

# 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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## COMMISSION ANNOUNCEMENT

**SIPC BY-LAWS PUBLIC.** The initial By-Laws of the Securities Investor Protection Corporation (SIPC) may be examined in the Public Reference Room of the SEC's Washington Office. Copies may be obtained at a cost of \$2 plus postage (advance payment not necessary).

## HOLDING COMPANY ACT RELEASES

**MAINE YANKEE SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16998) giving interested persons until February 23 to request a hearing upon an application of Maine Yankee Atomic Power Company, Augusta, Me. subsidiary of Northeast Utilities and New England Electric System, to issue and sell, at competitive bidding, \$50,000,000 of first mortgage bonds, Series B, due 2002, and \$15,000,000 of debentures, Series A, due 1976. Net proceeds of the bond sale will be applied towards the cost of current and future construction and the net proceeds of the debenture sale will be applied towards the cost of initial fuel inventory for its nuclear-powered electric generating plant, which is under construction. The total capital cost of the plant is estimated at \$200,000,000 and the initial inventory of nuclear fuel at \$25,000,000.

**VERMONT YANKEE RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16997) authorizing Vermont Yankee Nuclear Power Corporation, Rutland, Vt. subsidiary of Northeast Utilities and New England Electric System, to issue and sell up to \$14 million of notes to six banks, the proceeds of which will be used to pay for or to reimburse Vermont Yankee for payments made for fabrication, construction and acquisition of nuclear fuel until a more permanent arrangement can be made.

**AEP RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16995) authorizing American Electric Power Company, Inc., New York holding company, to increase proposed cash contributions to Ohio Power Company, a subsidiary, from \$55,000,000 to \$90,000,000. Ohio Power's construction program for 1971 is estimated at more than \$150,000,000.

**UTAH POWER & LIGHT SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16999) giving interested persons until March 3 to request a hearing on an application by Utah Power & Light Company, Salt Lake City, to issue and sell, at competitive bidding, \$35,000,000 of first mortgage bonds and 520,000 shares of its Series E, \$25 par cumulative preferred stock. The net proceeds of this financing will be applied to the payment of outstanding short-term notes (estimated at \$38,000,000) representing borrowings for construction purposes. Utah's construction program for the years 1971-73 is estimated at \$191,000,000, of which \$69,000,000 will be used in 1971.

**SOUTHERN COMPANY RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-17001) authorizing Alabama Power Company, Gulf Power Company, Georgia Power Company and Mississippi Power Company, all subsidiaries of The Southern Company, Atlanta, Ga., to revise their list of lending banks from which previously authorized borrowings are to be made. On January 19, 1971, the Commission authorized the subsidiaries to issue and sell unsecured notes to banks and to dealers in commercial paper up to an aggregate principal amount outstanding at any one time of approximately \$85,000,000, \$125,000,000, \$18,000,000 and \$16,000,000, respectively.

**OHIO POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-17002) authorizing Ohio Power Company, Canton subsidiary of American Electric Power Company, Inc., to increase from \$84,691,000 to \$91,157,000 the maximum amount of short-term notes allowable under its Certificate of Incorporation as of December 31, 1970.

**FIRST CHICAGO SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-17000) giving interested persons until March 1 to request a hearing upon an application of First Chicago Corporation ("First Chicago"), its subsidiary, First Chicago Leasing Corporation ("Leasing"), both of Chicago, and BancOhio Corporation, a bank holding company, and its subsidiary, The Ohio National Bank of Columbus, both of Columbus, for an order declaring that neither First Chicago nor BancOhio will become a public utility holding company and neither Leasing nor Ohio National will become an electric utility company within the meaning of the Act as a result of certain transactions. Columbus and Southern Ohio Electric Company, an electric utility company (but not a holding company or subsidiary of a holding company) has entered into agreements to purchase two gas turbine generating units and accessory equipment (the "generators") for

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about \$11,700,000. Columbus and Southern proposes to assign its right to buy the generators to Ohio National Bank as Trustee for the benefit of Leasing and certain institutional investors. The Trustee will purchase the generators directly from the manufacturer and lease them to Columbus and Southern under a 25-year lease. The Trustee will pay Columbus and Southern an amount equal to progress payments previously made by Columbus and Southern to the manufacturer, and Columbus and Southern will have the right to buy the generators at the end of the term of the lease at their then market value. The Trustee proposes to borrow about 80% of the required funds from institutional investors and will issue therefor interest bearing securities which will be obligations of the Trustee, payable solely out of the proceeds of the lease and will be secured by a security interest in the generators and the lease; the remaining 20% of the purchase price will be advanced to the Trustee by Leasing as an investment in 100% of the beneficial ownership of the generators.

