

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 May 25, 1971

COMMISSION ANNOUNCEMENT

NEHAMA-DATA REG. A EXEMPTION SUSPENDED. The Commission has ordered the temporary suspension of the exemption from under Regulation A of the Securities Act of 1933 with respect to an offering of stock by Nehama-Data Corporation, Portsmouth, New Hampshire. The order provides notice of opportunity for hearing on the question whether the suspension should be vacated or made permanent. Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$500,000 (\$300,000 at the time the offering was proposed).

The company filed a notification and offering circular with the Commission in December 1969 proposing an offering of 113,000 shares of common stock at \$2 per share through John, Edward & Company, Inc. The offering was commenced in March 1970 and sold by May 6, 1970; Nehama filed a petition in bankruptcy on August 13, 1970.

According to the Order the Commission's staff has reason to believe that the underwriter sold Nehama stock on the basis of false and misleading statements involving, among other things, (1) that the price of Nehama shares would double within six months, (2) that the stock would be good for a quick rise and (3) that Nehama would show unlimited earnings. In addition Nehama through its agent, the underwriter, violated terms and conditions of Regulation A (1) by failing to furnish an offering circular as required by Rule 256, (2) by urging prospective investors to disregard the offering circular disclosures and (3) by making false statements of material facts or omitting to state material facts with respect to the issuer's financial condition and potential business. (Release 33-5151)

COURT ENFORCEMENT ACTIONS

MOLDT ENJOINED. The Commission has announced that a final judgment of permanent injunction was issued in Federal court in Philadelphia enjoining Edward Moldt from violating the registration and antifraud provisions of the Federal securities laws. Moldt consented to the entry of the permanent injunction. (Release LR-5016)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY. The Commission has issued an order authorizing the Consolidated Natural Gas Company to make loans aggregating up to \$65 million to subsidiary companies for the purpose of financing capital expenditures, to issue and sell debentures during 1971, to make open account advances to its subsidiary companies, and to issue and sell commercial paper, for construction purposes. (Release 35-17138)

CENTRAL POWER & LIGHT COMPANY. The Commission has issued an order authorizing Central Power and Light Company to issue and sell an unsecured promissory note in the amount of \$3 million to American General Life Insurance Company of Delaware to refinance another note given in connection with the purchase from American of land for use as a site for an electric generating station and cooling lake. (Release 35-17139)

NEW JERSEY POWER & LIGHT COMPANY. The Commission has issued an order giving interested persons until June 22 to request a hearing on application of New Jersey Power & Light Company to issue and sell from time to time not later than December 31, 1972 unsecured notes to banks aggregating \$12,700,000. NJP&L proposes to utilize the proceeds of the borrowings for financing its business, including provisions for construction expenditures and other specified corporate purposes. (Release 35-17140) 1/

INVESTMENT COMPANY ACT RELEASES

WADDELL & REED, INC., OTHERS. The Commission has issued an order exempting the following from Section 22(d) of the Investment Company Act in order to permit an offer of exchange under the terms and conditions set forth in the original application: Waddell & Reed, Inc., United Continental Growth Exchange Programs, United Periodic Investment Plans to Acquire Shares of United Accumulative Fund, of Kansas City, Mo. (Release IC-6537)

STATE BOND AND MORTGAGE COMPANY. The Commission has issued an order exempting State Bond and Mortgage Company and State Bank and Trust Company of New Ulm, Minn., from certain provisions of the Investment Company Act involving the making of loans by the Bank in its ordinary course of business to its officers, directors and employees subject to certain conditions. (Release IC-6538)

OVER

SECURITIES ACT REGISTRATIONS

NUTRIENT COSMETIC TO SELL STOCK. Nutrient Cosmetic Ltd., 229 East 60th St., New York 10022, filed a registration statement with SEC on May 19 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made by Greenman & Co., 32 Broadway, New York, N.Y. 10005.

