

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 ANNOUNCEMENT

SEC ORDER CITES STONE SUMMERS & CO. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Stone Summers & Company, of Oklahoma City, Okla. Also named as respondents are Alexander J. Stone, president, Thomas E. Summers, vice president, and Bobby Layne Summers, secretary-treasurer, as well as Paul Rice, a registered representative of the firm from September 1968 to September 1969.

The proceedings are based upon allegations of the Commission's staff that the firm and individual respondents engaged in various activities violative of the registration and anti-fraud provisions of the Federal securities laws, including the offer and sale of unregistered stock of United Australian Oil, Inc., and by means of false and misleading representation or omission of material facts. The staff further alleges that the respondents engaged in an "active and continuing pattern of purchase and sale, trading, quoting, and market-making activities" in shares of United Australian Oil and other "shell corporations," after the Commission had terminated the suspension of trading therein and/or after it had obtained court orders of injunction against the offer and sale of such securities in violation of the registration and/or anti-fraud provisions of the Federal securities laws; that they thereby sought to create the appearance of a fair and bona fide market and trading activities in such securities and to induce others to buy and sell such securities; and that the securities purported to represent the ownership of valuable interests in operating business entities when, in fact, such securities did not represent such value.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature should be ordered by the Commission.

HOLDING COMPANY ACT RELEASE

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16726) authorizing The Columbia Gas System, Inc., New York, to make \$230,457,000 of open account advances (including \$155,457,000 for construction purposes and \$75,000,000 of "seasonal" advances) to subsidiaries. The subsidiaries will use the proceeds of the construction advances to finance part of their respective construction programs, which in the aggregate are estimated at \$196,899,000 for 1970. The proceeds of the "seasonal" advances will be used by the subsidiaries to purchase natural gas for inventory and for other short-term seasonal purposes.

SECURITIES ACT REGISTRATIONS

SAN FRANCISCO & OAKLAND HELICOPTER FILES FOR EXCHANGE AND RIGHTS OFFERING. San Francisco & Oakland Helicopter Airlines, Inc., Hangar Nine, Metropolitan Oakland International Airport, Oakland, Calif., filed a registration statement (File 2-37371) with the SEC on May 13 seeking registration of 2,500,000 shares of common stock. It is proposed to offer a portion of these shares in exchange for the company's 7-3/4% convertible subordinated debentures, due 1979. The remaining shares are to be offered for subscription by common stockholders. Birr, Wilson & Co., 155 Sansome St., San Francisco, Calif., has agreed to head a group of dealers who will solicit acceptances of the exchange and subscription offers. The exchange and subscription rates, subscription price (\$1 per share maximum*) and underwriting terms are to be supplied by amendment. The exchange and subscription offers are each contingent upon the success of the other and are subject to the following conditions: (a) that the company receive net proceeds from the subscription offer of at least \$500,000, (b) acceptance of the exchange offer by holders of not less than 50% (\$1,192,000) of the principal amount of the outstanding debentures, and (c) that Trans World Airlines, Inc. ("TWA") shall acquire 500,000 shares of company stock by cancelling \$500,000 of company indebtedness held by it and shall have refinanced an additional \$500,000 of such indebtedness.

The company operates a scheduled helicopter service in the San Francisco-Oakland Bay area and with the exception of 1967 its helicopter operations have not been profitable. Because of continuing losses during the first quarter of 1970, it is ⁱⁿ default under the terms of the debenture ^{indenture}. Part of the net proceeds of its stock sale will be used to pay the remaining expenses of the refinancing plan and the balance will be used for working capital purposes and may be required to meet the company's debt repayment and other cash requirements if net operating losses continued. In addition to indebtedness, the company has outstanding 1,242,946 common shares. R. Stanley Dollar, Jr., is board chairman and Joseph R. Young president.

GBC CLOSED CIRCUIT TV PROPOSES OFFERING. GBC Closed Circuit TV Corp., 74 Fifth Ave., New York 10011, filed a registration statement (File 2-37373) with the SEC on May 13 seeking registration of \$1,000,000 of convertible subordinated debentures, due 1985, to be offered for public sale at 100% of principal amount. The offering is to be made by Charles Plohn & Co., 200 Park Ave., New York, which will receive a 10% commission plus \$7,500 for expenses. The company has agreed to grant the underwriter a five-year nontransferable option to purchase a number of shares of common stock equal to 10% of the shares issuable on conversion of the debentures.

