

# 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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## COMMISSION ANNOUNCEMENT

CAPITAL EXPENDITURES REPORTED. The Department of Commerce and the SEC today reported that business expenditures for new plant and equipment are expected to decline slightly in the fourth quarter of this year to a rate of \$81.7 billion and to \$81.4 billion in the initial 1971 quarter, before rising to \$82.2 billion in the second quarter of 1971. The indicated rise in second quarter 1971 capital spending programs centers almost entirely in nonmanufacturing, chiefly in the transportation, communications, and mining industries. Among manufacturers, nondurable goods producers foresee a second quarter 1971 rise of 3 percent from the first quarter, but durable goods makers expect their capital spending to decline 5 percent. For further details, see Stat. Release No. 2483.

## HOLDING COMPANY ACT RELEASES

PENNSYLVANIA ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16921) giving interested persons until December 29 to request a hearing upon an application of Pennsylvania Electric Company ("Penelec"), Johnstown subsidiary of General Public Utilities Corporation, to issue and sell \$30,000,000 of debentures, due 1996, at competitive bidding. Penelec will apply the net proceeds of its debenture sale to payment of short-term bank loans outstanding at the time of the debenture sale (expected to aggregate \$37,200,000). Construction expenditures are estimated at \$86,600,000 for 1971.

KINGSPORT POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16922) giving interested persons until December 22 to request a hearing upon an application of Kingsport Power Company, Roanoke, Va., subsidiary of American Electric Power Company, Inc., for a one-year extension to December 31, 1971 of the period of time in which it may issue \$3,500,000 of notes to banks (as authorized by the Commission in December 1969 - Release 35-16553).

## INVESTMENT COMPANY ACT RELEASE

ISL VARIABLE FUNDS SEEK ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6270) giving interested persons until December 24 to request a hearing upon an application of ISL Variable Annuity Fund A ("Fund A"), ISL Variable Annuity Fund B ("Fund B") and Investors Syndicate Life Insurance and Annuity Co. ("Insurance Co."), wholly-owned subsidiary of Investors Diversified Services, Inc. ("IDS"). IDS is principal underwriter for six open-end, diversified management investment companies: IDS Progressive Fund, Inc., Investors Mutual Inc., Investors Selective Fund, Inc., Investors Stock Fund, Inc., Investors Variable Payment Fund, Inc. and IDS New Dimensions Fund, Inc. The six funds at the present time can transfer their accumulated investments to any of the other funds at net asset value. The application seeks an exemption order to allow investors to transfer their accumulated amounts from any of the six funds to Fund A or Fund B for interests in variable annuity contracts without the usual sales charges. The contracts to be purchased will be individual single purchase payment immediate annuity contracts, which provide for one single purchase payment and for annuity payments to start no more than 60 days after the purchase date. Applicants propose to waive the sales charges but not the administrative charges payable upon the purchase of these contracts. In addition, applicable state premium taxes would be paid by the investor.

## COURT ENFORCEMENT ACTIONS

COURT ENJOINS SALE OF SELECT ENTERPRISES STOCK. The SEC New York Regional Office announced November 30 (LR-4834) that the Federal court in New York had issued an order preliminarily enjoining violations of the registration, anti-manipulative and antifraud provisions of the Federal securities laws in the purchase and sale of stock of Select Enterprises, Inc., by the said issuer as well as Joe T. Boyd, Jim Joiner, M. S. Knisely, Michael Karfunkel, Economic Planning Corp., Karen Co. and Joseph Azzarone.

SEC COMPLAINT NAMES LUM'S, OTHERS. The SEC announced today (LR-4835) the filing of a complaint in Federal court in New York, seeking to enjoin violations of the anti-fraud provisions of the Federal securities laws by Lum's, Inc., Melvin Chasen, Lehman Brothers, Benjamin Simon, Investors Diversified Services, Inc., Eugene C. Sit and James R. Jundt. The complaint alleges misuse of "inside" information concerning Lum's, whose shares are listed on the NYSE.

