

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 April 17, 1970

COMMISSION ANNOUNCEMENT

TRADING IN PERMASPRAY MFG. SUSPENDED. The SEC today ordered the temporary suspension of over-the-counter trading in securities of Permaspray Manufacturing Corp., of League City, Texas, for the ten-day period April 17-26, inclusive (Release 33-8868). The suspension was ordered because of the unavailability to the public of adequate and accurate information concerning Permaspray, its operations, financial condition and prospects. An unaudited 1969 year-end statement shows assets of \$662,000 (of which \$528,000 represented unrecovered costs of mineral interests and development), less than \$20 in cash and liabilities of about \$551,000 (including \$194,666 notes payable on demand to certain officers); a 1969 operating loss of \$69,000 was reported.

Permaspray has recently disseminated information concerning the acquisition of properties in Wyoming containing substantial reserves of sulphur which it purportedly plans to develop into a multi-million dollar operation later in 1970. However, management officials have indicated that it has not been established whether it is commercially feasible to develop the deposits (known to exist for some years but without commercial production); and it appears that the company has made no arrangements to finance the development of the deposits and is unable financially to do so.

Permaspray stock was quoted at 10½ bid on December 31; it was bid at 15½ on February 18, a few days after dissemination of the foregoing information, and dropped to 11½ on April 8. The number of outstanding shares cannot be accurately determined, by reason of which fact (among others) a certified public accountant has refused to certify the company's financial statements.

HOLDING COMPANY ACT RELEASE

UTAH P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16687) authorizing Utah Power & Light Company, Salt Lake City holding company, to issue and sell during the period May 1, 1970 through June 30, 1971, up to \$39,000,000 of short-term notes to banks and/or to a dealer in commercial paper. The company will use the proceeds for construction expenditures. Such expenditures are estimated at \$65,000,000 for 1970 and \$55,000,000 for 1971.

INVESTMENT COMPANY ACT RELEASE

GOLCONDA MINING SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6030) giving interested persons until May 8 to request a hearing upon an application of Golconda Mining Corporation ("Golconda"), a nondiversified, closed-end management investment company, Alice Silver-Lead Mining Company ("Alice"), Mullan Silver-Lead Company ("Mullan"), United Lead-Zinc Mines Company ("United"), Square Deal Mining and Milling Company Limited ("Square Deal"), Alice Consolidated Mines, Inc. ("Alice Consolidated"), and Hecla Mining Company ("Hecla"), all of Wallace, Idaho, for exemption from certain provisions of the Act with respect to the consolidation of certain mining properties. It is proposed to consolidate all of the mining properties of United, Mullan and Alice and part of the mining properties of Golconda and Square Deal by exchanging such properties for shares of Alice Consolidated, a company which was established for that purpose. The purpose of the consolidation is to bring such mining properties into single ownership so that the combined area in the Hunter Mining District of Shoshone County, Idaho, may be explored at depth as a single unit. The consolidation is necessary to eliminate the possibility of disputes with respect to the ownership of any ore bodies that may be discovered in the exploration area. Hecla will do the exploration work and will be the mining operator under an agreement and lease with Alice Consolidated. The transfer of all the assets of United, Mullan and Alice to Alice Consolidated is dependent upon stockholder approval of each company. Golconda owns the following percentages of the outstanding shares of the other companies: Hecla 11%, Alice 52.2%, United 47.1%, Mullan, 54.7% and Square Deal 54.3%. Following the transfer of properties to Alice Consolidated, Golconda will own 10% of the outstanding shares of Alice Consolidated, and will control Alice Consolidated. By reason of stock ownership or control, Golconda and each of the other applicants are affiliated persons.

COURT ENFORCEMENT ACTION

FORMER RAJAC OFFICIALS ENJOINED. The SEC announced April 17 (LR-4587) the issuance of Federal court orders permanently enjoining violations of the Securities Act registration and anti-fraud provisions by the following in the offer and sale of stock of Rajac Industries, Inc.: Richard R. Hughes, of Los Angeles, former president and board chairman, Bernard Klavir of Montreal, former secretary, Michael E. Cannata and Stephen J. Mydanick, of New York City, former Rajac attorneys, and Clayton D. Blehm of San Marino, Calif., former comptroller. Each of the defendants consented to the injunction without admitting the violations.

