

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 ACTION

MEYERSON CO. ENJOINED. The SEC San Francisco Regional Office announced June 9 (LR-4628) that, without admitting the violations alleged, Meyerson & Co., Inc., of San Francisco, consented to the entry of a Federal court order permanently enjoining violations of the hypothecation and anti-fraud provisions of the Securities Exchange Act. The Meyerson firm is currently liquidating its public securities business. The New York Stock Exchange cooperated in the investigation leading to the court action.

SECURITIES ACT REGISTRATIONS

KANSAS-NEBRASKA NATURAL GAS TO SELL DEBENTURES. Kansas-Nebraska Natural Gas Company, Inc., Hastings, Neb. 68901, filed a registration statement (File 2-37577) with the SEC on June 4 seeking registration of \$15,000,000 of sinking fund debentures, due 1990, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. The company is primarily an integrated natural gas enterprise operating in Kansas, Nebraska, Wyoming, Colorado, Oklahoma and Texas. Net proceeds of its debenture sale will be applied to the repayment of short-term bank loans incurred to finance construction (\$17,550,000 at March 31). Construction expenditures are estimated at \$13,000,000 for 1970 and \$35,000,000 for the period 1970 through 1972.

PIEDMONT NATURAL GAS TO SELL BONDS. Piedmont Natural Gas Company, Inc., 4301 Yancey Rd., Charlotte, N.C., filed a registration statement (File 2-37579) with the SEC on June 4 seeking registration of \$11,000,000 of first mortgage bonds, due 1995, to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. The company is engaged in the distribution of natural gas in 60 communities in the Piedmont area of North and South Carolina. A portion of the net proceeds of the company's bond sale will be used to retire outstanding revolving credit notes (expected to aggregate \$6,500,000 at the time of closing) which were incurred to meet construction expenditures made in 1969 and 1970, and the balance will be applied to the remainder of the 1970 construction program. Construction expenditures for 1970 are estimated at \$10,000,000.

FAIRMONT FOODS SHARES IN REGISTRATION. Fairmont Foods Company, 3201 Farnam St., Omaha, Neb. 68131, filed a registration statement (File 2-37580) with the SEC on June 4 seeking registration of 125,000 shares of common stock. These shares are issuable pursuant to options granted to key employees under the company's 1969 Stock Option Plan.

FIELDS COMPANY PROPOSES OFFERING. Fields Company (the "Partnership"), 1501 Broadway, New York, N. Y., filed a registration statement (File 2-37581) with the SEC on June 4 seeking registration of \$900,000 of pre-formation limited partnership interests, to be offered for public sale at \$15,000 per unit. The Partnership is to be formed for the purpose of producing the dramatico-musical play presently entitled "W.C." W.C. is an original musical comedy with music and lyrics by Al Carmines and book by Milton Sperling to which Sam Locke contributed certain material; it is based upon the book by Robert Lewis Taylor entitled "W.C. Fields: His Fortunes and Follies." David Black is general partner and producer of the play.

B-W ACCEPTANCE CORP. TO SELL DEBENTURES. B-W Acceptance Corporation, 4001 West Devon Ave., Chicago, Ill. 60646, filed a registration statement (File 2-37582) with the SEC on June 5 seeking registration of \$35,000,000 of senior debentures, due 1990, to be offered for public sale through underwriters headed by Glore Forgan Staats Incorporated, 135 S. LaSalle St., Chicago, Ill. 60603, and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the wholesale or floor plan financing of dealers' and distributors' inventory, the purchasing of retail sales contracts originating with dealers, and commercial financing. Net proceeds of its debenture sale will be added to the company's general funds and initially applied to the reduction of short-term debt, which was incurred to provide funds for use in the ordinary course of the company's business, including the purchase from Borg-Warner Corporation (its parent) of some \$45,000,000 of accounts receivable which arose from sale of products of the York Division of Borg-Warner. In addition to indebtedness, the company has outstanding 2,000,000 common shares, all owned by Borg-Warner. James J. Gavin, Jr., is board chairman and Robert E. LaRoche president.