OVER

SECURITIES ACT REGISTRATIONS

AQUARIUS ARTS PROPOSES OFFERING. Aquarius Arts, Ltd., 101 Broad Ave., Fairview, N. J., filed a registration statement (File 2-38931) with the SEC on November 27 seeking registration of 120,000 shares of common stock and 60,000 common stock purchase warrants, to be offered for public sale in units, each consisting of two shares and one warrant and at \$20.00 per unit. The offering is to be made on a "best efforts," all or none basis by New Dimension Securities Corp., 17 Battery Pl., New York, which will receive a selling commission of \$2.00 per unit. In addition, the company has agreed to sell New Dimension, for \$120, five year warrants to purchase 12,000 shares, exercisable after one year at \$10 per share.

The company was organized in 1969 to engage in the production and sale of castings of sculpture and decorative objects molded either from existing or specially commissioned works of art, owned by the company or its principal customer, Sculpture Collectors, Ltd. Of the net proceeds of the stock sale, \$200,000 will be utilized to repay loans from certain shareholders (the proceeds of which have been used for working capital); \$125,000 for machinery and equipment; and the remainder for working capital, including \$250,000 for financing of its sales program. In addition to indebtedness, the company has outstanding 600,000 common shares, of which Consolidated Fine Arts Ltd. (parent of Sculpture Collectors) owns 33.33%, Alphonse P. Thiele, president, 26.67%, and management officials as a group, 70.83%. Of the outstanding shares, 200,000 were acquired at \$.01 per share and 400,000 at \$.015 per share.

SCOTT PAPER SECURITIES IN REGISTRATION. Scott Paper Corporation, Scott Plaza, Philadelphia, Pa. 19113, filed a registration statement (File 2-38932) with the SEC on November 27 seeking registration of 12,761 shares of common stock. These shares may be offered for sale from time to time by the holders thereof, Mr. and Mrs. Robert E. Brown, at prices current at the time of sale (\$24.75 per share maximum\*).

The company is engaged in the manufacture and sale of a variety of packaged paper products, and printing, converting and specialty papers. In addition to indebtedness, it has outstanding 35,099,910 common shares. Harrison F. Dunning is board chairman and president.

UNITY REAL ESTATE PROPOSES OFFERING. Unity Real Estate Investments, 1617 Westcliff Drive, Newport Beach, Calif. 92660, filed a registration statement (File 2-38935) with the SEC on November 30 seeking registration of \$1,000,000 of limited partnership interests, to be offered for public sale at \$1,000 per unit. The offering is to be made by Unity Real Estate Corporation, the general partner, through Unity Securities Corp., 1617 Westcliff Drive, Newport Beach, Calif. 92660, which will receive a 10% selling commission; participating NASD members may be allowed up to a 9% commission by Unity Securities. Partnerships are to be formed for the purpose of investing in real properties, primarily in the southwest United States. The general partner will manage the properties to be purchased or constructed by the partnerships. Joseph Cherry is president of the general partner.

CMC FUND PROPOSES OFFERING. CMC Fund ("the partnership") 1880 Century Park East, Los Angeles, Calif. 90057, filed a registration statement (File 2-38936) with the SEC on November 30 seeking registration of 16,000 units of limited partnership interests, to be offered for public sale at \$500 per unit (with a minimum initial investment of four units). The offering is to be made on a best efforts basis by Property Research Corp., which will receive a 9% selling commission; selected NASD members may also participate.

The principal business of the partnership will be the acquisition and operation of mobile home parks in California and Arizona; its initial objective is to acquire a series of such parks from Contemporary Mobilehome Corporation (CMC) for \$7,047,750, against which a \$5,440,650 down payment is to be made. CMC has entered into management agreements with respect to the Specified Park Projects for which it will be paid a monthly management fee equal to 5% of the monthly gross receipts derived from the mobile home parks. CMC and Property Research Corporation are subsidiaries of Property Research Financial Corporation. Irving Feiger and Arnold E. Mennillo are the general partners.

