

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE September 15, 1970

COMMISSION ANNOUNCEMENT

MANUFACTURING PROFITS REPORTED. The SEC and Federal Trade Commission announce (for September 16 newspapers) that U. S. manufacturing corporations reported sales of \$181.3 billion and before-tax profits of \$13.7 billion in the second quarter of 1970. The sales total is 6 percent above the first quarter figure and pre-tax profits are 13 percent higher. Profits after taxes totaled \$8.0 billion in the second quarter, a 16 percent rise. These gains are seasonal in nature and when seasonal patterns are taken into consideration, the second quarter results appear to show little change from the January-March period. For further details, see Stat. Release No. 2468.

HOLDING COMPANY ACT RELEASE

WESTERN MASS. ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16830) authorizing Western Massachusetts Electric Company (Springfield) to issue and sell short-term notes (including commercial paper) in the amount of \$12,700,000 (in addition to \$7,400,000 of exempt borrowings). An electric utility subsidiary of Northeast Utilities, the company will use the funds for construction expenditures and for investments in nuclear generating companies. Construction expenditures are estimated at \$46,700,000 for 1970 and \$31,500,000 for 1971; and investments in or advances to nuclear generating companies (Maine Yankee Atomic Power Company and Vermont Yankee Nuclear Power Corporation) at \$3,600,000 during 1970 and \$1,500,000 during 1971.

INVESTMENT COMPANY ACT RELEASES

METROPOLITAN LIFE RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-6185), on application of Metropolitan Life Insurance Company, of New York, with respect to certain aspects of the business to be conducted by its Metropolitan Variable Account B. Metropolitan established Account B to allocate to the account purchase payments, after certain deductions received under individual variable annuity contracts designed to provide retirement payments to employees of public school systems and certain other tax-exempt organizations under annuity purchase arrangements meeting the requirements of Section 403(b) of the Internal Revenue Code.

TELEPROMPTER RECEIVES ORDER. The SEC has issued an order (Release IC-6186) granting an exemption from provisions of the Investment Company Act with respect to certain transactions incident to the merger of Teleprompter Corporation, of New York and H & B American Corporation. Shareholders of the two companies approved the merger on May 21, 1970. Channing Special Fund owned 3.2% and Channing Growth Fund 6.9% of the outstanding Teleprompter stock; in addition, the Growth Fund owned 4.8% of the outstanding stock of H & B American. In view of these intercompany affiliations, the exchange of shares with the funds was prohibited by the Investment Company Act in the absence of an exemption order issued by the Commission.

COURT ENFORCEMENT ACTIONS

HENDERSON & SWAVING SENTENCED. The SEC Denver Regional Office announced September 9 (LR-4748) that the Federal court in Minot, N. Dak., had sentenced A. R. (Bobby) Henderson of Minot and John A. O. Swaving of Moorhead, Minn., to prison terms of three and two years, respectively, upon their conviction of violating the Securities Act anti-fraud provisions in the offer and sale of securities of Shoppers Charge Plan, Inc.

S. G. FASSOULIS SENTENCED. The SEC New York Regional Office announced September 9 (LR-4749) that the Federal court in New York City had sentenced Satiris G. Fassoulis of New York to 4½ years' imprisonment following his conviction of conspiracy to violate and substantive violations of the Mail Fraud statute in connection with transactions in Tintair, Inc. stock.

SEC COMPLAINT NAMES WANDERON & CO. The SEC New York Regional Office announced September 10 (LR-4750) the filing of court action seeking to enjoin Wanderon & Company, Inc., Jersey City broker-dealer firm, and its president, Thomas Wanderon, from further violations of the net capital and anti-fraud provisions of the Securities Exchange Act. The Commission also seeks the appointment of a receiver for the business and assets of the Wanderon firm.

INDICTMENT RETURNED IN PETROLEUM EXPLORATIONS OFFERING. The SEC Fort Worth Regional Office announced September 3 (LR-4751) that a Federal grand jury in Topeka, Kansas, had returned an indictment charging violations of the Securities Act registration and anti-fraud provisions by the following in the offer of oil interests of Petroleum Explorations, Inc., Petex Producing, Inc., and Petroleum Counseling, Inc.: Don F. Langdon and Muriel J. Enyart, both of Topeka, and James W. Thompson, of Augusta, Ks.

