

# 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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## HOLDING COMPANY ACT RELEASES

**MIDDLE SOUTH UTILITIES RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16679) authorizing Middle South Utilities, Inc., New York holding company, to issue and sell 3,100,000 shares of common stock at competitive bidding. Middle South will use the net proceeds of its stock sale primarily to repay \$41,000,000 of bank loans, due June 30, 1970, and to make investments aggregating \$19,500,000 in additional common stock of two of its public utility subsidiaries.

**MONONGAHELA POWER SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16680) giving interested persons until May 4 to request a hearing upon an application of Monongahela Power Company, Fairmont, W. Va., subsidiary of Allegheny Power System, Inc., to issue and sell \$15,000,000 of first mortgage bonds, due 2000, and 50,000 shares of cumulative preferred stock, Series F (\$100 par), at competitive bidding. Monongahela will use the net proceeds of its offering to finance in part its 1970 construction program, estimated at \$38,000,000, and to pay \$15,500,000 of short-term notes incurred therefor. Monongahela also proposes to amend its charter to increase the number of authorized shares of cumulative preferred stock from 290,000 to 340,000.

**JERSEY CENTRAL P&L RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16681) permitting withdrawal of an application of Jersey Central Power & Light Company, Morristown subsidiary of General Public Utilities Corporation, for the issuance and sale of up to \$33,000,000 of first mortgage bonds at competitive bidding. Pursuant to a subsequent filing, the Commission authorized Jersey Central to issue and sell \$10,000,000 of first mortgage bonds.

**ARKANSAS P&L - LOUISIANA P&L RECEIVE ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16682) authorizing Arkansas Power & Light Company and Louisiana Power & Light Company, wholly-owned subsidiaries of Middle South Utilities, Inc., to issue 560,000 and 2,500,000 shares, respectively (aggregating \$7 and \$12.5 million in par value, respectively) to the parent. Arkansas P&L will use the net proceeds of its stock sale together with proceeds from the sale of other securities (which will be the subject of a separate application) for its current construction program, estimated at \$74,400,000 for 1970, including repayment of short-term bank loans. Louisiana P&L will use the net proceeds of its stock sale for its current construction program, estimated at \$76,600,000 for 1970, the repayment of short-term promissory notes then outstanding and other corporate purposes.

**AMERICAN NATURAL GAS SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16683) giving interested persons until May 13 to request a hearing upon an application of American Natural Gas Company, New York holding company, to issue and sell 1,200,000 shares of common stock at competitive bidding. The company will use part of the net proceeds of its stock sale to repay bank loans incurred to provide funds for the purchase of additional common stock of subsidiary companies; the balance will be added to the company's treasury funds.

## INVESTMENT COMPANY ACT RELEASES

**STAR CAPITAL SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6028) giving interested persons until May 6 to request a hearing upon an application of Star Capital Corporation, New York closed-end non-diversified management investment company, for an order declaring that applicant has ceased to be an investment company as defined in the Act. In December 1969 applicant was merged into Sun Capital Corporation ("New Star"), a Delaware corporation and a wholly-owned subsidiary of Abacus Fund, Inc. Pursuant to terms of the merger agreements, each  $3\frac{1}{2}$  shares of common stock of applicant were converted into one common share of Abacus. Applicant represents that its separate existence as an investment company terminated upon effectiveness of the merger.

## SECURITIES ACT REGISTRATIONS

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:  
Cudahy Company, Phoenix, Ariz. 85013 (File 2-37022) - 175,000 shares  
Mobil Oil Corporation, New York, N. Y. 10017 (File 2-37025) - 4,558,405 shares and  
(File 2-37026) - 91,168 shares

OVER

**DATASCAN FILES FOR OFFERING AND SECONDARY.** Datascan, Inc., 1111 Paulison Avenue, Clifton, N. J. 07013, filed a registration statement (File 2-37009) with the SEC on April 8 seeking registration of 200,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by New York Securities Co., One Whitehall St., New York, N. Y.; the offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and sale of electronic equipment, including control systems, integrated circuit logic cards and digital panelmeters. Part of the net proceeds of its sale of additional stock will be used to retire short-term bank borrowings and the balance for general corporate purposes. In addition to indebtedness, the company has outstanding 353,570 common shares, of which Morton S. Levin, president, owns 24.4% and management officials as a group 67.3%. Levin proposes to sell 10,000 of 86,220 shares held, James Q. Maloy, executive vice president, 20,000 of 80,250 and three others the balance of the shares being registered.

**TEXACO SHARES IN REGISTRATION.** Texaco Inc., 135 East 42d St., New York, N. Y. 10017, filed a registration statement (File 2-37101) with the SEC on April 8 seeking registration of 621,000 shares of capital stock. These shares may be issued from time to time upon conversion of certain outstanding securities. Texaco now has outstanding some 272,000,000 shares.

