

# 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 March 10, 1970

**SEC ISSUES RULING IN MATES CASE.** The SEC today announced its decision (definitive findings; Release 34-8836) in support of its June 12, 1969, order imposing sanctions upon Mates Financial Service (MFS), Mates Management Company (MMC), and Frederick S. Mates. Those sanctions were based upon settlement offers of the respondents in which, without admitting the violations complained of, they consented to Commission findings of violations and to the sanctions imposed (see Release 34-8626). In its decision, the Commission ruled that certain activities of the three respondents violated the anti-fraud and anti-manipulative provisions of the Securities Exchange Act and the Investment Advisers Act. They included purchases of "restricted securities" by Mates Investment Fund, Inc. (despite assurances that no such securities would be acquired), and improper evaluation thereof; the improper allocation by Mates and MFS of the execution of securities transactions on behalf of MFS advisory clients to brokerage firms which gave MFS and Mates rebates; and the purchase by Mates of Ramar Industries stock on the basis of "inside" information.

**NORTHEAST UTILITIES SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16628) giving interested persons until March 24 to request a hearing upon an application of New England Electric System ("NEES"), Westboro, Mass. holding company, with respect to a proposed amendment of its declaration of trust. NEES proposes to submit to its shareholders at an annual meeting scheduled for April 28 a management proposal to amend Article 31 of its Agreement and Declaration of Trust and to modify the preemptive rights of shareholders so that unless the Board of Directors otherwise prescribes, such rights shall not exist in cases where any common shares to be issued for cash are publicly offered by competitive bidding or to or through underwriters or investment bankers for public sale. Such an amendment requires an affirmative vote of the holders of the majority of the outstanding common shares and two-thirds of the Board of Directors.

**NORTHEAST UTILITIES SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16629) giving interested persons until March 24 to request a hearing upon an application of Northeast Utilities, Springfield, Mass. holding company, with respect to a proposed amendment of its Declaration of Trust. Northeast proposes to submit to its shareholders at an annual meeting scheduled for April 28 a management proposal to amend Article 19 of its Declaration of Trust to modify the preemptive rights of shareholders so that such rights shall not exist in cases where any common shares to be issued for cash are publicly offered by competitive bidding or to or through underwriters or investment bankers for public sale. Such an amendment requires an affirmative vote of holders of least two-thirds of the outstanding common shares of Northeast.

**MICHIGAN CONSOLIDATED GAS SEEKS ORDER.** Michigan Consolidated Gas Company, Detroit subsidiary of American Natural Gas Company, has joined with its subsidiary, Michigan Consolidated Homes Corporation, in the filing of an application with the SEC under the Holding Company Act with respect to two additional housing projects for low and moderate income families; and the Commission has issued an order (Release 35-16631) giving interested persons until March 25 to request a hearing thereon.

Pursuant to Commission order of March 31, 1969, Homes Corporation has virtually completed a pilot housing project consisting of 130 units in the inner-city area of Detroit, Mich. Consolidated and Homes Corporation now propose to construct two additional projects within Michigan Consolidated Gas' service area. The first involves 134 units for low and moderate income families on a nine-acre urban renewal site in Inkster, Mich., a suburb of Detroit, at an estimated cost of \$2,680,000; the second is for an apartment development of 168 units for elderly and handicapped persons of low and moderate income on a five-acre urban renewal site in Detroit known as the Elmwood Park Rehabilitation Project No. 1, at an estimated cost of about \$2,891,000. These two projects are presently under construction and funds for that purpose have been advanced on notes issued by Homes Corporation to Michigan Consolidated Gas.

**DELISTINGS GRANTED.** The SEC has issued orders under the Securities Exchange Act (Release 34-8839) granting applications of the American Stock Exchange to strike from listing and registration the 4 $\frac{1}{2}$ % convertible preferred stock (\$50 par) of The Miller-Wohl Company, Inc., and the \$1.50 convertible preferred stock (\$35 par) of The Wheelabrator Corporation, effective at the opening of business on March 9, 1970. Exchange records indicate that only 28,800 Miller-Wohl shares and only 17,200 Wheelabrator shares remain outstanding (exclusive of management and concentrated holdings), fewer than the minimum 50,000 required by the Exchange.

**UNLISTED TRADING SOUGHT.** The SEC has issued an order under the Securities Exchange Act (Release 34-8839) giving interested persons until March 24 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading <sup>privileges</sup> in the common stocks of the following companies: Data Products Corporation, Lums, Inc., Planning Research Corporation, The Telex Corporation and Tool Research & Engineering Corp.