OVER

COURT RESTRAINS SALE OF INTERNATIONAL CHEMICAL STOCK. The SEC Denver Regional Office announced September 9 (LR-4752), that, pending trial of the Commission's complaint, the Federal court in Salt Lake City had issued a preliminary injunction against violations by the following of the Securities Act registration requirements in the offer and sale of stock of International Chemical Development Corporation: Richard T. Cardall, Irwin C. Glaser, William L. Allen, Ray L. Pruett, Joseph A. Holman, John D. Smith, John Syphers, all of Salt Lake City, Utah, Eugene J. Moran of New York City, Frank Lloyd Parks of West Babylon, New York, International Chemical Development Corporation, a Nevada corporation, Intermountain Chemical, Inc., Golden Rule Associates, and MFTD Corporation, all Utah corporations. The court denied the motion for a preliminary injunction as to James G. Macey; previously it permanently enjoined violations by Henry Franke, of Norman, Okla., by reason of default.

J. E. DENNETT GUILTY OF CONTEMPT. The SEC Fort Worth Regional Office announced September 10 (LR-4753) that the Federal court in Texas had found John Eiwood Dennett of Salt Lake City guilty of civil contempt for failure to produce certain records of Underwriters Investment Company and Drexel Industries, Inc., pursuant to an earlier order of the court.

CLARIFICATION RE KENT INDUSTRIES. The SEC News Digest of September 3 reported that the Federal court in New York City had imposed sentences upon six individuals for violations of the Federal securities laws in the offer and sale of stock of Kent Industries, Inc. (LR-4740). The issuer of such stock is not to be confused with Kent Industries, Inc., a New York corporation engaged (among other things) in the dry cleaning business in New York.

SECURITIES ACT REGISTRATIONS

AMERICAN AIRLINES PROPOSES OFFERING. American Airlines, Inc., 633 Third Ave., New York, filed a registration statement (File 2-38352) with the SEC on September 11 seeking registration of \$31,900,000 of Loan Certificates due 1988, to be offered for public sale through underwriters headed by Lazard, Freres and Co., 44 Wall St., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment. One of the nation's largest domestic and international airlines, the company will use the net proceeds of this financing for the lease-purchase of new aircraft and auxiliary equipment. As of July, 1970 American had commitments to spend approximately \$144,000,000 with \$70,000,000 to be spent during the remainder of 1970 for equipment and facilities. In addition to indebtedness and preferred stock, the company has outstanding 20,281,000 common shares. George A. Spater is board chairman and president.

WISCONSIN MICHIGAN POWER PROPOSES OFFERING. Wisconsin Michigan Power Co., 231 West Michigan St., Milwaukee, Wisc. 53201, filed a registration statement (File 2-38353) with the SEC on September 11 seeking registration of \$10,000,000 of first mortgage bonds due 2000, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale to retire short term borrowings evidenced by bank loans and commercial paper, to reimburse the company's treasury for capital expenditures previously made, and to finance in part continuing additions and improvements to the company's utility plant. Construction expenditures for 1970 are estimated at \$26,500,000.

MISSOURI BANCSHARES FILES EXCHANGE OFFER. Missouri Bancshares Inc., 928 Grand Ave., Kansas City, Mo. 64106, filed a registration statement (File 2-38354) with the SEC on September 11 seeking registration of 242,500 shares of common stock. It proposes to offer these shares in exchange for all the outstanding shares of common stock of the following Missouri banks (and at the indicated exchange ratios): 70,000 shares for the 5,000 outstanding shares of the Peoples National Bank of Warrensburg (14 shares for 1); 70,000 shares for the 25,000 outstanding shares of the Kemper State Bank (2.8 shares for 1); 56,000 shares for the 20,000 outstanding shares of the common stock of the Central National Bank of Carthage (2.8 shares for 1) and 46,500 shares for the 60,000 outstanding shares of the Security National Bank of Joplin (.775 shares for 1).