OVER

UNION TANK CAR TO SELL EQUIPMENT TRUST CERTIFICATES. Union Tank Car Company, 111 West Jackson Blvd., Chicago, Ill. 60604, filed a registration statement (File 2-37583) with the SEC on June 5 seeking registration of \$25,000,000 of equipment trust certificates, due 1990 (Series 6), to be offered for public sale through underwriters headed by Salomon Brothers & Hutzler, 60 Wall St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in leasing railroad tank cars owned and maintained by it to shippers of petroleum products, compressed gas, chemicals, fertilizers and food products. Net proceeds of its sale of certificates will be used, together with treasury funds, to retire \$25,000,000 of the \$39,113,483 indebtedness outstanding at May 31 under the company's equipment trust notes, Series B, due 1971. Proceeds of the Series B notes were used toward reimbursing the treasury for costs incurred in building railroad cars.

DETROIT EDISON PROPOSES OFFERINGS. The Detroit Edison Company, 2000 Second Ave., Detroit, Mich., filed a registration statement (File 2-37584) with the SEC on June 5 seeking registration of 2,900,000 shares of common stock, to be offered for subscription by common stockholders of record June 25, at the rate of one new share for each ten shares held. In a separate registration statement (File 2-37585), the company proposes the public offering of \$75,000,000 of general and refunding bonds, Series U, due 2000. The offerings are to be made through underwriters headed by Morgan Stanley & Co. Incorporated, 2 Wall St., New York, N. Y. 10005, and two other firms. The interest rate on the bonds, subscription and offering prices (\$20 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its offerings to reduce short-term bank borrowings and commercial paper (estimated to aggregate \$126,000,000) issued and to be issued in connection with interim financing of its construction program. Construction expenditures are estimated at \$338,000,000 during 1970 and \$2.3 billion during 1970 through 1975.

CONSOLIDATED NATURAL GAS TO SELL DEBENTURES. Consolidated Natural Gas Company, 30 Rockefeller Plaza, New York, N. Y. 10020, filed a registration statement (File 2-37587) with the SEC on June 5 seeking registration of \$40,000,000 of debentures, due 1995, to be offered for public sale at competitive bidding. A public utility holding company, the company will use the net proceeds of its debenture sale to finance in part the 1970 capital expenditures of the Consolidated System, presently estimated at \$114,000,000.

PLANT INDUSTRIES FILES FOR SECONDARY. Plant Industries, Inc., Suite 1302, 750 Fifth Ave., New York, N.Y. 10019, filed a registration statement (File 2-37588) with the SEC on June 5 seeking registration of 407,412 shares of common stock, of which 276,793 are outstanding shares and 130,619 are issuable upon conversion of outstanding Series B and Series C preferred stock. These shares may be offered for sale from time to time by the present holders or recipients thereof at prices current at the time of sale (\$12.125 per share maximum*).

The company is principally engaged in the manufacture, sale and distribution of specialty food and packaging products. In addition to indebtedness and preferred stock, it has outstanding 2,193,752 common shares, of which Bregman & Co. owns 26.6% and Hyman Katz, president, 17.1%. Katz may sell 50,000 of 375,000 shares held and a large number of others the remaining shares being registered.

AMALGAMATED AUTOMOTIVE INDUSTRIES TO SELL STOCK. Amalgamated Automotive Industries, Inc., 1918 North Third St., Harrisburg, Pa., filed a registration statement (File 2-37589) with the SEC on June 5 seeking registration of 155,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts, all or none basis by Bellamah, Neuhauser and Barrett, Inc., 1511 K St., N. W., Washington, D. C., which will receive a 50¢ per share selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for \$150, five-year warrants to purchase 15,000 shares, exercisable after one year at \$5.50 per share.

