

NEWS DIGEST



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

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FOR RELEASE December 14, 1970

COMMISSION ANNOUNCEMENT

MANUFACTURERS' PROFITS REPORTED. The SEC and the Federal Trade Commission report (for December 15 newspapers) that U. S. manufacturing corporations reported sales of \$176.7 billion and before-tax profits of \$11.7 billion in the third quarter of 1970. The sales volume represents a 3 percent decline from the April-June quarter; pre-tax profits fell 14 percent. Profits after taxes totaled \$7.0 billion, 12 percent below the preceding quarter. These declines were largely associated with seasonal patterns in the durable goods industries; when reasonable influences are taken into consideration, the sales results show little change from the second quarter while earnings are moderately lower. The decline in manufacturers' pre-tax earnings in the third quarter--relative to seasonal expectations--was due in part to the work stoppage in the motor vehicle industry. However, other durable goods industries as a group also experienced a larger-than-seasonal decline in profits and earnings rose for nondurable goods producers slightly less than the usual third quarter advance. (For details, see Release Stat Release No. 2486.)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16935) giving interested persons until December 28 to request a hearing on the application of Northeast Utilities, Hartford, Conn., holding company, and Connecticut Light & Power Co., (CL&P), Hartford Electric Light Co., (HELCO), and Western Massachusetts Electric Co., (WMECO), its subsidiaries, and The Millstone Point Co (Millstone), a subsidiary company of Northeast.

Previous Commission orders authorized the transfer and assignment of CL&P, HELCO and WMECO of their respective interests in a nuclear fuel contract to Millstone Point, pursuant to agreement which also provided for the issuance of short-term subordinated notes to Northeast pending permanent financing arrangements by Millstone. The companies now request that the maximum amount of short-term subordinated notes to be issued and sold to Northeast be increased from a minimum of \$2,750,000 and maximum \$3,500,000 to a minimum of \$3,500,000 and maximum \$5,000,000.

APPALACHIAN AND OHIO POWER RECEIVE ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16932) with respect to an application by Appalachian Power Company, Ohio Power Company, electric utility subsidiaries of American Electric Power Company, and Central Coal Company which is jointly-owned by Appalachian and Ohio. The order authorizes Central to issue and sell to banks from time to time prior to December 31, 1973, short-term promissory notes not to exceed \$5,000,000 outstanding at any one time, the proceeds of which will be used to develop and mine coal reserves in West Virginia and Ohio presently owned by Central, to be used by the Philip Sporn Generating Plant owned by Appalachian and Ohio. The order permits Appalachian and Ohio, to the extent that Central is unable to obtain funds from banks, to make open account advances to Central.

INVESTMENT COMPANY ACT RELEASES

NEW ENGLAND MUTUAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6285) exempting New England Mutual Life Insurance Co., New England Life Variable Annuity Fund I and NEL Equity Services Corporation, all of Boston, from certain provisions of the Act, including those with respect to physical safekeeping of the Funds' securities and access by company officers and employees to the Funds' assets.

The Commission also granted a similar exemption with respect to New England Life Variable Annuity Fund II. (Release IC-6286).

NEW CAPITAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6287) declaring that New Capital for Small Business, Inc., San Francisco, has ceased to be an investment company. Capital liquidated its assets in May 1969 and transferred all its assets to the SBA in accordance with a Federal court judgment; it thereafter was dissolved.

ARD, CAMCO SEEK ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6288) giving interested persons until December 21 to request a hearing upon the application of American Research and Development Corp. (ARD), Boston, Camco, Inc., Houston, Tex., and Harold E. McGowen, Jr., Sam W. Pearce, and Paul R. Mills, all of Houston (collectively referred to as applicants) for an order permitting ARD, McGowen, Pearce and Mills to sell, respectively, 42,000, 10,000, 3,000 and 20,000 presently outstanding shares of common stock of Camco at the same time that Camco itself sells 260,000 of its authorized by unissued shares. ARD is registered as a closed-end, non diversified management investment company and owns approximately 18.5% of Camco's outstanding voting securities; McGowen, Pearce and Mills also own Camco shares.

OVER

SECURITIES ACT REGISTRATIONS

AMERICAN MEDICAL SHARES IN REGISTRATION. American Medical Enterprises, Inc., 660 S. Bonnie Brae, Los Angeles, Calif. 90057, filed a registration statement (File 2-39004) with the SEC on December 10 seeking registration of 1,354,588 shares of common stock. Of these shares, 434,400 were issued in connection with the acquisition of hospitals and other medical facilities; they may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$20.62 per share maximum*). Of the balance, 907,404 shares are to be issued in connection with future acquisitions and 12,784 were issued to Royce Diener, director of the company, and four others as finders fees in connection with past acquisitions.

