

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-195)

FOR RELEASE October 7, 1970

HOLDING COMPANY ACT RELEASE

MASSACHUSETTS ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16855) authorizing Massachusetts Electric Company, Westborough subsidiary of New England Electric System ("NEES"), to issue and sell \$20,000,000 of first mortgage bonds, Series L, and 100,000 shares of cumulative preferred stock (\$100 par) at competitive bidding. Massachusetts Electric will apply the net proceeds thereof to the payment of then outstanding short-term notes (estimated at \$28,000,000) evidencing borrowings made for capitalizable construction expenditures or to reimburse the treasury therefor.

SECURITIES ACT REGISTRATIONS

HUTTON FUNDS PROPOSE OFFERING. E. F. Hutton Tax-Exempt Fund, California Series 1, One Battery Park Plaza, New York, N. Y. 10004, filed a registration statement (File 2-38533) with the SEC on October 2 seeking registration of \$5,000,000 of units. The Fund is the first of a proposed series of similar but separate trusts created under New York law by E. F. Hutton & Company, Inc., as sponsor and underwriter. It will consist of a diversified portfolio of interest-bearing municipal bonds, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal and California income tax. The bonds are obligations of the State of California, counties, municipalities, authorities or political subdivisions thereof.

In a separate registration statement (File 2-38534) filed October 2, E. F. Hutton Tax-Exempt Fund, New York Series 1, seeks registration of \$5,000,000 of units. The Fund is the first of a proposed series of similar but separate trusts created under New York law by E. F. Hutton & Company Inc., as sponsor and underwriter. It will consist of a diversified portfolio of interest-bearing municipal bonds, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal and New York income tax. The bonds are obligations of the State of New York, counties, municipalities, authorities or political subdivisions thereof or of certain United States territories or possessions.

HEITMAN MORTGAGE INVESTORS PROPOSES OFFERING. Heitman Mortgage Investors (the "Trust"), 225 Franklin St., Boston, Mass. 02110, filed a registration statement (File 2-38535) with the SEC on October 2 seeking registration of 1,000,000 shares of beneficial interest and \$10,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale in units, each consisting of 50 shares and a \$500 debenture, and at \$1,000 per unit. The offering is to be made through underwriters headed by Bear, Stearns & Co., One Wall St., New York, N. Y. 10005; the underwriting terms are to be supplied by amendment.

The Trust was formed for the purpose of investing in a professionally managed portfolio of first mortgage construction loans and other real estate interests. It plans to qualify as a real estate investment trust under the Internal Revenue Code. HMI Investment Company, the investment adviser, is a wholly-owned subsidiary of Heitman Mortgage Company ("HMC", which is wholly-owned by Computing & Software, Inc.). Norman Perlmutter is board chairman and president of the Trust and chief executive officer of HMC.

NORTEK TO SELL STOCK. Nortek, Inc., 436 Hospital Trust Bldg., Providence, R. I. 02903, filed a registration statement (File 2-38536) with the SEC on October 2 seeking registration of 400,000 shares of common stock, to be offered for public sale through underwriters headed by Thomson & McKinnon Auchincloss Inc., 2 Broadway, New York, N. Y. 10004. The offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in July 1967, the company (through subsidiaries) is engaged in the sale on an installment basis of recreational land located primarily in Florida. Of the net proceeds of its stock sale, \$2,000,000 will be used to repay a portion of bank indebtedness and the balance will be added to the company's general funds and used for general corporate purposes, including land acquisition and working capital. In addition to indebtedness, the company has outstanding 1,977,954 common shares, of which Ralph R. Pappito, president, owns 15.6% and Edward W. Ricci, vice president, 9.6%.

BENEFICIAL CORP. TO SELL DEBENTURES. Beneficial Corporation, 1300 Market St., Wilmington, Del., filed a registration statement (File 2-38538) with the SEC on October 5 seeking registration of \$75,000,000 of debentures, due 1976, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company (through subsidiaries) is engaged principally in the consumer loan, sales finance and related creditor insurance businesses and in the merchandising business. Net proceeds of its debenture sale will be used principally to reduce outstanding short-term bank loans and commercial paper, which totalled \$285,257,000 at September 15 and the proceeds of which were used primarily to provide subsidiaries with funds to carry on their respective businesses in the consumer loan, sales finance and merchandising fields.

OVER

GENERAL PUBLIC UTILITIES PROPOSES OFFERING. General Public Utilities Corporation, 80 Pine St., New York, filed a registration statement (File 2-38539) with the SEC on October 5 seeking registration of \$58,000,000 of debentures, due 1980. It is proposed to offer these debentures for subscription by common stockholders of record November 4, at the rate of \$2 in principal amount of debentures for each share held and at 100% of principal amount. Unsubscribed debentures are to be offered by participating dealers and others; the amount of the selling commission is to be supplied by amendment.

