

# 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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**UNITED GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15826) authorizing the United Gas Corporation ("United"), Shreveport gas utility subsidiary company of Pennzoil Company, to issue and sell up to \$35,000,000 of promissory notes to Lehman Commercial Paper, Incorporated. Proceeds from the sale of the notes will be added to United's treasury funds, which together with cash resources and retained earnings will be used for the proposed acquisition by United of notes to be issued by two of its subsidiary companies, United Gas Pipe Line Company (\$25,000,000) and Duval Corporation (\$15,000,000). Pipe Line will use the proceeds of its sale of notes for construction, improvement, and expansion of its facilities in connection with its 1967-1968 construction and expansion program, and for reimbursing its treasury, in part, for expenditures actually made for such purposes, and for other general corporate purposes. Duval will use the proceeds of its note sale for the purpose of completing its 1967-1968 construction and expansion program.

**COLUMBIA GAS SEEKS ORDER.** The Columbia Gas System, Inc., New York, has applied to the SEC for an order under the Holding Company Act authorizing it to issue and sell, at competitive bidding, \$25,000,000 of debentures, due 1992; and the Commission has issued an order (Release 35-15827) giving interested persons until September 18 to request a hearing thereon. Net proceeds from the sale of the debentures will be used by Columbia to finance, in part, the cost of its subsidiaries' 1967 construction program (estimated at \$95,000,000) and for other corporate purposes.

**NORTHEAST UTILITIES RECEIVES ORDER.** The SEC has issued a supplemental order under the Holding Company Act (Release 35-15828) releasing jurisdiction with respect to the solicitation material to be sent to stockholders of Holyoke Water Power Co. in connection with a proposed tender offer by Northeast Utilities to such stockholders (for further details, see News Digest of August 18).

**INSURANCE SECURITIES TRUST RECEIVES EXEMPTION.** The SEC has issued an order under the Investment Company Act (Release IC-5062) granting an application of Insurance Securities Trust Fund ("ISTF"), San Francisco, for exemption from the provisions of Section 22(d) of certain sales at a reduced or no sales load upon the reinvestment of the proceeds of Participating Agreements upon maturity. Insurance Securities Incorporated ("ISI") is the principal underwriter for, and investment adviser of, ISTF. Beginning March 27, 1967, ISI waived the sales load on the reinvestment at maturity of the proceeds of any Participating Agreement issued on or after March 27, 1967. In addition, ISI reduced from 8.85% to 5% the sales load on reinvestment at maturity of the proceeds of any Participating Agreement fully paid and outstanding as of March 24, 1967. In the case of any Accumulative Plan Participating Agreement outstanding but not fully paid on March 24, 1967, the proceeds may be reinvested at a sales load of 5% of the lesser of (a) that portion of the maturity proceeds which is equal to the <sup>net</sup> asset value on maturity of the sum of the net asset value of such Participating Agreement as of March 24, 1967, and any amounts withdrawn therefrom but not repaid as of March 24, 1967, or (b) the amount reinvested. The minimum amount which may be reinvested upon maturity, or within 60 days following maturity, without load or at the reduced load of 5% is \$1,000, or the entire proceeds if such proceeds are less than \$1,000.

**SEC COMPLAINT NAMES TILNEY & COMPANY.** The SEC New York Regional Office announced August 18 (LR-3789) the filing of a complaint in the Federal court in New York City seeking to enjoin Tilney & Company, a broker-dealer, and Frederick Tilney, its only general partner, from further violations of the bookkeeping rules under the Securities Exchange Act and to compel the defendants to file a report of the firm's financial condition.

**SATURN INDUSTRIES FILES FOR OFFERING AND SECONDARY.** Saturn Industries, Inc., 3121 Southland Center, Dallas, Texas 75201, filed a registration statement (File 2-27116) with the SEC on August 21 seeking registration of \$10,000,000 of convertible subordinated debentures, due 1987, to be offered for public sale by the company. Also included in the statement are 154,000 outstanding shares of common stock, to be offered by the present holders thereof. The offerings are to be made through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover Street, New York, N.Y. 10004 and Butcher & Sherrerd, 1500 Walnut Street, Philadelphia, Pa. 19102. The interest rate on the debentures, public offering prices (\$21.625 per common share maximum\*) and underwriting terms are to be supplied by amendment.