OVER

SECURITIES ACT REGISTRATIONS

UNITED CITIES GAS TO SELL STOCK. United Cities Gas Company, 404 James Robertson Parkway, Nashville, Tenn. 37219, filed a registration statement (File 2-37058) with the SEC on April 14 seeking registration of 75,000 shares of common stock, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, and Equitable Securities, Morton & Co., Incorporated, Two Wall St., both of New York, N. Y. The offering price (\$14 per share maximum*) and underwriting terms are to be supplied by amendment.

A gas utility, the company will apply the net proceeds of its stock sale, together with the proceeds of some \$4,000,000 of first mortgage bonds and 10,000 cumulative preferred shares it proposes to sell to institutional investors in private sales, to the retirement of short-term bank loans (\$6,250,000 of which were outstanding at March 31) incurred principally to finance capital improvements and additions to properties. Construction expenditures were \$2,688,000 for 1969 and are estimated at \$2,300,000 for 1970.

RAYBESTOS-MANHATTAN PROPOSES OFFERING. Raybestos-Manhattan, Inc., 205 Middle St., Bridgeport, Conn. 06601, filed a registration statement (File 2-37065) with the SEC on April 14 seeking registration of \$25,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and distribution of friction materials used in braking systems and automatic and standard transmissions, rivets and rivet setting machinery and asbestos textiles; also mechanical packings and gasket materials. Net proceeds of its debentures sale will be used in part to retire outstanding short-term bank notes amounting to \$18,050,000 at March 29; the balance will be used to finance capital expenditures. In addition to indebtedness, the company has outstanding 1,530,169 common shares (less 175,578 in treasury), of which management officials own 12.7%. S. R. Zimmerman, Jr., is board chairman and William S. Simpson president and chief executive officer.

ELIZABETHTOWN WATER TO SELL STOCK. Elizabethtown Water Company, One Elizabethtown Plaza, Elizabethtown, N. J. 07202, filed a registration statement (File 2-37066) with the SEC on April 14 seeking registration of 100,000 shares of \$100 par cumulative preferred stock, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York, N. Y. 10004. The dividend rate, offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the distribution of water. The net proceeds of its preferred stock sale will be used to reduce short-term bank loans, the proceeds of which were used for capital expenditures. Short-term borrowings and commercial paper are expected to approximate \$22,000,000 and \$7,300,000, respectively, at the time of the issue of the new preferred stock. Robert W. Kean, Jr., is president.

SYNTEX AND VARIAN STOCKHOLDERS TO RECEIVE RIGHTS. Syva Corporation, 3221 Porter Drive, Palo Alto, Calif. 94304, filed a registration statement (File 2-37067) with the SEC on April 14 seeking registration of 1,050,000 shares of common stock. Syva is owned by subsidiaries of Syntex Corporation and Varian Associates, and by Synvar Options, a partnership. It proposes to offer holders and qualified stock option holders of Syntex and Varian, rights to subscribe for a maximum of 1,000,391 common shares at the rate of 1 right for each share of Syntex common and 1.4 rights for each share of Varian common. About one-half of the rights are being offered to stockholders and option holders of Syntex and one-half to stockholders and option holders of Varian. Twenty rights are required to subscribe for each share of Syva common. The subscription price (\$13 per share maximum*) and underwriting terms are to be supplied by amendment. Allen & Company, Inc., 30 Broad St., New York, N. Y. and Dean Witter & Co., Inc., 45 Montgomery St., San Francisco, Calif., are listed as the principal underwriters. Also included in the statement are an additional 49,609 shares to be offered by Syva to certain of its officers, directors and consultants.

