

# 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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## COMMISSION ANNOUNCEMENTS

**CORPORATE WORKING CAPITAL REPORTED.** The SEC announces (for June 23 Newspapers) that the net working capital of U. S. corporations increased \$200 million in the first quarter of 1970. The small increase in working capital in the first quarter followed declines in the last two quarters of 1969 and compares with a gain of \$2.6 billion in the January-March period last year. Net working capital represents the excess of current assets over current liabilities and at the end of March totaled \$214.4 billion. (For further details, see Stat. Release No. 2452).

**TRADING WITH PROS SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Training with the Pros, Inc., of New York City. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in October 1968 which became effective in February 1969, Training with the Pros made a public offering of 42,000 common shares at \$7 per share. In its suspension order, the Commission asserts that it has "reasonable cause to believe" that the company's notification and offering circular failed to disclose the existence of a \$30,000 loan to the company in October 1968 by R. Scott Barter, a principal stockholder, and that \$30,000 of the proceeds of the company's stock sale would be used for repayment of the loan; that a subsequent report of stock sales failed to disclose the repayment of the loan out of the proceeds of the offering; that there was a failure to disclose the "control" relationship of the issuer of one Ramon D'Onofrio; and that the company and certain of its officials failed to cooperate and obstructed the conduct of the investigation in this matter by the Commission's staff.

**UTILITY PREFERRED STOCK REDEMPTION GUIDELINES MODIFIED.** The SEC today announced a modification of its policy under the Holding Company Act governing the redemption of preferred stock issues of companies subject to that Act (Release 35-16758). The Commission's 1956 policy statement provided that preferred stocks issued and sold pursuant to provisions of the Act be redeemable by the issuer "at any time upon reasonable redemption premiums, if any." The Commission has concluded that it is appropriate to permit the issuers of preferred stock subject to the Act to include a five-year refunding limitation in the terms and provisions of new issues of such securities. Accordingly, it has modified its policy so as to permit the inclusion in preferred stock issues of a provision prohibiting, for a period of not more than five years, the refunding of such stock by the issuance of debt securities at lower interest costs or other preferred stocks at lower dividend costs. Thereafter, certain limitations on the redemption prices will continue to apply.

## HOLDING COMPANY ACT RELEASES

**ROCKY RIVER REALTY RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16759) authorizing The Rocky River Realty Company, Hartford, Conn., subsidiary of Northeast Utilities, to issue and sell additional five-year notes to the parent (up to a maximum of \$5,000,000 to be outstanding at any one time) in connection with the acquisition of certain land and buildings in Berlin and Newington, Conn. from The Connecticut Light and Power Company, and the construction of additional improvement on such land and adjoining land owned by Rocky River. The Commission authorized the acquisitions and construction on December 23, 1969 (Release 35-16567).

**YANKEE ATOMIC RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16760) authorizing Yankee Atomic Electric Company, Westboro, Mass. subsidiary of both Northeast Utilities and New England Electric System, to issue and sell up to \$8,500,000 of short-term promissory notes (including commercial paper) to a bank and/or to a dealer in commercial paper. It will use the proceeds of such financing to purchase nuclear fuel for use in its nuclear reactors and during the remainder of 1970 expects to spend some \$7,000,000 and during 1971 about \$1,500,000 for the purchase, conversion and enrichment of such nuclear fuel.

**CENTRAL INDIANA GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16761) authorizing 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.

OVER

**MICHIGAN WISCONSIN PIPE LINE SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16764) giving interested persons until July 9 to request a hearing upon an application of Michigan Wisconsin Pipe Line Company, Detroit subsidiary of American Natural Gas Company, to issue and sell up to \$50,000,000 of promissory notes to a group of banks. The company will use the net proceeds thereof to finance, in part, its 1970 construction program (estimated at \$95,000,000) and to provide working capital.

#### INVESTMENT COMPANY ACT RELEASE

**DIFUND SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6084) giving interested persons until July 10 to request a hearing upon an application of Difund, Inc., New York mutual fund, for exemption from certain provisions of the Act. The Fund proposes to operate as an open-end, diversified management investment company which is registered under the Act as an employees' securities company. Shares of its capital stock are to be offered at their net asset value to certain eligible persons, namely executives, officials, employees and consultants of Dresser Industries, Inc. and its subsidiary or controlled companies. The Fund requests exemption from the \$110,000 minimum net worth provisions of the Act. It also seeks exemption from the transferability provisions so that shares may be transferred only to eligible persons.

