

# 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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## NEW RULES AND RULE PROPOSALS

COMMENT PERIOD EXTENDED ON RULE 144. On request of various persons and firms, the SEC has extended to November 30 the period within which comments may be submitted on its proposed Rule 144, published September 22 in Release 33-5087, relating to the definition of the terms "underwriter" in Section 2(11) and "brokers' transactions" in Section 4(4) of the Securities Act.

## COURT ENFORCEMENT ACTION

CHANDLERS & NAVE ENJOINED. The SEC Chicago Regional Office announced that on October 20 the Federal court in Lexington, Ky. issued an order of preliminary injunction enjoining Albert B. Chandler, Sr., J. Daniel Chandler, and Leonard K. Nave, all of Versailles, Ky., from violations of Sections 17(d) and (e), 20(a) and 25(a) of the Investment Company Act while the defendant Commonwealth Security Investors, Inc., is a registered investment company, and enjoining J. Daniel Chandler from violations of Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder in connection with the purchase or sale of the common stock of the defendant Daniel Boone Fried Chicken, Inc., of Lexington, Ky. A preliminary injunction entered against the defendants Leonard K. Nave and Daniel Boone Fried Chicken, Inc., on August 10, 1970 enjoining them from violations of the anti-fraud provisions of the Federal securities laws in connection with the offer and sale of debentures of Daniel Boone Fried Chicken, Inc., was dissolved as to Nave and retained as to Daniel Boone Fried Chicken. (LR-4797)

## SECURITIES ACT REGISTRATIONS

CAMCO FILES FOR OFFERING AND SECONDARY. Camco, Incorporated, 7010 Ardmore, Houston, Tex. 77021, filed a registration statement (File 2-38706) with the SEC on October 30 seeking registration of 335,000 shares of common stock. Of these shares, 260,000 are to be offered for public sale by the company and 75,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Lehman Brothers, One William St., New York 10004. The offering price (\$20 per share maximum\*) and underwriting terms are to be supplied by amendment. Also included in this statement are an additional 96,023 common shares, of which 58,823 are reserved for issuance on conversion of 5-3/4% subordinated guaranteed debentures, due 1984, issued by Camco International Capital Corporation, a wholly-owned subsidiary of the company, 34,800 are reserved for issuance upon exercise of options granted or to be granted under the company's stock option plans and 2,400 are reserved for issuance upon exercise of a nontransferable five-year option granted on August 19 to a director of the company.

The company is engaged in manufacturing and selling technical equipment used in the production of petroleum. Of the net proceeds of its sale of additional stock, \$3,000,000 will be applied to payment of short-term bank loans incurred to finance equipment purchases and the expansion of principal offices; 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 1,119,340 common shares, of which American Research and Development Corporation ("AR&D") owns 18.5%. AR&D proposes to sell 42,000 of 206,720 shares held, Harold E. McGowen, Jr., board chairman and president, 10,000 of 50,046, Paul R. Mills 20,000 of 59,200 and Sam W. Pearce, senior vice president, 3,000 of 14,766.

SOUTH CENTRAL BELL TO SELL DEBENTURES. South Central Bell Telephone Company, 701 S. 20th St., Birmingham, Ala. 35233, filed a registration statement (File 2-38707) with the SEC on October 30 seeking registration of \$150,000,000 of debentures, due 2004, to be offered for public sale at competitive bidding. A subsidiary of AT&T, the company will apply the net proceeds of its debenture sale toward repayment of advances from the parent and notes payable (bank loans, commercial paper and other notes), which are expected to aggregate \$81,000,000 and \$96,000,000, respectively, at the time the proceeds are received. Advances are obtained from the parent and notes issued to obtain interim financing for general corporate purposes, including extensions, additions and improvements to the company's plant. Construction expenditures are estimated at \$400,000,000 for 1970 and at increasing levels for the foreseeable future.

GENERAL AMERICAN TRANSPORTATION TO SELL TRUST CERTIFICATES. General American Transportation Corporation 120 S. Riverside Plaza, Chicago, Ill. 60680, filed a registration statement (File 2-38708) with the SEC on October 30 seeking registration of \$60,000,000 of equipment trust certificates, due 1991 (Series 67), to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged principally in supplying railroad freight cars to shippers and railroads. Net proceeds of its financing will be used to repay notes payable to banks and others and to reimburse its treasury in part for the cost (not less than \$66,666,672 after adjustment for depreciation) of the cars subject to the agreement under which the certificates will be issued.

OVER

**SCOTT-CORD LABORATORIES TO SELL STOCK.** Scott-Cord Laboratories, Inc., 23 Englewood Ave., Englewood, N.J. 07631, filed a registration statement (File 2-38710) with the SEC on October 30 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a best efforts basis by Whitney Dijon & Co. Inc., which will receive a 50¢ per share selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, for 1¢ each, five-year warrants to purchase 10,000 shares, exercisable after one year at \$5.50 per share, and to sell Robert Rubin, a finder, 5,000 shares at 10¢ per share.

