

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-85)

FOR RELEASE May 1, 1970

COMMISSION ANNOUNCEMENT

SEC JOINS THREE CHAPTER X CASES. The SEC has filed notices of appearance in Proceedings under Chapter X of the Bankruptcy Act for the reorganization of the following (Corp Reorg. Release 196):

- (1) Arizona Helium, Inc., an Arizona corporation. The proceedings are pending in the Federal court in Phoenix. Harry J. Abrams is trustee. Commission participation was requested by the Court.
- (2) Mammoth Mountain Inn Corporation, a California corporation. These proceedings are pending in the Federal court in Los Angeles and Irving Sulmeyer is trustee.
- (3) Computer Services Corporation, an Iowa corporation. The proceedings are pending in the Federal court in Des Moines; James E. Cooney serves as trustee.

Arizona Helium was formed for the purpose of extracting helium from natural gas. Its plant is in the town of Navajo, Apache County, Ariz. An unaudited balance sheet as of December 15, 1969 indicates total liabilities of \$475,000 and total assets of approximately \$1.6 million. The principal asset is the debtor's plant which is carried at \$1.2 million. The debtor has issued and outstanding approximately 3,000,000 shares of \$1 par value common stock which are held by approximately 3,000 persons.

Mammoth Mountain Inn owns and operates a resort hotel at Mammoth Mountain, Calif., a ski area north of Los Angeles. An unaudited balance sheet as of July 7, 1969 indicates that the debtor has total liabilities of approximately \$1.9 million. Assets are listed at approximately \$3.5 million, consisting primarily of plant and equipment which is carried at approximately \$1.85 million and long-term notes receivable which are carried at approximately \$0.9 million. The debtor has issued and outstanding more than 850,000 shares of \$5 par value common stock which are held by some 750 persons.

Computer Services is engaged in providing computer services. A consolidated balance sheet for it and its three wholly-owned subsidiaries, Data Technics Corp., Meditech Centers, Inc., and Business Assistance, shows assets of approximately \$2,056,000 and liabilities of approximately \$1,658,000 on December 31, 1969. The assets consist primarily of receivables and real estate. The debt consists mostly of notes, trade accounts, and contracts payable. The debtor's 448,971 shares of \$1 par value common stock are held of record by more than 1,500 persons.

COMMISSION RULES

NASD PLAN FOR FINANCIAL REPORTING APPROVED. SEC Rule 17a-10 under the Securities Exchange Act requires that every member of a national securities exchange and every broker or dealer registered pursuant to Section 15 of the Act (over-the-counter firms) shall file, not later than 120 days after the close of each calendar year, a report of income and expenses and related financial and other information for such calendar year on Form X-17A-10. The rule provided, however, that an exchange or the NASD may submit a plan providing for the filing of such reports with it, copies to be transmitted to the Commission. Such a plan may also provide that, in transmitting copies to the Commission, the names and addresses of members whose information is transmitted may be omitted.

Such a plan has been filed by the NASD and approved by the Commission (Release 34-8876). It provides that the NASD (1) will adopt and implement appropriate internal procedures for review of the information submitted by members, (2) will review all reports filed for reasonableness and accuracy, (3) will submit edited data to the SEC, (4) will maintain and preserve a copy of all information furnished it by any member and of related correspondence, memoranda, etc. for a period of six years, and (5) will undertake certain other obligations.

In related action, the Commission has amended its Rule 17a-10 to provide a one-month extension to May 30 for members of exchanges who are not also members of the NASD to file their Form X-17A-10 reports covering calendar year 1969. The extension was necessary for these firms because of unforeseen delays in determining the provisions to be included in the plans of the NASD and certain exchanges under paragraph (b) of the Rule and the New York Stock Exchange's recent determination not to file such a plan. (Release 34-8877)

HOLDING COMPANY ACT RELEASES

WASHINGTON GAS LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16706) exempting Washington Gas Light Company from the Act, subject to the condition that the company register as a holding company under the Act solely for the limited purpose of filing a plan under Section 11(e) to eliminate the outstanding minority stock interest of Shenandoah Gas Company (which is 99.3% owned by Washington Gas).

CENTRAL INDIANA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16707) authorizing Central Indiana Gas Company Inc. ("Central"), Muncie, Ind., subsidiary of American Natural Gas Company, to issue and sell \$8,000,000 of first mortgage bonds, due 1995, at competitive bidding. Central will use net proceeds of its bond sale, together with treasury funds to the extent required, to repay \$8,000,000 of some \$10,000,000 of bank loan notes due June 1970. Such notes were issued under a line of credit for temporary financing of construction expenditures.

