

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 February 16, 1970

SPIRO SIDERIS CENSURED AND FINED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8816) sustaining a finding by the NASD that Spiro Sideris, doing business as Olympic Insurance & Securities Agency, of Flushing, N. Y., violated NASD rules by granting rebates to four mutual fund purchasers; the Commission also affirmed the NASD's censure of Sideris, but reduced the fine from \$1,000 to \$700 (as had been ordered by the District Committee). Commissioner Needham dissented in part, stating that censure is an adequate penalty for the derelictions shown. According to the decision, Sideris returned to the four customers about 50% of \$1,400 of commissions earned on the sale of \$23,100 of Dreyfus Fund shares in 1965-66. These rebates, in effect, constituted a reduction in the offering price of the shares, which was a violation of Section 22(d) of the Investment Company Act (which prohibits the sale of mutual fund shares below the public offering price thereof) and of the conduct rules of the NASD. Sideris urged that the \$1,000 fine was excessive and harsh, contending that he believed in good faith that it was permissible to give a discount on commissions earned and that he voluntarily disclosed the rebates in his financial statement filed with the Commission.

GEORGIA POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16605) giving interested persons until March 16 to request a hearing upon an application of Georgia Power Company, Atlanta subsidiary of The Southern Company, to issue and sell, at competitive bidding, and 100,000 shares of preferred stock and \$60,000,000 of first mortgage bonds. The company will use the net proceeds of this financing to finance, in part, its 1970 construction program, estimated at \$231,961,000, to pay outstanding short-term bank notes incurred for construction purposes and for other corporate purposes.

UTAH POWER & LIGHT SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16606) giving interested persons until March 10 to request a hearing upon an application of Utah Power & Light Company, to issue and sell, at competitive bidding, \$30,000,000 of first mortgage bonds, due 2000, and 450,000 shares of common stock (at \$12.80 per share). The company will apply the proceeds of its financing to payment of some \$33,000,000 of outstanding short-term notes evidencing borrowings made for construction purposes, and the remaining proceeds to finance its construction program. Construction expenditures are estimated at \$165,000,000 for the years 1970-1972.

ELECTRONIC LEARNING TO SELL STOCK. Electronic Learning, Inc., 50 Glen St., Glen Cove, N. Y. 11542, filed a registration statement (File 2-36271) with the SEC on February 11 seeking registration of 175,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a "best efforts, part or none" basis through R. Basile & Co., Inc., 45 Middle Neck Rd., Great Neck, L. I., N.Y. 11022, which will receive a 20¢ per share selling commission plus \$9,375 for expenses. The company has agreed to sell the underwriter, for 1¢ per share, five-year warrants to purchase up to 15,000 shares, exercisable after one year at \$2.40 per share.

Organized in July 1968, the company is engaged in developing, writing and producing instructional audio tapes and designing, illustrating and printing of corollary work-study guides. Of the net proceeds of its stock sale, up to \$125,000 will be used for inventory and the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 506,290 common shares (with a net tangible book deficit of \$.055 per share), of which Harold J. Hillman, president, and his wife, Irma Hillman, treasurer, own 40% each. Purchasers of the shares being registered will sustain an immediate dilution of \$1.645 in per share book value from the offering price.

EQUITY FUNDING PROPOSES OFFERING. Equity International Funding Company, Inc., 1 West High St., P. O. Box 388, Carlisle, Pa. 17013, filed a registration statement (File 2-36273) with the SEC on February 10 seeking registration of 4,000,000 shares of common stock, to be offered for public sale at \$1.75 per share. No underwriting is involved; participating NASD members will receive a \$.175 per share selling commission.

The company was organized in November 1969 for the purpose of acting as a holding company, holding shares of wholly-owned subsidiaries to be formed by the company. Its initial business will be the establishment of three such subsidiaries which will engage in the businesses of securities, mutual fund management and life insurance. Net proceeds of its stock sale will be used to provide the basic capital for the three subsidiaries (\$2,000,000 each) and for general corporate purposes. The company has outstanding 955,000 common shares (with a 26¢ per share book value), of which Richard P. Valk, vice president, owns 10.471% and management officials as a group 90.576%. Arol E. Hoffman, president, has delivered a written subscription for 375,000 shares to the company at 7¢ per share. Purchasers of the shares being registered will incur an immediate dilution of 43¢ in per share book value from the offering price.

IOWA PUBLIC SERVICE TO SELL BONDS. Iowa Public Service Company, Orpheum Electric Bldg., Sioux City, Iowa 51102, filed a registration statement (File 2-36274) with the SEC on February 11 seeking registration of \$25,000,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale to pay off some \$16,138,000 of short-term loans incurred and to be incurred prior to the sale of the bonds for construction purposes, and to provide a portion of the funds required for construction or acquisition of permanent improvements, extension and additions to the company's property. Construction expenditures are estimated at \$104,207,000 for the period 1970 through 1974.