In a separate registration statement (File 2-38540), the company seeks registration of 1,000,000 shares of common stock to be offered for public sale at competitive bidding.

A public utility holding company, the company will use the net proceeds of its debenture sale to provide funds for investment in its subsidiaries and will use the net proceeds of its stock sale to pay some of its \$130,135,000 of outstanding promissory notes (bank loans and commercial paper) issued to provide funds for additional investments in subsidiaries. Construction expenditures for the subsidiaries are estimated at \$300,000,000 for 1970 and \$700,000,000 for 1971-1972.

BANK COMPUTER NETWORK TO SELL STOCK. Bank Computer Network Corporation, 333 N. Michigan Ave., Chicago, Ill. 60601, filed a registration statement (File 2-38543) with the SEC on October 5 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$20 per share. No underwriting is involved; participating dealers will receive an 8% selling commission.

Organized in May 1969, the company proposes to develop a national centralized data system with nearly instantaneous retrieval capabilities, consisting of an interrelated group of computer programs and documentation intended to meet certain of the electronic data needs of the commercial banking industry. Of the net proceeds of its stock sale, \$500,000 will be used for marketing, advertising, sales promotion and related activities, \$900,000 for the purchase of electronic terminals for lease to subscribers, \$800,000 for design and purchase of computer "hardware" and \$700,000 for computer "software" and data bank research, development, updating and other documentation; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 361,849 common shares (with a 5¢ per share net tangible book value), of which Leonard A. Fish, a director, owns 76%. Purchasers of the shares being registered will acquire a 35% stock interest in the company for their investment of \$4,000,000 (they will sustain an immediate dilution of \$13.48 in per share book value from the offering price); present shareholders will then own 65%, for which they paid \$254,250, or approximately 70¢ per share.

NORTHERN NATURAL GAS PROPOSES OFFERINGS. Northern Natural Gas Company, 2223 Dodge St., Omaha, Neb., filed a registration statement (File 2-38545) with the SEC on October 6 seeking registration of 634,760 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of record October 21, at the rate of one share for each 15 shares held. The offering is to be made through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005; the underwriting terms are to be supplied by amendment.

In a separate registration statement (File 2-38546), the company seeks registration of \$60,000,000 of sinking fund debentures, due 1990, to be offered for public sale through underwriters headed by Blyth & Co., Inc. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the transmission, distribution and sale of natural gas. Net proceeds of this financing will be used to repay short-term borrowings incurred in connection with the company's 1970 expansion program. Construction expenditures are estimated at \$166 million for 1970 and \$200 million for 1971. In addition to indebtedness and preferred stock, the company has outstanding 9,521,391 common shares.

MAINE YANKEE ATOMIC POWER TO SELL BONDS. Maine Yankee Atomic Power Company, 9 Green St., Augusta, Me. 04330, filed a registration statement (File 2-38547) with the SEC on October 6 seeking registration of \$75,000,000 of first mortgage bonds, Series A (sinking fund), due 2002, to be offered for public sale at competitive bidding. Sponsored by eleven New England utilities to construct, own and operate a nuclear-powered generating plant, the company will use the net proceeds of the bond sale for construction and other purposes, including payment of short-term bank loans and subordinated notes held by the sponsors.

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:

- Commerce Bancshares, Inc., Kansas City, Mo. 64199 (File 2-38527) - 100,000 shares
- Sonics International, Inc., Dallas, Tex. 75247 (File 2-38541) - 64,500 shares
- E. T. Barwick Industries, Inc., Chamblee, Ga. 30341 (File 2-38542) - 220,000 shares
- Illinois Central Industries, Inc., Chicago, Ill. 60605 (File 2-38544) - 92,291 shares of common and 61,527 shares of \$3.50 cumulative preferred stock Series 1

SECURITIES ACT REGISTRATIONS. Effective October 6: Allied Maintenance Corp., 2-38454; Casa Bella Imports, Inc., 2-37204 (90 days); Coca-Cola Bottling Co. of Los Angeles, 2-38281 & 2-38382 (Nov 16); Credit Bureau Reports, Inc., 2-37908 (90 days); Eaststates Gas Producing Co., 2-36885; First of Denver Mortgage Investors, 2-38261 (90 days); Jade Oil and Gas Co., 2-36843 (90 days); Jerome Mackey's Judo, Inc., 2-35806 (90 days); Kanata-Offshore, Inc., Series A Drilling Program, 2-37053 (90 days); Mass. Mutual Mortgage & Realty Investors, 2-37729; NN Corp., 2-38023; Otis Elevator Co., 2-38338; Porch and Patio, Inc., 2-36145 (90 days); RPM, Inc., 2-36928 (90 days); United Utilities Inc., 2-38345; Weyerhaeuser Co., 2-38399.

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.