

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 May 27, 1970

HOLDING COMPANY ACT RELEASES

CENTRAL INDIANA GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16736) giving interested persons until June 19 to request a hearing upon an application of Central Indiana Gas Company, Inc., Muncie subsidiary of American Natural Gas Company, to issue and sell up to \$4,500,000 of unsecured promissory notes to a bank. Central will use the net proceeds of its financing to retire \$2,000,000 of outstanding bank notes which mature June 26, 1970, and to finance, in part, its 1970 construction program, estimated at \$4,300,000.

ROCKY RIVER REALTY SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16737) giving interested persons until June 12 to request a hearing upon an application of The Rocky River Realty Company, The Connecticut Light and Power Company ("CL&P") and Northeast Utilities Service Company, all Hartford, Conn. subsidiaries of Northeast Utilities, for Rocky River to issue and sell additional five-year notes to the parent (provided the maximum amount outstanding shall not at any one time exceed \$5,000,000) in connection with the acquisition of certain land and buildings in Berlin and Newington, Conn. from CL&P and the construction of additional improvement on such land and adjoining land owned by Rocky River. The Commission authorized financing of the acquisitions and construction on December 23, 1969 (Release 35-16567).

INVESTMENT COMPANY ACT RELEASE

AFORWARD FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6062) giving interested persons until June 18 to request a hearing upon an application of Aforward Fund, Incorporated, Lima, Pa. mutual fund, for an order declaring that it has ceased to be an investment company as defined in the Act. The Fund represents that since registering under the Act in February 1970, it has issued no securities and has no assets at the present time. A proposed public offering of securities has been abandoned, and the officers and directors have concluded that it is not advisable at this time or within the reasonable foreseeable future to make either a public or private offering of securities.

COURT ENFORCEMENT ACTIONS

ROBERT B. McSHERRY SENTENCED. The SEC San Francisco Regional Office announced May 20 (LR-4612) that the Federal Court in Las Vegas had sentenced Robert B. McSherry, of Portland, Ore., to three years' imprisonment on his plea of nolo contendere to one count of fraud in connection with the sale of securities of Nevada Industrial Guaranty Co.

COMPLAINT CITES WILLIAM MANNING AND JAMES H. COLOPY. The SEC Chicago Regional Office announced May 20 (LR-4613) the filing of a complaint in the Federal Court in Detroit seeking to enjoin William Manning, New Braunfels, Tex., and James H. Colopy, Memphis, Tenn., both individually and doing business as MAPKA, from further violations of the registration and antifraud provisions of the Federal securities laws. A court hearing on the Commission's motion for a preliminary injunction has been scheduled for June 8, 1970.

SALE OF CONTINENTAL INVESTMENT AND PAN AMERICAN INDUSTRIES STOCKS ENJOINED. The SEC Fort Worth Regional Office announced May 21 (LR-4614) that the Federal Court in Phoenix, Ariz., had entered a default judgment permanently enjoining the following individuals and companies from further violations of the registration and antifraud provisions of the Securities Act and the anti-manipulative provisions of the Securities Exchange Act in connection with the offer, sale and purchase of the common stock of Continental Investment Corporation, Pan American Industries, Inc., or any other security: Continental Investment Corporation, an Arizona corporation, R.F.S. Associates, Inc., a Florida corporation, Pedro Jose Torres Velasquez and Leslie T. Zacharias, a/k/a Lee Zaharias, all of North Miami, Fla., H. Michael Coyte of Coral Gables, Fla., Vito Davanzo of Hallandale, Fla., Herman Larsen of Hot Springs, Ark., and Executive Management Enterprises, Inc., a California corporation, and Martin J. Carrabine, both of Los Angeles.

DANIELSON AND DINNEEN FOUND GUILTY OF CRIMINAL CONTEMPT. The SEC Denver Regional Office announced May 22 (LR-4615) that the Federal Court in Denver, Colo., had found James C. Danielson, of Denver, and Stephen J. Dinneen of Key Biscayne, Fla., guilty of criminal contempt by offering for sale, selling and delivering after sale, stock of Woodward Oil, Inc., in violation of an injunction entered by the Court on October 11, 1967.

