

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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FOR RELEASE June 3, 1970

COMMISSION ANNOUNCEMENTS

PROJECTED EXPENDITURES REPORTED. The SEC and the Department of Commerce report (for June 4 newspapers) that business investment in new plant and equipment is expected to total \$81.4 billion in 1970, 8 percent above 1969. The expected rise compares with an 11-1/2 percent increase from 1968 to 1969. The latest projection for 1970 is about 2 percent below the \$82.9 billion projected in February. The downward revision amounted to 2 percent in the first quarter, 1-1/2 percent in the second, and 2 percent for the second half of the year. For the year, the revision centered in manufacturing and affected both durables and non-durables. The projection of spending for nonmanufacturing industries is slightly higher than reported in the February survey, reflecting upward revisions by public utilities and airlines. For further details, see Stat. Release No. 2448.

LOCKHEED INQUIRY ORDERED. The SEC announced June 2 that it had received and considered its staff report relating to the Lockheed C-5A matter. While the investigation did not disclose evidence of unlawful insider trading, the Commission determined to commence proceedings pursuant to Section 21(a) of the Securities Exchange Act of 1934 to explore further the important questions of disclosure with respect to costs incurred in major defense contracts, of which the C-5A situation is a notable example.

HOLDING COMPANY ACT RELEASE

PENNZOIL UNITED RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16747) authorizing Pennzoil United, Inc., Houston, to make a rights offer of 4,056,714 shares of United Gas, Inc. common stock for subscription by Pennzoil stockholders without a stand-by underwriting. The company was unable to negotiate such an underwriting and now proposes to make the offering, without a stand-by underwriting, at a subscription price of not less than \$12 nor more than \$15 per share. NASD members who solicit subscriptions will receive compensation at the rate of 20¢ for each share of United common subscribed for through the exercise of rights. Pennzoil proposes to arrange for White, Weld & Co. and Lehman Brothers to form and manage a group of securities dealers to effect "lay-off" transactions during the subscription period.

INVESTMENT COMPANY ACT RELEASE

TSAI MANAGEMENT SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6066) giving interested persons until June 23 to request a hearing upon an application of Tsai Management & Research Corporation, New York, sponsor-depositor of Manhattan Investment Plans for the Accumulation of Shares of Manhattan Fund, Inc., TMR Appreciation Investment Plans for the Accumulation of Shares of TMR Appreciation Fund, Inc., Liberty Investment Plans for the Accumulation of Shares of Liberty Fund, Inc., all unit investment trusts, for an order permitting an offer of exchange and exempting applicants from Section 22(d) of the Act. Each of the three plans has filed a registration statement to permit it to issue certificates evidencing periodic investment plans for the accumulation of shares of the underlying mutual fund, and each of the plans provides for three types of similar programs for the accumulation of shares of their respective underlying mutual funds. Applicants propose to offer holders of each of the three plans upon payment of a single transaction service charge of \$5, the opportunity to exchange their certificates for the certificates of either of the other plans at the relative net asset values of the certificates which are equal to the net asset values of their underlying shares.

COURT ENFORCEMENT ACTION

SIEREGA CO. ENJOINED; RECEIVER APPOINTED. The SEC San Francisco Regional Office announced May 28 (LR-4618) that the Federal court in Los Angeles had (1) permanently enjoined violations of SEC Rule 10b-5 by Sierega & Company, Inc., and (2) appointed as receiver for the firm the Pacific Coast Exchange Clearing Corporation, a subsidiary of the Pacific Coast Stock Exchange. Sierega consented to the injunction and appointment of a receiver without admitting the allegations of the Commission's complaint that it engaged in the conduct of a securities business while insolvent and without disclosing its insolvent condition.

SECURITIES ACT REGISTRATIONS

SNC INDUSTRIES FILES FOR OFFERING AND SECONDARY. SNC Industries, Inc., 131 Howell St., Dallas, Tex. 75207, filed a registration statement (File 2-37506) with the SEC on May 28 seeking registration of 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the holder thereof. The offering is to be made through underwriters headed by Schneider, Bernet & Hickman Securities Corp., 3200 First National Bank Bldg., Dallas, Tex. 75202; the offering price (\$19 per share maximum*) and underwriting terms are to be supplied by amendment.

OVER

The company is engaged primarily in marketing of an assortment of kitchenware, tableware and the Saladmaster food cutting machine through its independent direct sales organization and the financing of customers' time-payment accounts. Of the net proceeds of its sale of additional stock, \$625,000 will be used to retire the company's short-term bank debt incurred to carry on the financing activities of its subsidiary; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 402,542 common shares, of which Harry Lemmons, president, owns 27.5%; he proposes to sell 50,000 of 110,686 shares held.

