

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 June 8, 1970

DECISIONS IN ADMINISTRATIVE PROCEEDING

WESTON & CO. ACCEPTS SANCTION. The SEC today announced the issuance of an interim order under the Securities Exchange Act (Release 34-8900) in which it suspended certain activities of Weston and Company, Inc., of Salt Lake City. The action was taken in administrative proceedings which charged the firm and its president, Walter David Weston, with violations of the Exchange Act, namely, that it engaged in the securities business when it had insufficient capital and was unable to meet current obligations when due, and failed promptly to transmit the proceeds of an underwriting to the persons entitled thereto, to keep current certain books and records, and to file a financial report for 1969 within the required time. Solely for the purpose of resolving the question of possible suspension of the firm's registration pending determination of other issues in the proceeding, the Weston firm agreed to suspend the conduct of securities transactions (with limited exceptions) until it demonstrates that it meets certain numerous net capital and cash balance requirements. It also undertakes to submit monthly trial balance and net capital calculations and to notify the Commission if at any time it is not in compliance with the rules.

OHIO POWER ACQUISITION OF MARTINS FERRY PLANT CLEARED. The SEC today announced a decision under the Holding Company Act (Release 35-16753) in which it approved the proposed acquisition by Ohio Power Company (Canton) of the municipal electric utility system owned and operated by the City of Martins Ferry, Ohio. In August 1969, the City advertised for bids for its plant. Ohio Power submitted a bid of \$4,825,000, the only bid received, and the City Council in December unanimously accepted that bid. Martins Ferry is situated in the territory generally served by Ohio Power and its facilities are to be fully integrated with existing and planned facilities of Ohio Power after the acquisition; and the Commission concluded that the acquisition served the public interest by tending towards the economical and efficient development of the Ohio Power system.

The Martins Ferry plant was admittedly in a deteriorated condition and it was urged that its purchase by Ohio Power was the only feasible means of assuring reliable and adequate electric service at reasonable rates to the Martins Ferry customers. The Commission's staff, while not objecting to such acquisition, raised certain questions as to the valuation of the properties and indicated that a lower price than the \$4,825,000 bid by Ohio Power might be reasonable (a local citizens' group had suggested that a higher price might be justified). In approving the price agreed upon, the Commission observed: "Having in mind that the price proposed here was arrived at arm's length after the City had indicated that no bids lower than \$4,000,000 would be acceptable, and the inherent inability to attain precision in valuations based on future projections, we conclude that the proposed price is within a reasonable range of fairness and that the more conservative projections of the Division do not require an adverse finding."

HOLDING COMPANY ACT RELEASES

PENNSYLVANIA ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16750) giving interested persons until June 24 to request a hearing upon an application of Pennsylvania Electric Company ("Penelec"), Johnstown subsidiary of General Public Utilities Corporation, to increase from \$5,500,000 to \$6,500,000 the amount of notes it may acquire from The Helen Mining Company, one of two non-affiliated mining companies engaged in developing coal mines for the Homer City Generating Station, in which station Penelec owns a 50% interest.

JERSEY CENTRAL P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16751) authorizing Jersey Central Power & Light Company, Morristown subsidiary of General Public Utilities Corporation, to issue and sell \$12,000,000 of first mortgage bonds, due 2000, at competitive bidding. The company will use the net proceeds to pay a portion of its short-term bank notes outstanding at the date of the sale of the bonds (estimated at \$47,000,000). Proceeds of such notes have been or will be used to finance the company's 1970 construction program, estimated at \$104,500,000.

DELMARVA POWER & LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16752) authorizing Delmarva Power & Light Company, Wilmington, Del. holding company, to issue and sell up to \$25,000,000 of short-term notes to banks and/or commercial paper dealers. Delmarva will use the net proceeds thereof to finance its 1970 construction program, estimated at \$85,000,000.

