

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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HOLDING COMPANY ACT RELEASES

CENTRAL POWER & LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16981) authorizing Central Power and Light Company, Corpus Christi, Tex. subsidiary of Central and South West Corporation ("CP&L"), to issue and sell \$36,000,000 of first mortgage bonds, Series L, due 2001, at competitive bidding. CP&L will use the net proceeds of its bond sale to finance its construction program (including repayment or repayment of borrowings from banks and from the parent incurred therefor, which borrowings aggregated \$4,200,000 at November 30, 1970). Construction expenditures are estimated at \$58,000,000 for 1971.

GEORGIA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16982) authorizing Georgia Power Company, Atlanta subsidiary of The Southern Company, to issue and sell, at competitive bidding \$49,500,000 of first mortgage bonds and 300,000 shares of preferred stock. Georgia Power will use the net proceeds of its financing, together with treasury funds, to refund \$79,886,000 of first mortgage bonds, 3 $\frac{1}{2}$ % Series due 1971, which mature on March 1, 1971.

EASTERN UTILITIES ASSOCIATES SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16984) giving interested persons until March 4 to request a hearing upon an application of Eastern Utilities Associates, of Boston, with respect to EUA's proposal to organize a new corporation, EUA Service Corporation, and to centralize in that company the various EUA system management and other services heretofore performed by officers and employees of EUA and personnel in the Boston office of Stone & Webster Management Consultants, Inc. All services would be performed by Service Corp. for associate companies at cost. The New York office of Stone & Webster would continue to render services relating principally to special and non-recurring problems.

POTOMAC EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16985) authorizing Potomac Edison Company, Hagerstown, Md., to increase the maximum amount of short-term notes and commercial paper which may be sold to banks and dealers in commercial paper by July 31, 1971 from \$20,940,000 to \$25,170,000.

COLUMBIA GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16987) giving interested persons until February 23 to request a hearing upon an application of The Columbia Gas System, Inc., New York holding company, to issue and sell \$75,000,000 of debentures, due 1996, at competitive bidding. Net proceeds of its debenture sale will be added to the general funds of the company and, together with funds then available and funds to be generated from operations, will be used to finance, among other things, part of the cost of its subsidiaries' 1971 construction program, estimated at \$200,000,000.

SECURITIES ACT REGISTRATIONS

KOHRING SHARES IN REGISTRATION. Koehring Company, 780 N. Water St., Milwaukee, Wis., filed a registration statement (File 2-39312) with the SEC on January 29 seeking registration of 315,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof (all of West Germany) at prices current at the time of sale (\$21 per share maximum*). Karl Heinz Schwamborn may sell all of 137,500 shares held (5.4% of the outstanding common shares) and three others the remaining shares being registered.

COMPUTER MICROTECHNOLOGY SHARES IN REGISTRATION. Computer Microtechnology, Inc., 610 Pastoria Ave., Sunnyvale, Calif. 94086, filed a registration statement (File 2-39313) with the SEC on January 29 seeking registration of 205,100 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 (\$6 per share maximum*).

Organized in January 1969, the company manufactures and markets integrated circuit memory components and other related integrated circuit components. It has outstanding 1,593,418 common shares, of which Compress, Inc. owns 12.5%. Brogan Associates, Inc. may sell all of 128,450 shares held, Max Palevsky all of 10,100 and 12 others the remaining shares being registered (such shares were purchased from Brogan Associates in October and November 1970).

ADOBE INVESTMENT PROPOSES OFFERING. Adobe Investment Corporation (the "General Partner"), 601 Wilkinson-Foster Bldg., Midland, Tex. 79701, filed a registration statement (File 2-39314) with the SEC on January 29 seeking registration of \$5,000,000 of performance limited partnership interests in Adobe Drilling Program - 1971, Ltd. (the "Partnership"), to be offered for public sale in minimum amounts of \$5,000. The offering is to be made on a best efforts basis by NASD members, who will receive a 5% selling commission. The Partnership is to be organized to acquire oil and gas interests and drill, equip and operate wells thereon. All of the outstanding common stock of the general partner is owned by Adobe Corporation. B. J. Pevehouse is president of the general partner and of its parent and owns 15.4% of the outstanding common stock of the parent.