U.S. HOME & DEVELOPMENT FILES FOR OFFERING AND SECONDARY. U.S. Home and Development Corporation, 385 Northfield Ave., West Orange, N. J. 07052, filed a registration statement (File 2-38937) with the SEC on November 30 seeking registration of 575,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 175,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by duPont Glore Forgan, 1 Wall St., New York 10005; the offering price (\$33 $\frac{1}{4}$  per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is a large builder of single-family homes in the United States; it also constructs multi-family units, shopping centers, offices, etc., and sells building materials, principally lumber and millwork. Of the net proceeds of its stock sale, \$5,000,000 will be used for the planned acquisition of the Orrin E. Thompson Construction Co., including \$3,000,000 to purchase short-term securities to collateralize the company's 6% note payable to the sellers due in 1972; approximately \$1,000,000 will be used for planned land acquisition and \$3,350,000 for development and construction activities, and the balance for land acquisition and development and for working capital. In addition to indebtedness, the company has outstanding 1,680,865 common shares (not including 896,922 issued or reserved for issuance in connection with certain acquisitions), of which Charles Rutenberg, president, and Arthur Rutenberg, a former official, own 17.98% and 18.06%, respectively, and management officials as a group owns 47.81%. The list of selling shareholders is to be supplied by amendment.

GREAT BASINS PETROLEUM FILES FOR SECONDARY. Great Basins Petroleum Company, 1011 Gateway West, Los Angeles, Calif. 90067, filed a registration statement (File 2-38939) with the SEC on November 30 seeking registration of 529,341 outstanding shares of common stock, to be offered for public sale by the holders thereof. No underwriting is involved; the offering price (\$3 per share maximum\*) is to be supplied by amendment.

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The company engages primarily in the business of acquiring and dealing in prospective and proven oil and gas properties and in drilling, producing and selling crude oil and natural gas. In addition to indebtedness, it has outstanding 6,020,727 common shares, of which Jack Wahl, vice president, owns 1,200,000 shares and proposes to sell 125,000; thirteen others propose to sell the remaining shares being registered. R. G. Greene is board chairman and Charles W. Hatten is president.

**TRANSCONTINENTAL DATA FILES FOR OFFERING AND SECONDARY.** Transcontinental Data Processing Corporation, 12011 San Vicente Blvd., Los Angeles, Calif. 90049, filed a registration statement (File 2-38940) with the SEC on November 30, seeking registration of 75,000 shares of common stock, to be offered for public sale at \$8 per share. The offering is to be made by Chartered New England Corporation, 90 Broad St., New York, N. Y. 10004, which will receive a commission of \$1.20 per share (including commissions of \$51,000, financial consulting fee of \$24,000 and \$15,000 for expenses). Also included in the statement are 207,000 outstanding shares, to be offered for sale by the holders thereof.

The company provides subscribers with various computerized data processing services; to date its revenues have been derived primarily from the sale of franchises and machines used with the company's systems. The net proceeds of its sale of additional stock will be added to its general funds and will be available for working capital and for general corporate purposes; they may be applied to pay a \$179,000 note held by National Cash Register Company. In addition to indebtedness, the company has outstanding 400,000 common shares, of which management officials own 5%. Edward M. Zolla is president and board chairman. Betty Zolla, who owns 288,000 shares (72%) proposes to sell 40,000 shares; numerous others will sell the balance of the shares being registered.

**MAJESCO TO SELL STOCK.** Majesco, Inc., 345 Park Ave., New York, N. Y., filed a registration statement (File 2-38944) with the SEC on November 30 seeking registration of 200,000 shares of common stock, to be offered for public sale by Kelly, Andrews & Bradley, Inc., 26 Court St., Brooklyn, N. Y. 11201, on an "all or none" basis. The offering price (\$6 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Kelly firm, for \$200, six-year warrants to purchase 20,000 shares, exercisable after one year (at a price to be supplied by amendment).

The company proposes to manufacture and sell, through a subsidiary, a variety of bio-medical products, including a blood analyzer and electronic surgery unit; other subsidiaries include a real estate and investment holding company and an electronics components distributing company. Of the net proceeds of its stock sale, an aggregate of \$390,000 will be used by the company to repay an indebtedness of \$240,000 to banks and \$150,000 to a director and an affiliate of a director, \$250,000 to pay accounts and trade notes payable; \$75,000 for research and development; and the balance for the purchase of facilities and for working capital. In addition to indebtedness, the company has outstanding 1,019,964 common shares, of which Elliott Kusel, board chairman, owns 24%, Henry Ruderman, president, 24% and management officials as a group 55%. The net tangible book value of outstanding shares is to be supplied by amendment. According to the prospectus, the company has operated at a loss since it commenced operations in November 1968, and its current assets as of August 31 were \$768,999 and its current liabilities \$1,289,763.

