

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-210)

FOR RELEASE October 28, 1970

NEW RULES AND RULE PROPOSALS

SEC ISSUES QUARTERLY REPORT FORM. The SEC today announced the adoption of new rules calling for the filing of a quarterly report on its new Form 10-Q by companies which have securities registered under Section 12 of the Securities Exchange Act and file annual reports on Form 10-K, 12-K or U5S. The report must be filed for each of the company's first three quarters, and within 45 days after the end of such quarter (no report is required for the fourth fiscal quarter--the annual report on Form 10-K is due within 120 days of the end of the fiscal year). The first report on Form 10-Q must be filed for the first fiscal quarter (other than a fourth quarter) which ends after December 31, 1970.

Form 10-Q replaces the Form 9-K semi-annual financial report. It calls for summarized financial information, which need not be certified but is to be prepared in accordance with generally accepted accounting principles and practices on a consistent basis. The new form requires profit and loss information in more detail than was required by Form 9-K and includes data on earnings per common share. In addition, information is required in regard to the issuer's capitalization and stockholders' equity.

COMMISSION ANNOUNCEMENT

CORPORATE OFFERINGS REPORTED. The SEC today announced that new corporate securities offered for cash sale in the United States totaled \$8.8 billion in the third quarter of 1970. This is the highest third quarter on record and compares with the \$10.5 billion quarterly record established during the second quarter of this year and the \$6.3 billion offered during the third quarter of last year. For the first nine months of 1970, security offerings totaled \$27.2 billion, more than a third larger than in the year-earlier period. New corporate issues offered publicly for cash sale in the third quarter of the year amounted to \$7.9 billion, of which \$7.6 billion was registered under the Securities Act of 1933. For further details, see Stat. Release No. S-2476.

HOLDING COMPANY ACT RELEASES

WEST PENN POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16879) giving interested persons until November 10 to request a hearing upon an application of Allegheny Pittsburgh Coal Company, Greensburg, Pa., an inactive wholly-owned subsidiary of West Penn Power Company, to acquire some 22,300 acres of coal-bearing lands in Washington County, Pa., at \$123 per acre from Amherst Coal Company, a nonaffiliated company, and not more than 6,503 acres at \$125 per acre from Consolidation Coal Company, also a nonaffiliated company. The purpose of such purchase is to provide a source of coal for a generating station to be owned as tenants-in-common by West Penn and certain other associate companies. The coal, when mined, will be sold by Allegheny Pittsburgh, at cost, to the operator of the station. The coal will also provide a reserve for other generating stations owned by West Penn and associate companies. To finance the purchase, Allegheny Pittsburgh proposes to issue a promissory note of not more than \$3,700,000 to a bank to mature November 12, 1973. West Penn proposes to guarantee the note and, if necessary, to make from time to time, open account advances to Allegheny Pittsburgh, to enable it to pay the interest on the note.

MICHIGAN POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16880) giving interested persons until November 19 to request a hearing upon an application of Michigan Power Company, subsidiary of American Electric Power Company, Inc., New York, N. Y., to increase from \$2,950,000 to \$4,000,000 the amount of notes which it may have outstanding at any one time, to increase from \$8,500,000 to \$10,000,000 the amount of open account advances from the parent and to extend from December 31, 1970 to December 31, 1971 the time in which Michigan Power may issue and sell notes to a bank and repay open account advances from the parent. Michigan Power will use the net proceeds of this financing in connection with its construction program, which for the last quarter of 1970 and for the year 1971 is expected to approximate \$4,000,000 to repay bank loans the proceeds of which were used in connection with past construction expenditures and for other corporate purposes.

LOUISIANA POWER & LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16881) authorizing Louisiana Power & Light Company, New Orleans, to issue and sell, at competitive bidding, \$20,000,000 of first mortgage bonds, due 2000, and 70,000 shares of a new series of cumulative preferred stock (\$100 par). Louisiana will apply the net proceeds derived from this financing to the payment of some \$18,000,000 of short-term bank loans and to its 1970 construction program (estimated at \$75,700,000).

OVER

SECURITIES ACT REGISTRATIONS

INDIANAPOLIS WATER PROPOSES OFFERING. The Shorewood Corporation, 1220 Waterway Blvd., Indianapolis, Ind. 46202, filed a registration statement (File 2-38654) with the SEC on October 23 seeking registration of 1,069,537 shares of common stock. Of these shares, 213,907 are presently owned by Indianapolis Water Company ("Water Company") and 855,630 shares are to be issued by Shorewood to Water Company. Water Company proposes to offer all of these shares for subscription by its common stockholders at the rate of one Shorewood share for each two Water Company shares held, and at \$5 per share. The offering is to be made through underwriters headed by Hallgarten & Co., 44 Wall St., New York, N. Y. 10005; the record date and underwriting terms are to be supplied by amendment.

