

# 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. 70-160)

FOR RELEASE August 18, 1970

## HOLDING COMPANY ACT RELEASE

MICH. CONSOLIDATED GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16805) giving interested persons until September 11 to request a hearing upon an application of Michigan Consolidated Gas Company, Detroit subsidiary of American Natural Gas Company, to issue and sell up to \$16,000,000 of unsecured promissory notes to six banks. Net proceeds will be used to finance, in part, construction costs, which for the year 1970 are estimated at \$43,000,000.

## INVESTMENT COMPANY ACT RELEASES

MONEY VARIABLE ACCOUNT A RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-6161) with respect to sales charges and other matters in connection with the sale of variable annuities by Mutual Life Insurance Company of New York and The MONEY Variable Account A.

STATE STREET INVESTMENT RECEIVES ORDERS. The SEC has issued exemption orders under the Investment Company Act permitting State Street Investment Company Corporation, Boston mutual fund, to issue shares at net asset value in connection with the acquisition of substantially all of the assets of Washburn Investment Company, Inc. (Release IC-6162) and substantially all of the assets of Securities Equity Company (Release IC-6163).

## COURT ENFORCEMENT ACTIONS

DANIEL BOONE FRIED CHICKEN ENJOINED. The SEC Chicago Regional Office announced August 12 (LR-4720) that the Federal court had preliminarily enjoined Daniel Boone Fried Chicken, Inc. ("DBFC") and Leonard K. Nave, an officer, from violations of the anti-fraud provisions of the Federal securities laws in the offer and sale of DBFC debentures.

## SECURITIES ACT REGISTRATIONS

SPERRY & HUTCHINSON FILES FOR SECONDARY. The Sperry and Hutchinson Company, 330 Madison Ave., New York, filed a registration statement (File 2-38170) with the SEC on August 13 seeking registration of 210,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by Salomon Brothers; the offering price (\$40 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in furnishing a trading stamp service for retail merchants and their customers. It has outstanding 10,749,332 common shares. Osceola Operating Corporation proposes to sell all of 210,000 shares held.

PETRO-SEARCH EXPLORATION PROPOSES OFFERING. Petro-Search Exploration Corporation (the "general partner") 825 Petroleum Club Bldg., Denver, Colo. 80202, filed a registration statement (File 2-38174) with the SEC on August 14 seeking registration of \$3,000,000 of limited partnership interests in its 1970 Year-End Program (the "Partnership"), to be offered for public sale in \$5,000 units (with a minimum subscription of two units). No underwriting is involved; participating NASD members will receive up to an 8 $\frac{1}{2}$ % selling commission. The Partnership is to be formed for the purpose of investing in exploratory, semi-proven and proven oil and gas leases. Petro-Search, Inc., which owns all the outstanding stock of the general partner, will serve as manager. The outstanding shares of the manager are owned by Truman E. Anderson, president of the general partner (17%), Financial Service Corporation, International (76%) and certain officers and directors of the manager. Richard R. Felker and John B. Keeble, each a director of the general partner and manager, own 24.8% and 20.4% of the outstanding stock of Financial Service Corporation, International.

MUTUAL BENEFIT GROWTH FUND PROPOSES OFFERING. Mutual Benefit Growth Fund, 520 Broad St., Newark, N. J. 07101, filed a registration statement (File 2-38175) with the SEC on August 14 seeking registration of 5,000,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 8.75% (or 0.59% of the amount invested) on purchases of less than \$25,000 (\$10 per share maximum\*). The Fund is a mutual fund whose investment objective is to invest principally in equity-type securities such as common stocks, as well as securities convertible into or exchangeable for common stocks. Mutual Benefit Financial Service Company, a wholly-owned subsidiary of The Mutual Benefit Life Insurance Company ("Mutual Benefit Life"), will serve as investment adviser and distributor. John J. Magovern, Jr., is president of the Fund and of Mutual Benefit Life.

OVER

**WESTINGHOUSE ELECTRIC TO SELL DEBENTURES.** Westinghouse Electric Corporation, Westinghouse Bldg., Gateway Center, Pittsburgh, Pa. 15222, filed a registration statement (File 2-38176) with the SEC on August 14 seeking registration of \$200,000,000 of debentures, due 1995, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 14 Wall St., and The First Boston Corporation, 20 Exchange Place, both of New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of equipment and appliances for the generation, transmission, utilization and control of electricity. Net proceeds of its debenture sale will be applied to the reduction of short-term bank borrowings which were incurred principally in connection with its continuing plant improvement and expansion program and for working capital requirements. In addition to indebtedness and preferred stock, the company has outstanding 39,990,042 common shares. D. C. Burnham is board chairman and president.

