

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 ANNOUNCEMENT

LAKE ONTARIO CEMENT SEEKS ORDER. The SEC has scheduled a hearing for October 7, 1970, upon an application of Lake Ontario Cement, Limited, of Toronto, Ontario, Canada, for a finding pursuant to Section 12(h) of the Securities Exchange Act of 1934 that the company ("applicant") is entitled to an exemption from the reporting requirements of Section 15(d) of that Act by reason of its compliance with Rule 12(g)3-2(b) thereunder.

Under Section 15(d), an issuer which makes a public offering of securities in the United States pursuant to a registration statement filed under the Securities Act of 1933, must include in such statement an undertaking to keep the information therein current by filing such annual and other periodic reports as the Commission shall prescribe under Section 13 of the Exchange Act for companies whose shares are registered under Section 12(b) for listing on an exchange, or for companies in which there is a substantial public interest and whose shares are traded over-the-counter and subject to registration under Section 12(g). In the case of foreign companies which might be subject to registration under Section 12(g), Rule 12(g)3-2(b) provides an exemption from registration if there is filed with the Commission copies of reports filed with the country of its domicile or with the foreign stock exchange on which its securities are traded. Applicant urges that its filing of such reports would be fairly equivalent to that required by Section 15(d); the Commission's staff, on the other hand, urges among other things that an exemption from the Section 15(d) reporting requirement is not available by reason of compliance with Rule 12(g)3-2(b).

HOLDING COMPANY ACT RELEASES

METROPOLITAN EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16829) authorizing the Metropolitan Edison Company, Berks County, Pa. subsidiary of the General Public Utilities Corp., to issue and sell or to renew up to \$44,000,000 of short-term notes to 17 banks. Net proceeds will be used to finance the company's business, including construction expenditures, repayment of other short-term borrowings and the temporary reimbursement of its treasury for construction expenditures.

NORTHEAST UTILITIES SYSTEM PROPOSES ACQUISITION. The Rocky River Realty Company, Hartford, Conn., subsidiary of Northeast Utilities, a registered holding company, has filed a proposal with the SEC under the Holding Company Act for the acquisition of a parcel of real property in Connecticut at a cost of between \$5,000,000 and \$5,500,000; and the Commission has issued an order (Release 35-16831) giving interested persons until September 29 to request a hearing thereon. The Realty Company was authorized by Commission order of October 1967 to engage in the acquisition, ownership, maintenance, leasing and other disposition of real property required in the operations of Northeast Utilities holding company system. Within three months, the property to be acquired will be conveyed at cost to three other system companies, the Connecticut Light and Power Company, The Hartford Electric Light Company, and Western Massachusetts Electric Company.

INVESTMENT COMPANY ACT RELEASES

PENN MUTUAL RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6187) granting an application of the Penn Mutual Life Insurance Co., a mutual life insurance company, Penn Mutual Equity Fund, Inc., an open end diversified management investment company, and the Penn Mutual Equity Fund Inc. an open end diversified unit investment trust, all of Philadelphia, for exemption from certain provisions of the Act in connection with the proposed sale of individual variable annuity contracts.

MONITOR FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6188) giving interested persons until October 7 to request a hearing upon an application of Monitor Fund, Inc., Dubuque, Iowa, for an order declaring that it has ceased to be an investment company. On March 26, 1970 more than two-thirds of the shareholders voted to accept a plan of dissolution and liquidation, pursuant to which applicant sold all of the securities it was holding and distributed 90% of the net proceeds thereof to its stockholders pro rata. The balance after paying accrued liabilities will be similarly distributed.

GOLDMAN, SACHS REQUESTS ORDER. Goldman, Sachs & Co., New York broker-dealer firm, has applied to the SEC under the Investment Company Act for an exemption from any prohibitions under Section 9(a) of the Act arising out of the court-ordered injunction obtained by the Commission in an action filed in October 1969 against Madison Square Garden Corporation, Eastern International Corporation (a subsidiary of Madison), Goldman, Sachs & Co., and Harbill Associates. Section 9(a) prohibits any person from serving or acting in the capacity of an official, adviser, or principal underwriter for a registered open-end investment company if he has been enjoined from engaging in or continuing any conduct or practice violative of the Federal securities laws. In the court action against Madison et al, the Commission alleged violations of certain

