

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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(Issue No. 70-34)

FOR RELEASE February 18, 1970

KENNEDY, CABOT CO. SUSPENDED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-8817) suspending the broker-dealer registration of Kennedy, Cabot & Co., Inc., of Beverly Hills, Calif., for nine months, effective February 24, 1970. David Paul Kane, president of the firm, was suspended from association with any broker-dealer for the same period; and Linda D. Tallen, a saleswoman for the firm, was barred from any such association.

According to the Commission's decision, the Kennedy, Cabot firm, Kane and Tallen violated the Securities Act registration provisions in 1961 by offering and selling unregistered shares of American States Oil Company emanating from a company under common control with the issuer. In addition, they violated the anti-fraud provisions of the Federal securities laws by bidding for and purchasing stock of the issuer while participating in such distribution; by making fraudulent representations and predictions in connection with the offer and sale of American States Oil shares concerning, among other things, anticipated increases in the market price of the stock, its investment quality, the listing of the stock on an exchange, and the company's operations, income and financial condition; and by charging excessive markups in the sale of such stock over the firm's cost in contemporaneous purchases thereof. The more severe sanction was imposed upon Tallen because "she played a key role in registrant's activities involving ASO stock and in her representations and predictions as well as in all other respects demonstrated a flagrant indifference to the basic duty of fair dealing required of securities salesmen and that she should be indefinitely barred from association with any broker or dealer."

APPALACHIAN POWER, OTHERS RECEIVE ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16608) authorizing Appalachian Power Company, Roanoke, Va., Indiana & Michigan Electric Company, Fort Wayne, and Ohio Power Company, Canton, all subsidiaries of American Electric Power Company, Inc., to increase the maximum amount of short-term notes allowable as of December 31, 1969, under their respective Certificates of Incorporation to \$63,033,000, \$44,352,000 and \$84,561,000, respectively. As of March 31, 1969, maximum amounts allowable were \$56,300,000, \$39,500,000 and \$74,600,000 respectively. Ohio Power also proposes to make bank borrowings of up to \$19,390,000 outstanding at any one time.

PENNSYLVANIA ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16609) authorizing Pennsylvania Electric Company, Johnstown subsidiary of General Public Utilities Corporation, to increase the amount of short-term notes it may issue from 5% to 8% of the principal amount and par value of other securities outstanding. The company proposes to have outstanding at any one time not more than \$40,000,000 of short-term notes to banks (including \$18,500,000 of such notes now outstanding). It will use the net proceeds of its borrowings to finance its business as a public utility, including provision for construction expenditures, repayment of other short-term borrowings and temporary reimbursement of its treasury for construction expenditures provided therefrom.

TRAVELERS FUNDS RECEIVE ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5980) upon an application of The Travelers Fund for Variable Annuities and The Travelers Fund B for Variable Contracts, Hartford, Conn. The Travelers Insurance Company established the Funds as facilities through which the insurance company sets aside and invests assets attributable to variable contracts.

SPECTRAN FILES OFFERING PROPOSAL. Spectran, Inc., 8050 East Florence Ave., Downey, Calif. 90240, filed a registration statement (File 2-36299) with the SEC on February 16 seeking registration of 223,000 shares of common stock, to be offered for public sale through Smith, Jackson & Co., Inc., 17 Battery Place, New York, and Great Pacific Securities Corp. The offering price (\$4.50 per share maximum*) and underwriting terms are to be supplied by amendment. The underwriters will receive \$35,000 for expenses and be entitled to purchase, for \$223, five-year warrants for the purchase of 22,300 common shares, exercisable initially (after one year) at 110% of the offering price; and they will also receive an annual retainer of \$10,000 for five years for financial consulting services.

The company is engaged in the development of advanced microwave, infrared, optical and ultra violet sensor systems and components. One division has for the past two years been engaged principally in a program of research and development in the field of microwave radiometry; the other, acquired in January 1970, has for five years been engaged in the manufacture, sale and lease of camera lenses and related products. Of the net proceeds of its stock sale, the company will use \$150,000 to purchase and install laboratories, antenna ranges and micro-miniature research facilities and related equipment, \$150,000 to purchase or lease and to equip an aircraft for use in testing its proposed military reconnaissance and guidance and commercial navigation products, \$200,000 to purchase additional capital equipment for optical lens coating and fabrication and for increasing leased facilities, and the balance for working capital. In addition to indebtedness, the company has outstanding 1,111,824 common shares (with a book value of 40¢ per share), of which management officials own 57%. J. H. Overholser is board chairman and Philip J. Caruso, Jr., president and chief executive officer. Purchasers of the shares being registered will acquire a 17% stock interest in the company for their investment of \$1,003,500*; present stockholders will then own 87% for which they paid, on the average, 82¢ per share, or \$914,224.