Syva was organized in March to continue the activities of Synvar Associates, a partnership formed in 1966 by subsidiaries of Syntex and Varian which has been engaged in research in the fields of superconductivity, stable organic free radicals and photochemistry. Some \$1,800,000 has been expended on such research and related facilities and, in the opinion of management, additional major financial expenditures are now justified to expand and accelerate research and development in these fields "and hopefully to achieve practical commercial application." The net proceeds of this financing will be used for the repayment of loans by the Syntex and Varian interests and for further research and development. The company now has outstanding 1,575,000 common shares (with a 14¢ per share book value), of which the Syntex and Varian interests own 47.5% each. Martin E. Packard is president and chief executive officer and Carl Djerassi, board chairman.

SHARES OF AIKEN INDUSTRIES (ECL SUB.) IN REGISTRATION. Aiken Industries, Inc., 200 Park Avenue, New York, N. Y. 10017, filed a registration statement (File 2-37068) with the SEC on April 14 seeking registration of 2,107,588 outstanding shares of common stock. Aiken Industries has outstanding 2,620,052, of which ECL Industries, Inc., a Panamanian corporation, owns 1,918,434 or about 72.8%. Of its holdings, ECL has advised that 1,812,219 shares will not be immediately offered for sale since such shares are pledged to secure the payment of its indebtedness; but in the event of default in compliance with the terms of the pledge agreement some or all such shares may be offered by the pledgee. The other holders of the shares being registered have informed the company that they propose to offer their 205,369 shares from time to time on the American Stock Exchange at then prevailing market prices (\$9 per share maximum*).

The company is engaged in the business of manufacturing devices and components in the electronics, electro-mechanical, high frequency communications and high technology metal alloy fields. William E. McGuirk, Jr., is board chairman, Howard H. Aiken vice chairman, and H. Norton Stevens president and chief executive officer.

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MUNICIPAL FUND FILES FOR OFFERING. Goodbody & Co., Bache & Co., Inc., and Walston & Co., Inc., sponsors of the Municipal Investment Trust Fund, Series W, filed a registration statement (File 2-37069) with the SEC on April 14 seeking registration of 8,000 units (\$8,000,000) of participating interests in the Fund, to be offered for public sale by the sponsors. The objectives of the Fund are tax exempt income and conservation of capital through a diversified investment in revenue and general municipal Bonds rated "BBB" or better by Standard & Poor's Corporation or "Baa" or better by Moody's Investors Service. The sponsors have or will deposit with United States Trust Company of New York, as trustee, \$8,000,000 of tax exempt bonds and will receive the 8,000 units for resale to the public by the three sponsors and two other firms.

DIAMOND LABS. FILES OFFERING PROPOSAL. Diamond Laboratories, Inc., 2550 S.E. 43d St., Des Moines, Iowa 50317, filed a registration statement (File 2-37071) with the SEC on April 15 seeking registration of 125,000 shares of common stock, to be offered for public sale through underwriters headed by Dain, Kalman & Quail, Inc., 110 South 6th St., Minneapolis, Minn. The offering price (\$19 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development, manufacture and sale of a diversified line of veterinary medical products. The net proceeds of its stock sale will be applied in part to the redemption of the 75,000 outstanding shares of the company's 5% cumulative convertible preferred stock held by Abbott Laboratories at the agreed redemption price of \$1,076,000 (plus accrued dividends from February 1) and to repay short term bank debt (\$450,000 at April 13) incurred to pay off the maturing balance on the acquisition of Myzon Laboratories and for current working capital purposes. The balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 618,113 common shares, of which Harold L. Hansen, president and board chairman, owns 12.17%.

McCULLOCH OIL SHARES IN REGISTRATION. McCulloch Oil Corporation, 6151 West Century Blvd., Los Angeles, Calif. 90045, filed a registration statement (File 2-37073) with the SEC on April 15 seeking registration of 54,391 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$1,754,110 maximum*). The selling stockholders are The Mutual Life Insurance Company of N. Y., First Pennsylvania Bank, and Girard Trust Company.