OVER

CYBERMATICS FILES FOR OFFERING AND SECONDARY. Cybermatics Inc., 2460 Lemoine Ave., Fort Lee, N. J. 07024, filed a registration statement (File 2-39315) with the SEC on January 29 seeking registration of 250,000 shares of common stock, of which 163,700 are to be offered for public sale by the company and 86,300 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Halle & Stieglitz, Inc., 52 Wall St., New York 10005; the offering price (\$8.30 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay Halle & Stieglitz \$10,000 for expenses.

The company is a computer technology and information services company specializing in "on-line" computer systems (those in which the user is connected to a computer by a communications line and which respond nearly instantaneously to the request of the user), including data and message communication systems. Its subsidiaries manufacture and sell business forms, including forms for use in computers, and offer trademark search and vigilance services. Of the net proceeds of its sale of additional stock, \$250,000 will be used by the company for the continued development and completion of an economical generalized computer communications system employing low cost computers and the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 835,274 common shares, of which management officials as a group own 35.8%. J. Roy Morris is board chairman and George C. Dempster president. The Butler Fund proposes to sell all of 60,000 shares held, Joel T. Comiteau all of 10,500 and eight others the remaining shares being registered.

SWIFT TO SELL DEBENTURES. Swift & Company, 115 W. Jackson Blvd., Chicago, Ill. 60604, filed a registration statement (File 2-39316) with the SEC on January 29 seeking registration of \$50,000,000 of debentures, due 1996, to be offered for public sale through underwriters headed by Salomon Brothers, 60 Wall St., and White, Weld & Co., 20 Broad 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 four lines of business: foods, chemicals and industrial products, petroleum and insurance. Net proceeds of its debenture sale will be used principally to provide additional working capital, to reduce short-term indebtedness, to finance capital expenditures and for other corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 12,576,333 common shares.

CONSOLIDATED EDISON PROPOSES RIGHTS OFFERING. Consolidated Edison Company of New York, Inc., 4 Irving Pl., New York 10003, filed a registration statement (File 2-39317) with the SEC on January 29 seeking registration of 3,600,000 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of record February 18, at the rate of one share for each 12 shares then held. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005; the subscription price (\$30 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 for the construction of utility plant and to repay from time to time at or before maturity short-term obligations incurred as a result of the company's construction program. Construction expenditures were \$429,300,000 for 1970 and are estimated at \$2,485,000,000 for the five-year period 1971-1975.

MANAGEMENT ASSISTANCE PROPOSES EXCHANGE OFFER. Management Assistance, Inc., 300 East 44th St., New York, N. Y. 10017, filed a registration statement (File 2-39318) with the SEC on January 29 seeking registration of 14,554,800 shares of common stock and 862,467 shares of Series B preferred stock (immediately redeemable at \$50 per share). It is proposed to offer these securities in exchange (a) for the company's 5-3/4% convertible subordinated notes, due 1980 and 7% convertible subordinated notes, due 1986, (b) its 6 1/2% subordinated capital debentures, due 1980, and (c) its 6 1/2% convertible subordinated debentures, due 1987, at the rate of (a) 20 preferred and 350 common shares for each \$1,000 principal amount of notes, (b) 20 preferred and 300 common shares for each \$1,000 principal amount of 1980 debentures, and (c) 20 preferred and 350 common shares for each \$1,000 principal amount of 1987 debentures. Simultaneously with the exchange offer, the company proposes to issue 186,740 shares of Series A preferred stock to Continental Illinois National Bank and Trust Company of Chicago ("Continental") and its participants under a financing agreement dated March 21, 1969 (the "Continental agreement") between the company and Continental in lieu of accrued but unpaid interest of some \$9,337,000 owed as of September 30, 1970. At September 30, 1970, the company had a negative shareholders' equity of \$28,238,029 which (according to the prospectus) is the result of operating losses during the last four fiscal years and charges in each of the last three fiscal years relating primarily to obsolete equipment. According to the prospectus, as a result of such negative shareholders' equity, both Continental (the holder of an 8-1/8% secured note issued under the Continental agreement) and the holders of the senior subordinated notes and convertible notes could have declared that an event of default had occurred under the Continental agreement and the note purchase agreements pursuant to which the senior subordinated notes and convertible notes were issued, respectively. Continental and the note holders have agreed to waive events of default, subject to certain conditions. If the exchange offer is not consummated within 90 days after the date of the prospectus and if either Continental or the noteholders do not agree to continue the waiver of an event of default, such creditor or creditors may declare the entire outstanding principal amount of indebtedness owed (and accrued interest thereon) immediately due and payable. If the exchange offer is not consummated, the company will have to consider alternative courses of action, including recourse under the Federal bankruptcy law.

