

# 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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## COURT ENFORCEMENT ACTIONS

**McCLAUGHRY ASSOCIATES ENJOINED.** The SEC Washington Regional Office announced (LR-4712) that on August 4 the Federal court in the District of Columbia had issued a final judgment permanently enjoining McClaughry Associates, Inc. ("McClaughry"), a Vermont corporation maintaining offices in Washington, D. C., from violations of the registration provisions of the Federal securities laws in the sale of its convertible preferred stock. McClaughry consented to the order without admitting the allegations.

**COMPLAINT NAMES CADWELL INDUSTRIES, OTHERS.** The SEC Chicago Regional Office announced August 6 (LR-4713) the filing of a complaint in the Federal court in Chicago seeking to enjoin Cadwell Industries, Inc. ("Cadwell"), of Kalamazoo, Mich., Alfred L. Marks, a vice president and treasurer, and Sidney M. Murray, president, from violations of the anti-fraud provisions of the Federal securities laws in the sale of stock of Cadwell.

**CALIFORNIA BANK ENJOINED.** The SEC San Francisco Regional Office announced August 7 (LR-4714) that City National Bank, Beverly Hills, Calif., and Gary W. Frentress, a trust officer of the Bank, were enjoined by the Federal court in Los Angeles, the Bank from serving as escrow holder and Gary W. Frentress from serving as trust officer in connection with investment plans of Nationwide Investment Corporation ("NIC") while NIC or its affiliates are engaged in violations of the Federal securities laws. The Bank and Frentress consented to the court order but generally denied any violations of the securities laws.

**DAVID E. PEDLEY INDICTED.** The SEC San Francisco Regional Office announced August 7 (LR-4715) the return of a Federal court indictment in Santa Ana, Calif., charging David E. Pedley of Beverly Hills, Calif., with grant thefts employing a scheme and artifice to defraud in connection with the purchase and sale of stock in Hanna Gold Mines, Ltd., a British Columbia corporation, and writing insufficient funds checks.

## SECURITIES ACT REGISTRATIONS

**GEORGIA POWER PROPOSES OFFERING.** Georgia Power Company, 270 Peachtree St., N. W., Atlanta, Ga. 30303, filed a registration statement (File 2-38133) with the SEC on August 7 seeking registration of \$75,000,000 of first mortgage bonds, and 100,000 shares of cumulative preferred stock, to be offered for public sale at competitive bidding. A wholly-owned subsidiary of The Southern Company, the company will use the net proceeds thereof, together with (1) the proceeds from the sales in April 1970 of \$60,000,000 of first mortgage bonds and 100,000 shares of preferred stock and (2) \$45,500,000 from the sale of common stock to its parent and (3) some \$38,453,000 of funds expected to be accumulated from internal sources in 1970, to finance its 1970 construction expenditures and to effect a net reduction of \$12,192,000 in notes payable. Construction expenditures are estimated at \$818,176,000 during 1970, 1971 and 1972.

**NEW ENGLAND TELEPHONE AND TELEGRAPH TO SELL DEBENTURES.** New England Telephone and Telegraph Company, 185 Franklin St., Boston, Mass. 02107, filed a registration statement (File 2-38135) with the SEC on August 7 seeking registration of \$175,000,000 of debentures, due 2009, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005, and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment. A subsidiary of AT&T, the company will apply the net proceeds of its debenture sale toward repayment of advances from the parent and notes payable (estimated to be \$107,000,000 and \$135,000,000, respectively). Such advances are obtained and notes are issued to obtain interim financing for general corporate purposes, including property additions and improvements. Construction expenditures are estimated at \$365,000,000 for 1970.

**ASSOCIATED COMPANIES PROPOSES RIGHTS OFFERING.** Associated Companies, Inc., 1100 Broadway, Anderson, Ind. 46015, filed a registration statement (File 2-38125) with the SEC on August 6 seeking registration of 120,757 shares of common stock. These shares are to be offered for subscription by common stockholders at the rate of one new share for each five shares held, and at \$4 per share. A transferable stock purchase warrant will be attached to each common share purchased which will entitle the holder to purchase additional shares on the basis of five warrants for each share so purchased. Also included in this statement are 81,181 common shares, issuable upon exercise of stock options.

