

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. 70-194)

FOR RELEASE October 6, 1970

COURT ENFORCEMENT ACTIONS

TEXAS CONTINENTAL OIL, OTHERS ENJOINED. The SEC Fort Worth Regional Office announced September 25 (LR-4766) the entry by the Federal court in Dallas of a permanent injunction by consent against Texas Continental Oil Co., Inc., William Robert Cook, Lawton C. Mitchell, Jr. and John R. South, all of Dallas, enjoining them from further violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of fractional undivided working interests in oil and gas leases in Bradley County, Ark. Texas Continental Oil on September 16 filed a petition for an "arrangement" with creditors under Chapter XI of the federal bankruptcy laws.

THREE CANADIAN OFFERINGS ENJOINED. The SEC Chicago Regional Office announced on September 28 (LR-4767) that the Federal court in Chicago had entered a preliminary injunction enjoining further violations of the registration and anti-fraud provisions of the Federal securities laws by Manuel Zamora, Northland Minerals, Ltd., Atlantic Manganese, Ltd. and Eastern Lumber Co. Ltd. in the offer and sale of securities of the defendant companies. Zamora is a resident of New Brunswick, Canada and the three corporate defendants are incorporated in New Brunswick. Zamora is president of each of the companies.

COMPLAINT CHARGES 47 in "SHELL COMPANY" OFFERING. The SEC New York Regional Office announced September 30 (LR-4768) the filing of a complaint in Federal court in New York City, charging violations of the registration and anti-fraud provisions of the Federal securities laws by 12 individuals (including Sidney Stein, Albert Feiffer and Norman Rubison, of New York City and Miami Beach, Fla., and William K. Chester, of Miami) and five firms in the offer and sale of stocks of Stern-Haskell, Inc., Diston Industries, Inc., and Mobile Home Ventures, Inc., which securities were spun off by an inactive publicly held shell corporation, Automission, Inc. (formerly National Ventures, Inc.), of Miami. The three named issuers together with an additional 8 firms and 19 individuals were charged with violations of the registration provisions.

HAZEWAY CO., OTHERS ENJOINED. The SEC Chicago Regional Office announced October 1 (LR-4769) that the Federal court in Chicago enjoined the Hazeway Corp. of Lansing, Ill., Leon E. Daily, president, and William H. Schwartz, Jr., a director, both of Gary, Ind., from violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Hazeway Co. The defendants consented to the court order without admitting the violations.

SECURITIES ACT REGISTRATIONS

GENERAL MILLS TO SELL DEBENTURES. General Mills, Inc., 9200 Wayzata Blvd., Minneapolis, Minn., filed a registration statement (File 2-38523) with the SEC on October 2 seeking registration of \$100,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Dillon, Read & Co., 46 William St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a leading producer of packaged consumer foods, such as ready-to-eat breakfast cereals, snacks, prepared mixes and family flour. Net proceeds of its debenture sale will be used to reduce indebtedness outstanding under a revolving credit agreement (estimated at \$105,000,000 at October 1). In addition to indebtedness and preferred stock, the company has outstanding 19,326,038 common shares. James P. McFarland is board chairman and chief executive officer and James A. Sumner president and chief operating officer.

GENERAL TELEPHONE (IND.) TO SELL BONDS. General Telephone Company of Indiana, Inc., 501 Tecumseh St., Fort Wayne, Ind. 46801, filed a registration statement (File 2-38529) with the SEC on October 2 seeking registration of \$25,000,000 of first mortgage bonds, due 2000, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York 10005, and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment. A subsidiary of General Telephone & Electronics Corporation, the company will apply the net proceeds of its bond sale, together with proceeds of the proposed sale to the parent of 320,000 common shares at \$50 per share, toward the reduction of short term loans owing to banks and the parent and commercial paper (estimated not to exceed \$50,000,000 at the time of such application), obtained for the purpose of financing the company's construction program. Construction expenditures are estimated at \$40,000,000 for 1970.

OVER

DECISION DATA TO SELL STOCK. Decision Data, 300 Jacksonville Rd., Warminster, Pa. 18974, filed a registration statement (File 2-38530) with the SEC on October 2 proposing the public offering of 100,000 shares of common stock. No underwriting is involved; the offering price (\$15 per share maximum*) and selling commission to be received by participating NASD members are to be supplied by amendment.

