



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

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## NEW RULES AND RULE PROPOSALS

ANNOUNCE REGISTRATION FORM S-16 AMENDMENTS. The Commission today announced the adoption of amendments to Form S-16 for use in the registration of securities under the Securities Act of 1933. Form S-16 is a so-called "short form" which may be used only for certain types of offerings by companies which are required to file periodic reports under the Securities Exchange Act of 1934, and which have an established record of earnings and continuity of management.

The Commission stated that the primary purpose of the amendment is to liberalize the provisions of the form with respect to the conditions under which it may be used, so that it may be used by a larger number of companies. Heretofore, the form could be used only for sales of outstanding securities "in the regular way" on a national securities exchange and for certain other transactions concerning convertible securities and warrants. The amendments adopted by the Commission provide that the form may also be utilized for sales of listed securities in the "third market" or otherwise and for sales of securities quoted on NASDAQ. Certain other amendments to the form, which were previously published for comment, were also adopted.

In adopting the amendments to Form S-16, the Commission, based upon the recommendation of its staff, made one significant revision to the proposals previously published for comment. As published for comment, Form S-16 would only have been available for offerings of outstanding securities in unsolicited transactions for the account of any person other than the issuer. The requirement that the securities be offered in "unsolicited transactions" has been deleted from the form as adopted by the Commission so as to allow the solicitation of buy orders in connection with the sale of securities registered on the form.

While the effective date for use of the revised form is August 15, 1972, companies otherwise meeting the requirements for use of the revised Form S-16 may use it for registration statements filed prior to that date. (Rel. 33-5765)

## DECISION IN ADMINISTRATIVE PROCEEDINGS

HERMAN M. SOLOMON AND BURTON J. ROSENBLATT SANCTIONED. The SEC announced the issuance of an order barring Herman M. Solomon and Burton J. Rosenblatt, of Medford, Massachusetts, from association with any broker-dealer. After a period of six months they may apply to the Commission for leave to become associated with a broker-dealer in a non-supervisory and adequately supervised capacity. Solomon was president, and Rosenblatt treasurer of Mann and Company, Inc., a former broker-dealer whose registration was revoked in 1971.

The Commission found that between January and June 1969 the respondents failed to exercise reasonable supervision to prevent violations of credit extension, recordkeeping, and free credit balance provisions of the Securities Exchange Act of 1934. The Commission further found that, in violation of antifraud provisions of the Act, between May and September 1970, the respondents permitted their firm to accept purchase and sell orders from customers when, due to the firm's precarious financial condition, it was unable to consummate transactions and make settlements with reasonable promptness, and that they also aided and abetted violations of the net capital and recordkeeping requirements. In November 1970, Solomon and Rosenblatt were enjoined by the United States District Court for the District of Massachusetts, with their consent, from further aiding and abetting the 1970 violations.

The Commission, in permitting the respondents to apply for re-association after six months, considered their prior clean record, the lack of evidence of any intent to defraud customers, their apparently good faith attempts to raise funds to make restitution, and their voluntary cessation of business. (Rel. 34-9643)

## HOLDING COMPANY ACT RELEASES

PRUDENTIAL INSURANCE COMPANY OF AMERICA GRANTED EXEMPTION. The Commission in a May 25 order granted the request of the Prudential Insurance Company of America ("Prudential") for an exemption from Rule 17a-13 of the Securities Exchange Act of 1934. Rule 17a-13 requires subject broker-dealers to quarterly examine and count all securities in their possession and verify all securities not in their possession. The rule would not have applied to Prudential but for its maintenance of transfer accounts for customers to make periodic pre-payments of insurance premiums and other obligations. Customers receive interest on funds in these accounts and may withdraw them on demand. Prudential is currently exempt from the Commission's net capital rule. The Commission, therefore, determined that it was not necessary in the public interest or for the protection of investors to subject Prudential to Rule 17a-13 and exempted Prudential pursuant to paragraph (e) of Rule 17a-13. (Rel. 34-9642)

OVER

COURT ENFORCEMENT ACTION

SEC CITES ALAN F. HUGHES. The SEC on June 14 filed papers in the United States District Court for the Northern District of New York to commence a criminal contempt proceeding against Alan F. Hughes of Schenectady, New York, for continuing to do a securities business after having been enjoined from doing so in September 1971. (LR-5436)