OVER

**CONTINENTAL CONNECTOR, M & R INVESTMENT ENJOINED.** The SEC announced March 10 (LR-4553) that the U. S. District Court in New York had enjoined Continental Connector Corporation, M & R Investment Company, Inc., d/b/a Dunes Hotel, their officers and directors, with the consent of the defendants, from violating provisions of the Commission's Regulation S-X governing financial statements included in proxy statements, annual reports and other filings with the Commission. The Court also ordered Continental and M & R Investment to engage independent accountants for the purpose of making an examination of the latter's operating and financial statements for the three years ended December 31, 1969, and directs Continental to file the newly-audited financial statements with the Commission and the American Stock Exchange.

**ADDITION TO RESTRICTED LIST.** The SEC has added Northland Minerals Ltd., of New Brunswick, Canada, to its Foreign Restricted List. The list is comprised of the names of foreign companies whose securities the Commission has reason to believe recently have been, or currently are being offered for public sale and distribution within the United States in violation of the Securities Act registration requirement. With the addition of Northland Minerals, Ltd., the list now comprises the names of 44 Canadian and other companies.

**LIBERTY LEASING TO SELL DEBENTURES.** Liberty Leasing Co., Inc., 221 N. LaSalle St., Chicago, Ill. 60601, filed a registration statement (File 2-36496) with the SEC on March 4 seeking registration of \$11,000,000 of senior subordinated convertible debentures, due 1990, to be offered for public sale through underwriters headed by Blair & Co., Inc., 20 Broad St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in leasing a wide variety of equipment, machinery and motor vehicles to industrial and commercial firms to meet their specific requirements. Net proceeds of the company's debenture sale and funds available from institutional lenders will be used to finance the total cost of equipment to be purchased from manufacturers for lease in the usual course of the company's leasing business. In addition to indebtedness, the company has outstanding 964,677 common shares, of which Howard A. Grossman, president, and Maurice Gross, executive vice president, own 11% each.

**HONEYWELL TO SELL STOCK.** Honeywell, Inc., 2701 Fourth Ave. South, Minneapolis, Minn., filed a registration statement (File 2-36497) with the SEC on March 4 seeking registration of 600,000 shares of common stock, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities Co., 1 Chase Manhattan Plaza, New York 10005. The offering price (\$140 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in manufacturing many different electronic, electrical and pneumatic types and models of products having numerous applications, including a variety of controls. It also manufactures a full range of data processing and communications systems and terminal equipment and provides a variety of data processing services. Net proceeds of its stock sale will be added to the company's general funds and, together with internally generated funds, will be applied toward working capital and capital expenditure requirements. In addition to indebtedness, the company has outstanding 15,237,508 common shares. James H. Binger is board chairman and Stephen F. Keating president.

**DELL DRILLING FUND PROPOSES OFFERING.** Dell Drilling Fund--1970 (the "Partnership"), 80 Broad St., New York 10004, filed a registration statement (File 2-36498) with the SEC on March 4 seeking registration of \$2,000,000 of limited partnership interests, to be offered for public sale at \$5,000 per unit. No underwriting is involved; participating NASD members will receive a 7½% selling commission. The Partnership was organized to drill wells primarily for oil although drilling for gas may be undertaken. Herbert J. Pfeifer, Stewart L. Krug and Harry K. Nadell are general partners of the Partnership.

**WISCONSIN LIFE FUND PROPOSES OFFERING.** Wisconsin Life Fund, Inc., 709 N. Segoe Rd., Madison, Wis. 53705, filed a registration statement (File 2-36500) with the SEC on March 4 seeking registration of 10,000,000 shares of common stock, to be offered for public sale at net asset value with no sales charge. The Fund was organized as a diversified open-end management investment company whose investment objective is long-term appreciation of capital. Its shares are offered at present only to The Wisconsin Life Insurance Company for its separate accounts. The Wisconsin Life Insurance Company will serve as investment adviser. Donald James Beyer is an officer of the Fund and president of the adviser.

