

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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DECISION IN ADMINISTRATIVE PROCEEDING

STEPHEN ASKIN BARRED. The SEC today announced a decision in administrative proceedings under the Securities Exchange Act (Release 34-8989) in which it barred Stephen D. Askin, of Los Angeles, from association with any broker-dealer by reason of violations of the registration and anti-fraud provisions of the Federal securities laws in transactions in securities of Omega Equities Corp. Askin did not respond to charges contained in an order authorizing the proceedings. On the basis of his default, and in accordance with provisions of the Commission's Rules of Practice, the Commission held that during the period May-November 1968, Askin offered "investment" stock and convertible notes of Omega in violation of the Securities Act registration provisions. Moreover, in connection with such transactions, Askin (a) bid for and purchased Omega shares while engaged in their distribution, failed to disclose to customers that the retail price of the shares had not been determined in a free and open market, and induced the purchase thereof by customers at increasingly higher prices; and (b) made "misleading and deceptive representations" concerning, among other things, Omega's acquisitions and intended acquisitions, its 1968 and 1969 earnings, the anticipated market price of Omega shares, the merits of investing in and the investment quality of Omega securities, and the application of the proceeds received from the sale of unregistered Omega shares.

HOLDING COMPANY ACT RELEASE

NEW ENGLAND ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16849) giving interested persons until October 21 to request a hearing upon an application of seven subsidiaries of New England Electric System ("NEES"), Westboro, Mass., to issue \$42,240,000 of unsecured short-term promissory notes to banks and/or to NEES or Massachusetts Gas Company (one of the NEES subsidiaries). Such notes represent part of the aggregate \$60,710,000 of notes authorized on February 9, 1970, by the Commission (Release 35-16600) to be issued by the subsidiaries (other than Mass Gas).

COURT ENFORCEMENT ACTION

SEVEN ENJOINED. The SEC New York Regional Office announced September 23 (LR-4761) the entry of an order by the Federal court in New York City permanently enjoining violations by Alfred Dallago of Sand Points, N. Y., of the registration and antifraud provisions of the Federal securities laws in connection with the offer and sale of securities of A. K. Electric Corp. In addition, the following were enjoined from violating the registration provisions in the offer and sale of A. K. Electric stock: Commercial Factors, Ltd. of Westbury, N. Y. and Montreal, Canada; Commercial Factors, Inc. of Westbury, N. Y. and New Brunswick, N. J.; Continental Diversified Industries of Westbury, N. Y. and Miami Beach, Fla.; Benjamin Johnson of Massapequa, N. Y.; John J. Carson of Drexel Hills, Pa.; and Norma Henkel of Massapequa, N. Y. The defendants consented to the court order without admitting the violations.

SECURITIES ACT REGISTRATIONS

SOUTHERN CALIF. CAPITAL TO SELL STOCK. Southern California Minority Capital Corp., 2651 S. Western Ave., Los Angeles, Calif. 90018, filed a registration statement (File 2-38441) with the SEC on September 25 seeking registration of 10,000 shares of common stock, to be offered for public sale at \$100 per share. The names of the underwriters are to be supplied by amendment; no underwriting compensation is to be paid the underwriters are participating as a community service.

Organized in July 1970, the company is a closed-end, non-diversified, management investment company. It proposes to provide equity funds, long-term loans and management assistance to small business concerns owned by socially and economically disadvantaged persons. It has applied for a license from the Small Business Administration as a minority enterprise small business investment company. Onie B. Granville is president.

KAUFMAN & BROAD SHARES IN REGISTRATION. Kaufman and Broad, Inc., 10801 National Blvd., Los Angeles, Calif. 90064, filed a registration statement (File 2-38443) with the SEC on September 25 seeking registration of 17,700 outstanding shares of common stock, which may be offered for public sale from time to time by the holders thereof. The company is primarily engaged in the production of on-site housing. In addition to indebtedness, it has outstanding 5,940,371 common shares. Eugene S. Rosenfeld, president, may sell 8,100 shares and Harold Gootrad, Director of International Operations, 9,600 shares. Eli Broad is board chairman and Donald B. Kaufman vice chairman.