The company was organized in July 1968 as a holding company for the outstanding common stock of Laymen Life Insurance Company. It also has subsidiaries in insurance related businesses. Of the net proceeds of its stock sale, one-half will be used to increase the capitalization of its life insurance company subsidiary in order to enlarge its insuring capacity and to enable it to be eligible for authority to write insurance in additional states. The balance will be used for one or more of the following purposes: partial prepayment of indebtedness to Anderson Banking Company, acquisitions of other businesses, or general corporate purposes, including the development of businesses of its subsidiaries other than the insurance subsidiary. In addition to indebtedness, the company has outstanding 603,783 common shares. Everett A. Hartung is board chairman and Robert E. Reitz president and chief executive officer.

OVER

**CONTINENTAL ASSURANCE CO. TO SELL VARIABLE ANNUITIES.** Continental Assurance Company ("Continental"), 310 S. Michigan Ave., Chicago, Ill. 60604, filed a registration statement (File 2-38136) with the SEC on August 7 seeking registration of \$5,000,000 of individual variable annuity contracts in Continental Assurance Annuity Plan Account ("Account"). The contracts may be purchased either as immediate variable annuity contracts or deferred variable annuity contracts. Continental, a stock life insurance company, acts as a sponsor, depositor and principal underwriter of the Account.

**ANNUITY FUND PROPOSES OFFERING.** The Annuity Fund ("Fund"), 310 S. Michigan Ave., Chicago, Ill. 60604, filed a registration statement (File 2-38137) with the SEC on August 7 seeking registration of 1,000,000 of investment units, to be offered for sale at net asset value (\$10 per share maximum\*) to Separate Accounts of Insurance Companies for use in funding variable annuities. The Fund was established as a separate account to be the funding media for variable annuities written by various life insurance companies through separate accounts which are registered as unit investment trusts under the Investment Company Act. Continental Assurance Company, a stock life insurance company, will serve as investment adviser. Howard C. Reeder is board chairman and Jacques W. Sammet is president of Insurance Company.

**BT MORTGAGE INVESTORS PROPOSES OFFERING.** BT Mortgage Investors (the "Trust"), 225 Franklin St., Boston, Mass. 02110, filed a registration statement (File 2-38138) with the SEC on August 7 seeking registration of 600,000 shares of beneficial interest and \$10,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale in units, each consisting of 6 shares and a \$100 debenture, and at \$250 per unit. The offering is to be made through underwriters headed by Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., both of New York; the underwriting terms are to be supplied by amendment.

The Trust was organized recently to provide investors with a balanced portfolio of diversified real estate mortgage loans. Its long-range investment policy is expected to emphasize both (a) construction and development mortgage loans in an amount approximating its short-term debt and (b) long term mortgage loans in an amount approximating its equity capital and long term debt. It plans to qualify as a real estate investment trust under the provisions of the Internal Revenue Code. BT Advisors, Inc., wholly-owned subsidiary of Bankers Trust New York Corporation, will serve as investment adviser. William L. Pfeiffer is chairman of the board of trustees. Warren A. Sackman, Jr., is board chairman and James E. Gibbons president of the investment adviser.

**COLUMBIA GAS TO SELL DEBENTURES.** The Columbia Gas System, Inc., 120 E. 41st St., New York 10017, filed a registration statement (File 2-38139) with the SEC on August 7 seeking registration of \$50,000,000 of debentures, due 1995, to be offered for public sale at competitive bidding. A public utility, the company will add the net proceeds of its debenture sale to its general funds which, together with funds presently available and those to be generated from operations and to be obtained from the sale of \$40,000,000 of 8-3/4% debentures, due 1995, and \$50,000,000 of loans from commercial banks, will be used to satisfy the demands upon such general funds, including principally the completion of the 1970 construction program of its subsidiaries. Expenditures for such program are estimated at \$200,000,000.

**HEUBLEIN SHARES IN REGISTRATION.** Heublein, Inc., 330 New Park Ave., Hartford, Conn. 06101, filed a registration statement (File 2-38140) with the SEC on August 7 seeking registration of 306,372 outstanding shares of common stock. These shares were issued in connection with the acquisition in 1965 of the Theodore Hamm Brewing Co. and may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$38 per share maximum\*). The company is primarily engaged in the production, bottling and distribution of alcoholic beverages, including distilled spirits, wines and beer, and the processing and sale of specialty food products. In addition to indebtedness and preferred stock, the company has outstanding 10,990,977 common shares. Edward H. Hamm and William H. Hamm may sell 100,002 shares each of 100,202 and 100,002 shares held, respectively, and nine others the remaining shares being registered.

**SOUTHWESTERN INVESTMENT CO. TO SELL NOTES.** Southwestern Investment Company, 205 E. 10th St., Amarillo, Tex., filed a registration statement (File 2-38141) with the SEC on August 7 seeking registration of \$2,500,000 of capital notes, due 1975, to be offered for public sale at 100% of principal amount. No underwriting is involved; participating NASD members will receive a selling commission, the amount of which is to be supplied by amendment.

