

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D.C. 20549

A brief summary of financial proposals filed with and actions by the S.E.C.

( In ordering full text of Releases from SEC Publications Unit cite number )

(Issue No. 69-152)

FOR RELEASE August 11, 1969

**GENERAL RESOURCES SUSPENSION PERMANENT.** The SEC has issued an order permanently suspending a Regulation A exemption for a proposed public offering by General Resources, Salt Lake City, of 5,000,000 common shares at 1c per share. The company did not request a hearing or otherwise contest the prior order of temporary suspension issued on May 26, 1969. That order was based, among other things, upon the failure of the company to disclose in its offering circular the names of certain promoters and affiliates and certain material transactions between the company and its promoters and affiliates, as well as its failure to make proper disclosure of the company's assets and liabilities and the use to which the proceeds of its stock offering would be applied.

**BUTLER & CO. RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-5770) granting an application of A. J. Butler & Co., underwriter of a proposed stock offering by The A. J. Butler Fund, Inc., a closed-end investment company, for an exemption from the recovery provisions of Section 16(b) of the Exchange Act with respect to its purchase and resale of the shares incident to the underwriting thereof.

**SEC COMPLAINT NAMES CONTINENTAL INVESTING, OTHERS.** The SEC Fort Worth Regional Office announced August 6 (LR-4389) the filing of a complaint seeking to enjoin violations of the anti-fraud provisions of the Federal securities laws by the following in the offer and sale of stock of Continental Investment Corporation: Continental Investment Corporation, Pan American Industries, Inc., Mitchell M. Hazar and Vern G. Ryan of Phoenix, Ariz.; Donald Tarzwell, a/k/a Michael J. O'Shea, William Vasilios, Martin J. Carrabine, Executive Management Enterprises, Inc. and Executive Associates, Inc. of Los Angeles, Calif.; James W. Brewer of Oklahoma City, Okla.; Herman Larsen of Hot Springs, Ark.; George K. Waki, Houston Securities Corporation, Paul C. Ferguson, Individually and dba Paul C. Ferguson & Company, of Houston, Tex.; Jaime Marti of Tulsa, Okla.; Pedro Jose Torres Velasques, Leslie T. Zacharias, a/k/a Lee Zaharias, R.F.S. Associates, Inc., H. Michael Coyte, Vito Davanzo, Wesley J. Moffatt and Prudential Investment Corporation, of Miami, Fla. The complaint also seeks to enjoin Davanzo and Prudential Investment from violating the Securities Act registration requirement in the sale of Continental Investment stock.

**C. W. SOMMER III INDICTED.** The SEC Fort Worth Regional Office announced August 7 (LR-4390) that an indictment was returned on July 31 in the Federal court in Fort Worth, charging Charles W. Sommer, III, with violations of the perjury statute in his testimony before the Commission about the financial condition of Century Trust Company and in his denial that he had been asked for records of Abbett, Sommer & Co. Mortgage Corporation.

**NATIONAL HERITAGE FUNDING FILES FOR OFFERING.** National Heritage Funding Corporation, 709 Enterprise Drive, Oak Brook, Ill. 60521, filed a registration statement (File 2-34157) with the SEC on July 29 seeking registration of \$2,000,000 of Programs for the purchase of mutual fund shares and individual life insurance. The shares of three mutual funds managed by Keystone Custodian Funds, Inc., will be offered under the programs. Insurance policies available under the programs are written by National Heritage Life Insurance Company. Richard B. Schuurman is company president.

**SHAREHOLDERS' FINANCIAL SERVICES PROPOSES OFFERING.** Shareholders' Financial Services of America, 32 South Garfield Avenue, Pasadena, Calif. 91101, filed a registration statement (File 2-34156) with the SEC on July 29 seeking registration of \$19,000,000 of Programs for the acquisition of mutual fund shares, life and disability insurance, and an option to sell contracts. Through Securities Clearing Corporation, a subsidiary, the company engages in the sale of mutual funds; and through Option Capital Corporation, another subsidiary, it sells life and disability insurance to be issued by various companies. Robert M. Wildermuth is president and board chairman.

**ELECTRONIC DATA SYSTEMS FILES FOR SECONDARY.** Electronic Data Systems Corporation, 1300 EDS Center, Exchange Park, Dallas, Tex. 75235, filed a registration statement (File 2-34237) with the SEC on August 7 seeking registration of 150,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holders thereof, at prices current at the time of sale (\$68.50 per share maximum\*).

The company is principally engaged in designing business information systems for corporate customers and then installing and operating such systems, utilizing computers which are owned or leased and operated by the company. In addition to indebtedness, it has outstanding 11,692,156 common shares, of which H. Ross Perot, president and board chairman, owns 78.4%. The selling shareholders are clients of Brokaw, Schaenen, Clancy & Co., which acquired the shares from Perot under a stock purchase agreement.

