

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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TRADING IN FOUR STOCKS SUSPENDED TEN DAYS. The SEC has ordered the temporary suspension of over-the-counter trading in securities of the following companies for the ten-day period October 21-30, 1969 (Release Nos. 33-8724 to 8727, inclusive):

Ocean Data Industries, Inc. (formerly Lisbon Valley Uranium), Cocoa Beach, Fla.

Geonics, Inc. (formerly Ute Uranium, Inc.), Cocoa Beach, Fla.

Space Data Industries, Inc. (formerly Uranium Shares, Inc.), Cocoa Beach, Fla.

Oretek, Inc., Phoenix, Ariz.

The Commission ordered the suspensions because of the absence of adequate and accurate information concerning the operations and financial condition of each of the four companies. Trading in their securities may resume October 31. However, the Commission cautioned that, when trading is resumed, broker-dealers, stockholders and prospective purchasers should carefully consider the information about the four companies set forth in its respective releases (including attached announcements by the three Cocoa Beach companies) correcting and clarifying inaccurate and incomplete information previously disseminated about them.

The Commission also reminded broker-dealers who trade in these securities of their responsibilities under the Federal securities laws for full disclosure of all material facts in connection with the execution of transactions therein, and particularly the Commission's pronouncement of July 2 on the subject of trading in securities of inactive or shell corporations and an earlier release on the subject of distributing unregistered securities.

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Capitol Holding Corporation for the further ten-day period October 22-31, 1969, inclusive.

CAPITOL HOLDING ENJOINED. The SEC announced October 17 (LR-4448) that the Federal court in Los Angeles has permanently enjoined Capitol Holding Corp., and David A. Wooldridge and Daniel E. Manning, executive officers, from violating the registration and anti-fraud provisions of the Federal securities laws in connection with transactions in stock of Capitol Holding.

SEC COMPLAINT NAMES BOWLER, BARNETT, EASTERN INVESTMENT. The SEC Washington Regional Office announced October 17 (LR-4449) the filing of a complaint in Federal court in Norfolk, Va., seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws by the following: F. Wallace Bowler, Bennie E. Barnett, Eastern Investment Corporation, Eastern Finance Corporation, Eastern Credit Corporation, United Corporation of America, American Loan and Finance Company and Columbia Finance Corporation, all of Norfolk, Va. The SEC also seeks the appointment of a receiver for each of the defendant corporations.

SALE OF TEXAS URANIUM STOCK ENJOINED. The SEC Denver Regional Office announced October 17 (LR-4450) that the Federal court in Salt Lake City had enjoined violations of the Securities Act registration and anti-fraud provisions by Texas Uranium Corporation, of Salt Lake City, in the offer and sale of its stock. N. Grant Butters was enjoined from violating the registration provisions. The defendants consented to the court orders of injunction without admitting the violations complained of.

HARTFORD ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16498) giving interested persons until November 14 to request a hearing upon a proposal of The Hartford Electric Light Company, Wethersfield, Conn., subsidiary of Northeast Utilities, to issue and sell up to \$31,000,000 of short term notes (including commercial paper). The company will use the net proceeds of its financing for construction expenditures and for investments in nuclear generating companies. Construction expenditures are estimated at \$31,894,000 for 1969 and \$47,443,000 for 1970; estimated investments in or advances to nuclear generating companies (i.e., Maine Yankee Atomic Power Company and Vermont Yankee Nuclear Power Corporation) are estimated at \$2,720,000 during 1969 and \$1,600,000 during 1970.

ALABAMA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16499) authorizing Alabama Power Company, Birmingham subsidiary of The Southern Company, to issue and sell \$35,000,000 of first mortgage bonds at competitive bidding. The company will use the net proceeds of its bond sale, together with funds (\$50,635,000) expected to be accumulated from internal sources, the proceeds (\$6,000,000) from the sale of 60,000 additional shares of common stock to the parent already approved by the Commission (Release 35-16285) and \$43,897,000 to be derived from the sale of short-term notes, to finance its 1969 construction program estimated at \$94,000,000 and to pay \$41,532,000 of short-term notes.

OVER

FIRST FIDELITY INVESTMENT TRUST PROPOSES OFFERING. First Fidelity Investment Trust, 1200 City National Bank Bldg., 928 Grand Ave., Kansas City, Mo. 64106, filed a registration statement (File 2-35007) with the SEC on October 10 seeking registration of 500,000 shares of beneficial interest, to be offered for public sale through underwriters headed by H. O. Peet & Co., 23 West 10th St., Kansas City, Mo. 64105. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

Organized in August, the Trust intends to qualify as a real estate investment trust under the Internal Revenue Code. It contemplates that interests in real estate may include fee ownership, co-ownership and leases of property. Real estate will be acquired for long-term investment and emphasis will be placed both upon the income producing potential and location of the real estate as well as prospects for appreciation in value. First Fidelity Management, Inc., will serve as investment adviser. Leo Eisenberg is president of the Trust and of the adviser.

