

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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NEW RULES AND RULE PROPOSALS

SECO FEES. The SEC today invited the submission of comments not later than May 8 upon a proposed schedule of fiscal 1970 fees for registered broker-dealers who are not NASD members (Release 34-8869). Such fees are designed to defray the costs of additional regulatory duties required to be performed by the Commission with respect to such firms. This proposal deals with the amendment of Form SECO-4, providing for annual fees; the forms requiring initial fees (Forms SECO-2 and SECO-5) would not be changed. The 1970 assessment, to be set forth on Form SECO-4, will remain the same and thus include a base fee of \$100, a fee of \$5 for each associated person, and a \$30 fee for each office; it is proposed, however, that the maximum amount payable by a firm in annual charges be raised from \$20,000 to \$25,000.

HOLDING COMPANY ACT RELEASES

POTOMAC EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16688) authorizing The Potomac Edison Company, Hagerstown, Md. subsidiary of Allegheny Power System, Inc., to issue and sell \$20,000,000 of first mortgage and collateral trust bonds, due 2000, and 50,000 shares of \$100 par cumulative preferred stock, Series E, at competitive bidding. The company will use the net proceeds of its offering for its construction program, including payment of \$20,500,000 of short-term bank loans incurred therefor. Other funds to be used for this purpose include \$8,000,000 from the sale in March 1970 of common stock to the parent, up to \$19,000,000 from short-term borrowings in 1970 and funds derived from operations. Potomac also proposes to amend its charter to increase the authorized shares by 50,000.

DELMARVA P & L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16692) authorizing Delmarva Power & Light Company of Maryland ("Delmarva, Maryland"), subsidiary of Delmarva Power & Light Company, Wilmington, Del., to issue and sell to its parent up to \$14,250,000 of promissory notes, due October 1, 1973, as well as 142,500 shares of common stock (\$100 par) for \$14,250,000. Delmarva, Maryland will use the proceeds of its financing to provide funds for construction purposes. Construction expenditures are estimated at \$15,841,719 for 1970, \$22,520,618 for 1971 and \$8,174,000 for 1972.

COURT ENFORCEMENT ACTIONS

COURT ENJOINS DAWN VALLEY OF MANKATO. The SEC Chicago Regional Office announced April 14 (LR-4589) that the Federal court in Chicago had permanently enjoined violations of the registration and anti-fraud provisions of the Federal securities laws by Dawn Valley of Mankato, Minnesota, Inc., Ralph E. Ernstsen, Organized Investment Services Corp. and Lamoine Urschel, in the offer and sale of stock of Spectrum, Ltd.

TWO SENTENCED IN SALE OF U.S. MILLING STOCK. The SEC Chicago Regional Office announced April 16 (LR-4590) that Samuel J. Levine and Manuel Robbins, both of Chicago, received fines of \$1,000 each on their pleas of guilty to one count of indictment charging violations of the Securities Act anti-fraud provisions in the offer and sale of stock of United States Milling and Minerals Corporation.

BRAXTON SMITH SENTENCED. The SEC Denver Regional Office announced April 16 (LR-4591) that the Federal court in Wichita sentenced Braxton B. Smith to 5 years' probation on his conviction on each of 8 counts of securities fraud.

DEMPSTER INVESTMENT ENJOINED. The SEC Chicago Regional Office announced April 17 (LR-4592) that the Federal court in Detroit had permanently enjoined violations of the Securities Act registration and anti-fraud provisions by Dempster Investment Co. and Phyllis C. Dempster, in the offer and sale of securities of the defendant company. The defendants consented to the injunction without admitting or denying the violations.