OVER

PHOENIX FUND PROPOSES OFFERING. Phoenix Fund, Inc., One American Row, Hartford, Conn. 06115, filed a registration statement (File 2-36275) with the SEC on February 11 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum*) plus an 8.5% sales charge on purchases of less than \$25,000. The Fund was organized by Phoenix Mutual Life Insurance Company ("Phoenix Mutual") as a diversified open-end investment company. Its principal investment objective is to produce current income with due regard for the need to protect capital values. Phoenix Equity Planning Corporation, a wholly-owned subsidiary of Phoenix Mutual, is investment adviser and distributor of Fund shares. Robert T. Jackson is president of the Fund and executive vice president of Phoenix Mutual.

CARRIER SHARES IN REGISTRATION. Carrier Corporation, Carrier Parkway, Syracuse, N. Y. 13201, filed a registration statement (File 2-36276) with the SEC on February 11 seeking registration of 181,968 shares of common stock. These shares are issuable upon conversion of 6% convertible subordinated guaranteed debentures, due 1989 (convertible on and after July 31, 1970) of Carrier Overseas Finance Corporation, a wholly-owned subsidiary of the company.

INTEGRATED RESOURCES EQUITY TO SELL STOCK. Integrated Resources Equity Corp., 295 Madison Ave., New York, 10017, filed a registration statement (File 2-36277) with the SEC on February 11 seeking registration of 300,000 shares of common stock, to be offered for public sale through Suplee-Mosley Inc., 1700 Market St., Philadelphia, Pa. 19103, and Goldwater, Valente, Fitzpatrick & Schall, 50 Broadway, New York 10004. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment. The company has sold the Suplee-Mosley and Goldwater firms 18,000 and 12,000 shares, respectively, at \$1 per share.

Organized on February 2 as a subsidiary of Integrated Resources, Inc. ("Integrated"), the company intends to engage in the financing of premiums on life insurance policies sold primarily by the parent, to purchase and finance renewal commissions due on life insurance policies sold primarily by agencies which are associated with the parent, and to finance tax shelter programs created and offered primarily by the parent. Net proceeds of its stock sale will be added to the company's general funds and used for general corporate purposes. The company has outstanding 350,000 common shares (with a \$1 per share book value), of which Integrated owns 91.4%. Selig A. Zises is board chairman and Thomas L. Cooke president of the company; Zises is also president of the parent.

BAXTER LABORATORIES TO SELL DEBENTURES. Baxter Laboratories, Inc., 6301 Lincoln Ave., Morton Grove, Ill. 60053, filed a registration statement (File 2-36278) with the SEC on February 12 seeking registration of \$60,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., and White, Weld & Co., 20 Broad St., both of New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged primarily in the manufacture and sale of a diversified line of products for medical and hospital use. A portion of the net proceeds of its debenture sale will be used to retire all outstanding domestic bank debt (\$29,943,000) incurred for plant expansion and working capital purposes, and to redeem all outstanding shares of 6% preferred stock (\$1,540,000); the balance will be added to the company's working capital and may be used in part, together with internally generated funds and future bank borrowings, to pay for a new office and plant facilities. In addition to indebtedness and preferred stock, the company has outstanding 27,235,231 common shares. Ralph Falk II is board chairman and William B. Graham president.

ADR'S FOR BRIDGESTONE TIRE FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York, filed a registration statement (File 2-36279) with the SEC on February 11 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Bridgestone Tire Co., Ltd., a Japanese corporation.

PATRICK OIL & GAS PROPOSES OFFERING. Patrick Oil and Gas Corp., wholly-owned subsidiary of Patrick Petroleum Company, 744 West Michigan Ave., Jackson, Mich. 49201, filed a registration statement (File 2-36280) with the SEC on February 12 seeking registration of \$10,000,000 of participations in its 1970 Drilling Program No. 2., to be offered for public sale at \$25,000 per unit. The offering is to be made on a "best efforts" basis through Manley, Bennett, McDonald & Co., 535 Griswold St., Detroit, Mich., which will receive a 7% selling commission. The Program is being created to conduct an oil and gas drilling program for the participants. It may also acquire already producing properties. U. E. Patrick and Leroy B. Scott, president and vice president, respectively, of the company and of its parent, control the parent.

