

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

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**TAX MAN OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by The Tax Man, Inc., of Quincy, Mass.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$300,000 in amount. In a notification filed in October 1968, Tax Man proposed the public offering of 34,500 shares at \$2.50 per share. The offering was commenced on November 18 and concluded December 13, 1968. In its suspension order, the Commission asserts that various terms and conditions of Regulation A were not complied with by Tax Man in that, among other things, (a) there was a failure to disclose the name of and stockholdings of a promoter, that a promoter had a right to acquire options, and that the company's president had disposed of some of his stockholdings; also (b) the offering circular contained false statements with respect to the stockholdings of officers and directors and with respect to the rights of officers and directors to acquire stock pursuant to options; and (c) that Tax Man stock was offered and sold during the ten-day waiting period prescribed by Rule 255, without the prior delivery of an offering circular, and by use of written sales material which was not filed with the Commission.

The Commission's order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

**DROLLINGER SUSPENDED.** The SEC today announced that Kyle M. Drollinger, Jr., one of the respondents in an administrative proceeding involving the broker-dealer firm of Abnett, Sommer & Co., Inc., of Fort Worth, Texas, did not seek Commission review of the Hearing Examiner's initial decision in such proceeding. That decision provided, among other things, that Drollinger (formerly a registered representative of and secretary to the firm) be suspended from association with any broker-dealer for 60 days. Accordingly, the Examiner's decision as to Drollinger has become final; and the 60-day suspension of Drollinger has been declared effective as of the opening of business on March 21, 1969.

The Abnett, Sommer firm and two other respondents have petitioned the Commission for review of the decision of the Hearing Examiner, in which he held that the several respondents had offered and sold mortgage note investment contracts issued by Century Trust Company of Dallas, Inc., in violation of the registration and anti-fraud provisions of the Federal securities laws.

**TECHNOLOGY FUND SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5638) giving interested persons until April 11 to request a hearing upon a proposal of Technology Fund, Inc., Chicago mutual fund, to issue its shares at their net asset value in exchange for substantially all of the assets of McCoy Truck Lines, Inc. (which had a value of \$1,000,000 on October 31, 1968). McCoy is a personal holding company whose outstanding stock is owned by not more than thirteen persons. Upon receipt by McCoy, the Fund shares will be distributed to McCoy shareholders on liquidation of McCoy. Had the transaction been completed on October 31, McCoy would have received 94,250 Fund shares.

**WESTERN MASS. SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16316) giving interested persons until April 10 to request a hearing upon a proposal of Western Massachusetts Electric Company, West Springfield, to sell up to \$40,000,000 of bank notes or commercial paper prior to June 30, 1970. Net proceeds will be applied to finance construction expenditures, to pay nuclear fuel costs, and to supply funds for investments in regional nuclear generating companies. Such expenditures are estimated at \$34,400,000 for 1969 and \$31,700,000 for 1970.

**CENTRAL & SW CORP. RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16317) authorizing Central and South West Corporation, Wilmington, Del., holding company, to establish a new wholly-owned subsidiary company, CSR Services Inc. ("CSR"), to perform services for all companies in the Central holding company system. The public utility subsidiaries of Central provide electric service in the states of Louisiana, Oklahoma and Texas. CSR will perform management and administrative services for such companies, including tax and accounting services.

**PENNSYLVANIA ELECTRIC SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16318) giving interested persons until April 24 to request a hearing upon a proposal of Pennsylvania Electric Company, Johnstown subsidiary of General Public Utilities Corporation, to sell \$28,000,000 of first mortgage bonds, due 1999, at competitive bidding. Net proceeds of the sale of bonds will be used to finance its business as a public utility, including the reimbursement of its treasury for expenditures therefrom prior to January 1, 1969, for construction purposes and the payment of some \$23,000,000 of short-term bank loans to be outstanding at the time of the sale of the bonds. Construction expenditures are estimated at \$67,700,000 for 1969.

OVER

JOHN WARE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16319) authorizing John H. Ware of Oxford, Pa., and associates to purchase stock of North Penn Gas Company. Ware now owns about 90% of the stock of Penn Fuel Gas, Inc., and 100% of the stock of Oxford Gas Company. Ware and his associates propose to acquire from Kewanee Oil Company 232,478 or more of the common shares of North Penn at a price of \$18.50 per share. North Penn is engaged in supplying gas in portions of counties in northern Pennsylvania. Ware now owns 3,450 shares of North Penn and members of his family and others own 17,850 shares. Their purchase of the 232,478 or more shares would result in their ownership of 62% of the North Penn stock. In the event of such purchase, Ware will eliminate the publicly-held minority interest in North Penn within two years.