OVER

HOUSE OF RONNIE FILES FOR OFFERING AND SECONDARY. House of Ronnie, Inc., 130 West 34th St., New York, N. Y., filed a registration statement (File 2-36300) with the SEC on February 16 seeking registration of 96,000 shares of common stock, of which 70,000 are to be offered for public sale by the company and 26,000 (being outstanding shares) by the holder thereof. The offering is to be made at \$7.50 per share through Smith, Jackson & Company, Inc., 17 Battery Place, New York, N. Y., which will receive a 75¢ per share commission plus \$15,000 for expenses. The underwriter also will be entitled to purchase 9,600 additional shares from the company at \$2.50 per share.

The company (formerly Jack Paparo & Son, Inc.) designs and sells popular-priced girls' clothing to promotional chain and department stores. Of the net proceeds of its sale of additional stock, \$200,000 will be used as part payment of the acquisition of Nashville Textile Corporation and Jasper Textile Corporation and the balance for working capital and general corporate purposes. The company has outstanding 526,000 common shares (with a \$2.37 per share book value), owned in equal amounts by Jack Paparo, board chairman, and Irving Paparo, president. Jack Paparo proposes to sell 26,000 of his holdings of 263,000 shares. Purchasers of the shares being registered will sustain a dilution of \$4.69 in per share book value from the offering price.

EDITYPER SHARES IN REGISTRATION. The Edityper Corporation, 1335 Rockville Pike, Rockville, Md., filed a registration statement (File 2-36301) with the SEC on February 16 seeking registration of 162,000 shares of common stock. The company was organized in September 1969; in October it acquired the business of the Edityper Division of Epsco, Incorporated, which Division was engaged in the design and development of an automatic typewriter system. It has outstanding 825,000 common shares, all of which were issued to Epsco in exchange for the Edityper Division assets and business, subject to certain liabilities. The shares of Edityper being registered are to be distributed by Epsco as a return of capital to its stockholders of record November 10, 1969, on the basis of one share of stock for each five shares of Epsco stock owned by distributees as of that date. Upon such distribution, Epsco will continue to own 80% of the outstanding stock of the company. Kenneth F. Dietz is board chairman and Roy D. Witte president.

SIGMA DATA COMPUTING TO SELL STOCK. Sigma Data Computing Corp., 4720 Montgomery Lane, Bethesda, Md. 20014, filed a registration statement (File 2-36303) with the SEC on February 16 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by T. C. Horne & Company, Incorporated, 2 West 45th St., New York, N. Y. 10036. The offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has sold 20,000 shares at 1¢ per share to the Horne firm and certain persons associated with it; none of such shares will be sold for one year and half will not be sold for two years.

The company was organized in October 1968 to develop a multi-purpose "proprietary system" for information retrieval and reporting (the "Inquiry and Reporting System" - "IRS"), consisting of an interrelated group of computer programs and accompanying documentation intended to meet certain of the electronic data processing needs of computer users. Of the net proceeds of its stock sale, \$175,000 will be used to market and enhance the IRS, \$200,000 to expand its professional and technical staff, \$125,000 to develop additional proprietary computer programs and \$125,000 to staff and equip regional sales and training offices for marketing the IRS; the balance will be added to the company's working capital and used to meet corporate expenses. The company has outstanding 617,500 common shares (with a 15¢ per share net tangible book value), of which Jerome D. Scheer, president, and three other officers own 16.19% each. Purchasers of the shares being registered will acquire a 24% stock interest in the company for their investment of \$1,000,000*; present stockholders will then own 76%, for which they paid \$196,750, or 32¢ per share.