CLEVELAND ELECTRIC TO SELL BONDS. The Cleveland Electric Illuminating Company, 55 Public Square, P. O. Box 5000, Cleveland, Ohio 44101, filed a registration statement (File 2-35008) with the SEC on October 10 seeking registration of \$60,000,000 of first mortgage bonds, to be offered for public sale at competitive bidding. An electric utility, the company will use net proceeds of its bond sale to repay a portion of some \$66,050,000 of short term bank loans and commercial paper, issued to finance temporarily the company's construction program. Construction expenditures are estimated at \$578,000,000 from 1969 through 1974.

PUGET SOUND P&L TO SELL PREFERRED STOCK. Puget Sound Power & Light Company, Puget Power Bldg., Bellevue, Wash. 98004, filed a registration statement (File 2-35009) with the SEC on October 10 seeking registration of 300,000 shares of convertible preference stock (\$50 par), to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York. The offering price (\$50 per share maximum*) and underwriting terms are to be supplied by amendment. An electric utility, the company will apply net proceeds of its stock sale toward repayment of some \$35,000,000 of outstanding bank loans incurred for construction purposes. Construction expenditures are estimated at \$40,000,000 for 1969 and \$44,000,000 for 1970.

PATRICK OIL PROPOSES OFFERING. Patrick Oil and Gas Corp., 744 West Michigan Ave., Jackson, Mich., filed a registration statement (File 2-35011) with the SEC on October 10 seeking registration of \$1,000,000 units of participation in its 1969 Year End Drilling Fund, to be offered for public sale at \$25,000 per unit. The offering will be made through company officials (who will receive no compensation) and Manley, Bennett, McDonald & Co., as dealer manager, and other authorized NASD members. For any unit sold by a dealer, including the dealer manager, such dealer will receive a 7% commission; for any sale of a unit by a dealer including the dealer manager, the dealer manager will receive a 1 1/2% commission. The Fund will be administered by the company, as agent for the participants, to conduct an oil and gas drilling program. The company is a wholly-owned subsidiary of Patrick Petroleum Company, which in turn is controlled by U. E. Patrick and Leroy B. Scott. U. E. Patrick is president of the company and of its parent.

AMERICAN MOBILE HOME COMMUNITIES TO SELL STOCK. American Mobile Home Communities, Inc., 19 S. Bothwell & Palatine, Ill. 60067, filed a registration statement (File 2-35012) with the SEC on October 10 seeking registration of 375,000 shares of common stock, to be offered for public sale through underwriters headed by George Robinson & Co., 5 Hanover Square, and Alan, Maged Securities Corp., 90 Park Ave., both of New York. The offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment. The Robinson and Alan firms will receive \$20,000 for expenses; the company has agreed to sell 30,000 shares to such firms for \$30,000.

Organized in April 1969, the company has acquired and presently operates three mobile home communities and has entered into a contract for the purchase of a fourth. Net proceeds of its stock sale will be used to expand additional established mobile home communities, to purchase unimproved land for development into mobile home communities, and for the company's working capital and general corporate purposes. In addition to mortgage indebtedness, the company has outstanding 630,000 common shares (with a \$1 per share book value), of which Mandall Kaplan, board chairman, owns 15.16%, Irwin R. Shechtman, president, 16.67% and management officials as a group 62.77%. Purchasers of the shares being registered will acquire a 37% stock interest in the company for their investment of \$2,860,000*; the present shareholders will then own 63%, for which they will have paid \$631,000.

TREECROP PROPOSES OFFERING. Treecrop Company (the "Partnership"), 2150 Franklin St., Oakland, Calif. 94612, filed a registration statement (File 2-35013) with the SEC on October 13 seeking registration of 500 units of limited partnership interests, to be offered for public sale at \$5,000 per unit. No underwriting is involved; participating NASD members will receive an 8% selling commission. The Partnership was formed to engage in the development of agricultural land and the production and distribution of agricultural products. Treecrop Management Corp., a wholly-owned subsidiary of Buttes Gas & Oil Co., is general partner. The Partnership holds an option to purchase and expects to farm approximately 2,797 acres of land, substantially all planted with almond, walnut, citrus and other fruit trees, in the McFarland and Porterville areas of the San Joaquin in California. Substantially all of the proceeds of its sale of partnership interests will be used to purchase the property which the partnership intends to farm and to pay for initial operating costs. Roberts Farms, Inc., wholly-owned by Hollis Roberts, will serve as farm manager. John Boretta is president of the general partner and of its parent.

UTAH CONSTRUCTION FILES FOR SECONDARY. Utah Construction & Mining Co., 550 California St., San Francisco, Calif. 94104, filed a registration statement (File 2-35014) with the SEC on October 13 seeking registration of 175,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Dean Witter & Co. Inc., 14 Wall St., and Lehman Brothers, 1 William St., both of New York.

