

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 June 11, 1970

HOLDING COMPANY ACT RELEASE

MORGAN GUARANTY, IRVING TRUST COMPANIES SEEK ORDER. Morgan Guaranty Trust Company of New York and Irving Trust Company, both of New York City, have applied to the SEC for an order under the Holding Company Act with respect to the purchase of turbine generating units and accessory equipment (the "generators") and their lease to Consolidated Edison Company of New York, Inc. ("Con Ed"); and the Commission has issued an order (Release 35-16754) giving interested persons until June 25 to request a hearing thereon.

According to the application, Con Ed has entered into agreements with various manufacturers for purchase of the generators at a cost of \$20,000,000. It proposes to assign the purchase rights to Irving Trust, acting as trustee for the benefit of Morgan Guaranty and other institutional investors. Upon purchase of the generators, they will be leased to Con Ed under a 25-year lease; Con Ed will have rights to extend the lease for two five-year terms and to buy the generators at the end of any term for their then fair market value. The Trustee would borrow about 80% of the required funds from institutional investors, who would receive equipment trust notes payable solely out of the proceeds of the lease. The remaining 20% would be advanced to the Trustee by Morgan Guaranty. The application seeks a Commission order declaring that neither Morgan Guaranty nor Irving Trust will become "an electric utility company" within the meaning of the Holding Company Act as a result of the foregoing transactions.

INVESTMENT COMPANY ACT RELEASES

CENTENNIAL - SECOND CENTENNIAL FUNDS SEEK ORDERS. The SEC has issued orders under the Investment Company Act giving interested persons until July 2 to request a hearing upon applications of Centennial Fund, Inc. ("Centennial") (Release IC-6072) and Second Centennial Fund, Inc. ("Second Centennial"), (Release IC-6073), Denver mutual funds, for orders declaring that they have ceased to be investment companies. On July 31, 1968, each Fund transferred its assets having a value of \$9,509,210 and \$6,687,543, respectively, to Gryphon Fund, Inc., and retained assets having a value of \$670,687 and \$208,505, respectively, to pay liabilities. In exchange, the Funds received 484,669 and 340,853 shares, respectively, of Gryphon with a net asset value of \$19.62 per share. The assets retained by the Funds were used to pay their liabilities and the balance was distributed in cash to their shareholders as a final liquidating distribution on August 30, 1968. The Funds represent that by June 5, 1969 and January 9, 1970, respectively, all shareholders had surrendered their shares in exchange for shares of Gryphon and that they have no assets, creditors or shareholders and have ceased to be investment companies.

FIFTY STATES FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6074) giving interested persons until July 1, to request a hearing upon an application of Fifty States Mutual Fund, Inc. (now Nationwide Transport, Inc.), Columbus, Ohio, for an order declaring that it has ceased to be an investment company as defined in the Act. Applicant represents that its assets consist almost exclusively of an aircraft; its outstanding voting securities are owned by Nationwide Mutual Insurance Company of Columbus; and that it is not making and does not propose to make any public offering of its shares and will not carry on the business of an investment company as defined in the Act.

COURT ENFORCEMENT ACTION

RICHTER & CO. ENJOINED. The SEC Chicago Regional Office announced June 5 (LR-4629) that the Federal court in St. Louis had entered an order of preliminary injunction against Henry J. Richter & Co. and Henry J. Richter, with their consent, enjoining violations of the net capital and anti-fraud provisions of the Securities Exchange Act. Previously, the court named E. Morton Eckman as receiver for the Richter firm.

SECURITIES ACT REGISTRATIONS

CONSOLIDATED WATER PROPOSES RIGHTS OFFERING. Consolidated Water Company, 806 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement (File 2-37611) with the SEC on June 8 seeking registration of 659,731 shares of common stock. It is proposed to offer these share for subscription by common stockholders, at the rate of one new share for each share held. The subscription price (\$6 per share maximum*) is to be supplied by amendment.

The company through subsidiaries is engaged in the collection, purification, distribution and sale of water in six states. Net proceeds of the company's stock sale will be applied to the reduction of its short-term debt (of which \$7,439,000 was outstanding at March 31). In addition to indebtedness and preferred stock, the company has outstanding 657,823 common shares, of which Apache Corporation owns 63%. P. Richard Bauer is board chairman and president.

CALTEX PETROLEUM SHARES IN REGISTRATION. Caltex Petroleum Corporation, 380 Madison Ave., New York, N. Y., 10017, filed a registration statement (File 2-37612) with the SEC on June 8 seeking registration of \$5,000,000 of participations in the Employees Savings Plan.

OVER

WABASH MAGNETICS FILES FOR SECONDARY. Wabash Magnetics, Inc., 810 North Cass St., Wabash, Ind., 46992, filed a registration statement (File 2-37614) with the SEC on June 9 seeking registration of 240,000 shares of common stock. These shares have been issued or are issuable upon conversion of outstanding shares of preferred stock--Series A and may be offered for sale from time to time by the recipients thereof at prices current at the time of sale (\$8.50 per share maximum*), or at private sale at negotiated prices, or otherwise.