OVER

SECURITIES ACT REGISTRATIONS

SACRAMENTO NATURAL GAS PROPOSES OFFERING. Sacramento Natural Gas Company (the "general partner"), Bank of America Center, San Francisco, Calif. 94104, filed a registration statement (File 2-37458) with the SEC on May 22 seeking registration of \$10,000,000 of pre-organization subscriptions in 4,000 units of limited partnership interests in Limited Partnerships S.N.G. #1, Ltd., and S.N.G. #2, Ltd., to be offered for public sale at \$2,500 per unit. No underwriting is involved; participating NASD members will receive up to a 7% selling commission. The two proposed limited partnerships are to be formed to engage in the exploration for and production of oil and gas resources and investing in other oil, gas and mineral properties and projects. The general partner has 2,500 common shares, of which Whittington Oil Co., Inc., owns 51% and Mitchell T. Curtis, a director, 49%. R. G. Wilkerson is president.

BOZZUTO'S FILES FOR OFFERING AND SECONDARY. Bozzuto's, Inc., Schoolhouse Rd., Cheshire, Conn. 06410, filed a registration statement (File 2-37460) with the SEC on May 22 seeking registration of 190,000 shares of common stock, of which 60,000 are to be offered for public sale by the company and 130,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Putnam, Coffin, Doolittle, Newburger, Division of Advest Co., Six Central Row, Hartford, Conn. 06103; the offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Putnam firm, for \$100, five-year warrants to purchase 10,000 shares, exercisable after one year at 120% of the offering price.

The company is engaged in the wholesale distribution of grocery products, including both food and non-food items. Net proceeds of its stock sale will be added to the company's general funds and used to reduce bank borrowings incurred in connection with the building of a perishable products distribution center (estimated to cost \$800,000) and for inventory and equipment for the center (estimated at \$909,000). The company has outstanding 504,000 common shares, of which Adam J. Bozzuto, board chairman and president, owns 58.79%. Adam Bozzuto proposes to sell 20,299 of 296,299 shares held, and six other Bozzutos the remaining shares being registered.

DAYTON-HUDSON TO SELL DEBENTURES. Dayton-Hudson Corporation, 700 Nicollet Mall, Minneapolis, Minn. 55402, filed a registration statement (File 2-37462) with the SEC on May 25 seeking registration of \$25,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Lehman Brothers, 1 William St., both of New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a diversified retail organization which operates department stores, low margin stores, specialty stores for the sale of fine jewelry and books, and shopping centers. Net proceeds of its debenture sale will be used for the construction and fixturing of new stores planned for 1970 and for working capital to support anticipated sales volumes in these and existing stores. Pending such application, proceeds initially will be used to reduce short-term borrowings and borrowings under the company's revolving credit agreement. In addition to indebtedness and preferred stock, the company has outstanding 15,807,632 common shares, of which management officials as a group own 30%. Bruce B. Dayton is board chairman and K. N. Dayton president.

JAMA PRODUCTIONS TO SELL STOCK. JaMa Productions, Inc., Suite 1630, 140 Broadway, New York 10005, filed a registration statement (File 2-37464) with the SEC on May 25 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts 65% or none" basis through Whitehall Securities Corp., 138 Main St., Oceanport, N. J., which will receive a 50¢ per share selling commission plus \$30,000 for expenses. The company has agreed to sell to the underwriter, for \$20, six-year warrants to purchase up to 20,000 shares, exercisable after one year at \$5.50 per share.

The company was organized in June 1969 to engage in the production of motion pictures, packages and programs for television and, if successful in such productions, to establish and operate music publishing and recording facilities. Net proceeds of the stock sale will be used to purchase outright or obtain production rights to scripts, screenplays, books or other works, for motion picture production, to develop, package, produce and sell television programs or series of programs for television and as working capital for general corporate purposes. The company has outstanding 466,667 common shares, of which Jackie Mason, president, owns 84.9% and Leon H. Charney, secretary-treasurer, 14.3%. Purchasers of the shares being registered will acquire a 30% stock interest in the company for their investment of \$1,000,000 (they will sustain an immediate dilution of \$3.76 in per share book value from the offering price); present shareholders will then own 70%, for which they will have paid \$8,190 or \$.012 per share.

KATHOL PETROLEUM PROPOSES OFFERING. Kathol Petroleum, Inc., 900 Sutton Place, Wichita, Kans. 67202, filed a registration statement (File 2-37465) with the SEC on May 25 seeking registration of \$15,000,000 of limited partnership interests in Kathol Production Fund, a series of limited partnerships ("Partnerships"), to be offered for public sale in \$5,000 units. No underwriting is involved; participating NASD members will receive an 8% selling commission plus 3% of amounts reinvested in later Partnerships. The Partnerships are to be organized to engage in the purchase and operation of interests in producing oil and gas properties, secondary recovery projects and the development drilling on producing properties in which they acquire interests and the purchase of oil and gas leases for resale. Gerald J. Kathol is president and largest stockholder of the company.