Organized in March 1970, the company is engaged in the promotion, distribution and sale of a line of cosmetics and beauty products under the trademark "1". Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. The company has outstanding 150,000 common shares (with a 26¢ per share book value deficit), of which Lois H. Muller, president, owns 47.5%. Purchasers of the shares being registered will sustain an immediate dilution of \$2.78 in per share book value from the offering price. (File 2-40463)

*RORER-AMCHEM SHARES IN REGISTRATION. Rorer-Amchem, Inc., 1260 Virginia Dr., Fort Washington, Pa. filed a reg. state. on 5/19 seeking reg. of 200,000 outstanding common shares. These shares may be offered for sale from time to time by the holder thereof (Murray Gruber, president of a subsidiary) at prices current at the time of sale (** \$38 per share maximum). (File 2-40464)

RODEWAY INNS TO SELL STOCK. Rodeway Inns of America, 919 N. First St. Phoenix, Ariz. 85004, filed a registration statement with the SEC on May 19 seeking registration of 400,000 shares of common stock, to be offered for public sale (** at \$10 per share maximum). The offering is to be made through underwriters headed by R. W. Pressprich & Co. Inc., 80 Pine St., New York 10005.

The company is engaged primarily in licensing the construction and operation of motor hotels, in developing motor hotels for its own account and in related activities. Net proceeds of its stock sale will be used to repay certain outstanding indebtedness incurred partially to provide funds for land acquisitions and working capital and the balance for working capital and other corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 1,083,400 common shares (with a \$1.97 per share net tangible book value), of which John F. Eulich, board chairman, and Eugene Quantan, Jr., a director, own 44.24% each. (File 2-40466)

*MISSION EQUITIES PROPOSES OFFERING AND SECONDARY. Mission Equities Corporation, 2601 Wilshire Blvd., Los Angeles, Calif. 90057, filed a registration statement with the SEC on May 20 seeking registration of 600,000 shares of common stock, of which 300,000 are being offered by the company and 300,000 by the Seven Provinces Insurance Company Ltd. of the Hague, Holland, which represents its holdings in Mission Equities. The offering is to be made (** at \$5 per share maximum) through underwriters headed by Salomon Brothers, One New York Plaza, and Eastman Dillion, Union Securities & Co., Inc., One Chase Manhattan Plaza, both of New York.

Mission Equities is a holding company primarily engaged in the insurance field. Of the net proceeds from the sale of its stock, the majority will be contributed equally to the capital of each of two of its subsidiaries for investment primarily in fixed income securities, and the balance will be used for specified corporate purposes. (File 2-40476)

FIRST FLORIDA PROPOSES EXCHANGE OFFER. First Florida Bancorporation, Marine Bank Bldg., Tampa, Fla. 33602 filed a registration statement with the SEC on May 20 seeking registration of 208,000 shares of common stock to be offered in exchange for all of the outstanding shares of common stock of three Florida banks in the following ratios: 39 shares for each of 2,250 shares of Bank of Tavares, 1.55 shares for each of 35,000 shares of Midway Bank at Tampa and 33 shares for each 2,000 shares of Peoples Bank of Crescent City.

First Florida operates seventeen national and state banks in Florida. A. Clewis Howell is board chairman and Thomas E. Tucker is president. (File 2-40475)

*DIVERSIFIED INDUSTRIES PROPOSES OFFERING. Diversified Industries, Inc. 7701 Forsyth Blvd. Clayton, Mo. 63105 filed a registration statement on May 20 seeking registration of \$15,000,000 of senior subordinated debentures due 1991, and Warrants to be offered for public sale in units, each consisting of a \$1000 debenture and warrants to purchase an unspecified amount of common stock. The offering is to be made through underwriters headed by New York Securities Co. Inc., One New York Plaza, New York 10004.