**ARLEN REALTY PROPOSES EXCHANGE OFFER.** Arlen Realty & Development Corporation (ARDC), 60 East 56th St., New York, N. Y. 10022, filed a registration statement (File 2-38945) with the SEC on November 30, seeking registration of 1,481,250 shares of common stock. It is proposed to offer these shares in exchange for shares of common stock of Arlen Shopping Centers, Inc. (ASC), in the ratio of five shares of Arlen common for each four shares of ASC stock. ARDC was organized in November 1970 for the purpose of integrating the business of Spartans Industries, Inc. (Spartans), and the real estate business conducted by the Arlen Group (the principal members of which are Arthur G. Cohen, Arthur N. Levien, and Marshall Rose, officers and directors of ASC), which is to be accomplished by the merger of Spartans into ARDC accompanied by the simultaneous acquisition by ARDC from the Arlen Group of the latter's real estate development business. Upon consummation of such integration, ARDC will own 3,915,000 or 77% of the 5,100,000 outstanding shares of ASC stock; these 3,915,000 shares will have been transferred to ARDC by the Arlen Group in exchange for 3,915,000 shares of ARDC common on a share-for-share basis. The agreement for such integration provides for ARDC to make the exchange offer to other ASC shareholders.

The Arlen Group is engaged in the development, ownership, construction and operation of real properties through its various affiliates and subsidiaries. Spartans is principally engaged in the operation of retail stores, including 48 Korvettes department stores and 96 Spartan department stores. Arthur G. Cohen will be board chairman and chief executive officer of the surviving corporation, Charles C. Bassine, chairman of its executive committee, and Marshall Rose president.

**TECH AEROFOAM SHARES IN REGISTRATION.** Tech-Aerofoam Products, Inc., 5601 N. W. 35th Ave., Miami, Fla. 33142, filed a registration statement (File 2-38946) with the SEC on November 30 seeking registration of 45,770 outstanding shares of common stock, to be offered for public sale from time to time by the holders thereof, at prices current at the time of sale (\$20 per share maximum\*).

Until 1968, the company was principally engaged in the business of fabricating and distributing foam rubber, cellulose fiber products and related products in the United States and Puerto Rico. In the past two years, it has made a number of acquisitions of companies engaged in the manufacture and distribution of metal partitions, the distribution of commercial refrigerated merchandising units and other businesses. In addition to indebtedness, the company has outstanding 1,806,861 common shares, of which management officials as a group own 36.8%. Joseph and Edward Eisenberg, directors, propose to sell 14,357 and 14,356 shares, respectively, and two others the remaining shares being registered. David E. Melin is president and board chairman.

**KAUFMAN AND BROAD PROPOSE OFFERING AND SECONDARY.** Kaufman and Broad, Inc., 10801 National Blvd., Los Angeles, Calif. 90064, filed a registration statement (File 2-38947) with the SEC on November 30 seeking registration of \$20,000,000 of convertible subordinated debentures, due 1995, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by E. F. Hutton & Company, Inc., 61 Broadway, New York, N. Y.; the interest rate and underwriting terms are to be supplied by amendment. In addition, the company is registering 8,100 outstanding shares of common stock which may be offered for sale from time to time by a shareholder.

The company is primarily engaged in the production of on-site housing; it is also engaged in the factory production of mobile homes, multi-family housing and other types of dwellings. In addition, it owns and operates cable television systems on the west coast. Of the net proceeds from the sale of the debentures, the major portion is to be used for internal expansion of the company's on-site housing business by entry into new markets and expansion of existing markets. In addition to indebtedness, the company has outstanding 5,952,000 common shares. Eli Broad is chairman and Eugene S. Rosenfeld is president. Rosenfeld proposes to sell 8,100 of 49,914 shares owned.