CONTINUED

HAMILTON NATIONAL ASSOCIATES TO SELL STOCK. Hamilton National Associates, Inc., 701 Market St., Chattanooga, Tenn. 37402, filed a registration statement (File 2-37466) with the SEC on May 25 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by J. C. Bradford & Co., Inc., 170 Fourth Ave. North, Nashville, Tenn. 37219. The offering price (\$28 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a bank holding company, which owns a majority of the outstanding stock of nine banks in East Tennessee and one in Northwest Georgia. Net proceeds of its stock sale will be added to the company's general funds and used to provide additional capital funds for subsidiary banks, for possible acquisitions or formation of additional banks or other business concerns permitted by law, and for the purchase of additional shares of the company's subsidiary banks. The company has outstanding 1,307,876 common shares, of which management officials as a group own 20.44%. Jack E. Whitaker is board chairman and president.

BALTIMORE GAS AND ELECTRIC TO SELL BONDS. Baltimore Gas and Electric Company, Gas and Electric Bldg., Charles Center, Baltimore, Md. 21203, filed a registration statement (File 2-37468) with the SEC on May 25 seeking registration of \$45,000,000 of first refunding mortgage bonds, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale for general corporate purposes, including proposed construction expenditures and to repay short-term borrowings. Construction expenditures totalled \$141,006,000 in 1969 and are estimated at \$200,000,000 in 1970, \$250,000,000 in 1971 and \$190,000,000 in 1972.

CLFS ASSOCIATES PROPOSES OFFERING. CLFS Associates (the "Partnership"), 1200 Investment Plaza, Cleveland, Ohio 44114, filed a registration statement (File 2-37469) with the SEC on May 25 seeking registration of \$3,000,000 of limited partnership units, to be offered for public sale in groups of ten units at \$1,250 per unit. The offering is to be made on a best efforts basis by Prescott, Merrill, Turben & Co., 900 National City Bank Bldg., Cleveland, Ohio, as agent, which will receive a 4-3/4% selling commission. The Partnership was organized to acquire for investment and appreciation real properties currently producing income or capable of development into income producing properties. Cragin, Lang, Free and Smythe, Inc. serves as investment adviser. John P. Cavano, Jr. is president and Laurence H. Lang is board chairman of the adviser; they are two of 11 general partners of the Partnership.

ST. JOSEPH LIGHT & POWER TO SELL BONDS. St. Joseph Light & Power Company, 520 Francis St., St. Joseph, Mo. 64502, filed a registration statement (File 2-37470) with the SEC on May 25 seeking registration of \$7,500,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding. A public utility, the company will apply the net proceeds of its bond sale toward payment of bank loans (of which \$11,862,000 was outstanding at March 31) incurred as temporary financing for construction of additional facilities. Construction expenditures are estimated at \$3,400,000 and are estimated at \$3,600,000 for the two-year period 1971 and 1972.

AUTO LIQUIDATORS TO SELL STOCK. Auto Liquidators, Inc., 2221 Broad Hollow Rd., Farmingdale, N. Y. 11735, filed a registration statement (File 2-37471) with the SEC on May 25 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$8.50 per share. The offering is to be made on a "best efforts, all or none" basis by Victor Securities Corp., 15 William St., New York 10005, which will receive an 85¢ per share selling commission plus \$16,000 for expenses. The company has agreed to sell to the underwriter, for 1¢ each, six-year warrants to purchase 12,000 shares, exercisable after one year at \$9.60 per share.

Organized in October 1967, the company is engaged in conducting public auction sales and non-auction retail sales of used automobiles at three locations in the Metropolitan New York area. Of the net proceeds of its stock sale, \$500,000 will be used to open ten locations for the sale of used automobiles similar to the company's existing locations and \$75,000 to expand its inventory at existing locations; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 220,000 common shares (with a 38¢ per share net tangible book value), of which Robert A. Felder, president, and Israel Lapidus, secretary-treasurer, own 43.2% each. Purchasers of the shares being registered will acquire a 35% stock interest in the company for their investment of \$1,020,000 (they will sustain an immediate dilution of \$5.74 in per share book value from the offering price); present shareholders will then own 65%, for which they contributed \$62,400 in cash and property.

ESSEX CHEMICAL SHARES IN REGISTRATION. Essex Chemical Corporation, 1401 Broad St., Clifton, N. J. 07015, filed a registration statement (File 2-37472) with the SEC on May 25 seeking registration of 72,043 shares of common stock, issuable upon exercise of common stock purchase warrants. Of these shares, 54,626 were issued to holders of common stock of Paulsboro Chemical Industries, Inc., in connection with its merger into Paulsboro Products, Inc., a wholly-owned subsidiary of Essex, and 17,417 of which are reserved for issuance in the future.