The company is engaged in the finance business and, through subsidiaries, in the life and casualty insurance businesses, the commercial banking business, the custom cattle feed lot business and the manufacture of automotive parts. Net proceeds of its financing will be added to general funds and will be initially used to reduce short-term debt incurred to carry on its general finance activities. In addition to indebtedness and preferred stock, the company has outstanding 1,233,923 common shares, of which management officials as a group own 17.8%. R. Earl O'Keefe is board chairman and president.

**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:

United Virginia Bankshares Incorporated, Richmond, Va. 23219 (File 2-38132) - 116,571 shares  
U. S. Home & Development Corporation, West Orange, N. J. 07052 (File 2-38134) - 75,000 shares  
Marcor Inc., Wilmington, Del. 19809 (File 2-38142) - 1,000,000 shares

MISCELLANEOUS

**UNLISTED TRADING SOUGHT.** The SEC has issued an order under the Securities Exchange Act (Release 34-8952) giving interested persons until August 25 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of the following companies: Automatic Data Processing, Inc., H & R Block, Incorporated, Champion Home Builders Co., First National City Corporation, Fleetwood Enterprises, Inc., Gulf & Western Industries, Inc., H & B American Corporation, Home Oil Company Ltd. (Class A), Molybdenum Corp. of America, British Petroleum Co., Ltd. (ADR's).

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8952) granting an application of the Arnold Constable Corporation to withdraw its common stock from listing and registration on the Philadelphia-Baltimore-Washington Stock Exchange, effective at the opening of business on August 14, 1970. The withdrawal, which has been approved by stockholders of the company, was requested because of the limited trading activity on the Exchange.

**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 August 4 News Digest.

8K Reports for May 1970

Amce General Corp. Feb. 70 (11)	0-4376-2	Pawnee Corp (1)	0-4273-2
Beefy King International Inc. Apr. 70 (3)	2-31398-2	Peterson, Howell & Heather Inc. (12)	0-1631-2
May 70 (3)	2-31398-2	Sundance Oil Co. Apr. 70 (11)	1-3524-2
British Petroleum Co. Ltd. 6K For June 70	1-6262-2	Triangle Ind. Inc. Jun 70 (3,13)	1-4088-2
Cavanagh Leasing Corp. (2,13)	0-4868-2	Kece Corp. Apr. 70 (11)	0-1195-2
Farm & Ranch Financial Inc. (4,10,11,12)	0-1523-2	Schlumberger N.V. (Schlumberger Ltd) 6K for May 70)	1-4601-2
Food Fair Properties Inc. (11)	0-1085-2	Telectro-MEK Inc. (2,3,13)	1-6130-2
Four Seasons Equity Corp. Apr. 70 (3,12,13)	0-4107-2	Towle Mfg. Co. (3)	0-454-2
Lerner Stores Corp. June 70 (3)	1-5177-2	Hercules Inc. (7,12)	1-496-2
National Bank Of Israel Ltd. 6K for Apr. 70	2-20494-2	LTV Ling Altec Inc (2,13)	1-5393-2
Longines Whittnauer Watch Co. Inc. (7)	1-3386-2	Marquette Corp. (13)	0-1106-2
The Mayflower Co. Jun 70 (2,3,4,9,12,13)	0-3218-2	Midwestern Financial Corp. Jun 70 (2)	1-5905-2
Midwestern Co. Inc. June 70 (12,13)	0-1925-2	Okonite Co. (4,12,13)	1-5267-2
Midwestern Financial Corp. of Ohio (11)	0-4676-2	Penn Ind Chemical Corp. Jun 70 (11)	0-2574-2
Newport Chemical Ind Inc. (4,10,11,13)	0-4862-2	Rusco Ind Inc. (11)	1-5087-2
Savannah Elec & Fw Co. Jun 70 (11,13)	1-5072-2	Sage Oil Co. Jun 70 (11,12)	1-340-2
Tolchin Instruments Inc Apr. (4,9,11,13)	1-5553-2	West Penn Power Co. Jun 70 (7,13)	1-255-2
Torginol Ind. Inc Apr. (12)	0-1977-2	Investors Fidelity Corp. (8,10,11,13)	0-2492-2
Kavanau Real Estate Trust (Mass) (2,7,13)	1-5331-2	Quantor Corp. (7)	2-34163-2
Microwave Associates Inc. (12,13)	1-4236-2	United States Sugar Corp. Jun 70 (13)	0-162-2
Chicago Milwaukee St. Paul & Pacific RR Co. (11)	1-3288-2	Grumman Allied Ind Inc. Jan 70 (7,13)	0-1344-2
Golden West Financial Corp. (9)	0-3694-2	Savings Financial Jun 70 (1,2,8,12)	2-30261-2
International Investment Co. Inc. Mar 70 (3)	0-2053-2	Addison-Wesley Publishing Co. Inc. (12,13)	0-248-2
		Extendicare Inc. (4,7,11)	1-5975-2
		Manhattan Life Insurance Co. (11)	2-21183-2
		Music Fair Enterprises Inc. (11,12,13)	0-496-2