The company and its subsidiaries are in the metal processing and in manufacturing and retailing. Of the net proceeds, \$10,250,000 will be applied to reduce short term indebtedness and the balance for specified corporate purposes. The company has outstanding 6,139,024 common shares. Ben Fixman is board chairman and president. (File 2-40477)

SECURITY OF AMERICA LIFE TO SELL STOCK. Security of America Life Insurance Company, 50 No. Fourth St. Reading, Penna. 19603, filed a registration statement on May 20 seeking registration 200,000 shares of capital stock, to be offered for public sale (** \$10 per share maximum) through underwriters headed by Warren W. York & Company, Inc. 514 Hamilton St., Allentown, Pa. 19601 and Boenning & Scattergood, Inc., the Alison Bldg., Rittenhouse Sq., Philadelphia, Pa. 19103. Although the company may write all forms of insurance, its premiums are derived mainly from the sale of credit life, credit accident and health insurance. The company intends to invest the net proceeds of the stock sale in legal investments under applicable Pennsylvania Law. It has outstanding 612,298 common shares. John M. Darlington is board chairman and Daniel T. DeWald is president. (File 2-40478)

PRUDENTIAL FUNDS PROPOSES OFFERING. Prudential Funds, Inc. (the general partner), One New York Plaza, New York, 10004, filed a registration statement on May 20 seeking registration of \$50 million of preorganizational subscriptions for limited partnership interests and limited partnership interests in Resources Ventures Development Fund, each in units of \$5000 (with a total minimum investment of \$10,000). One or more partnerships will be formed for the purpose of acquiring, evaluating, and operating of oil and gas development leaseholds. Prudential Resources Corp. owns 70% of the outstanding common stock of the general partner. Nathan M. Shippee is board chairman of the general partner and its parent and Frederick M. Glass is president of the general partner. (File 2-40482)

PAUL REVERE INVESTORS TO SELL STOCK. Paul Revere Investors Inc., 18 Chestnut St., Worcester, Mass. 01608, filed a registration statement on May 20 seeking registration of 2,500,000 shares of common stock, to be offered for public sale at \$20 per share. The offering is to be made through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Pl., New York 10005.

The company is a closed-end, non-diversified management investment company formed under the sponsorship of the Paul Revere Equity Management Company (the investment adviser), a wholly-owned subsidiary of the Paul Revere Life Insurance Company. The company's investment objective is to generate income for distribution to its shareholders. John R. Gosnell is board chairman of the company and the adviser and Clinton A. Reynolds is president of the company and vice president of the adviser. (File 2-40470)

APACHE GROVE LAND PROGRAM 1971 PROPOSES OFFERING. Apache Grove Land Program 1971, (the Partnership), 1800 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement on May 19 seeking registration of \$7 million of partnership interests, to be offered for public sale in units of \$20,000. The offering is to be made by Apache Programs, Inc., a subsidiary of Apache Corporation, and other selected NASD members. The Partnership will engage in owning and farming land in Madera and Ventura Counties, California. Apache Corporation is the general partner and S & J Ranch, Inc., an Apache subsidiary, is farm manager. Raymond Plank is president of the general partner. (File 2-40472)

ORROX TO SELL STOCK. Orrox Corporation, 2300 Ampex Ave., Opelika, Ala. 36801, filed a registration statement on May 20 seeking registration of 400,000 shares of common stock, to be offered for public sale (** at \$10 per share maximum). The offering is to be made through underwriters headed by Kohlmeier & Co., 147 Carondelet St., New Orleans, La. 70130.

The company in December 1970 completed a plant to manufacture magnetic iron oxide for sale to the magnetic tape industry. Of the net proceeds of its stock sale, some \$2,500,000 will be used for the construction of proposed manufacturing facilities to produce yellow oxide, and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 1,290,822 common shares (with a \$2.02 per share book value), of which John Herbert Orr, president and board chairman, own 49%. (File 2-40473)

MISCELLANEOUS

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act giving interested persons until June 3, to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stock or specified securities of the named companies:

Detroit Stock Exchange: Idaho Power Company, Illinois Power Company, Indianapolis Power & Light Company, The Kansas City Power & Light Company, Long Island Lighting Company, Louisville Gas & Electric Company, Middle South Utilities, Inc., The Montana Power Company, New England Electric System, New England Telephone & Telegraph Company.