Organized in June 1969, the company is principally engaged in the distribution and sale, under, its own label and brand-name, of a number of ethical (prescription) and proprietary (non-prescription) pharmaceuticals. Of the net proceeds of its stock sale, \$100,000 will be used to increase inventory and \$150,000 to increase its sales force; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 225,000 common shares, of which Seymour Slotnick, president, and Robert Chapman, secretary, own 33.3% each and management officials as a group 80%.

**OFFERING TO TRINITY DRILLING FUND HOLDERS PROPOSED.** Universal Resources Corporation, 11411 N. Central Expressway, Dallas, Tex. 75231, filed a registration statement (File 2-38711) with the SEC on October 30 seeking registration of 210,750 shares of common stock. It is proposed to offer these shares for subscription by holders of units in the Trinity Drilling Fund ("Trinity"), at the rate of 250 shares for each Trinity unit held. The record date and subscription price (\$10.75 per share maximum\*) are to be supplied by amendment.

Organized in February 1969, the company is primarily engaged in exploring for and producing crude oil and natural gas and other related operations. In March 1969, it acquired oil and gas properties and oil and gas receivables held by participants in oil and gas drilling programs organized by Robert G. Brown, president, and James G. Brown his father, in exchange for the 1,500,000 outstanding shares of its common stock. In December 1969, the company sold to Trinity leasehold interests in certain producing and nonproducing oil and gas properties which it had acquired from James G. Brown & Associates (a partnership consisting of Robert G. Brown and his father). Trinity's purchases of leasehold interests from the company resulted in some 79% of the company's income from operations for the 10-month period ended August 31, 1970. Net proceeds of the company's stock sale will be used in its joint drilling program with Trinity, to pay short-term indebtedness incurred to finance current drilling activities, to prepay long-term indebtedness incurred in connection with the acquisition of certain oil and gas properties, and for general corporate purposes. Of the outstanding 1,500,000 common shares (with a \$1.17 per share net tangible book value), Robert Brown owns 23.9%, James Brown 21.2% and Hastings Harcourt, a director, 18.1%.

**SANTA FE PIPELINE TO SELL DEBENTURES.** Santa Fe Pipeline Company, 224 S. Michigan Ave., Chicago, Ill., filed a registration statement (File 2-38712) with the SEC on November 2 seeking registration of \$40,000,000 of guaranteed senior debentures, due 1980 (guaranteed as to payment of principal, interest and sinking fund unconditionally by Santa Fe Industries, Inc.), to be offered for public sale through Underwriters headed by Halsey, Stuart & Co., Inc., 123 S. LaSalle St., Chicago, Ill. 60690. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a wholly-owned subsidiary of Chanslor-Western Oil and Development Company, in turn a wholly-owned subsidiary of The Atchison, Topeka & Santa Fe Railway Company ("Railway"). Railway is a wholly-owned subsidiary of Santa Fe Industries, Inc. Net proceeds of the company's debenture sale will be applied, in part, to the cost of constructing the basic system of its Chaparral Pipeline, the total cost of which is estimated at \$31,377,000, including the repayment of loans and interest thereon from Chanslor-Western incurred in connection therewith and expected to aggregate \$25,000,000. \$4,000,000 will be loaned to Oil Development Company of Texas, a wholly-owned subsidiary of Chanslor-Western, for constructing the Tarzan Gas Processing Plant, and the balance will be utilized for the construction of additional gathering and connecting pipelines and facilities for the Chaparral Pipeline or loans to wholly-owned subsidiaries which may be organized in the future for the construction of plants and facilities to increase the volume of business of the Chaparral Pipeline or for other corporate purposes. R. J. Hunt is company president.

**SOUTHERN CALIFORNIA EDISON TO SELL BONDS.** Southern California Edison Company, 601 W. Fifth St., Los Angeles, Calif. 90053, filed a registration statement (File 2-38713) with the SEC on November 2 seeking registration of \$100,000,000 of first and refunding mortgage bonds, Series Z, due 1995, to be offered for public sale at competitive bidding. An electric utility, the company will use the net proceeds of its bond sale to repay short-term obligations (incurred in connection with its construction program) estimated at \$50,000,000 at the time such proceeds are received, and the balance for general corporate purposes, including construction expenditures which are estimated at \$637,700,000 for 1970-1971.

**COMPUTER TECHNOLOGY SHARES IN REGISTRATION.** Computer Technology, Inc., 7200 N. Stemmons Freeway, Dallas, Tex., filed a registration statement (File 2-38715) with the SEC on November 2 seeking registration of 849,000 shares of common stock, of which 7,610 are issuable pursuant to options previously exercised, 347,121 are issuable upon exercise of options outstanding as of October 15, 1970, and 494,269 are reserved for issuance upon exercise of options authorized but not granted. The company has outstanding 5,629,420 common shares.