The company was organized in 1967 for the purpose of becoming a bank holding company; in December 1969 it acquired The City National Bank and Trust Company of Kansas City. The company has outstanding 1,006,210 common shares, of which Rufus Crosby Kemper, board chairman, owns 18.26% and management officials as a group 23.24%. R. Crosby Kemper, Jr., is president.

IDS FUNDS FILE FOR OFFERING. Investors Accumulation Plan, Inc., a subsidiary of Investors Diversified Services, Inc. ("IDS"), and Sponsor of IDS Investment Program, filed a registration statement (File 2-38356) with the SEC on September 11 seeking registration of \$200,000,000 of Periodic Payment Plans for the Accumulation of Shares of IDS Growth Fund, Inc. The programs will be offered for public sale by IDS; the sales charge will range from 8.74% to 4% of the aggregate payments, depending upon the size of program acquired. In a separate registration statement (File 2-38355), the Fund seeks registration of 5,000,000 shares, which may be issued under and pursuant to the IDS Investment Program. IDS is investment manager and distributor of Fund shares.

TEXAS ELECTRIC PROPOSES OFFERING. Texas Electric Service Co., Electric Bldg., Ft. Worth, Tex. 76102, filed a registration statement (File 2-38358) with the SEC on September 11 seeking registration of \$25,000,000 of first mortgage bonds, due 2060, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds from the stock sale to meet expenditures for its construction program and for other corporate purposes, including the repayment of short-term loans (estimated at \$5,000,000) from Texas Utility Co., its parent. Construction expenditures for 1970 are estimated at \$62,900,000 and for 1971 at \$66,300,000.

MISCELLANEOUS

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 September 3 News Digest.