Organized in November 1969, the company proposes to acquire several existing businesses which are engaged in supplying automotive parts to warehouses, jobbers and retail automobile dealers. Of the net proceeds of its stock sale, \$623,730 will be used to pay for the acquisition of all the assets of Heinz Automotive Warehouse, Inc. and \$340,000 for the acquisition of Acme Auto Parts and Acme Automotive Warehouse Co.; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 112,854 common shares (with an 81¢ per share net tangible book value), of which Jacob J. Myers Jr., board chairman and president, and Gary R. Myers, vice president, own 23% each and management officials as a group 92%. Purchasers of the shares being registered will acquire a 51.7% stock interest in the company for their investment of \$775,000 (they will sustain an immediate dilution of \$2.05 in per share book value from the offering price); present shareholders will then own 38.3% for their investment of \$157,680 (or \$1.40 per share) and the underwriter will own 10% for its investment of \$150.

WALTER HELLER SHARES IN REGISTRATION. Walter E. Heller International Corporation, 105 West Adams St., Chicago, Ill. 60690, filed a registration statement (File 2-37590) with the SEC on June 5 seeking registration of 8,748 outstanding shares of common stock. These shares are to be issued in partial payment for all the outstanding capital stock of ABC Finance Corporation, a Puerto Rican corporation. They may be offered for sale from time to time by the recipients thereof at prices current at the time of sale (\$17.625 per share maximum*). Henry Gonzalez and three others may sell 2,187 shares each. The company is engaged, through subsidiaries, primarily in furnishing financial services to business and industry. In addition to indebtedness and preferred stock, it has outstanding 9,274,297 common shares.

ADDRESSOGRAPH-MULTIGRAPH TO SELL DEBENTURES. Addressograph-Multigraph Corporation, 1200 Babbitt Rd., Cleveland, Ohio, filed a registration statement (File 2-37591) with the SEC on June 5 seeking registration of \$60,000,000 of debentures, due 1995, to be offered for public sale through underwriters headed by Smith, Barney & Co. Incorporated, 20 Broad St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the design, development, manufacture, distribution and servicing of a wide variety of business machines and related equipment, accessories and supplies. Net proceeds of its debenture sale will be used to reduce the balance owed by the company on its credit agreement (\$66,750,000 at June 1), proceeds of which were used principally to finance capital expenditures and to supply additional working capital required by increased volume of business, introduction of new products and the program of leasing and renting equipment to customers. In addition to indebtedness, the company has outstanding 8,032,591 common shares. Frank H. Woods is board chairman and William H. Wilson president.

CONTINENTAL INVESTMENT TO SELL DEBENTURES. Continental Investment Corporation, 225 Franklin St., Boston, Mass. 02110, filed a registration statement (File 2-37592) with the SEC on June 5 seeking registration of \$30,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged through subsidiaries in activities in financial and related areas, including mutual funds and insurance and in the real estate and shelter (housing) industry. Net proceeds of its debenture sale will be used to reduce the \$82,500,000 bank borrowings incurred to acquire all the outstanding stock of Waddell & Reed, Inc. In addition to preferred stock, the company has outstanding 12,563,901 common shares, of which management officials as a group own 10.6% and W Corporation 61.1%. M. J. Wallace, board chairman and president, and N. W. Wallace, executive vice president, own all the outstanding stock of W Corporation.

R. J. REYNOLDS SHARES IN REGISTRATION. R. J. Reynolds Industries, Inc. ("Industries"), Winston-Salem, N. C. 27102, filed a registration statement (File 2-37594) with the SEC on June 5 seeking registration of 12,495,465 shares of common stock. Pursuant to a merger agreement, Industries will become the parent of R. J. Reynolds Tobacco Company ("Reynolds") on June 29, 1970, at which time all the outstanding shares of common stock and \$2.25 convertible preferred stock of Reynolds will automatically be converted into identical shares of common stock and \$2.25 convertible preferred stock of Industries on a share-for-share basis. The common shares being registered are issuable on conversion of the \$2.25 preferred stock (at the rate of 1.5 common shares and \$22 in cash per preferred share). Also included in this statement are 209,825 shares of \$2.25 convertible preferred stock which are issuable upon exercise of stock options.

