

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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HOLDING COMPANY ACT RELEASES

DELMARVA P & L SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16722) giving interested persons until June 5 to request a hearing upon an application of Delmarva Power & Light Company, Wilmington, Del. holding company, to issue and sell up to \$25,000,000 of short-term notes to banks and/or commercial paper to a dealer in commercial paper. Delmarva will use the net proceeds thereof to finance its 1970 construction program, estimated at \$85,000,000.

COLUMBIA GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16723) giving interested persons until June 2 to request a hearing upon an application of The Columbia Gas System, Inc., to issue and sell up to \$140,000,000 of short-term notes to banks and/or commercial paper to dealers in commercial paper. The company will make the net proceeds of its financing available to its subsidiaries for construction, for the purchase of underground storage gas during the summer months and for other short-term seasonal requirements; up to \$80,000,000 will be used for the latter two purposes and will be repaid by the subsidiaries from cash generated during the winter months. Construction expenditures of the subsidiaries are estimated at \$205,600,000 during 1970.

NEW JERSEY P & L SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16724) giving interested persons until June 3 to request a hearing upon an application of New Jersey Power & Light Company (NJP&L), Morristown subsidiary of General Public Utilities ("GPU"), to sell certain utility assets (including primarily power transformers and related equipment and high voltage cable and line termination equipment) to Jersey Central Power & Light Company ("JCP&L"), also a Morristown subsidiary of GPU. Had the sale been consummated on December 31, 1969, the aggregate price would have been some \$132,980; it will actually be less to reflect additional depreciation. Such assets have ceased to be useful to NJP&L in the operation of its utility business and are needed by JCP&L in the operation of its utility business.

GPU RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16725) approving a revised proposal of General Public Utilities Corporation, New York holding company, for the "rights" offering of 1,405,000 common shares. As revised, the offering will not be underwritten. Dealers will receive compensation for the successful solicitation of the exercise of subscription warrants by shareholders. The record date for subscriptions will be May 18, or such later date as the Commission may clear a further amendment specifying the subscription price and participating dealer fee.

INVESTMENT COMPANY ACT RELEASES

MUTUAL FUND ADVISORY SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6053) giving interested persons until June 5 to request a hearing upon an application of Mutual Fund Advisory, Inc. ("MFA"), Coral Gables, Fla. broker-dealer engaged in the public sale of various load type mutual funds, for an order exempting from certain provisions of the Act its sale of shares of other registered investment companies to Fundpack, Inc., a newly formed registered mutual fund., which is an affiliated person of MFA within the meaning of the Act. Victor H. Polk, Walter A. Svehla and Charles Schlaitzer own, control and are officers and directors of MFA and are also officers and director of Fundpack. Fundpack proposes to invest at least 80% of its assets in securities issued by other investment companies of the load as well as the no-load variety. MFA proposes to sell Fundpack shares of other mutual funds at the net asset value of such shares plus the principal underwriter's discount. MFA maintains that the sale of fund shares to Fundpack at its cost is consistent not only with its fiduciary obligation to Fundpack but is justified economically because it does not incur selling costs in making such sales to Fundpack which it has when making sales of fund shares to members of the general public.

BOSTON CAPITAL CERTIFIED. The SEC has issued an order under the Investment Company Act (Release IC-6054), certifying to the Secretary of the Treasury, pursuant to Section 851(e) of the Internal Revenue Code, that Boston Capital Corporation and Boston Capital Small Business Investment Corporation, Boston closed-end investment companies, are each principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes or products not previously generally available.

SECURITIES ACT REGISTRATIONS

WOLVERINE REAL ESTATE TRUST PROPOSES OFFERING. Wolverine Real Estate Investment Trust (the "Trust"), 436 Crosstown Parkway, Kalamazoo, Mich., filed a registration statement (File 2-37362) with the SEC on May 11 seeking registration of 300,000 shares of beneficial interest, to be offered for public sale at \$10 per share. No underwriting is involved.

OVER

The Trust was recently organized to provide investors with an opportunity to own through transferable common shares an interest in diversified income-producing assets consisting principally of interests in real estate and real estate mortgages. It intends to qualify as a real estate investment trust under provisions of the Internal Revenue Code. John Oosterbaan, Sr., is president.

