

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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COMMISSION ANNOUNCEMENTS

SEC AMENDS PERIODIC PLAN & FACE-AMOUNT CERTIFICATE RULES. The SEC issued a statement today calling the attention of registered investment companies and other interested persons to certain changes made in the Investment Company Act of 1940 by the Investment Company Amendments Act of 1970 relating to sales charges on periodic payment plan and face-amount certificates.

These amendments will permit a person, on and after June 14, 1971 (the effective date), to purchase a periodic payment plan and face-amount certificate on substantially more advantageous terms than are available in certificates sold prior to that date. The SEC believes that it is important for investors to consider these factors in deciding whether or not to purchase such certificates prior to June 14, 1971, and that they constitute material facts which should be disclosed no later than April 1, 1971, on the front page of the prospectuses of issuers of such certificates. The SEC statement includes guidelines for language that it will consider acceptable disclosure to investors. (Release IC-6392)

INSTITUTIONAL INVESTOR STUDY SUMMARY VOLUME IN PRINT. The Summary Volume of the Study, which contains summaries of each of the 15 chapters in the full Study Report as well as the Commission's transmittal letter to the Congress, containing initial conclusions and recommendations, is now in print. It may be ordered, at 70¢ a copy, only from the Government Printing Office (Box 1533, Washington, D. C. 20013). The Commission will announce in the News Digest the availability of other volumes of the Study Report as soon as they have been printed.

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

McGHEE & CO. REVOKED, NORMAN McGHEE BARRED. In a decision announced today, the Commission revoked the broker-dealer registration of McGhee & Company, Inc. of Cleveland, and barred Norman L. McGhee, Sr., its president, from being associated, effective March 17, with any broker-dealer, investment adviser or investment company for violations of, among others, the anti-fraud provisions of the Federal securities laws. For a period of 180 days from the effective date, McGhee may continue to serve as an officer and director of Everyman's Fund, Inc., a registered investment company, in order to assist in the Fund's liquidation. Respondents waived hearing and without admitting or denying the allegations in the proceedings filed a stipulation and consent as to the findings and imposition of the indicated sanctions.

According to the Commission's decision, from January 1968 to July 1970 respondents (1) violated the anti-fraud provisions in that they misrepresented, among other things, the financial condition of Everyman's Fund and the amounts owed Fund by registrant and their interest and profit in other securities transactions for customers, (2) transmitted a Fund prospectus which contained a financial statement as of a date more than 16 months prior to the use of the prospectus, (3) effected securities transactions in violation of the net capital rules under the Exchange Act, (4) did not furnish customers with written notification disclosing information on securities transactions required to be disclosed, and failed to send written notification when required to customers for whom it carried free credit balances, and (5) failed to file reports of financial condition within the time required and failed to keep accurate and current certain books and records. (Release 34-9108)

P. N. MACINTYRE & CO. CENSURED, TRADER SUSPENDED. In a decision announced today, the Commission censured the broker-dealer firm of P. N. MacIntyre & Co. of Los Angeles and its president, Patrick N. MacIntyre, and suspended George Davis, a trader employed by registrant, from association with any broker or dealer for five business days commencing March 22. The action was taken pursuant to an offer of settlement submitted by respondents for purposes of disposing of issues arising out of transactions in the stock of Paramount General Corporation alleged to be in violation of the registration provisions of Sections 5(a) and 5(c) of the Securities Act of 1933 in a complaint for an injunction against respondents, among others, filed by the Commission in October 1968.

In the settlement offer respondents, without admitting or denying the allegations, consented to the entry of a final judgment permanently enjoining them from violating the cited provisions and Davis, without admitting any violations, consented to findings of willful violations of those provisions. Registrant and MacIntyre consented to findings, without admitting that they had failed to supervise Davis, who was under their supervision, with a view to preventing the violations, and respondents consented to the imposition of the indicated sanctions. (Release 34-9107)

OVER

INVESTMENT COMPANY ACT RELEASES

CG VARIABLE ACCOUNT SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 5 to request a hearing upon an application of the Connecticut General Life Insurance Company, CG Variable Annuity Account I, a unit investment trust, and CG Equity Sales Company, Hartford, Conn., for an order exempting them from certain provisions of the Act so as to permit a purchaser of an individual 403(b) contract (participants are primarily school teachers and employees of non-profit organizations) to pay a sales and administration charge based upon the duration of his participation under the individual 403(b) contract and any previously issued group variable annuity contract participating in Account I and purchased in connection with an annuity plan adopted pursuant to Section 403(b) of the Internal Revenue Code. (Release IC-6388)