**WISCONSIN LIFE TO SELL VARIABLE ANNUITIES.** The Wisconsin Life Insurance Company, 709 N. Segoe Road, Madison, Wis. 53705, filed a registration statement (File 2-36501) with the SEC on March 4 seeking registration of \$10,000,000 of variable annuity contracts in the Wisconsin Life Variable Account A. The contracts are designed for employees of corporate employers who adopt pension or profit sharing plans meeting the requirements of Sections 401(a) and 403(a) of the Internal Revenue Code, employees of public educational institutions and of organizations exempt from Federal income tax under Section 501(c)(3) of the Code as tax-deferred annuity contracts within provisions of Section 403(b) of the Code, and self-employed individuals and their employees under Section 401(a) of the Code (Keogh retirement plans). Wisconsin Life is a mutual life insurance company, of which Gordon Dale Adams is board chairman and Donald James Beyer president.

**GOLDEN BEAR FAMILY RESTAURANTS TO SELL STOCK.** Golden Bear Family Restaurants, Inc., 7234 West North Ave., Elmwood Park, Ill. 60635, filed a registration statement (File 2-36503) with the SEC on March 5 seeking registration of 100,000 shares of common stock, to be offered for public sale through underwriters headed by Sears, Sucey & Co., 100 W. Monroe St., Chicago, Ill. 60603. The offering price (\$8.50 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay \$12,500 to Sears, Sucey and to issue it five-year warrants exercisable after one year at from 107% to 128% of the offering price.

Organized in August 1965 as a management company for the Golden Bear restaurants (all of which were separate corporations owned by Roy R. Marzano and family members), the company acquired the corporations owning the restaurants in exchange for stock. It now owns a chain of eight family type restaurants operated under the "Golden Bear" name; they specialize in pancakes but also offer a variety of other moderately priced, family oriented items. Of the net proceeds of its stock sale, \$150,000 will be expended by the company in connection with the establishment of new company operated restaurants; the balance will be added to the company's working capital and will be available for use in connection with its new franchising program. In addition to indebtedness, the company has outstanding 220,800 common shares (with a \$1.82 per share book value), of which Roy P. Marzano, president, and his wife own 73.3% and management officials as a group 100%.

**PHELPS DODGE TO SELL DEBENTURES.** Phelps Dodge Corporation, 300 Park Ave., New York 10022, filed a registration statement (File 2-36504) with the SEC on March 5 seeking registration of \$100,000,000 of sinking fund debentures, due 2000, to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the production of copper from mines located in the United States, the sale of the great part of such copper as refinery shapes or as rods, and the fabrication of the remainder of such copper (as well as copper purchased from others) for sale as wire, cable and tubular products. Net proceeds of its debenture sale will be used to repay bank borrowings outstanding in the amount of \$60,000,000; the balance will be added to the company's general funds and used for general corporate purposes, including capital outlays. Capital outlays for 1970 are estimated at \$100,000,000. In addition to indebtedness, the company has outstanding 20,178,432 common shares. George B. Munroe is president.

**ARIZONA PUBLIC SERVICE TO SELL BONDS.** Arizona Public Service Company, 501 S. 3rd Ave., Phoenix, Ariz. 85003, filed a registration statement (File 2-36505) with the SEC on March 5 seeking registration of \$30,000,000 of first mortgage bonds, due 2000, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., and Blyth & Co., Inc., 14 Wall St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its bond sale to reduce short term indebtedness (\$45,650,000 at February 28). Construction expenditures totalled \$95,848,000 in 1968 and 1969 and are estimated at \$36,626,000 for 1970 and \$119,115,000 for the years 1970 through 1972.

**MONEY MORTGAGE INVESTORS PROPOSES OFFERING.** MONEY Mortgage Investors (the "Trust"), 10 Post Office Square, Boston, Mass. 02109, filed a registration statement (File 2-36506) with the SEC on March 5 seeking registration of 5,000,000 shares of beneficial interest and \$50,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale in units, each consisting of 50 shares and \$500 principal amount of debentures, and at \$1,000 per unit. The offering is to be made through underwriters headed by Eastman, Dillon, Union Securities & Co., One Chase Manhattan Plaza, and Lazard Freres & Co., 44 Wall St., both of New York 10005; the underwriting terms are to be supplied by amendment.

The Trust was established to provide investors an opportunity to invest in a diversified portfolio of mortgage loans and other real property interests. Its present intention is to invest primarily in long-term first mortgages on income-producing commercial, residential and industrial properties. It intends to qualify as a real estate investment trust under the Internal Revenue Code. The Trust has entered into a contract with The Mutual Life Insurance Company of New York ("MONEY") under which MONEY will investigate, evaluate and recommend investment opportunities for the Trust and will administer, under supervisions of the Trustees of the Trust, the investment operations of the Trust. John J. O'Connor is president and Allen L. Lindley chairman of the board of trustees; both are officers of MONEY.