ADA OIL & GAS PROGRAM PROPOSES OFFERING. ADA 1970 Oil & Gas Program ("Partnership"), Adams Petroleum Center, 6910 Fannin, Houston, Tex. 77025, filed a registration statement (File 2-36304) with the SEC on February 16 seeking registration of \$6,000,000 of limited partnership interests, to be offered for public sale at \$12,000 per unit. The offering is to be made on a best efforts basis through Ada Securities Corporation, which will receive a 7% selling commission, all of which may be reallocated by Ada Securities to participating NASD members. The Partnership is the fourth in a series of limited partnerships, organized by Ada Oil Exploration Corporation ("Ada Exco") for the purpose of conducting periodic oil and gas exploratory drilling programs. It is composed of Ada Exco, wholly-owned subsidiary of Ada Oil Company ("Ada Oil"), as the managing partner, K. S. Adams, Jr., as a general partner and T. C. Bartling as a special limited partner. K. S. Adams, Jr., board chairman of Ada Exco, owns all the outstanding stock of Ada Oil. John P. Collins is vice chairman and T. C. Bartling president of Ada Exco.

C&P TELEPHONE TO SELL DEBENTURES. The Chesapeake and Potomac Telephone Company of Virginia, 703 East Grace St., Richmond, Va. 23219, filed a registration statement (File 2-36305) with the SEC on February 16 seeking registration of \$75,000,000 of debentures, due 2010, to be offered for public sale at competitive bidding. A wholly-owned subsidiary of AT&T, the company will use \$21,000,000 of the net proceeds to repay advances from AT&T, \$42,000,000 to repay notes payable (bank loans and commercial paper) and the remainder for general corporate purposes. The advances from AT&T and proceeds of the notes were used for general corporate purposes, including construction. Construction expenditures were \$117,900,000 for 1969. It is anticipated that construction expenditures for 1970 and 1971 will be substantially higher than for 1969.

EICO ELECTRONIC INSTRUMENT SHARES IN REGISTRATION. EICO Electronic Instrument Co., Inc., 283 Malta St., Brooklyn, N. Y. 11207, filed a registration statement (File 2-36310) with the SEC on February 16 seeking registration of 60,000 shares of common stock. These shares are issuable pursuant to the company's 1965 Qualified Stock Option Plan.

CONN. GENERAL MORTGAGE PROPOSES OFFERING. Connecticut General Mortgage and Realty Investments ("Trust"), 117 Park Ave., West Springfield, Mass. 01089, filed a registration statement (File 2-36306) with the SEC on February 16 seeking registration of 2,500,000 shares of beneficial interest and \$50,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale in units, each consisting of 50 shares and a \$1,000 debenture, and at \$2,000 per unit. The offering is to be made through underwriters headed by Lazard Freres & Co., 44 Wall St., New York. The underwriting terms are to be supplied by amendment.

The Trust was organized on February 13 to provide investors with the opportunity to invest in a professionally selected and managed portfolio of real property investments consisting primarily of long-term first mortgage loans and real estate equity investments. It intends to qualify as a real estate investment trust under Sections 856-858 of the Internal Revenue Code. Congen Realty Advisory Company, a wholly-owned subsidiary of Connecticut General Insurance Corporation, will serve as investment adviser. James H. Torrey is board chairman of the Trust and director of the adviser and Bruce P. Hayden is president of the Trust and board chairman of the adviser.

PITNEY-BOWES TO SELL STOCK. Pitney-Bowes, Inc., Walnut and Pacific Sts. Stamford, Conn. 06904, filed a registration statement (File 2-36308) with the SEC on February 17 seeking registration of 800,000 shares of common stock, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York. The offering price (\$36.625 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the production and marketing of postage meters, mailing machines, copiers, addresser-printers and related products. Of the net proceeds of its stock sale, \$9,500,000 will be used as the company's initial investment in Pitney Bowes-Alpex, Inc., a new corporation to be jointly owned by the company and Alpex Computer Corp. and which is to be formed for the purpose of manufacturing, marketing and further development of a computerized system called Sales Point Information Computing Equipment that records and updates sales and inventory information from the point of sale. The remainder will be added to the company's working capital and used to repay \$15,500,000 of short-term bank debt, incurred for working capital purposes. In addition to indebtedness and preferred stock, the company has outstanding 12,039,477 common shares. John O. Nicklis is board chairman and Fred T. Allen president.

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 (please give News Digest "Issue No." in ordering). 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 February 5 News Digest.

