

# 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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## DECISION IN ADMINISTRATIVE PROCEEDING

**HOWARD AND PERLMAN SUSPENDED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-8970) in which it ordered that Marc Howard, of New York City, and Martin B. Perlman, of Englewood, N. J., be suspended from association with any securities or investment adviser firms for 30 days, commencing September 1.

According to the decision, in mid-December 1967, while employed as securities analysts by a registered investment adviser, Howard and Perlman participated in a decision of the firm's consultation group to recommend the purchase of a security to the firm's clients; and on various occasions up to at least February 1, 1968, they orally recommended the purchase of such security. However, Howard then owned 600 shares and Perlman 2,000 shares of the stock in question and failed to disclose such ownership to the consultation group or to clients to whom the security was recommended, in violation of the anti-fraud provisions of the Exchange Act. Following a rise in the market price of the stock after the recommendation, Howard beginning in December 1967 sold his shares and Perlman in January 1968 sold 1500 of his shares. Previously, Perlman had failed to disclose his ownership of 200 shares of another company and his purchase of an additional 200 shares the day before his employer recommended it to clients; and both Perlman and Howard failed to report certain other transactions to their employer in accordance with the firm's procedures designed to comply with the Investment Advisers Act.

In offers of settlement, Howard and Perlman, without admitting or denying the violations, consented to Commission findings of violations and to imposition of the indicated sanctions. In view of certain mitigating circumstances, including the fact that neither sought to reenter the securities business after Howard was dismissed by his employer in October 1968 and Perlman was asked to resign some 16 months ago, the Commission determined to accept the offers.

## HOLDING COMPANY ACT RELEASES

**HARTFORD ELECTRIC LIGHT RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16820) authorizing The Hartford Electric Light Company, Wethersfield, Conn., subsidiary of Northeast Utilities, to issue and sell up to \$35,000,000 of short-term notes (including commercial paper) to banks and to a dealer in commercial paper. The company will use the net proceeds for construction expenditures and for investments in nuclear generating companies. Construction expenditures are estimated at \$66,600,000 for 1970 and \$63,700,000 for 1971 and advances to nuclear generating companies (Maine Yankee Atomic Power Company and Vermont Yankee Nuclear Power Corporation) are estimated at \$4,900,000 for 1970 and \$2,000,000 for 1971.

**JERSEY CENTRAL P&L SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16821) giving interested persons until September 24 to request a hearing upon an application of Jersey Central Power & Light Company, Morristown subsidiary of General Public Utilities Corp., to issue and sell 250,000 shares of cumulative preferred stock (\$100 par) at competitive bidding. Jersey Central will use the net proceeds to repay \$21,000,000 of its short-term bank borrowings, which were incurred for construction purposes and are expected to aggregate \$48,000,000 at the time of the stock sale, and \$4,000,000 to make payments to Metropolitan Edison Company, an affiliate of Jersey Central, for its interest in the jointly-owned Three Mile Island Nuclear Generating Station.

**AMERICAN ELECTRIC POWER SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16822) giving interested persons until September 17 to request a hearing upon an application of American Electric Power Company, Inc., New York holding company, to issue and sell 4,000,000 shares of common stock at competitive bidding. Net proceeds will be used to pay at maturity and retire the company's short-term debt estimated to aggregate \$120,000,000 at the time of the proposed stock sale.

**MASS. ELECTRIC SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16823) giving interested persons until September 30 to request a hearing upon an application of Massachusetts Electric Company, Westborough, Mass., subsidiary of New England Electric System, to issue and sell, at competitive bidding, \$20,000,000 of first mortgage bonds, Series L, and 100,000 shares of cumulative preferred stock (\$100 par). Massachusetts Electric will apply the net proceeds to the payment of outstanding short-term notes (estimated at \$28,000,000) evidencing borrowings made for capitalizable construction expenditures or to reimburse the treasury therefor.

OVER

INVESTMENT COMPANY ACT RELEASES

**CFC INDUSTRIES SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6176) giving interested persons until September 24 to request a hearing upon an application of CFC Industries, Inc., New York management closed-end, non-diversified investment company, for an order declaring that it has ceased to be an investment company. In February 1967, shareholders of CFC authorized its dissolution and the distribution of its assets. As of August 4, 1970, all but 99 shareholders owning a total of 6,363 shares had surrendered their certificates; and CFC's only asset (consisting of \$4,569.94 cash) is being held in a special savings account for distribution to shareholders who have not surrendered their share certificates.