CONTINENTAL CAPITAL CORP. RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act permitting Continental Capital Corporation, San Francisco closed-end, non-diversified investment company, to participate in a proposed offering of common stock of American Micro-Systems, Inc. (in which Continental has an 8.1% common stock interest). American has filed a registration statement with the Commission proposing the public offering of 565,500 shares of common stock, of which 250,000 are to be offered by American and 315,500 by American stockholders. Of the 315,500 shares, Continental proposes to sell 38,327. (Release IC-6389)

SCRIPPS HOWARD INVESTMENT CO. SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 9 to request a hearing upon an application of Scripps-Howard Investment Company (the "Fund"--a closed-end non-diversified investment company), E. W. Scripps Co. ("Scripps-Howard"), and Jack R. Howard ("Howard") for an order permitting joint participation of the three in the sale of an aggregate of 501,986 common shares of The Cincinnati Enquirer, Inc., for \$20,079,440, to American Financial Corporation. Scripps-Howard owns 8.68% of the Fund's voting shares, and Howard is president of Scripps-Howard. The Fund owns voting trust certificates for 9,500 common shares of the Enquirer, Scripps-Howard holds voting trust certificates for 491,436 common shares (about 58.87%) and Howard owns 1,050 shares not subject to the voting trust. (IC-6390)

NUVEEN BOND FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 8 to request a hearing upon an application of Nuveen Tax-Exempt Bond Fund, Chicago, which consists of a series of 35 investment companies, each registered as a unit investment trust under the Act, for an order granting confidential treatment to the profit and loss statements of John Nuveen & Co., Inc. ("Nuveen"), the sponsor of each series. According to the application, Nuveen will submit its financial data in connection with future filings and will include in the 1933 Act prospectus its balance sheet. (Release IC-6391)

HOLDING COMPANY ACT RELEASES

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing the Columbia Gas System, Inc., Wilmington, Del., holding company, to realign certain of its subsidiaries. More particularly, it is proposed that Atlantic Seaboard Corporation, United Fuel Gas Company, Cumberland and Allegheny Gas Company, The Manufacturers Light and Heat Company, Home Gas Company, Kentucky Gas Transmission Corporation, and The Ohio Fuel Gas Company be merged with and into a single company, namely, Columbia Gas System, which will continue as a wholly-owned subsidiary of Columbia Gas System, will engage in the production, purchase, storage, transportation and sale of natural gas at wholesale in seven states. (Release 35-17055)

MIDDLE SOUTH SEEKS ORDER. The SEC has issued an order under the Holding Company Act authorizing certain transactions upon application of Middle South Utilities, Inc., New York and two subsidiaries, Middle South Services, Inc., the System service company, and Arkansas Power & Light Company, an electric utility, with respect to the establishment of a new Middle South System Operations Center in Pine Bluff, Ark., to be owned and operated by Services for the System. To finance the Center, Services would require some \$8,250,000 of additional capital. To meet the cost of the New Bulk Power Management System designed for the Center and related equipment, it is proposed that Services issue and sell from time to time prior to June 30, 1970, up to \$6,400,000 of unsecured notes to banks. (Release 35-17056)

WESTERN MASSACHUSETTS ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until April 14 to request a hearing upon a proposal of Western Massachusetts Electric Company ("WMECO") and Huntington Electric Light Company, West Springfield, Mass. subsidiaries of Northeast Utilities, that Huntington be merged into WMECO, subject to approval of stockholders of WMECO. According to the application, the proposed merger will lead to the simplification of the Northeast holding company system. (Release 35-17057)

COLUMBIA GAS SYSTEM APPLICATION WITHDRAWN. The SEC has issued an order under the Holding Company Act permitting the withdrawal of an application of The Columbia Gas System, Inc., and its newly-organized wholly-owned subsidiary, Nugasco, Inc., proposing the acquisition of the common stock of National Gas & Oil Corporation, a nonassociate gas utility company, by merger with Nugasco. A hearing on the application commenced on October 20, 1970 and concluded on December 21, 1971. Subsequently, Columbia and Nugasco applied for withdrawal of their application stating that the merger agreement between National and Nugasco had been terminated by National. (Release 35-17058)