8K Reports for July 1970

| | | | |
|---|-----------|--|-----------|
| Investment Properties Associates (7,8,13) | 2-33132-2 | Craddock Terry Shoe Corp(7) | 0-542-2 |
| Kraftco Corp (3) | 1-1146-2 | Financial Security Life Ins. Co. (2,13) | 0-3428-2 |
| Lone Star Gas Co. (7) | 1-3183-2 | Great Western United Corp (12) | 1-5443-2 |
| Mallory Randall Corp (7,12) | 1-4527-2 | Olshen Overseas, Inc.(11) | 2-32217-2 |
| Nylon Engineering Inc.(7,11) | 0-3569-2 | | |
| American Computer Leasing Corp (7,13) | 0-3512-2 | Computer Engineering Corp. June 70(7) | 2-34868-2 |
| American Equity Investment Trust (7,10,11) | 0-4869-2 | Extendicare Inc.(2,13) | 1-5975-2 |
| ESB Inc. (12) | 1-5427-2 | Alfred Hart Co. (12) | 1-5136-2 |
| Madison Industries, Inc.(11) | 0-5032-2 | NB Corporation (12) | 0-4534-2 |
| | | | |
| Burlington Northern Inc.(7,13) | 1-6324-2 | Beneficial Corp. (7,13) | 1-1177-2 |
| Duquesne Natural Gas Co(2,13) | 0-4859-2 | Fairmont Foods Co.(4,7,11,12,13) | 1-4100-2 |
| E.L.I. Industries, Inc.(3,7) | 0-3911-2 | Glasrock Products Inc.(11,13) | 1-5413-2 |
| | | Iroquois Industries Inc.(2) | 1-5387-2 |
| | | Network Data Processing Corp(11) | 0-5027-2 |
| Commercial State Corporation(2) | 2-34283-2 | | |
| Commercial State Life Ins. Co. (2) | 2-22871-2 | Alpha Portland Cement Co.(12) | 1-954-2 |
| | | Armac Enterprises, Inc.(11) | 2-34853-2 |
| Cotter & Company (7,13) | 2-20910-2 | Boston Edison Co. (7,11,13) | 1-2301-2 |
| Fidelity National Corp (11) | 0-2933-2 | E Z Paint Corp Apr 70(2,7,13) | 0-12-2 |
| First Colorado Bankshares Inc. Apr 70(11) | 0-2687-2 | Mar 70(2,7,13) | 0-12-2 |
| First Fidelity Investment Trust (2) | 2-35007-2 | Kaiser Cement & Gypsum Corp (3) | 1-4598-2 |
| Imperial Industries, Inc. (2,7,9,13) | 0-3640-2 | Worcester Gas Light Co.(7,13) | 2-1647-2 |
| Mississippi River Corp (7,13) | 1-3599-2 | | |
| Novo Corp (3) | 1-976-2 | AAA Enterprises Inc.(3,13) | 0-4926-2 |
| | | All State Properties, Inc. (7,9,13) | 0-2438-2 |
| Bloomfield Bldg. Industries, Inc. (12) | 1-4608-2 | American Credit Corp(1) | 1-4491-2 |
| Botswana RST Ltd 6K for Oct 14 '69 thru June 1970 | 2-28491-2 | Mobile Home Communities (12,13) | 2-32844-2 |
| Danner Foods Inc.(12,13) | 0 4377-2 | Monsanto Co. (12) | 1-2516-2 |
| Fleetwood Enterprises Inc. (7,13) | 1-5602-2 | Ransburg Electro-Coating Corp(3) | 0-3013-2 |
| Maxad, Inc. (2,13) | 0-4235-2 | | |
| Motor Club of America(11)Jun 70 | 0-671-2 | American Motors Corporation (4,13) | 1-622-2 |
| National Gypsum Co.(2,3,7,13) | 1-2489-2 | Bradford Speed Packaging & Devel Corp (8) | 1-4859-2 |
| Norfolk and Western Ry Co.(7) | 1-546-2 | Federal Hydronics Inc.(1,3) | 0-1474-2 |
| | | First Boston Corp (3) | 0-494-2 |
| Continental Mortgage Investors (11) | 1-5079-2 | | |
| Green Giant Co.(11) | 1-5272-2 | Atlantic Richfield Co.(3,13) | 1-1196-2 |
| First National Corp Jun & Jul (7,13) | 0-2613-2 | Diners' Club, Inc.(3,4,7,8,13) | 0-5072-2 |
| Lee Motor Products Inc. (3,12,13) | 1-4441-2 | Essex Systems Company, Inc. (3,11,13) | 0-3046-2 |
| Oxford Pendaflex Corporation (11,13) | 0-5037-2 | Giffen Industries Inc.(12) | 0-4177-2 |
| | | The TI Corp (of Calif) (12) | 1-6182-2 |
| Collins Radio Co.(4,12,13) | 1-4248-2 | UAL, Inc.(2,4,7,9,11,13) | 1-6033-2 |
| Foster Grant Co., Inc.(7) | 0-78-2 | | |
| | | Digital Applications, Inc. (2,12,13) | 0-3256-2 |
| | | Dorr-Oliver Inc.(6,12) | 1-3870-2 |
| | | Sonic Development Corp of America (11,13) | 2-29903-2 |
| | | Stewart Sandwiches Inc.(12,13) | 0-4274-2 |
| | | Superior Oil Co. (12) | 1-4744-2 |
| | | | |
| | | Allied Chemical Corp(8,12,13) | 1-1269-2 |
| | | C.I.T. Financial Corp (7,13) | 1-1861-2 |

8K Reports for July 1970 (Con't)

