank, owns 22.61%, corporations owned directly or indirectly by children of Schultz and their spouses own 19.33%.

**LONE STAR LIFE INS. FILES STOCK PLAN.** Lone Star Life Insurance Company, 2331 Gus Thomasson Road, Dallas, Tex., filed a registration statement (File 2-31159) with the SEC on December 27 seeking registration of 50,000 shares of common stock, to be offered pursuant to its Stock Option Plan of 1969.

**CONSOLIDATED OIL & GAS TO SELL STOCK.** Consolidated Oil & Gas, Inc., 1860 Lincoln St., Denver, Colo. 80203, has joined with Eagle County Development Corporation in the filing of registration statements (File 2-31160 and 2-31161) with the SEC on December 28 seeking registration of 410,000 shares of common stock of Consolidated and warrants to purchase 410,000 common shares of the Development Corp., a wholly-owned subsidiary of Consolidated, exercisable at \$15 per share. The securities are to be offered in units, each consisting of one Consolidated share and one Development Corp. warrant; the offering price (\$37.10 per unit maximum\*) is to be supplied by amendment. No underwriting is involved, the securities are to be offered for subscription by stockholders of Consolidated at the ratio of one unit for each twelve shares held.

Consolidated is primarily engaged in the exploration for and sale of crude oil, condensate and natural gas. A subsidiary, Petro-Nuclear Ltd., is engaged in the acquisition and exploration of uranium leases and claims in Wyoming, Colorado and Utah. Development Corp. is engaged in the development, subdivision and sale of property for recreational and second home use. It has been developing and selling land in the Colorado ski resort areas of Vail and Breckenridge; recently, it purchased for development 1,000 acres of the Princeville Ranch on the island of Kauai in Hawaii (and may acquire the remaining 10,000 acres of the ranch). Of the net proceeds of its stock sale, Consolidated will use \$5,000,000 to purchase from Development Corp. a promissory note in that amount, convertible into the latter's common stock at \$25 per share; \$1,000,000 will be used to finance the exploration and development operations of Petro-Nuclear (work done thus far has not established the existence of any commercially minable ore body); \$3,100,000 will be used to retire bank notes; and the balance will be added to the general funds of Consolidated and will be available for the acquisition, exploration and development of oil and gas and uranium properties. Of the proceeds of its note sale, Development Corp. will use \$2,200,000 to retire bank loans incurred to finance the purchase of the 1,000 acres of the Princeville Ranch, \$800,000 to retire other bank borrowings and \$140,000 to repay advances from Consolidated to finance working capital requirements; the balance will be available to finance the development properties in Hawaii and Colorado, including the exercise of options to acquire additional property on the Ranch. In addition to indebtedness, Consolidated has outstanding 4,906,226 common shares. Harry A. Trueblood, Jr., is president.

**GRACE CO. SHARES IN REGISTRATION.** W. R. Grace & Co., 7 Hanover Square, New York 10005, filed a registration statement (File 2-31162) with the SEC on December 27 seeking registration of 904,267 shares of common stock. These shares have been or are to be issued in connection with the company's acquisition of other companies and are held or may be received by certain present and former stockholders of such companies. Among such companies were Nalley's, Inc., a Washington corporation, and John Meyer of Norwach, Inc. Grace & Co. on September 30 had 19,126,000 outstanding common shares.

**SARGENT INDUSTRIES FILES FOR SECONDARY.** Sargent Industries, Inc., 1901 Avenue of the Stars, Los Angeles, Calif. 90067, filed a registration statement (File 2-31163) with the SEC on December 27 seeking registration of 435,598 outstanding shares of common stock. The shares may be offered for sale by the holders thereof from time to time, at prices current at the time of sale (\$20 per share maximum\*).

The company designs, manufactures and sells a variety of mechanical devices which generally use or contain hydraulic, electrical or pneumatic power or other forms of energy. It has outstanding 1,933,310 shares of common stock, of which management officials own about 8%. Dan W. Burns is president and chief executive officer and R. Paul Toeppen is board chairman. The prospectus lists 38 selling stockholders, including Fletcher Capital Fund which proposes to sell all of its holdings of 100,000 shares.