OVER

GEORGIA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16708) authorizing Georgia Power Company, Atlanta subsidiary of The Southern Company, to acquire, by assignment, leasehold interests in three tracts and an option to acquire an additional leasehold interest in a fourth tract, of coal-bearing land in Leslie and Harlan counties, Ky. The present holder of these leasehold interests, Rice Coals (a partnership) is a party to a long-term coal supply agreement with Georgia Power, which agreement, it is stated, has not been properly performed by Rice Coals and is presently in a state of default. The proposed assignment of Rice Coals' interest in the tracts is in consideration of Georgia Power's cancellation of the agreement and grant of releases to Rice Coals from damage resulting from the improper performance thereof.

MONTAUP ELECTRIC, OTHERS RECEIVE ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16710) authorizing Montaup Electric Company ("Montaup"), subsidiary of Brockton Edison Company ("Brockton"), Fall River Electric Light Company ("Fall River") and Blackstone Valley Electric Company ("Blackstone") (all subsidiaries of Eastern Utilities Associates, Boston) to issue and sell \$8,500,000 of debenture bonds, due 2000, to Brockton, Blackstone and Fall River in proportion conforming with terms of their ownership agreement, as follows: Brockton, \$3,698,300 principal amount; Blackstone, \$2,287,200 and Fall River, \$2,514,500. Montaup will use the proceeds of the debenture bond sale to reduce short-term bank indebtedness incurred for construction purposes. To adjust their ownership of Montaup (as required by their ownership agreement) to be in proportion with the respective estimated unrelayed maximum demands of electric power (recently 35% for Blackstone, 39% for Brockton and 26% for Fall River), Brockton and Fall River are authorized to purchase 4,650 and 3,684 Montaup common shares, respectively, from Blackstone at \$112.16 per share. Blackstone will apply the proceeds of its sale of Montaup stock toward its purchase of the debenture bonds.

POTOMAC EDISON RECEIVES ORDER. The SEC has issued a supplemental order under the Holding Company Act (Release 35-16711) permitting The Potomac Edison Company, Hagerstown, Md., subsidiary of Allegheny Power System Inc., to accept the one bid that was submitted in connection with the company's proposed issue and sale of 50,000 shares of Series E cumulative preferred stock (\$100 par).

INVESTMENT COMPANY ACT RELEASES

MASSACHUSETTS INVESTORS TRUST SEEKS ORDER. Massachusetts Investors Trust ("MIT"), a Boston common law trust, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed acquisition of substantially all of the assets of C-R, Incorporated; and the Commission has issued an order (Release IC-6036) giving interested persons until May 20 to request a hearing thereon. MIT proposes to issue its shares at net asset value for C-R's assets, which were valued at \$1,254,950 on February 4. The MIT shares are to be distributed to C-R shareholders upon liquidation of C-R.

BROAD STREET INVESTING SEEKS ORDER. Broad Street Investing Corporation, New York mutual fund, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed acquisition of the assets of Watson, Flagg Engineering Company; and the Commission has issued an order (Release IC-6037) giving interested persons until May 20 to request a hearing thereon. Broad Street proposes to issue its shares at net asset value for Watson's assets, which were valued at \$2,300,000 on October 31, 1969. Had the transaction been consummated on that date, Watson would have received 152,670 shares of Broad Street stock. The Broad Street shares are to be distributed to Watson shareholders on liquidation of Watson.

CROSBY PLANS RECEIVE ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6040) permitting Crosby Plans Corporation, Boston, and the six investment trusts of which it is sponsor (Fidelity Capital Investment Plans, Fidelity Destiny Investment Plans, Fidelity Fund Accumulation Plans, Fidelity Trend Investment Plans, Puritan Accumulation Plans and Salem Investment Plans (formerly Dow Theory Investment Plans)) to offer holders who have not yet completed all their payments on a certificate but who have held their certificates for at least six months, the opportunity to exchange their certificates for one of the same face amount and maturity issued by any of the other Plans at the relative net asset values of the certificates.

COURT ENFORCEMENT ACTION

WALTER ANDERSON ENJOINED. The SEC Chicago Regional Office announced April 27 (LR-4599) that the Federal court in Detroit had permanently enjoined Walter D. Anderson, of Farmington, Mich., from the offer and sale of securities in violation of the Securities Act registration provisions.