| | | | |
|---|-----------|---|-----------|
| Great Lakes Dredge & Dock Co. (12,13) | 1-1303-2 | Cheasco Industries, Inc. Oct 69 (9,13) | 2-30665-2 |
| Insilco Corporation (2,4,7,8) | 1-3348-2 | Flying Diamond Land and Mineral Corporation (7,13) | 0-4033-2 |
| Long Island Lighting Company (12,13) | 1-3571-2 | International Textbook Co.(3,12) | 0-800-2 |
| The Mortgage Investment Group Aug 70(11) | 2-31781-2 | Jones & Laughlin Steel Corp(13) | 1-463-2 |
| | | Zenith Radio Corp (12) | 1-4115-2 |
| American Financial Corp (8,12) | 0-839-2 | Ald, Inc. (6,9) | 0-254-2 |
| Bermec Corporation(6,9,13) | 1-4739-2 | Investors Unlimited Inc.(13) | 0-2202-2 |
| Computer Task Group, Inc.(1,8, 10,13) | 2-31451-2 | Life Securities of Iowa Inc.(13) | 0-1283-2 |
| Fabrics National, Inc.(7,12,13) | 1-5967-2 | United Brands Inc.(3,13) | 1-1550-2 |
| General Development Corp (7,12,13) | 1-4080-2 | American District Telegraph Company (12) | 1-6084-2 |
| Gulf States Utilities Co. (3) | 1-2703-2 | Ancorp National Services Inc. (4,7,13) | 1-761-2 |
| New York State Electric & Gas Corp (8,12,13) | 1-3103-2 | Beverly Enterprises(12,13) | 1-5894-2 |
| Vetco Offshore Industries, Inc. (12,13) | 1-5889-2 | H & R Block Inc.(2,7,13) | 1-6089-2 |
| | | Bristol Myers Co. (3) | 1-1136-2 |
| L. S. Ayres & Co. (11,13) | 0-1316-2 | Great Lakes Chemical Corp Jun 70 (11) | 1-2630-2 |
| EFDT Corp(2,11,13) | 0-3949-2 | May 70(11) | 1-2630-2 |
| General Cable Corp(1,12,13) | 1-1094-2 | Western Intl Hotels Co. (1,7,11) | 1-5777-2 |
| Gulf Oil Corp (12) | 1-3190-2 | | |
| Informatics, Inc.(11,13) | 0-3924-2 | Anacomp, Inc. (11,13) | 2-30014-2 |
| Jantzen Inc. (12) | 1-6218-2 | Carousel Fashions, Inc.(11) | 1-6329-2 |
| | | Double X Ranch, Inc.(3,11,12,13) | 2-32645-2 |
| Carter & Churchill Co. Inc.(11) | 0-4991-2 | Esquire, Inc.(11) | 1-2983-2 |
| Continental Transportation (June 70) | 1-4696-2 | IHC Inc.(1,11,12) | 1-4222-2 |
| Systems, Inc. June 70(11) | 1-4696-2 | Information Industries Inc.(1,3,12) | 0-4123-2 |
| Equity Enterprises, Inc.(11,13) | 2-31513-2 | | |
| Federated Mortgage Investors (1,7,8,11,13) | 1-5262-2 | Ocean Drilling & Exploration Company (2,7) | 0-336-2 |
| McCulloch Oil Corp (7) | 1-3924-2 | | |
| Owens-Corning Fiberglas Corp. (7,10,11,13) | 1-3660-2 | | |
| Pentron Electronics Corp(12) | 1-4303-2 | | |
| | | <u>Amended 8K Reports</u> | |
| Bunker-Ramo Corp (4,13) | 1-4158-2 | Arnav Industries, Inc. | |
| Buttes Gas & Oil Co.(3) | 1-4392-2 | Amdt #1 for Mar 69(13) | 0-3158-2 |
| Environmental Services, Inc.(2) | 2-33311-2 | National Chemsearch Corp | |
| ISI Corporation (12) | 0-1843-2 | Amdt #1 for May 70(7) | 1-5838-2 |
| Penn Central Transportation Co. (3) | 1-1569-2 | Menasco Mfg Co. | |
| Pennsylvania Co. (3) | 1-4954-2 | Amdt #1 for May 70(13) | 1-2205-2 |
| Allied Aero Industries, Inc.(11) | 0-360-2 | | |

SECURITIES ACT REGISTRATIONS. Effective September 14: Anderson-Stokes, Inc., 2-36389 (90 days); Commonwealth Edison Co., 2-38240; Core Laboratories, Inc., 2-37985; General Exploration Co. of Calif., 2-35760 (40 days); Lykes-Youngstown Corp., 2-38250; The Seven-Up Co., 2-38299; U. S. Financial, 2-38014.

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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