

# 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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## COMMISSION ANNOUNCEMENT

**SEC ENTERS 60 MINUTE SYSTEMS PROCEEDING.** The SEC has entered the proceedings under Chapter X of the Bankruptcy Act for the reorganization of 60 Minute Systems, Inc., pending in the Federal court in Orlando, Fla. The court has named Francis G. Rearick as trustee. The debtor is in the dry cleaning business. According to the unaudited balance sheet filed with its Chapter X petition, the debtor's assets (consisting in the main of accounts and notes receivable, inventory, property, plant and equipment) amounted to about \$6.9 million on May 31, 1970, as against approximately \$6.4 million in liabilities at that time. The company has 1,015,089 shares of common stock outstanding held by 766 persons and \$1.5 million 6-3/4% convertible debentures held by 311 investors.

## HOLDING COMPANY ACT RELEASES

**MICHIGAN WISCONSIN PIPE LINE RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16870) authorizing Michigan Wisconsin Pipe Line Company, New York subsidiary of American Natural Gas Company, to issue and sell \$40,000,000 of first mortgage pipe line bonds, due 1990, at competitive bidding, and to issue and sell 30,000 shares of common stock to its parent at \$100 per share, or an aggregate of \$3,000,000. Prior to or concurrent with the sale of stock, Michigan Wisconsin will pay to its parent a special cash dividend of \$3,000,000 (the effect of the two transactions being to convert \$3,000,000 of Michigan Wisconsin's retained earnings into common stock). Michigan Wisconsin will apply the net proceeds of its offerings to the retirement of \$30,000,000 of notes payable to banks and to payment in part of its 1970 construction program estimated at \$95,000,000.

**INDIANA & MICHIGAN ELECTRIC RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16871) authorizing Indiana & Michigan Electric Company, Ft. Wayne, Ind., subsidiary of American Electric Power Company, Inc., to amend its charter to effect an increase in authorized preferred shares from 250,000 (of which 220,000 are presently outstanding) to 1,250,000 and to solicit shareholder approval thereof. The offering of additional preferred shares will be the subject of a later application, the proceeds of which would be used to finance expenditures for construction and other corporate purposes. Construction expenditures for the years 1970 and 1971 are estimated at \$100,000,000 and \$200,000,000, respectively.

**ALLEGHENY POWER SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16872) giving interested persons until November 6 to request a hearing upon an application of Allegheny Power System, Inc., New York holding company, to issue and sell 1,800,000 shares of common stock at competitive bidding. Allegheny will use the net proceeds of its stock sale to acquire additional shares of common stock of subsidiaries, as follows: Monongahela Power Company (160,077 shares for \$8,003,850); The Potomac Edison Company (400,000 shares for \$8,000,000); and West Penn Power Company (400,000 shares for \$8,000,000). Net proceeds of their stock sale, together with other corporate funds, will be used by the subsidiaries to finance their construction program. Construction expenditures for 1971 are estimated at \$51,096,000 for Monongahela, \$57,270,000 for Potomac, and \$92,766,000 for West Penn.

**APPALACHIAN POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16873) authorizing Appalachian Power Company, Roanoke, Va., subsidiary of American Electric Power Company, Inc., to issue the \$70,000,000 of bonds (authorized by Commission on October 9 -- Release 35-16861) in a single series maturing in 1976, instead of in one or more series maturing in not less than 3 and not more than 30 years.

## COURT ENFORCEMENT ACTION

**NINETEEN RESTRAINED.** The SEC New York Regional Office announced October 16 (LR-4781) that the Federal court in New York City had issued a temporary restraining order against Sidney Stein, Albert Feiffer, Norman Rubinson, William K. Chester and fifteen other defendants, restraining violations of the Securities Act registration provisions in the sale of securities of Stern-Haskell, Inc., Mobile Home Ventures, Inc. and Diston Industries, Inc., pending a ruling on the Commission's motion for a preliminary injunction. The court also scheduled a hearing for October 26 on that motion, which relates to all 47 defendants named in the Commission's complaint (see News Digest of October 6).