**VIATRON COMPUTER SYSTEMS TO SELL STOCK.** Viatron Computer Systems Corporation, 105 Terrace Hall Ave., Burlington, Mass. 01803, filed a registration statement (File 2-31164) with the SEC on December 27 seeking registration of 840,000 shares of common stock, to be offered for public sale through underwriters headed by Shields & Co., Inc., 44 Wall St., New York 10005. The offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment. The company recently sold 40,000 shares to Shields & Co. at \$7 per share.

Organized in November 1967, the company is primarily engaged in the development of data processing devices which can be mass produced; it is engaged in developing certain components of a system (Viatron System 21) which it intends to lease to its customers. If the company's present plans for the production and delivery of its products are realized, it expects to use \$4,500,000 of the net proceeds of its stock sale for the purchase from manufacturers of the components of the Viatron System 21, \$2,300,000 for product development, \$1,200,000 for marketing and advertising expenses, and the balance for general corporate purposes and administrative expenses. The company now has outstanding 2,293,220 common shares (sold at prices ranging from 50c to \$7), of which management officials as a group own 14.6%. Edward M. Bennett is president and board chairman.

**DMS COMPUTER INDUSTRIES TO SELL STOCK.** DMS Computer Industries, Inc., 661 Palisade Ave., Englewood Cliffs, N. J. 07632, filed a registration statement (File 2-31165) with the SEC on December 27 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made by Mulholland, Kaufman & Brady, Inc., 40 Exchange Pl., New York, which will receive a 48c per share commission plus \$10,500 for expenses.

The company (formerly Data Management Services, Inc.) is engaged in the operation of commercial data processing service centers. Of the net proceeds of its stock sale, \$500,000 will be utilized (with the proceeds of other financing) towards the purchase and installation of an IBM 360/40 computer system with accessories and the balance for sales promotion and other purposes, including working capital. The company now has outstanding 290,100 common shares, of which Seymour Klein, president, owns 21.4%, Carl Abrams, board chairman, 13.1%, and management officials as a group 77.3%. Purchasers of the shares being registered will acquire a 30% stock interest in the company for an investment of \$750,000; present holders will then own 70%, for which they paid \$184,358.

**BROSS UTILITIES SERVICE FILES FOR OFFERING.** Bross Utilities Service Corp., 175 Enfield St., Hartford, Conn. 06112, filed a registration statement (File 2-31166) with the SEC on December 27 seeking registration of 110,000 shares of common stock, to be offered for public sale through Denton & Co., Inc., 750 Main St., Hartford, Conn. 06103. The offering price (\$15 per share maximum\*) and underwriting terms are to be supplied by amendment. Included in the statement are an additional 8,000 outstanding shares, also to be offered through the underwriter by the present holders thereof.

The company is a holding company; it recently acquired all the outstanding stock of The Theodore D. Bross Line Construction Corporation, which is primarily a builder of extra high voltage electrical transmission lines, and Theodore D. Bross & Company, Inc., which is engaged in electrical construction. Of the net proceeds of its sale of additional stock, some \$500,000 will be used to reduce bank loans; the balance will be added to working capital and used for general corporate purposes, including the purchase of additional equipment to meet present and future demands of the company's business. In addition to indebtedness, the company has outstanding 558,250 common shares, of which Theodore D. Bross, board chairman, owns 51.1% and Eugene D. Bross, president, 13.7%. They propose to sell 5,000 and 2,000 shares, respectively, and another officer 1,000 shares.

**PLYWOOD-CHAMPION PAPERS SHARES IN REGISTRATION.** U. S. Plywood-Champion Papers Inc., 777 Third Ave., New York 10017, filed a registration statement (File 2-31167) with the SEC on December 27 seeking registration of 149,520 shares of common stock. These shares are issuable upon conversion of 5 $\frac{1}{4}$ % convertible guaranteed debentures of the company's subsidiary, Plywood-Champion International Finance Company.

**KANSAS CITY P & L TO SELL BONDS.** Kansas City Power & Light Company, 1330 Baltimore Ave., Kansas City, Mo. 64141, filed a registration statement (File 2-31168) with the SEC on December 27 seeking registration of \$26,000,000 of First Mortgage Bonds, due 1999, to be offered for public sale at competitive bidding. An electric utility, the company will use the net proceeds of its bond sale to repay some \$26,000,000 of short-term bank loans. The company's construction purposes are estimated at \$37,000,000 for 1969.