SECURITIES ACT REGISTRATIONS

NUVEEN TAX-EXEMPT FUND FILES. John Nuveen & Co. (Inc.), 209 S. LaSalle St., Chicago, Ill. 60604, sponsor of the Nuveen Tax-Exempt Bond Fund, Series 27, filed a registration statement (File 2-37086) with the SEC on April 16 seeking registration of 50,000 participating units in the Fund. The Fund will consist of a diversified portfolio of \$5,000,000 principal amount (\$100 per unit) of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest from which is believed to be exempt from all Federal income taxes under existing law. The bonds have or will be deposited with the Fund trustee by the sponsor, which will receive the 50,000 units for resale to the public. A commission of $\frac{4}{8}$ % will be added to the offering price of the units.

OVER

GRT FILES FOR OFFERING AND SECONDARY. GRT Corporation, 1286 North Lawrence Station Rd., Sunnyvale, Calif. 94086, filed a registration statement (File 2-37100) with the SEC on April 17 seeking registration of 726,231 shares of common stock, of which 600,000 are to be offered for public sale by the company and 126,231 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004, and Birr, Wilson & Co., Inc., 155 Sansome St., San Francisco, Calif. 94104; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture, duplication and sale of prerecorded magnetic tapes which are sold for entertainment, educational and industrial purposes. Of the net proceeds of its stock sale, \$7,500,000 will be applied to the repayment of short term bank borrowings to finance accounts receivable, royalty advances and inventories and about \$1,000,000 to complete the financing of construction of new corporate headquarters in Sunnyvale. The balance will be used for additional plant space and equipment. In addition to indebtedness, the company has outstanding 2,625,165 common shares of which Alan J. Bayley, president and board chairman, owns 15.6%. Newell Industries, Inc., of Sunnyvale, proposes to sell all of its holdings of 97,731 shares and six others the balance of the shares being registered.

BURROUGHS TO SELL NOTES. Burroughs Corporation, 6071 Second Ave., Detroit, Mich. 48232, filed a registration statement (File 2-37103) with the SEC on April 17 seeking registration of \$75,000,000 of notes, due 1975, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Incorporated, 20 Exchange Place, New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the business of designing, developing, manufacturing, distributing and servicing a broad line of business equipment. Net proceeds of its financing will be applied to the reduction of short-term debt, incurred for working capital requirements and for an increased investment in equipment placed on lease, as well as investment in plant facilities. The company plans expenditures of approximately \$235 million in 1970 for investment in equipment for lease to customers and for expansion and modernization of existing plant facilities and construction of new plant facilities. In addition to indebtedness, the company has outstanding 17,257,378 common shares.

BETHLEHEM STEEL TO SELL DEBENTURES. Bethlehem Steel Corporation, Bethlehem, Pa. 18016, filed a registration statement (File 2-37104) with the SEC on April 17 seeking registration of \$150,000,000 of debentures, due 2000, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., and Smith, Barney & Co. Incorporated, 1345 Avenue of the Americas, both of New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is an integrated steel producer. Of the net proceeds of its debenture sale, \$45,714,000 will be used to retire its Series I Consolidated Mortgage Bonds at their maturity on July 15, 1970, and the balance will be used for general corporate purposes, including meeting the cost of additions and improvements to property. Cost of additions and improvements (including investments in 50% or less owned enterprises) are estimated at \$465,000,000 for 1970 and \$1,225,000,000 for the three-year period 1970-1972. In addition to indebtedness, the company has outstanding 45,987,118 common shares. Edmund F. Martin is board chairman and Stewart S. Cort president.

SOUTHERN COUNTIES GAS TO SELL BONDS. Southern Counties Gas Company of California, 720 West 8th St., Los Angeles, Calif. 90017, filed a registration statement (File 2-37105) with the SEC on April 17 seeking registration of \$32,000,000 of first mortgage bonds, Series F due 1995, to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A gas utility subsidiary of Pacific Lighting Corporation, the company will apply \$18,000,000 of the proceeds of its bond sale to repay in full short-term indebtedness to the parent; in addition, it will use \$2,900,000 to meet current sinking fund requirements of first mortgage bonds and a portion to finance in part the costs incurred in connection with its construction and expansion program and to retire its \$5,695,000 of 3% first mortgage bonds which mature January 1, 1971.

