



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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## COMMISSION ANNOUNCEMENT

**BOLTZ TO SUCCEED PENNEKAMP IN S.F.; WATSON NAMED FORT WORTH ADMINISTRATOR.** Chairman William J. Casey has announced that Fort Worth Regional Administrator Gerald E. Boltz will succeed Arthur Pennekamp as Regional Administrator of the San Francisco office when Mr. Pennekamp retires on January 1.

Boltz joined the Commission in 1959 as an attorney in the Division of Trading and Markets and was transferred to the Denver office in 1961 where he served as Special Counsel until his appointment as Fort Worth Regional Administrator in March of 1967. Boltz received his undergraduate and law degree from Ohio Northern University and is a member of the Ohio and American Bar Associations. Prior to joining the Commission he had engaged in the private practice of law and was for a time Ass't. Attorney General for the State of Ohio.

Robert F. Watson, now Assistant Regional Administrator at Fort Worth has been named to succeed Boltz. Watson joined the Commission in 1962 as an attorney in the Denver office and was transferred to the Fort Worth office in 1967 as Chief Enforcement Attorney. A native of Houston, Watson received his undergraduate degree from Vanderbilt and his law degree from Denver Law School. Prior to coming with the Commission he was employed by the Colorado Attorney General's office and as Law Clerk to Chief Judge Alfred A. Arraj of the Federal District Court for the District of Colorado.

## DECISION IN ADMINISTRATIVE PROCEEDING

**BOETTCHER & CO. BRANCH OFFICE, JAMES A. HILL, AND JAMES COX DISCIPLINED.** The SEC has issued an order suspending the Grand Junction, Colo., branch office of Boettcher & Co., a registered broker-dealer of Denver, from engaging in any securities transactions in the over-the-counter market for 30 days, except that it may execute certain unsolicited orders of existing customers without charging commissions and sell shares of open-end investment companies which sell such shares through the firm. The SEC order also suspended James A. Hill, a regional and branch manager in the Grand Junction office, and James Cox, a registered representative in that office, from association with a broker-dealer for 30 days. The suspensions of the firm's branch office and Cox are to run concurrently, with Hill's suspension to follow.

The order was based on findings that in 1968-69, respondents sold unregistered common stock of J B & T Co. (formerly Junction Bit & Tool Co.), S & M Industries, Inc. (formerly S & M Supply Co.), and United Australian Oil, Inc., and that the firm, while participating in the J B & T and S & M stock distributions, bid for and purchased such stock for accounts in which it had a beneficial interest and induced others to purchase such stock.

The Commission's action was taken pursuant to an offer of settlement submitted by the firm, Hill and Cox and by another respondent, E. Warren Willard, a general partner, in which, without admitting the charges, they consented to the above findings and the indicated sanctions. In accordance with the terms of the offer, the proceedings as to Willard were dismissed. (Rel. 34-9389)

## NEW RULES AND RULE PROPOSALS

**SEC ADOPTS NEW RULE 19b-1 RELATING TO CAPITAL GAINS DISTRIBUTIONS.** The SEC has adopted Rule 19b-1 under Section 19(b) of the Investment Company Act, which was added to the Act by the Investment Company Amendments Act of 1970 effective December 14, 1971. Rule 19b-1 limits distributions of long-term capital gains by a registered investment company to one in any one taxable year of the investment company, except that a "regulated investment company", as defined in the Internal Revenue Code, may make an additional supplemental distribution pursuant to Section 855 of the Code, not exceeding 10% of the prior distribution, in order to take advantage of the "spillover" provisions of the Code so that realized gains would not be taxable to the company. Rule 19b-1 is effective with respect to distributions made in taxable years beginning on or after January 1, 1972, other than a distribution pursuant to Section 855 of the Code of gains realized prior to that date. (Rel. IC-6834)

## HOLDING COMPANY ACT RELEASES

**NORTHEAST UTILITIES.** The SEC has issued an order authorizing Northeast Utilities, West Springfield, Mass. holding company, to issue and sell 3,500,000 shares of common stock at competitive bidding. Net proceeds will be used to reduce short-term borrowings (estimated to be \$81 million at the time of the proposed sale) incurred by the company to make investments in subsidiaries and to make a \$15 million capital contribution to The Connecticut Light and Power Company, a subsidiary. (Rel. 35-17366)