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provisions of those laws in connection with a tender offer by G&W Land and Development Corporation for shares of the common stock of Roosevelt Raceway, Inc. On April 29, 1970, Goldman, Sachs & Co. (among others) consented to a decree of permanent injunction. In the subject application, Goldman, Sachs & Co. represents that it expects to act as an investment adviser of the Fund A Partnership, a registered investment company formed by Arthur Andersen & Co.; and certain of its partners expect to resume their officer-director positions with certain other funds. It seeks an exemption from Section 9(a) of the Act insofar as any ineligibility to serve or act in the capacities enumerated in Section 9(a) of the Act arises out of such injunction. The Commission has issued an order (Release IC-6189) giving interested persons until September 28 to request a hearing thereon.

COURT ENFORCEMENT ACTIONS

BENNETT AND MILTON RAFFER INDICTED. The SEC New York Regional Office announced September 9 (LR-4754) that the Federal court grand jury in New York City had returned an indictment charging violations of the registration and antifraud provisions of the Federal securities laws by Bennett J. Raffer, a/k/a J. Bennett Raffer, and Milton Raffer, his father, both of Fort Lee, N. J.

SEC COMPLAINT CITES ROBINSON & CO. The SEC Washington Regional Office announced September 11 (LR-4755) the filing of a complaint in Federal court in Philadelphia, seeking to enjoin violations by Robinson & Co., Philadelphia broker-dealer, and its president, Robert Robinson, of the hypothecation, net capital and anti-fraud provisions of the Securities Exchange Act. The Robinson firm filed a petition for an arrangement pursuant to Chapter XI of the Bankruptcy Act and the court named Donald M. Collins, of Norristown, Pa., as receiver. The court also issued an order temporarily restraining the defendants from engaging in the securities business; the defendants consented to the restraining order without admitting the allegations of the SEC complaint.

SECURITIES ACT REGISTRATIONS

GAC PROPERTIES CREDIT TO SELL DEBENTURES. GAC Properties Credit Inc., 1105 Hamilton St., Allentown, Pa. 18101, filed a registration statement (File 2-38359) with the SEC on September 11 seeking registration of \$50,000,000 of senior debentures, due 1975, to be offered for public sale through underwriters headed by Salomon Brothers, 60 Wall St., and Kidder, Peabody & Co. Inc., 20 Exchange Pl., both of New York.

A wholly-owned subsidiary of GAC Properties Inc., the company proposes primarily to acquire instalment land contracts arising from sales of lots, homesites and parcels of land by the parent. Net proceeds of the company's debenture sale, together with funds to be borrowed from banks, will be used to purchase eligible receivables from its parent. The company has outstanding 50,500 common shares. S. Hayward Wills is board chairman and James M. Browne president.

WELLINGTON MANAGEMENT PROPOSES OFFERING. Wellington Management Company, 1630 Locust St., Philadelphia, Pa. 19103, sponsor of Windsor Fund Investment Plans, filed a registration statement (File 2-38360) with the SEC on September 14 seeking registration of \$20,000,000 of single payment plans and periodic payment plans (with and without insurance) for the accumulation of shares of Windsor Fund, Inc. Joseph E. Welch is board chairman and John C. Bogle president.

SOUTHERN CALIFORNIA GAS TO SELL BONDS. Southern California Gas Company, 810 S. Flower St., Los Angeles, Calif. 90017, filed a registration statement (File 2-38362) with the SEC on September 14 seeking registration of \$55,000,000 of first mortgage bonds, Series H, due 1995, to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will apply \$30,000,000 of the net proceeds of its bond sale to repay in full its short-term indebtedness to its parent, Pacific Lighting Corporation, \$5,695,000 to retire the 3% Series first mortgage bonds which mature January 1, 1971 and were assumed in its recent merger with Southern Counties Gas Company of California, \$8,700,000 for sinking fund payments on its first mortgage bonds (including those assumed in its recent merger with Southern Counties) and the remainder to finance in part the costs incurred or to be incurred in connection with its construction and expansion program. Construction expenditures for the 15 months ending December 31, 1971, are estimated at \$60,400,000.

