

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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DECISION IN ADMINISTRATIVE PROCEEDING

AMOTT, BAKER & CO., REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-9070) in which it ordered the revocation of the broker-dealer registration of Amott, Baker and Co. ("registrant"), New York, for violating the record-keeping and financial reporting rules of the Commission. Under the terms of the order, however, a liquidator for registrant previously appointed by the New York Stock Exchange may continue to engage in activities necessary to wind up registrant's affairs. The decision was based upon an offer of settlement in which registrant, without admitting or denying the violations, consented to the findings of violations and to imposition of the indicated sanction.

According to the Commission's decision, during the period November 1, 1968 to April 28, 1969, registrant failed to accurately make, keep and preserve certain books and records, including ledger accounts or other records reflecting all assets and liabilities, income and expense and capital accounts, securities and monies borrowed and loaned, securities failed to receive and failed to deliver, customer ledger accounts and trial balances and net capital computations. In addition, registrant failed to file with the Commission a report of financial condition for the year ending December 27, 1968 within the time required.

HOLDING COMPANY ACT RELEASES

ARKANSAS POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16986) giving interested persons until February 26 to request a hearing upon an application of Arkansas Power & Light Company, Little Rock, subsidiary of Middle South Utilities, Inc., to issue and sell \$30,000,000 of first mortgage bonds, due 2001, at competitive bidding. Arkansas Power will use the net proceeds of its bond sale for its current construction program (estimated for 1971 at \$124,050,000) and for other corporate purposes, including repayment of short-term bank loans and commercial paper indebtedness approximating \$6,000,000.

AMERICAN NATURAL GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16988) giving interested persons until February 26 to request a hearing upon an application by American Natural Gas Company, New York. American Natural proposes to seek shareholder approval of an increase from 17,000,000 to 19,000,000 in the aggregate number of authorized shares of its common stock, par value \$10. The issuance and sale thereof will be subject to future application to and approval by the Commission. Proceeds thereof will be used to provide the cash required for the common stock equity component of the capital requirements of the American Natural holding company system.

MISSISSIPPI POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16989) giving interested persons until February 24 to request a hearing upon an application of Mississippi Power & Light Company, Jackson subsidiary of Middle South Utilities, Inc., to issue and sell up to \$24,000,000 of short-term promissory notes (including commercial paper) to banks and/or to a dealer in commercial paper. Mississippi Power will use the net proceeds of its financing, together with other available funds, for construction and for other corporate purposes. Construction expenditures are estimated at \$37,000,000 for 1971 and \$44,000,000 for 1972.

WESTERN MASSACHUSETTS ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16990) giving interested persons until February 24 to request a hearing upon an application of Western Massachusetts Electric Company, West Springfield subsidiary of Northeast Utilities, to increase from \$20,100,000 to \$40,500,000 the aggregate amount of short-term notes it may have outstanding at any one time.

INVESTMENT COMPANY ACT RELEASES

NOTICE RE INTL. AFRICAN AMERICAN. The SEC has issued an order under the Investment Company Act (Release IC-6341) giving interested persons until February 25 to request a hearing upon a proposal of the Commission to declare that International African American Corporation ("Corporation") and International African American Corporation Voting Trust ("Trust"), both of New York, have ceased to be investment companies. Commission records disclose that Corporation effected a dissolution under Delaware law and distributed its assets directly to its shareholders, including those beneficial shareholders who had deposited their shares with Trust. Trust, whose only investment was the stock of Corporation, surrendered to Corporation the certificate of capital stock it held and ceased to engage in any business.

OVER

MUTUAL LIFE SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6342) giving interested persons until February 22 to request a hearing upon an application by Mutual Life Insurance Company of New York ("MONY") and the Mony Variable Account A, open-end management investment company, and for whom MONY acts as principal underwriter, for exemption from certain provisions of the Act. Because one of the unaffiliated members of the Account A Committee has resigned, applicants seek an exemption from the restrictions of Section 10(b)(2) of the Act so that the Account may operate until a regular meeting of the Account A Committee on February 25, when it is anticipated an additional un-affiliated member will be appointed.