SOUTH CAROLINA E & G TO SELL BONDS. South Carolina Electric & Gas Company, 328 Main St., Columbia, S. C. 29201, filed a registration statement (File 2-37363) with the SEC on May 12 seeking registration of \$30,000,000 of first and refunding mortgage bonds, due 2000, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Incorporated, 20 Exchange Place, New York, N. Y. 10004. 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 finance in part its construction program, including the retirement of the company's short-term indebtedness outstanding at the date of the sale of the bonds (estimated at \$29,000,000) incurred as a result of construction expenditures. Construction expenditures are estimated at \$88,795,000 for 1970.

VIVONEX TO SELL STOCK. Vivonex Corporation, 867 West Dana St., Mountain View, Calif. 94040, filed a registration statement (File 2-37364) with the SEC on May 12 seeking registration of 300,000 shares of common stock, to be offered for public sale through underwriters headed by Agio Capital Corporation, Two Broadway, New York, N. Y. 10004. The offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters \$40,000 for expenses, to pay Schweickart & Co. (parent of Agio) a finder's fee of 1½% of the aggregate public offering price and to grant the Agio and Schweickart firms five-year options to purchase an aggregate of 15,000 shares at 120% of the offering price. The Schweickart firm has informed the company that it will pay the finder's fee to Elihu Nemiroff, one of its registered representatives, who will also receive the 7,500 share option granted to Schweickart.

Organized in October 1967, the company is engaged in the development, manufacture and sale of products in the area of biological chemistry. Of the net proceeds of its stock sale, \$900,000 will be used for a new production facility for the Vivonex-100 product (a chemical nutrient composition said to constitute a complete human diet), \$500,000 for further research and development of chemical nutrient compositions, \$300,000 for further research, development and engineering of amino acid analyzers, and \$700,000 for an increased sales force and advertising and other promotional expenses for Vivonex-100 and the amino acid analyzer; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 2,100,078 common shares (with a 46¢ per share net tangible book value), of which S. Allan Kline, president, owns 14.81%, management officials as a group 24.96% and United Aircraft Corporation 46.08%. Purchasers of the shares being registered will incur an immediate dilution of \$10.31 in per share book value from the offering price.

DENNY'S FILES FOR SECONDARY. Denny's Restaurants, Inc., 14256 East Firestone Blvd., La Mirada, Calif. 90638, filed a registration statement (File 2-37365) with the SEC on May 13 seeking registration of 649,343 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by Salomon Brothers & Hutzler, 60 Wall St., New York, N. Y. 10005; the offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the development, management and operation of more than 650 restaurant and donut shops. In addition to indebtedness and preferred stock it has outstanding 6,220,665 common shares, of which Harold Butler, board chairman, owns 23.8% and management officials as a group 30.8%. Butler proposes to sell 450,000 of 1,480,660 shares held, Sam Gordon all of 133,343 and two others the remaining shares being registered. Robert W. Eberle is president.

STERNER LIGHTING FILES FOR OFFERING AND SECONDARY. Sterner Lighting, Inc., Winsted, Minn. 55395, filed a registration statement (File 2-37366) with the SEC on May 13 seeking registration of 204,000 shares of common stock, of which 160,000 are to be offered for public sale by the company and 44,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Dain, Kalman & Quail, Incorporated, 100 Dain Tower, Minneapolis, Minn. 55402; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in designing, manufacturing and marketing both standard and custom-designed lighting equipment, primarily for outdoor use. Part of the net proceeds of the company's sale of additional stock will be used to reduce its short-term indebtedness incurred in connection with substantial additions to raw materials inventory, increased accounts receivable and additions to plant and equipment in 1969 which cost approximately \$540,000; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 763,984 common shares, of which management officials as a group own 15.3% and Sterner Industries, Inc. 42.4%. Sterner Industries proposes to sell 25,000 of 324,134 shares held and four others (including two vice presidents) the remaining shares being registered. George F. Nye is president.

SAFECARD SERVICES TO SELL STOCK. Safecard Services, Incorporated, 1472 Broadway, New York, N. Y. 10036, filed a registration statement (File 2-37367) with the SEC on May 13 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 on a best efforts basis through Kelly, Andrews & Bradley, Inc., 111 John St., New York, N. Y., which will receive a 40¢ per share selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$85, and Consolidated Consulting Co., a finder, for \$15, eight-year warrants to purchase 8,500 and 1,500 shares, respectively, exercisable after three years at \$4.40 per share.