E. F. HUTTON RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6352) amending a previous order which exempted the E. F. Hutton Tax-Exempt Fund, California Series 1, New York Series 1, and Subsequent Series from the \$100,000 net worth provisions of the Act, the amendment increasing the maximum amount of securities to be issued.

GIBRALTAR FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6353) declaring that the Gibraltar Century Fund, Inc., Fort Lauderdale, Fla., has ceased to be an investment company.

#### INVESTMENT COMPANY ACT RELEASES

TECHNOLOGICAL ASSOCIATES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6351) declaring that Technological Associates, Inc., Fort Lauderdale, Fla., has ceased to be an investment company as defined in the Act. Its securities are held by fewer than 100 shareholders and no company which is a shareholder of Associates owns as much as 10% of its voting securities.

WS&W FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6354) giving interested persons until March 5 to request a hearing upon an application by WS&W Fund, Inc. ("Fund") and WS&W Special Fund, Inc. ("Special Fund"), New York mutual funds, for an exemption order with respect to the proposed sale by Special Fund and the acquisition by Fund of substantially all of the former's assets in exchange for shares of common stock of Fund. Pursuant to agreement, substantially all of the assets of Special Fund, valued at \$894,878, will be transferred to Fund in exchange for Fund shares; following its receipt of Fund shares, Special Fund will be liquidated and the Fund shares will be distributed to its stockholders upon surrender of Special Fund stock. The transaction has been approved by the holders of two-thirds of Special Fund's outstanding shares.

#### COURT ENFORCEMENT ACTIONS

GLOBUS DEFENDANTS ENJOINED. The SEC New York Regional Office announced February 5 (LR-4900) that the Federal court in New York permanently enjoined John M. Lewin for violating the prospectus delivery requirements, and the following from violating the prospectus delivery and antifraud requirements of the Federal securities laws in transactions involving stock of Globus International Ltd.: Stephen Schustek, George Silberfein, Mayer Laufer, doing business as Mayer Laufer Company, and Andrew G. Nelson. The defendants consented to the injunction without admitting or denying the allegations.

COMPLAINT NAMES HOME STAKE 1970 AND HOME STAKE PRODUCTION. The SEC today announced the filing of an action in Federal court in Washington, D. C. (LR-4901) seeking to enjoin the following from violating the registration and antifraud provisions of the Federal securities laws in the offer and sale of securities of Home Stake 1970's oil and gas recovery program: Home Stake 1970 Program Operating Corporation ("Home Stake 1970") and its parent, Home Stake Production Company, both of Tulsa, Okla., Robert S. Trippet, E. M. Kunkel, Thomas A. Landrith, J. D. Metcalfe, H. B. Gutelius, and H. L. Fitzgerald, all officers or directors of both corporations. The Commission is also seeking an order to compel Home Stake 1970 to offer rescission to all persons who purchased units of participation in the 1970 Program and an order appointing a receiver to take possession of cash paid by participants in the Program and any profits arising therefrom.

COMPLAINTS NAME CORNELIA AND TRANSCOASTAL INDUSTRIES. The SEC today announced the filing of a complaint in Federal court in Washington, D. C. (LR-4902) seeking an order directing Cornelia Corporation, New York, to comply with the reporting requirements of the Securities Exchange Act. Cornelia failed to file annual reports for fiscal years ended March 31, 1969 and 1970 as well as semi-annual reports required for the periods ending September 30, 1969 and 1970.

In a separate action, the Commission filed a complaint in the same court seeking an order directing Transcoastal Industries Corporation, Beachwood, N. J., to comply with the Act's reporting and related requirements. According to the Commission's complaint, the company's December 31, 1967 balance sheet which was included in an application for registration of common stock filed July 1968, was not certified by an independent public accountant, as required, the required certified profit and loss statements for three fiscal years ended December 31, 1965, '66 and '67 were not included and the company failed to file annual and semi-annual reports as required.