The company is engaged through subsidiaries in renting and selling, as both principal and agent, data processing equipment and providing reconditioning, preventive maintenance and repair services with respect to data processing equipment. In addition to indebtedness, it has outstanding 5,192,374 common shares, of which management officials as a group own 11%. Walter R. Oreamuno is board chairman and Jorge M. Gonzalez vice chairman and interim chief executive officer.

PAYLESS CASHWAYS TO SELL STOCK. Payless Cashways, Inc., South Highway 65, Iowa Falls, Iowa 50126, filed a registration statement (File 2-39319) with the SEC on January 29 seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by Shearson, Hammill & Co., Inc., 14 Wall St., New York, N. Y., and Piper, Jaffray & Hopwood, Inc., 115 South Seventh St., Minneapolis, Minn. 55402. The offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company operates a chain of nineteen "one stop" retail stores selling building materials, including lumber, electrical and paint supplies, hardware, tools and related items. The net proceeds of its stock sale will be applied to the repayment of \$2,000,000 of bank debt incurred in connection with its 1970 expansion program and in connection with the acquisition of new store sites in Dallas and Abilene, Texas, and to pay the cost of construction of stores on such sites, estimated at \$1,286,000; the balance will be used to purchase fixtures and inventories for such stores. In addition to indebtedness, the company has outstanding 1,285,996 common shares, of which V. W. Furrow, board chairman, owns 15.18% and management officials as a group own 32.65%. Robert M. Lincoln is president.

VOLT INFORMATION SCIENCES SHARES IN REGISTRATION. Volt Information Sciences, Inc., 640 West 40th St., New York, N. Y. 10018, filed a registration statement (File 2-39320) with the SEC on January 29 seeking registration of 50,000 outstanding shares of Class A convertible preferred stock and 2,469,375 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 (\$60.066 and \$3.875 per share maximum*, respectively).

The company is a diversified service corporation which provides the aerospace, electronics, defense and other industries with engineering, technical and computer services; it also creates sales and marketing programs for consumer goods vendors and develops and administers training programs for government and community agencies. In addition to indebtedness and preferred stock, the company has outstanding 5,137,730 common shares. Fletcher Capital Fund, Inc. may sell all of 342,350 common shares owned, NGC Capital Management all of 300,000 shares and Jerome Shaw, vice president, 100,000 of 472,935; numerous other companies, institutions and individuals may sell the remaining common shares being registered. Enterprise Fund, Inc. will sell all of the Class A preferred shares being registered, constituting all such shares outstanding. William Shaw is president and board chairman.

U. S. PLYWOOD-CHAMPION TO SELL DEBENTURES. U. S. Plywood-Champion Papers Inc., 777 Third Ave., New York, N. Y. 10017, filed a registration statement (File 2-39321) with the SEC on February 1 seeking registration of \$100,000,000 of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and marketing of building products, paper and related products, furniture and carpeting and is a substantial holder of timber lands. The net proceeds of its debenture sale will be added to the company's general funds and used for working capital and other purposes, which may include additions and improvements to existing facilities, the construction or purchase of new facilities, timber resources and the acquisition of other businesses. In addition to indebtedness and preferred stock, the company has outstanding 28,735,941 common shares. Karl R. Bendetsen is board chairman and president.

ZOLLER & DANNENBERG PROPOSES OFFERING. Zoller & Dannenberg Exploration, Ltd. (the general partner) 219 Patterson Bldg., Denver, Colo. 80202, filed a registration statement (File 2-39322) with the SEC on February 1 seeking registration of \$10,000,000 of pre-organization limited partnership interests in the Premier Oil & Gas Program, '71 and '72 Series, to be offered for public sale in minimum amounts of \$5,000. The offering is to be made on a "best efforts" basis by Hugh Johnson & Co., Inc., 1800 Rand Bldg., Buffalo, N. Y. 14203, which will receive a selling commission of 8%; participating NASD dealers will receive a 6% selling commission. The partnerships are to be formed to acquire and develop oil and gas properties in the United States and Canada. Henry E. Zoller, Jr., is board chairman of the general partner, and Kenneth I. Dannenberg is president.

