

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 October 1, 1970

HOLDING COMPANY ACT RELEASES

METROPOLITAN EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16851) authorizing Metropolitan Edison Company, Berks County, Pa., subsidiary of General Public Utilities Corporation, to issue and sell a maximum of \$22,000,000 of short-term notes to three New York City banks and a maximum of \$22,000,000 of short-term notes to 35 Pennsylvania banks. These borrowings were authorized by the Commission on September 16, 1970 (Release 35-16829).

INDIANA & MICHIGAN ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16852) giving interested persons until October 19 to request a hearing upon the application of Indiana & Michigan Electric Company, of Fort Wayne, to amend its charter to effect an increase in authorized preferred shares from 250,000 (of which 220,000 are presently outstanding) to 1,250,000, and to solicit stockholder approval thereof. The offering of additional preferred shares will be the subject of a later application; the proceeds thereof would be used to finance expenditures for construction and other corporate purposes. Construction expenditures for the years 1970 and 1971 are estimated at \$100,000,000 and \$200,000,000, respectively.

MAINE YANKEE SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16853) giving interested persons until October 20 to request a hearing upon the application of Maine Yankee Atomic Power Company (Augusta), indirect subsidiary of both Northeast Utilities and the New England Electric System, to issue and sell \$75,000,000 of first mortgage bonds at competitive bidding. Maine Yankee is constructing a nuclear-powered electric generating plant estimated to cost \$200,000,000 with capital funding and power output to be shared by eleven sponsor companies. The proceeds from the issue and sale of the bonds will be used to repay the short-term borrowings from banks and from sponsors incurred to finance construction of the plant and to meet, in part, future construction costs.

EASTERN UTILITIES ASSOCIATES SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16854) giving interested persons until October 27 to request a hearing upon an additional \$7,400,000 of bank note financing by Eastern Utilities Associates, Boston holding company, and two of its subsidiaries, Fall River Electric Light Company and Montaup Electric Company, both of Fall River, Mass; also, \$3,300,000 of open-account advances by EUA to Fall River Electric, Blackstone Valley Electric Company, of Lincoln, R. I., and Brockton (Mass.) Edison Company. The funds are to be used for construction and other purposes.

INVESTMENT COMPANY ACT RELEASE

GOLDMAN, SACHS RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6200) exempting Goldman, Sachs & Co., New York limited partnership and registered broker-dealer, and Arthur G. Altschul, Henry H. Fowler, and Stanley R. Miller, all general partners of Goldman, Sachs, from the provisions of Section 9(a) of the Act insofar as any ineligibility to serve or act in the capacities enumerated in that Section arises out of an injunction entered in connection with an action entitled SEC v. Madison Square Garden Corporation, et al. in October 1969.

COURT ENFORCEMENT ACTION

J. N. SCOTT SENTENCED. The SEC Fort Worth Regional Office announced Sept. 25 (LR-4765) that John Noel Scott, of Andrews, Tex., received a 90-day prison sentence following his guilty plea to charges of criminal contempt of a prior court order in the offer and sale of unregistered stock of Scott-Tex, Inc., of Andrews, Tex. Scott was found to be in contempt of an April 5, 1968, permanent injunction involving the offer and sale of common stock of Zion Mineral and Royalty Corp.

SECURITIES ACT REGISTRATIONS

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:

The Procter & Gamble Company, Cincinnati, Ohio 45202

(File 2-38482) - 800,000 shares

(File 2-38483) - 450,000 shares

(File 2-38484) - 75,000 shares

Robo-Wash, Inc., Kansas City, Mo. 64114 (File 2-38485) - 50,000 shares

Jostens, Inc., Minneapolis, Minn. 55420 (File 2-38486) - 50,000 shares

OVER

CAMBRIDGE NUCLEAR SHARES IN REGISTRATION. Cambridge Nuclear Corporation, 575 Middlesex Turnpike, Billerica, Mass. 01821, filed a registration statement (File 2-38472) with the SEC on September 28 seeking registration of 179,000 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 (\$10 per share maximum*).