AMERICAN ELECTRIC POWER TO SELL STOCK. American Electric Power Company, Inc., 2 Broadway, New York 10004, filed a registration statement (File 2-38363) with the SEC on September 14 seeking registration of 4,000,000 shares of common stock, to be offered for public sale at competitive bidding. A public utility holding company, the company will use the net proceeds of its stock sale, to the extent available, to pay off at maturity, from time to time, and to retire, an equivalent amount of its unsecured short term debt which may be outstanding at the date of the completion of the stock sale (estimated not to exceed \$130,000,000). System construction expenditures are estimated at \$946,000,000 for 1970 and 1971.

GARRISON GROWTH FUND PROPOSES OFFERING. The Garrison Growth Fund, 50 Broadway, New York 10004, filed a registration statement (File 2-38364) with the SEC on September 14 seeking registration of 2,000,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 1-3/4%. FES Research & Management Inc. is investment adviser and distributor of Fund shares. Lee S. Kaufman is president of the Fund and a director of the adviser.

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KINETIC SCIENCE TO SELL STOCK. Kinetic Science Corporation, 71 Catlin St., Meriden, Conn., filed a registration statement (File 2-38365) with the SEC on September 14 seeking registration of 65,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, 45% or none" basis by Fund Securities, Inc., 355 Victory Blvd., Staten Island, N. Y., which will receive a 50c per share selling commission plus \$3,000 for expenses. The company has agreed to sell the underwriter, for \$65, six-year warrants to purchase up to 6,500 shares, exercisable after one year at \$5.50 per share.

Organized in February 1969 as Resource Kinetic Science Corporation, the company proposes to engage in the manufacture and marketing of a small appliance timer, an over-running clutch called a "Kineticclutch" and a control console for industrial water pollution control systems; also, to offer its services on a contract basis to engineer, design and install water pollution removal systems for industrial plants. Net proceeds of the company's stock sale will be added to its general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 152,250 common shares (with a 25c per share net book deficit), of which Samuel Kellough, president, owns 12.4% and Resource Control, Incorporated 20.5%. Purchasers of the shares being registered will acquire a 29.9% stock interest in the company for their investment of \$325,000 (they will sustain an immediate dilution of \$3.77 in per share book value from the offering price); present shareholders will then own 70.1% for which they will have paid \$103,572.

STARR BROADCASTING PROPOSES OFFERING. The Starr Broadcasting Group, Inc., 1000 Howard Ave., New Orleans, La. 70113, filed a registration statement (File 2-38366) with the SEC on September 14 seeking registration of \$2,000,000 of subordinated debentures (due 1976) and 60,000 common shares, to be offered for public sale in units, each consisting of a \$1,000 debenture and a warrant to purchase common stock, and at \$1,000 per unit. The offering is to be made through underwriters headed by First Mid America Corporation, 1001 O St., Lincoln, Neb. 68501; the interest rate on the debentures, number of shares issuable upon exercise of warrants and underwriting terms are to be supplied by amendment.

Organized in May 1966, the company is engaged in the ownership and operation of ten radio stations, one television station and a book publishing company. Of the net proceeds of its offering, \$950,000 will be used to pay interim bank indebtedness and related financing charges incurred in connection with the purchase of the publishing division, \$3,000,000 to pay sellers of WCYB-TV, a Bristol, Virginia, television station being purchased and \$300,000 for the purchase of KEIR-FM in Dallas; the balance will be added to the company's working capital and used for general corporate purposes, including format changes and start-up expenses upon assuming ownership of the Dallas FM station. In addition to indebtedness, the company has outstanding 461,262 common shares, of which Wm. F. Buckley, Jr., board chairman, owns 15.7% and Peter H. Starr, president, 10.5%.

DIGITAL EQUIPMENT TO SELL STOCK. Digital Equipment Corporation, 146 Main St., Maynard, Mass. 01754, filed a registration statement (File 2-38367) with the SEC on September 14 seeking registration of 500,000 shares of common stock, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York, N. Y. 10004. The offering price (\$71.625 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures, sells and services electronic products and equipment, including digital computers. Of the net proceeds of its stock sale, part will be used to repay outstanding domestic bank loans (which amounted to \$13,000,000 at September 1); the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 9,675,132 common shares, of which Kenneth H. Olsen, president, owns 10% and American Research and Development Corporation 48%.