AO INDUSTRIES SHARES IN REGISTRATION. AO Industries, Inc., 299 Alhambra Circle, Coral Gables, Fla. 33134, filed a registration statement (File 2-37074) with the SEC on April 14 seeking registration of 125,412 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$3.75 per share maximum*). These shares were issued by the company in exchange for all the assets or shares of other corporations in connection with its acquisition program. The largest holder of such shares, Bartley E. Hall, may sell 57,522 of 202,131 shares held; they were received by Hall in connection with the company's acquisition in 1968 of the stock of Auto-Swage Products, Inc. The company has outstanding 9,839,429 common shares.

FIRST HOLDING CO. TO SELL STOCK. First Holding Company, Inc., P. O. Box 48, Waukesha, Wisconsin, filed a registration statement (File 2-37079) with the SEC on April 13 seeking registration of 66,743 shares of common stock, to be offered for subscription by stockholders. Holders of outstanding shares will receive one stock purchase warrant for each share held; five warrants will entitle the holder to purchase one share of stock, at \$35 per share.

The company now owns 99.14% of the outstanding stock of First National Bank of Waukesha, 96.63% of The First National Bank of Wauwatosa, and 97.95% of New Berlin State Bank; it proposes to acquire 80% or more of the stock of the First National Bank of Oconomowoc. Net proceeds of this financing will be added to working capital of the company and will be used to increase the capital of subsidiary banks, as follows: New Berlin, \$100,000; Wauwatosa, \$500,000; and Waukesha, \$1,736,000. The company has outstanding 333,713 common shares, of which management officials own 19%. Henry F. W. Furlong is board chairman and W. A. Kummrow president.

DIGITAL EQUIPMENT SHARES IN REGISTRATION. Digital Equipment Corporation, 146 Main St., Maynard, Mass. 01754, filed a registration statement (File 2-37080) with the SEC on April 15 seeking registration of 150,000 common shares, which may be offered for sale from time to time to certain employees upon the exercise of options granted under the company's 1968 restricted stock purchase plan.

UNION MEMBERS INVESTMENT FUND FILES. Union Members Investment Fund, Inc., 744 North Fourth St., Milwaukee, Wis. 53203, filed a registration statement (File 2-37084) with the SEC on April 15 seeking registration of 300,000 shares of capital stock. The company is a no-load diversified open-end investment company. Its shares are to be offered only to members of labor unions, jointly administered pension and welfare funds and other funds held for the benefit of union members. The shares are to be offered at net asset value (initially \$12 per share). Bayrock Advisors, Inc., will serve as investment adviser. John W. Schmitt is president of the Fund. Wisconsin State AFL-CIO and nine other unions are listed as founders.

LEARNING CORP. FILES FOR OFFERING. Learning Corporation of America, 1220 East-West Highway, Silver Spring, Md. 20910, filed a registration statement (File 2-37085) with the SEC on April 15 seeking registration of 600,000 shares of common stock, to be offered for public sale on a "best efforts" basis by Max Zerklin and Associates, Inc., of Bethesda, Md. The offering price (\$1.50 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in the statement are an additional 1,800,000 common shares which may be issued in connection with the company's acquisition program.

The company was organized in February to engage in the business of acquiring, establishing and managing proprietary schools, including business schools and trade and technical schools. It is in the formative stage; its president and board chairman, Irwin S. Monsein, will be its sole employee with executive responsibilities during the first year of operations. The net proceeds of the company's stock sale will be used for the payment of general and administrative expenses (including Monsein's salary) and, when necessary, for the acquisition of proprietary schools and school-related businesses. The company now has outstanding 600,000 common shares, of which Monsein owns 46.5% and management officials as a group 71.5%. Of the outstanding shares, 300,000 were issued to Monsein and certain of his designees and 300,000 to Joel Kline (secretary-treasurer) and his designees, at their par value of 1¢ per share.

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans.