The company is engaged in mining, land acquisition and development, dredging and construction activities consisting of commercial construction (through a limited partnership). In addition to indebtedness, it has outstanding 12,915,576 common shares. The Ruth W. Mitchell Estate proposes to sell 175,000 shares of 328,908 shares held.

ADR's FOR TELJIN FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York 10015, filed a registration statement (File 2-35016) with the SEC on October 13 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Teijin Limited (Japan).

CARRL OIL PROPOSES OFFERING. Carrl Oil Exploration (the "Partnership"), Vaughn Plaza Bldg., Corpus Christi, Tex. 78401, filed a registration statement (File 2-35020) with the SEC on October 14 seeking registration of \$9,000,000 of limited partnership interests (300 units), to be offered for public sale at \$30,000 per unit. The offering is to be made on a best efforts, all or none basis through Cogan, Berlind, Weill & Levitt, Inc., which will receive a 6% selling commission and a limited partnership interest through which it will receive 10% of partnership income and be required to bear 10% of certain expenses. The partnership intends to engage in wildcat drilling, the highest risk activity in the oil and gas business. Carrl Production Company is the general partner. Jeff Carr and William E. Carl are general partners of the general partner.

MOTOROLA PROPOSES RIGHTS OFFERING. Motorola, Inc., 9401 Grand Ave., Franklin Park, Ill. 60131, filed a registration statement (File 2-35021) with the SEC on October 14 seeking registration of 489,856 shares of common stock, to be offered for subscription by its common stockholders at the rate of one new share for each 13 shares held. The offering is to be made through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004; the offering price (\$140.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company manufactures electronic equipment and components. Net proceeds of its stock sale will be added to the company's general funds and used to reduce borrowings (of which \$80,500,000 of short-term borrowings and \$30,000,000 under a revolving credit arrangement are outstanding) incurred to finance part of its 1968 and 1969 capital expenditures and to provide working capital. In addition to indebtedness, the company has outstanding 6,156,881 common shares. Robert W. Galbin is board chairman and Elmer H. Wavering president.

JAHNCKE SERVICE PROPOSES OFFERING. Jahncke Service, Incorporated, 814 Howard Ave., New Orleans, La. 70113, filed a registration statement (File 2-35022) with the SEC on October 14 seeking registration of \$3,965,000 of voting trust certificates representing \$2 par common shares. According to the statement, the voting trust was established October 1 on the primary initiative of Douglass V. Freret and J. Barbee Winston (and will expire December 31, 1972) for the purpose of assuring continuity of management of the company's century-old business and resisting the attempt by OKC Corp. to take over the management of the company. Any common shareholder of the company except OKC Corp., J. Ray McDermott & Co., Inc., and Jansen Noyes and his sons may become a party to the voting trust agreement by assigning his shares to the voting trustees in exchange for a certificate. To date, 64,631 shares have been assigned to the voting trustees -- Douglass V. Freret, Martin L. Matthews, Jr., and J. Barbee Winston.

NORTHERN NATURAL GAS TO SELL DEBENTURES. Northern Natural Gas Company, 2223 Dodge St., Omaha, Nebr., filed a registration statement (File 2-35024) with the SEC on October 15 seeking registration of \$50,000,000 of debentures, due 1974, to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the transmission, distribution and sale of natural gas. Net proceeds of its debenture sale will be used to repay some \$49 million of short term borrowings incurred in connection with the company's 1969 expansion program; the balance will be used for general corporate purposes. Construction expenditures are estimated at \$185 million for 1969. In addition to indebtedness and preferred stock, the company has outstanding 9,331,578 common shares.

DE SOTO FILES FOR SECONDARY. De Soto, Inc., 1700 S. Mount Prospect Rd., Des Plaines, Ill. 60018, filed a registration statement (File 2-35025) with the SEC on October 15 seeking registration of 700,000 outstanding shares of common stock, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The offering price (\$32.875 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a diversified manufacturer of consumer paints, industrial coatings, and other chemical products for home and industrial use. In addition to indebtedness, it has outstanding 5,352,866 common shares, of which Ralph E. Stolkin owns 14.8%. He proposes to sell 700,000 shares (of 789,151 shares held) pursuant to a court order in connection with the merger of MPI Industries, Inc. into DeSoto.

RESTRICTED SECURITIES. The SEC today issued a statement on the acquisition of "restricted securities" by investment companies (Investment Company Act Release No. 5847). It discusses various problems the seller and the investment company buyer of such securities may have due to the fact that restricted securities may not be sold to the public unless registered under the Securities Act of 1933; but it notes that no inference should be drawn as to the desirability or merits of the acquisition of restricted securities by a registered investment company. The Commission's release indicates that the seller is confronted with the problem of determining whether the sale comes within the exemption in Section 4(2) of the Securities Act for a transaction not involving a public offering, and that the buyer is confronted with problems of valuation, portfolio management, and disclosure.