INVESTMENT COMPANY ACT RELEASE

PACIFIC COAST MUTUAL FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6071) giving interested persons until June 26 to request a hearing upon an application of Pacific Coast Mutual Fund, Inc., for an order declaring that it has ceased to be an investment company. The Fund has withdrawn its registration statement (filed in October 1964) and represents that it does not intend to make a public offering of its securities. It states that it has no assets and no security holders.

OVER

SECURITIES ACT REGISTRATIONS

MGF OIL PROPOSES EXCHANGE OFFER. MGF Oil Corporation, 1126 Vaughn Bldg., Midland, Tex. 79701, filed a registration statement (File 2-37542) with the SEC on June 1 seeking registration of 2,360,529 shares of common stock. Of these shares, it is proposed to offer 2,310,529 shares in exchange for interests in oil and gas leases which are operated by Major, Giebel & Forster (a partnership) and certain specified assets of Major, Giebel & Forster (which include all the outstanding shares of M-G-F Drilling Co., Inc.). Effectiveness of the exchange offer is contingent upon acceptance by holders of interests entitling the owners to receive not less than 1,500,000 shares in exchange therefor. The remaining 50,000 shares are to be offered for subscription by holders of such interests at \$5 per share.

The company was organized in March for the purpose of acquiring the properties pursuant to the exchange offer. It proposes to engage in oil and gas exploration, development, and the acquisition and operation of oil, gas and other mineral properties. A portion of the company's sale of 50,000 shares (up to \$150,000) will be used to purchase partnership units in a year-end drilling fund MGF 70-A, Ltd. in which the company is sole general partner, and \$100,000 will be used in connection with the increase of an inventory of oil and gas leases and prospects for future development. The company has outstanding 300 shares, of which R. O. Major, president, Aaron F. Giebel, board chairman, and Fred Forster, Jr., vice president, own 33.33% each.

BELDEN & BLAKE PROPOSES OFFERING. Belden & Blake and Company Limited Partnership No. 40, 702 Tuscarawas St. West, Canton, Ohio 44702, filed a registration statement (File 2-37545) with the SEC on June 1 seeking registration of \$250,000 of partnership units, to be offered for sale in \$2,500 units. The partnership was formed to acquire oil and gas well locations together with the supporting leases and to drill oil and gas wells. Henry S. Belden III and Glenn A. Blake are general partners.

OLYMPIAN FUND PROPOSES OFFERING. The Olympian Fund, Inc., 2300 Russ Bldg., San Francisco, Calif. 94104, filed a registration statement (File 2-37547) with the SEC on June 1 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$18.75 per share (with a minimum purchase of 100 shares required). Olympian Management Corporation, the underwriter and investment adviser, will realow 100% of the \$1.64 per share sales charge to participating dealers. The Fund is a diversified open-end investment company with the objective of maximum growth of capital. John P. Hunter is president of the Fund and of the adviser.

LEISURE TIME ENTERPRISES FILES FOR OFFERING AND SECONDARY. Leisure Time Enterprises, Inc., Suite 607 Wilson Bldg., 130 N. Broadway, Camden, N. J. 08102, filed a registration statement (File 2-37548) with the SEC on June 1 seeking registration of 125,000 shares of common stock and 125,000 common stock purchase warrants, to be offered for public sale in units each consisting of one share and one warrant. Of these units, 75,000 are to be offered by the company and 50,000 (being outstanding units) by the holder thereof, and at \$2.50 per unit. The offering is to be made on a "62,500 units or none" basis by Aberdeen Securities Co., Inc., 2502 Silverside Rd., Wilmington, Del., and Heather Agency, Inc., 353 Treadway Inn, Dover, Del., which will receive a 25c per unit selling commission plus up to \$6,000 for expenses. The company has agreed to issue the underwriter five-year warrants to purchase 12,500 shares, exercisable after one year at \$2.75 per share.

