

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE October 23, 1970

COMMISSION ANNOUNCEMENTS

REVISIONS SUGGESTED IN NYSE COMMISSION SCHEDULE. The SEC announced October 22 (Release 34-9007) that, upon review of the proposed New York Stock Exchange minimum rate schedule, it had concluded that (i) the proposed increases in rates for round-lot orders of 100 through 400 shares are unreasonable and should be reduced to stated percentages and (ii) that the proposed rate schedule is unreasonable to the extent that it fixes charges for that portion of an order in excess of \$100,000. The action was conditioned on the understanding that no member firm which traditionally has accepted small customer accounts will impose or continue any limitation on the size of such customer's order or account and that in connection with such business the firm will not charge fees in excess of the proposed rates.

To provide a better basis for the determination of rates, the Commission requested the NYSE to submit not later than June 30, 1971, (1) a new rate structure based on a percentage scale of the money involved in an order; (2) a proposed revision of the intra-member charges for floor brokerage and clearance; and (3) a proposal for reasonable non-member access. The Exchange also was requested to develop and submit a plan by May 31, 1971, for a uniform system of accounts and uniform methods of cost allocation.

TRADING IN PICTURE ISLAND COMPUTER SUSPENDED. The SEC today ordered the ten-day suspension, through November 1, of over-the-counter trading in the common stock of Picture Island Computer Corporation of North Miami, Fla. (Release 34-9008). The suspension was ordered because of the unavailability of accurate financial and other information about the company and its operations and because information developed in an investigation indicates that Picture Island stock may have been offered and sold in violation of provisions of the Federal securities laws. In an injunctive action filed in the Federal court in Dallas, which named Picture Island, Computerresources Corporation, Peter Francis Crosby, Dinty W. Whiting, Harris International, Inc., C. L. Harris and Edward Bottinelli as defendants, the Commission alleges that Picture Island stock has been offered and sold in violation of the registration requirements of the Securities Act; also that they engaged in activities violative of the anti-fraud provisions of the securities laws in the dissemination to purchasers and prospective purchasers of the stock of false and misleading information concerning the reported assets of Picture Island as well as with respect to other activities of the company.

HOLDING COMPANY ACT RELEASE

NEW ENGLAND POWER SEEKS ORDER. The SEC has issued an order under the Holding Company (Release 35-16874) giving interested persons until November 17 to request a hearing upon an application of New England Power Company, Westboro, Mass. subsidiary of New England Electric System ("NEES"), to issue and sell \$20,000,000 of first mortgage bonds, Series Q, and 150,000 shares of cumulative preferred stock (\$100 par), at competitive bidding. New England Power further proposes to sell 142,857 shares of common stock for \$4,999,995 (\$35 per share) to NEES. It will apply the net proceeds, together with treasury funds, to the payment of short-term notes (estimated at \$40,000,000) evidencing borrowings made for capitalizable expenditures or to reimburse the treasury therefor.

INVESTMENT COMPANY ACT RELEASES

MUTUAL LIFE RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-6217), on application of The Mutual Life Insurance Company of New York and Pooled Account No. 1 established by it to provide a funding medium for certain Group Deposit Administration Contracts for retirement or pension plans pursuant to the Self-Employed Individuals Tax Retirement Act of 1962. The order authorizes a modified scale of sales load deductions from deposit payments received on the sale of such contracts.

A.W.C. CORP. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6218) declaring that A.W.C. Corporation (formerly ANEC Capital Corporation) has ceased to be an investment company.

DUDLEY F. CATES SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6216) giving interested persons until November 13 to request a hearing upon an application of Dudley F. Cates, a general partner of Loeb Rhoades & Company, New York, for exemption from provisions of Section 9(a) of the Act which might otherwise preclude him from serving as an official of American General Bond Fund, Inc., of which he is a director, by reason of a November 1968 court order of injunction against the Loeb Rhoades firm and its partners involving the sale of stock of Lynbar Mining Corporation. Upon the basis of a settlement offer made in connection with that action, the Commission imposed certain sanctions against the firm.