Shorewood was organized in 1960 as a wholly-owned subsidiary of Water Company to hold surplus land adjacent to the Water Company Geist and Morse Reservoirs in the Indianapolis metropolitan area. Shorewood plans to commence development in 1971 of land contiguous to Morse Reservoir for year-round and vacation home sites and recreational facilities. Of the net proceeds of its sale of the 855,630 new shares, Shorewood will use \$1,100,000 to repay short-term bank indebtedness incurred to purchase some additional acreage around the Geist and Morse Reservoirs and \$1,600,000 for capital expenditures in the development of the Hinkle Creek area at Morse Reservoir; the remainder will be added to general funds for capital requirements of its development program and the purchase of additional land as well as for working capital requirements. Shorewood has outstanding 481,291 common shares, all of which are owned by Water Company. Thomas W. Moses is president of Shorewood and of Water Company.

ELECTRONIC DATA SYSTEMS FILES FOR SECONDARY. Electronic Data Systems Corporation, 1300 EDS Center, Exchange Park, Dallas, Tex. 75235, filed a registration statement (File 2-38662) with the SEC on October 23 seeking registration of 300,000 outstanding shares of common stock, to be offered for public sale by the holder thereof through underwriters headed by R. W. Pressprich & Co. Inc., 80 Pine St., New York 10005. The offering price (\$58.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in designing business information systems for corporate customers and then installing and operating such systems, utilizing computers which are generally owned or leased and always operated by the company. It has outstanding 11,862,891 common shares, of which H. Ross Perot, board chairman and chief executive officer, owns 76.9%. He proposes to sell 300,000 of 9,117,990 shares held. Milledge A. Hart, III, is president.

In a separate statement (File 2-38663), the company seeks registration of 106,000 outstanding shares of common stock which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$58.75 per share maximum*). Of these shares, 100,000 are held by F. I. duPont, Glore Forgan & Co., of which 42,500 were issued for all the outstanding stock of The Wall Street Leasing Corporation and 57,500 for certain municipal securities. Unless required to do so to comply with the net capital or other requirements of the New York Stock Exchange, the duPont, Glore Forgan firm does not contemplate offering such shares for sale. Kenneth G. Langone and Rudolf Smutny own the remaining 6,000 shares (3,000 each), which they acquired in January 1969 from H. Ross Perot. They have agreed not to sell such shares for five years without the prior consent of Perot and to first offer any shares to him for repurchase.

DUPLAN TO SELL STOCK. The Duplan Corporation, 1440 Broadway, New York, N. Y. 10018, filed a registration statement (File 2-38664) with the SEC on October 26 seeking registration of 400,000 shares of common stock, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York, N. Y. 10004. The offering price (\$30.625 per share maximum*) and underwriting terms are to be supplied by amendment.

The company textures, knits, dyes, weaves, laminates and finishes synthetic yarns and apparel fabrics, manufactures textile and laminating machinery for sale or lease and sells laminating adhesives; manufactures and sells brassieres and children's underwear and sleepwear; and manufactures buttons and narrow fabrics. Net proceeds of its stock sale will be used to reduce borrowings outstanding under a term loan agreement (\$30,300,000 at the date of the prospectus) and incurred in connection with recent acquisitions, and expenditures for 1969 and 1970 capital assets. In addition to indebtedness and preferred stock, the company has outstanding 2,121,351 common shares, of which Robert A. Levinson owns 21.2% and management officials as a group 28.1%.

CENCOR PROPOSES OFFERING. Cencor, Inc., 1003 Walnut, Kansas City, Mo. 64106, filed a registration statement (File 2-38665) with the SEC on October 26 seeking registration of \$2,500,000 of capital notes, due 1980, with detachable warrants to purchase 50,000 shares of common stock, to be offered for public sale at \$500 per unit, each consisting of a \$500 note and a warrant to purchase 10 shares. No underwriting is involved; participating NASD members will receive a commission the amount of which is to be supplied by amendment.

Organized in May 1968, the company is engaged in personal service businesses in 27 states, including 91 consumer finance service offices, 18 temporary help services offices, 60 income tax preparation service centers, two medical and dental assistants colleges and a management consultant service for physicians and dentists. Net proceeds of the company's stock sale will be added to its general funds and used primarily to provide its subsidiaries with funds to carry on their respective businesses. In addition to indebtedness and preferred stock, the company has outstanding 896,633 common shares, of which Robert F. Brozman, president and board chairman, owns 37.6%.