**CAROLINA POWER & LIGHT TO SELL STOCK.** Carolina Power & Light Company, 336 Fayetteville St., Raleigh, N. C., filed a registration statement (File 2-37011) with the SEC on April 9 seeking registration of 300,000 shares of Cumulative Serial Preferred Stock, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York, N. Y. 10005. The offering price (\$101 per share maximum\*) and underwriting terms are to be supplied by amendment. An electric utility, the company will apply the net proceeds of its stock sale to the reduction of short-term loans incurred for corporate purposes, primarily the construction of additional plant facilities. Such loans are estimated at \$68,000,000 at the time of the stock sale. Construction expenditures are estimated at \$618,961,000 for the period 1970 through 1972.

**EQUITABLE GAS TO SELL BONDS.** Equitable Gas Company, 420 Boulevard of the Allies, Pittsburgh, Ia. 15219, filed a registration statement (File 2-37003) with the SEC on April 8 seeking registration of \$10,000,000 of first mortgage bonds, due 1995, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A gas utility, the company will use the net proceeds of its bond sale, together with other funds of the company and its subsidiaries, to complete their 1970 construction program. Construction expenditures are estimated at \$14,098,000 for 1969 and \$15,924,000 for 1970.

**PUBLIC SERVICE OF COLO. TO SELL STOCK.** Public Service Company of Colorado, 550 15th St., Denver, Colo., filed a registration statement (File 2-37013) with the SEC on April 9 seeking registration of 1,000,000 shares of common stock, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005, and two other firms. The offering price (\$21 per share maximum\*) and underwriting terms are to be supplied by amendment. Also included in this statement are 100,000 shares of common stock, to be offered for subscription by full-time employees (including officers) of the company and of certain subsidiaries. A public utility, the company will apply the net proceeds of its stock sale to the reduction of outstanding short-term loans (aggregating \$22,677,500 at March 31) incurred for construction needs and for its construction program. Construction expenditures are estimated at \$225,000,000 for the period 1970-1972.

**BIOMETRIC TESTING PROPOSES OFFERING.** Biometric Testing, Inc., 1120 Morris Ave., Union, N. J. 07083, filed a registration statement (File 2-37016) with the SEC on April 9 seeking registration of 130,000 shares of common stock and 65,000 common stock purchase warrants, to be offered for public sale in units, each consisting of two shares and one warrant, and at \$9 per unit. The offering is to be made on a "best efforts, all or none" basis by M. R. Safir & Co., Inc., and Jaffee & Co., 50 Broadway, New York, N. Y., which will receive a 90¢ per unit selling commission plus \$17,500 for expenses. The company has agreed to sell the underwriters, for \$130, six-year warrants to purchase 13,000 shares, exercisable after 13 months at \$4.95 per share.

The company was organized in December 1969 to conduct testing programs for pharmaceutical and cosmetic products and food additives. Of the net proceeds of its stock sale, \$200,000 will be used to lease and equip an office, a laboratory and an animal testing facility; the balance will be added to the company's general funds and used for working capital and other corporate purposes. The company has outstanding 260,000 common shares (with a 16¢ per share net tangible book value), of which Max A. Tesler, board chairman, owns 22.5% and management officials as a group 95%. Purchasers of the shares being registered will acquire a 33.3% stock interest in the company and 65,000 3-year warrants for which they will have paid \$585,000; present shareholders will then own 66.7%, for which they paid \$41,600.

**OFFSHORE CO. FILES FOR SECONDARY.** The Offshore Company, 3411 Richmond Ave., Houston, Tex. 77027, filed a registration statement (File 2-37017) with the SEC on April 9 seeking registration of 557,694 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York, N. Y. 10005; the offering price (\$27 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in exploratory and developmental contract drilling for oil and gas in offshore areas. In addition to indebtedness, it has outstanding 12,000,000 common shares, of which Southern Natural Gas Company owns 86%. John S. Shaw, Jr., is board chairman and W. Henson Moore president. J. Ray McDermott & Co., Inc., proposes to sell all of its holdings of 557,694 shares.