Philadelphia-Baltimore-Washington Stock Exchange: Duke Power Company, Egan Machinery Company, First Mortgage Investors (Shares of Beneficial Interest), Levitz Furniture Corporation, Mattel Inc., Schering-Plough Corporation, Whittaker Corporation (Warrants expiring 1979), and until June 8 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies:

Boston Stock Exchange: American Bakeries Company, Augat, Inc., Katy Industries, Inc., Midland-Ross Corp., Morse Shoe, Inc., National-Standard Company, Public Service Company of New Hampshire.

Cincinnati Stock Exchange: Atlantic Richfield Company, Avon Products, Inc., Cleveland Electric Illuminating Company, Consolidated Edison Co. of New York, Continental Can Company, Inc., Delta Air Lines, Inc., The Detroit Edison Company, General Mills, Inc., Honeywell, Inc., Inland Steel Company, International Telephone & Telegraph Corporation, Liggett & Myers Inc., Marcor, Inc., Merck & Co., Inc., Safeway Stores, Inc.

Midwest Stock Exchange: Schering-Plough Corp., Loews Corp. (Release 34-9182)

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act granting applications of (a) The American Stock Exchange to strike from listing and registration the convertible preference stock (\$10 par) of Puerto Rico Telephone Company and (b) of the National Stock Exchange to strike from listing and registration the common stock of Delta Industries, Inc., both effective at the opening of business on May 24, 1971. The Puerto Rico Telephone stock is being delisted due to its limited public distribution, and the company concurs in the application. Delta Industries filed under Chapter XI of the Bankruptcy Act on January 11, 1971. (Release 34-9182)

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 May 10 News Digest.

8K Reports for Feb 71

Mapco Inc Feb 71 (2,13) 1-5254-2	New England Electric System (12) 1-3446-2
Kansai Electric Power Co Inc 6K Dec 70 2-21059-2	North Shore Gas Co (11) 2-12013-2
Key Company Feb, 71 (11) 1-5999-2	Cybernetics International Corporation Oct 70 (3,13) 0-4330-2
Golden Cycle Corporation Jan 71 (13) 0-602-2	Delta Western Systems, Inc Jan 71 (2,12,13) 2-32931-2
Brown Enterprises, Inc Nov 70 (2,3,8,12,13) 0-4400-2	
Jamaica Water & Utilities Inc (12) 0-2315-2	<u>Amdt 8K Reports</u>
Life of Kentucky Financial Corp (12) 0-4861-2	Magnavest Corporation #1 for Dec 70 (7) 2-31702-2
Microdyne Corporation (12,13) 0-4384-2	National Utilities & Industries Corp #1 for Feb 71 (12) 0-4293-2
Canadian Hydrocarbons Ltd. (12,13) 1-6230-2	Katy Industries Inc Jan 71 (11,12) 1-5558-2
Management Assistance Inc (8) 0-2017-2	Northern and Central Gas Corporation Ltd. Jan 71 (7) 1-6365-2
Marinduque Mining & Industrial Corp (6K) 1-5534-2	
Consolidated Leasing Corp of America Jan 71 (7,8,10) 1-5201-2	Humanics, Inc Nov 70 (12) 0-4246-2
Lectro Management Incorporated (7,13) 1-6266-2	Mr. Swiss of America, Inc Feb 71 (3) 0-5062-2
Care Corporation Dec 71 (13) 0-3940-2	Hydraulic Press Brick Co Dec 70 (7) 0-1000-2
Deer Park Baking Co (7) 2-19220-2	National Car Rental System Inc #2 for Dec 70 (7) 0-3473-2
Lawrence Gas Company (11) 2-13696-2	Johnson Service Co #1 for Dec 70 (12) 1-5097-2
Massachusetts Electric Company (3) 1-6517-2	
Mystic Valley Gas Co (11) 2-10637-2	

SECURITIES ACT REGISTRATIONS. Effective May 21: Braniff Airways, Inc.; 2-39946; Ling-Temco-Vought, Inc. 2-39944. Effective May 24: AMT Corp., 2-39941; The Coca-Cola Co., 2-40096; ESL Inc., 2-39982; Indian Head Inc., 2-40431; Inexco Oil Co., 2-40076; Ocean Oil & Gas Co., 2-40056 (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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.

1/ Pending distribution of this Release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.