

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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RULES AND RULE PROPOSALS

SEC PROPOSES TO AMEND 10-K, EXPAND 10-Q. The SEC has under consideration a proposed amendment to Item 6 of Form 10-K and an expansion of Form 10-Q under the Securities Exchange Act of 1934. Form 10-K is a general form for annual reports by companies having securities registered pursuant to Section 12 of the Act and companies having securities registered under the Securities Act of 1933 which are required to file reports pursuant to Section 15(d) of the Securities Exchange Act of 1934. Form 10-Q is the general quarterly form filed by the above-mentioned companies. It is proposed to include in these forms information covering recent transactions by the issuer in unregistered securities. The staff is continuously faced with requests of when such unregistered securities may be sold without registration, and it is felt that this information will be of material assistance in the interpretation of Section 4(2) of the Securities Act of 1933 and in the administration of the securities laws by the staff and the Commission. The proposed changes would require a statement of recent sales of unregistered securities by the registrant for the past fiscal year in the case of Form 10-K and the past fiscal quarter for Form 10-Q. Some of this information is already furnished by registrants with respect to equity securities in the Form 10-K, and by registrants under the Securities Act of 1933 in Form S-1. Information will now be requested for transactions in all unregistered securities, debt as well as equity, within the stated period of time. It is also proposed that an EDP attachment, for statistical purposes will be required to be furnished by the registrant as an Exhibit I with the reports on Forms 10-K and 10-Q.

All interested persons are invited to submit their views and comments on the proposed changes to Mrs. Rose F. Jaffin, Attorney, Division of Corporation Finance, Securities and Exchange Commission, Washington, D. C. 20549 on or before May 14, 1971. All such communications will be available for public inspection. (Release 34-9126)

T&M DIRECTOR DELEGATED ADDITIONAL AUTHORITY. The SEC has further amended its rules under which certain functions of the Commission have been delegated to Directors of Divisions and certain other staff officials. The latest amendments delegate to the Director of the Division of Trading and Markets authority under the Securities Exchange Act to consider requests for extensions of time for filing reports on Form X-17A-10 pursuant to Rule 17a-10 under the Act.

Rule 17a-10 (with certain exemptions) requires members of national securities exchanges and registered brokers and dealers to file with the Commission, after the close of each calendar year, a report of their income and expenses and related financial and other information for such calendar year. The Commission has determined to delegate to the Director, Division of Trading and Markets, the authority to grant or deny applications for extensions of time to a specified date for filing a report on Form X-17A-10. Under paragraph (d) of Rule 17a-10, any extension granted shall not be later than 150 days after the close of the calendar year for which the report is made and can only be granted in cases of undue hardship. If an applicant's request for extension is denied, he may have such denial reviewed by the Commission. (Rel. 34-9144)

INVESTMENT COMPANY ACT RELEASES

SCRIPPS-HOWARD INVESTMENT CO./E. W. SCRIPPS CO. The SEC has issued an order under the Investment Company Act permitting joint participation by Scripps Howard Investment Company, E. W. Scripps Co., of Cincinnati, and Jack R. Howard of New York, in the sale of common shares of The Cincinnati Enquirer, Inc. to American Financial Corporation. (Release IC-6454)

THE CONSTELLATION CAPITAL FUND, INC. The SEC has issued an order giving interested persons until May 7 to request a hearing on the application of The Constellation Capital Fund, Inc., a management open-end investment company, of Los Angeles, for an order declaring that it has ceased to be an investment company as defined in the Investment Company Act. At a special meeting on April 22, 1970 shareholders approved the winding up and dissolution of the applicant; it therefor ceased business and distributed its remaining assets and was dissolved according to a certificate filed with the State of Delaware. (Release IC-6455)

AMERICAN SOUTH-AFRICAN INVESTMENT CO. LTD. The SEC has issued an order under the Investment Company Act granting American-South African Investment Company Ltd., and South African Investment Adviser (Proprietary) Ltd. exemptions from certain provisions of the Act, from the time of the death of Charles W. Engelhard on March 2, 1971 until the final adjournment of the 1971 Annual Shareholders Meeting of South African Investment which is scheduled to be held on April 26, 1971 thereby permitting American-South African to serve as investment adviser to South African-Investment during that period. (Release IC-6456)

PITTSBURGH COKE & CHEMICAL CO. The SEC has issued an order exempting the Pittsburgh Coke and Chemical Company, Pittsburgh, from certain provisions of the Investment Company Act in order to effect a transaction involving the sale of the indebtedness of, and the transfer by Pittsburgh of all the outstanding stock of its wholly-owned subsidiary, American Flyers Airline Corporation. (Release IC-6457)