**RAMADA INNS TO SELL DEBENTURES.** Ramada Inns, Inc., 3838 East Van Buren St., Phoenix, Ariz. 85008, filed a registration statement (File 2-37018) with the SEC on April 9 seeking registration of \$25,000,000 of convertible subordinated debentures, due 1995, to be offered for public sale through underwriters headed by Walston & Co., Inc., 74 Wall St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the operation of motor hotels for its own account and in the operation of a system under which independent motor hotel operators are licensed to use the Ramada name. Of the net proceeds of its debenture sale, a maximum of \$9,000,000 will be used to prepay a revolving bank loan (of which \$4,345,000 was outstanding at March 31), \$7,850,000 to prepay real estate and chattel mortgage loans and \$2,000,000 to prepay a Eurodollar bank loan (all of the loans were incurred in connection with the construction of company motor hotels); the balance will be added to the company's general funds and used for general corporate purposes, including the provision of funds for new company motor hotels, acquisition of existing motor hotels and other businesses and repayment of other indebtedness. In addition to indebtedness, the company has outstanding 7,708,104 common shares. Marion W. Isbell is board chairman and president.

**PHILADELPHIA ELECTRIC TO SELL BONDS.** Philadelphia Electric Company, 1000 Chestnut St., Philadelphia, Pa. 19105, filed a registration statement (File 2-37020) with the SEC on April 9 seeking registration of \$40,000,000 of first and refunding mortgage bonds, due 1976, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale to provide part of the permanent financing of its construction and financing program, including repayment of short-term debt incurred for interim financing of that program. Construction expenditures are estimated at \$326 million for 1970 and \$1.5 billion for the five years, 1970-1974.

**FUQUA INDUSTRIES SHARES IN REGISTRATION.** Fuqua Industries, Inc., 3800 First National Bank Tower, Atlanta, Ga. 30303, filed a registration statement (File 2-37021) with the SEC on April 9 seeking registration of 750,000 common shares issuable upon the exercise of warrants issued and to be issued, 453,756 shares issued in connection with the acquisition of other companies and 276,754 shares to be issued in connection with future acquisitions, 204,000 shares issued or to be issued pursuant to a restricted stock plan, and 100,000 shares and interests therein to be sold pursuant to the employees stock purchase plan. In addition to indebtedness and preferred stock, the company has outstanding 6,069,356 common shares.

**PENNZOIL TO SELL UNITED GAS BONDS.** United Gas, Inc., 1120 Texas Avenue, Houston, Texas 77002, filed a registration statement (File 2-37023) with the SEC on April 9 seeking registration of \$62,000,000 of first mortgage bonds, 6½% Series, due 1989, and \$8,000,000 of 6½% sinking fund debentures, due 1979. These bonds and debentures were acquired by Pennzoil United, Inc., upon the transfer of its retail gas distribution properties to United Gas. Pennzoil United may offer the bonds and debentures for sale from time to time "at the best price obtainable."

**AMPAL-AMERICAN ISRAEL TO SELL DEBENTURES.** Ampal-American Israel Corporation, 30 East 42d St., New York, N. Y. 10017, filed a registration statement (File 2-37024) with the SEC on April 9 seeking registration of \$3,000,000 of ten-year, 7% sinking fund debentures, Series F, 1980, to be offered for public sale at 100% of principal amount. The offering is to be made on a best efforts basis by Israel Securities Corporation, of the New York address, which will receive a \$210,000 commission. The primary purpose of this offering is to obtain, and make available, funds for the development and expansion of agricultural, industrial and commercial enterprises in Israel. Rudolph G. Sonneborn is honorary chairman, Ralph Wechsler chairman and Abraham Dickenstein president of the company.

**CHILD GROWTH CORP. FILES OFFERING PROPOSAL.** Child Growth and Development Corporation, 175 Cedar Lane, Teaneck, N. J., filed a registration statement (File 2-37027) with the SEC on April 9 seeking registration of 200,000 shares of common stock and warrants to purchase an additional 100,000 shares. It is proposed to offer these securities for public sale in units, each consisting of 2 shares and 1 warrant, and at \$10 per unit. The offering is to be made through Jaffee & Co., of 50 Broad St., New York, N. Y., which is to receive a commission of \$1 per unit plus \$17,000 for expenses. Jaffee also will be entitled to purchase, for \$200, five-year warrants to purchase 20,000 shares, exercisable after one year at \$5 per share.

The company was organized in October 1969 for the purpose of engaging in the development and operation of centers containing nursery schools and day care facilities for children of the ages of three to six years. Of the net proceeds of this offering, the company intends to use about \$100,000 to repay a short-term loan the proceeds of which will be used to finance the acquisition of a site for its initial center, \$350,000 for architectural fees and the cost of constructing and equipping that center, \$55,000 for salaries and \$7,000 for the leasing and equipping of new executive offices; the balance will be used for working capital, including \$250,000 for the acquisition of an additional site and the construction thereon of a second center. The company has outstanding 300,000 common shares, of which Dr. Kenneth Herman, president, owns 182,000 (acquired at a cost of \$20,000).