OVER

GENERAL TELEPHONE OF NORTHWEST PROPOSES OFFERING. General Telephone Co. of the Northwest, Inc., 1800 Forty First St., Everett, Wash., 98201, filed a registration statement (File 2-38444) with the SEC on September 25 seeking registration of \$15,000,000 of first mortgage bonds due 2000, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York 10005, and Stone & Webster Securities Corp., 90 Broad St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

A subsidiary of General Telephone and Electronics Corporation, the company provides communication services in the west and northwest. Net proceeds from the sale of its bonds will be applied toward the payment of short term loans owing to banks (estimated not to exceed \$15,000,000 at the time of such application) incurred in connection with the company's construction program. Construction expenditures are estimated at \$61,000,000 for 1970.

DUKOR MODULAR SYSTEMS TO SELL STOCK. Dukor Modular Systems, Inc., 2525 El Camino Real, Redwood City, Calif. 94064, filed a registration statement (File 2-38446) with the SEC on September 25 seeking registration of 350,000 shares of common stock, to be offered for public sale through underwriters headed by Hugh Johnson & Co., Inc., Rand Bldg., Buffalo, N. Y. 14203, and Morgan, Olmstead, Kennedy & Gardner Inc., 606 S. Olive St., Los Angeles, Calif. 90014. The offering price (\$14 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters \$25,000 for expenses and to sell them, for \$350, five-year warrants to purchase 35,000 shares.

The company was organized in January to acquire from Dukor Industries Inc. all its assets and properties related to modular housing. It designs, manufactures and erects modular housing units. Of the net proceeds of its stock sale, \$750,000 will be used to purchase the production facility located in Gilroy, Calif., \$950,000 to purchase additional raw materials and \$500,000 to acquire machinery and equipment; the balance will be added to the company's general funds and used for working capital and other corporate purposes. The company has outstanding 971,340 common shares, of which Dukor Industries owns 61% and Penn-Tech Corporation 15%. George K. Bissell is board chairman and president. Purchasers of the shares being registered will acquire a 26% stock interest in the company for their investment of \$4,900,000*; present shareholders will then own 74% (the amount of their investment will be supplied by amendment).

MICHIGAN WISCONSIN PIPE LINE TO SELL BONDS. Michigan Wisconsin Pipe Line Company, One Woodward Ave., Detroit, Mich. 48226, filed a registration statement (File 2-38447) with the SEC on September 25 seeking registration of \$40,000,000 of first mortgage pipe line bonds, due 1990, to be offered for public sale at competitive bidding. A subsidiary of American Natural Gas Company (a public utility holding company), the company will use the net proceeds of its bond sale to prepay \$30,000,000 of the \$55,000,000 of notes expected to be outstanding at the date of the bond sale and will apply the balance to construction costs, estimated at \$95,000,000 for 1970.

NEW MEXICO BANCORPORATION PROPOSES EXCHANGE OFFER. New Mexico Bancorporation, Inc. ("Bancorporation"), P. O. Box 609, Santa Fe, New Mex. 87501, filed a registration statement (File 2-38449) with the SEC on September 25 seeking registration of 458,280 shares of common stock. It is proposed to offer (a) 217,400 of these shares in exchange for the 108,700 shares of capital stock of The First National Bank of Santa Fe, at the rate of two Bancorporation shares for each First National share and (b) 40,330 shares in exchange for 2,180 shares of capital stock of First State Bank of Taos, at the rate of 18.5 Bancorporation shares for each First State share, and (c) 200,000 shares from time to time in exchange for stock of not more than five New Mexico banks and stock or assets of other corporations. The remaining 550 shares will be used to round out fractional shares which would be issuable to stockholders in connection with the exchange offers.

Bancorporation was organized in June for the purpose of becoming a registered bank holding company. J. P. Brandenburg is board chairman of Bancorporation and president of First State and C. K. Skinner, Jr., is president of Bancorporation and of First National.

KINZEE INDUSTRIES TO SELL STOCK. Kinzee Industries, Inc., 259 Second St., Saddle Brook, N. J. 07662, filed a registration statement (File 2-38450) with the SEC on September 25 seeking registration of 90,000 shares of common stock, to be offered for public sale through underwriters headed by Clayton Securities, Singer, Burley Inc., 50 Broadway, New York. The offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$25,000 for expenses and to sell the Clayton firm, for \$90, five-year warrants to purchase 9,000 shares, exercisable after one year at prices ranging from \$6.50 to \$8 per share.