The company is engaged in the production, processing and sale of nuclear products and various types of nuclear-related equipment, the furnishing of nuclear services and nuclear research. In addition to indebtedness, it has outstanding 820,280 common shares. Explorer Fund, Inc. may sell all of 30,000 shares held and 41 others the remaining shares being registered.

MOHASCO INDUSTRIES SHARES IN REGISTRATION. Mohasco Industries, Inc., 57 Lyon St., Amsterdam, N. Y. 12010, filed a registration statement (File 2-38473) with the SEC on September 28 seeking registration of 209,000 outstanding shares of common stock. These shares were issued in connection with the company's acquisition of all the outstanding capital stock of Liberty Chair Company, Inc. and may be offered for sale time to time by the holders thereof at prices current at the time of sale (\$23.25 per share maximum*).

The company manufactures and distributes carpets, carpet cushions and furniture. In addition to indebtedness and preferred stock, it has outstanding 5,123,477 common shares.

BERTMAN GAS & OIL PROGRAM PROPOSES OFFERING. Bertman Gas & Oil Exploration Program-1971 (the "Partnership"), 1210 Bank of the Southwest Bldg., Houston, Tex. 77002, filed a registration statement (File 2-38474) with the SEC on September 28 seeking registration of \$12,000,000 of limited partnership interests, to be offered for public sale at \$10,000 per unit. The offering is to be made on an agency and best efforts basis by Chase Distributors of Boston, Inc., The Chase Building, 535 Boylston, Boston, Mass. 02116. Chase Distributors will be paid up to a 7½% selling commission; it may reallocate a 6% selling commission to participating NASD members. Bertman Gas & Oil Corporation, the general partner, has agreed to issue the underwriter three-year warrants to purchase 20,000 shares, exercisable at \$1 per share. The Partnership was organized to engage primarily in the exploration for and production of gas and oil. J. G. Bertman is board chairman and president of the general partner.

INFORMATION AND COMMUNICATION APPLICATIONS TO SELL STOCK. Information and Communications Applications, Inc., 8121 Georgia Ave., Silver Spring, Md. 20910, filed a registration statement (File 2-38475) with the SEC on September 28 proposing the public offering of 300,000 shares of common stock. The offering is to be made by First Investment Planning Company, 1500 Massachusetts Ave. N. W., Washington, D. C., which will receive a 10% commission plus a 2% expense allowance; offering price (\$1 per share maximum*) is to be supplied by amendment.

Organized in 1967, the company is engaged primarily in providing computer software services, data entry services, computer and management consulting and facilities management for government and commercial clients. Of the net proceeds of its stock sale, \$140,000 will be used to retire outstanding bank loans and the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 511,975 common shares (with a 39¢ per share net tangible book deficit), of which Robert A. Mallet, president, owns 17.6%, management officials as a group 24.1% and Loyd B. Tubbs 10.4%.

YORKTOWN FABRIC TO SELL STOCK. Yorktown Fabric Company, Inc., 200 North Franklin St., Hempstead, N. Y. 11550, filed a registration statement (File 2-38476) with the SEC on September 28 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made by Rittmaster, Lawrence and Co., Inc., 363 7th Ave., New York, N. Y., which will receive a 60¢ per share commission plus \$14,000 for expenses. The company has agreed to sell the underwriter, for \$100, five-year warrants to purchase 10,000 shares, exercisable after two years at \$7.20 per share.

The company is engaged through licensed departments in department and discount stores in New York, New Jersey and Massachusetts in the sale of fabrics, sewing notions and accessories, and yarns and art needlework. Of the net proceeds of its stock sale, \$100,000 will be used to repay an outstanding bank loan and \$100,000 to expand the operations of the company's Consolidated Buying Service, Inc.; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 450,000 common shares, of which Arnold Frankel, president, owns 46.9% and management officials as a group 72.2%. Purchasers of the shares being registered will acquire an 18.2% stock interest in the company for their investment of \$600,000, present stockholders will then own 81.8%, for which they paid \$112,167 plus the stock of two companies in which the stockholders made cash contributions of \$45,200.