SECURITIES ACT REGISTRATIONS

IDS FINANCIAL TO SELL DEBENTURES. IDS Financial Corporation, 800 Investors Bldg., Minneapolis, Minn. 55402, filed a registration statement (File 2-37219) with the SEC on April 29 seeking registration of \$30,000,000 of capital debentures, due 1980, to be offered for public sale on a best efforts basis through Investors Diversified Services, Inc. ("IDS"), 800 Investors Bldg., Minneapolis, Minn. 55402. The offering price and underwriting terms are to be supplied by amendment.

The company was organized in March to acquire all of the outstanding stock of IDS Leasing Corporation ("Leasing"), IDS Mortgage Corporation ("Mortgage") and IDS Credit Corporation ("Credit") from IDS, its sole stockholder. Through these subsidiaries, the company engages in the equipment leasing, mortgage banking and consumer financing businesses. Net proceeds of its debenture sale will be allocated to Leasing,

Mortgage and Credit to be added to their respective working capital and used to reduce short-term borrowings or demand notes incurred for use in their businesses, in the amounts of \$13,500,000, \$5,500,000 and \$9,500,000, respectively. In addition to indebtedness, the company has outstanding 5,000 common shares, all owned by IDS. Stewart F. Silloway is board chairman and Kenneth R. Wahlberg president.

HUGHES SUPPLY FILES FOR OFFERING AND SECONDARY. Hughes Supply, Inc., 521 W. Central Blvd., Orlando, Fla. 32802, filed a registration statement (File 2-37220) with the SEC on April 29 seeking registration of 350,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 250,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Reynolds & Co., 120 Broadway, New York 10005; the offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment.

The company operates sales branches in 13 Florida cities for the wholesale distribution of electrical, plumbing and industrial fixtures and supplies, electrical utility supplies and tools and contractors' supplies for use in the building and mechanical trades. Of the net proceeds of its sale of additional stock, \$1,223,000 will be used in connection with the company's proposed expansion program and the remainder will be added to the company's working capital. The company has outstanding 612,000 common shares, of which Russell S. Hughes, board chairman, Harry C. Hughes, president, and Essex International, Inc. own 33.5%, 33.5% and 33%, respectively. Russell and Harry Hughes propose to sell 75,000 shares each and Essex 100,000.

MALLEN AUTOMATED FOOD TO SELL STOCK. Mallen Automated Food Industries, Inc., 226-12 Jamaica Ave., Bellerose, N. Y. 11428, filed a registration statement (File 2-37222) with the SEC on April 29 seeking registration of 200,000 shares of common stock, to be offered for public sale by Winston, Perry & Co. Inc.; the offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$12,000 for expenses and to sell it 20,000 shares for \$5,000 (25¢ per share).

The company is engaged principally in the preparation of food and its distribution through automated vending facilities located in industrial and commercial establishments and educational institutions and hospitals. Net proceeds of its stock sale will be used for capital expenditures in connection with the company's contemplated move to a larger plant, to repay its indebtedness to the Small Business Administration and to repay indebtedness to American Entertainment Enterprises, Inc. and four other lenders (\$300,000); the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 420,000 common shares (with a 31¢ per share net tangible book value), of which Leonard A. Kissin, president, owns 85% and American Entertainment Enterprises 11%. Purchasers of the shares being registered will acquire 200,000 common shares for their investment of \$1,000,000*; present shareholders will then own 420,000 shares, for which the company received an aggregate of \$86,500.

MICHIGAN CONSOLIDATED GAS TO SELL BONDS. Michigan Consolidated Gas Company, One Woodward Ave., Detroit, Mich. 48226, filed a registration statement (File 2-37223) with the SEC on April 29 seeking registration of \$30,000,000 of first mortgage bonds, due 1995, to be offered for public sale at competitive bidding. A subsidiary of American Natural Gas Company, the company will use net proceeds of its bond sale to retire then outstanding notes payable to banks maturing August 1970 and estimated at \$5,500,000, to pay a portion of 1970 construction costs and to reimburse its treasury for funds used on an interim basis to prepay notes to banks. Construction expenditures are estimated at \$43,000,000 for 1970.