NEARCO OIL & MINERALS PROPOSES EXCHANGE OFFER. Nearco Oil & Minerals, Inc., 3303 Lee Parkway, Dallas, Tex. 75219, filed a registration statement (File 2-37508) with the SEC on May 28 seeking registration of 7,952,600 shares of common stock, of which 4,373,930 are to be offered in exchange for certain oil and gas interests of Eugene E. Nearburg Operating Account ("Nearburg Partnership") and 3,578,670 are to be offered (on a share-for-share basis) in exchange for the common stock of Charter Oil Company Limited. The exchange offer is contingent upon the exchange of 4,373,930 shares for the Nearburg Partnership Oil and Gas Interests and upon acceptance of the exchange offer by holders of at least 80% of the Charter Oil common stock. Upon consummation of the exchange offer, Vilas & Hickey, 26 Broadway, New York, will be entitled to a finder's fee of up to 79,526 common shares.

Organized in February 1968, the company proposes to engage in the oil and gas business of the Nearburg Partnership and of Charter Oil and to attempt to develop production on new and unproven properties. The company has outstanding 1,000 common shares, all owned by Eugene E. Nearburg, board chairman and president.

CATTLEMASTER FARMS PROPOSES OFFERING. Cattlemaster Farms, Inc., 107 N. 4th St., Leesburg, Fla. 32748, filed a registration statement (File 2-37512) with the SEC on May 28 seeking registration of investment contracts related to 100 Managed Breeding Herds of Beefmaster Cattle, to be offered for public sale at a minimum price of \$25,000 per herd. Each purchaser is invited but not required to enter into a maintenance contract with the company pursuant to which it will feed, breed, maintain and care for the herd. No underwriting is involved; independent sales representatives may receive up to an 8% selling commission. Byron E. Herlong is president of the company and owns 79% of its outstanding common stock.

NEONEX INTERNATIONAL SHARES IN REGISTRATION. Neonex International Ltd., 1055 West Hastings St., Vancouver 1, B. C., Canada, filed a registration statement (File 2-37500) with the SEC on May 27 seeking registration of 3,600,393 shares of common stock, of which 2,550,000 are issuable in connection with the acquisition of 67.6% of the common shares of Maple Leaf Mills Limited, 700,393 may be offered in connection with the acquisitions from time to time of other businesses or properties and 350,000 are issuable pursuant to the company's Executive Share Purchase Scheme. These securities may be offered for sale from time to time by the recipients thereof at prices current at the time of sale (\$3.25 per share maximum*).

The company is a diversified company engaged in a variety of businesses in Canada conducted through its Food Services, Home Improvements, Consumer Goods, Transportation Services, Advertising and Communications, Leisure Time, and Shelter Divisions. In addition to indebtedness, it has outstanding 6,846,084 common shares. Upon the company's consummation of the acquisition of 67.6% of the common shares of Maple Leaf, Norris Grain Company (which is controlled by Nelvana Corporation) will own 2,550,000 shares of Neonex, and Nelvana Corporation will own or control 29% of the shares of Neonex. James Allen Pattison is board chairman and Ross James Turner president.

TEXAS INTERNATIONAL AIRLINES PROPOSES OFFERING. Texas International Airlines, Inc., 8451 Lockheed St., Houston, Tex. 77017, filed a registration statement (File 2-37513) with the SEC on May 28 seeking registration of 2,250,000 shares of common stock with warrants to purchase 2,250,000 common shares, to be offered for public sale in units, each consisting of five shares and one warrant to purchase five shares. The offering is to be made through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005, and Eppler, Guerin & Turner, Inc., 3900 First National Bank Bldg., Dallas, Tex. 75202; the offering price (\$30 per unit maximum*) and underwriting terms are to be supplied by amendment.

Organized in July 1968 to succeed to the business and properties of Trans-Texas Airways, Inc., the company is engaged in the scheduled air transportation of persons, property and mail in nine states and in the Republic of Mexico. Net proceeds of its stock sale will be applied to the payment of \$1,500,000 of short-term indebtedness and to payment of certain past due and deferred trade accounts payable; the balance will be added to the company's working capital. In addition to indebtedness and preferred stock, the company has outstanding 1,196,611 common shares, of which MEI Corporation owns 40%. Officers and directors of Texas International own 13% of the outstanding common stock of MEI. Carl R. Pohlard is board chairman and W. Lloyd Lane president.

U. S. INDUSTRIES SHARES IN REGISTRATION. U. S. Industries, Inc., 250 Park Ave., New York 10017, filed a registration statement (File 2-37514) with the SEC on May 28 seeking registration of 4,000,000 shares of common stock and 200,000 shares of Special Preference Stock (\$2.50 par). These shares have been or may be issued in mergers or in exchange for the business and assets or shares of capital stock of other companies and may include shares issuable upon exercise of warrants. They may be offered for sale from time to time by the holders or recipients thereof at prices current at the time of sale (\$13.25 per common and \$100 per preference share maximum*).