LOWENSTEIN & SONS TO SELL DEBENTURES. M. Lowenstein & Sons, Inc., 1430 Broadway, New York 10018, filed a registration statement (File 2-39325) with the SEC on February 1 seeking registration of \$50,000,000 of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in manufacturing a broad range of woven and knitted fabrics and consumer textile products, including sheets, pillow cases, towels, draperies, curtains and carpeting. Net proceeds of its debenture sale will be used to reduce the company's short-term borrowings (\$62,250,000 at January 27, 1971), which were incurred principally for the construction, modernization and acquisition of textile plants and for working capital purposes. In addition to indebtedness, the company has outstanding 3,230,915 common shares.

TEXAS EASTERN TRANSMISSION FILES OFFERING PROPOSALS. Texas Eastern Transmission Corporation. Southern National Bank Bldg., Houston, Tex. 77002, filed a registration statement (File 2-39326) with the SEC on February 1 seeking registration of \$50,000,000 of debentures, due 1991, to be offered for public sale through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

In a separate registration statement (File 2-39327), the company seeks registration of 1,750,000 shares of common stock, to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc. The offering price (\$40 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the transportation and sale at wholesale of natural gas. Net proceeds of its financing will be used to retire notes payable, proceeds of which were used for general corporate purposes, including natural gas pipeline construction expenditures and other capital expenditures. In addition to indebtedness and preferred stock, the company has outstanding 20,007,991 common shares.

SYNTEX SHARES IN REGISTRATION. Syntex Corporation, Edificio Omanco, Via Espana No. 200, Panama, Republic of Panama, filed a registration statement (File 2-39328) with the SEC on February 1 seeking registration of 24,400 shares of common stock. These shares may be issued or have been issued upon exercise of stock options granted or to be granted under the company's stock option plans, have been issued upon conversion of preferred stock; or have been issued to persons who may be deemed part of the control group of the company. The company is engaged primarily in the manufacture and sale of pharmaceutical and animal health products. It has outstanding 9,623,637 common shares.

BASIC EARTH SCIENCE PROPOSES EXCHANGE OFFER. Basic Earth Science Systems, Inc., 178 S. Bellaire, Denver, Colo. 80222, filed a registration statement (File 2-39329) with the SEC on February 1 seeking registration of 150,000 shares of common stock and warrants to purchase 150,000 common shares. It is proposed to offer these securities and \$750,000 in cash in exchange for certain oil and gas properties of certain partnerships under an agreement between the company and Atoka, Inc., general partner.

The company was organized in July 1969 to provide consulting services for oil and gas exploration, producing and secondary recovery ventures, mineral evaluation and other undertaking such as ground, water and related studies and services. It has outstanding 1,225,000 common shares, of which G. W. Breuer, president and chief executive officer, owns 28.2%, management officials as a group 37% and Larry Abrams 12.7%. Albert L. Solliday is board chairman.

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:

Pickwick International, Inc., Long Island City, N. Y. 11101 (File 2-39323) - 80,051 shares
Pacific Vegetable Oil Corporation, San Francisco, Calif. 94111 (File 2-39324) - 48,000 shares
Sanders Associates, Inc., Nashau, N. H. 03060 (File 2-39333) - 400,000 shares

CORRECTION RE WESTERN PACIFIC INDUSTRIES EXCHANGE OFFER. Effectiveness of the offer of Western Pacific Industries, Inc. to exchange its shares for the outstanding common stock of Western Pacific Railroad Company (on a share-for-share basis) is contingent upon acceptance by holders of at least a majority of the outstanding Railroad shares, not upon acceptance by holders of at least 80% of the outstanding Railroad shares, as reported in the January 25 News Digest. If at least a majority of the shares are tendered, but less than 80%, consummation of the offer is in the discretion of Western Pacific Industries; if there is at least 80% acceptance, the offer will be consummated, subject only to the non-occurrence of certain materially adverse events.

SECURITIES ACT REGISTRATIONS. Effective February 2: Fair Lanes, Inc., 2-36100 (May 3); The First National Bancorporation, Inc., 2-39212; W. R. Grace & Co., 2-39074 (40 days); Hunt Manufacturing Co., 2-38742 (90 days); MGF Oil Corp., 2-37542 (90 days); Southeast Bancorporation, Inc., 2-39073; Transamerican Shoe Machinery Corp., 2-39159 (May 3).

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.

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