WESTERN STATES PRODUCING PROPOSES OFFERING. Western States Producing Company, 1915 National Bank of Commerce Bldg., San Antonio, Tex. 78205, filed a registration statement (File 2-36281) with the SEC on February 12 seeking registration of \$3,000,000 of units in its 1970 Oil and Gas Drilling Fund, to be offered for public sale at \$5,000 per unit. Each purchaser of units becomes a participant in the drilling program to be conducted by the company by joining the Western States Limited Partnership 1970 as a limited partner. The offering is to be made through selected dealers who will receive a 5% selling commission and through company officials who will receive no commission. As general partner of the partnership, the company will acquire, test, develop and operate oil and gas leases or leasehold interests within the continental limits of the United States, including offshore limits. The company was organized by Wayman Buchanan, president, L. N. Dunnivant, vice president, and Martha Buchanan, director.

NORTH AMERICAN COMPUTER FILES FOR OFFERING AND SECONDARY. North American Computer and Communications Company, One Center Plaza, Boston, Mass. 02108, filed a registration statement (File 2-36282) with the SEC on February 12 seeking registration of \$1,500,000 of 9 1/2% convertible subordinated debentures, due 1982, to be offered for public sale at 100% of principal amount. The offering is to be made through Charles Plohn & Co., 200 Park Ave., New York, which will receive a 10% commission plus \$17,500 for expenses. The company has agreed to grant the underwriter a non-transferable five-year option to purchase 75,000 shares at \$2 per share. Also included in this statement are 34,200 outstanding shares of common stock which may be offered for sale by The Value Line Special Situations Fund, Inc., at prices current at the time of sale (\$3 per share maximum*).

Organized in October 1967, the company is in the developmental stage, having recently commenced the operation of computer utilities which provide a service permitting subscribers, operating from remote terminals, to have access on a time-sharing basis to a computer installation. Of the net proceeds of its debenture sale, the company will use \$158,700 to pay short-term loans from company officials and the underwriter incurred to pay operating expenses, \$120,000 to pay obligations incurred or to be incurred for leasehold improvements and furniture and fixtures and \$200,000 to pay outstanding accounts payable and other outstanding expense obligations; \$323,500 will be applied toward the cost of two PDP-10 computer systems and the balance will be applied to working capital requirements. The company has outstanding 609,200 common shares (with a 4c per share book value deficit), of which Andrew P. Genninger, president, owns 33.2% and management officials as a group 56.2%.

CONNECTICUT L&P SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16607) giving interested persons until March 10 to request a hearing upon an application of The Connecticut Light and Power Company ("CL&P"), Berlin subsidiary of Northeast Utilities, to issue and sell up to \$61,000,000 of short-term notes (including commercial paper). CL&P has outstanding \$7,705,000 of short-term promissory notes to banks and expects to sell up to \$17,290,000 of additional short-term notes to banks or to a dealer in commercial paper prior to March 16, 1970. CL&P proposes to renew and extend any notes so issued or to refund them with other similar notes and to sell up to an additional \$36,005,000 of such short-term notes from time to time up to June 30, 1971. The company will use the proceeds of its note sale for construction expenditures and for investments in nuclear generating companies. Construction expenditures are estimated at \$123,300,000 for 1970 and investments in nuclear generating companies are estimated at \$9,200,000 during 1970.

SEC COMPLAINT NAMES BENNETT RAFFER, OTHERS. The SEC New York Regional Office announced February 11 (LR-4542) the filing of court action in New York City seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws by the following: J. Bennett Raffer and Milton Raffer, of Fort Lee, N. J., Richard A. Duncan, of Wayne, N. J., and the following New York firms: J. Bennett Raffer, Ltd., Wonder Vest Fund, Adventure Fund, J. B. R. Management Ltd., Atlas Holding, Inc., Chi Holding, Inc., Arrow Holding Corp., and Benmil Enterprises, Ltd. The complaint also seeks the appointment of a receiver for the defendant firms.

ULTRA JET INDUSTRIES NAMED IN SEC COMPLAINT. The SEC Fort Worth Regional Office announced February 11 (LR-4543) the filing of court action in Dallas, seeking to enjoin violations of the registration and anti-fraud provisions of the Securities Act by Ultra Jet Industries, Inc., Dwight Elwin Parks, of Waco, Vernon D. Scott of Dallas, and David C. McCord, of Dallas, Texas.

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:
 Leslie Fay Inc., New York 10018 (File 2-36272) - 183,304 shares
 Bearings, Inc., Cleveland, Ohio 44115 (File 2-36287) - 20,000 shares

SECURITIES ACT REGISTRATIONS. Effective February 11: Michigan Bell Telephone Co., 2-36069.
Effective February 12: United States Freight Co., 2-36121.
Effective February 13: Mura Corp., 2-33664 (90 days).
Withdrawn February 11: Pre-Built Structures, Inc., 2-32476; Raven Electronics, Inc., 2-35332; Tel-A-Sign, Inc., 2-22880; Trans-East Air Inc., 2-33195.

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.

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