8K Reports for May 70 (Con't)

Pacific Power & Light Co. (11,13)	1-5152-2	St. John D'el Rey Mining Co. Ltd. 6K for Apr. 70	0-2741-2
Pioneer Airlines Inc.(2)	2-30989-2	20K for 12-31-69	0-2741-2
Medical Computer Systems Inc. Amdt. #1 8k for Jan. 70(13)	0-4797-2	Central Charge Service Inc. (12)	1-4755-2
Union Corp. Amdt. to 8k for Jan 70 (7)	1-5371-2	Westates Petroleum Co. May & Jun (7,11,13)	1-4333-2
Affiliated Computer Systems Inc. Amdt. #1 to 8k for Jun 69 (13)	0-3558-2	Cherry Hill Foods Inc (11,13)	2-31252-2
Marshall Electronics Co. Amdt. #1 to 8k for Mar. 70 (13)	0-4060-2	Century Convalescent Inc. (3)	0-5014-2
Leisure Group Inc. Amdt. to 8k for Apr. 70 (2,7)	0-3447-2	LTV Ling Altec Inc. Apr. (2,11,13)	1-5393-2
Metalfab Inc. Amdt. to 8k for Dec. 69 (13)	0-1939-3	Okonite Co. Apr. 70 (4,11,13)	1-5267-2
Northern Va. Doctors Hospital Corp. Amdt. #1 to 8K for Feb 69 (2,7,13)	0-2927-2	The Cambridge Corp. (13)	0-3234-2
W.R. Grace Overseas Devel Corp. Amdt. #1 to 8K for July 69 (13)	1-5180-2	Penn-Dixie Leasing Corp. (11,13)	0-3190-2
Koracorp Ind. Inc.(7,11,13)	1-6030-2	Context Ind. Inc (11,13)	0-3667-2
Diversified Realty Inc. (7)	0-2864-2	Addison-Wesley Publishing Co. Inc (11,13) Feb 70	0-248-2
Art's-Way Mfg. Co. Inc June 70 (12)	2-13843-2	Winslow Tele-Tronics Inc (11,12,13)	1-6254-2
Astro Controls Inc. (11)	0-3803-2		
Cardinal Corp.(2,13)	0-913-2		
Medical Computer Systems Inc. (12,13)	0-4797-2		
Apr. 70 (4,7,11,12,13)	0-4797-2		
Oakridge Holdings Inc. Oct 69 (2,13)	0-1937-2		
Super Mold Corp. (13)	0-1319-2		
Ual Inc. (3,13)	1-6033-2		
Leisure Group Inc. Apr. 70(11)	0-3447-2		
Ovitron Corp. Apr. 70 (7,13)	0-3128-2		

Amdt. 8K Reports

Koracorp Ind. Inc Amdt. #1 for Act. 69 (2,7)	1-6030-2
Universal Container Corp. Amdt. #1 for May 68 (13)	1-4277-2
Computer Time Sharing Corp. Amdt. #1 to 8K for Aug. 69 (2,4,7,11,13)	0-3564-2
General Health Services Inc. Amdt. #1 8k for Aug 69 (13)	0-4242-2
Saturn Airways Inc. Amdt. #1 to 8k for Jan 70 (4,12,13)	1-5844-2

SECURITIES ACT REGISTRATIONS. Effective August 10: American Petrofina, Inc., 2-38123; Blackstone Valley Electric Co., 2-37944; CNA Financial Corp., 2-37938; Deluxe Pictures, Inc., 2-34424 (90 days); Federal Sign and Signal Corp., 2-37925; First at Orlando Corp., 2-37765 (40 days); Futuristic Applications Corp., 2-35535 (90 days); The Kendall Co., 2-37415; Lenox, Inc., 2-37752 (40 days); Northern Illinois Gas Co., 2-37969; The Penn Dutch Cookie Corp., 2-34155 (90 days); Simplex Wire and Cable Co., 2-37687.

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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