The company is engaged in the design, manufacture and marketing of kitchen cabinets, bathroom vanities, counter tops, and related components. Of the net proceeds of its stock sale, \$250,000 will be used in connection with the acquisition or construction of an additional plant and \$100,000 for the purchase and installation of additional production equipment; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 225,000 common shares, of which Irving Solomon, president, and Albert R. Solomon, treasurer, own 40% each and Adolf Steiner, vice president, 20%.

PIER 1. IMPORTS SHARES IN REGISTRATION. Pier 1. Imports, Inc., 2520 W. Freeway, Fort Worth, Tex. 76102, filed a registration statement (File 2-38451) with the SEC on September 25 seeking registration of 100,571 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 (\$33½ per share maximum*).

The company is engaged in the importation from all parts of the world of a broad line of merchandise and in the sale thereof through a chain of 92 retail stores owned and operated by the company. In addition to indebtedness, it has outstanding 1,219,449 common shares, of which L. A. Henderson, president, owns 15.37%. He may sell 7,500 of 187,500 shares held, Donald K. Emery, treasurer, 14,204 of 19,204, William C. McConnell, Jr., 14,318 of 15,318 and 25 others the remaining shares being registered.

PACIFIC TELEPHONE TO SELL DEBENTURES. The Pacific Telephone and Telegraph Company, 140 New Montgomery St., San Francisco, Calif. 94105, filed a registration statement (File 2-38452) with the SEC on September 25 seeking registration of \$175,000,000 of debentures, due 2006, to be offered for public sale through underwriters headed by Salomon Brothers, One New York Plaza, New York 10004 and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment.

A subsidiary of AT&T, the company will use the net proceeds of its debenture sale to reduce advances from the parent and notes payable (bank loans and commercial paper), estimated to be outstanding at the time of the debenture sale in amounts of \$173,000,000 and \$156,000,000, respectively. The advances are obtained and notes are issued to obtain interim financing for general corporate purposes, including extensions, additions and improvements to the company's plant. Construction expenditures are estimated at \$770,000,000 for 1970 and at that level or higher for 1971.

MINNESOTA FABRICS FILES FOR OFFERING AND SECONDARY. Minnesota Fabrics, Inc., 1800 Como Ave., St. Paul, Minn. 55108, filed a registration statement (File 2-38456) with the SEC on September 28 seeking registration of 150,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Piper, Jaffray & Hopwood Inc., 115 S. 7th St., and Craig-Hallum, Inc., 133 S. 7th St., both of Minneapolis, Minn. 55402. The offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the sale of dressmaking, drapery and upholstery fabrics, notions and patterns through 12 company-operated retail stores and in the wholesale distribution and sale of drapery fabrics. Of the net proceeds of its sale of additional stock, \$600,000 will be used to retire short-term indebtedness, \$500,000 to open five stores presently under lease, \$82,550 to repay loans from the company's president and the balance for working capital purposes. In addition to indebtedness, the company has outstanding 552,000 common shares, of which C. Wilbur Peters, president, owns 74.3% and P & B Foundation (a charitable foundation established by Peters) 7.2%. Peters proposes to sell 10,000 of 410,000 shares held and P & B all of 40,000 shares held.

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:

Caldor, Inc., Norwalk, Conn. 06852 (File 2-38445) - 209,826 shares
 Howmet Corporation, Greenwich, Conn. 06830 (File 2-38448) - 255,830 shares
 Harris-Intertype Corporation, Cleveland, Ohio 44113 (File 2-38453) - 40,000 shares
 Allied Maintenance Corporation, New York 10001 (File 2-38454) - 123,530 shares
 Banister Continental Corporation, Minneapolis, Minn. 55420 (File 2-38455) - 307,500 shares
 Success Motivation Institute, Inc., Waco, Tex. 76710 (File 2-38458) - 50,000 shares

MISCELLANEOUS

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8991) granting an application of the Pacific Coast Stock Exchange to strike from listing and registration the warrants for Class B common stock of Laguna Niguel Corporation, effective at the opening of business on September 28. According to the application, only 30,854 warrants are publicly held, fewer than the Exchange's minimum requirement.

SECURITIES ACT REGISTRATIONS. Effective September 28: Jersey Central Power & Light Co., 2-38263 (40 days); Logic Corp., 2-36098 (40 days); Montana-Dakota Utilities Co., 2-38327; Mo-Park Industries, Inc., 2-35203 (90 days); Old Town Corp., 2-36893 (40 days); Ray Resources Corp., 2-37118.

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.