MUNICIPAL INVESTMENT TRUST FUNDS SEEK ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6343) giving interested persons until February 19 to request a hearing upon an application by Municipal Investment Trust Funds ("Municipal"), Tax Exempt Income Funds ("Tax Exempt"), and Michigan Tax Exempt Bond Funds ("Michigan Funds") and Subsequent Funds, for an order granting confidential treatment to the profit and loss statements of Bache & Co., Inc., Goodbody & Co., Inc., Walston & Co., Inc., First of Michigan Corporation and their Co-Sponsors ("Sponsors"), the Sponsors of Municipal, Tax Exempt and Michigan Funds (and Subsequent Bond Funds), submitted in connection with registration statements filed with the Commission from time to time. Section 45(a) of the Act provides in part that information filed with the Commission shall be made available to the public. Applicants state that the Sponsors will function solely as underwriters of the Funds and that there is no legitimate interest on the part of purchasers of shares of the funds in the public disclosure of the profit and loss statements of the underwriters from whom the securities are purchased.

CORNERSTONE FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6344) declaring that Cornerstone Fund, Inc., of New York, has ceased to be an investment company. Cornerstone filed a registration statement on January 20, 1970 for a public offering of its capital stock, which application was subsequently withdrawn and the company has issued no securities and has no assets or shareholders.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES HOWARD CARLTON, INC., LAZELL. The SEC New York Regional Office announced February 1 (LR-4890) the filing of a complaint in the Federal court in New York seeking to enjoin Howard Carlton, Inc. New York registered broker-dealer, and its president, Howard L. Lazell, from violating the bookkeeping and net capital provisions of the Federal securities laws. The complaint also seeks the appointment of a temporary receiver of the assets and property of Carlton until such time as the Securities Investor Protection Corporation can make a determination that Carlton has failed to meet its obligations to customers and apply to the court for the appointment of a trustee to replace such receiver.

COMPLAINT NAMES COMPUTER STATISTICS. The SEC today announced the filing of a complaint in the Federal court in Washington, D. C. seeking an order directing Computer Statistics, Inc., of Fort Worth, to comply with the reporting requirements of the Securities Exchange Act of 1934. According to the complaint, Computer failed to file an annual report for the fiscal year ended March 31, 1970 and a semi-annual report for the six-month period ended September 30, 1970 as required by the Act. This is the first of several actions contemplated by the Commission since its October 15, 1970 announcement (Release 34-8995) pertaining to delinquent filings. (LR-4891)

SECURITIES ACT REGISTRATIONS

CONVERTIBLE SECURITIES FUND PROPOSES OFFERING. Convertible Securities Fund, Inc., 1309 Highland Ave., Abington, Pa. 19001, filed a registration statement (File 2-39331) with the SEC on February 1 seeking registration of 500,000 shares of capital stock, to be offered for public sale at net asset value (\$10 per share maximum*) with no sales charge. The Fund is a diversified, open-end investment company seeking potential growth of capital and a reasonable return of income. It will invest primarily in convertible securities, convertible bonds, convertible preferred stocks and/or warrants to purchase equity securities. First Exchange Management Corporation will serve as investment manager and Hugh Johnson & Company, Inc. as principal underwriter and distributor of Fund shares. Conrad D. Mock is president of the Fund and of the manager. Babette M. Alliger, secretary of the Fund and the manager, owns 87.1% of the outstanding voting securities of the manager.

REALTY INVESTMENTS PROPOSES OFFERING. Realty Investments, Ltd. (the "Partnership"), 136 East South Temple St., Salt Lake City, Utah 84111, filed a registration statement (File 2-39330) with the SEC on February 1 seeking registration of \$10,000,000 of limited partnership interests, to be offered for public sale at \$1,000 per unit (with a minimum purchase of 16 units required). The offering is to be made by officials of the general partner (Realty Management Company), who will receive a \$50 per unit selling commission; participating NASD members will receive a \$70 per unit commission. The Partnership was organized to provide investors with an opportunity to invest in a professionally managed diversified portfolio of interests in income producing real property located primarily in western United States. Maninvest Corporation owns all the outstanding stock of the general partner. Ernest C. Psarras is president of the general partner and of its parent.