NATIONAL LIFE INSURANCE TO SELL VARIABLE ANNUITIES. National Life Insurance Company, National Life Drive, Montpelier, Vt. 05602, filed a registration statement (File 2-38368) with the SEC on September 15 seeking registration of \$10,000,000 of periodic payment contracts and \$10,000,000 of single payment contracts. The contracts are offered for sale in connection with retirement programs qualified for tax advantages under Sections 401 or 403 of the Internal Revenue Code and also for sale to individuals as a private retirement vehicle which does not enjoy tax benefits. John T. Fey is president and Robert S. Gillette board chairman.

SENTINEL TRUSTEES FUND PROPOSES OFFERING. Sentinel Trustees Fund, Inc., National Life Dr., Montpelier, Vt., 05602, filed a registration statement (File 2-38369) with the SEC on September 15 seeking registration of 2,000,000 shares of common stock, to be offered for public sale at net asset value, plus a maximum sales charge of 8% (\$10.87 per share maximum*). The Fund is a diversified, open-end investment company with the objective of maximizing total investment return over the long run term through a combination of income and capital growth. It is designed exclusively for investors who are exempt from federal income taxes and for funding variable annuity contracts offered by National Life Insurance Co., organizer of the Fund. Sales to separate accounts of the Insurance Company will be at net asset value. National Life Investment Management Company, Inc and Equity Services Inc., subsidiaries of the Insurance Company will serve as investment adviser and distributor, respectively, of the Fund. Norman L. Campbell is president of the Fund.

BI-LO FILES FOR OFFERING AND SECONDARY. BI-LO Inc., Mauldin, South Carolina, filed a registration statement (File 2-38370) with the SEC on September 15 seeking registration of 400,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Dominick and Dominick, Inc., 14 Wall St., New York, N. Y.; the offering price (\$11 per share maximum*) and underwriting terms are to be supplied by amendment.

The company operates a chain of 33 discount, self-service supermarkets located in the southeast. Net proceeds of its sale of additional stock will be used in connection with its capital expansion program, including additions to existing facilities, additional inventory for expanded warehouse and new supermarkets and the balance for general corporate purposes. In addition to indebtedness, the company has outstanding 1,030,946 common shares, of which Frank L. Outlaw, board chairman and president, owns 33.02% and management officials as a group 57.09%. Outlaw proposes to sell 68,080 of his holdings of 340,000 shares and a number of other holders propose to sell the balance of the shares being registered.

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:
Morlan Pacific Corporation, San Francisco, Calif. 94103 (File 2-38357) - 88,400 shares
Hewlett-Packard Company, Palo Alto, Calif. 94304 (File 2-38361) - 1,000,000 shares

MISCELLANEOUS

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 September 3 News Digest.

Amended 8K Reports

Kirk Corporation Amdt #1 for Mar 70(13)	0-4182-2	Transport Pool Corporation Amdt #1 for Jun 70(7,9,13)	0-4818-2
Vanguard International, Inc. Amdt #1 for Oct 69(13)	1-6142-2	Blackhawk Holding Corp Amdt #1 for Dec 69(9)	0-1936-2
Armco Steel Corp Amdt for June 70(4,7,13)	1-873-2	Success Motivation Institute, Inc. Amdt #1 for Dec 69(3,7,10,13)	2-33441-2
AID Inc. Amdt #1 for Apr 70(13)	0-3033-2	Great Western United Corp Amdt #1 for May 70(10)	1-5443-2
Higbie Mfg Co. Amdt #1 for Nov 69(13)	1-3432-2	Instrument Systems Corp Amdt #1 for Apr 70(7)	1-5643-2
Lawry's Eods, Inc. Amdt for Jan 70(2,13)	0-2461-2	Bowser Delaware Corp Amdt #1 for July 70(2)	1-4867-2
Davos, Inc. Amdt #1 for June 70(7,8)	0-4018-2	Brogan Associates Inc. Amdt #1 for Apr 70(13)	0-3719-2

SECURITIES ACT REGISTRATIONS. Effective September 15: Baltimore Gas and Electric Co., 2-38208; Elizabethtown Gas Co., 2-38193 (Nov 9); Golden Flake, Inc., 2-37549; Harason Enterprises, Ltd., 2-35982 (90 days); Hedberg & Gordon Leverage Fund, 2-35108; Hospital Corp. of America, 2-36772 (40 days); Union Electric Co., 2-38212.

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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