The company is engaged in the production and sale of electro-magnetic products and systems, primarily coils, transformers and other high voltage power supplies. In addition to indebtedness and preferred stock, the company has outstanding 1,767,867 common shares, of which management officials as a group own 13%. William F. Boyd is president. Murray Lavin may sell all of 79,572 shares issuable upon conversion of the preferred shares, David R. Buchanan all of 43,840 and 34 others the remaining shares being registered.

MISSISSIPPI POWER PROPOSES OFFERING. Mississippi Power & Light Company, P. O. Box 1640, Jackson, Miss. 39205, filed a registration statement (File 2-37617) with the SEC on June 9 seeking registration of \$17,500,000 of first mortgage bonds, due 2000, and 75,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. A subsidiary of Middle South Utilities, Inc., the company will use the net proceeds of its offering to retire all short-term obligations (estimated at \$12,000,000) made for the purpose of temporarily financing its 1970 construction program, to provide funds required for the 1970 construction program and for other corporate purposes. Construction expenditures are estimated at \$49,871,000 for 1970.

MAREMONT FILES FOR SECONDARY. Maremont Corporation, 168 N. Michigan Ave., Chicago, Ill. 60601, filed a registration statement (File 2-37619) with the SEC on June 9 seeking registration of 2,154 shares of common stock. Elias N. Lasry and Estrella C. Lasry may sell 951 shares each of 17,679 and 16,960 shares held, respectively, and two others the remaining shares being registered. In addition to indebtedness and preferred stock, the company has outstanding 2,007,687 common shares.

CASTLETON INDUSTRIES SHARES IN REGISTRATION. Castleton Industries, Inc., P. O. Box 1299, 855 S. Federal Highway, Boca Raton, Fla. 33432, filed a registration statement (File 2-37621) with the SEC on June 10 seeking registration of 456,328 shares of common stock. These shares were issued in connection with the merger of Atlantic Investment Corporation and Investment Corporation of South Florida into the company in February 1969 and certain acquisitions during 1968 and 1969. Of these shares, 16,500 may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$7 per share maximum*). The selling stockholders have advised the company that they have no present intention to offer any of the remaining shares but may do so during the period in which the registration statement is in effect. Also included in this statement are 34,130 treasury shares which the company may reissue in connection with possible future acquisitions of assets or of interests in other businesses. The company is engaged in activities in the following areas: bank stocks, racing properties and operations, real estate and related business, textiles, and manufacturing and food processing. In addition to indebtedness, it has outstanding 6,613,589 common shares, of which Frederick L. Van Lennep, president, and board chairman, and his wife own 41.49%.

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:

- Oneida Ltd., Oneida, N. Y. 13421 (File 2-37609) - 100,000 shares
- Beatrice Foods Co., Chicago, Ill. 60603 (File 2-37610) - 1,467,954 shares
- Life Investors Inc., Cedar Rapids, Iowa (File 2-37613) - 310,000 shares
- The Variable Annuity Insurance Company, Houston, Tex. 77019 (File 2-37615) - 40,000 shares
- The Variable Annuity Life Insurance Company Separate Account One, Houston, Tex. 77019 (File 2-37616) - \$330,000 of interests in The Variable Annuity Life Insurance Company Retirement Plan for Agents and Managers and \$330,000 of interests under Group Variable Retirement Annuity Contract of Separate Account One with respect to Retirement Plan for Agents and Managers.
- Longs Drug Stores, Inc., Oakland, Calif. 94618 (File 2-37618) - 37,360 shares
- Studebaker-Worthington, Inc., New York 10036 (File 2-37620) - 594,878 shares

MISCELLANEOUS

TRADING SUSPENSION CONTINUED. The SEC has issued an order suspending exchange and/or over-the-counter trading in the common stock of Four Seasons Nursing Centers of America, Inc., for the further ten-day period June 12-21, 1970, inclusive.

SECURITIES ACT REGISTRATIONS. Effective May 26: The Mitsui Bank, Ltd., 2-36017.
 Effective June 9: H & B American Corp., 2-37408 (40 days).
 Effective June 10: The Acorn Fund, Inc., 2-34223; American Broadcasting Companies, Inc., 2-37267; Avenco Corp., 2-37461; Caltex Petroleum Corp., 2-37612; Consumers Power Co., 2-37326; First of Michigan Corp. and Goodbody & Co., 2-37199; Foote, Cone & Belding Communications, Inc., 2-37130; Walter E. Heller International Corp., 2-36957; Holiday Inns, Inc., 2-37177 (40 days); Ingersoll-Rand Co., 2-36672; Texas Eastern Transmission Corp., 2-37322; Wenner Oil and Gas, Inc., 2-36195 (90 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.