INVESTMENT COMPANY ACT RELEASES

LEVERAGE FUND OF BOSTON, INC. The SEC has issued an order permitting Leverage Fund of Boston, Inc., a closed-end investment company issuing income shares and capital shares, to repurchase its shares subject to several conditions, including the conditions that the Fund will not purchase shares of one class if the number of shares of that class then outstanding is less, by more than 1,000, than the number of shares of the other class then outstanding, and will not permit the number of outstanding shares of either class to be out of balance with the number of outstanding shares of the other class to any extent for more than five consecutive trading days. (Rel. IC-7241)

THE YORK FUND, INC. The SEC has issued an order declaring that the registration of The York Fund, Inc., of New York City, under the Act has ceased to be in effect. (Rel. IC-7244)

HOLYOKE SHARES, INC. Harry W. Besse and Charles Oechler, Trustees in Dissolution of Holyoke Shares, Inc., registered under the Act as a closed-end, diversified investment company, have filed an application under Section 8(f) of the Act for an order declaring that the company has ceased to be an investment company, and the Commission has issued an order giving interested persons until July 19 to request a hearing upon the application. The company was dissolved on August 18, 1967, and the holders of all but 12,503 of the 456,309 outstanding shares have received payment in full of the liquidating distributions to which they are entitled. (Rel. IC-7245)

BCC INDUSTRIES. The SEC has issued a notice giving interested persons until July 21, 1972 to request a hearing upon an application of BCC Industries ("BCC"), a registered closed-end, non-diversified investment company and Bluebird Incorporated ("Bluebird"), for an order exempting from certain provisions of the Act the proposed acquisition by Bluebird from BCC of all of the latter's holdings of common stock of Bluebird consisting of 2,123,810 shares of such stock (28.3% of the total number of shares of Bluebird common stock outstanding at December 31, 1971) for a consideration of \$7,964,287.50 (\$3.75 a share) payable by certified check at the closing. (Rel. IC-7246)

HOLDING COMPANY ACT RELEASE

GEORGIA POWER COMPANY. The SEC has issued a notice giving interested persons until July 11 to request a hearing upon a proposal of the Georgia Power Company, Atlanta subsidiary of The Southern Company, to arrange with a group of banks for a loan agreement and the issuance and sale of unsecured two-year promissory notes in an aggregate amount of \$100,000,000. The proceeds are to be applied to Georgia's construction expenditures estimated at \$457,553,000 in 1972 and \$480,505,000 in 1973. (Rel. 35-17620)

SECURITIES ACT REGISTRATIONS

GAMBLE-SKOGMO, INC., 5100 Gamble Dr., Minneapolis, Minn. 55416, filed a registration statement on June 15 seeking registration of \$25 million of subordinated income capital notes, due 1977-1992, to be offered for public sale at 100% of principal amount. No underwriting is involved. Also included in this statement are 96,710 outstanding shares of common stock which may be offered for sale by the holders thereof at prices current at the time of sale (\* \$38.875 per share maximum) or at negotiated prices. The company is engaged in selling merchandise at retail through company-operated stores and through mail order catalogs and at wholesale. Net proceeds will be used for working capital purposes. (File 2-44645)

TREADWAY COMPANIES, INC., 140 Market St., Paterson, N. J. 07505, filed a registration statement on June 16 seeking registration of 50,000 shares of common stock. It is proposed to offer these shares in exchange for common stock of United Bowling Centers, Inc. at a rate to be specified later. Treadway is engaged in the operation and management of bowling centers and motor inns and also in the distribution of fresh and prepared foods to institutional consumers. (File 2-44670)

HONEYWELL INC., 2701 Fourth Ave. South, Minneapolis, Minn. 55408, filed a registration statement on June 16 seeking registration of 416,666 shares of common stock, deliverable upon conversion of \$50 million of principal amount of 6% subordinated guaranteed convertible debentures, due 1986 of Honeywell Capital N.V., a wholly-owned subsidiary. The company is engaged in a wide field of automatic control instruments and systems. (File 2-44673)

FORD MOTOR CREDIT COMPANY, The American Road, Dearborn, Mich. 48121, filed a registration statement on June 16 seeking registration of \$175 million of debentures, due 1998 (convertible into common stock of Ford Motor Company), to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. A wholly-owned subsidiary of Ford Motor Co., the company provides wholesale financing to and purchases retail installment sales paper from franchised Ford vehicle dealers. Net proceeds of its financing will be added to the general funds of the company. (File 2-44675)