OVER

SECURITIES ACT REGISTRATIONS

MINORITY INVESTMENTS TO SELL STOCK. Minority Investments, Inc., 1200 U St., S. E., Washington, D. C., filed a registration statement (File 2-38638) with the SEC on October 20 seeking registration of 5,000 shares of Class A and 25,000 shares of Class B common stock. According to the prospectus, the company has received subscriptions from five Washington banks for 16,700 B shares. The remaining 8,200 B shares and 5,000 A shares are to be offered for public sale at \$10 per share. No underwriting is involved.

The company was recently organized to engage in business as a minority enterprise small business investment company. Its investments will be made to develop business enterprises to be owned and operated by members of the minority community. Net proceeds of the company's stock sale will be used to satisfy the minimum capitalization requirements imposed by the Small Business Administration for the granting of licenses to minority enterprise small business investment companies, to obtain such a license and to commence operations. The company has outstanding 100 B shares, all of which are owned by The National Council for Equal Business Opportunity. James A. Jordan is president.

TENNECO PROPOSES OFFERING. Tenneco Inc., Tenneco Building, Houston, Tex. 77002, filed a registration statement (File 2-38640) with the SEC on October 21 seeking registration of 5,500,000 shares of common stock with warrants to purchase 5,500,000 shares, to be offered for public sale in units, each consisting of one share and one warrant. The offering is to be made through underwriters headed by Stone & Webster Securities Corporation, 90 Broad St., New York 10004, and two other firms; the offering price (\$25 per unit maximum*) and underwriting terms are to be supplied by amendment.

The company owns and operates natural gas transmission systems. Net proceeds of its stock sale will be applied to the payment of short-term notes outstanding under its credit agreement, advanced to Tenneco Corporation, a wholly-owned subsidiary (and applied by it to payment of short term notes outstanding under a credit agreement) and used for the expansion of the businesses of the company and its subsidiaries. Proceeds of the short-term notes were used, respectively, by the company and the subsidiary for expansion of operations and by Tenneco Corp. for expansion of the business of its subsidiaries. In addition to indebtedness and preferred stock, the company has outstanding 59,008,681 common shares. Gardiner Symonds is board chairman and N. W. Freeman president.

SIERRA PACIFIC POWER TO SELL STOCK. Sierra Pacific Power Company, 100 East Moana Lane, Reno, Nev. 89510, filed a registration statement (File 2-38641) with the SEC on October 21 seeking registration of 500,000 shares of common stock, to be offered for public sale through underwriters headed by Dean Witter & Co. Inc., 14 Wall St., and Stone & Webster Securities Corp., 90 Broad St., both of New York. A public utility, the company will use the net proceeds of its stock sale to repay in part outstanding bank loans and commercial paper incurred or issued in connection with its construction program and expected to aggregate \$21,800,000 at the time of the stock sale. Construction expenditures are estimated at \$24,530,000 for 1970.

MANAVEST INTERNATIONAL TO SELL STOCK. Manavest International Corp., 11 MacArthur Blvd., Westmont, N. J. 08108, filed a registration statement (File 2-38642) with the SEC on October 21 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on a best efforts basis by Mark E. Scott Corp., 2175 Lemoine Ave., Ft. Lee, N. J. 07024, which will receive a 24c per share selling commission plus \$7,500 for expenses. The company recently sold the underwriters at 1c per warrant, five-year warrants to purchase 30,000 shares, exercisable after 13 months at \$3.30 per share.

Organized in July 1970, the company will engage in the business of management consultation, specializing in providing sophisticated management systems and assistance to commercial and industrial organizations. Of the net proceeds of its stock sale, \$264,900 will be used for employment and training of operations personnel; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 900,000 common shares, of which Gerald T. Callaghan, president, owns 32% and Manatech International Ltd. 67.8%. Purchasers of the shares being registered will acquire a 25c stock interest in the company for their investment of \$900,000; present shareholders will then own 75% for which they paid \$12,000.

