

# 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 RELEASE

**WESTERN MASS. ELECTRIC RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16730) authorizing Western Massachusetts Electric Company, West Springfield subsidiary of Northeast Utilities, to issue and sell, at competitive bidding, \$30,000,000 of first mortgage bonds, Series I, due 2000, and 150,000 shares of \$100 par Series A preferred stock. The company will use the net proceeds of these offerings to finance its construction program, to supply funds for its investments in regional nuclear generating companies and to repay short-term borrowings incurred for these purposes (expected to aggregate \$38,000,000 at the time of the proposed sales). Construction expenditures are estimated at \$45,800,000 for 1970.

## INVESTMENT COMPANY ACT RELEASE

**DISCOVERY FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6058) declaring that Discovery Fund, Inc., Scranton, Pa., has ceased to be an investment company as defined in the Act.

## SECURITIES ACT REGISTRATIONS

**DIAGNOSTIC CORP. PROPOSES EXCHANGE OFFER.** Diagnostic Corporation, 12908 Farnham Ave., North, White Bear Lake, Minn., filed a registration statement (File 2-37416) with the SEC on May 18 seeking registration of 476,500 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Diagnostic, Inc., on a share for share basis. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding shares of Diagnostic, Inc.

Diagnostic Corp. was organized for the purpose of making the exchange offer and effecting a change of the state of incorporation of the company (Diagnostic, Inc.) from Minnesota to Delaware. Organized in December 1965, the company is engaged in the manufacture and/or distribution of certain diagnostic, medical and electronic products. It has outstanding 476,500 common shares, of which St. Croix Research Co. owns 31.48% and management officials 29.64%. E. G. Chambers is board chairman and president of Diagnostic Corp. and president of Diagnostic, Inc.; all other officers and directors hold the same positions in both companies.

**JEWEL COMPANIES SHARES IN REGISTRATION.** Jewel Companies, Inc., 1955 West North Ave., Melrose Park, Ill. 60160, filed a registration statement (File 2-37417) with the SEC on May 20 seeking registration of 200,000 shares of common stock. These shares are issuable upon the exercise of options which may be granted (or have been granted and remain unexercised) to a limited number of key executives who are employees of the company (or any subsidiary) or who were key employees of either Buttrey Foods, Inc. or Star Market Co. (or of a subsidiary of Star) at the respective times said corporations were merged into the company.

**RICHFORD INDUSTRIES FILES FOR SECONDARY.** Richford Industries, Inc., 6250 N. W. 35th Ave., Miami, Fla. 33147, filed a registration statement (File 2-37418) with the SEC on May 20 seeking registration of 140,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through New York Hanseatic Corporation, 60 Broad St., New York, N. Y.; the offering price (\$7 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture, assembly and distribution of nylon and metal zippers, the design, decoration and distribution of glass containers for the cosmetic and toiletry industries, and the manufacture and sale of fireproof steel doors and door frames and decorative lighting fixtures. In addition to indebtedness, it has outstanding 1,170,257 common shares. Stephen J. Kneapler is president and board chairman. Fund of Letters, Inc., proposes to sell all of 52,500 shares held, Standard Oil Company (New Jersey) all of 33,000 and two others the remaining shares being registered.

**SAN DIEGO GAS & ELECTRIC TO SELL STOCK.** San Diego Gas & Electric Company, 101 Ash St., San Diego, Calif. 92112, filed a registration statement (File 2-37420) with the SEC on May 20 seeking registration of 160,000 shares of preference stock (cumulative), to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York, N. Y. 10005. The dividend rate, offering price (\$103 per share maximum\*) and underwriting terms are to be supplied by amendment. A public utility, the company will apply the net proceeds of its stock sale to retirement of its first mortgage bonds, 3-3/8% Series due July 1, 1970. Construction expenditures are estimated at \$61,500,000 for 1970.

**BERKELEY COMPUTER TO SELL STOCK.** Berkeley Computer Corporation, 2398 Fourth St., Berkeley, Calif. 94710, filed a registration statement (File 2-37421) with the SEC on May 20 proposing the public offering of 400,000 shares of common stock. No underwriting is involved, but selected NASD members may participate in the sale of the shares. The offering price (\$25 per share maximum\*) and dealer commissions are to be supplied by amendment.

Organized in December 1968, the company intends to develop, produce and market remote access computing systems and capability. Part of the net proceeds of its stock sale will be used to repay short-term debt incurred to finance operations, \$1,700,000 for production of a second Model 500 computing system, \$300,000 for production equipment, tools, test equipment and leasehold improvements, and \$1,000,000 toward development and production of the Model 1000 computer system; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 800,000 common shares, of which Melvin W. Pirtle, board chairman and president, owns 61.5% and management officials as a group 88.3%. Purchasers of the shares being registered will acquire a one-third stock interest in the company for their investment of \$10,000,000\*; present shareholders will then own two-thirds, for which they will have paid \$40,000 or 5¢ per share.