FORD MOTOR COMPANY, The American Road, Dearborn, Mich. 48121, filed a registration statement on June 16 seeking registration of \$150 million of outstanding notes due 1979, held by the Ford Foundation, to be offered for public sale by the Foundation through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The notes were issued to the Foundation in exchange for shares of Class A stock of Ford owned by the Foundation. The company is engaged in the manufacture, assembly, and sale of cars and trucks and related parts and accessories. (File 2-44676)

MERCANTILE BANCORPORATION INC., 721 Locust St., St. Louis, Mo. 63101, filed a registration statement on June 19 seeking registration of 72,000 shares of common stock. It is proposed to offer these shares in exchange for outstanding shares of Trenton National Bank common stock, at the rate of 36 Bancorporation shares for each Trenton Bank share. Bancorporation is a bank holding company, which owns all the stock, except for the directors' qualifying shares, of seven banks. (File 2-44691)

MUNICIPAL INVESTMENT TRUST FUND, SIXTH MONTHLY PAYMENT SERIES, filed a registration statement on June 19 seeking registration of \$86,625,000 of units. The Fund was created by a Trust Agreement under which Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bache & Co., Incorporated and Walston & Co., Inc., act as sponsors, United States Trust Company of New York acts as trustee and Standard & Poor's Corporation acts as evaluator. The objectives of the Fund are tax exempt income and conservation of capital through an investment in the tax exempt bond portfolio of interest-bearing obligations rated "BBB" or better by Standard & Poor's Corporation or "Baa" or better by Moody's Investors Service issued by or on behalf of states, counties, territories or municipalities of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of recognized bond counsel to the issuing governmental authorities, exempt from all Federal income tax under existing law. (File 2-44693)

THE SMILES COMPANY, 1860 Broadway, New York, New York, filed a registration statement on June 16 seeking registration of \$700,000 of pre-formation partnership interests, to be offered for public sale at \$14,000 per unit. The Partnership is being organized to produce a dramatico-musical play entitled "Painted Smiles of Cole Porter." The book of the play was written by Ben Bagley, Bud McCreery and Shirley Kaplan and the music and lyrics by Cole Porter, but some completely new lyrics may be written for some of the songs and other songs may be revised. David Brown and Ben Bagley are the general partners and producers of the play. (File 2-44696)

MEDICAL SCIENTIFIC INTERNATIONAL CORPORATION, 1425 South Belcher Rd., Clearwater, Fla. 33516, filed a registration statement on June 20 seeking registration of 150,000 shares of common stock, to be offered for public sale (\* at \$25 per share maximum) through underwriters headed by Wheat, First Securities, Inc., 801 East Main St., Richmond, Va. 23219, and First Equity Corporation of Florida, 100 West Kennedy Blvd., Tampa, Fla. 33602. The company is engaged in the design, manufacture, management and maintenance of automated bio-medical systems for hospitals and clinics. Net proceeds will be used for working capital purposes. (File 2-44700)

ELIAS BROTHERS RESTAURANTS, INC., 4199 Marcy St., Warren, Mich. 48091, filed a registration statement on June 20 seeking registration of \$1,250,000 of subordinated debentures, due 1987, to be offered for public sale by the company and 360,000 outstanding shares of common stock, by the holders thereof. The debentures are to be offered at 100% of principal amount and the shares (\* at \$15 per share maximum) through underwriters headed by Financial House, Inc., 840 Buhl Bldg., Detroit, Mich. 48226. The company operates and subfranchises Big Boy and Roy Rogers restaurants under franchises covering the state of Michigan granted by subsidiaries of Marriott Corporation. Of the net proceeds of its debenture sale, \$350,000 will be used to purchase, pursuant to option, property constituting the location of the company's offices and commissary facilities in Warren. (File 2-44701)

BALL CORPORATION, 1509 South Macedonia Ave., Muncie, Ind. 47302, filed a registration statement on June 19 seeking registration of 1,002,284 shares of common stock, of which 300,000 are to be offered for public sale by the company and 702,284 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$30 per share maximum) through underwriters headed by Morgan Stanley & Co., 2 Wall Street, New York, N.Y. 10005, and Collett & Company, Inc., 1200 Fletcher Trust Bldg., Indianapolis, 4 Ind. The company is engaged in the manufacture and sale of glass containers, metal products, rubber and plastic products, aerospace, electronic and other technical products. Net proceeds of its stock sale will be available for capital expenditures, additional working capital and other corporate purposes. (File 2-44694)

