

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-209)

FOR RELEASE October 27, 1970

## HOLDING COMPANY ACT RELEASES

VERMONT YANKEE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16878) authorizing Vermont Yankee Nuclear Power Corporation, Rutland, Vt., subsidiary of both Northeast Utilities and New England Electric System, to extend from October 28, 1970, to November 30, 1970, the period of time in which the company may issue and sell \$20,000,000 of promissory notes (as authorized by the Commission on June 26--Release 35-16767).

## INVESTMENT COMPANY ACT RELEASES

WALTHAM INDUSTRIES SEEKS ORDER. Waltham Industries Corporation ("Industries"), of New York, has joined with Lee Bunting, its former board chairman, in the filing of an application for an exemption order under the Investment Company Act with respect to the proposed acquisition by Bunting from Industries of all the outstanding capital stock of Bunting SteriSystems, Inc., which produces a line of two-way audio/video communications and other equipment, primarily for hospitals, and of which Bunting is Chief Executive Officer; and the Commission has issued an order (Release IC-6219) giving interested persons until November 10 to request a hearing thereon.

In May 1969, Industries acquired SteriSystems from Bunting, who then received 129,688 shares (5.5%) of Industries stock. As part of the purchase agreement, Industries undertook upon request of Bunting to register not less than 32,422 of its shares held by Bunting; thereafter, Industries made loans of \$600,000 to SteriSystems and guaranteed the latter's obligation to pay Bunting at the rate of \$65,000 per annum. Bunting in January 1969 called upon Industries to register his shares; and because thereof and certain disagreements which have arisen over certain matters, including the operation of SteriSystems, Industries and Bunting negotiated an agreement to achieve a mutually acceptable resolution thereof. The agreement provides that Industries will deliver all the stock of SteriSystems to Bunting and the latter will deliver to Industries his present holdings of 129,688 shares of Industries stock. Among other things, Industries also will release SteriSystems from its \$600,000 indebtedness to Industries and Bunting will release Industries from its guarantee relating to Bunting's compensation.

BRIDGES INVESTMENT COUNSEL SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6224) giving interested persons until November 10 to request a hearing upon the application of Bridges Investment Counsel, Inc., and Bridges Investment Fund, Inc., of Omaha, Nebr. for an exemption from provisions of the Act which provides for the automatic termination of an investment advisory contract in the event of its assignment. The exemption is sought for the period August 22 to October 22, 1970 during which transfer of a controlling block of the outstanding securities of the investment advisor was effected as the result of the death of the president of the advisory firm, Bridges Investment Counsel, Inc. A special meeting of the Funds shareholders on October 22 approved the re-adoption of the contract with Bridges Investment Counsel.

## COURT ENFORCEMENT ACTIONS

C. W. SOMMER, III SENTENCED IN FORT WORTH. The SEC Fort Worth Regional Office announced on September 28, that Charles W. Sommer, III, Abbett, Sommer & Company, Inc., and Abbett, Sommer & Company Mortgage Corporation pleaded nolo contendere to a one count information charging violation of the anti-fraud provisions of the Federal securities act and were sentenced by the Federal court in Fort Worth each to a fine of \$1,000. (LR-4788)

DILLMAN, OTHERS ENJOINED. The SEC New York Regional Office announced October 9 (LR-4789) that the Federal court in New York City had issued an order of preliminary injunction against violations by the following of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of common stock of North American Research and Development Corporation: Lewis Dillman, Alfred Blumberg and Martin Orenzoff.

CHARLES HEARSEY PLEADS GUILTY. The SEC New York Regional Office announced October 20 (LR-4790) that Charles H. Hearsey, New York, N. Y., pleaded guilty in Federal court in New York to criminal contempt of a 1968 final judgment of permanent injunction against violations of the Federal securities acts in connection with the offer and sale of securities of Alcar Instruments, Inc., or any other securities. The action charged violation of the injunction in the offer and sale of unregistered securities of United Mining and Milling Corporation, reportedly a Panamanian company.

OVER

SECURITIES ACT REGISTRATIONS

CITY INVESTING TO SELL DEBENTURES. City Investing Company, 767 Fifth Avenue, New York 10022, filed a registration statement (File 2-38651) with the SEC on October 22 seeking registration of \$40,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale through underwriters headed by Lehman Brothers, 1 William St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company, through subsidiaries, is engaged in diversified, industrial, insurance, financial and real estate enterprises. Net proceeds of its debenture sale will be applied to the payment of an equivalent principal amount of 6-3/4% subordinated debentures, due November 21, 1970 to the extent that the 1970 debentures are not surrendered upon exercise of common stock purchase warrants expiring November 21, 1970. Pending such utilization, such net proceeds will be applied to the temporary reduction of a portion of its bank indebtedness, and any balance will be added to working capital and used for general corporate purposes. At October 20 there were \$46,842,000 of outstanding 1970 debentures and warrants to purchase 645,376 shares of common stock for an aggregate purchase price of \$9,625,912, which purchase price could be paid in cash or by surrender of an equivalent principal amount of 1970 debentures. In addition to indebtedness and preferred stock, the company has outstanding 20,962,674 common shares. Geo. T. Scharffenberger is president and chief executive officer and A. Lightfoot Walker board chairman.

INTERMEDCO SHARES IN REGISTRATION. Intermedco Inc., 3322 Richmond Ave., Houston, Tex. 77006, filed a registration statement (File 2-38655) with the SEC on October 23 seeking registration of 250,000 shares of preferred and 2,000,000 shares of common stock. These shares may be issued by the company from time to time in connection with its acquisition of other businesses or properties. The recipients thereof may offer such shares for sale from time to time at prices current at the time of sale (\$20 per preferred and \$9 per common share maximum\*).