**UNITED LIBERTY LIFE INS. SHARES IN REGISTRATION.** United Liberty Life Insurance Company, 7800 Montgomery Rd., Cincinnati, Ohio 45236, filed a registration statement (File 2-31169) with the SEC on December 27 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$20 per share. No underwriting is involved. Also included in the statement are an additional 19,300 shares for "incentive" sales at \$2 per share and 35,000 for "incentive" sale at \$4 per share pursuant to stock options.

The company is a legal reserve stock life insurance company. Net proceeds of its stock sale will be added to working capital. The company now has outstanding 1,122,896 common shares, of which American Financial Corporation owns 89%. Carl H. Lindner is president.

**UNIVERSAL JET INDUSTRIES PROPOSES OFFERING.** Universal Jet Industries, Inc., 599 West 27th St., Hialeah, Fla. 33011, filed a registration statement (File 2-31170) with the SEC on December 27 seeking registration of 100,000 shares of Class A common stock, to be offered for public sale at \$3 per share. The offering is to be made on a "best effort" basis by Wachtel & Co., Inc., 1000 Vermont Ave., N. W., Washington, D. C. 20005, for which it will receive a 30¢ per share commission plus \$7,500 for expenses. The company has agreed, subject to sale of the shares, to issue 3-year warrants to the underwriter for the purchase of 10,000 shares at \$3.30 per share.

The company was organized in 1964 for the purpose of engaging in the design, assembly, manufacture, installation and servicing of air curtains and air products. Net proceeds of its stock sale are to be used for general corporate purposes, including working capital. The company now has outstanding 165,000 Class A and 20,000 Class B shares. Jess Larson, board chairman, and Zelig Bass, vice president, own 46% each of the two classes of stock; management officials as a group own all the Class A and Class B shares outstanding. Purchasers of the shares being registered will acquire a 38% stock interest in the company for an investment of \$300,000; present stockholders will then own 62% for \$19,620 or an average of 12¢ per share.

**U. S. FINANCIAL PROPOSES OFFERING.** U. S. Financial, 1355 Front St., San Diego, Calif. 92112, filed a registration statement (File 2-31171) with the SEC on December 27 seeking registration of \$15,000,000 of convertible subordinated debentures, due 1989, and 150,000 shares of common stock, to be offered for public sale in units, each consisting of a \$1,000 debenture and 10 common shares. The offering is to be made through underwriters headed by First California Co. Inc., 300 Montgomery St., San Francisco, Calif. 94104, and two others; the offering price \$1,400 per unit maximum\* and underwriting terms are to be supplied by amendment.

The company and its subsidiaries provide financial services and financing for the construction industry, primarily to residential builders; engage directly and through joint ventures in the production of housing; manufacture and sell mobile homes; and act as agent in the issuance of title insurance policies and perform escrow and other services, primarily in connection with the issuance of such policies. Of the net proceeds of its financing, the company will use \$15,000,000 to purchase capital stock of U. S. Guaranty Capital, a newly formed wholly-owned subsidiary, to be used by that subsidiary primarily to make loans for the acquisition and development of land and interim construction loans to finance activities in which the company is participating. Of the balance of the net proceeds, \$1,500,000 will be used to expand its leasing activities and mobile home financing, \$1,000,000 for additional investment in joint ventures for the production of housing, \$500,000 to increase the company's mobile home manufacturing capacity, and the balance will be added to the company's general funds and used for working capital. In addition to indebtedness, the company has outstanding 1,567,212 common shares, of which Robert H. Walter, president, owns 19.8% and management officials as a group 32.4%. Dirk C. Kok, Jr., is board chairman.

**MONMOUTH CAPITAL PROPOSES RIGHTS OFFERING.** Monmouth Capital Corporation, First State Bank Bldg., P. O. Box 480, Toms River, N. J. 08753, filed a registration statement (File 2-31172) with the SEC on December 27 seeking registration of 92,170 shares of capital stock, to be offered for subscription at \$8 per share by common stockholders at the rate of one new share for each five shares held.

The company is a closed-end, non-diversified management investment company, but retains freedom of action to change to a diversified investment company. It is licensed as a small business investment company under the Small Business Investment Act. Net proceeds of its stock sale will be used for investment purposes. In addition to indebtedness, the company has outstanding 407,830 capital shares, of which management officials as a group own 16.35%. Boniface DeBlasio is board chairman and Eugene W. Landy president.