MAINE YANKEE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16320) authorizing Maine Yankee Atomic Power Company, Augusta, Me., to issue and sell from time to time prior to December 31, 1970, 400,000 additional shares of its \$100 par common stock to 11 New England electric utility sponsoring companies for an aggregate of \$40,000,000 (Central Maine Power Company will purchase 38% and New England Power Company 20%). Net proceeds of its stock sale will be used as needed to acquire and prepare the site near Wiscasset, Maine, on which Maine Yankee proposes to construct a nuclear-powered electric generating plant and for necessary engineering, design and construction expenditures. The total construction costs are estimated at \$145,000,000. The plant will supply electric energy to the 11 sponsor companies.

MEDIPLIX PROPOSES OFFERING. Mediplex Corporation, 485 Madison Ave., New York 10022, filed a registration statement (File 2-32082) with the SEC on March 14 seeking registration of 330,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made through Charles Plohn & Co., 200 Park Ave., New York, which will receive a 30¢ per share commission plus \$15,000 for expenses. On March 5, the company sold to the underwriter, one of its partners and an employee, an aggregate of 33,000 shares for \$3,300. In addition, the company has agreed to pay \$8,000 to the employee as a finder's fee.

Organized under Delaware law in February 1969, the company proposes to publish and distribute a Spanish language monthly journal of clinical medicine. Of the net proceeds of its stock sale, \$350,000 will be used for operating expenses, \$250,000 for promotional, selling and translation expenses, and \$85,000 for advance payments for printing and preparation of distribution lists; the balance will be added to working capital and used for general corporate purposes. The company has outstanding 170,000 common shares (with a 10¢ per share book value), of which Raymond F. Bonnell, president, and Wilbur A. Tice, treasurer, own 40.3% each and the Plohn firm 19.4%. Purchasers of the 330,000 shares being registered will acquire a 66% stock interest in the company, for which they will have paid \$990,000 or \$3 per share (they will suffer an immediate dilution of \$1.30 in the per share book value from the public offering price); the present stockholders will then own a 34% stock interest, for which they paid \$17,000 or 10¢ per share.

DICTAPHONE FILES FOR SECONDARY. Dictaphone Corporation, 120 Old Post Road, Rye, N. Y. 10580, filed a registration statement (File 2-32083) with the SEC on March 14 seeking registration of 199,928 outstanding shares of common stock. The shares are to be offered for public sale by the holders thereof from time to time at prices current at the time of sale (\$23.50 per share maximum\*).

The company is principally engaged in the development, manufacture, sale, rental, lease and servicing of dictating and recording systems for business and government use. In addition to indebtedness, it has outstanding 3,472,154 common shares. Lloyd M. Powell is board chairman and Walter W. Finke president and chief executive officer. Elaine Walling, Melvin F. and Walter C. Shakun propose to sell 20,525 shares each of 79,481 shares held each, M. Elliot Schnall all of 66,000 shares held and 13 others the remaining shares being registered; such shares were acquired in connection with the acquisition by the company of corporations in which the selling stockholders owned stock.

GENEGANTSLET GAS PROPOSES OFFERING. Genegantslet Gas and Oil Co., Inc., R.D. #1, Wellsburg, N. Y., filed a registration statement (File 2-32086) with the SEC on March 12 seeking registration of 2,500 shares of common stock, to be offered for public sale at \$250 per share. No underwriting is involved.

The company is engaged in the exploration for oil and gas. Of the net proceeds of its stock sale, \$520,375 will be used to drill deeper in existing wells and for new drillings into the Medina formation; the balance will be added to working capital and used for general corporate purposes. The company has outstanding 2,378 common shares (with a \$10.78 per share book value), of which management officials as a group own 17.99%. Chester H. Decker is president. Upon completion of this offering, purchasers of the shares being registered will sustain an immediate dilution of \$69.68 in the per share book value from the public offering price.

STANDARD OIL SHARES IN REGISTRATION. The Standard Oil Company, Midland Bldg., Cleveland, Ohio 44115, filed a registration statement (File 2-32087) with the SEC on March 14 seeking registration of 76,753 shares of common stock, to be offered under the Sohio Employees Investment Plan.

EVANS PRODUCTS FILES FOR SECONDARY. Evans Products Company, 1121 S. W. Salmon St., Portland, Ore., filed a registration statement (File 2-32089) with the SEC on March 17 seeking registration of 18,720 outstanding shares of common stock. Such shares were issued on November 19, 1968, in connection with the acquisition by the company of all the outstanding stock of Savona Timber Company Ltd. and may be offered for public sale by the present holders thereof from time to time at prices current at the time of sale (\$53 per share maximum\*).

The company is a manufacturer and distributor of building materials and related products, of homes and commercial structures, of steel and malleable iron castings for the construction equipment and automotive industries and of railcars and equipment for the transportation industry. In addition to indebtedness and preferred stock, it has outstanding 3,319,298 common shares. Monford A. Orloff is chairman and president. C. Graeme C. King proposes to sell 6,014 shares and 15 others the remaining shares being registered.