**SECURITY FIRST INVESTMENT TRUST FILES.** Security First Investment Trust, 375 Collins Road, N.E., Cedar Rapids, Iowa 52406, filed a registration statement (File 2-37029) with the SEC on April 8 seeking registration of 500,000 shares of beneficial interest in the Trust, to be offered for public sale at \$10 per share. The offering is to be made on a best efforts basis by First Security Investment Corporation, of the Cedar Rapids address, which will receive a selling commission of \$1 per share.

The Trust was organized in March to provide investors with an opportunity to own, through transferable shares, an interest in diversified properties consisting principally of direct interests in real estate. The Trust is ultimately intended to qualify as a real estate investment trust under the Internal Revenue Code. The organization of the Trust was sponsored by Life Investors Insurance Company of America which, subject to the overall supervision of the Trustees, will administer the day-to-day operations of the Trust. Ronald L. Jensen, Trustee board chairman, is chairman of the Insurance Company.

**SIGNAL COMPANIES TO SELL NOTES.** The Signal Companies, Inc., 1010 Wilshire Blvd., Los Angeles, Calif. 90017, filed a registration statement (File 2-37030) with the SEC on April 10 seeking registration of \$75,000,000 of Notes, due 1975, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., of 70 Pine St., New York, N. Y., and Francis I. duPont & Co., of 1 Wall St., New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in diverse operations, including the conduct of an integrated oil and gas business, the manufacture and sale of aerospace and industrial products and of heavy duty motor trucks; its activities also include land development and real estate, investments, banking and radio and television broadcasting. Net proceeds of this financing will be added to the company's general funds and used for its general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 18,860,921 common shares, of which management officials own 6.7%. Samuel B. Mosher is honorary chairman, William E. Walkup chairman, and Forrest N. Shumway president and chief executive officer.

**INSTITUTIONAL MULTI-MANAGEMENT FUND PROPOSES OFFERING.** Institutional Multi-Management Fund, 3450 Wilshire Blvd., Los Angeles, Calif. 90005, filed a registration statement (File 2-37033) with the SEC on April 10 seeking registration of 10,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum\*) with a 5-1/4% sales charge on purchases of less than \$25,000. The Fund was organized as a diversified open-end investment company by O'Neil Management Company, Inc. ("fund manager"). Its investment objective is capital growth. William O'Neil & Co. Incorporated, an affiliate of the fund manager, is the principal underwriter. William J. O'Neil, president of the Fund, controls the fund manager and the principal underwriter through ownership of 63% of the outstanding voting stock of each company.

**DAMSON FUND PROPOSES OFFERING.** Damson 1970 Exploration Fund (the "Partnership"), 366 Madison Ave., New York, N. Y. 10017, filed a registration statement (File 2-37035) with the SEC on April 10 seeking registration of \$10,000,000 of limited partnership interests, to be offered for public sale in \$15,000 units. The offering is to be made on a best efforts basis by Shearson, Hammill & Co. Incorporated, 14 Wall St., New York, N. Y., and selected NASD members. The Partnership was formed to search for oil and gas. Damson Oil Corporation will serve as the general partner. Barrie M. Damson, board chairman and president, and Merlin J. Verret, executive vice president, own 21% and 7.5%, respectively, of the general partner.

#### MISCELLANEOUS

**CORRECTIONS RE NEWPORT CONTROLS, FBP PUBLISHING FILINGS.** The prospectus for the proposed secondary offering of stock of Newport Controls Corporation referred to in the SEC News Digest of April 7 lists the underwriter's address as: Continental Securities Corporation, 1313 Robinson Bldg., 42 S. 15th St., Philadelphia, Pa. 19102. F.B.P. Publishing, Inc., referred to in the News Digest of April 9, was organized in November 1967, not 1969.

**SECURITIES ACT REGISTRATIONS. Effective April 14:** Allied Security, Inc., 2-36249 (90 days); American Reserve Corporation, 2-36594 (40 days); Barnett Mortgage Trust, 2-36524 (90 days); Dynavest, Inc., 2-35078; E.I. DuPont DeNemours and Company, 2-36616; Educational Technology, Inc., 2-35169 (90 days); Electro-Nucleonics, Inc., 2-35796 (90 days); Fabric Wholesalers, Inc., 2-35589 (90 days); Foote Mineral Company 2-36643; Gramatan Real Estate Investment Trust, 2-34056 (90 days); Heck's Inc., 2-36791 (40 days); Lanvin-Charles of the Ritz, Inc., 2-36720 and 2-36721; Metalcrafters Specialties, Inc., 2-36054 (90 days); Mony Mortgage Investors 2-36506 (90 days); Skil Corporation, 2-36471; Spencer Foods, Inc., 2-36764; Standard Oil Company 2-36863 and 2-36864; Texas Gas Transmission Corporation, 2-36890.

**NOTE TO DEALERS.** The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

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