The company was organized in December 1969 for the purpose of servicing credit card holders, by registering and recording credit card information, by means of a computer system and notifying the issuers of the credit cards in the event of loss, theft, misappropriation, destruction or any other circumstances which would create liability on the part of credit card holders. Of the net proceeds of its stock sale, \$100,000 will be used to increase the company's marketing staff, advertising, promotion, office equipment and printing expenses and the balance will be added to the company's working capital. The company has outstanding 221,500 common shares (with an 8¢ per share book value), of which Peter A. Halmos, president, owns 40.2% and management officials as a group 77%. Purchasers of the shares being registered will acquire a 31% stock interest in the company for their investment of \$400,000 (they will sustain an immediate dilution of \$2.98 in per share book value from the offering price); present shareholders will then own 69%, for which they will have paid \$17,480, or an average of 8¢ per share.

LOUISVILLE GAS & ELECTRIC TO SELL BONDS. Louisville Gas and Electric Company, 311 West Chestnut St., P. O. Box 354, Louisville, Ky. 40201, filed a registration statement (File 2-37268) with the SEC on May 13 seeking registration of \$20,000,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale for part of the cost of its 1970-71 construction program and for the payment of all then outstanding short-term borrowings (estimated at \$11 million) incurred in connection therewith. Construction expenditures for 1970-71 are estimated at \$80 million.

GENERAL TELEPHONE TO SELL BONDS. General Telephone Company, 2020 Santa Monica Blvd., Santa Monica, Calif. 90404, filed a registration statement (File 2-37369) with the SEC on May 13 seeking registration of \$70,000,000 of first mortgage bonds, Series W, due 2000, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 25 Broad St., New York, N. Y., and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment. A subsidiary of General Telephone & Electronics Corporation, the company will apply the net proceeds of its bond sale toward the discharge of short-term loans and commercial paper borrowings (estimated not to exceed \$120,000,000 at the time of such application) obtained for the purpose of financing its construction program. Construction expenditures are estimated at \$201,800,000 for 1970.

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:
 Allied Stores Corporation, New York 10016 (File 2-37359) - 150,000 shares
 Weil-McLain Company, Inc., Michigan City, Ind. (File 2-37372) - 158,750 shares
 Insilco Corporation, Meriden, Conn. 06450 (File 2-37375) - 100,000 shares
 Pittway Corporation, Northbrook, Ill. 60062 (File 2-37377) - 77,765 shares
 The Chase Manhattan Corporation, New York 10005 (File 2-37378) - \$10,000,000 of interests in The Thrift-Incentive Plan of The Chase Manhattan Bank (National Association)

CITY NATIONAL BANK PROPOSES EXCHANGE OFFERS. City National Bank Corporation, City National Bank Bldg., Miami, Fla., filed a registration statement (File 2-37370) with the SEC on May 13 seeking registration of 1,716,344 shares of common stock. These shares are to be offered in exchange for all, or not less than 80% of the outstanding shares of common stock of the following banks, at the specified ratios of exchange: (a) 1,012,500 shares for the 225,000 shares of City National Bank of Miami (4.5 shares for 1); (b) 500,000 shares for the 125,000 outstanding shares of City National Bank of Miami Beach (4 shares for 1); and (c) 203,844 shares for the 101,922 outstanding shares of City National Bank of Coral Gables (2 shares for 1).

The company was organized in July 1969 for the purpose of becoming a bank holding company and making the exchange offers. Upon completion of the exchange offers (assuming 100% exchange except for directors qualifying shares), Leonard L. Abess, board chairman of the company and of the City National Banks of Miami and Miami Beach, will own 27.35% of the outstanding common stock of the company and Baron deHirsch Meyer 29.07%. Michael J. Franco is president of the company and of City National Bank of Miami.

SECURITIES ACT REGISTRATIONS. Effective May 13: Allied Artists Pictures Corp., 2-36746 (June 22); Bell Funding Corp., 2-35682 (90 days); Components Specialties, Inc., 2-35100 (90 days); The Signal Companies, Inc., 2-36732; Tennessee Forging Steel Corp., 2-35585 (40 days).
 Withdrawn May 12: Alodex Corp., 2-34003; Columbia Computer Corp., 2-34496; Edith Henry Shoes, Inc., 2-33833; Gulf-South Airways, Inc., 2-33118; Land Consultants of America, Inc., 2-35506; National Metal Converters, Inc., 2-33212; U. S. Dimension Products, Inc., 2-33102.

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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