Savin Business Machines Corporation, New York, N. Y. 10013 (File 2-37061) - 20,000 shares

Arrow-Hart, Inc., Hartford, Conn. 06106 (File 2-37062) - 50,000 shares

Cities Service Company, New York, N. Y. 10005 (File 2-37028) - 500,000 shares

National Steel Corporation, Pittsburgh, Pa. 15219 (File 2-37063) - 275,000 shares

Liberty Loan Corporation, St. Louis, Mo. 63105 (File 2-37064) - 150,000 shares

Dart Industries Inc., Los Angeles, Calif. 90048 (File 2-37070) - 200,000 shares

Esquire, Inc., New York, N. Y. 10022 (File 2-37072) - 50,000 shares

PPG Industries, Inc., Pittsburgh, Pa. 15222 (File 2-37075) - 522,527 shares

Union Carbide Corporation, New York, N. Y. 10017 (File 2-37076) - 86,000 shares and

(File 2-37077) - 200,000 shares

Daniel Starch & Staff, Inc., Mamaroneck, N. Y. 10543 (File 2-37078) - 125,000 shares

Sta-Rite Industries, Inc., Delavan, Wis. 53115 (File 2-37082) - 75,000 shares

Lincoln First Banks Inc., Rochester, N. Y. 14603 (File 2-37083) - 14,634 shares

Penn-Walt Corporation, Philadelphia, Pa. 19102 (File 2-37087) - 3,800 shares

MISCELLANEOUS

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act (Release 34-8867) giving interested persons until May 1 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks of the specified companies:

Boston Stock Exchange: Desert Pharmaceutical Co., Kaiser Cement & Gypsum Corporation, Alloys Unlimited, Inc., American Medical Enterprises, Inc., Astrodata, Inc., Automated Building Components, Inc., Canadian Superior Oil Ltd., Champion Home Builders Co., Computing & Software, Inc., Damon Corp., Data Processing Financial & General Corp., Federal Sign and Signal Corporation, General Cinema Corp., Great Lakes Chemical Corp., Guerdon Industries, Inc., Helmerich & Payne, Inc., Instron Corp., International Flavors & Fragrances, Inc., Kansas Gas and Electric Company, McCulloch Oil Corp., Molybdenum Corp. of America, Planning Research Corp., Plough, Inc., Ramada Inns, Inc., Redman Industries, Inc., Rochester Telephone Corporation, Savin Business Machines Corp., Saxon Industries, Inc., Schaefer (F & M) Corp., Technical Operations, Inc., Telex Corp., Tool Research & Engineering Corp., Town & Country Mobile Homes, Inc., Trans Union Corporation, Tyco Laboratories, Inc., Varo, Inc., Wang Laboratories, Inc., Williams Brothers Co.;

Philadelphia-Baltimore-Washington Stock Exchange: Marshall Industries, Milgo Electronic Corporation, STP Corporation, Teleprompter Corporation;

Midwest Stock Exchange: Columbia Pictures Industries, Inc.

CORRECTION RE CONTROL DATA. Control Data Corporation has 14,261,741 common and 353,281 preferred shares outstanding, not the "353,281 common shares" referred to in the News Digest of April 16.

SECURITIES ACT REGISTRATIONS. Effective April 16: Algorex Data Corporation, 2-35565 (90 days); American Century Mortgage Investors, 2-36405 (40 days); Barnes-Hind Pharmaceuticals, Inc., 2-36964; Building & Land Technology Corporation, 2-35485 (90 days); Infonics, Inc., 2-36203 (40 days); Mobile Home Dynamics, Inc., 2-35238 (90 days); Public Service Company of New Hampshire, 2-36728 (May 26); Synthatron Corporation, 2-31433 (90 days).

Withdrawn April 13: Life of America Insurance Corp. of Boston, 2-32474; Jag Chemical Corp., 2-32338; Planco Systems & Development Corporation, 2-33058; Xprint Corporation, 2-34361.

Withdrawn April 14: Bell Capital Corp., 2-34934; International Basic Economy Corp., 2-36183; Prevor-Mayrsohn International, Inc., 2-33406.

Withdrawn April 15: Dial-Data, Inc., 2-33100.

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.