**EQUITABLE GROWTH FUND PROPOSES OFFERING.** Equitable Growth Fund, Inc., 700 East Camelback Rd., Scottsdale, Ariz. 85251, filed a registration statement (File 2-37425) with the SEC on May 20 seeking registration of 50,000 shares of capital stock, to be offered for public sale at net asset value (\$10 per share maximum\*) plus a sales charge of 8.5% on purchases of less than \$25,000. The Fund was organized as a diversified, open-end investment company. Its principal objectives are long-term growth of capital and increasing income for the future. Equitable Research Corporation is investment adviser. Royden Brown is president of the Fund and the adviser.

**APACHE TO SELL DEBENTURES.** Apache Corporation, 1800 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement (File 2-37426) with the SEC on May 20 seeking registration of \$7,200,000 of convertible subordinated debentures, due 1990 (convertible commencing January 1, 1972 into common stock of Continental Telephone Corporation), to be offered for public sale through underwriters headed by Hayden, Stone Incorporated, 25 Broad St., New York, N. Y., and Piper, Jaffray & Hopwood Incorporated, 115 South 7th St., Minneapolis, Minn. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the organization, sale and management of oil and gas exploration and development programs; the manufacture and sale of precision aircraft parts, plastic pipe, central air conditioning, precision machined and plastic molded products and roll-up doors for the truck and trailer industry; furnishing corrosion engineering services; metal processing and warehousing; and the development of real properties. As a result of the merger in January 1970 of a subsidiary, North American Communications Corporation, into Continental Telephone Corporation, Apache received 621,018 shares of \$.80 convertible preferred stock, Series C, of Continental (convertible on a share for share basis into Continental common stock). Of the net proceeds of its debenture sale, \$3,000,000 will be applied to the repayment of outstanding short-term bank indebtedness incurred in equal portions for purchases of oil and gas leases, the purchase of common stock of Consolidated Water Company (63% owned by Apache) and certain acquisitions and \$2,500,000 to the purchase of additional common stock of Consolidated Water pursuant to a rights offering to stockholders of that company; the balance will be added to the company's general funds and used for general corporate purposes including possible acquisitions. In addition to indebtedness and preferred stock, the company has outstanding 2,802,946 common shares, of which management officials as a group own 10.2%. Charles B. Sweatt, Sr., is board chairman and Raymond Plank 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:

Speed-O-Print Business Machines Corporation, Chicago, Ill. 60613 (File 2-37396) - 30,000 shares  
The Kendall Company, Boston, Mass. 02110 (File 2-37415) - 150,000 shares  
MCNB Corporation, Charlotte, N. C. 28202 (File 2-37419) - 54,600 shares  
Itek Corporation, Lexington, Mass. 02173 (File 2-37422) - 75,000 shares (1970 Employees' Stock Purchase Plan) and (File 2-37423) - 76,488 shares (1970 Stock Option Plan for Executive Employees)

#### MISCELLANEOUS

**AMERICAN AIRLINES RECEIVES ORDER.** The SEC has issued an order under the Trust Indenture Act of 1939 (Release 39-275), granting an application of American Airlines, Inc., of New York City, for a determination that no material conflict of interest would arise if Bankers Trust Company of New York, which now serves as trustee under 1967 and 1969 indentures pursuant to which some \$109 and \$9 million, respectively, of certificates are outstanding, also were to serve as trustee under a new indenture pursuant to which the company will issue some \$95 million of Guaranteed Loan Certificates, Series A, due 1988.

**SECURITIES ACT REGISTRATIONS.** Effective May 12: Elgin National Industries, Inc., 2-34079 (40 days); Royal Resources Exploration, Inc., 2-35903).  
Effective May 13: BLC Fund, Inc., 2-35570; Burroughs Corp., 2-37103; Cooper Tire & Rubber Co., 2-37335; Mohasco Industries, Inc., 2-36801 (40 days); New York Telephone Co., 2-37178;  
Effective May 20: Aeroceanic Corp., 2-36933 (June 29); Municipal Investment Trust Fund Series W, 2-37069; Prudential Funds, Inc., 2-36584 (40 days).  
Withdrawn May 19: Comtel Leasing, Inc., 2-35902; Data Associates, Inc., 2-34889; Digital Measurements Corp., 2-33442; Discountland, Inc., 2-32897; National Health Enterprises, Inc., 2-33347.

**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.