OVER

**WASHINGTON NATURAL GAS FILES FINANCING PROPOSAL.** Washington Natural Gas Company, 815 Mercer St., Seattle, Wash. 98111, filed a registration statement (File 2-34241) with the SEC on August 7 seeking registration of \$10,000,000 of first mortgage bonds, due 1994, and 250,000 shares of common stock. The securities are to be offered for public sale through underwriters headed by Dean Witter & Co., Inc., 45 Montgomery St., San Francisco, Calif., and Kirkpatrick, Pettis, Smith, Polian Inc., 540 Omaha Nat'l Bank Bldg., Omaha, Nebr.; the interest rate on the bonds, offering price (\$19.75 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the distribution of natural gas at retail in the Puget Sound area of the State of Washington. The net proceeds of this financing will be used to pay outstanding short-term borrowings incurred for construction purposes, which borrowings are expected to aggregate \$13,000,000 when the new bonds and stock are sold. The company expects to spend about \$6,500,000 for construction during the last four months of 1969 and \$15,000,000 in 1970.

**HUNT BUILDING MARTS FILES FOR OFFERING AND SECONDARY.** Hunt Building Marts, Inc., P. O. Box 9368, El Paso, Tex. 79984, filed a registration statement (File 2-34238) with the SEC on August 7 seeking registration of 400,000 shares of common stock, of which 372,000 are to be offered for public sale by the company and 28,000 (being outstanding shares) by the Hunt Building Marts, Inc. Employees' Profit Sharing Plan and Trust (the selling stockholder). The offering is to be made through underwriters headed by Brown, Allen & Company, Empire Life Building, Dallas, Tex.; the offering price (\$4 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell Brown, Allen, for \$320, five-year warrants to purchase 32,000 shares.

The company is a general contractor engaged in the design, engineering and construction of technical and scientific construction projects, military installations, educational and religious facilities, transportation sales and service structures, automotive sales and service complexes, aviation sales and service facilities, manufacturing and warehousing plants, shopping centers and sales facilities, and preengineered steel structures. Of the net proceeds of its sale of additional stock, \$100,000 will be used to purchase additional equipment, \$400,000 to provide interim financing for projects currently in progress or contemplated and \$300,000 for acquisition of real property to expand the company's build-lease program; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 945,700 common shares, of which Jack L. Hunt, president, owns 40.71% and management officials as a group 88.16%.

**APOLLO FUND PROPOSES OFFERING.** Apollo Fund, Inc., 50 Congress St., Boston, Mass. 02109, filed a registration statement (File 2-34239) with the SEC on August 7 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum\*) plus a sales charge of 8.75% on purchases of less than \$25,000. The Fund is an open-end diversified investment company with the investment objective of capital appreciation. Keystone Custodian Funds, Inc., will act as investment adviser, and The Keystone Company of Boston (its wholly-owned subsidiary) will serve as principal underwriter of the Fund's share. Wilfred Godfrey is chairman of the fund, of the investment adviser and of the principal underwriter.

**REPUBLIC POWDERED METALS FILES FOR OFFERING AND SECONDARY.** Republic Powdered Metals, Inc., 2628 Pearl Road, Medina, Ohio 44256, filed a registration statement (File 2-34240) with the SEC on August 7 seeking registration of 200,000 shares of common, of which 25,868 shares are to be offered for public sale by the company and 174,132 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Ball, Burge & Kraus, 1414 Union Commerce Building, Cleveland, Ohio 44114; the offering price (\$9 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in manufacturing and selling heavy duty protective coatings and paints. Of the net proceeds of its sale of additional stock, \$100,000 will be used for construction and equipping a proposed plant in a Toronto suburb; the balance will be used for expansion and related capital improvements at the company's Gilroy, California and Medina, Ohio plants and for working capital purposes. In addition to indebtedness, the company has outstanding 615,228 common shares, of which Frank C. Sullivan, president, owns 33.5% and management officials as a group 51%. Sullivan proposes to sell 94,432 shares and 13 others the remaining shares being registered.

**SECURITIES ACT REGISTRATIONS. Effective August 8:** Broadway-Hale Stores, Inc., 2-34001; Foster Wheeler Corp., 2-34006; Head Ski Co., Inc., 2-33982; Iowa-Illinois Gas and Electric Co., 2-34089; Metromedia, Inc., 2-33333; Philadelphia Electric Co., 2-34051; Philippine Long Distance Telephone Co., 2-33715 (40 days); Richmond Corp., 2-32997; Scott Paper Co., 2-33368.  
**Withdrawn August 7:** GDI Inc., 2-32662; First Charter Financial Corp., 2-33268; Viking Quarterback Inc., 2-31491. **Withdrawn August 8:** Bouquet River Paper Mills, Inc., 2-31950 & 2-33874.

**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.