**A I T S FILES FOR SECONDARY.** A I T S, Inc., 210 Boylston St., Newton, Mass., filed a registration statement (File 2-31173) with the SEC on December 27 seeking registration of 215,722 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$88.50 per share maximum\*). The selling stockholders may pay commissions to brokers or allow commissions to dealers not in excess of 10% of the selling price.

Organized under Massachusetts law in July 1965 under the name American International Travel Service, Inc., the company is primarily in the business of arranging for domestic group charter flights and all-expense paid package tours, principally from points within the United States to the West Coast, including Las Vegas, San Francisco and Hawaii. The company also plans and makes arrangements for group flights and all-expense tours from the United States to points anywhere in the world; it also furnishes individual tourist travel service. In addition to indebtedness, it has outstanding 1,614,390 common shares, of which Harold S. Low, president and board chairman, owns 18.7% and management officials as a group 32.8%. Low proposes to sell 52,000 shares of 302,000 shares held, Enterprise Fund, Inc., 80,000 of 110,750, Jordan M. Friedman, senior vice president, 40,000 of 80,934, and ten others the remaining shares being registered.

**TOP NOTCH URANIUM SUSPENSION CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the securities of Top Notch Uranium and Mining Corporation for the further ten-day period January 3-12, 1969, inclusive.

**AMERICAN UNITED LIFE FUND SEEKS ORDER.** The American United Life Insurance Company and American United Life Pooled Equity Fund B, of Indianapolis, Ind., have applied to the SEC for exemption from certain provisions of the Investment Company Act; and the Commission has issued an order (Release IC-5568) giving interested persons until January 16 to request a hearing thereon. Fund B was established by the Insurance Company as the facility through which Insurance Company will set aside and invest assets attributable to variable annuity contracts initially qualifying for federal tax benefits under Section 401 or 403 of the Internal Revenue Code of 1954.

**AMERICAN VARIABLE ANNUITY ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5574) granting an application of the American Variable Annuity Life Assurance Company and American Variable Annuity Fund, Worcester, Mass., for exemption from Section 22(d) of the Act for the use of fixed dollar accumulations to provide variable annuity payments during the annuity period without the imposition of any additional sales or other expenses.

**UNLISTED TRADING SOUGHT.** The Philadelphia-Baltimore-Washington Stock Exchange has applied to the SEC for unlisted trading privileges in the common stock of Gulton Industries, Inc., and the Special Stock, Class AA Accumulating Convertible Stock of Ling-Temco-Vought, Inc.; and the Commission has issued orders (Release 34-8485) giving interested persons until January 15 to request a hearing thereon.

**LEACH-GREAT WESTERN OIL ENJOINED.** The SEC Denver Regional Office announced December 27 (LR-4194) that the U. S. District Court in Omaha had permanently enjoined violations of the Securities Act registration provisions by Ray B. Leach, of Omaha, and Great Western Oil Company, a Nebraska company, in the sale of oil interests.

**NEW INDRIA MINING FILES STOCK PLAN.** New Indria Mining and Chemical Co., Fresno, Calif. 93745, filed a registration statement (File 2-31139) with the SEC on December 23 seeking registration of 150,000 shares of common stock, to be offered under its 1966 Employees' Qualified Stock Option Plan.

**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. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports 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.

Automatic Retailers America Inc Nov 68 (13)	1-4762-2	Northwest Industries Inc Nov 68 (12,13)	1-5509-2
Fairmont Foods Co Nov 68 (2,7,12,13)	1-4100-2	Yoo-Hoo Chocolate Beverage Corp Nov 68 (12)	1-5342-2
Nationwide Industries Inc Nov 68 (4,7,11,13)	2-27731-2	Canadian Gridoil Limited Oct 68 (11,13)	1-5191-2
Trinity Industries Inc Nov 68 (2,7,10,13)	0-1616-2	Dec 68 (7,13)	1-5191-2

**SECURITIES ACT REGISTRATIONS.** Effective December 31: American Seating Co., 2-30789; Anthony Pools, Inc. 2-30598; Apache Corp., 2-29466 (90 days); Belden & Blake Corp., 2-30400; CCI Marquardt Corp., 2-29204; Famous Artists Schools, Inc., 2-30420 (40 days); Management Data Corp., 2-30688 (40 days); Saturn Industries, Inc., 2-29198; Statham Instruments, Inc., 2-31043; Trans Caribbean Airways, Inc., 2-29489 (40 days); U. S. Industries, Inc., 2-30815 (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.