**CONNECTICUT LIGHT AND POWER PROPOSES OFFERING.** The Connecticut Light and Power Company, Selden St., Berlin, Conn., filed a registration statement (File 2-38177) with the SEC on August 14 seeking registration of \$40,000,000 of first and refunding mortgage bonds, Series W, and 400,000 shares of preferred stock, Series I (\$50 par), to be offered for public sale at competitive bidding. A wholly-owned utility subsidiary of Northeast Utilities, the company will use the net proceeds of its offering to finance its construction program, to supply funds for its investments in regional nuclear generating companies and to repay short-term borrowings which were incurred for these purposes. Short-term borrowings are estimated at \$50,000,000 at the time of the offerings. Construction expenditures are estimated at \$238,000,000 for 1970-1971.

**ILLINOIS BELL PROPOSES RIGHTS OFFERING.** Illinois Bell Telephone Company, 225 W. Randolph St., Chicago, Ill. 60606, filed a registration statement (File 2-38178) with the SEC on August 14 seeking registration of 7,704,672 shares of common stock. These shares are to be offered for subscription by shareholders of record on August 28, at the rate of one new share for each seven shares held, and at \$20 per share. A telephone subsidiary of AT&T, which is expected to purchase 7,652,377 shares, representing its pro rata portion of the offering, the company will apply net proceeds of its stock sale toward repayment of advances from its parent (of which \$110,000,000 are expected to be outstanding) and notes payable (of which \$170,000,000 are expected to be outstanding).

**ECONOMIKA TO SELL STOCK.** Economika, Inc., 7714 Greenwood Ave., Seattle, Washington, filed a registration statement (File 2-38179) with the SEC on August 14 seeking registration of 113,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made on a best efforts basis by an underwriter whose name is to be supplied by amendment and who will receive a 50¢ per share selling commission.

The company was organized in May for the purpose of providing financial services primarily to professionals, in connection with investment, estate, tax and business planning. Of the net proceeds of its stock, \$100,000 will be used by the company for the acquisition of accounts for Economika Data Corporation (a subsidiary), \$100,000 for development of computer programs for estate control, tax planning and business planning, \$100,000 for working capital for Goodwin & Company, Inc. (a subsidiary), \$125,000 for working capital for Economika Agencies, Inc. (a subsidiary), \$200,000 for acquisition of equipment and facilities to be leased by Economika Lease Corporation (a subsidiary) and \$50,000 for working capital for that subsidiary, and \$138,500 for capital to provide funds for investment in syndications by Economika Management Corporation (a subsidiary) as general partner; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 87,000 common shares (with a 52¢ per share book value), of which P. E. Goodwin, president, owns 58.6% and George Masterson, vice president, 17.2%. Purchasers of the shares being registered will acquire a 56.5% stock interest in the company for their investment of \$1,130,000 (they will sustain an immediate dilution of \$4.41 in per share book value from the offering price); present shareholders will then own 43.5%, for which they originally transferred \$52,500 in cash and other property to the company.

**BAKER OIL TOOLS SHARES IN REGISTRATION.** Baker Oil Tools, Inc., 7400 East Slauson Ave., Los Angeles, Calif. 90022, filed a registration statement (File 2-38180) with the SEC on August 17 seeking registration of 84,553 outstanding shares of common stock. These shares were issued in connection with the acquisition by the company of 93.37% of the outstanding common stock of Lynes, Inc. and may be offered for sale or pledged by the holders thereof at prices current at the time of sale (\$20 per share maximum\*). The company is primarily engaged in servicing the petroleum and mining industries by supplying products and related services utilized in the extraction and processing of oil, gas and minerals. In addition to indebtedness, it has outstanding 4,043,412 common shares. F. B. Rooke & Sons (a limited partnership) may sell 66,758 of 267,033 shares held and seven others the remaining shares being registered.

**SECURITIES ACT REGISTRATIONS.** Effective August 17: American Export Industries, Inc., 2-37141 (40 days); Electronic Assistance Corp., 2-38058 (40 days); Gulf & Western Industries, Inc., 2-38046; Northern Indiana Public Service Co., 2-37940; Park Electrochemical Corp., 2-37738; Pneumo Dynamics Corp., 2-37963; Skelly Oil Co. 2-38150; Society Corp., 2-38081 (40 days); Trans-Imperial Enterprises, Inc., 2-34112 (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.