**OCCIDENTAL SEPARATE ACCOUNT SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6177) giving interested persons until September 21 to request a hearing upon an application of Occidental Life Insurance Company of California ("Insurance Company") and Occidental's Separate Account Fund C ("Fund C"), Los Angeles, for exemption from certain provisions of the Act. Insurance Company established Account Fund C on February 26, 1969, as a separate account to offer individual variable annuity contracts providing retirement benefits.

COURT ENFORCEMENT ACTIONS

**COMPLAINT CITES NINE.** The SEC Seattle Regional Office announced August 17 (LR-4732) the filing of a complaint in the Federal court in Challis, Idaho, seeking to enjoin violations of the registration and antifraud provisions of the Federal securities laws in the offer and sale of securities by the following: Fletcher D. Fisher (a/k/a Fletcher DeFisher), Thelma M. Fisher, Alfred V. Fisher, Loren W. Schlafke, all of Idaho, and Ronald F. Johnson and Deryl R. Christiansen, both of Oregon, and Fisher International, Inc. (Washington corporation), Clayton Silver Star Mines, Inc. (Idaho corporation), and Silver Star Mines, Inc. (Oregon corporation).

**RAILROAD RUBBER PRODUCTS, OTHERS ENJOINED.** The SEC Chicago Regional Office announced August 19 (LR-4733) that Railroad Rubber Products, Inc., a Florida corporation, Railroad Permanent Way Products Corp., an Ohio corporation and Nelson K. Moses, president of both corporations, had consented to the entry by the Federal court in Cleveland of a final judgment permanently enjoining violations of the registration and antifraud provisions of the Federal securities laws in the offer and sale of stock by the defendant corporations.

**HARDING BROTHERS OIL & GAS, TWO OTHERS ENJOINED.** The SEC Fort Worth Regional Office announced August 27 (LR-4734) that Harding Brothers Oil & Gas Co., d/b/a Harding Oil Co., Charles F. Harding, Sr. and Roy L. Harding, all of Dallas, without admitting the allegations, consented to the entry by the Federal court in Dallas of an order of permanent injunction against violations of the registration and antifraud provisions of the Federal securities laws in the offer and sale of securities of Harding Brothers Oil & Gas Co.

**COMPLAINT CITES FIRST DEVONSHIRE CORP.** The SEC New York Regional today announced (LR-4735) the filing of a complaint charging that First Devonshire Corporation, New York registered broker-dealer and a suspended member of the New York, American and other principal stock exchanges, had violated the reporting, net capital, hypothecation and antifraud provisions of the Federal securities laws while engaging in the conduct of a broker-dealer business.

**SEC COMPLAINT NAMES CHARLES PLOHN & CO.** The SEC New York Regional Office today announced (LR-4736) the filing of a complaint in the Federal court in New York City charging Charles Plohn & Co., a New York registered broker-dealer and a suspended member of the New York, American and other principal stock exchanges, with violations of the hypothecation and antifraud provisions of the Federal securities laws in the conduct of a broker-dealer business.

SECURITIES ACT REGISTRATIONS

**PUBLIC SERVICE OF NORTH CAROLINA PROPOSES OFFERING.** Public Service Co. of North Carolina, 400 Cox Rd., Gastonia, N. C., filed a registration statement (File 2-38259) with the SEC on August 28 seeking registration of 160,000 shares of cumulative preferred stock (\$25 par), to be offered for public sale through underwriters headed by the First Boston Corp., 20 Exchange Pl., New York. The offering price (\$26 per share maximum\*), dividend rate and underwriting terms are to be supplied by amendment.

A public utility, the company distributes natural gas to 77 cities, towns, and villages in North Carolina. Net proceeds from its preferred stock sale will be used to reduce short term bank loans, which at June 30, 1970 amounted to \$8,000,000. Construction expenditures for 1970 are estimated at \$6,000,000. In addition to indebtedness and preferred stock, the company has outstanding 1,833,210 common shares. Branson E. Zeigler is president and board chairman.