#### SECURITIES ACT REGISTRATIONS

**ALLIED PRODUCTS SHARES IN REGISTRATION.** Allied Products Corporation, 208 S. LaSalle St., Chicago, Ill. 60604, filed a registration statement (File 2-37685) with the SEC on June 18 seeking registration of 120,000 shares of common stock which are to be issued to former stockholders of Coz Chemical Corporation, whose net assets were acquired by Allied in 1968. Allied is a diversified industrial company which manufactures and distributes products ranging from synthetic carpets to automotive metal stampings. In addition to indebtedness and preferred stock, it has outstanding 1,839,143 common shares.

**DIAMOND STATE TELEPHONE TO SELL DEBENTURES.** The Diamond State Telephone Company, One Parkway, Philadelphia, Pa. 19102, filed a registration statement (File 2-37688) with the SEC on June 19 seeking registration of \$15,000,000 of debentures, due 2010, to be offered for public sale at competitive bidding. A subsidiary of AT&T, the company will use the net proceeds (in part) of its debenture sale to repay outstanding notes (bank loans and commercial paper), expected to approximate \$11,600,000 at the time of the sale of the bonds, and will apply the remainder toward repayment of advances from the parent, estimated at \$6,300,000 at such time.

**KEARNEY-NATIONAL TO SELL DEBENTURES.** Kearney-National Inc., 250 Park Ave., New York 10017, filed a registration statement (File 2-37689) with the SEC on June 19 seeking registration of \$5,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale through underwriters headed by Reynolds & Co., 120 Broadway, New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in manufacturing and selling electrical transmission and distribution equipment and electrical poleline hardware, commercial lawn and turf equipment, agricultural equipment and snow removal equipment and tapered aluminum flagpoles, light poles and brackets, ceramic insulators and aircraft forgings. Net proceeds of its debenture sale will be used to reduce existing short-term bank borrowings incurred principally to finance the cost involved in relocating part of the company's Electrical Equipment Group and to provide additional working capital for the Lawn and Turf Products Group. In addition to indebtedness, the company has outstanding 2,233,043 common shares, of which Charles H. Dyson, board chairman, and family members own 30.9%, management officials as a group 13.3% and The Dyson-Kissner Corporation 21.5%. Martin H. Dublier is president.

**MONTANA BEEF PROPOSES OFFERING.** Montana Beef Industries, Inc. (the "general partner"), 303 N. Broadway, Billings, Mont. 59101, filed a registration statement (File 2-37693) with the SEC on June 19 seeking registration of \$10,000,000 of limited partnership interests in limited partnerships which will be formed to operate for seven years and to engage in cattle feeding and breeding, to be offered for public sale at \$5,000 per unit. Montanaco Financial Corp., an affiliate of the general partner, will solicit sales of units on a best efforts basis; it will receive a 9 $\frac{1}{2}$ % selling commission and will realow a 7 $\frac{1}{2}$ % selling commission to participating NASD members. David G. Drum, board chairman, and A. Leon Miller, president, each owns 50% of the outstanding common stock of the general partner.

**SOUTHDOWN SHARES IN REGISTRATION.** Southdown, Inc., 950 Tenneco Bldg., Houston, Tex. 77002, filed a registration statement (File 2-37696) with the SEC on June 19 seeking registration of 202,133 outstanding shares of \$1.80 cumulative convertible preferred stock (\$10 par) and 124,619 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof.

The company is a diversified land-use company that intends to seek further diversification through internal growth and the acquisition of selected companies. In addition to indebtedness and preferred stock, it has outstanding 2,084,546 common shares. Nabacomsa (nominee under the will of Otto A. Koehler) may sell 100,305 preferred shares and 12 others the remaining preferred shares being registered; J. Edgar Monroe may sell 121,500 common shares and two others the remaining common shares being registered.

**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:

Hartford National Corporation, Hartford, Conn. 06115 (File 2-37686) - 125,000 shares  
 Simplex Wire and Cable Company, Cambridge, Mass. 02139 (File 2-37687) - 65,000 shares  
 Granger Associates, Menlo Park, Calif. 94025 (File 2-37691) - 43,107 shares and (File 2-37692)-42,713/  
 Hoffman Electronics Corporation, El Monte, Calif. 91734 (File 2-37695)  
 Arrow Electronics, Inc., New York 10006 (File 2-37698) - 170,000 shares