MEDIA PARTNERS TO SELL STOCK. Media Partners, Inc., 685 5th Ave., New York 10022, filed a registration statement (File 2-37226) with the SEC on April 29 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through underwriters headed by A. J. Carno Co., Inc., 42 Broadway, New York 10004, which will receive a 50¢ per share commission plus \$25,000 for expenses. The company has agreed to sell the Carno firm, for \$200, six-year warrants to purchase 20,000 shares, exercisable after one year at \$5.50 per share.

Organized in August 1969, the company is in its promotional and developmental stages. It intends to engage in providing television and radio advertising spot time ("media") buying service for advertising agencies, their clients and other marketing organizations. Of the net proceeds of its stock sale, \$165,000 will be used for additional personnel and to otherwise expand its media purchasing activities, \$104,000 to finance rent, leasehold improvements, furnishings and expenses of running its proposed executive offices in New York and \$110,000 to establish, furnish and staff two additional offices, one in Chicago and one in Los Angeles; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 606,250 common shares, of which Lee Gaynor, board chairman, and Paul Sulzer, president, own 47% each. Purchasers of the shares being registered will acquire a 25% stock interest in the company for their investment of \$1,000,000 (they will sustain an immediate dilution of \$3.96 in per share book value from the offering price); present shareholders will then own 75%, for which they will have paid \$6,062.

RHEINGOLD FILES FOR SECONDARY. Rheingold Corp., 41 East 42nd St., New York 10017, filed a registration statement (File 2-37228) with the SEC on April 29 seeking registration of 25,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holder thereof at prices current at the time of sale (\$25 per share maximum*).

The company is engaged in the beer and soft drink businesses. It has outstanding 3,116,607 common shares. Lawrence Patterson may sell 25,000 of 125,000 shares held.

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:

Associated Products, Inc., New York 10022 (File 2-37221) - 75,000 shares
 Dun & Bradstreet, Inc., New York 10007 (File 2-37224) - 414,175 shares
 Rheingold Corp., New York 10017 (File 2-37227) - 218,417 shares
 Marsh & McLennan, Incorporated, Chicago, Ill. 60604 (File 2-37230) - 14,773 shares
 Witco Chemical Corporation, New York 10017 (File 2-37233) - 250,000 shares
 National Life of Florida Corporation, Jacksonville, Fla. 32202 (File 2-37234) - 205,555 shares

MISCELLANEOUS

DELISING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8873) granting an application of the Cincinnati Stock Exchange to strike from listing and registration the common and \$100 par preferred stock of Cincinnati, New Orleans & Texas Pacific Railway Co., effective at the opening of business on April 30, 1970. As a result of a merger agreement, effective March 31, 1970, Southern Railway Company became the sole stockholder of the company.

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 April 3 News Digest.

<u>8K Reports for Feb 1970</u>			
International Tape Cartridge Corp. Mar. 70 (6,8,13)	0-3193-2	The Lange Company Mar 70(7,8,12)	0-4490-2
Harvey Aluminum Inc. Amdt. #1 for Feb 70 (4,11,13)	1-4507-2	Integrated Resources, Inc. Dec 69 (2,7,13)	0-4427-2
Teleprompter Corp. Amdt. #1 For Oct. 69 (9,13)	1-4138-2	Kerr-McGee Corp Mar 70(3)	1-3939-2
		California Jockey Club, Inc. Apr 70(11)	0-1288-2
		<u>Amended 8K Reports</u>	
		Integrated Resources, Inc. Amdt #1 for Dec 69(13)	0-4427-2

SECURITIES ACT REGISTRATIONS. Effective April 30: Cayman Corp., 2-32215 (90 days); The Ceco Corp., 2-36890; Commonwealth Telephone Co. of Va., 2-36970 (40 days); Cudahy Co., 2-37022; Dart Industries, Inc., 2-37070; Data Card Corp., 2-35785 (90 days); Kawecki Berylco Industries, Inc., 2-37193; Mobil Oil Corp., 2-37025 & 2-37026; Pamida, Inc., 2-36670 (Jun 10); Paris Enterprises, Inc., 2-34883 (90 days); Phillips Petroleum Co., 2-36555; Revlon, Inc., 2-37097; South Carolina Electric & Gas Co., 2-37117; Stanray Corp., 2-36771; Tamarisk Petroleum Fund, Inc., 2-36031 (90 days); Time, Inc., 2-36835; TRW, Inc., 2-37139; Ventron Corp., 2-36872; Waxie Maxie Quality Music Co., 2-35175 (90 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.

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