The release states that it is the responsibility of the board of directors of an investment company to determine their fair value of such issue of restricted securities and that this duty is not discharged by the adoption of any automatic formula or method of valuation. The valuation of restricted securities at the market quotation for unrestricted securities of the same class is declared to be improper except for most unusual situations. Problems inherent in the use of various other formulas, e.g., cost, constant discount from the market value of unrestricted securities of the same class, or the amortization of any discount from such market value, are also discussed. The release indicates that while an investment company's board of directors may, consistent with their responsibilities, determine the method of valuing each issue of restricted securities in the company's portfolio, the board must also continually review the appropriateness of any method so determined, although actual calculations may be made by persons acting pursuant to the direction of the board.

In its release, the Commission also (a) discusses the need for ascertaining adequate information in order to make an independent analysis of the investment merits of restricted securities; (b) observes that in order to maintain liquidity, open-end investment companies should endeavor to limit their acquisitions and holdings of restricted securities and other assets not having readily available market quotations, to 10 per cent of total net assets; and (c) comments upon the necessity of full disclosure in an investment company's registration statement under the Investment Company Act and the Securities Act as to its policy with respect to such investments and, where made, as to various relevant factors including their cost and method of valuation.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-8721) granting applications of the following exchanges for unlisted trading privileges in the common stocks or named securities of the specified companies: Boston Stock Exchange - American Photocopy Equipment Company; Detroit Stock Exchange - American Photocopy Equipment Company; Midwest Stock Exchange - American Photocopy Equipment Company; Pacific Coast Stock Exchange - Amerada Hess Corporation - Common Stock and \$3.50 Cumulative Convertible Preferred Stock (\$1 par), American Photocopy Equipment Company; Philadelphia-Baltimore-Washington Stock Exchange - Allied Supermarkets, Inc., Amerada Hess Corporation - Common Stock and \$3.50 Cumulative Convertible Preferred Stock (\$1 par), American Photocopy Equipment Company, American General Insurance Co., Consolidated Oil & Gas, Inc., Digital Equipment Corporation, Dun & Bradstreet, Inc., Kentucky Fried Chicken Corporation, Miles Laboratories, Inc., Nashua Corporation, Norris Industries, Inc., and Polaron Products, Incorporated.

J. J. NEWBERRY CO. FILES STOCK PLAN. J. J. Newberry Co., 245 5th Ave., New York 10016, filed a registration statement (File 2-34972) with the SEC on October 6 seeking registration of 140,000 common shares, to be offered to certain employees of the company under its "Incentive Stock Plan".

STOCK PLANS FILED. The following have filed Form S-8 registration statement with the SEC seeking registration of securities to be offered under and pursuant to employees' saving and related stock plans: Cousins Properties Inc., Atlanta, Ga. 30303 (File 2-34974) - 182,298 shares
LTV Electrosystems, Inc., Dallas, Tex. 75222 (File 2-34977) - 80,000 common shares and \$600,000 of debentures

Abbott Laboratories, North Chicago, Ill. (File 2-34983) - 60,000 shares
Heck's, Inc., Charleston, W. Va. 25328 (File 2-34984) - 50,000 shares
Needham Packing Company, Inc., Sioux City, Iowa (File 2-34989) - 50,000 shares
Powers Regulator Company, Skokie, Ill. 60076 (File 2-34991) - 80,000 shares
Pacific Plantronics, Inc., Santa Cruz, Calif. 95060 (File 2-35002) - 69,317 shares
National Semiconductor Corporation, Santa Clara, Calif. 95051 (File 2-35010) - 214,977 shares
Tektronix, Inc., Beaverton, Ore. 97005 (File 2-35015) - 200,000 shares
The L. S. Starrett Company, Athol, Mass. 01331 (File 2-35017) - 215,000 shares
Brockway Glass Company, Inc., Brockway, Pa. 15824 (File 2-35018) - 50,000 shares
Sheller-Globe Corporation, Toledo, Lucas County, Ohio 43624 (File 2-35019) - 58,497 common and 4,003 \$1.40 convertible preferred shares

SECURITIES ACT REGISTRATIONS. Effective October 20: Consolidated Funding Corp., 2-30157 (90 days); Ecology, Inc., 2-33366 (90 days); Anderson Jacobson, Inc., 2-33787 (90 days); J. J. Newberry Co., 2-34972; Stein, Hall & Co., Inc., 2-34769; Test Corp., 2-33920 (90 days); Titan Group, Inc., 2-34630; United Liberty Life Insurance Co., 2-31169 (90 days); United Standard Asset Growth Corp., 2-32461 (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.