PRUDENTIAL FUNDS PROPOSES OFFERING. Prudential Funds, Inc., One New York Plaza, New York 10004, filed a registration statement (File 2-38644) with the SEC on October 21 seeking registration of \$20,000,000 of interests in its 1971 Annual Drilling Fund--Series Twenty-Four, to be offered for public sale in minimum amounts of \$10,000. No underwriting is involved; participating NASD members will receive a 6% selling commission. The Fund is being organized for the purpose of financing the acquisition, testing and development and operation of oil and gas leaseholds. If the Fund is continued as a partnership, the company will be the general partner thereof. Nathan M. Shippee is board chairman and Frederick M. Glass president.

HOUSTON NATURAL GAS TO SELL DEBENTURES. Houston Natural Gas Corporation, Houston Natural Gas Bldg., P. O. Box 1188, Houston, Tex. 77001, filed a registration statement (File 2-38643) with the SEC on October 21 seeking registration of \$20,000,000 of debentures, due 1975, to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., and The First Boston Corp., 20 Exchange Pl., both of New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the transmission, distribution and sale of natural gas in the Gulf Coast area of Texas and in the production and sale of carbon dioxide and other industrial and medical gases. Net proceeds of its debenture sale will be applied to the reduction of interim bank loans, expected to approximate \$37,000,000 at the time of the debenture sale and incurred or to be incurred for capital additions. Construction expenditures for the fiscal year ending July 31, 1971, are estimated at \$35,000,000. In addition to indebtedness and preferred stock, the company has outstanding 5,163,643 common shares. John H. Wimberly is board chairman and Robert R. Herring president.

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MINUTE APPROVED CREDIT PLAN PROPOSES OFFERING. Minute Approved Credit Plan, Inc., 2 Ralph Ave., Brooklyn, N. Y. 11221, filed a registration statement (File 2-38645) with the SEC on October 21 seeking registration of 130,000 shares of common stock with warrants to purchase 65,000 shares, to be offered for public sale in units, each consisting of two shares and one warrant, and at \$10 per unit. The offering is to be made by Resch-Cassin & Co., Inc., 99 Wall St., New York, which will receive a \$1 per unit commission plus \$12,000 for expenses. The company has agreed to sell the underwriter, at 1¢ per warrant, six-year warrants to purchase 13,000 shares, exercisable after one year at \$5 per share.

The company is engaged in purchasing high risk installment sales contracts from two affiliated furniture and appliance stores at discounts ranging from 40% to 50%. Of the net proceeds of its stock sale, \$186,999 will be applied to the repayment of short-term debt and the balance will be used mainly for the purchase of installment credit consumer obligations. In addition to indebtedness, the company has outstanding 400,000 common shares (with a 32¢ per share net tangible book value), of which Joseph Lichtman, president, and Murray Lichtman, board chairman, own 50% each. Purchasers of the shares being registered will sustain an immediate dilution of \$3.80 in per share book value from the offering price.

PUBLIC SERVICE CO. (N.H.) TO SELL BONDS. Public Service Company of New Hampshire, 1087 Elm St., Manchester, N. H. 03105, filed a registration statement (File 2-38646) with the SEC on October 21 seeking registration of \$20,000,000 of first mortgage bonds, Series Q, due 2000, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. An electric utility, the company will use the net proceeds of its bond sale to reduce short-term borrowings incurred in connection with the construction program and expected to approximate \$24,000,000 at the date of delivery of the bonds. Construction expenditures are estimated at \$27,900,000 for 1970 and \$110,000,000 for the years 1970 through 1972.

GROUP INVESTMENT PROGRAMS PROPOSES OFFERING. Group Investment Programs, 125 Maiden Lane, New York 10038, filed a registration statement (File 2-38647) with the SEC on October 21 seeking registration of \$5,000,000 of Group Investment Programs certificates for accumulation of Group Securities, Inc. Distributors Group, Incorporated, a wholly-owned subsidiary of USLIFE Corporation, 125 Maiden Lane, New York 10038, is sponsor. Gordon E. Crosby, Jr., is board chairman and Harold X. Schreder president and chief executive officer of the sponsor.