Reynolds is engaged in the manufacture of cigarettes and smoking and chewing tobacco. Net proceeds which Industries will receive on conversion of the \$2.25 preferred shares and the exercise of stock options will be added to the company's general funds for use as additional working capital, additions to, and improvements and maintenance of the properties of its subsidiaries and for general corporate purposes.

COMMONWEALTH EDISON TO SELL STOCK. Commonwealth Edison Company, One First National Plaza, P. O. Box 767, Chicago, Ill. 60690, filed a registration statement (File 2-37596) with the SEC on June 8 seeking registration of 1,000,000 shares of cumulative prior preferred stock (\$100 par), to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005 and three other firms. The dividend rate, offering price (\$100 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will add the net proceeds of its stock sale to its working capital for application in part toward repayment of short-term commercial paper notes (estimated at \$82,000,000) issued and to be issued primarily for interim financing of its construction program and in part toward the cost of that program. Construction expenditures are estimated at \$560,000,000 for 1970 and \$2,250,000,000 for the five-year period 1970-74.

GULLIVER CO. PROPOSES OFFERING. Gulliver Company (the "Partnership"), 1545 Broadway, New York, filed a registration statement (File 2-37598) with the SEC on June 5 seeking registration of \$600,000 of pre-formation limited partnership interests, to be offered for public sale at \$12,000 per interest. The Partnership is to be formed for the purpose of producing a dramatico-musical play presently entitled "Gulliver's Travels." The book of the play is to be written by Larry Gelbart with music and lyrics by Lionel Bart. The musical is based upon an adaptation of Jonathan Swift's "Gulliver's Travels" by Sean Kenny and Gerald Frow. Kermit Bloomgarden Productions, Inc. will serve as general partner and producer of the play.

SHAWMUT ASSOCIATION PROPOSES EXCHANGE OFFER. Shawmut Association, Inc., 82 Devonshire St., Boston, Mass. 02109, filed a registration statement (File 2-37600) with the SEC on June 8 seeking registration of 76,440 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of The Framingham National Bank, at the rate of .52 shares for each Framingham Bank share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding shares of Framingham Bank, with the exclusion of directors' qualifying shares.

Shawmut owns at least 90% of the stock of each of eleven banks or trust companies which are engaged in a general commercial banking business and serve 36 communities in Massachusetts. It has outstanding 1,877,890 common shares. Lawrence H. Martin is board chairman and John K. Benson president.

R. B. JONES CORP. FILES FOR SECONDARY. R. B. Jones Corporation, 301 West 11th St., Kansas City, Mo. 64105, filed a registration statement (File 2-37603) with the SEC on June 8 seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Stern Brothers & Co., 1009-15 Baltimore Ave., Kansas City, Mo. 64199; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the placement of casualty, property, marine and employee benefit types insurance coverage principally for commercial customers. It has outstanding 475,905 common shares. Cliff C. Jones is board chairman and Robert H. Lange president. Cliff Jones proposes to sell 6,000 of 40,000 shares held, Lange 3,000 of 18,750, Cary W. Jones, Jr., a vice president, 17,000 of 33,000, Dana Durand, a vice president, 15,000 of 35,000 and a large number of others the remaining shares being registered.

CAL-WESTERN FUND PROPOSES OFFERING. Cal-Western Variable Fund C, 2020 L St., Sacramento, Calif., filed a registration statement (File 2-37602) with the SEC on June 8 seeking registration of \$10,000,000 of individual variable retirement annuity contracts. The contracts are designed to provide the annuitant with variable annuity payments which will tend to reflect changes in the cost of living both during the years prior to retirement and the years following retirement. The Fund was established by California-Western States Life Insurance Company, a stock life insurance company. American General Insurance Company of Houston, Texas, owns 33-1/3% of the outstanding capital stock of Insurance Company. John H. Fabretti is chairman of the Fund and vice president of Insurance Company. H. Harold Leavey is president of Insurance Company.