The company was organized in October 1969 to build, acquire and operate various health club and health spa facilities in New Jersey and elsewhere and to engage in other related activities. Net proceeds of its sale of additional stock will be used to furnish at least two new health spa facilities and to promote such facilities and for working capital and other corporate purposes. The company has outstanding 400,000 common shares (with a \$.109 per share net tangible book value), of which Management Dynamics, Inc., owns 68.9%. Paul J. Goldin is board chairman and Theodore Roseman president. Purchasers of the shares being registered will acquire a 26.3% stock interest in the company for their investment of \$312,500 (they will sustain an immediate dilution of \$2.26 in per share book value from the offering price); present shareholders will then own 73.7%, for which they paid \$108,000 or 27c per share.

GOLDEN FLAKE PROPOSES EXCHANGE OFFER. Golden Flake, Inc., 110 S. 6th St., Birmingham, Ala. 35201, filed a registration statement (File 2-37549) with the SEC on June 1 seeking registration of 90,634 shares of Class A common stock. It is proposed to offer these shares in exchange for all the outstanding common stock of Johnson-Rast & Hays Co., at the rate of 7½ Golden Flake shares for each Johnson-Rast share.

Golden Flake manufactures and distributes a variety of food products, such as potato chips, barbecued flavored chips, salted peanuts and popcorn. Johnson-Rast is engaged in the general real estate, house building and insurance business. Golden Flake has outstanding 250,000 Class A and 600,000 Class B common shares; of these shares, Sloan Y. Bashinsky, president, owns 66.4%. He also owns 23% of the outstanding stock of Johnson-Rast.

FRONTIER EXPLORATION PROPOSES OFFERING. Frontier Exploration, Inc., 2009 Bank of the Southwest Bldg., Houston, Tex. 77002, filed a registration statement (File 2-37550) with the SEC on June 1 seeking registration of \$10,000,000 of pre-organization subscriptions to five limited partnerships, to be offered for public sale in 2,000 units (each of which will entitle the purchaser to three-year warrants to purchase 150 common shares of the company at \$1 per share), and at \$5,000 per unit. Cinco Securities, Inc. of the same address, as

distributor, will receive an 8% selling commission; it will reallocate participating NASD members a 7½% selling commission. The Partnerships will engage through certain joint ventures in oil and gas and mineral exploration. Frontier Exploration, a wholly-owned subsidiary of Five Resources, Inc. (which will be the operator of certain joint ventures to be entered into on behalf of the partnerships) will be the general partner of the Partnerships. William C. Bagby is president of the general partner and the distributor of Five Resources.

ELECTROSPACE FILES FOR SECONDARY. Electrospace Corporation, 956 Brush Hollow Rd., Westbury, N. Y. 11590, filed a registration statement (File 2-37552) with the SEC on June 2 seeking registration of 38,889 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$16 per share maximum*).

The company is engaged in the design and manufacture of commercial telecommunication equipment, the design, manufacture and production of electrical power and construction equipment and the production for the Government of a variety of defense equipment. In addition to indebtedness, it has outstanding 1,452,160 common shares. Reparada Development Corporation may sell all of 10,489 shares held, Nicholas Nanasi 6,250 of 18,750 and 15 others the remaining shares being registered.

APACHE PROPOSES OFFERING. Apache Corporation (the "general partner"), 1800 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement (File 2-37554) with the SEC on June 2 seeking registration of \$4,950,000 of partnerships interests in Apache Oil & Gas Program 1970-III (the "Partnership"), to be offered for public sale in 330 units and at \$15,000 per unit. The offering is to be made on a best efforts basis by the general partner, as issuer, and by Apache Oil Programs, Inc., a subsidiary of the general partner, as underwriter. The general partner will absorb a 5% selling commission, which may be reallocated by the underwriter to selected registered brokers. The Partnership will attempt to locate and develop oil and gas reserves primarily in North America. Raymond Plank is president and Charles B. Sweatt, Sr. board chairman.