OVER

The company is engaged in importing, distributing and installing closed circuit television cameras, video monitors, video tape recorders, studio equipment, lenses, vidicon tubes, camera mounts and remote controls and accessories required for complete closed circuit TV systems. Of the net proceeds of its debenture sale, \$400,000 will be used to purchase additional inventory, \$200,000 for establishment of a branch office and distribution facility in approximately six cities either by acquiring existing facilities or establishing new facilities, and \$85,000 for training, orientation and salaries of new personnel for such new facilities; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 270,846 common shares (with a \$3.65 per share book value), of which Harry Lefkowitz, president, owns 26.5%, management officials as a group 52.8% and Gerald Rosenfield 24.2%.

PIEDMONT NATURAL GAS TO SELL STOCK. Piedmont Natural Gas Company, Inc., 4301 Yancey Road, Charlotte, N. C., filed a registration statement (File 2-37374) with the SEC on May 13 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005. The offering price (\$17.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the distribution of natural gas in 60 communities located in the Piedmont area of North and South Carolina. Net proceeds of its stock sale will be applied to the partial payment of \$6,500,000 principal amount of Revolving Credit Notes outstanding under a credit agreement with eight banks and the balance will be applied to the company's 1970 construction program. Construction expenditures are estimated at \$10,000,000 for 1970.

USLIFE PROPOSES EXCHANGE OFFER. USLife Holding Corp., 125 Maiden Lane, New York 10038, filed a registration statement (File 2-37376) with the SEC on May 13 seeking registration of 511,010 shares of common stock. It is proposed to offer these shares in exchange for the guarantee stock of Sterling Savings and Loan Association, at the rate of .484 USLife shares for each Sterling share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 90% of Sterling's outstanding guarantee stock. Also included in this statement are 26,362 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 (\$26 per share maximum*).

The company was organized in 1966 under the sponsorship of The United States Life Insurance Company for the purpose of achieving greater diversification, free of the statutory restrictions governing the activities and investments of insurance companies. In addition to indebtedness and preferred stock, it has outstanding 4,794,098 common shares, Gordon E. Crosby, Jr., is board chairman and president. Minna M. Fendell may sell 5,000 of 13,591 shares held and Milton Fischmann 21,362 of 52,725.

KEYMATCH COMPUTER TO SELL STOCK. Keymatch Computer Corporation, 150 Gould St., Needham Hts., Mass. 02194, filed a registration statement (File 2-37380) with the SEC on May 14 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$7 per share. The offering is to be made through underwriters headed by Sterman & Gowell, Inc., 120 Water St., Boston, Mass. 02109, which will receive a 56c per share commission. The company has agreed to pay Sterman & Gowell \$30,000 for expenses and to sell it, for \$500, a five-year warrant to purchase up to 5,000 shares, exercisable after one year at \$7 per share.

Organized in December 1968 as Central Data Systems, Inc., the company is engaged in the design, manufacture and sale of computerized positive identification systems. Of the net proceeds of its stock sale, \$200,000 will be used for product development, \$100,000 for expansion of its production facilities and manufacturing capabilities and the balance for working capital or other corporate purposes. The company has outstanding 584,350 common shares (with a 34c per share net tangible book value), of which management officials as a group own 35.9% and Alpha Industries, Inc. 43.7%. Alfred E. Bugeau is president. Purchasers of the shares being registered will acquire a 12.5% stock interest in the company for their investment of \$700,000; present shareholders will then own 87.5%, for which they paid \$449,145.

MISCELLANEOUS

CONTINENTAL VENDING BAN CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period May 16-25, 1970, inclusive.

SECURITIES ACT REGISTRATIONS. Effective May 13: Security Financial Services, Inc., 2-36366 (90 days). Effective May 14: American Brands, Inc., 2-37182; Bethlehem Steel Corp., 2-37104; The Chase Manhattan Corp., 2-37378; Columbus and Southern Ohio Electric Co., 2-37099; Joy Manufacturing Co., 2-36683; Southern Counties Gas Co. of Calif., 2-37105 (40 days); United Bancshares of Florida, Inc., 2-37052; Woods Corp., 2-37333 (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.