MML INVESTMENT COMPANY PROPOSES OFFERING. MML Investment Company, Inc., 1295 State St., Springfield, Mass. 01101, filed a registration statement (File 2-39334) with the SEC on February 2 seeking registration of 10,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum*), with no sales charge. The company is an open-end diversified management investment company, whose objectives are long-term appreciation of capital and, depending upon business and economic conditions, preservation of capital. Massachusetts Mutual Life Insurance Company is the investment manager. James R. Martin is chairman and chief executive officer of the Fund and president and chief executive officer of the investment manager and A. Peter Quinn, Jr., is president of the Fund and vice president of the investment manager.

UNITED CONTINENTAL PROGRAMS PROPOSES OFFERING. Waddell & Reed, Inc., Sponsor of United Continental Growth Exchange Programs ("Exchange Programs"), 20 W. 9th St., Kansas City, Mo. 64105, filed a registration statement (File 2-39335) with the SEC on February 1 seeking registration of \$10,000,000 of Exchange Programs to accumulate shares of United Continental Growth Fund, Inc. Holders of United Periodic Investment Plan to Acquire Shares of United Accumulative Fund without insurance may exchange their plans for the Exchange Programs. Cornelius Roach is board chairman and William A. Reasoner is president of the Sponsor.

MAINE YANKEE ATOMIC POWER PROPOSES OFFERING. Maine Yankee Atomic Power Company, 9 Green St., Augusta, Me. 04330, filed a registration statement (File 2-39337) with the SEC on February 2 seeking registration of \$50,000,000 of first mortgage bonds, Series B, due 2002, and \$15,000,000 of debentures, Series A, due 1976, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its debenture sale to finance a part of the cost of the initial core for a nuclear reactor, the balance of said cost to be financed through bank borrowings; net proceeds of the bond sale will be used against the deposit of \$50,000,000 of cash in the construction fund provided for in the mortgage, to be withdrawn to finance continued construction of the Plant. Construction expenditures were \$111,380,000 for 1970 and are estimated at \$78,000,000 for 1971 and \$11,000,000 for 1972.

NN CORP. TO SELL STOCK. NN Corporation, 731 N. Jackson St., Milwaukee, Wis. 53202, filed a registration statement (File 2-39338) with the SEC on February 2 seeking registration of 200,000 shares of common stock, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York, N. Y. 10005. The offering price (\$48 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged through subsidiaries primarily in the property and casualty insurance business. Of the net proceeds of its stock sale, some \$5,000,000 will be used to support the increasing premium volume of the company's insurance subsidiaries and \$2,100,000 to pay outstanding short-term bank loans which were used to supplement working capital; 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 1,246,915 common shares. T. Parker Lowe is president.

NATURAL RESOURCES FUND PROPOSES OFFERING. Natural Resources Fund, Inc., 1309 Highland Ave., Abington, Pa. 19001, filed a registration statement (File 2-39332) with the SEC on February 1 seeking registration of 300,000 shares of capital stock, to be offered for public sale at net asset value (\$10 per share maximum*), with no sales charge. The Fund is a non-diversified, open-end investment company seeking capital appreciation through investments in companies in the natural resources and related fields. First Exchange Management Corporation will serve as investment manager and Hugh Johnson & Company, Inc. as principal underwriter and distributor of Fund shares. Conrad D. Mock is president of the Fund and of the manager. Babette M. Alliger, secretary of the Fund and manager, owns 87.1% of the outstanding voting securities of the manager.

SOUTH CAROLINA E&G TO SELL BONDS. South Carolina Electric & Gas Company, 328 Main St., Columbia, S. C. 29301, filed a registration statement (File 2-39339) with the SEC on February 2 seeking registration of \$35,000,000 of first and refunding mortgage bonds, due 2001, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its bond sale for the repayment in part of outstanding short-term indebtedness (estimated at \$42,000,000 at the time of the bond sale) incurred and to be incurred as a result of construction expenditures. Construction expenditures are estimated at \$573,000,000 for the five-year period 1971 through 1975.

SECURITIES ACT REGISTRATIONS. Effective February 3: Coquina Oil Corp., 2-38681 (90 days); Central Power & Light Co., 2-39266; Georgia Power Co., 2-39219; Uniroyal, Inc., 2-39213.
Withdrawn February 1: Pan-Alaska Fisheries, Inc., 2-36309; Serbin Fashions, Inc., 2-34864.
Withdrawn February 2: Benquet Mining, Inc., 2-38284; Kemperco, Inc., 2-37868; Pro Sound Productions Inc., 2-34478.

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.