SOUTHERN BELL TO SELL DEBENTURES. Southern Bell Telephone and Telegraph Company, 67 Edgewood Ave., S.E., Atlanta, Ga. 30303, filed a registration statement (File 2-37605) with the SEC on June 8 seeking registration of \$150,000,000 of debentures, due 2003, to be offered for public sale through underwriters headed by Salomon Brothers & Hutzler, 60 Wall St., New York, N. Y. 10005, and three 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 to the reduction of advances from its parent and notes payable (of which \$126,000,000 and \$221,000,000, respectively, are expected to be outstanding). Such advances are obtained and notes are issued to obtain interim financing for general corporate purposes, including extensions, additions and improvements to the company's plant. Construction expenditures were \$482,000,000 for 1969 and are estimated at \$575,000,000 for 1970.

COMPREHENSIVE RESOURCES PROPOSES OFFERING. Comprehensive Resources Corporation, 342 Madison Ave., New York, N. Y. 10017, filed a registration statement (File 2-37606) with the SEC on June 8 seeking registration of \$5,000,000 of units in its 1970 Oil and Gas Drilling Program, to be offered for public sale at \$5,000 per unit with a minimum purchase of two units. No underwriting is involved; participating NASD members will receive a 6% selling commission. The Program was organized for the purpose of financing the acquisition, testing, development and operation of oil and gas leaseholds. William J. Soter, president, and Kenneth C. Avanzino, executive vice president, own 50% each of the outstanding stock of Comprehensive Resources.

CONTINENTAL RESOURCES PROPOSES OFFERING. Continental Resources Corporation ("general partner"), 1700 Broadway, Denver, Colo. 80202, filed a registration statement (File 2-37608) with the SEC on June 8 seeking registration of \$3,000,000 of preformation limited partnership interests in Continental Resources Fund 1970-A (the "Partnership"), to be offered for public sale at \$2,500 per interest with a minimum investment required of \$5,000. No underwriting is involved; participating NASD members will receive a 7½% selling commission. The Partnership will engage in the exploration for oil and gas. F. Wallace Gage, president of the general partner, owns 65% of its outstanding common stock.

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:

Aerovox Corporation, New Bedford, Mass. 02745 (File 2-37561) - 180,000 shares
 Physics International Company, San Leandro, Calif. 94577 (File 2-37562) - 267,214 shares
 Fabri-Tek Incorporated, Minneapolis, Minn. (File 2-37565) - 100,000 shares
 Grow Chemical Corp., New York, N. Y. 10022 (File 2-37586) - 93,643 shares
 Ward Foods, Inc., New York, N. Y. 10001 (File 2-37593) - 150,000 shares
 Glen-Gery Corporation, Reading, Pa. 19603 (File 2-37595) - 25,000 shares
 Cohu Electronics, Inc., San Diego, Calif. 92112 (File 2-37597) - 65,000 shares
 The Stop & Shop Companies, Inc., Boston, Mass. (File 2-37599) - 75,000 shares
 Florida Gas Company, Winter Park, Fla. 32789 (File 2-37601) - 6,000 shares
 Beech-Nut, Inc., New York, N. Y. 10022 (File 2-37604) - 90,000 shares
 United Liberty Life Insurance Company, Cincinnati, Ohio 45236 (File 2-37607) - 195,000 shares

SECURITIES ACT REGISTRATIONS. Effective June 9: General Telephone Co. of Calif., 2-37369; The Leisure Group, Inc., 2-37015; Ortho Industries, Inc., 2-34429 (90 days); PPG Industries, Inc., 2-37439; Reserve Oil and Gas Co., 2-37553; John Roberts, Inc., 2-36660; San Diego Gas & Electric Co., 2-37420; Santa Fe International Corp., 2-37475; Tilco, Inc., 2-35829 (90 days); U. S. Industries, Inc., 2-37514.

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.