CONTINUED

EASTERN UTILITIES ASSOCIATES SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until April 5 to request a hearing upon an application of Eastern Utilities Associates, Boston holding company, to issue and sell a five-year unsecured promissory note in the amount of \$17 million to a bank. Net proceeds of its financing will be made available from time to time to subsidiaries, through advances on open account, to provide funds for the construction programs or other capitalizable expenditures of the subsidiaries or the reduction of their short-term bank loans previously incurred for such purposes. Construction expenditures for the six-year period 1970-1975 are estimated at \$104,148,000. (Release 35-17059)

SECURITIES ACT REGISTRATIONS

***RAPID-AMERICAN DEBENTURES IN REGISTRATION.** Rapid-American Corporation, 711 Fifth Ave., New York, N.Y., filed a registration statement with the SEC on March 16 seeking registration of \$4,985,928 of outstanding 7% subordinated debentures, due 1994. These debentures may be offered for sale on the New York Stock Exchange by the holder thereof at prices current at the time of sale (**65-1/2% of principal amount). McCrory Corporation (which owns some 55% of the outstanding voting securities of Rapid-American) may sell all of the 7% debentures it holds. (File 2-39654)

***ASHLAND OIL SHARES IN REGISTRATION.** Ashland Oil, Inc., 1409 Winchester Ave., Ashland, Ky. 41101, filed a registration statement with the SEC on March 16 seeking registration of 400,621 outstanding shares of common stock issued in April 1968 in connection with Ashland's acquisition of Wanda Petroleum, Inc. These shares (all but 8,000 of which have been pledged as security for bank loans) may be offered for sale from time to time by the holder thereof (Thomas C. Morrow) at prices current at the time of sale (**\$27-5/8 per share maximum). (File 2-39655)

***PURITAN-BENNETT FILES FOR SECONDARY.** Puritan-Bennett Corporation, Oak at 13th St., Kansas City, Mo. 64106, filed a registration statement with the SEC on March 16 seeking registration of 450,000 outstanding shares of common stock, to be offered for public sale by the holders thereof (**at \$28 per share maximum). The offering is to be made through underwriters headed by Smith, Barney & Co. Inc., 1345 Avenue of the Americas, New York 10019, and George K. Baum & Co. Inc., 1016 Baltimore Ave., Kansas City, Mo. 64105. It has outstanding 2,821,076 common shares, of which John B. Francis, board chairman, and Parker B. Francis III, president, own 25.8% and 26.1%, respectively. They propose to sell 103,668 of 728,850 and 90,528 of 735,050 shares held, respectively, The Parker B. Francis Foundation 170,000 of 294,744 and two Francis Foundations and four Francis Trusts the remaining shares being registered. (File 2-39656)

CONSUMERS POWER TO SELL STOCK. Consumers Power Company, 212 West Michigan Ave., Jackson, Mich., filed a registration statement with the SEC on March 16 seeking registration of 700,000 shares of \$100 par cumulative preferred stock, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Inc., 2 Wall St., New York 10005. A public utility, the company will use the net proceeds of its stock sale to finance in part its construction program and to repay short-term bank borrowings and commercial paper issued and to be issued in connection with interim financing of its construction program. Such short-term borrowings are estimated to aggregate \$55 million just prior to the stock sale. Construction expenditures are estimated at \$1,980,000,000 for the years 1971 through 1975. (File 2-39657)

HUTTON FUND PROPOSES OFFERING. E. F. Hutton & Company, Inc., One Battery Park Plaza, New York 10004, filed a registration statement with the SEC on March 17 seeking registration of \$16,500,000 of units. The Fund is the second of a series of similar but separate trusts created by a Trust Indenture and Agreement between E. F. Hutton & Co. Inc., as sponsor and United States Trust Company of New York as trustee. The Fund is a diversified portfolio of interest-bearing municipal bonds, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax. The bonds are obligations of states, counties, territories and municipalities of the United States and authorities or political subdivisions thereof. (File 2-39659)

