

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)

105
(Issue No. 70-103)

FOR RELEASE June 1, 1970

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SANCTIONS IMPOSED ON HORNBLOWER FIRM BRANCH OFFICE. The SEC today announced an order under the Securities Exchange Act (Release 34-8894) in which it suspended certain activities in the branch office of Hornblower & Weeks, Hemphill, Noyes located at 160 Franklin St., Boston, Mass., for violations of the credit extension provisions of the Exchange Act and Regulation T thereunder. The Commission's action was based upon a settlement offer in which the Hornblower firm, without admitting or denying the violations, consented to findings of violations and to imposition of the sanctions. The branch office was suspended from engaging in over-the-counter transactions, with specified exceptions, for 15 days (through June 15) and from exercising for 30 days (through June 30) the right to apply for extension of time for payment for securities pursuant to Regulation T (both effective June 1). According to the Commission's decision, during the period from December 1968 to September 1969 the branch office extended, maintained for various excessive periods of time, and arranged for, credit to and for a substantial number of customers in a substantial number of transactions, without collateral and on securities, other than exempted securities, in contravention of four provisions of Regulation T.

SANCTIONS IMPOSED ON PENNALUNA & CO., OTHERS. Under a decision announced today by the SEC (Release 34-8892) Pennaluna & Co., a Spokane, Wash. broker-dealer firm, Benjamin A. Harrison, its sole stockholder, and Harry F. Magnuson, formerly a principal stockholder and officer of the firm, may not continue to engage in the securities business. The Commission had issued an order in 1967 imposing the same sanctions on these respondents; but, on appeal from that order, the Court of Appeals for the Ninth Circuit reversed certain of the Commission's findings of violations and remanded the case to the Commission for a re-examination of the sanctions. Those findings related to violations of the Securities Act registration provisions; however, the Court affirmed certain other findings of violations of those provisions, as well as findings that the respondents had violated antifraud and antimanipulative provisions of the securities acts. The Commission stated there had been no substantial diminution of the seriousness of respondents' misconduct as compared to that on which the original order had been based. It noted, however, that the bars imposed by its order did not necessarily mean that the respondents were permanently excluded from the securities business, since they were not precluded from applying for permission in the future to reenter that business upon an appropriate showing.

COMMISSION ANNOUNCEMENTS

TRADING IN CONSOLIDATED OIL SUSPENDED. The SEC on May 28 ordered the suspension of exchange and over-the-counter trading in securities of Consolidated Oil & Gas, Inc., for the period May 28 (at 3:30 P.M.) through June 6, 1970. The American Stock Exchange halted trading in Consolidated stock on May 19 pending release by the company of certain information, including clarification of the company's purported acquisition of certain oil permits in the Canadian Arctic. The Commission's action was based upon the fact that an over-the-counter market was developing in Consolidated common while adequate public information was not available about the company. The suspension will continue pending dissemination of complete and accurate information concerning recent corporate and financial developments of Consolidated. (Release 34-8895)

AMEX MEMBER FIRM REPORTING PLAN CLEARED. The SEC today announced that it declared effective on May 28 (Release 34-8896) a plan filed by the American Stock Exchange pursuant to SEC Rule 17a-10(b). Rule 17a-10 requires that every member of a national securities exchange and every broker or dealer registered pursuant to Section 15 of the Act file, not later than 120 days after the close of each calendar year, a report of his income and expenses and related financial and other information for such calendar year on Form X-17A-10. The Amex plan covers members of that exchange who are not also members of the NASD. In summary, the plan provides that the Amex (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.

HOLDING COMPANY ACT RELEASES

MILLSTONE POINT CO. RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16742) authorizing The Millstone Point Company ("Millstone"), The Connecticut Light & Power Company ("CL&P"), The Hartford Electric Light Company ("HELCO") and Western Massachusetts Electric Company ("WMECO"), subsidiaries of Northeast Utilities, to extend from 12 to 24 months the period of time for completion of satisfactory permanent financing arrangement with respect to the transfer and assignment by CL&P, HELCO and WMECO of their respective interests in a nuclear fuel contract to Millstone. The companies are also authorized to increase from \$2,750,000 to \$3,500,000 the maximum amount of short-term notes to be issued to Northeast.