**DIXILYN TO SELL DEBENTURES.** Dixilyn Corporation, P. O. Box 3427, Odessa, Tex. 79760, filed a registration statement (File 2-36507) with the SEC on March 5 seeking registration of \$6,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10001. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in offshore drilling of oil and gas wells on a contract basis for others, in the design and fabrication of metal products from alloy metals, in the acquisition, exploration and development of oil and gas properties and in the exploration and development of complex base metal ore and related activities. Of the net proceeds of its debenture sale, \$3,950,000 will be used to repay bank borrowings; the balance will be added to the company's general funds to provide additional working capital and for other corporate purposes. Such bank borrowings, together with other company funds, were used (among other things) for the acquisition and expansion of the company's Pride of the West Mill (\$1,015,000), for other expenditures in connection with its mining operations (\$3,730,000), and to pay the balance of the purchase price of its drilling rig (\$1,200,000). The company has outstanding 1,953,896 common shares. M. O. Boring, Jr. is president.

**AMEROLA PRODUCTS FILES FOR OFFERING AND SECONDARY.** Amerola Products Corporation, 5258 Butler St., Pittsburgh, Pa. 15201, filed a registration statement (File 2-36508) with the SEC on March 5 seeking registration of 130,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 10,000 (being outstanding shares) by the present holders thereof. The offering is to be made at \$5 per share through Charles Plohn & Co., 200 Park Ave., New York 10017, which will receive a 50c per share commission plus \$12,500 for expenses. The company has agreed to grant the Plohn firm a five-year option to purchase 13,000 shares at 50c per share, nontransferable for two years.

Organized in February 1970, the company acquired True-Cue Company (a partnership) and its predecessor, True Cue, Inc. (a corporation), in exchange for 277,000 shares of common stock. It distributes aluminum and wooden cue sticks, aluminum cue bridges and aluminum softball bats. Of the net proceeds of its sale of additional stock, \$175,000 will be used to acquire and install its own equipment for the manufacture, finishing and assembly of its cue sticks, cue bridges, softball and baseball bats and certain forms of its gripping device and \$75,000 for research and development; the balance will be added to the company's working capital and used for general corporate purposes, including the possible purchase of a plant. The company has outstanding 277,000 common shares (with a \$.493 per share net tangible book value), of which Anthony Merola, president, owns 55.82% and management officials as a group 69.77%. Purchasers of the shares being registered will acquire a 32.75% stock interest in the company for their investment of \$650,000\*; present shareholders will then own 67.25%, for which they exchange assets having a net tangible book value of \$136,627.

**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 (please give News Digest "Issue No." in ordering). 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 March 3 News Digest.

Amended 8K Reports

Homestead International Inc. Amdt #1 for Mar 69(7,9,13)	2-23494-2
Wells, Rich, Greene, Inc. Amdt #1 for May 69(11)	2-29926-2
International Systems & Controls Corp Amdt #1 for Dec 69(3)	0-1427-2
Wyandotte Chemicals Corp Amdt #1 for Nov 69(1)	0-1115-2
Harvey's Stores Inc. Amdt #1 for Dec 69(1,13)	1-4553-2
William Volker & Co. Amdt #1 for Nov 69(1,13)	0-2735-2
Gaz Metropolitan, Inc. Amdt #1 for Jan 70(7,13)	2-13160-2

**SECURITIES ACT REGISTRATIONS.** Effective March 9: Cleary Funds, Inc., 2-35224 (40 days); Cundari Oil Company, Inc., 2-33387 (90 days); Data Recognition Corp., 2-34943 (90 days); Fluidic Industries, Inc., 2-34827 (90 days); ITI Corp., 2-28161 and 2-33813 (40 days); Northeastern Bankshares Association, 2-34668 (90 days); Petroleum Resources Fund, Inc., 2-34665; Pill and Puff, Inc., 2-35122 (90 days); Recognition Equipment Inc., 2-36340; Victoreen Leece Neville, Inc., 2-34644.  
Withdrawn March 9: Southwest Resources Fund, Inc., 2-36128; Telecomputer Services Corp., 2-35788; Vacations West, Inc., 2-31838.

**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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