**HARTFORD ELECTRIC.** The SEC has issued an order authorizing The Hartford Electric Light Company, Wethersfield, Conn., subsidiary of Northeast Utilities, to issue and sell \$30 million of first mortgage bonds, due 2001, and 200,000 shares of preferred stock (\$50 par), at competitive bidding. Net proceeds of its securities sale will be used to repay short-term borrowings incurred in financing its construction program and which are expected to aggregate \$65 million prior to the time of the proposed sales. Construction expenditures are estimated at \$168,700,000 for the 1971-72 period. (Rel. 35-17367)

**PENNSYLVANIA ELECTRIC.** The SEC has issued an order authorizing Pennsylvania Electric Company, Johnstown subsidiary of General Public Utilities Corporation, to issue and sell 250,000 shares of cumulative preferred stock (\$100 par) at competitive bidding. Net proceeds will be used toward the payment at maturity of all of the \$32.5 million of the company's first mortgage bonds, 3-3/8% series, due January 1972. (Rel. 35-17368)

#### SECURITIES ACT REGISTRATIONS

**GULF & WESTERN INDUSTRIES, INC.**, 1 Gulf & Western Plaza, New York 10023, filed a registration statement on November 18 seeking registration of 145,005 outstanding shares of common stock and 24,489 outstanding shares of Series A \$1.75 cumulative convertible preferred stock, which may be offered for sale, or pledged, by the holders thereof at prices current at the time of sale (\*\$22.13 per common and \$79 per preferred share maximum). (File 2-42396)

**ALABAMA POWER COMPANY**, 600 North 18th St., Birmingham, Ala. 35202, filed a registration statement on November 19 seeking registration of \$25.5 million of first mortgage bonds and 380,000 shares of cumulative preferred stock (\$100 par), to be offered for sale at competitive bidding. A subsidiary of The Southern Company, the company will use the net proceeds of its securities sale, together with funds from internal sources, to refund \$63,715,000 of first mortgage bonds, 3-1/2% series due January 1, 1972. (File 2-42397)

**UNIMED, INC.**, Route 202, Morristown, N. J. 07960, filed a registration statement on November 19 seeking registration of 447,176 warrants to purchase shares of common stock. Of these warrants, it is proposed to issue 264,882 to claimants in an action against the company and others, 125,000 to Andresen & Co. Inc., and certain individuals for an aggregate of \$375,000 and up to 57,294 to John A. Andresen and E. G. Bauman for up to \$220,822. The recipients of such warrants may offer them or underlying common shares for sale from time to time at prices current at the time of sale (\*\$6 per share maximum). The company is engaged in the development, manufacture and distribution of ethical drugs and pharmaceutical preparations. (File 2-42398)

**UNIVERSAL TELEPHONE, INC.**, 231 West Wisconsin Ave., Milwaukee, Wis. 53203, filed a registration statement on November 19 seeking registration of 13,749 shares of common stock and 18,615 shares of Class A special stock. Of these shares, all of the common shares and 3,436 Class A shares are outstanding shares which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\*\$6 per common and \$5.75 per A share maximum). Of the remaining A shares, it is proposed to offer 5,961 in exchange for 47,692 shares of common stock of Spaco, Inc., at the rate of 1/8 share for each Spaco share and 9,218 A shares in exchange for 58,144 common shares of Southern States Utilities, Inc., at the rate of .158546 shares for each Southern share.

A holding company, Universal owns 19 telephone companies which primarily serve rural communities in eight states. It presently owns 82.4% of Spaco and 86.6% of Southern. (File 2-42399)

**URBAN EQUITIES FUND, INC.**, 1 State St., Boston, Mass. 02109, filed a registration statement on November 19 seeking registration of 2,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum) plus an 8-1/2% sales charge on purchases of less than \$10,000. The Fund is a diversified, open-end investment company, whose investment objective is capital appreciation consistent with preservation of capital. Urban Equities Management Corporation is investment adviser. (File 2-42401)

**SECURITIES ACT REGISTRATIONS.** Effective November 19: Aeneid Equities, Inc., 2-41960; American Pacific Holding Corp., 2-38688; Davis Food Service, Inc., 2-40642; DFD Equity Limited Partnership, 2-41343 (90 days); Kaufman and Broad, Inc., 2-41742; Ocean Drilling & Exploration Co., 2-42241; Ranger Oil (Canada) Limited, 2-42212; Shenandoah Oil Corp., 2-41749; Site-Con Industries, Inc., 2-41322.

**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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