OVER

APPALACHIAN POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16743) authorizing Appalachian Power Company, Roanoke, Va. subsidiary of American Electric Power Company, Inc., to issue and sell up to \$20,772,500 of short-term notes to banks and to dealers in commercial paper, to add the names of two banks to the list of lending banks and to change the maximum amounts to be borrowed from 14 of the listed banks. The \$20,772,500 is part of \$63,033,000 of notes the Commission authorized to be outstanding at any one time pursuant to its orders of July 1, 1969 and February 18, 1970 (Releases 35-16419 and 35-16608).

GPU RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16744) authorizing General Public Utilities Corporation, New York holding company, to increase from \$84,000,000 to \$160,000,000 the amounts of cash capital contributions (through December 31) to three subsidiaries, as follows: Jersey Central Power & Light Company (from \$20,000,000 to \$60,000,000); Metropolitan Edison Company (from \$60,000,000 to \$85,000,000) and New Jersey Power & Light Company (from \$4,000,000 to \$15,000,000).

WEST PENN POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16745) authorizing West Penn Power Company, Greensburg, Pa. subsidiary of Allegheny Power System, Inc., to issue and sell \$25,000,000 of first mortgage bonds, Series Y, due 2000, and 50,000 shares of preferred stock, Series F (\$100 par) at competitive bidding. West Penn will use the net proceeds of its offering to finance, in part, its construction program, including payment of \$27,000,000 of short-term notes incurred therefor. Construction expenditures are estimated at \$61,000,000 for 1970, \$85,000,000 for 1971 and \$66,000,000 for 1972.

SECURITIES ACT REGISTRATIONS

COMMERCE BANCSHARES PROPOSES EXCHANGE OFFERS. Commerce Bancshares, Inc., 911 Main St., Kansas City, Mo. 64199, filed a registration statement (File 2-37476) with the SEC on May 26 seeking registration of 58,000 shares of common stock, of which 30,000 are to be offered in exchange for all the outstanding capital stock of Mechanics Bank and Trust Company, at the rate of 1.25 shares for each Bank share, and 28,000 in exchange for all the outstanding capital stock of State Bank of Lebanon at the rate of 14 shares for each Bank share. Effectiveness of the exchange offers is contingent upon acceptance by holders of at least 80% of the outstanding capital stock of the respective Banks.

The company owns a majority of the voting shares of ten banks and a majority of the voting shares of certain non-banking corporations. It has outstanding 2,216,138 common shares, of which The Kemper Investment Company owns 14% and Commerce Bank of Kansas City, as trustee or co-trustee, 14.5%. James M. Kemper, Jr. is board chairman and president.

LYKES-YOUNGSTOWN PROPOSES EXCHANGE OFFER. Lykes-Youngstown Corporation, 1300 Commerce Bldg., New Orleans, La. 70150, filed a registration statement (File 2-37478) with the SEC on May 26 seeking registration of \$28,315,000 of 7½% subordinated debentures, due 1993 and 1994. It is proposed to offer these debentures in exchange for the outstanding capital stock of United Fidelity Life Insurance Company, at the rate of \$36 principal amount of debentures and \$5 in cash for each outstanding United Fidelity share. Holders of approximately 49% of United Fidelity capital stock have agreed to exchange their shares.

The company was organized as a holding company in February 1969 as the vehicle for the combination of Lykes Corporation and The Youngstown Sheet and Tube Company. Its subsidiaries are engaged in the production of steel and related products and in ocean shipping. United Fidelity is engaged in writing a broad range of individual and group life insurance policies and annuities and, to a limited extent, individual and group accident and health insurance policies. Lykes-Youngstown seeks control of United Fidelity to expand its existing insurance operations. In addition to indebtedness and preferred stock, Lykes-Youngstown has outstanding 8,957,564 common shares. Joseph T. Lykes, Jr., is board chairman and Frank A. Nemecek president.

DELTA CORP. TO SELL DEBENTURES. Delta Corporation, 750 3rd Ave., New York 10017, filed a registration statement (File 2-37485) with the SEC on May 26 seeking registration of \$50,000,000 of senior debentures, due 1990, to be offered for public sale through underwriters headed by Lehman Brothers, 1 William St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

Organized in 1964 as a wholly-owned subsidiary of Avco Corporation, the company through subsidiaries is engaged primarily in making consumer loans, in financing sales of consumer, automotive and industrial products, in wholesale, industrial, commercial, agricultural and home improvement financing, in industrial banking and lending and in the insurance business. Net proceeds of the company's debenture sale will be added to its general funds and initially applied to reduction of short term debt originally incurred primarily to provide funds for use in the ordinary course of its finance business. In addition to indebtedness, the company has outstanding 848 capital shares, all owned by Avco. Ross M. Hett is president and Allan E. Weidman board chairman.