Organized in November 1969, the company is engaged in the development, manufacture and marketing of computer auxiliary equipment to prepare and process the 96-column punched card. Net proceeds of its stock sale will be used for new product development, expansion of production equipment and facilities and the production of inventory, to expand marketing activities and for general corporate purposes. In addition to indebtedness, the company has outstanding 450,000 common shares, of which Loren A. Schultz, board chairman and president, and three other company officials own 13.6% each. Purchasers of the shares being registered will acquire a 18% stock interest in the company for their investment of \$1,500,000*; present stockholders will then own 82%, for which the company received \$1,225,000 or \$2.72 per share.

MOUNTAIN STATES TEL & TEL TO SELL DEBENTURES. The Mountain States Telephone and Telegraph Company, 931 14th St., Denver, Colo. 80202, filed a registration statement (File 2-38537) with the SEC on October 2 seeking registration of \$150,000,000 of debentures, due 2010, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Inc., 140 Broadway, New York 10005 and two other firms. A subsidiary of AT&T, the company will apply the net proceeds of its debenture sale toward repayment of some \$173,000,000 of advances from the parent, which were obtained to obtain financing for general corporate purposes, including extensions, additions and improvements to the company's plant. Construction expenditures are estimated at \$350,000,000 for 1970 and will continue at such level or higher for the foreseeable future.

ORECRAFT PROPOSES OFFERING. Orecraft, Inc., 215 Phillips Petroleum Bldg., Salt Lake City, Utah, filed a registration statement (File 2-38531) with the SEC on October 2 seeking registration of 550,000 shares of common stock and 550,000 common stock purchase warrants, to be offered for public sale in units, each consisting of 100 shares and 100 warrants, and at \$110 per unit. No underwriting is involved; the offering is to be made on a best efforts basis by Gordon Fry, secretary-treasurer, who will receive a 10% selling commission plus up to \$20,000 for expenses. Also included in this statement are 334,900 common stock purchase warrants and the underlying shares which warrants were issued in exchange for 83,725 shares pursuant to a March 1970 offer to all shareholders to exchange four warrants for each share held (up to 10% of their holding).

Organized in April 1969, the company holds leasehold and possessory interests in certain patented and unpatented mining claims located near Idaho City, Idaho, upon which exploratory operations are planned in search of commercially mineable ore bodies, principally silver. Net proceeds will be added to the company's working capital and used for general corporate purposes. The company has outstanding 761,525 common shares (with a \$.164 per share net tangible book value), of which Eslie O. Barlow, president, owns 19.9% and management officials as a group 41.1%.

TRI-SOUTH MORTGAGE INVESTORS PROPOSES OFFERING. Tri-South Mortgage Investors (the "Trust"), 2 Peachtree St., N. W., Atlanta, Ga. 30302, filed a registration statement (File 2-38532) with the SEC on October 2 seeking registration of 2,500,000 shares of beneficial interest and warrants to purchase an additional 1,250,000 shares, to be offered for public sale in units, each consisting of one share and a warrant to purchase 1/2 share, and at \$20 per unit. The offering is to be made through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, N. Y. 10005, and Wheat & Co., Inc., 801 East Main St., Richmond, Va. 23212; the underwriting terms are to be supplied by amendment.

The Trust was established by First & Merchants Bank (Richmond), The First National Bank of Atlanta, and North Carolina National Bank (Charlotte), to invest principally in first mortgage construction and development loans on income-producing properties. It will also invest in first mortgage permanent loans on income-producing properties. Tri-South Management Associates will serve as investment adviser. Robert L. Gordon, Jr., is chairman and Addison M. Reese president. Claude R. Davenport, Jr., is president of the adviser.

MISCELLANEOUS

CORRECTION RE DELISTING ORDER. On September 29 the Commission announced the granting of an application of the Pacific Coast Stock Exchange to strike from listing and registration warrants for Class B common stock of Laguna Niguel Corporation. The application related to warrants for common stock, not Class B common stock.

SECURITIES ACT REGISTRATIONS. Effective October 5: The Murray Ohio Manufacturing Co., 2-38437; Apollo Lasers, Inc., 2-36753 (90 days); Independence Management Corp., 2-35839 (90 days); Apache Corp., 2-37754 (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.

---000000---