**SHELL'S CITY SHARES IN REGISTRATION.** Shell's City, Inc., 5941 Northwest 7th Ave., Miami, Fla., filed a registration statement (File 2-38256) with the SEC on August 28 seeking registration of 206,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$10 per share maximum\*).

The company operates 38 liquor stores and 5 cocktail lounges and 7 conventional type supermarkets and a large supermarket in Florida. In addition to indebtedness, it has outstanding 1,930,692 common shares, of which E. H. Hill, Jr., board chairman, owns 21.5% and management officials as a group 30.6%. Corporate Enterprises, Inc. may sell 30,000 shares and 15 others the remaining shares being registered.

CONTINUED

**NORTON CO. TO SELL DEBENTURES.** Norton Company, One New Bond St., Worcester, Mass. 01606, filed a registration statement (File 2-38257) with the SEC on August 28 seeking registration of \$25,000,000 of debentures due 1995, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture of a wide variety of industrial products, including abrasives and industrial machinery. Part of the net proceeds of its debenture offering will be used to repay the company's short term borrowing and to provide increased working capital and for other corporate purposes; the balance will be used for general corporate purposes, including additions to plant and equipment and working capital. Milton P. Higgins is board chairman and John Jeppson president and chief executive officer.

**COMMAND HELICOPTERS TO SELL STOCK.** Command Helicopters, Inc., 109 E. Main St., Muncie, Ind. 47302, filed a registration statement (File 2-38258) with the SEC on August 28 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Smith, Hague & Co., Penobscot Bldg., Detroit, Mich. 48226. The offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment.

Organized in Oregon in June 1969, the company owns a fleet of helicopters and related equipment used in the specialized functions of the aerial application of fertilizer in forest fertilization programs, fire fighting in forest lands and the aerial application of agricultural materials. Of the net proceeds of its stock sale, \$600,000 will be used for the rebuilding of helicopters and purchase of related equipment, \$185,000 for the purchase of the building, maintenance area and office facilities now leased, \$115,000 for the retirement of indebtedness and \$200,000 for other general working capital purposes. The company has outstanding 650,000 common shares (with a 30¢ per share book value), of which John Hartmeyer, president and board chairman, owns 16.9% and management officials as a group 90.8%. Purchasers of the shares being registered will acquire a 23.5% stock interest in the company for their investment of \$1,200,000\*; present shareholders will then own 76.5% for which they paid \$162,500 or 25¢ per share.

**FIRST OF DENVER MORTGAGE INVESTORS PROPOSES OFFERING.** First of Denver Mortgage Investors (the "Trust"), First National Bank Bldg., Denver, Colo. 80202, filed a registration statement (File 2-38261) with the SEC on August 28 seeking registration of 750,000 shares of beneficial interest with warrants to purchase 750,000 shares, to be offered for public sale in units, each consisting of one share and one warrant, and at \$20 per unit. The offering is to be made through underwriters headed by Morgan Stanley & Co. Inc., 2 Wall St., New York; the underwriting terms are to be supplied by amendment.

The Trust was recently established to provide investors with an opportunity to invest in a professionally selected and managed portfolio of real property investments, including construction and development first mortgage loans, permanent and intermediate-term first mortgage loans and real estate equities. First National Advisers, Inc., a wholly-owned subsidiary of The First National Bancorporation, Inc., will serve as investment adviser. Bruce D. Alexander is chairman and Clarence Liller, Jr. is president of the Trust and the adviser.

**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:

Benrus Corporation, Ridgefield, Conn. 06877 (File 2-38260) - 83,663 shares

A-T-O Inc., Willoughby, Ohio 44094 (File 2-38262) - 18,341 shares of preference stock, and 133,397 common shares

#### MISCELLANEOUS

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8972) granting an application of the New York Stock Exchange to strike from listing and registration the 4% cumulative convertible preferred stock, Series B (\$100 par), of Standard Oil Company of Ohio, effective at the opening of business on September 1, 1970. According to the application, only 29,220 shares remain outstanding, fewer than the Exchange's minimum requirement.