DEERFIELD INDUSTRIES TO SELL STOCK. Deerfield Industries, Inc., 608 Main St., Westbury, N. Y. 11590, filed a registration statement (File 2-38477) with the SEC on September 28 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$4 per share. No underwriting is involved; participating broker-dealers will receive up to a 10% selling commission.

Organized in February, the company proposes to engage in the manufacture and sale of automotive air conditioner condensers for use as replacement parts and as original equipment. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. The company has outstanding 500,000 common shares (with 9½¢ per share book value), of which Kenneth Sloves, president, owns 25%, Stuart Sloves, board chairman, 10% and management officials as a group 70.5%. Purchasers of the shares being registered will acquire a 20% stock interest in the company for their investment of \$500,000 (they will sustain an immediate dilution of \$3.276 in per share book value from the offering price); present shareholders will then own 80%, for which they paid \$69,050, or \$.138 per share.

DeFOE TO SELL STOCK. DeFoe Corp., 3966 Merritt Ave., Bronx, N. Y. 10466, filed a registration statement (File 2-38478) with the SEC on September 28 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6.25 per share. The offering is to be made on a "best efforts, all or none" basis by Amos Treat Associates, Inc., 79 Wall St., New York, N. Y., which will receive a 62½¢ per share

selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for 1¢ each, five-year warrants to purchase 10,000 shares, exercisable after one year at from \$6.80 to \$8.15 per share.

The company is engaged, as a general contractor, in municipal construction, specializing in the renovation, rehabilitation and improvement of municipal buildings, highways and bridges. Net proceeds of its stock sale will be added to the company's working capital and used primarily to increase its bonding capacity in order to permit it to bid for larger projects and to finance uncompleted jobs pending receipt of progress payments and retainages from New York City. The company has outstanding 150,000 common shares (with a \$2.66 per share net tangible book value), of which Dario Ciotti, board chairman and president, owns 60% and Armand Prati, vice president, 40%. Purchasers of the shares being registered will sustain an immediate dilution of \$2.64 in per share book value from the offering price.

SOUTHEAST BANCORPORATION PROPOSES EXCHANGE OFFER. Southeast Bancorporation, Inc., 100 South Biscayne Blvd., Miami, Fla. 33131, filed a registration statement (File 2-38479) with the SEC on September 28 seeking registration of 413,631 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of common stock of three Florida banks, as follows: 1.875 shares for each share of Hollywood Bank and Trust Company, 1.875 shares for each share of The Bank of Hollywood Hills and one share for each share of The Bank of Miramar. Effectiveness of the exchange offers is contingent upon acceptance by holders of at least 80% of the outstanding stock of each bank.

A bank holding company, Southeast has eight banking subsidiaries and seven active non-banking subsidiaries. In addition to indebtedness, it has outstanding 2,388,156 common shares, of which management officials as a group own 7%. Harry Hood Bassett is board chairman, Carl H. Bruns vice chairman and Charles J. Zwick president.

PUBLISHERS CO. SECURITIES IN REGISTRATION. Publishers Company, Inc., 1250 Connecticut Ave., N. W., Washington, D. C. 20036, filed a registration statement (File 2-38480) with the SEC on September 28 seeking registration of 36,135 outstanding common stock purchase warrants and 73,286 shares of common stock issuable upon exercise of common stock purchase warrants exercisable at \$5.63 per share. Publishers is engaged primarily in the printing and publishing business. In addition to indebtedness and preferred stock, it has outstanding 1,715,545 common shares. Paul C. Kimball may sell 25,000 warrants and five others the remaining warrants being registered. Edgar A. Merkle, board chairman, and certain others may sell the shares underlying the warrants exercisable at \$5.63 per share.

