

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 November 5, 1970

DECISION IN ADMINISTRATIVE PROCEEDING

PROVIDENCE CHURCH PLAN SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-9013) in which it ordered the six-month suspension of the broker-dealer registration of Providence Church Plan, Inc. ("Providence"), of Atlanta, for violations of the anti-fraud provisions of the Federal securities laws in the offer and sale of securities, Joseph Kenneth Booth, executive vice-president and general manager of the firm ("Providence"), and Malcolm Parks Houston, former salesman for the firm, were suspended from association with any securities firm for a like period; and Providence and Booth also were censured. The suspensions are effective November 9.

According to the Commission's decision, during 1964-65 Providence, Booth and Houston offered and sold bonds of Florida Colonial Manor Retirement Home issued by the Florida Conference of Pentecostal Holiness Church, Inc., by means of false and misleading representations concerning, among other things, the financial soundness of the retirement home, the collateral for the bonds, the value of the real estate securing the bonds, the management of the retirement home, and the ability of the church conference to pay interest on the bonds. In addition, Providence violated the Commission's record-keeping requirements and used customers' free credit balances in its business operations without establishing adequate procedures for quarterly notices to such customers, as required.

In settlement offers which the Commission accepted, Providence, Booth and Houston consented to findings of violation and to imposition of the indicated sanctions, without admitting or denying the violations, but urged certain extenuating circumstances, including the retention of counsel to protect the interests of bondholders and voluntary restitution to bondholders who had received less than full payment when the issuer's facility was sold. As to Houston, the settlement offer provides that after the suspension period he may not engage in activities of a supervisory nature without the Commission's permission.

HOLDING COMPANY ACT RELEASES

GENERAL PUBLIC UTILITIES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16892) authorizing the General Public Utilities Corporation, New York holding company, to offer up to \$58,000,000 of debentures, due 1980, for subscription by common stockholders of record November 4, at the rate of \$2 of debentures for each share held. GPU also was authorized to issue and sell additional unsecured short-term promissory notes to banks from time to time. GPU will use the net proceeds of its debenture sale to pay its promissory notes then outstanding, the proceeds of which have been or will be issued for investments in its subsidiaries. The proceeds from the bank notes will be used for investment in subsidiaries. Estimated construction expenditures of subsidiary companies are \$300 million in 1970 and \$700 million in 1971 and 1972.

INVESTMENT COMPANY ACT RELEASES

COMMUNICATIONS FUND GRANTED EXEMPTION. The SEC has issued an order under the Investment Company Act (Release IC-6231) exempting Communications Fund, Inc., of New York, from all provisions of the Act. All of the Fund's outstanding shares are owned by Communications Corporation of America and all of its outstanding debentures by the Small Business Administration. The exemption order is conditioned upon the Fund's filing certain reports with the Commission and provides that Funds securities (other than short-term paper) may not be sold except to the parent or SBA.

CORRECTION RE AMERICAN RESEARCH. The SEC News Digest of November 2 reported the filing of an application under the Investment Company Act by American Research and Development Corporation and others, with respect to the operations of Professional Advisory Services, Inc. The date (November 23) referred to therein is the date of the scheduled hearing upon the application (See Release IC-6227), not the date on or before which requests for hearing shall be filed. Persons wishing to attend and participate in the hearing should so notify the Commission not later than November 18.

COURT ENFORCEMENT ACTION

VODEL CORP. - MANOCHURIAN ENJOINED. The SEC New York Regional Office announced November 2 (LR-4798) that the Federal court in New York City had permanently enjoined Vodel Corporation ("Vodel"), a New York corporation (and a spin-off of Coliseum Properties, Inc., formerly Herman & Appley, Inc.), and Fraydun Manochurian, of Scarsdale, N. Y., its president, from violations of the registration provisions of the Federal securities laws; Vodel also was enjoined from violations of the anti-fraud provisions of the laws. The defendants consented to the injunction without admitting the violations.