The company is engaged in the manufacture and distribution of a varied line of industrial and consumer products and services which fall into seven categories: apparel and accessories, industrial and agribusiness equipment, building materials and construction, shelter and furnishings, services, plastics and petrochemicals and health and leisure. In addition to indebtedness and preferred stock, the company has outstanding 20,599,264 common shares.

PUBLIC SERVICE E&G TO SELL STOCK. Public Service Electric and Gas Company, 80 Park Place, Newark, N. J. 07101, filed a registration statement (File 2-37516) with the SEC on May 28 seeking registration of 350,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The dividend rate, offering price (\$103 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will add the net proceeds of its stock sale to its general funds and use them for general corporate purposes, including payment of a portion of its construction costs. Part of the proceeds may be applied to payment at or before maturity of a portion of the company's unsecured short-term obligations (incurred for general corporate purposes, including payment of construction costs) expected to aggregate \$25,000,000 at the time the proceeds are received. Construction expenditures are estimated at \$400,000,000 for 1970, \$459,000,000 in 1971 and \$398,000,000 in 1972.

COX AND GALE PROPERTIES TO SELL STOCK. Cox and Gale Properties, Inc., 630 S. Maitland Ave., Maitland, Fla. 32751, filed a registration statement (File 2-37515) with the SEC on May 28 proposing the public offering of 100,000 shares of common stock. No underwriting is involved; participating NASD members will receive up to a 10% selling commission.

The company is engaged in investing in real property and interests therein. Net proceeds of its stock sale will be used to acquire additional investments in real estate and for general corporate purposes. In addition to indebtedness, the company has outstanding 500,000 common shares (with a 9¢ per share net tangible book value), of which Jack L. Gale, president, and Willoughby T. Cox, Jr., own 33% each and management officials as a group 100%.

TECHNAUTICS TO SELL STOCK. Technautics Corporation, Building 283, Brooklyn Navy Yard, Brooklyn, N. Y. 11205, filed a registration statement (File 2-37517) with the SEC on May 28 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, all or none" basis by Grimm & Davis, Inc., 54 Wall St., New York, which will receive a 50¢ per share selling commission plus \$6,500 for expenses. The company has agreed to issue the underwriter six-year warrants to purchase 10,000 shares, exercisable after one year at \$5.50 per share.

Organized in May 1968, the company designs and fabricates undersea research habitats and markets its undersea structures and other products for use in commercial, recreational and research marine activities. Of the net proceeds of its stock sale, \$175,000 will be used for research and product development and \$75,000 in connection with the further development of the company's marketing program; the balance will be added to the company's working capital. The company has outstanding 212,475 common shares, of which Richard L. Caplan, board chairman and president, owns 64.2%.

CINERAMA FILES FOR SECONDARY. Cinerama, Inc., 1345 Avenue of the Americas, New York 10019, filed a registration statement (File 2-37518) with the SEC on May 28 seeking registration of 167,784 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 (\$7 per share maximum*).

The company at the present time is engaged in motion picture distribution, the operation of a chain of hotels in Honolulu, and the operation of a motion picture theatre circuit. It has participated in producing motion pictures and may engage in motion picture productions in the future. In addition to indebtedness, the company has outstanding 11,152,091 common shares, of which William R. Forman, board chairman and president, owns 36.7% and Pacific Theatres Corporation 36.3%. Joseph Blumenfeld proposes to sell 50,000 of 50,026 shares held, Abe Blumenfeld 29,854 of 39,880 and four others the remaining shares being registered.

CHILDREN'S WORLD TO SELL STOCK. Children's World, Inc., 939 One Main Place, Dallas, Tex. 75250, filed a registration statement (File 2-37519) with the SEC on May 28 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Butler, Asnes & Co., 50 Broadway, New York 10004. The offering price (\$6 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the Butler firm \$15,000 for expenses and to sell it 20,000 shares at 75¢ per share.

Organized in August 1969, the company is engaged in developing and operating educational day care centers for children from two to six years of age. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. The company has outstanding 530,342 common shares (with a 49¢ per share net tangible book value), of which Hamilton F. Richardson, board chairman, owns 15.7%, management officials as a group 34.9% and Allen & Company, Incorporated, 12.6%. Dr. Sayre Uhler is president. Purchasers of the shares being registered will acquire a 27.4% stock interest in the company for their investment of \$1,200,000*; present shareholders will then own 72.6% for their investment of \$397,756.50, or 75¢ per share.

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 (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 June 2 News Digest.