VIATRON COMPUTER SYSTEMS SHARES IN REGISTRATION. Viatron Computer Systems Corporation, Crosby Dr., Bedford, Mass. 01730, filed a registration statement (File 2-37486) with the SEC on May 25 seeking registration of 1,196,700 shares of common stock. These shares are issuable or have been issued under the company's stock option plans.

BELCO PETROLEUM FILES FOR SECONDARY. Belco Petroleum Corporation, Belco Petroleum Bldg., 630 Third Ave., New York 10017, filed a registration statement (File 2-37488) with the SEC on May 26 seeking registration of 124,448 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$11.75 per share maximum*).

The company and its subsidiaries are engaged in the acquisition, exploration, development and operation of oil and natural gas properties in the U.S. and abroad, the mining and purchasing of coal in the U.S. for resale, and importing crude oil into and marketing refined petroleum products throughout the State of Israel. In addition to indebtedness, the company has outstanding 6,681,614 common shares, of which Arthur B. Belfer, board chairman, owns 14.29%, Robert A. Belfer, president, 10.44% and management officials as a group 53.83%. Henry Sonneborn III proposes to sell 28,344 shares of 29,671 shares held, Rudolf G. Sonneborn 27,746 of 29,046 and nine others the remaining shares being registered.

AVCO FILES FOR SECONDARY. Avco Corporation, 1275 King St., Greenwich, Conn. 06830, filed a registration statement (File 2-37490) with the SEC on May 27 seeking registration of 148,015 outstanding shares of \$3.20 cumulative convertible preferred stock. These shares were issued in June 1968 in connection with Avco's acquisition of all the outstanding capital stock of Embassy Pictures Corp. The holders thereof may offer such shares for sale (or donate them to others, including brokers) from time to time at prices current at the time of sale (\$35.50 per share maximum*).

The company is engaged in the manufacture of aircraft engines and components, industrial abrasives and specialized farming equipment, in the production for the Government of a variety of defense and aerospace equipment, the supplying of consumer loan and other financial services, radio and television broadcasting, motion picture production and distribution, and research and development activities. In addition to indebtedness and preferred stock, it has outstanding 11,469,540 common shares. Joseph E. Levine and the Joseph E. Levine Foundation, Inc. may sell the shares being registered.

UNITED BANCORP OF MAINE PROPOSES EXCHANGE OFFER. United Bancorp of Maine, 188 Middle St., Portland, Me. 04112, filed a registration statement (File 2-37491) with the SEC on May 27 seeking registration of 108,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of capital stock of Norway National Bank, at the rate of five Bancorp shares for each Norway Bank share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding Norway Bank stock.

Bancorp was organized in 1968 as a holding company to further the development and expansion of the business of Canal National Bank. Bancorp has outstanding 600,000 common shares. Widgery Thomas, Jr., is president of Bancorp.

PACIFIC G&E PROPOSES RIGHTS OFFERING. Pacific Gas and Electric Company, 245 Market St., San Francisco, Calif. 94106, filed a registration statement (File 2-37492) with the SEC on May 27 seeking registration of 2,349,467 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of record June 16, at the rate of one new share for each 25 shares held. The offering is to be made through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005, and Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Calif. 94106; the subscription price (\$30 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will apply the net proceeds of its stock sale toward the cost of additions to its utility plant. It proposes to use the proceeds to retire short-term notes issued for temporary financing of such additions and expected to approximate \$70,000,000 at the time such proceeds are received. Construction expenditures were \$340,000,000 for 1969 and are estimated at \$400,000,000 for 1970, and approximately \$1,860,000,000 for the period 1971 through 1974.

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:

J. C. Penney Company, Inc. (File 2-37482) - 610,000 shares
 Snap-On Tools Corporation, Kenosha, Wis. 53140 (File 2-37487) - 108,400 shares
 TFI Companies, Incorporated, Chicago, Ill. 60651 (File 2-37489) - 410,000 shares
 Allegheny Ludlum Industries, Inc., Pittsburgh, Pa. 15222, and National Lead Company, New York 10006 (File 2-37495) - 20,000 shares each of Allegheny Ludlum and National Lead.