Organized in May 1969, the company is engaged in the sale and distribution of a broad range of supplies and equipment used in hospitals, physicians' offices, clinics, nursing homes and other health care institutions. In addition to indebtedness, it has outstanding 908,706 common shares, of which S. Jay Stanley and Robert Kessler, directors, own 11.5% and 10.1%, respectively, and Stanley Leavitt 10.1%. Scott Moyers is board chairman and Jerry L. Gibson president.

FIRST CHARTER FINANCIAL FILES FOR SECONDARY. First Charter Financial Corporation, 9465 Wilshire Blvd., Beverly Hills, Calif. 90212, filed a registration statement (File 2-38657) with the SEC on October 23 seeking registration of 1,000,000 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 Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 10005, and two other firms; the offering price (\$37 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is a savings and loan holding company, owning all the outstanding guarantee stock of American Savings and Loan Association. It has outstanding 10,949,427 common shares, of which the Mark Taper 1969 Trust No. 1 owns 14.3%. S. Mark Taper is board chairman and president. The Mark Taper Trust (of which Mark Taper is sole beneficiary) proposes to sell 537,144 of 2,036,118 shares held, three Trusts under the will of Amelia Taper propose to sell 132,275, 132,275 and 139,433 of 535,359, 535,359 and 564,332 shares held and two others the remaining shares being registered.

PILLSBURY TO SELL DEBENTURES. The Pillsbury Company, 608 Second Ave. South, Minneapolis, Minn., filed a registration statement (File 2-38658) with the SEC on October 23 seeking registration of \$25,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004, and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a flour miller and a producer of branded consumer food products. It also operates and franchises Burger King fast-service limited-menu restaurants and produces and processes broiler chickens. Net proceeds of the company's debenture sale will be used initially to reduce short-term borrowings incurred or to be incurred for capital expenditures, increased working capital requirements and advances to an affiliated company. In addition to indebtedness and preferred stock, the company has outstanding 5,038,518 common shares.

GENERAL TELEPHONE (ILL.) TO SELL BONDS. General Telephone Company of Illinois, 1312 East Empire St., Bloomington, Ill. 61701, filed a registration statement (File 2-38659) with the SEC on October 23 seeking registration of \$26,000,000 of first mortgage bonds, due 2000, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York 10005, 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, together with the proceeds from the proposed sale of 480,000 shares of common stock to the parent at \$25 per share, toward the payment of short-term bank loans and commercial paper (estimated not to exceed \$38,000,000 at the time of such application), obtained for the purpose of financing the company's construction program. The balance of the proceeds will be used for future construction purposes. Construction expenditures are estimated at \$45,000,000 for 1970.

**FIBERSTATICS CORP. TO SELL STOCK.** Fiberstatics Corporation, 7 Dixon Ave., Amityville, N. Y. 11701, filed a registration statement (File 2-38660) with the SEC on October 23 seeking registration of 110,000 shares of common stock, to be offered for public sale at \$8 per share. The offering is to be made through JNT Investors, Inc., 42 Broadway, New York 10004, which will receive an 80c per share commission plus \$7,500 for expenses. The company has agreed to sell the underwriter, at 1c per warrant, five-year warrants to purchase 10,000 shares, exercisable initially (after one year) at from \$8.56 to \$10.24 per share.

Organized in August 1968, the company is engaged in manufacturing, distributing and selling electrostatic nylon fiber coating devices and systems as well as electrostatically coated products. Of the net proceeds of its stock sale, \$95,000 will be used to purchase additional production equipment, \$100,000 to purchase inventory for panelling and \$204,500 to pay outstanding indebtedness; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 352,500 common shares (with a 26c per share net tangible book value), of which Donald B. Kanterman, board chairman, owns 34.7%, Arthur Shectman, president, 15.8% and his wife Dorothy Shectman 14.2%. Purchasers of the shares being registered will acquire a 22.1% stock interest in the company for their investment of \$800,000 (they will sustain an immediate dilution of \$6.34 in per share book value from the offering price); present shareholders will then own 77.9% for their investment of \$244,000.

**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:

LVO Corporation, Tulsa, Okla. (File 2-38661) - 300,000 shares

Electronic Engineering Company of California, Santa Ana, Calif. 92702 (File 2-38656) - 62,000 shares

#### MISCELLANEOUS

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*"):

NO		LOCATION		
0-REGISTRANTS			0-5118	Newport Pharmaceuticals Intl., Inc Newport, Calif.
0-5157	Broadway's Joe's, Inc**	Miami, Fla.	0-5130	Sap's Foods, Inc** Columbus, Ind.
0-5115	Griffiths Electronics**	Linden, N.J.	0-5158	Tungston Corp of America Glendale, Calif.
0-5098	World Computer Corp**	Dallas, Texas	0-5129	Fox Knapp Mfg. Co** New York, N.Y.
0-5126	Intl. Timesharing Corp**	Chaska, Indiana	0-5161	Ohio Hotels Mgt. Co Youngstown, Ohio
0-5104	GRI Computer Corp**	Newton, Mass.	0-5088	Royal Palm Beach Colony, Inc** Miami, Fla.
0-5120	Gramatan Real Estate Invst. Tr.	NYC, N.Y.	0-5097	Coap Systems, Inc** Bethpage, N.Y.
0-5121	Hydronic**	Peiham, N.Y.	0-5124	Fraser Mtrg. Invsts.** Clev. Ohio
0-5131	Art's Way Mfg. Co**	Armstrong, Iowa	0-5086	Goodway Copy Ctrs., Inc** Phila. Penna.
			0-5117	Institute of Broadcast Arts, Inc** Mil. Wis.

**SECURITIES ACT REGISTRATIONS.** Effective October 26: Mess Petroleum Co., 2-35335; The Premix Corp., 2-38267 (40 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.

---000000---