OVER

**BOURBON STREET ORIGINALS PROPOSES OFFERING.** Bourbon Street Originals, Inc., 1375 Broadway, New York 10018, filed a registration statement (File 2-38608) with the SEC on October 16 seeking registration of 80,000 shares of common stock, to be offered for public sale by the company at \$1.50 per share. The offering is to be made on a firm basis as to 30,000 shares and on a best efforts basis as to the remaining 50,000 shares by Prime Securities Corp. of New York, 55 Front St., Rockville Centre, New York 10021, which will receive a 15¢ per share selling commission plus \$6,500 for expenses. The company has agreed to sell the underwriter, at 1¢ per warrant, one five-year warrant for each 10 shares sold. Also included in the registration statement are an additional 79,500 shares owned by Honig's Parkway, Inc., to be distributed to Honig's shareholders of record on March 2, 1970, as a dividend of one share for each three Honig's shares held.

Organized in July 1969, the company designs, manufactures and sells women's dresses, suits, ensembles, pants suits and coordinates primarily in "junior" and "junior petite" sizes. Net proceeds of the company's sale of additional stock will be added to its working capital and used for general corporate purposes. It has outstanding 965,000 common shares, of which Stanley Dick, president, Thomas Ormento, secretary-treasurer, and Marvin Anklow, assistant secretary, own 23.7% each and Honig's Parkway, Inc. 12.4% (acquired in exchange for 25,000 Honig's shares).

**SAVANNAH ELECTRIC TO SELL BONDS.** Savannah Electric and Power Company, 600 East Bay St., Savannah, Ga., filed a registration statement (File 2-36809) with the SEC on October 16 seeking registration of \$15,000,000 of first mortgage bonds, to be offered for public sale through underwriters headed by Stone & Webster Securities Corp., 90 Broad St., and Kuhn, Loeb & Co., 40 Wall St., both of New York. The maturity date, interest rate, offering price and underwriting terms are to be supplied by amendment. An electric utility, the company will use the net proceeds of its bond sale to repay \$8,000,000 of 9% promissory notes, due December 1, 1970, and a portion of its outstanding bank loans (estimated at \$13,700,000 at the time of the bond sale). Proceeds of the borrowings were utilized for the company's construction program, estimated at \$100,000,000 for the period from mid-1968 through early 1974.

**MASSACHUSETTS INCOME DEVELOPMENT FUND PROPOSES OFFERING.** Massachusetts Income Development Fund, Inc., 200 Berkeley St., Boston, Mass. 02116, filed a registration statement (File 2-38613) with the SEC on October 16 seeking registration of 5,000,000 shares of common stock, to be offered for public sale at net asset value plus an 8.5% sales charge on purchases of less than \$12,500 (\$15 per share maximum\*). The Fund is an open-end, diversified investment company with the investment objective of obtaining above average income consistent with prudent employment of capital. Massachusetts Financial Services, Inc., will serve as investment adviser and Vance, Sanders & Company, Inc., as principal underwriter. George S. Bissell, president of the Fund, six other Fund officers or directors, and three others own all the outstanding stock of the adviser.

**INSTRUMENT SYSTEMS FILES FOR SECONDARY.** Instrument Systems Corporation, 410 Jericho Turnpike, Jericho, N. Y. 11753, filed a registration statement (File 2-38614) with the SEC on October 16 seeking registration of 2,000,000 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 (\$9 per share maximum\*).

The company manufactures and sells advanced electronic systems for the commercial and military aerospace industries, plastic and packaging products, home furnishings and industrial and automotive products. In addition to indebtedness and preferred stock, it has outstanding 6,086,000 common shares, of which management officials as a group own 10%. Edward J. Garrett is board chairman and president. Harold Beck may sell 135,000 of 275,000 shares held and a large number of others the remaining shares being registered.

**DOW CHEMICAL TO SELL DEBENTURES.** The Dow Chemical Company, Midland, Mich. 48640, filed a registration statement (File 2-38607) with the SEC on October 16 seeking registration of \$150,000,000 of debentures, due 2000, to be offered for public sale through underwriters headed by Smith, Barney & Co. Inc., 1345 Avenue of the Americas, New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of chemicals and metals; plastic materials and products; and bioproducts/consumer products. Net proceeds of its debenture sale will be used to reduce short-term indebtedness, which aggregated \$435 million at August 31 and was incurred to finance a portion of its capital expenditure and investment program and to augment working capital. In addition to indebtedness, the company has outstanding 31,600,423 common shares. Herbert D. Doan is president and Carl A. Gerstacker board chairman.

**SECURITIES ACT REGISTRATIONS.** Effective October 19: Banister Continental Corp., 2-38455; The Cleveland Electric Illuminating Co., 2-38460; Eaton Yale & Towne, Inc., 2-38553; Paris Enterprises, Inc., 2-38465 (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.