OVER

UNITED MERCHANTS & MFG. TO SELL DEBENTURES. United Merchants and Manufacturers, Inc., 1407 Broadway, New York, filed a registration statement (File 2-38723) with the SEC on November 2 seeking registration of \$50,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Lehman Brothers, Inc., 1 William St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a manufacturer and distributor of textiles; and it also engages in factoring and finance operations and a nationwide retail clothing chain (Robert Hall Clothes). The net proceeds of its debenture sale will be used to reduce short-term borrowings incurred primarily to finance the operations and expansion of the company's business. In addition to indebtedness, the company has outstanding 6,049,987 common shares.

OHIO POWER TO SELL BONDS. Ohio Power Company, 301 Cleveland Ave., S.W., Canton, Ohio 44702, filed a registration statement (File 2-38724) with the SEC on November 2 seeking registration of \$40,000,000 of first mortgage bonds, to be offered for public sale at competitive bidding. The bonds are to be issued and sold in one or more new series, each to mature in not less than three nor more than thirty years. An electric utility, the company will use the net proceeds of its bond sale to pay off at maturity, from time to time, and to retire, an equivalent amount of its unsecured commercial paper outstanding upon completion of the sale. The company's parent, American Electric Power Company, Inc., proposes prior to the issuance of the new bonds by Ohio Power, to make cash capital contributions to the company aggregating \$30,000,000 (\$18,000,000 was to have been contributed by October 30); the company has applied, and proposes to apply, these cash contributions to pay for the cost of property additions and improvements and for other corporate purposes. The company's construction costs in 1970 and 1971 are estimated at \$176,406,000.

PANHANDLE EASTERN PIPE LINE TO SELL DEBENTURES. Panhandle Eastern Pipe Line Company, 3000 Bissonnet, Houston, Tex., filed a registration statement (File 2-38725) with the SEC on November 3 seeking registration of \$40,000,000 of debentures, due 1990, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., both of New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the transmission and sale of natural gas and the production of natural gas. Part of the net proceeds of its debenture sale will be used to pay short-term bank loans expected to aggregate \$27,000,000 at the date of issue and incurred to finance a portion of past construction expenditures; the balance will be added to the company's working capital.

PUBLIC SERVICE ELECTRIC PROPOSES OFFERING. Public Service Electric and Gas Company, 80 Park Place, Newark, N. J. 07101, filed a registration statement (File 2-38726) with the SEC on November 3 seeking registration of \$75,000,000 of debenture bonds, due 1995, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of this financing for general corporate purposes, including payment of a portion of its construction costs and payment of a portion of its unsecured short-term obligations. Proceeds of the short-term obligations were or will be used for general corporate purposes and amounted to \$51,500,000 at October 30. Construction expenditures are estimated at \$348,000,000 in 1970, \$487,000,000 in 1971 and \$440,000,000 in 1972.

BAILEY CATTLE CO. PROPOSES OFFERING. Bailey Cattle Company, Inc., P. O. Drawer M, Cabot, Ark., filed a registration statement (File 2-38727) with the SEC on October 30 seeking registration of \$349,125 of cattle lease and management agreements, to be offered for public sale at \$2500 per unit. The offering is to be made by Diversified Financial Services, Inc., Little Rock, Ark., which will receive a 12% commission plus 12% of all management fees paid under the lease and management agreements as and when such fees are received by the company.

The company was organized in May 1970 for the primary purpose of owning, buying, selling, breeding, leasing and managing, both as agent and principal, cattle of all types and to engage in any and all activities incident thereto. Ernest L. Bailey, Jr., is president.

JACOBS ENGINEERING FILES FOR OFFERING AND SECONDARY. Jacobs Engineering Co., 837 South Fair Oaks Ave., Pasadena, Calif. 91105, filed a registration statement (File 2-38728) with the SEC on November 3 seeking registration of 300,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the holder thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York, N. Y. 10005; the offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in this statement are 20,000 outstanding shares which are to be offered for sale by the holder thereof (Joseph J. Jacobs, president and board chairman) to certain employees of the company.