AMERICAN INTERNATIONAL GROUP, INC., 102 Maiden Lane, New York, N.Y. 10005, filed a registration statement on June 20 seeking registration of \$30 million of convertible subordinated debentures, due 1997, to be offered for public sale through underwriters headed by Morgan Stanley & Co., Inc., 2 Wall St., New York 10005, and Loeb, Rhoades & Co., 42 Wall St., New York 10005. The company is a holding company, owning the capital stocks of several insurance companies. Net proceeds will be added to the investment assets of the general insurance subsidiaries, either through purchase from such subsidiaries of shares of other insurance company subsidiaries held by them or by contributions to their capital stock. (File 2-44702)

AIR FLORIDA, INC., 9300 South Dadeland Blvd., Miami, Fla. 33156, filed a registration statement on June 20 seeking registration of 400,000 shares of common stock, to be offered for public sale at \$8 per share through underwriters headed by Executive Securities Corp., 1175 N.E. 125th St., Miami, Fla. 33161. The company was formed to be an intrastate airline which intends to begin operations in September 1972 initially between Miami and Orlando, Fla. Of the net proceeds of its stock sale, \$500,000 will be used for the down payment for additional aircraft and the balance for working capital and other corporate purposes. (File 2-44703)

NEW YORK ASSET MANAGEMENT, INC., 115 E. 69th St., New York, N. Y. 10021, filed a registration statement on June 20 seeking registration of 50,000 shares of common stock, to be offered for public sale (\* at \$2 per share maximum). No underwriting is involved. Also included in the statement are 110,000 outstanding shares which may be offered for sale from time to time by the holders thereof. The company is engaged in buying and feeding beef cattle for resale. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-44704)

AMERICAN MARKETING COMPLEX, INC., 375 Park Ave., New York, N. Y. 10022, filed a registration statement on June 20 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$4 per share by Cohen, Goren Equities, Inc., 127 John St., New York, N. Y. 10038. The company proposes to create and sell audience building plans to radio and television station clients and marketing plans to advertisers offering products and services. Of the net proceeds of its stock sale, \$160,000 will be used for the creation, development and implementation of audience building and marketing plans and programs and the balance for working capital and other corporate purposes. (File 2-44706)

WESTCHESTER CORPORATION, 8989 Westheimer, Houston, Tex. 77042, filed a registration statement on June 20 seeking registration of 450,000 shares of common stock, of which 225,000 are to be offered for public sale by the company and 225,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$15.50 per share maximum) through underwriters headed by Paine, Webber, Jackson & Curtis Inc., and A. G. Edwards & Sons, Inc. The company is primarily a developer of residential communities and a builder of custom homes. Of the net proceeds of its stock sale, \$1,650,000 will be used to repay existing indebtedness and the balance for working capital and other corporate purposes. (File 2-44707)

THE ML CORPORATE INVESTMENT TRUST FUND, First Monthly Payment Series, filed a registration statement on June 20 seeking registration of \$39,375,000 of units. The Fund was created by a Trust Agreement between Merrill Lynch, Pierce, Fenner & Smith Inc., as sponsor, The Bank of New York, as trustee, and The National Shawmut Bank of Boston, as co-trustee and Standard & Poor's Corporation as evaluator. It was formed for the purpose of obtaining a high level of current income through investment in a fixed portfolio of long-term debt obligations rated "BBB" or better by Standard & Poor's Corporation or Fitch Investors Services, Inc. or "Baa" or better by Moody's Investors Service. (File 2-44708)

#### MISCELLANEOUS

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Tanger Industries for the further ten-day period June 27 through July 6, inclusive.

SECURITIES ACT REGISTRATIONS. Effective June 23: The Birtcher Corp., 2-43625 (40 days); Fred S. James & Co., Inc., 2-43933; Johns-Manville Corp., 2-44402; LaClede Gas Co., 2-44468; Lawlor Industries, Inc., 2-40589 (90 days); Ramada Inns, Inc., 2-44216; Sambo's Restaurants, Inc., 2-44607.

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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