**TARA OIL, WALLICK ENJOINED.** The SEC Chicago Regional Office announced Feb 4 (LR-4903) that the Federal court in Cleveland permanently enjoined Harold D. Wallick and Tara Oil Company, Elyria, Ohio, from violating the registration and antifraud provisions of the Federal securities laws in the offer and sale of fractional undivided interests in oil and gas leases. The defendants consented to the injunction without admitting or denying the allegations.

**NATIONAL BANKERS LIFE, OTHERS ENJOINED.** The SEC Fort Worth Regional Office announced February 11 (LR-4904) that the Federal court in Dallas preliminarily enjoined the following from violating the registration and antifraud provisions of the Federal securities laws: National Bankers Life Insurance Company, National Bankers Life Insurance Company Employees Retirement Plan, Master Control, Inc., Olympic Life Insurance Company, Sharpstown Realty Company, Oak Forest Realty Company, Oak Forest Investment Company, Flap, Inc., Sharpstown State Bank, Frank W. Sharp, J. Quincy Adams, Tom Max Thomas, Sam Stock, Donald S. Akins, Phillip I. Proctor, James Farha, William B. Strange, Jr., and Audy Byram, the defendants consenting to the injunction without admitting the violations. Also enjoined, after hearing, were Nashwood Corporation, South Atlantic Company, John Osorio and David Hoover. A preliminary injunction against violations of the registration provisions of the Federal securities laws was entered against Michael F. Ling and H. E. McCain.

#### SECURITIES ACT REGISTRATIONS

**ITEL SHARES IN REGISTRATION.** ITEL Corporation, One Bush St., San Francisco, Calif. 94104, filed a registration statement (File 2-39384) with the SEC on February 10 seeking registration of 375,000 outstanding shares of common stock and 62,500 outstanding common stock purchase warrants, to be offered for public sale through underwriters headed by duPont Glore Forgan Incorporated, Bank of America Center, San Francisco, 94104. The offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in several activities in the data processing industry, including the providing of computerized accounting services to other businesses, the leasing of computers and related equipment to others and the manufacture and sale or lease of data handling equipment, including automatic typewriters, word processors and computer terminals. In addition to indebtedness and preferred stock, it has outstanding 4,415,478 common shares. Fred H. Merrill is board chairman and Peter S. Redfield is president and chief executive officer. Leon Weisburgh proposes to sell 217,283 of 247,400 shares held and 15 others the remaining securities being registered.

**HOWARD JOHNSON FILES FOR OFFERING AND SECONDARY.** Howard Johnson Company, 1 Howard Johnson Plaza, Boston 02125, filed a registration statement (File 2-39385) with the SEC on February 11 seeking registration of 1,200,000 shares of common stock, of which 600,000 are to be offered for public sale by the company and 600,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York, N. Y. 10005 and two other firms; the offering price (\$23.125 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in operating, licensing and supplying food and lodging service chains in the United States, Puerto Rico and four foreign countries. Net proceeds of its sale of additional stock will be used principally for equipment, leasehold and other land improvements and working capital required for the expansion of the restaurant and motor lodge operations of the company. In addition to indebtedness, the company has outstanding 10,619,177 common shares. Howard B. Johnson is president. Howard D. Johnson, former chairman and father of Howard B. Johnson, proposes to sell 400,000 of 438,502 shares held and Dorothy J. Weeks, daughter of Howard D. Johnson, 200,000 of 661,952.

**PORCH AND PATIO TO SELL STOCK.** Porch and Patio, Inc., 315 Sunrise Highway, Rockville Centre, N. Y., filed a registration statement (File 2-39388) with the SEC on February 11 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering is to be made on a "best efforts-60% or none" basis by A. C. Kluger & Co., 200 East 42nd St., New York, N. Y. 10017, which will receive a 25¢ per share selling commission plus up to \$15,000 for expenses. The company has agreed to sell the underwriter, at 1¢ each, five-year warrants to purchase up to 20,000 shares, exercisable after one year at \$2.75 per share.

The company is primarily engaged in the sale of casual furniture through three retail store outlets. Of the net proceeds of its stock sale, \$140,000 will be used to open and stock one or two additional clearance centers; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 669,600 common shares (with a 50¢ per share book value), of which Murray Grobman, president, Nathan Crandall, vice president, and Morton Grobman, secretary-treasurer, own 33-1/3% each. Purchasers of the shares being registered will acquire a 37.39% stock interest in the company for their investment of \$500,000 (they will sustain an immediate dilution of \$1.67 in per share book value from the offering price); present shareholders will then own 62.61%, for which they paid \$66,050, or approximately 9½¢ per share.