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:

Whittaker Corporation, Los Angeles, Calif. 90069 (File 2-37463) - \$10,000,000 of interests in the Savings and Stock Investment Plan

Ideal Toy Corporation, Hollis, N. Y. 11423 (File 2-37467) - 323,000 shares

First Union, Incorporated, St. Louis, Mo. 63101 (File 2-37473) - 215,000 shares

Aetna Life and Casualty Company, Hartford, Conn. 06115 (File 2-37474) - 500,000 shares

Santa Fe International Corporation, Los Angeles, Calif. 90017 (File 2-37475) - 75,000 shares

The Hoover Company, North Canton, Ohio 44720 (File 2-37479) - 200,000 shares

MISCELLANEOUS

BANK OF SARK, FIRST LIBERTY FUND ADDED TO RESTRICTED LIST. The SEC has added Bank of Sark, of the Isle of Sark (United Kingdom) and First Liberty Fund, Ltd., a Bahamian company, to its Foreign Restricted List. The restricted list is comprised of the names of foreign companies whose securities the Commission has reason to believe recently have been or currently are being offered for public sale and distribution within the United States in violation of the Securities Act registration requirement. The Bank of Sark and First Liberty Fund have used a mailing address in St. Peter Port, Guernsey, Channel Islands. Recently, the State of Arizona issued a cease and desist order against the sale of First Liberty Fund shares in Arizona until the laws of that state have been complied with.

REQUEST OF JOHN M. KING NOT GRANTED. The SEC today announced that John M. King had requested that the application of the Commission's order dated May 23, 1967 accepting an offer of settlement in the matter of I.O.S., Ltd. (S.A.), et al., be stayed. The Commission concluded that the information before it was not sufficient to warrant granting the request.

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 "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the May 6 News Digest.

8K for March 1970

Gulfstream Land & Devel. Corp (2,11,13)	2-29825-2	LFC Financial Corp (10,12)	1-5042-2
Illinois Bell Tel. Co (11)	1-2222-2	Maine Sugar Ind., Inc (3,6)	0-2426-2
Nationwide Ind., Inc (2,3,13)	0-3626-2	Marshall Ind., Inc(13)	1-5441-2
New York Tel. Co (11)	1-3435-2	Universal Foods Corp (12)	0-101-2
Niagara Frontier Services, Inc (2,12)	1-5915-2	General Bancshares Corp (12)	1-3750-2
Triton Oil & Gas Corp (2,3,13)	0-3247-2	Lufkin Foundry & Machine Co (11)	0-2612-2
Lockheed Aircraft Corp (7)	1-2193-2	Mecca Computer Systems, Inc (1)	0-4263-2
MWA Co (12)	1-1447-2	Trans Natl. Communications, Inc (2,7,9 12,13)	0-3528-2
Miles Lab.'s, Inc (2)	1-4573-2	Servitech Inc (1,3,13)	1-5914-2
Morgan Guaranty Tr. Co of N.Y. (4,13)	2-31996-2	State Street Life Insurance Co (12)	2-23925-2
National Data Communications, Inc (3,11,13)	0-4386-2	Gulf Life Insurance Co (11,13)	2-10307-2
Radiation Machinery Corp (3,6)	0-4212-2	Hartford Fire Insur. Co (12,13)	2-2615-2
Great Northern Nekoosa Corp (2,4,7,11,13)	1-3763-2	Hunt Bldg. Marts, Inc (2,13)	2-34238-2
Hydro Ski Intl., Corp (1,2)	0-4089-2	National Car Rental Systems, Inc (7,12,13)	0-3473-2
Illinois Central Ind., Inc (12)	1-4710-2		

SECURITIES ACT REGISTRATIONS. Effective May 25: Winslow Technology, Inc., 2-30381 (40 days).
Effective May 26: Allied Chemical Corp., 2-37438; John Blair & Co., 2-37188; Charter Bankshares Corp., 2-37091 (40 days); Colorado Interstate Corp., 2-37392; The Foxboro Co., 2-37389; Gulf Natural Resources Fund 1970 - A, 2-36016 (90 days); Howmedica, Inc., 2-36604 (90 days); IteI Corp., 2-37340; Millipore Corp., 2-37149 (40 days); Pennsylvania Life Co., 2-37387; Rollins Rapid Repro Franchises, Inc., 2-34317 (90 days); Washington National Corp., 2-37336; Whittaker Corp., 2-37463.

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.