8K's for Jan 70

Atlantic City Electric Co(12,13)1-3559-2	Federated Investors Inc(2)	0-3038-2
Cunningham Drug Stores Inc(13)1-2314-2	Panelfab Inc(1)	0-1911-2
Reynolds & Reynolds Co(7,13) 0-132-2	Data Control Systems Inc(11)	1-4764-2
Savings Financial(2,12) 2-30261-2	Palomar Financial(13)	0-1873-2
Tejon Ranch Co(2,13) 0-459-2	Union Tank Car Co(7)	1-5666-2
Wabash Consolidated Corp(2,13)0-3897-2		
Brown & Grist IncDec 69(11) 0-2714-2	Fleetwood Enterprises Inc(7)	1-5602-2
Jan 70(7,13) 0-2714-2	Penn Virginia Corp(12)	0-753-2
Equitable Real Estate Invst Trust	Southwestern Investment Co(11,13)1-5788-2	
Dec 69(3,13) 0-1605-2	Williamhouse-Regency Inc Dec 69(7)1-4559-2	
Fidelity Real Estate Invst Trust		
Dec 69(3,13) 0-1929-2	Texas Oil & Gas Corp (7)	1-4995-2
Standard Pressed Steel Co(12) 1-4416-2		
Val D'OR Industries Inc(2,13) 0-3915-2	First Charter Financial Corp	
	Jan. 1970(13)	1-4301-2
Faim Information Services Inc Amdt #1	Rothmoor Corp	
for Dec 69(2) 1-6056-2	Jan. 1970(8)	0-2439-2
Commercial International Corp(3,9,	Siboney Corp	
11,13) 0-4178-2	Jan. 1970(1,3,7,8,13)	1-3952-2
	Solitron Devices, Inc	
Pepsi-Cola General Bottlers Inc	Jan. 1970(2,12,13)	1-4978-2
Feb 70(2,13) 1-5986-2	Southern Bell Tel & Tel. Co	
Skelly Oil Co(12) 1-2380-2	Jan. 1970(13)	1-1049-2
Spector Industries Inc(12) 1-5206-2	Telecredit Inc	
United Consolidated (7,13) 2-32883-2	Jan. 1970(12)	0-3934-2
	Terex Corp	
Henry I Siegel Co Inc(12) 1-4885-2	Jan. 1970(2,3,7,9,	
Tucson Gas & Electric Co(11,13)0-269-2	13)	0-2669-2
	Warner & Swasey Co	
Cle-Ware Industries Inc Dec 69(2,	Jan. 1970(4,7,13)	1-4787-2
13) 0-1683-2	Winter Park Tel. Co	
	Jan. 1970 (7)	0-1254-2