MISCELLANEOUS

FOUR SEASONS NURSING CENTERS SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and/or over-the-counter trading in the securities of Four Seasons Nursing Centers of America, Inc., for the further ten day period June 2-11, 1970, inclusive.

DELISTING GRANTED. The SEC has granted an application of the American Stock Exchange to strike from listing and registration the common stock and 6½% convertible subordinated debentures (due 1982) of TMA Company (formerly Television Manufacturers of America Co.). The company fails to meet the Exchange's standards for continued listing with respect to earnings and net tangible assets. (Release 34-8891)

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 May 6 News Digest.

8Ks for March 1970

General Mortgage Invsts. (11,13)	0-3581-2	Rexach Construction Co Inc (Dec. 1969(7,13))	0-889-2
Al Hirt's Sandwich Saloons, Inc (12)	2-30699-2	Trident Funding Corp (9)	2-26965-2
Intertech Research Services, Inc (13)	1-6093-2	Wabash Consolidated Corp (2)	0-3897-2
Koppers Co Inc (7,8)	1-3224-2	Merritt Chapman & Scott Corp (2,12,13)	1-1390-2
Medusa Portland Cement Co (2,7,8,11,13)	1-1274-2	Mid-America Great Plains Financial Corp(2,12,13)	0-3560-2
Natl. Computer Services Corp (7,13)	2-27530-2	Nation Wide Auto Auction Ltd (7,13)	1-5995-2
Northern Indiana Public Service Co (13)	1-4125-2	Networks Electronic Corp (7,8)	0-1817-2
Guyer Oil Co (7,11,13)	2-31126-2	Holiday Inns, Inc (3) Feb 70(7)	1-4804-2 1-4804-2
Insley Mfg. Corp (13)	0-2581-2	Integrated Electronics Corp (11,12)	0-3957-2
Midwestern Co's., Inc (7,13)	0-1925-2	Johns Mansville Corp (11)	1-1251-2
Natl. Exhibition Co (11,13)	0-2971-2	Kalvex Inc (3,11)	1-3947-2
N. Y. State Electric & Gas Corp (7,8,)	1-3103-2	Kentucky Utilities Co (11,13)	1-3464-2
United Industrial Corp (8)	1-4252-2	Magnetic Head Corp Feb. 1970(2)	0-4474-2
Interpace Corp (13)	1-4669-2	Maule Ind., Inc (7,11,12,13)	1-4081-2
Marine Exploration Co (11,13)	1-6095-2	Pueblo Intl., Inc (7)	1-5160-2
Medical Communications, Inc (11,12,13)	2-30434-2	W! R. Grace Overseas Devel. Corp (2,13)	1-5180-2
Oceanography Unltd. Inc (2,13)	2-34219-2	Hemisphere Hotels Corp (12,13)	2-31910-2
Patrician Paper Co(6)	0-1261-2	Invst. Corp of Fla. (7,12,13)	0-1796-2
I.N.C. Exploration Corp (11,13)	2-31384-2	Kinney National Service, Inc (12,13)	1-4671-2
Guardsman Chemical Coatings, Inc (12,13)	1-4704-2	Missouri Beef Packers, Inc (11,13)	1-6046-2
Hoffman Products, Inc (2)	0-2229-2	Natural Gas Pipeline Co of America(12)	0-4167-2
Ludlow Typograph Co (11,12)	0-257-2	Northern Natural Gas Co (8)	1-3423-2
Offshore Logistics, Inc (2)	2-34684-2	Pawnee Corp (3)	0-4273-2
Olympic Life Insurance Co (12)	1-5582-2		

SECURITIES ACT REGISTRATIONS. Effective May 28: Amtel, Inc., 2-32755 & 2-36973; CMI Corp., 2-37457 (40 days); Cogar Corp., 2-36679; Corvair Furniture Manufacturing Co., 2-35599 (90 days); Holmes Electric Protective Co., 2-34911; Michigan Consolidated Gas Co., 2-37223; Nationwide Corp., 2-36060; Nikko Securities Co. Ltd., 2-36044; Patrick Oil & Gas Corp., 2-36280; Snap-on Tools Corp., 2-37487; Sumitomo Bank Ltd., 2-36002; Teleprompter Corp., 2-36972; Todhunter International Inc., 2-36525 (90 days); United Energy Corp., 2-35950 (40 days); Video Instar Productions Inc., 2-35477 (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.

---ooo0ooo---