The company is a full service engineering organization which specializes in providing engineering, design and construction management services for process plants in the pharmaceutical, chemical, detergent, plastics, food, cosmetics, petroleum refining, petrochemical and mineral refining industries. Of the net proceeds of its sale of additional stock, \$975,000 will be used to purchase real property at Pasadena presently leased from Joseph Jacobs and family members; the balance will be used to replenish the company's working capital expended to complete the construction of its facility at Mountainview, New Jersey, which cost some \$950,000. The company has outstanding 1,024,000 common shares, of which Jacobs owns 95.36%. He proposes to sell 170,000 of 976,563 shares held.

WICHITA RESOURCES PROPOSES OFFERING. Wichita Resources, Inc., 723 Western United Life Bldg., Midland, Tex., 79701, filed a registration statement (File 2-38729) with the SEC on November 3 seeking registration of \$3,000,000 of limited partnership interests in Wichita Resources 71, Drilling Program, to be offered for public sale in minimum amounts of \$10,000. No underwriting is involved; participating NASD members will receive a selling commission to be paid from the 10% administrative compensation of the general partners. The Program is being created for the purpose of forming limited partnerships to engage in the exploration for oil and gas. Wichita Resources, Inc. and Wichita Industries, Inc. will serve as general partners. Wichita Industries owns 67% of the outstanding shares of Wichita Resources. Joe H. E. Ward is president of Wichita Resources and Stuart M. Berkman president of Wichita Industries.

RYAN HOMES FILES FOR OFFERING AND SECONDARY. Ryan Homes, Inc., 100 North Wren Drive, Pittsburgh, Pa. 15243, filed a registration statement (File 2-38730) with the SEC on November 3 seeking registration of 350,000 shares of common stock. Of these shares, 100,000 are to be offered for public sale by the company and 250,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Faulkner, Dawkins & Sullivan Securities Inc., 60 Broad St., New York, N. Y. 10004; the offering price (\$50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in building single family homes. Of the net proceeds of its sale of additional stock, \$1,900,000 will be used to retire a note issued to Edward J. Moritz in payment for shares of the company's common stock purchased from him, part will be used to retire short-term bank indebtedness all of which was incurred for working capital purposes, and any balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,848,200 common shares, of which Edward M. Ryan, board chairman, owns 15% and management officials as a group 36%. Ryan proposes to sell 201,838 of 248,234 shares held and four other officers, the Edward Ryan Jr. Foundation and the company's profit sharing trust the remaining shares being registered.

CASTLE & CO. FILES FOR SECONDARY. A. M. Castle & Co., 3400 North Wolf Rd., Franklin Park, Ill. 60131, filed a registration statement (File 2-38735) with the SEC on November 3 seeking registration of \$1,420,000 of outstanding 6% subordinated debentures, due 1980, to be offered for public sale by the holder thereof. The offering is to be made on a best efforts basis by William Blair & Company, 60 Wall St., New York, N. Y., which will receive a \$20 selling commission for each \$1,000 principal amount of debentures sold; the offering price is to be supplied by amendment.

The company is engaged in the warehousing and distribution of metals. In addition to indebtedness, it has outstanding 480,000 common shares, of which John M. Simpson, board chairman, owns 18.8% and Trusts for the benefit of Simpson family members (including John Simpson) 22%. Bangor Punta Operations, Inc., a wholly-owned subsidiary of Bangor Punta Corporation, proposes to sell the debentures being registered; it acquired the debentures in connection with the sale to Castle & Co. in 1965 of substantially all of the net assets related to the metals business of its Pacific Metals Division.

HUFFINGTON EXPLORATION PROPOSES OFFERING. Huffington Exploration Corporation ("Huffington"), 2210 Tenneco Bldg., Houston, Tex. 77002, filed a registration statement (File 2-38739) with the SEC on November 4 seeking registration of \$20,000,000 of limited partnership interests in partnerships to be formed under the company's 1971-1972 Drilling Program, to be offered for public sale in \$5,000 units. The offering is to be made on a best efforts basis by First Investors Corporation, 120 Wall St., New York, N. Y., and The Abercrombie Company, which will receive an 8½% selling commission; they may reallocate participating NASD members a 6½% selling commission. Four limited partnerships are to be formed under the Program for the purpose of acquiring oil and gas leases and other oil properties and projects. Roy M. Huffington, Inc., will serve as management company; it owns all the outstanding stock of Abercrombie and of Huffington. Roy M. Huffington is president of Huffington and of the management company and owns 90% of the capital stock of management company.