AMERICAN NATURAL GAS TO SELL STOCK. American Natural Gas Company, 30 Rockefeller Plaza, New York, N. Y., filed a registration statement (File 2-37108) with the SEC on April 17 seeking registration of 1,200,000 shares of common stock, to be offered for public sale at competitive bidding. A public utility holding company, the company will apply the net proceeds of its stock sale to repayment of \$39,000,000 of outstanding bank loans which mature July 31, 1970, proceeds of which were used to purchase common stock of Michigan Consolidated Gas Company and Michigan Wisconsin Pipe Line Company, two wholly-owned subsidiaries, in the amounts of \$18,004,000 and \$21,000,000, respectively. The subsidiaries retired an equivalent amount of short-term bank loans incurred to finance temporarily their construction programs. System construction expenditures are estimated at \$170,000,000 for 1970.

RESORTS INTERNATIONAL FILES FOR SECONDARY. Resorts International, Inc. (formerly Mary Carter Paint Co.), 375 Park Ave., New York, N. Y. 10022, filed a registration statement (File 2-37109) with the SEC on April 17 seeking registration of 1,691,000 outstanding shares of Class A common stock and outstanding common stock warrants to purchase 525,000 shares of Class A common stock. These securities may be offered for sale from time to time by the present holders thereof, at prices current at the time of sale (\$8.75 per share maximum*).

The company is engaged primarily in the ownership, development and operation of tourist and resort facilities, including gaming and in the development and sale of residential, resort and commercial property in the Bahama Islands. In addition to indebtedness, it has outstanding 3,938,978 Class A common and 348,192 Class B common shares. Of the B shares, James M. Crosby, board chairman, owns 24.7% and management officials as a group 55.2%. American National Insurance may sell all of 350,000 shares held, F.O.F. Proprietary Funds Ltd. 268,000 of 283,300, Gulf & Western Industries, Inc. all of 250,000 and 27 others the remaining shares and warrants being registered.

CANADIAN PACIFIC RAILWAY TO SELL EQUIPMENT TRUST CERTIFICATES. Canadian Pacific Railway Company, Windsor Station, Montreal 101, Quebec, Canada, filed a registration statement (File 2-37110) with the SEC on April 17 seeking registration of \$30,000,000 of equipment trust certificates, Series U, due 1985, to be offered for public sale through underwriters headed by Salomon Brothers & Hutzler, 60 Wall St., and A. E. Ames & Co. Incorporated, 2 Wall St., both of New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company operates a transportation system encompassing approximately 100,000 route miles by land, sea and air, serving five continents. Net proceeds of the sale of trust certificates will be applied by the Trustee to reimburse the company for, or applied to the payment of, not more than 80% of the purchase price of the equipment to be subjected to the Trust. The balance of such purchase price (not less than 20% thereof) is to be provided from the treasury of the company. In addition to indebtedness and preferred stock, the company has outstanding 14,332,456 ordinary shares. N. R. Crump is board chairman and Ian D. Sinclair president and chief executive officer.

SEILON SHARES IN REGISTRATION. Seilon, Inc., 406 Madison Ave., Toledo, Ohio 43604, filed a registration statement (File 2-37111) with the SEC on April 27 seeking registration of 107,060 outstanding or to-be-outstanding common shares. Of this stock, 48,000 may be issued upon the exercise of outstanding warrants, held by Banque de Financement and Burkhardt & Co., and 59,060 are held by John Hancock Mutual Life Insurance Company. The holders or recipients of the shares may offer them for sale from time to time at prices current at the time of sale (\$4 per share maximum*). The company has 1,592,177 shares outstanding.

