

# 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

**PENN FUEL RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16945) authorizing Penn Fuel Gas, Inc., Oxford, Pa., to acquire all of the 200 outstanding capital shares of Oxford Gas Company, a gas utility company, from John H. Ware, in exchange for 15,609 Penn Fuel common shares.

**TRANSOK PIPELINE RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16946) authorizing Transok Pipe Line Company, Tulsa, Okla., a wholly-owned subsidiary of Public Service Company of Oklahoma, to issue an additional 7,000 shares of its \$100 par common stock to the parent as a stock dividend (at the rate of 70 additional shares for each of the 100 shares held), in order to improve and create a better capital structure for future permanent financing.

**NORTHEAST UTILITIES RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16948) authorizing Northeast Utilities, Hartford, Conn. holding company, to acquire an additional \$1,500,000 of notes of its subsidiary, The Millstone Point Company. The Commission previously authorized the transfer and assignment by three electric utility subsidiaries of Northeast of their respective interests in a nuclear fuel contract to Millstone Point and the purchase by Northeast of up to \$3,500,000 of its notes.

**COLUMBIA GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16949) authorizing The Columbia Gas System, Inc., Wilmington, Del. holding company, to continue its policy of making open-account advances to subsidiaries (and related transactions) during 1971, as may be required by them for construction and other purposes. Certain of such advances may be repaid during the year; and as any of the companies require further funds for construction or other corporate purposes, the funds will be advanced by Columbia Gas on open account.

## INVESTMENT COMPANY ACT RELEASES

**PACIFIC INDUSTRIES RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-6305) permitting Pacific Industries, Inc., of New York, a California corporation controlled by The Equity Corporation, to sell the business and assets of its Reliable Steel Supply Company Division to Reliable Steel Supply Company, a newly-formed California corporation all the outstanding stock of which is owned by Samuel W. Block and Martin N. Graham, who are employed by Pacific.

**PURITAN FUND RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-6306) permitting Puritan Fund, Inc., of Boston, Mass., to issue its redeemable securities at their net asset value in exchange for substantially all the assets of New England Laundries, Inc.

**AMERICAN GENERAL FUND RECEIVES ORDER.** The SEC has issued an exemption order under the Investment Company Act (Release IC-6307) permitting American General Bond Fund, Inc., Houston investment company, to acquire from American General Insurance Company an option to purchase certain bonds from the Insurance Company. The latter is the parent of the Fund's investment adviser.

## COURT ENFORCEMENT ACTIONS

**SEC COMPLAINT NAMES SANFORD SECURITIES.** The SEC New York Regional Office announced December 7 (LR-4855) the filing of a complaint in Federal court in New York alleging violations by Sanford Securities, Inc. (of New York), Irwin Einiger, its president, and Sondra Einiger, its secretary-treasurer, of the net capital, anti-fraud and bookkeeping provisions of the Securities Exchange Act. The court also signed a temporary restraining order and an order freezing the firm's assets pending decision on the Commission's motion for a preliminary injunction and appointment of a receiver.

**CHARLES HEARSEY FINED; RECEIVES PROBATION.** The SEC New York Regional Office announced December 22 (LR-4856) that, following his plea of guilty to criminal contempt of court in the offer and sale of stock of United Mining & Milling stock, Charles H. Hearsey of New York City was fined \$200 and placed on probation for one year.

**BAPTIST FOUNDATION OF AMERICA ENJOINED.** The SEC San Francisco Regional Office announced December 21 (LR-4857) that the Federal court in Los Angeles had issued an order permanently enjoining violations of the registration and antifraud provisions of the Federal securities laws by Baptist Foundation of America, Inc., of Los Angeles, T. Sherron Jackson and George E. Magee, in connection with the sale of Foundation notes or other securities. Court-appointed Gilbert Robinson continues as receiver of the Foundation. The court order was issued on default of the defendants.

OVER

SECURITIES ACT REGISTRATIONS

**SPOTTS FLORAFAX FILES FOR EXCHANGE.** Spotts Florafax Corporation, 1300 Highway 8, New Brighton, Minn., filed a registration statement (File 2-39078) with the SEC on December 23 seeking registration of 345,000 shares of common stock. An unspecified number of such shares are to be offered in exchange for certain 5% convertible subordinated debentures, due 1979, in the aggregate principal amount of \$1,267,000 issued by C.A.S. Corporation. According to the prospectus, the company has entered into a purchase agreement with Pawnee Corporation for all the outstanding capital stock of C.A.S. Corporation; unless 90% of the latter's debentures is tendered pursuant to the exchange offer, the company has no obligation under the said purchase agreement. Of the shares being registered, 50,000 are now outstanding and may be offered for sale from time to time by the holders thereof, at prices current at the time of sale (\$6.25 per share maximum\*).