GUNN RESOURCES TO SELL STOCK. Gunn Resources & Exploration, Inc., 200 W. 57th St., New York, N. Y. 10019, filed a registration statement (File 2-38481) with the SEC on September 28 seeking registration of 650,000 shares of common stock, to be offered for public sale through underwriters headed by Walston & Co., Inc., 77 Water St., New York, N. Y. 10005. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in December 1969, the company is engaged (through subsidiaries) primarily in the development of a cattle raising operation in Australia. Of the new proceeds of its stock sale, \$1,160,000 will be used to repay short-term borrowings incurred to develop its properties, \$850,000 to repay mortgage indebtedness incurred in the acquisition of four cattle ranches and \$2,300,000 to provide funds for the 1971 portion of the program for the operation and development of properties; the balance will be added to the company's general funds and part may be applied toward the company's program for continued development of properties (estimated at \$3,800,000 in 1972 and 1973). In addition to indebtedness and preferred stock, the company has outstanding 2,042,335 common shares, of which Reuben B. Resnik, board chairman, owns 12.8%, management officials as a group 29.3% and Gunn Development Pty. Ltd. 11.8%. Purchasers of the shares being registered will acquire a 22% stock interest in the company for their investment of \$6,500,000*; present shareholders will then own 78% for which they will have paid \$4,362,750 or an average of \$1.87 per share. Sir William Gunn is president.

FLORIDA POWER PROPOSED OFFERINGS. Florida Power Corporation, 101 Fifth St., South, St. Petersburg, Fla. 33701, filed a registration statement (File 2-38487) with the SEC on September 29 seeking registration of 200,000 shares of cumulative preferred stock, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Incorporated, 20 Exchange Place, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., both of New York City. The dividend rate, offering price (\$102 per share maximum*) and underwriting terms are to be supplied by amendment.

In a separate registration statement (File 2-38488), Florida Power seeks registration of \$40,000,000 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 these offerings toward the repayment of temporary borrowings, expected to aggregate \$49,000,000 at the time of the securities sale, and will apply the balance to the 1970 construction program, estimated at \$82,000,000. Construction expenditures are estimated at \$154,000,000 for 1971.

MISSOURI PUBLIC SERVICE TO SELL STOCK. Missouri Public Service Company, 10700 East 50 Highway, Kansas City, MO. 64138, filed a registration statement (File 2-38489) with the SEC on September 29 seeking registration of 185,000 shares of common stock, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York, N. Y. 10005. The offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its stock sale to pay an equivalent amount of short-term indebtedness incurred for interim financing of construction. At August 31, short-term indebtedness totaled \$30,392,014. Construction expenditures are estimated at \$12,750,000 for 1970 and at \$57,000,000 for the period 1970 through 1974.

SKELLY OIL TO SELL DEBENTURES. Skelly Oil Company, 1437 S. Boulder Ave., Tulsa, Okla., filed a registration statement (File 2-38490) with the SEC on September 29 seeking registration of \$25,000,000 of debentures, due 1976, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, and Salomon Brothers, 1 New York Plaza, both of New York City. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is an integrated oil company. Net proceeds of its debenture sale will be used to repay short-term notes to the extent of some \$15,000,000 and current maturities of bank loans to the extent of some \$9,000,000. In addition to indebtedness, the company has outstanding 12,500,000 common shares.

TIPCO PROPOSES OFFERING. Tipco, Inc., 199 Alewife Brook Parkway, Cambridge, Mass. 02138, filed a registration statement (File 2-38491) with the SEC on September 29 seeking registration of 50,000 shares of 8% cumulative convertible preferred stock (\$10 par), and 100,000 shares of common stock and 100,000 common stock purchase warrants, to be offered for public sale in units, each consisting of 50 preferred shares, 100 common shares and 100 warrants, and at \$850 per unit. Goldman Associates Incorporated has agreed to solicit NASD members to participate in the distribution; the company has agreed to sell Goldman 25,000 shares for \$2,500 and to pay it \$7,500 as a financial consulting fee and \$2,500 for expenses. Participating NASD members will receive \$75 per unit selling commission.