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:

- BTU Engineering Corporation, Waltham, Mass. 02154 (File 2-38731) - 64,100 shares
- Lincoln First Banks, Inc., Rochester, N. Y. 14603 (File 2-38732) - 13,285 shares
- Parker-Mannifin Corporation, Cleveland, Ohio 44112 (File 2-38734) - 141,311 shares
- Keydata Corporation, Watertown, Mass. 02172 (File 2-38733) - 350,000 shares
- Informatics, Inc., Canoga Park, Calif. 91303 (File 2-38737) - 70,000 shares
- Coastal States Gas Producing Company, Corpus Christi, Tex. 78403 (File 2-38738) - 50,000 shares

IMPORTANT NOTICE

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed: Public Reference Section, Securities and Exchange Commission, Washington, D. C. 20549. The reproduction cost will approximate 12c per page, plus postage, for mailing within four days, to 25c per page, plus postage, for overnight mailing. Cost estimates given on request.

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. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed.

Wings & Wheels Express, Inc July 1970 (2,3,13)	0-348-2	The Carolingian Corp Aug. 1970 (11)	0-4840-2
Panacoastal Inc Aug. 1970 (9)	1-5506-2	Comcet, Inc Aug. 1970 (7)	0-3592-2
Ray Resources Corp July 1970 (12,13)	1-6202-2	Kenton Corp July 1970 (7,13)	1-5909-2
Times Mirror Co Aug. 1970 (12)	1-4914-2	Holly Oil & Gas Co July 1970 (12)	2-35918-2
Pueblo Intl., Inc Aug. 1970 (7,12)	1-6376-2	United General Corp Aug. 1970 (7,11,12,13)	0-4048-2
Southland Racing Corp Sept. 1970 (13)	0-64-2	Warner Lambert Pharmaceutical Co (Aug. 1970(12,13)	1-3608-2
Thriftmart, Inc Aug. 1970 (12)	1-3057-2	S Y S Assoc., Inc Aug. 1970 (7,9,13)	1-6332-2
Trans East Air, Inc Amdt. #3 to 8K for June 1970 (1,2)	0-3472-2	Sossin System, Inc June 1970 (2,12,13)	2-30606-2
Liberty Invstrs., Inc Aug. 1970 (3,13)	0-2663-2	Vanguard Diversified, Inc Aug. 1970 (3,12)	2-31709-2
Mississippi River Trans. Corp Aug. 1970(13)	0-2078-2	W. T. Grant Co July 1970 (11)	1-3000-2
Pawnee Corp Aug. 1970 (2,9,12,13)	0-4273-2	Parke, Davis & Co Aug. 1970 (13)	1-2365-2
Peoples Gas Light & Coke Co Aug. 1970 (12)	2-26983-2	Ramo, Inc Aug. 1970 (2,12,13)	0-2284-2
Tracor, Inc Aug. 1970 (7,8)	0-528-2	Wilson Bros. Aug. 1970 (11,13)	1-3329-2

SECURITIES ACT REGISTRATIONS. Effective November 4: Consumers Power Co., 2-38572; GSI Computer Systems Inc., 2-38589; Diagnostic Data, Inc., 2-38329 (40 days); General Public Utilities Corp., 2-38539; Government Employees Corp., 2-38000 (40 days); New Industrial Techniques, Inc., 2-37121 (90 days); Zoacon Corp., 2-37842 (40 days).
Withdrawn October 19: Viking General Corp., 2-36376. Effective October 20: Cal Tica, Inc., 2-27995.
Withdrawn November 3: David & Dash, Inc., 2-38275; Logi-Call Systems, 2-34635; Ocean Sciences, Inc., 2-35690; Pantry Quik, Inc., 2-33231.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transaction is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.