MAPCO TO SELL DEBENTURES. Mapco Inc., 1437 South Boulder Ave., Tulsa, Okla. 74119, filed a registration statement (File 2-37112) with the SEC on April 17 seeking registration of \$20,000,000 of debentures, due 1975, to be offered for public sale through underwriters headed by Bear, Stearns & Co., One Wall St., and White, Weld & Co., 20 Broad St., both of New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company's major business activity is the production, transportation and marketing of natural gas liquids (LPG and natural gasoline); in addition, it produces, and has recently initiated an exploration program for, crude oil and natural gas and also manufactures and markets liquid plant foods. Of the net proceeds of its debenture sale, the company will apply \$14,000,000 to the prepayment of \$14,000,000 of bank notes due in installments from February 1971 through 1975 and which were issued in February 1970 to refund a then outstanding loan of the same amount; the balance will be added to the company's general funds and will be available to finance 1970 capital expenditures. In addition to indebtedness and preferred stock, the company has outstanding 3,117,595 common shares, of which management officials as a group own 7%. Robert E. Thomas is president.

RAY RESOURCES SHARES IN REGISTRATION. Ray Resources Corporation, 630 Commerce Square, Charleston, W. Va. 25301, filed a registration statement (File 2-37118) with the SEC on April 20 seeking registration of 486,000 shares of common stock. Of this stock, 186,000 shares are now outstanding and may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$12 per share maximum*). The remaining 300,000 shares are to be available for issuance by the company from time to time in its acquisition program.

The company, as successor to three other companies, is engaged primarily in the contract drilling of oil and gas wells for the oil and gas industry, the production and sale of crude oil and natural gas, and certain related activities. It has outstanding 2,062,550 common shares, of which James S. Ray, president and chief executive officer, owns 12.5%, Rex C. Ray, executive vice president, 12.4%, and management officials as a group 44.6%. Reeves Lewenthal is board chairman. Jack H. Choate may sell all of 129,300 shares held and ten others the balance of the shares being registered.

NEW INDUSTRIAL TECHNIQUES TO SELL STOCK. New Industrial Techniques, Inc., 12325 W. Sample Rd., Coral Springs, Fla. 33060, filed a registration statement (File 2-37121) with the SEC on April 20 seeking registration of 500,000 shares of common stock, to be offered for public sale at \$4 per share. No underwriting is involved; participating NASD members will receive a 10% selling commission.

The company was organized in November 1968 for the purpose of producing machine parts by means of the powder metallurgy process. In January it purchased E & M Industries, Inc., which is engaged in the manufacture of wire-needle assemblies, electric motors and electro-mechanical devices. Of the net proceeds of its stock sale, \$1,050,000 will be used for the purchase of equipment and machinery; 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 1,196,450 common shares (with a 44¢ per share book value), of which E. J. Manning, board chairman, and his wife own 20.9%, management officials as a group 25.9% and E & M Industries, Inc. 13.4%. Eugene Andreotti is president. Purchasers of the shares being registered will sustain an immediate dilution of \$2.27 in per share book value from the offering price.

GULF & WESTERN INDUSTRIES FILES FOR SECONDARY. Gulf & Western Industries, Inc., 437 Madison Ave., New York 10022, filed a registration statement (File 2-37107) with the SEC on April 17 seeking registration of \$21,534,600 of outstanding 5½% convertible subordinated debentures, due 1993, 220,000 of outstanding common stock purchase warrants and 6,004 outstanding Series B \$3.50 cumulative convertible preferred stock. These securities (or the underlying common shares) may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$64.75 per preferred and \$53.55 per common share maximum*).

The company is engaged in a variety of businesses. In addition to indebtedness and preferred stock, it has outstanding 15,361,536 common shares. Charles G. Bluhdorn is board chairman and chief executive officer and David N. Judelson, president. Marjorie L. Everett may sell all of \$21,534,600 of 5½% debentures; Morris W. Getler may sell all of 3,184 preferred shares held and four others the remaining preferred shares; and F.O.F. Proprietary Funds, Ltd. may sell 200,000 warrants and Filmways, Inc. 20,000 warrants.

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans.