The company is principally engaged in the business of premium promotion services and as a financial and marketing service company serving the floral industry. C.A.S. Corporation is engaged in commercial banking and real estate management. In addition to indebtedness and preferred stock, the company has outstanding 1,135,217 common shares, of which Donald L. Spotts, president and board chairman, owns 17%, Onnolee Spotts, 11.4%, and Richard H. Hughes, president, 17.8%.

**LASER LINK FILES FOR OFFERING.** Laser Link Corporation, 770 Lexington Ave., New York 10021, filed a registration statement (File 2-39079) with the SEC on December 23 seeking registration of 500,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by Van Alstyne, Noel & Co., 40 Wall St., New York 10005, which will receive a commission of 82¢ per share. The said firm also will be entitled to receive five-year warrants for the purchase of 40,000 shares, exercisable after one year at the initial price of \$10.70 per share.

Organized in October, the company is successor to a company of the same name organized in 1966. It proposes to acquire certain assets and assume the liabilities of the Quasi-Laser Link Division of Chromalloy American Corporation in exchange for shares of its common stock; and will engage in research and development of an electronic system (The Quasi-Laser Airling System) which transmits a signal classified by the FCC as a frequency-division multiplexed frequency modulation (FDM/FM) emission the principal components of which are a transmitter, a receiver and antennas for each. The company proposes to develop a production prototype of the System, to obtain required type acceptance thereof from the FCC, and then to market the System primarily to Community Antenna Television (CATV) system operators for the distribution of television programs to subscribers. Of the net proceeds of this financing, the company will apply \$635,000 to the repayment of advances by Chromalloy, \$500,000 to additional research, development and engineering, as well as to completion of the initial production prototype transmitter, \$2,500,000 for production of transmitters and receivers and the balance for working capital for general corporate purposes. The company has outstanding 2,000,000 common shares, of which Chromalloy owns 51.25%, and Ira Kamen, president, 13.88%. Purchasers of the shares being registered will acquire a 20% stock interest in the company for their investment of \$5,000,000; present stockholders will then own 80%, which they acquired at a cost of \$1,026,325.

**CITIES SERVICE FILES FINANCING PROPOSAL.** Cities Service Company, Sixty Wall St., New York 10005, filed a registration statement (File 2-39080) with the SEC on December 23 seeking registration of \$100,000,000 of debentures due 2001 and \$50,000,000 of Notes due 1978. These securities are to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., and Loeb, Rhoades & Co., 42 Wall St., both of New York 10005. The interest rates, offering prices and underwriting terms are to be supplied by amendment.

The company is engaged in the broad energy and chemical fields of petroleum, natural gas transmission, carbon black, petrochemicals and related products, copper and copper products, industrial chemicals, agricultural chemical real estate management, tanker fleet operations and helium. The net proceeds of this financing will be used to retire short-term notes payable as they become due as well as for general corporate purposes.

**COMMONWEALTH OIL REFINING SHARES IN REGISTRATION.** Commonwealth Oil Refining Company, Inc., Banco Popular Center, Ponce De Leon Ave., Hato Rey, San Juan, P. R. 00918, filed a registration statement (File 2-39081) with the SEC on December 23 seeking registration of 677,778 shares of common stock. Of this stock, 588,889 shares were issued April 3, 1970 in exchange for all of the outstanding capital stock of Petroleum Marketing Corporation and the balance may be issued, subject to certain conditions as additional consideration for such exchange. The shares may be offered for sale from time to time by the holder (or recipient) thereof, at prices current at the time of sale (\$15 per share maximum\*).

The company is engaged in independent refining of petroleum products and the production of aromatics and other petrochemicals through facilities located in Puerto Rico. In addition to indebtedness and preferred stock, the company has outstanding 12,454,664 common shares. Norman C. Keith, director of the company and president of Petroleum Marketing Corp., is the selling shareholder.

**GENERAL TELEPHONE (MIDWEST) TO SELL BONDS.** General Telephone Company of the Midwest, 11 Eleventh Ave., Grinnell, Iowa 50112, filed a registration statement (File 2-39082) with the SEC on December 23 seeking registration of \$11,000,000 of first mortgage bonds, Series F. The bonds are to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, Inc., 140 Broadway, and Stone & Webster Securities Corp., 90 Broad St., both of New York; the interest rate, offering price and underwriting terms are to be supplied by amendment.