Organized in December 1969, the company is engaged in providing insurance premium financing, principally in the field of automobile liability, fire and casualty insurance. Net proceeds of its stock sale will be used in the company's premium finance business, thereby increasing the volume of premium finance receivables which it is able to have outstanding. The company has outstanding 692,500 common shares (with a 23c per share book value), of which Sidney D. Wolk, president, Joseph J. Bairos, treasurer, Nathan T. Wolk, a director, and Ben Faneuil, a director, own 21.7% each. Purchasers of the shares being registered will acquire a 12.2% common stock interest in the company (they will sustain an immediate dilution of \$3.04 in per common share book value from the offering price); present shareholders will then own 84.7% for which they will have paid \$152,500.

PIP VENTURES PROPOSES OFFERING. Pip Ventures, Inc., 1876 Rathmor Road, Bloomfield Hills, Mich. 48013 filed a registration statement (File 2-38492) with the SEC on September 29 seeking registration of \$1,000,000 units of participation in Pip Ventures, Inc. 1970 Drilling Fund (the "Fund"), to be offered for public sale at \$5,000 per unit. No underwriting is involved; participating NASD members will receive up to a 7% selling commission. The Fund is being created to conduct an oil and gas development drilling program; it may also acquire producing oil or gas properties. Pip Ventures, Inc. is wholly-owned by Pip Petroleum Corporation. Henry Penn Wenger is president and board chairman.

FIRST MORTGAGE INVESTORS TO SELL DEBENTURES. First Mortgage Investors (the "Trust"), 30 Federal St., Boston, Mass. 02110, filed a registration statement (File 2-38494) with the SEC on September 29 seeking registration of \$30,000,000 of debentures, due 1978, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, and Paine, Webber, Jackson & Curtis, 140 Broadway, both of New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

A closed-end business investment trust of the management type, the Trust invests primarily in first mortgage loans, with the majority of its investment portfolio consisting of first mortgage loans financing the development of dwelling sites or the construction of dwellings or commercial buildings, including dwellings and dwelling sites developed or constructed in accordance with the requirements of the FHA or the VA, although such loans are not insured or guaranteed by the FHA or VA. Net proceeds of its debenture sale will be used to reduce short-term borrowings incurred to finance mortgage investments. In addition to indebtedness, the Trust has outstanding 3,852,709 shares of beneficial interest. Jack R. Courshon is board chairman and Stanley J. Magenheimer president.

SECURITIES ACT REGISTRATIONS. Effective September 30: Arctic Enterprises, Inc., 2-38464 (Nov 9); BancOhio Corp., 2-37358 (40 days); California Computer Products, Inc., 2-37450; Cytek Information Systems Corp., 2-35865 (90 days); Educational Sound Systems, Inc., 2-36874 (90 days); First Connecticut Bancorp, Inc., 2-37728 (90 days); GAC Corp., 2-36681 (40 days); General Telephone Co. of Pa., 2-38112; Home-Stake 1970 Program Operating Corp., 2-37530 (90 days); Indianapolis Power & Light Co., 2-38332; International Telephone & Telegraph Corp., 2-38341 (40 days); Intramerican Drilling Fund - 1970 Program, 2-37649 (90 days); North American Royalties, Inc., 2-38277; Oxford Laboratories, 2-38020 (90 days); Public Service Co. of Colo., 2-37968; Southern California Edison Co., 2-38331; Southern Union Gas Co., 2-38318; Texas Electric Service Co., 2-38358; United Virginia Bankshares, Inc., 2-38132.

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.