The company was organized under Delaware law in January 1966. Shortly thereafter it acquired all of the capital stock of three subsidiaries of Ling-Temco-Vought, Inc. (partly in exchange for company stock), namely, Harbor Boat Building Co., L. T. Industries, Inc., and Saturn Electronic Corporation; and in April 1966 it acquired all of the outstanding capital stock of C & H Transportation Co., Inc. It is engaged in the business of specialized motor truck transportation of specified commodities; in the design, development and production of various products in the areas of marine repairs and engineering services, military ordnance, and sub-assemblies and component parts for helicopters; and in the manufacture of close-tolerance machined parts primarily used in the helicopter industry. Of the net proceeds to be received from the company's sale of debentures, \$4,050,000 will be used to prepay a note payable to a bank; \$1,500,000 will be used to prepay prior to January 31, 1968, a portion of the notes due through 1970 issued in connection with the acquisition

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of Crescent Precision Products, Inc.; \$1,700,000 will be used to prepay notes, due 1971; and the remainder will be added to the general funds of the company. In addition to indebtedness, the company has outstanding 1,926,004 common shares, of which management officials own 27.7%. Joseph P. Driscoll is board chairman. The prospectus lists nine selling shareholders. Joseph F. McKinney (president) proposes to sell 30,000 of his holdings of 158,000 shares, Sam Lobello, Jr., 25,000 of 61,250 shares, and the Texas Bank & Trust Company of Dallas, as Trustee, 25,000 of 37,500 shares; the others propose to sell shares ranging in amount from 4,000 to 15,000 shares.

**MONTANA POWER PROPOSES OFFERING.** The Montana Power Company, 40 East Broadway, Butte, Montana 59701, filed a registration statement (File 2-27121) with the SEC on August 21 seeking registration of \$30,000,000 of first mortgage bonds, due 1997. The bonds are to be offered for public sale through underwriters headed by Smith, Barney & Co. Incorporated, 20 Broad Street, and Kidder, Peabody & Co. Incorporated, 20 Exchange Place, both of New York, N.Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

An electric and gas utility, the company will use the net proceeds of its sale of bonds to repay up to \$27,000,000 of short-term loans incurred in connection with its construction program (estimated at \$27,800,000 for 1967), and the balance, together with internally generated funds, will be applied toward future construction. J. E. Corette is board chairman and George W. O'Connor is president.

**CALIFORNIA COMPUTER PROPOSES OFFERING.** California Computer Products, Inc., 305 North Muller Ave., Anaheim, Calif. 92803, filed a registration statement (File 2-27118) with the SEC on August 21 seeking registration of \$5,000,000 of convertible subordinated debentures, due 1987. The debentures are to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Incorporated, 20 Exchange Place, New York, N.Y. 10005 and Mitchum, Jones & Templeton, Incorporated, 510 South Spring St., Los Angeles, Calif. 90013. The interest rate, public offering price, and underwriting terms are to be supplied by amendment.

The company develops, manufactures, sells and leases high-speed plotters and plotter systems which present the output of electronic computers in graphic or other pictorial forms. Of the net proceeds to be received from its sale of debentures, \$1,200,000 will be used to restore corporate funds expended to purchase real property for a new principal office and manufacturing facility in Anaheim and \$2,000,000 will be used for the construction of such facility; the balance will be added to general corporate funds and may be used to expand its leasing program, expand its marketing organization, increase working capital and for other purposes. In addition to indebtedness, the company has outstanding 1,095,192 common shares, of which management officials own 17%. Lester L. Kilpatrick is board chairman and president.

**FINLAND PROPOSES OFFERING.** The Republic of Finland (Agent's address in the United States: 1900-24th St., N.W., Washington, D.C. 20008) filed a registration statement (File 2-27119) with the SEC on August 21 seeking registration of \$15,000,000 of ten year 7% external loan bonds, due 1977. The bonds are to be offered for public sale through underwriters headed by Drexel Harriman Ripley, Incorporated, 60 Broad St., New York, N.Y. 10004, and three other firms. The public offering price and underwriting terms are to be supplied by amendment.

The net proceeds to be received from the sale of the bonds (after conversion into markkas) will be included in the capital revenues of the Republic and used to cover in part capital expenditures contemplated during 1967.

**UNLISTED TRADING APPROVED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8148) granting an application of the Boston Stock Exchange for unlisted trading privileges in the common stocks of New York Air Brake Company and White Cross Stores, Inc.

**FOREIGN RESTRICTED LIST.** The SEC has added Briar Court Mines, Ltd., Toronto, Ontario, Canada, to its Foreign Restricted List. The list is now comprised of 30 foreign companies whose securities the Commission has reason to believe recently have been, or currently are being, offered for public sale and distribution within the United States in violation of the registration requirements of the Securities Act of 1933, thus depriving investors of the financial and other information essential to an informed and realistic evaluation of the worth of the securities which registration would provide.

**DATE FOR FORM N-JOB-1 COMMENTS EXTENDED.** The SEC today announced that, at the request of the Investment Company Institute, it has authorized a one-month extension, to September 25, 1967, of the due date for comments upon its proposal for the revision of quarterly report Form N-30B-1 under the Investment Company Act of 1940. The proposal was published on July 25, 1967, in Investment Company Act Release No. 5035.

**SECURITIES ACT REGISTRATIONS.** Effective August 21: Blasius Industries, Inc., 2-26953 (90 days); Equity National Life Insurance Company, 2-26259 (40 days); Lerner Stores Corporation, 2-26861 (40 days); Northern Indiana Public Service Company, 2-26936; The Rank Organisation Limited, 2-26969; Ward Foods, Inc., 2-26264 (Sept. 30).

**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.