**DELISTING APPLICATION WITHDRAWN.** The SEC has issued an order under the Securities Exchange Act (Release 34-8972) granting a request of the Philadelphia-Baltimore-Washington Stock Exchange to withdraw its application for unlisted trading privileges in the Class A, non-voting stock of Home Oil Company, Ltd.

**DELISTING SOUGHT.** The SEC has issued an order under the Securities Exchange Act (Release 34-8972) giving interested persons until September 16 to request a hearing upon an application of Sundance Oil Company to withdraw its common stock from listing and registration on the Salt Lake Stock Exchange. According to the application, the company believes that the concentration of the market solely on the Pacific Coast Stock Exchange will provide a better market for its common stock and that the requested withdrawal will eliminate fees and other administrative requirements necessary to maintain its listing and registration on more than one exchange. Shareholders approved the delisting on April 23 in accordance with Exchange rules.

**UNLISTED TRADING GRANTED.** The SEC has issued orders under the Securities Exchange Act (Release 34-8972) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks or specified securities of the following companies: Automatic Data Processing, Inc., British Petroleum Co., Ltd. (ABR's), Champion Home Builders Co., First National City Corporation, Fleetwood Enterprises, Inc., Gulf & Western Industries, Inc. (Warrants expiring January 31, 1978), H & B American Corporation, H & R Block, Incorporated and Molybdenum Corp. of America.

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the August 4 News Digest.

8K's for Jun 70

Pacific Coast Holdings Inc(2)	0-935-2
South Dakota Corp(7)	0-1525-2
Success Motivation Institute Inc (3,13)	2-33441-2
Universal Container Corp(12,13)	1-4277-2
Wolverine World Wide Inc(7,9,13)	1-6024-2
Packaging Systems Corp(11,13)	2-31237-2
Upjohn Co(3)	1-4147-2
General Acceptance Corp(7,11,12, 13)	1-5786-2
H T Products Corp(11,13)	0-4849-2
Katy Industries Inc(11,12)	1-5558-2
Standard Pressed Steel Co(12)	1-4416-2
Supercrete Ltd(12)	1-4309-2
KDI Corp Amdt #1 for Jun 70 (7,13)	0-2556-2
Illustrated World Encyclopedia Inc (11)	1-6208-2
Jewel Companies Inc(11,13)	1-385-2
Charles Pindyck Inc(7,13)	0-2870-2
Southern Connecticut Gas Co(7, 13)	0-2376-2
West Point Pepperell Inc(3)	1-4900-2
Kansai Electric Power Co Inc(6K) May & Jun 70	2-21059-2
McDonnell Douglas Corp(3)	1-3685-2

Amended 8K Reports

LSB Industries, Inc. Jun 70(3,7)	1-6137-2
Investment Funding Corporation Oct 69(7)	2-29615-2
Meister Brau Inc. Jun 69(7)	0-2086-2
Treasure State Industries, Inc. Mar 70(13)	0-2054-2

Amended 8K Reports

Potter-Englewood Corporation May 70(2,4,7,13)	1-1632-2
General Transportation Services, Inc. Jun 70(2,12,13)	0-4397-2
Invesco International Corp Dec 69(1,12,13)	0-4878-2
Olshen Overseas, Inc. Jan 70(13)	2-32217-2
Cardinal Corp May 70(13)	0-913-2
Computer Dimensions, Inc. May 70(2,13)	0-4541-2
Reading Industries, Inc. Jun 70(12,13)	1-5700-2
Dero Research & Development Corp Oct 69(13)	1-5994-2
Nasco Industries, Inc. Mar 70(3)	0-3850-2
Real Eight Co., Inc. Feb 69(7)	1-5504-2
General Magnaplate Corp Jan 70(7)	0-2977-2
Pacific Asbestos Corp Mar 69(6,7)	0-1144-2
The Red Food Stores, Inc. Mar 70(7)	0-4012-2
Silvey Corp Nov 69(2,13)	0-2103-2

**SECURITIES ACT REGISTRATIONS.** Effective August 31: Dico Corp., 2-28460 (90 days); General Cinema Corp., 2-38153; Heublein, Inc., 2-38140; Florence Miller Cosmetics, Inc., 2-36966 (90 days); Regals Programs, Inc., 2-36519 (90 days); Teleprompter Corp., 2-37893 (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.

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