Invst. Property Rldrs. Inc Jan. 1970(11,12,13) 0-4260-2	U. S. Natural Resources, Inc Dec. 1969(2,7,13) 1-1537-2	Cedar Point Inc Jan. 1970 (7) 0-3195-2
Kaiser Industries Corp Jan. 1970(13) 1-3340-2	Van Dorn Co Jan. 1970(7) 1-5864-2	Lee Enterprises, Inc Jan. 1970 (11,12,13) 1-6227-2
Lockheed Aircraft Corp Jan. 1970 (7) 1-2193-2	Washington Steel Corp Jan 1970(11,13) 1-5539-2	Pacific American Ind., Inc Jan. 1970(12) 0-3711-2
Oxford First Corp Jan. 1970 (2,7,10 12,13) 1-6014-2	Wheelabrator Corp Jan. 1970 (7,13) 1-2483-2	Phillips Ind., Inc Dec. 1969(2,7,13) 1-5146-2
Southwestern Elec. Service Co Jan. 1970(7) 0-22-2	Daniel Woodhead Co Jan. 1970(11,13) 2-30899-2	Randy Ind., Inc Jan. 1970(12) 1-5750-2
Spartans Ind., Inc Jan. 1970(8) 1-4037-2	Briggs Mfg. Co Amdt. to 8K for Dec. 1969 (7) 1-1399-2	Sangamo Elec. Co Jan. 1970(13) 1-4156-2
Uarco Inc Jan. 1970(11,13) 1-5081-2	Clayton Mark & Co Jan. 1970 (13) 0-2464-2	St. Louis San Francisco Ry Co Jan. 1970 (7) 1-3404-2
Vulcan, Inc Nov. 1969(2,4,7,9,13) 1-5729-2 Jan. 1970(7) 1-5729-2	Cybermatics Inc Jan. 1970 (2,13) 0-3856-2	Superior Oil Co Jan. 1970(12) 1-4744-2
Airborne Freight Corp(Del) Jan. 1970(3,13) 0-3621-2	Damon Corp Aug. 1969 (2,7,13) 1-5814-2 Sept. 1969 (2,7,12,13) 1-5814-2 Nov. 1969(7,12,13) 1-5814-2 Dec. 1969(11,12,13) 1-5814-2	Colorado Instruments Inc Jan. 1970(1,9) 0-3987-2 Aug. 1969(Amdt) (11,13) 0-3987-2
American Credit Corp Jan. 1970 (7,13) 1-4491-2	Ets Hokin Corp Dec. 1969 (11) 1-4792-2	Di Giorgio Corp Dec. 1969(7,8) 1-1790-2
Rowl America, Inc Jan. 1970(2,3,12) 0-1830-2	Malcolm Starr Inc Jan. 1970 (11) 2-32795-2	Geon Ind., Inc Jan. 1970 (2,7,13) 2-32201-2
Hydro-Ski Intl. Corp Jan. 1970(13) 0-4089-2	Performace Systems, Inc	Harrisonburg Tel. Co Jan. 1970(7,12,13) 0-724-2
Lionel Corp Jan. 1970 (2,4,7,8,13) 1-3197-2	Posi Seal Intl. Inc Jan. 1970 (3,6,10) 0-3210-2	Honeywell Inc Jan. 1970 (11,13) 1-971-2
Outboard Marine Corp Jan. 70 (11,13) 1-2883-2	Programming Techniques, Inc Jan. 1970 (2,11,13) 2-30062-2	Insilco Corp Jan. 1970 (8) 1-3348-2
Ty-Core Inc Sept. 1969(6) 2-32577-2	Reeves Telecom Corp Jan. 1970 (10,12,13) 1-4361-2	McLean Trucking Co Jan. 1970(12) 1-4093-2
Mickelberry's Food Prod. Co Jan. 1970(3) 1-67-2	Telecom Corp Jan. 1970 (11,12) 0-4202-2	Montana Dakota Utilities Co Jan. 1970(12) 1-3480-2
Micomation Technology Corp Jan. 1970(2,7,13) 2-30050-2	Union Invst. Co Jan. 1970 (7,13) 1-2529-2	Rand Devel. Corp Jan. 1970 (3,13) 0-2774-2
R. J. Reynolds Tobacco Co Jan. 1970(13) 1-980-2	United Intl. Corp Jan. 1970 (12,13) 0-3607-2	Re-Con Systems Corp Feb. 1970 (2) 2-30410-2
Tidewater Tel. Co Nov. 1969(7,13) 0-726-2	Vesely Co Jan. 1970 (11) 1-6025-2	Schenley Ind., Inc Jan. 1970 (13) 1-2377-2
Travelers Corp Jan. 1970(13) 1-5799-2		Standard Oil Co(Ohio) Jan. 1970 (2,3,7,13) 1-500-2
Twin Americas Agriculture & Industrial Devel. Inc Jan. 1970(7,12) 2-28197-2		U.S. Freight Co Jan. 1970(2,7,13) 1-402-2

SECURITIES ACT REGISTRATIONS. Effective February 16: Duke Power Co., 2-36095.

Effective February 17: Brookline Instrument Co. Inc., 2-34787 (90 days); Cohen-Hatfield Industries, Inc., 2-36191; Computer Terminal Systems, Inc., 2-34587 (90 days); Filmways, Inc., 2-36116; Gould Inc., 2-36085 (40 days); Harvest Fund, Inc., 2-32993; Inland Steel Co., 2-35879 (40 days); Powers Regulator Co., 2-34647; Textron, Inc., 2-36022 (40 days); World Computer Corp., 2-34020 (90 days).

Withdrawn February 16: National Limestone Corp., 2-30745; Massachusetts Life Insurance Co., 2-33883.

Withdrawn February 17: E. F. Hauserman Co., 2-36164; Graphic Arts Unlimited, Inc., 2-32924.

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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