H & R BLOCK FILES FOR SECONDARY. H & R Block, Inc., 4410 Main St., Kansas City, Mo. 64111, filed a registration statement (File 2-38668) with the SEC on October 26 seeking registration of 600,000 outstanding shares of common stock, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, N. Y. 10005., and George K. Baum & Company Incorporated, 1016 Baltimore Ave., Kansas City, Mo. 64105. The offering price (\$60 per share maximum*) and underwriting terms are to be supplied by amendment.

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The company operates and franchises others to operate a system of offices engaged in the preparation of federal and any required state or local income tax returns for individuals, utilizing systems and procedures which it has developed. In addition to indebtedness, the company has outstanding 5,531,045 common shares, of which Henry W. Bloch, president, owns 19.1%, Richard A. Bloch, board chairman, 11.8% and they and their families 47%. Management officials as a group own 49.8%. Henry Bloch proposes to sell 268,004 of 1,057,847 shares held, Richard Bloch 269,503 of 650,735 and 15 others the remaining shares being registered.

BEACON RESOURCES PROPOSES OFFERING. Beacon Resources Corporation, Suite 100 Century Plaza, Wichita, Kans. 67202, filed a registration statement (File 2-38671) with the SEC on October 26 seeking registration of \$10,000,000 of participations in its 1971 Drilling Program ("Program"), to be offered for public sale in minimum amounts of \$5,000. No underwriting is involved; participating NASD members will receive a 7% selling commission. The Program is to be organized to finance the acquisition, testing, development and completion of oil and gas leaseholds, or interests therein. John P. Jennings, president, owns 21% of the company's outstanding common stock.

BOSTON EDISON TO SELL STOCK. Boston Edison Company, 800 Boylston St., Boston, Mass. 02199, filed a registration statement (File 2-38672) with the SEC on October 27 seeking registration of 400,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale through underwriters headed by the First Boston Corp., 20 Exchange Pl., New York 10005. The dividend rate, offering price (\$102 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will apply the net proceeds of its stock sale, together with additional funds obtained from internal sources or short-term borrowings, to finance the payment at maturity on December 1, 1970 of its first mortgage bonds, Series A, 2-3/4% due 1970 (estimated to aggregate \$40,132,000). Construction expenditures are estimated at \$103,000,000 for 1970.

IOWA ELECTRIC LIGHT PROPOSES OFFERING. Iowa Electric Light and Power Company, Security Bldg., Cedar Rapids, Iowa 52401, filed a registration statement (File 2-38674) with the SEC on October 27 seeking registration of \$15,000,000 of first mortgage bonds, Series L, due 2000, and 50,000 shares of cumulative preference stock (\$100 par), to be offered for public sale at competitive bidding. A public utility, the company will apply net proceeds of this financing to its 1970 construction program and to the retirement of short-term bank notes (estimated to aggregate \$19,000,000 at the time of receipt of such proceeds) representing funds applied to the 1970 construction program. Construction expenditures are estimated at \$31,200,000 for 1970 and \$60,500,000 for 1971, respectively.

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:

American Fletcher Corporation, Indianapolis, Ind. 46204 (File 2-38666) - 100,000 shares
Solid State Scientific Devices Corp., Montgomeryville, Pa. 18936 (File 2-38667) - 331,284 shares
Champion Home Builders Co., Dryden, Mich. 48428 (File 2-38669) - 18,181 shares
Royal Palm Beach Colony, Inc., Miami, Fla. 33138 (File 2-38670) - 90,000 shares
U. S. Industries, Inc., New York 10017 (File 2-38675) - 300,000 shares

SECURITIES ACT REGISTRATIONS. Effective October 27: Bell Oil and Gas Co., 2-38214; Continental Investment Corp., 2-37592 (Dec 5); Florida Power Corp., 2-38488; Kane Miller Corp., 2-37844 (40 days); Louisiana Power & Light Co., 2-38378; The Mountain States Telephone & Telegraph Co., 2-38537; Portland General Electric Co., 2-38503 (Dec 8); Southwestern Public Service Co., 2-38566.
Withdrawn October 23: Carmax Fund, Inc., 2-34572; DAB Series "A" Oil & Gas Program, 2-34680; Falcon 1969 Oil & Gas Program, 2-31716; Medi-Complex, Ltd., 2-35670; Nooney Mortgage Investors, 2-33369.
Withdrawn October 26: Century Funding Corp., 2-35789; David Black General Partner (Alice Co.), 2-34406; Delta P Incorporated, 2-36323; Nova International Productions Ltd., 2-36188.

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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