**JEFF-CRAIG ASSOCIATES PROPOSES OFFERING.** Jeff-Craig Associates, 257 Park Ave., New York, N. Y. 10010, filed a registration statement (File 2-38949) with the SEC on November 30 seeking registration of \$1,200,000 of 8% convertible subordinated debentures, due 1981, and 60,000 shares of common stock, to be offered for public sale in units, each consisting of a \$100 debenture and five shares of common stock and at \$150 per unit. No underwriting is involved; participating NASD dealers will receive a selling commission of \$9 per unit. The company has agreed to pay Van Alstyne, Noel and Company, \$3.45 per unit sold, plus a maximum \$25,000 fee for services incident to the offering. The company also has agreed to sell 25,000 shares to Charles McGarey for \$2,500, for services rendered in connection with the offering.

The company is primarily engaged in the business of providing financial and credit services in the form of factoring to the creative and service industries (advertising, commercial photography, art studios, etc.). Of the net proceeds from the sale of the units, the company proposes to utilize \$100,000 to open three new offices in 1971; the remainder will be used for working capital to eliminate accounts receivable currently pledged with a bank as security for the extension of credit. In addition to indebtedness, the company has outstanding 610,000 common shares, of which Richard and Zoltan Farkas, board chairman and president, respectively, own 33.8% each and Hertz, Warner Company 13.0%. Purchasers of the shares being registered will sustain an immediate dilution of approximately \$8.17 in per share book value from the offering price.

**AMERICAN AGRONOMICS SHARES IN REGISTRATION.** American Agronomics Corporation, 3830 West Flagler St., Miami, Fla. 33134, filed a registration statement (File 2-38950) with the SEC on November 30 seeking registration of 78,750 shares of common stock, to be sold in the proximate future by certain option holders and debenture holders of the company. Of the total, D. H. Blair & Co. is offering for the account of its partners, former partners and employees, 15,750 shares underlying a debenture owned by them and 36,562½ shares underlying options owned by it; Joel H. Fisch is offering 11,250 shares underlying options and 6,750 underlying a debenture owned by him and Charles Potter is offering 8,437½ shares underlying options owned by him. The company has outstanding 2,525,662 common shares.

**FLORIDA TELEPHONE TO SELL BONDS.** Florida Telephone Corporation, 302 South East Broadway, Ocala, Fla. 32670, filed a registration statement (File 2-38951) with the SEC on November 30 seeking registration of \$13,000,000 of first mortgage bonds, Series S, due 2001, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., 20 Exchange Place, New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment. The company renders local and long distance toll service wholly within the state of Florida. Of the net proceeds of the sale of bonds, \$11,000,000 will be used to pay outstanding short-term bank loans, commercial paper and other indebtedness, and to retire bonds maturing February 1971, and for general corporate purposes. Estimated construction expenditures for 1970 and 1971 are \$16,800,000 and \$17,000,000, respectively.

**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:

STP Corporation, Des Plaines, Ill. 60018 (File 2-38928) - 287,269 shares  
 Television Communications Corporation, New York 10020 (File 2-38933) - 167,000 shares  
 Computer Technology Inc., Dallas, Tex. 75247 (File 2-38938) - 500,000 shares  
 National Medical Enterprises, Inc., Beverly Hills, Calif. 90210 (File 2-38941) - 100,000 shares  
 Lightolier Incorporated, Jersey City, N. J. 07305 (File 2-38942) - 75,000 shares  
 AAR Corp., Chicago, Ill. 60604 (File 2-38943) - 64,255 shares  
 CIC Leasing Corp., Buffalo, N. Y. 14202 (File 2-38948) - 150,000 shares

**SECURITIES ACT REGISTRATIONS.** Effective December 1: Cayman Corp., 2-37864 (Jan 11).  
 Effective December 2: Associated Mortgage Investors, 2-38751 (Jan 10); The Dayton Power and Light Co., 2-38777; The Detroit Edison Co., 2-38832; General Telephone Co. of Illinois, 2-38659; Mammoth Mart, Inc., 2-38765; Petro-Search Exploration Corp., 2-38079 (Mar 2); Ply-Gem Industries, Inc., 2-37715 (Dec 29); Rockwell Manufacturing Co., 2-38756 (Jan 12).

**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.