**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:

Lomas & Nettleton Financial Corporation, Dallas, Tex. 75201 (File 2-39363) - 355,750 shares  
 The Dayton Power and Light Company, Dayton, Ohio 45401 (File 2-39387) - 200,000 shares  
 Science Management Corporation, Morrestown, N. J. 08057 (File 2-39386) - 35,989 shares

**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 (in ordering, please give month and year of report). 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 February 5 News Digest.

8K Reports for December 1970

Allen Electric and Equipment Co. (11)	1-6016-2	National Presto Industries Inc. (12,13)	1-2451-2
Alpex Computer Corp (4,13)	0-5221-2	Rotodyne Manufacturing Corporation (12)	1-5468-2
Amarex, Inc (7,12)	0-5106-2	Triton Oil & Gas Corp (11)	0-3247-2
American Guaranty Corporation (2,7,11,13)	0-4563-2	Akzona, Inc (4,12,13)	1-3901-2
Associated Spring Corp (7)	1-4861-2	Bank Securities, Inc (2,7,12,13)	2-36862-2
California Financial Corp (2,7,12,13)	1-4637-2	Comtel Corporation Jan 1971 (3,13)	0-4923-2
Century Industries Co Inc. (4,11,12,13)	1-408-2	Edgcomb Steel of New England, Inc. (2,7,13)	0-2591-2
Charnita, Inc. (1)	0-4312-2	Frontier Airlines, Inc (3)	1-4877-2
Cooper Tire & Rubber Co. (12)	1-4329-2	Gyrodyne Co. of America Inc. (8,11,12,13)	0-1684-2
Crescent Niagara Corp (2,4,13)	0-567-2	Hydraulic Press Brick Co (7)	0-1000-2
Danmont Corporation (2,7,12,13)	0-4596-2	Inter-Island Resorts, Ltd. (7)	0-1663-2
Farrington Mfg. Co (3)	0-1530-2	Petrodynamics, Inc (1,2,7,11,13)	0-4390-2
Pennsylvania Real Estate Investment Trust (11)	1-6300-2	All State Properties, Inc (2,3,9,10)	0-2438-2
Rio Grande Industries, Inc. (7,11,13)	1-6022-2	Computer Complex, Inc (12)	0-4162-2
Telefile Computer Corporation (2,7,13)	0-4303-2	Deltec International Ltd. (3,13)	1-5897-2
ARA Services, Inc (7,13)	1-4762-2	Dico Corporation (11,12,13)	0-1430-2
Alco Standard Corp (7,8,9,12,13)	1-5964-2	Harvest Industries, Inc. (7,9,13)	0-3938-2
Allied Artists Pictures Corp (6,11)	1-2965-2	House of Fabrics Inc (7)	1-5093-2
The Chesapeake & Potomac Tel Co of Va. (7,12,13)	2-24752-2	Hydro-Ski International Corp (1,12)	0-4089-2
Computer Graphics, Inc (11,12)	2-33885-2	Illinois Central Industries Inc. (12)	1-4710-2
Fairmont Foods Co (7,12)	1-4100-2	Management Assistance Inc (8,10,12,13)	0-2017-2
Farmland Industries, Inc (8)	2-27693-2	Marshall Industries Jan 1971 (13)	1-5441-2
First Western Financial Corp (2,12)	0-2904-2	Planned Communities, Inc. (11,13)	0-2623-2
Francisco Sugar Co (7,12,13)	0-4495-2	Servo Corp of America (7,8,12)	1-3925-2
Golden State Health Centers, Inc. (2,12,13)	0-4380-2	Unisource Corporation Jan 71 (2,12)	0-4452-2
Gulfstream Land & Development Corp (7,9,12,13)	2-29825-2	Warwick Hotel Associates Nov 1970 (11,13)	2-11759-2
Investors Guaranty Life Insurance Co (1)	0-3520-2		

**SECURITIES ACT REGISTRATIONS. Effective February 11:** Allied Artists Pictures Corp., 2-39211; Investerrain, Inc., 2-38088 (90 days); MTS Systems Corp., 2-39089; Northern States Power Co., 2-39144; Professional Petroleum Management, Inc., 2-34336 (90 days); Ralston Purina Co., 2-39303; Reliance Electric Co., 2-39252; TDA Industries, Inc., 2-37783 (40 days).

**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.