**PACIFIC SCIENTIFIC PROPOSES OFFERING AND SECONDARY.** Pacific Scientific Company, 6280 Chalet Dr., City of Commerce, Calif. 90022, filed a registration statement (File 2-32090) with the SEC on March 17 seeking registration of \$1,000,000 of convertible subordinated debentures, due 1989, and 218,180 outstanding shares of common stock. The debentures are to be offered for public sale by the company and the common shares by the present holders thereof. The offering is to be made through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Calif. 94106; the interest rate on the debentures, offering prices (\$14 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the design, manufacture and marketing of components and subsystems for aircraft, and equipment and systems for metal heat treatment; it also markets and services technical products of other manufacturers. Net proceeds of its debenture sale will be added to the company's general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 673,395 common shares, of which Decker G. McAllister, board chairman, owns 40.96% and management officials as a group 61.83%. W. L. Hawks is president. McAllister proposes to sell 92,300 of 275,849 shares held, William J. Parsons, a director, 41,980 of 62,979 and 11 others the remaining shares being registered.

**UNITED ENERGY PROPOSES OFFERING.** United Energy Corporation, A-112 Petroleum Center Bldg., San Antonio, Tex. 78203, filed a registration statement (File 2-32092) with the SEC on March 17 seeking registration of \$1,000,000 of units of participation in its United Energy Drilling Fund--1969, to be offered for public sale in 200 units, at \$5,000 per unit. NASD members who assist in sale of the units will receive a 5% commission. The Fund was organized to permit investors to engage in drilling on semi-proven acreage and, to a more limited extent, exploratory drilling for oil and gas. I. A. McNav is president of the company and Sherwood H. Egbert board chairman.

**CUMMINS ENGINE SHARES IN REGISTRATION.** Cummins Engine Company, Inc., 1000 Fifth St., Columbus, Ind. 47201, filed a registration statement (File 2-32091) with the SEC on March 17 seeking registration of 745,142 shares of common stock, of which 502,857 are issuable upon conversion of the 5% subordinated guaranteed convertible debentures of Cummins International Finance Corporation (a wholly-owned subsidiary) on or after May 1, 1969, and 142,285 are issuable or have been issued pursuant to stock options. The company has outstanding 5,475,103 common shares.

**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 stock option, profit sharing and related plans:

- Georgia-Pacific Corporation, Portland, Ore. 97204 (File 2-32084) - 156,090 shares
- Eagle-Picher Industries, Inc., Cincinnati, Ohio 45202 (File 2-32085) - 50,000 shares (1969 Employees' Stock Purchase Plan) and (File 2-32088) - 200,000 shares (1962 Stock Option Plan)
- National Steel Corporation, Pittsburgh, Pa. 15219 (File 2-32095) - 13,955 shares

**CORNWALL TIN PROPOSES OFFERING.** Cornwall Tin & Mining Corporation, c/o The Corporation Trust Company, 100 West 10th St., Wilmington, Del., filed a registration statement (File 2-32093) with the SEC on March 17 seeking registration of 200,000 shares of common stock, to be offered for public sale on an "all-or-none", best efforts basis through Shaskan & Co., 67 Broad St., New York. The offering price (\$3.50 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$14,000 for expenses.

Organized under Delaware law in November 1968, the company has acquired, in exchange for 2,000,000 common shares, three agreements to explore for minerals over an area of 1,670 acres in Cornwall, England. Net proceeds of its stock sale will be used to finance the company's underground exploration and surface exploration drilling programs (principally for tin), and the balance for working capital. The company has outstanding 2,005,000 common shares, of which Joseph H. Hirshhorn owns 55% and Prado Explorations Limited 45%. Stephen Kay is president. Purchasers of the 200,000 shares being registered will acquire a 9% stock interest in the company for their investment of \$700,000; present stockholders will then own 91%, for which they paid 19¢ per share.

**TRADING SUSPENSIONS CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the securities of Bartep Industries, Inc., Dumont Corporation and Majestic Capital Corporation for the further ten-day period March 21-30, 1969, inclusive.

**SECURITIES ACT REGISTRATIONS. Effective March 19:** Commercial Alliance Corp., 2-31543 (40 days); Consolidated Edison Co. of New York, Inc., 2-31884; The Echlin Manufacturing Co., 2-31780; Economics Laboratory, Inc., 2-31931; Lee Enterprises, Inc., 2-31630 (90 days); Lyntex Corp., 2-31300 (40 days); Nashua Corp., 2-31682 (40 days); Nippon Electric Co., Ltd., 2-31475 (Apr 29); Orbanco, Inc., 2-30362; Rio Grande Industries, Inc., 2-30845 (90 days); SSI Computer Corp., 2-31970; TRW Inc., 2-31331 (40 days); Utah Construction & Mining Co., 2-31530; White Shield Corp., 2-31312 (40 days); White Shield Oil and Gas Corp., 2-30948 (40 days); Wright Machinery Co., Inc., 2-31072 (40 days). **Withdrawn March 19:** Applied Technical Services, 2-31456.

**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.