SHASTA FUND PROPOSES OFFERING. Shasta Fund, Inc., 2909 Cheshire Rd., Wilmington, Del. 19803, filed a registration statement (File 2-37555) with the SEC on June 1 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum*) with no sales charge. The Fund is an open-end non-diversified investment company whose primary objective is possible capital growth rather than current income. MRVW Associates, Inc., will serve as investment adviser. Bernard Miles Malofsky, president, Norman Vorchheimer, treasurer, Ernest Rivet, secretary, and Bruce D. Wilkins, vice president, of the Fund own 19.04% each of the outstanding voting shares of the adviser.

GEMICO TO SELL STOCK. Gemico Corporation, 33A Commercial Wharf, Boston, Mass. 02109, filed a registration statement (File 2-37556) with the SEC on June 2 proposing the public offering of 100,000 shares of common stock. No underwriting is involved; participating NASD members will receive a 5% selling commission. The offering price (\$5 per share maximum*) is to be supplied by amendment.

The company was organized in May 1967 to engage in designing, manufacturing, marketing and distributing sailboats and other marine products. Of the net proceeds of its stock sale, \$260,000 will be used to retire outstanding bank indebtedness incurred for working capital purposes, and \$60,000 for advertising and personnel for the company's promotional activities and to expand its sales and distribution network; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 151,686 common shares (with a 6¢ per share net tangible book value), of which George D. O'Day, president, owns 44.17% and management officials as a group 52.85%.

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:

Great Northern Nekoosa Corporation, New York 10036 (File 2-37551) - 14,105 Series B convertible preferred shares and 256,425 common shares
Reserve Oil and Gas Company, Los Angeles, Calif. 90017 (File 2-37553) - 200,000 shares

MISCELLANEOUS

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 June 2 News Digest.

8Ks for March 1970

| | | | |
|------------------------------------|-----------|---------------------------------|-----------|
| Kormatsu Ltd.(6K)(Apr 70) | 2-27593-2 | Interprovincial Pipe Line Co. | |
| National Information Systems Corp | | Apr 70(11) | 2-10050-2 |
| (2,7,13) | 0-4569-2 | Matrix Corp (1,3,9) | 0-3071-2 |
| Nekoosa-Edwards Paper Co.(11) | 0-1059-2 | Northwestern Bell Telephone Co. | |
| | | (7,11,13) | 1-3501-2 |
| National Equity Life Ins. Co. | | Northwestern Drug Co.(11,13) | 0-1399-2 |
| (1,13) | 2-24081-2 | General Time Corp (8) | 1-2591-2 |
| National Investors Fire & Casualty | | Great Atlantic Life Ins. Co. | |
| Ins. Co. (1,13) | 2-26839-2 | (1,13) | 2-24070-2 |
| The National Investors Life Ins. | | | |
| Co. of GA (1,13) | 2-23244-2 | | |
| Northwest Plastics Inc. Jan 70 | | | |
| (3) | 0-2458-2 | | |

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8K's for Mar 1970 (Con't)