***PAN AM TO SELL STOCK.** Pan American World Airways, Inc., Pan Am Bldg., New York 10017, filed a registration statement with the SEC on March 17 seeking registration of 4,000,000 shares of capital stock, to be offered for public sale (**at \$17.75 per share maximum) through underwriters headed by Lehman Brothers Inc., One William St., New York 10004. Net proceeds of its stock sale will be added to the company's general funds and, together with funds generated internally and funds available under its 1965 Credit Agreement, will be used for working capital purposes and for capital expenditures for flight equipment and ground facilities. (File 2-39660)

***WYNN OIL FILES FOR OFFERING AND SECONDARY.** Wynn Oil Company, 1151 West Fifth St., Azusa, Calif. 91702, filed a registration statement with the SEC on March 17 seeking registration of 225,000 shares of common stock, of which 75,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the holders thereof (**at \$30 per share maximum). The offering is to be made through underwriters headed by duPont Glore Forgan Inc., 833 Wilshire Blvd., Los Angeles, Calif. 90017. Of the net proceeds of its sale of additional stock, \$1,000,000 will be used in connection with construction of two facilities, one domestic and one foreign, and the balance will be added to the company's general funds and used for general corporate purposes. The company has outstanding 1,363,534 common shares, of which Carl E. Wynn, board chairman, owns 36.8%. He proposes to sell 75,000 of 501,650 shares held, his wife 30,622 of 53,150 and a large number of others (including company officials) the remaining shares being registered. (File 2-39661)

MISCELLANEOUS

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period March 22-31, 1971, inclusive.

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 March 11 News Digest.

8K Reports for Jan '71

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| Transocean Oil, Inc Feb 71 (12) | 0-3913-2 | Macrodyne Chatillon Corp (12,13) | 1-5592-2 |
| Canoga Industries, Inc Nov 1970 (3) | 1-5576-2 | Lyndall, Inc (7) | 0-1137-2 |
| Faim Information Services, Inc (2,7,13) | 1-6056-2 | American Cement Corp (3,13) | 1-4716-2 |
| Filmways, Inc (4,13) | 1-5979-2 | GAC Finance Inc (12,13) | 1-5786-2 |
| Detecto Scales Inc (2,7,8,13) | 1-5248-2 | Prince Medical-Dental, Inc (7,9,13) | 0-4715-3 |
| Integrated Resources Inc (7,12,13) | 0-4427-2 | Mitre Industries, Inc (4,6,13) | 0-4295-2 |
| Montgomery Ward Credit Corp (12,13) | 1-4326-2 | Guardian Development Corporation (11,13) | 0-4893-2 |
| Federal Realty Investment Trust (2,7,13) | 0-3155-2 | Outboard Marine Corp (11,13) | 1-2883-2 |
| Midwestern Financial Corporation of Ohio (2,3) | 0-4676-2 | Philadelphia Transportation Company Feb 71 (12,13) | 1-6235-2 |
| Davos, Inc (12,13) | 0-4018-2 | Republic Gypsum Co (7,8) | 0-3297-2 |
| First Colorado Bankshares Inc' (7,13) | 0-2687-2 | Ripley Co., Inc Oct 1960 (9,13) | 0-2747-2 |
| Information and Computing Centers Corp (1,2,7,13) | 0-3878-2 | Kystronics, Inc (12,13) | 0-5203-2 |
| Contran Corporation (3,7,13) | 0-4839-2 | ITT Thorp Corp Dec 70 (7,13) | 2-33654-2 |
| Sept 1970 (11,13) | 0-4839-2 | NFF Corp (11,12,13) | 0-4221-2 |
| Oct 1970 (3) | 0-4839-2 | Life Investors Inc Dec 70 (13) | 0-982-2 |
| Dec 1970 (2,13) | 0-4839-2 | Sterling Precision Corporation (7) | 1-3967-2 |
| First Lincoln Financial Corp (7,12,13) | 0-198-2 | Walworth Co (7,12,13) | 1-798-2 |

SECURITIES ACT REGISTRATIONS. Effective March 18: Ivy Film Productions, Inc., 2-35435 (90 days); The Lane Co., Inc., 2-39476; Province of Nova Scotia, 2-39497; Standard Oil Co. (Ind.), 2-39544; Sucrest Corp. 2-39468; Texas Gas Trans. Corp., 2-39523; Tyco Labs., Inc., 2-38952 (40 days); Union Camp Corp., 2-39529; Virginia Electric and Power Co., 2-39444; The Western Union Telegraph Co., 2-39534.

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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

**As estimated for purposes of computing the registration fee.