General Portland Cement Company, Dallas, Tex. 75201 (File 2-37094) - 296,445 shares
 Revlon, Inc., New York 10022 (File 2-37098) - 400,000 shares
 The Union Corporation, Verona, Pa. 15147 (File 2-37101) - 414,634 shares
 Lukens Steel Company, Coatesville, Pa. 19320 (File 2-37702) - 125,000 shares
 Republic Corporation, Los Angeles, Calif. 90067 (File 2-37106) - 150,000 shares
 American Can Company, New York 10017 (File 2-37113) - 448,619 shares
 The Hoskins Manufacturing Company, Detroit, Mich. (File 2-37114) - 20,000 shares
 Midland-Ross Corporation, Cleveland, Ohio 44113 (File 2-37115) - 13,541 shares
 Economics Laboratory, Inc., St. Paul, Minn. 55102 (File 2-37116) - 50,000 shares
 South Carolina Electric & Gas Company, Columbia, S. C. 29201 (File 2-37117) - 200,000 shares
 General American Transportation Corporation, Chicago, Ill. 60680 (File 2-37119) - \$1,500,000 of interests in the Salaried Employees Savings Plan
 Ameron, Inc., Monterey Park, Calif. (File 2-37120) - 75,000 shares

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 April 3 News Digest.

Southern Realty & Utilities Corp March 1970(11)	1-4253-2	Amcon International Inc March 1970(2,7,13)	0-2790-2
		Southland Invst. Corp Jan. 1970 (12,13)	0-1812-2
Penna. Power & Light Co March 1970(7,13)	1-905-2	Turbo Cast Ind., Inc Feb. 1970(12)	0-2312-2
Robinex Intl. Ltd March 1970(9,13)	2-29880-2	Vetco Offshore Ind., Inc March 1970(13)	1-5889-2
Sanders Assoc., Inc March 1970(12)	1-5166-2		
J. P. Stevens & Co Inc March 1970(4,11,13)	1-3434-2	Public Service Co of Indiana March 1970 (3,7,8,12)	1-3543-2
Superior Oil Co March 1970(12)	1-4744-2		
Supervised Invstrs. Services, Inc Jan. 1969 & 1970(11)	0-167-2	Systemetrics, Inc. Feb. 1970 (2,3,6,13)	2-27951-2
TX Ind., Inc Dec. 1969(7,9,13)	0-3753-2	Tootsie Roll Ind., Inc March 1970 (12,13)	1-1361-2
Trans-Beacon Corp March 1970(3,12)	1-2342-2	Vanguard Security Funding Corp Dec. 1969 (2,13)	2-33725-2
		Wyoming Industrial Devel. Corp March 1970 (11)	2-26917-2
Patrick Ind., Inc Oct. 1969(3)	0-3922-2		
		Revenue Properties Co Ltd Feb. 1970 (2,3)	1-5827-2
Penna. Power Co March 1970(11)	1-3491-2	Shawmut Assoc., Inc March 1970 (11,13)	0-2151-2
Pictorial Productions, Inc Jan. 1970(11)	0-2970-2	The Sherwin Williams, Co March 1970(7,8,13)	1-4851-2
Seton Co March 1970(11)	1-1014-2	Standard Thomson Corp March 1970 (11,13)	1-3448-2
Susquehanna Corp March 1970 (3,4,7,11,12,13)	1-5515-2		
Trans World Air Lines, Inc March 1970(8)	1-975-2		

SECURITIES ACT REGISTRATIONS. Effective April 20: Belden & Blake and Co. Ltd. Partnership No. 37, 2-36641; Central and South West Corp., 2-36621; G & G Shops, Inc., 2-35143 (90 days); Pamida, Inc., 2-36940 (40 days); Pennsylvania Power Co., 2-36946; Propulsion Data Corp., 2-34770 (July 19); Southern California Edison Co., 2-37047; Tannetics, Inc., 2-35164 (90 days).
 Withdrawn April 17: Arthur D. Little Inc., 2-36547; Mobile Home Industries Inc., 2-36259; TRXOID Corp., 2-34634.

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.