| | | | |
|---------------------------------------|-----------|--|-----------|
| Bell & Howell Co(13) | 1-3246-2 | Acme Markets Inc(7) | 1-311-2 |
| Depositors Corp(12,13) | 1-5649-2 | Aluminum Co of Canada Ltd(7) | 1-3677-2 |
| Royal Dutch Petroleum Co(6K) | | Cablecom-General Inc(7,13) | 1-6012-2 |
| Apr 70 | 1-3788-2 | Chicago South Shore & South Bend RR | |
| Shell Transport & Trading Co Ltd(6K) | | (11,12,13) | 0-4364-2 |
| Arp 70 | 1-4039-2 | City Investing Co(7) | 1-5651-2 |
| | | Dow Jones & Co Inc Apr 70(11,13) | 0-246-2 |
| Federated Purchaser Inc(12,13) | 1-4310-2 | Central National Corp(11,13) | 0-3609-2 |
| Virginia Chemicals Inc(11,13) | 0-1031-2 | American Family Recreation Centers Inc | |
| Criterion Insurance Co(11,13) | 2-17806-2 | (2) | 2-32200-2 |
| Ferro Corp(11,13) | 1-584-2 | John Breuner Co(13) | 0-3205-2 |
| Angelica Corp(4,13) | 1-5674-2 | Cattlemen's Foundation Corp Inc | |
| Automated Data Associates Inc(11,13) | 2-27856-2 | (7,9) | 0-2067-2 |
| Communications Properties Inc | | Food Resources Inc(11) | 0-4439-2 |
| (11,13) | 0-4412-2 | Arundel Corp(12) | 1-1313-2 |
| Washington Water Power Co(7) | 1-3701-2 | Crown Zellerbach Corp(7,8,13) | 1-2823-2 |
| Frequency Electronics Inc Amdt #1 for | | Crystal Oil Co(12) | 1-4892-2 |
| Mar 70(7) | 0-3948-2 | Dart Industries Inc(2,7,13) | 1-3894-2 |
| Titan Group Inc Amdt #1 for Nov 69 | | Central Bancorp Inc(10,12) | 2-31017-2 |
| (7) | 0-594-2 | Central Tel Utilities Corp(7) | 1-5734-2 |
| Western Land Corp Amdt #1 for Feb 70 | | Essex International Inc(7) | 1-5013-2 |
| (12) | 0-2979-2 | Continental Connector Corp(3) | 1-4385-2 |
| Dana Corp(8) | 1-1063-2 | Display Sciences Inc(12,13) | 2-32168-2 |
| Chrysler Corp Amdt E1 for Mar 70 | | Joseph Dixon Crucible Co(12) | 0-856-2 |
| (3,7,13) | 1-686-2 | API Instruments Co(11) | 1-5052-2 |
| Academic Press Inc(3,13) | 0-3251-2 | American Financial Corp(7,8) | 0-839-2 |
| Arlan's Dept. Stores Inc(6) | 1-4772-2 | Congress Co Dec 69(7) | 2-32351-2 |
| Bangor Punta Corp(11,13) | 1-4972-2 | Denny's Restaurants Inc(9,12) | 1-5124-2 |
| Bell Tel Co of Pa(11) | 2-13826-2 | Federated Investors Inc(2) | 0-3038-2 |
| Diamond State Tel Co(11) | 2-14897-2 | Canal Randolph Corp(11,13) | 1-3945-2 |
| R R Donnelley & Sons Co(4,11) | 1-4694-2 | Datamation Services Inc(12,13) | 0-3723-2 |
| ESD Co Feb 70(11) | 0-4332-2 | Dynalab Corp(11,13) | 0-4489-2 |
| Fanning Enterprises Inc(2,13) | 2-33450-2 | | |
| Farmland Ind Inc(8) | 2-7250-2 | | |

Amended 8K Reports

| | |
|-------------------------------------|----------|
| Mark Systems Inc. | |
| Amdt #1 for Nov 69(4) | 0-3067-2 |
| International Funeral Services Inc. | |
| Amdt #1 for Mar 70(13) | 0-3198-2 |

SECURITIES ACT REGISTRATIONS. Effective June 5: Continental Can Co., Inc., 2-36958; Itek Corp., 2-37422 & 2-37423; LTV ElectroSystems, Inc., 2-34697; Motorola, Inc., 2-37215; New England Life Side Fund, Inc., 2-35096; John Nuveen & Co. (Inc.), 2-37086; J. C. Penney Co., Inc., 2-37482; Penwalt Corp., 2-37403; Pharmicare, Inc., 2-35710 (90 days); Quest Exploration and Development Corp., 2-33649; Sta-Rite Industries, Inc., 2-37082; United Services Fund, Inc., 2-35439.

Withdrawn June 4: Abrams Instrument Corp., 2-31560; Barbet & Weigert Associates, Inc., 2-34154; Curtice-Burns, Inc., 2-33608; Investors Capital Services, Inc., 2-36159; Mark Systems, Inc., 2-36316; Silver Producers, Inc., 2-36605.

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.