Misc 8K Reports

8K for Mar 70

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|---|-----------|---|----------------------|
| Kilembe Copper Cobalt Ltd April 1970(11) | 1-4268-2 | Interco Inc. (7) Northern Chemical Industries, Inc. (2,11,13) | 1-91-2 2-11305-2 |
| Guardian Care, Inc Feb. 1970(11) | 0-4340-2 | Louisiana and Southern Life Ins. Co. (7,11,12,13) | 2-22429-2 |
| Gale Ind., Inc Feb. 1970 (3,9,11,12,13) | 1-1130-2 | Mack Shirt Corp(4,11,12,13) | 0-2484-2 |
| Optivision Inc Feb. 1970 (2,13) | 2-32332-2 | Midland Oil Corp Sept 69 (2,3,7,13) | 0-3610-2 |
| PPG Ind., Inc April 1970(11) | 1-1687-2 | Ransburg Electro-Coating Corp(3) | 0-3013-2 |
| Hi-Plains Enterprises, Inc May 1969(1,7,11) | 0-2711-2 | Instrument Systems Corp (2,7,12,13) | 1-5643-2 |
| Needham Packing Co Ltd April 1970(12) | 1-4662-2 | Mead Corp (4,7,8,11,13) | 1-2267-2 |
| Instrument Systems, Inc Amdt. #1 to 8K for May 1969 (13) | 1-5643-2 | Oakridge Holdings Inc.(11,13) | 0-1937-2 |
| Intl. Tape Cartridge Corp Amdt. #2 to 8K for March 1970 (3,12,13) | 0-3193-2 | White Consolidated Industries Inc. (7,13) | 1-826-2 |
| The Walter Reade Organization Inc Amdt. to 8K for Feb. 1970 (7) | 0-1043-2 | Lane Industries Inc. (12) | 2-30267-2 |
| Gar Wood Ind., Inc Amdt. to 8K for March 1970 (11) | 1-2711-2 | Massachusetts Electric Co.(11) | 2-8019-2 |
| Pacific Coast Holdings, Inc Amdt. #1 to 8K for March 1970 (1,7,13) | 0-935-2 | Narrangansett Electric Co.(11) | 0-898-2 |
| Pioneer Plastics Corp Jan. 1970(12) | 1-4487-2 | New England Power Co. (11,13) | 0-1229-2 |
| Mayflower Investors Inc.(12,13) Mar 70 | 0-2622-2 | ICV Inc. (12) | 0-4422-2 |
| Pulte Home Corporation Oct 69(2,13) | 2-32145-2 | Madjac Data Co. Inc. Dec 69(2,12, 13) | 2-31656-2 |
| Instrument Systems Corp Amdt #1 for Jan 70(12,13) | 1-5643-2 | Mallory Randall Corp(4,12,13) Aug 69(7,13) | 1-4527-2 1-4527-2 |
| Kroger Co Amdt #1 for Mar 70(11) | 1-303-2 | 20th Century Corporation Jan 70(2,7) | 0-2616-2 |
| | | KDI Corporation(3,4,7,12,13) | 0-2556-2 |
| | | National Computer Franchise Corp (12) | 2-33971-2 |
| | | Gelco-IVM Leasing Co.(11) | 0-4248-2 |
| | | Holyoke Water Power Co.(11,13) | 0-645-2 |
| | | Raygo Inc. (7) | 0-3370-2 |
| | | Anthony Kane Inc.(2,13) | 1-6330-2 |
| | | Little Miami RR Co.(11,12,13) | 1-810-2 |
| | | Marine Resources, Inc.(2,9,12,13) | 0-4296-2 |
| | | GF Industries Inc.(12) | 1-4273-2 |
| | | VTR Inc. Jan 70(7,13) | 1-3393-2 |
| | | Infotronics Corporation(4,7,13) | 0-2784-2 |
| | | International Funeral Services Inc. (2,4,7,9,13) | 0-3198-2 |
| | | Timken Roller Bearing Co. Apr 70(11,13) | 1-1169-2 |
| | | Ormand Industries, Inc.(3) | 0-869-2 |

SECURITIES ACT REGISTRATIONS. Effective June 2: Alaska Airlines, Inc., 2-36197 (40 days); Central Hudson Gas & Electric Corp., 2-36680; DAB Series "A" Oil and Gas Program, 2-34680 (90 days); Dun & Bradstreet, Inc., 2-37224; Mapco, Inc., 2-37112 (Jul 12); Pineleaf Petroleum 1970 Venture, Ltd., 2-35643 (90 days); RK Petroleum Corp., 2-35860 (90 days); Scott Paper Co., 2-37400; Tokai Bank, Ltd. (Chemical Bank), 2-36045.

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.