**ALLEGHENY BEVERAGE PROPOSES EXCHANGE OFFER.** Allegheny Beverage Corporation, 2216 N. Charles St., Baltimore, Md. 21218, filed a registration statement (File 2-38716) with the SEC on November 2 seeking registration of \$3,971,080 of 9% subordinated income debentures, due 1980. It is proposed to exchange the debentures, first, for an aggregate of 1,000,000 shares of Series C convertible preferred stock and, thereafter, for common stock in ratios of \$500 of debentures for 100 Series C shares and \$300 of debentures for 100 common shares. Shaskan & Co., Inc., 67 Broad St., New York 10004, has agreed to head a group of underwriters who will solicit acceptances of the exchange offer; Shaskan will receive a 15¢ per share commission (including 10¢ per share to be paid to participating NASD members).

The company is engaged principally in the production and distribution of various soft drinks and beer. In addition to indebtedness and preferred stock, it has outstanding 2,664,253 common shares, of which management officials as a group own 11.8%. Morton M. Lapidus is board chairman and president.

**UNITED GAS PIPE LINE PROPOSES OFFERING.** United Gas Pipe Line Company, 1500 Southwest Tower, Houston, Tex. 77002, filed a registration statement (File 2-38718) with the SEC on November 2 seeking registration of \$25,000,000 of debentures, due 1990, to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., and Lehman Brothers, 1 William St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a natural gas transmission company. The net proceeds of its debenture sale, together with internally generated funds, will be added to the company's general funds to replenish working capital expended and to be expended in connection with its continuing construction program, the purchase and storage of gas for inventory purposes, indirect capital contributions to Sea Robin Pipe Line Company (an offshore Louisiana pipe line system in which the company has a 50% interest), and for other general corporate purposes. In addition to indebtedness, the company has outstanding 500,000 common shares, all owned by Pennzoil United, Inc. R. U. Haslanger is president.

**BACHE-WALSTON FUND FILES FOR OFFERING.** Bache & Co., Inc., 36 Wall St., and Walston & Co., Inc., 74 Wall St., both of New York, sponsors of the Municipal Investment Trust Fund, Series 1C, filed a registration statement (File 2-38722) with the SEC on November 2 seeking registration of 10,000 participating units in the Fund. Each unit will represent 1/10,000th fractional undivided interest in \$10,000,000 principal amount of bonds and net income of the Fund. The offering price thereof, and underwriting terms, are to be supplied by amendment. The objectives of the Fund are tax exempt income and conservation of capital through a diversified investment in revenue and general municipal bonds. Shearson Hammill & Co., Inc., 14 Wall St., New York, will service with the sponsors as principal underwriter.

**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:

- Hi-G, Incorporated, Windsor Locks, Conn. (File 2-38720) - 100,000 shares
- The Perkin-Elmer Corporation, Norwalk, Conn. (File 2-38721) - 100,000 shares

MISCELLANEOUS

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*");

| NO.    | O-REGISTRANTS                     | LOCATION             | NO.    | O-REGISTRANTS                  | LOCATION            |
|--------|-----------------------------------|----------------------|--------|--------------------------------|---------------------|
|        |                                   |                      | 0-5111 | Food Host U.S.A., Inc**        | Lincoln, Neb.       |
|        |                                   |                      | 0-5090 | Killearn Properties, Inc**     | Tallahassee Fla.    |
| 0-5093 | Ross Aviation, Inc**              | Tulsa Oklahoma       | 0-5122 | Nardis of Dallas, Inc**        | Dallas, Texas       |
| 0-5100 | Tassette, Inc**                   | Stamford, Conn       | 0-5107 | Schick Invst., Inc             | Culver City, Calif. |
| 0-5087 | Triangle Mobile Home Prod., Inc** | Chicago, Ill         | 0-5160 | Summit Mtg. Invstrs            | New York, N.Y.      |
|        |                                   |                      | 0-5132 | Republic Powered Metals, Inc** | Medina, Ohio        |
| 0-5096 | West Indies Enterprises, Inc**    | U.S. Virgin Isl.     | 0-5156 | Optical Systems Corp           | Los Angeles Calif.  |
| 0-5095 | Hill Bros., Inc**                 | Miami, Fla.          | 0-5154 | A.R.C. Ind. Corp               | Mt. Hoe W.VA.       |
| 0-5112 | Radiation Research Corp**         | Stamford, Conn.      | 0-5106 | Amarex, Inc**                  | Oklahoma City, Okla |
| 0-5123 | Vanguard Security Funding Corp**  | Huntsville Ala.      | 0-5125 | Forum Restaurants, Inc         | Kansa City, Mo.     |
| 0-5155 | Western Research & Devel. Inc     | Sherman Oaks, Calif. |        |                                |                     |

**SECURITIES ACT REGISTRATIONS.** Effective November 3: Bobbie Brooks Inc., 2-38610 & 2-38611; The Colwell Co., 2-38279 (40 days); Commonwealth Natural Gas Corp., 2-38002; Consulting Technology, Inc. and CTT Securities Corp., 2-37399 (90 days); Hyatt Corp., 2-38564; Patrick Petroleum Co., 2-36448 (90 days); Petro-Lewis Funds, Inc., 2-38228 (90 days); Texas Tennessee Industries, Inc., 2-32891 (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.