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 October 5 News Digest.

8K Reports for Aug 1970

| | | | |
|--|-----------|--|-----------|
| Subscription Television Inc. Jun 70(4,7,8,13) | 0-931-2 | Central Charge Service, Inc.(12) | 2-16813-2 |
| Susquehanna Corp (3) | 1-5515-2 | Cotter & Company (7,13) | 2-20910-2 |
| Systems Engineering Laboratories, Inc. (12) | 1-5635-2 | Prudential Fund, Inc.(12,13) | 1-6277-2 |
| Union Carbide Corporation(12,13) | 1-1463-2 | RPS Products Inc. (7) | 0-4072-2 |
| Vanguard Data Systems Jul 70(12) | 2-33191-2 | Reliable Investors Group, Inc.(2) | 0-3820-2 |
| American Financial Corp (8) | 0-839-2 | Societe Du Pipe-Line Sud-European 6K for Aug 70 | 1-4627-2 |
| Bandag, Inc. Jul 70(3) | 0-3533-2 | Transairco, Inc. (7) | 1-3461-2 |
| Bohemia Lumber Co., Inc. Jul 70(3) | 0-3939-2 | URS Systems Corporation (12) | 1-6067-2 |
| Continental American Royalty Co. (12,13) | 0-3073-2 | The William Carter Company (4,7,8,13) | 0-3093-2 |
| Popeil Brothers, Inc. (12) | 2-34859-2 | Comress, Inc. Jul 70(8) | 0-4621-2 |
| Reading & Bates Offshore Drilling Co. (7) | 1-5587-2 | Donnkenny Inc. May 70(1,2,11,13) | 2-19809-2 |
| Seaco Computer Display Inc. (2,3,7,13) | 2-34728-2 | First Financial Life Ins. Co. Apr 70(3,11) | 2-22568-2 |
| Servicemaster Industries Inc. May 70(2,13) | 0-3168-2 | Reuter, Incorporated (2) | 0-1561-2 |
| Sterner Lighting Inc. (7) | 0-2552-2 | Roblin Industries, Inc. (7,8) | 1-5213-2 |
| A O Industries Inc. Jul 70(12,13) | 1-3991-2 | Sunshine Mining Co. (12,13) | 1-678-2 |
| The Deltona Corporation (7) | 1-4719-2 | Talley Industries, Inc. (4,11) | 1-4778-2 |
| Denny's Restaurants, Inc.(4,7,9,13) | 1-5124-2 | Trans-Canada Pipe Lines Ltd.(7,8) | 2-12927-2 |
| Florida Power & Light Co. (7,13) | 1-3545-2 | Tyco Laboratories, Inc. (12) | 1-5482-2 |
| Southwestern Electric Power Co.(8) | 1-3146-2 | Unexcelled Inc.(8,11) | 1-5303-2 |
| Ventura Oil Company Jul 70(3) | 0-1279-2 | Western Bancorporation (7) | 1-4114-2 |
| Worldwide Computer Services Inc. (2,4,13) | 2-30584-2 | Williamhouse-Regency Inc.(12) | 1-4559-2 |
| | | Computer Enterprises Inc. Jul 70 (11,12) | 2-30737-2 |
| | | Ramada Inns, Inc. (7,13) | 1-5440-2 |
| | | Realty Income Trust (11) | 1-6210-2 |
| | | United Lead Zinc Mines Co. (3) | 1-315-2 |