The company operates 17 acute care hospitals in California, Texas, Florida and London, England; operates a central medical laboratory, provides inhalation therapy equipment and other ancillary services. In addition to indebtedness, it has outstanding 3,976,304 common shares; management officials as a group own 7½%. Norman Traverse may sell 58,621 of 168,585 shares held, State Mutual Life Assurance Co. of America, all of 42,000 shares, and several others the remaining shares being registered. Uranus J. Appel is board chairman and president.

FLORIDA P&L TO SELL BONDS. Florida Power & Light Company, 4200 Flagler St., Miami, Fla. 33134, filed a registration statement (File 2-39006) with the SEC on December 10 seeking registration of \$80,000,000 of first mortgage bonds to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale to provide additional electric facilities and for other corporate purposes, including repayment of an estimated \$76,000,000 of short term borrowings incurred or to be incurred for construction purposes. The company estimates its 1970-71 construction program at \$550,895,000.

UPPER PENINSULA TO SELL STOCK. Upper Peninsula Power Company, 616 Sheldon Ave., Houghton, Mich., 49931, filed a registration statement (File 2-39007) with the SEC on December 10 seeking registration of 59,000 shares of common stock, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Pl., New York 10005. The offering price (\$23 per share maximum*) and underwriting terms are to be supplied by amendment. The company generates and distributes electric power in the State of Michigan and is also engaged in the sale of electric appliances. The net proceeds of its stock sale and from the proposed sale of \$5,000,000 of bonds to institutional investors in January will be used to reduce outstanding bank loans incurred for construction purposes and expected to aggregate approximately \$7,400,000 at the time of issuance of the new securities. Construction expenditures for 1971 are estimated at \$3,000,000.

COCA-COLA (OF N.Y.) TO SELL STOCK. The Coca-Cola Bottling Company of New York, Inc., 425 E. 34th St., New York 10015, filed a registration statement (File 2-39008) with the SEC on December 10 seeking registration of 800,000 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 (\$26 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the business of producing and marketing soft drinks, including Coca-Cola, Dr. Pepper, Fresca and other brands. The net proceeds of its stock sale will be used to repay bank borrowings, including all of the \$16,500,000 borrowed in connection with the acquisition in November 1970 of Mogen David Wine Corporation; the balance, if any, will be added to the general funds of the company and will be available for capital expenditures and other purposes. In addition to indebtedness, the company has outstanding 4,739,838 common shares, of which the Charles E. Culpepper Foundation, Inc., is the beneficial owner of 32.23% held of record by Trustees under the will of Charles E. Culpepper. Charles E. F. Millard is president.

FISHER & BROTHER TO SELL STOCK. Fisher & Brother, Inc., 438 West 51st St., New York, filed a registration statement (File 2-39009) with the SEC on December 10 seeking registration of 85,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made by underwriters headed by Austin James & Co. Inc., 11 Broadway, New York 10004, which will receive a 50¢ per share commission plus \$10,000 for expenses. In addition, the company has agreed to sell the Austin James firm, for \$85, five-year warrants to purchase 8,500 shares, exercisable after one year at prices ranging from \$5.50 to \$6 per share.

The company is a service organization primarily engaged in the moving and storage business in the greater New York metropolitan area. The net proceeds of its stock sale will be added to the company's general funds as a reserve to make acquisitions or enter other business fields, and for other corporate purposes. The company has outstanding 476,666 common shares, of which Robert Fisher, president, owns 93% and management officials as a group own 100%.

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:

Emerson Electric Co., St. Louis, Mo. 63136 (File 2-39005) - 324,104 shares

Lynch Communication Systems, Inc., Reno, Nev. 89502 (File 2-39010) - 85,000 shares

SECURITIES ACT REGISTRATIONS. Effective December 11: American Union Investment Fund, Inc., 2-37084; Bi-Lo, Inc., 2-38370 (90 days); Comp-U-Check, Inc., 2-37496; First New Mexico Bankshare Corp., 2-37805 (90 days); IFC Collateral Corp., 2-38431 (40 days); Society Corp., 2-38914 (40 days); A. E. Staley Mfg. Co., 2-38865; Sun and Powder No. 1, 2-38859; Virginia Commonwealth Bankshares, Inc., 2-38806.

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.