**MISCELLANEOUS**

**DELISTINGS GRANTED.** The SEC has issued orders under the Securities Exchange Act (Release 34-8910) granting applications of (a) the New York Stock Exchange to strike from listing and registration the common stock of Swingline, Inc., and (b) of the American Stock Exchange to strike from listing and trading the common stock of BACM Industries Limited, both effective June 22, 1970. Only 173,000 shares of Swingline remain outstanding exclusive of some 5,544,000 shares (or 97%) acquired by American Brands, Inc., through its wholly-owned subsidiary, American Swingline, Inc., pursuant to a tender offer which expired on May 19, 1970. Only 105,885 shares of BACM's common stock remain outstanding in the hands of the public as a result of an exchange offer by Genstar Limited. The exchange offer, as extended, will expire on July 8, 1970.

**DELISTING SOUGHT.** The SEC has issued an order under the Securities Exchange Act (Release 34-8910) giving interested persons until July 8 to request a hearing upon an application of Macke Company to withdraw its common stock from listing and registration on the Philadelphia-Baltimore-Washington Stock Exchange. The company believes that the concentration of the market solely on the New York Stock Exchange will provide a better market for its common shares and that the requested withdrawal will eliminate fees and other administrative requirements necessary to maintain its listing and registration on the Exchange. The proposed delisting was approved by shareholders at the company's annual meeting held February 24, 1970.

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*"):

File No.	O-Registrants	Location	File No.	O-Registrants	Location
4741	American Biomedical Corp**	Dallas, Tex.	4742	Hawkeye Bancorporation**	Red Oak, Iowa
4731	Buxton's Country Shops**	Jamesburg, NJ	4747	ILC Products Co**	Elkhart, Ind.
4720	Church's Fried Chicken Inc**	San Antonio, Tex.	4735	Inarco Corp**	Cleveland, Ohio
4729	Combined Communications Corp **	Phoenix, Ariz.	4749	King James Extended Care Inc**	Middletown, NJ
4793	Computer Response Corp	Wash., DC	4728	Magnolia Chemical Co Inc**	Dallas, Tex.
4792	Continental Care Centers Inc**	Omaha, Neb.	4733	Motor Coils Mfg Co**	Pittsburgh, Penna.
4748	Data Dimensions Inc**	Stamford, Conn.	4743	National Apparel Corp	Phila., Pa.
4744	Data Systems Analysts Inc**	Pennsauken, NJ	4754	Panax Corp	Williamston Township, Mich.
4769	Dollar General Corp**	Scottsville, Ky.	4725	Peppy Hamburgers Inc**	Southfield, Mich.
4738	ERC Corp**	Kansas City, Mo.	4734	Pizza Inn Inc**	Arlington, Tex.
4770	Exchange Bancorporation Inc**	Tampa, Fla.	4757	Presque Isle Paper Products Inc**	Erie, Pa.
4723	Farr Co	El Segundo, Cal.	4737	Republic Mobile Homes Corp**	Laurens, SC
4779	Fidelity American Bankshares Inc	Lynchburgh, Va.	4730	Resalab Inc**	Dallas, Tex.
4721	First Arkansas Bankstock Corp**	Little Rock, Ark.	4745	Sterling Stores Co Inc**	Little Rock, Ark.
4724	First National Holding Corp	Atlanta, Ga.	4727	Superior Industries International Inc	Van Nuys, Cal.
4803	Formigli Corp**	Phila., Pa.	4739	Topas Computer Corp**	New York, NY
4927	Fry's Food Stores Inc**	El Sobrante, Cal.	4750	Transwestern Pipeline Co	Houston, Tex.
4722	GL Enterprises Inc**	Milwaukee, Wisc.	4719	WPNB Corp	Pittsburgh, Penn.
4753	Hackney Corp	Birmingham, Ala.	4758	Walls Industries Inc	Cleburne, Tex.
			4759	Wolta Industries**	Mt. Vernon, NY
			4736	Yum-Yum International Restaurants Inc**	Copenhagen V., Denmark

**SECURITIES ACT REGISTRATIONS.** Effective June 18: Crown Funding Corp., 2-35406; Fabri-Tek Inc., 2-37565. Eff. June 19: Aetna Life & Casualty Co., 2-37474; American Greetings Corp., 2-37454; Diamond International Corp., 2-37305; Lumac Leasing, Inc., 2-36087 (90 days); Nathan Hale Investment Corp., 2-33269 (90 days); Pepcom Industries, Inc., 2-36976 (40 days); Ryan Homes, Inc., 2-36528 (40 days); Sun Electric Corp., 2-37456.

**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.