8K Reports for Aug 1970

| | | <u>Amended 8K Reports</u> | | |
|------------------------------------|-----------|--------------------------------------|-----------|--|
| Acme Precision Products, Inc. (8) | 1-6135-2 | Associated Bank Services, Inc. | | |
| Foster Grant Co. Inc. (7) | 0-78-2 | Amdt #1 for June 70(7,10) | 2-34098-2 | |
| Penn-Dixie Cement Corp (12,13) | 1-884-2 | Self Service Restaurants, Inc. | | |
| Science Management Corporation(12) | 1-6059-2 | Amdt #1 for May 70(13) | 2-30929-2 | |
| Stanley Works (12) Sept 70 | 1-5224-2 | | | |
| Union Pacific RR Co. (13) | 1-1324-2 | Cypress Communications Corporation | | |
| Universal Container Corp(2,12,13) | 1-4277-2 | Amdt #2 for May 70(1,2,13) | 0-3289-2 | |
| | | | | |
| Avondale Mills (7,10) | 1-5589-2 | Electronic Memories & Magnetics Corp | | |
| Financial Security Life Ins. Co. | | Amdt #1 for July 70(2) | 1-6035-2 | |
| (12,13) | 0-3428-2 | | | |
| First Jersey National Corporation | | Skaggs Drug Centers, Inc. | | |
| (7,13) | 0-4517-2 | Amdt #1 for Jun 70(13) | 1-5392-2 | |
| PP & C Companies, Inc. (12,13) | 0-3001-2 | | | |
| Shorebank, Inc. (7,13) | 0-3818-2 | Church's Fried Chicken, Inc. | | |
| Telemation, Inc. (2) | 2-32281-2 | Amdt #1 for Nov 69(13) | 0-4720-2 | |
| The Upjohn Company (3) | 1-4147-2 | | | |
| | | | | |
| Albertson's Inc. (7,12) | 1-6187-2 | Colt Industries, Inc. | | |
| Danmont Corporation (12,13) | 0-4596-2 | Amdt #1 for Apr 70(12,13) | 1-5882-2 | |
| Eckmar Corp | | | | |
| May 68(12) | 1-5405-2 | The Dayton Power & Light Co. | | |
| July 68(12,13) | 1-5405-2 | Amdt #1 for Jun 70(7) | 1-2385-2 | |
| Oct 68(2) | 1-5405-2 | Earth Resources Company | | |
| Dec 68(2,6,9) | 1-5405-2 | Amdt #1 for Mar 70(2) | 1-5984-2 | |
| Apr 69(2) | 1-5405-2 | Philadelphia Suburban Corp | | |
| Jul 70(2,7,12,13) | 1-5405-2 | Amdt #1 for Oct 69(13) | 0-3823-2 | |
| Edmos Corp Jul 70(2) | 1-6323-2 | Roosevelt National Investment Co. | | |
| Precision Instrument Company (12) | 0-96-2 | July 70(13) | 0-4362-2 | |
| Scotten Dillon Co.(3,11,12,13) | 1-6178-2 | | | |
| Trans-Industries, Inc. (6) | 0-4539-2 | Eckmar Corp | | |
| Visual Graphics Corp (11) | 0-5018-2 | Amdt #1 for Aug 69(2,12,13) | 1-5405-2 | |
| | | Amdt #1 for Jan 69(1,2,9,12,13) | 1-5405-2 | |
| | | Pacific Automation Products, Inc. | | |
| | | Amdt #1 for Apr 70(13) | 0-2860-2 | |

SECURITIES ACT REGISTRATIONS. Effective October 22: Broadway-Hale Stores, Inc., 2-38432; Burnup & Sims Inc., 2-38501; Founders Financial Funding Corp., 2-38167; Metalized Ceramics Corp., 2-37773 (Jan 21); Pan American World Airways, Inc., 2-38310 (Dec 1); Pitney Bowes, Inc., 2-38525; The Procter & Gamble Co., 2-38482, 2-38483 & 2-38484; Prudent Resources Trust, 2-33202 (40 days); Sears, Roebuck & Co., 2-38398; Skelly Oil Co., 2-38490; Society Corp., 2-38588 (40 days); Southeastern Michigan Gas Co., 2-37784 (40 days); James Talcott, Inc., 2-38524 (40 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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