OVER

HOLDING COMPANY ACT RELEASES

GREAT LAKES GAS TRANSMISSION/AMERICAN NATURAL GAS. The SEC has issued an order under the Holding Company Act authorizing Great Lakes Gas Transmission Company, subsidiary of American Natural Gas Company, to increase its authorized shares of common stock \$100 par from 450,000 shares presently outstanding to 500,000 shares and to sell to American Natural 25,000 shares, and a like number to Trans-Canada Pipe Lines Ltd. Trans Canada and American Natural have each purchased 50% of Great Lakes' outstanding 450,000 shares of common stock for \$45 million. The proposed sale will increase their respective common stock investment to \$50 million. (Release 35-17097)

CONNECTICUT GAS CO./CONNECTICUT L&P CO. The SEC has issued an order under the Holding Company Act authorizing Connecticut Gas Company subsidiary of Northeast Utilities, to issue and sell to Connecticut Light and Power Company up to an additional \$550,000 of long term notes (not to exceed \$1,600,000 at any one time outstanding) to meet its capital requirements. The fund will be applied by Conn. Gas for construction expenditures which are estimated at \$386,000 for 1971. (Release 35-17098)

CHASE MANHATTAN SERVICE CORP./FIRST NATIONAL BANK OF S.C. The SEC has issued an order giving interested persons until May 3 to request a hearing upon the application of Chase Manhattan Service Corporation, New York, and First National Bank of South Carolina, Columbia, for an order declaring that neither will become an "electric utility company" within the meaning of Section 2(a)(3) of the Act. South Carolina Electric & Gas Co. has ordered equipment from General Electric Company aggregating \$5,100,000; if the proposed transactions are consummated South Carolina would assign its right to buy the equipment to First National acting as trustee for the benefit of Chase. The Trustee would then purchase the equipment directly from the manufacturer and lease it to South Carolina. If Chase or First National were to become or deemed to be an electric utility under the Act as a result of the proposed transaction, their respective parent corporations would be holding companies under the Act.^{1/} (Release 35-17099)

COURT ENFORCEMENT ACTION

W. T. KING SENTENCED IN ARKANSAS. The SEC Fort Worth Regional Office today announced that on February 3 the Circuit Court of Pulaski County, Ark., sentenced W. T. King former president of W. T. King & Co. Inc. of Little Rock, to three years each on 15 separate felony informations charging violations of the Arkansas Securities Act and 15 years each on five charges of larceny by a bailee, all sentences to run concurrently. The case arose out of investigations commenced by the Fort Worth SEC office involving a broker-dealer registered under the Investment Advisors Act of 1940. (Release LR-4971)

SECURITIES ACT REGISTRATIONS

WHITE SHIELD INDONESIA OIL PROPOSES EXCHANGE OFFER. White Shield Indonesia Oil Corporation, 1601 S. Main St., Tulsa, Okla. 74101, filed a registration statement with the SEC on April 5 seeking registration of 487,402 shares of preferred stock (each share convertible into 1/2 common share), and 121,850 shares of common stock. It is proposed to offer a portion of these securities in exchange for oil and gas interests acquired by participants in White Shield Oil and Gas Drilling Fund: 100 Series, White Shield Oil and Gas Corp. 1969 Year-End Drilling Fund (Private) and California Shield--ATS Oil and Gas Company. It is also proposed to exchange 49,806 preferred shares and 12,451 common shares for \$747,073 of indebtedness owed to its parent, White Shield Corporation.

White Shield (Indonesia) was organized in July 1969. Upon consummation of the exchange offer, it proposes to engage in oil and gas exploration and production in an area located offshore Java and Sumatra. All its outstanding stock is owned by White Shield Corp. Earl R. Austin is president. (File 2-39951)

EQUITY FUNDING PROPOSES OFFERING. Equity Funding Corporation of America, 1900 Avenue of the Stars, Los Angeles, Calif. 90067, filed a registration statement with the SEC on April 5 seeking registration of \$162,000,000 of Programs for the Acquisition of Mutual Fund Shares and Insurance. The policies available in the life insurance programs are written by Equity Funding Life Insurance Company, a wholly-owned subsidiary of the company, and in states where Equity Life is not authorized to do business, by Beneficial National Life Insurance Company. Shares of Equity Growth Fund of America, Inc., Equity Progress Fund, Inc., Fund of America, Inc., and Keystone Custodian Fund Series S-3 are offered in the Programs. Stanley Goldblum is president and board chairman. (File 2-39956)

*BANKERS LIFE PROPOSES OFFERING. Bankers Life Company, 711 High St., Des Moines, Iowa 50307, filed a registration statement with the SEC on April 5 seeking registration of \$5,000,000 of variable annuity contracts for use in connection with pension or profit-sharing plans which qualify under the Self-Employed Individuals Tax Retirement Act of 1962, as amended ("HR-10"). Bankers Life is a mutual life insurance company. (File 2-39957)

*FRANKLIN MINT FILES FOR OFFERING AND SECONDARY. The Franklin Mint, Inc., Franklin Center, Pa. 19063, filed a registration statement with the SEC on April 6 seeking registration of 200,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$51.25 per share maximum) through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006.

The company is engaged in designing, **manufacturing** and **merchandising** its proprietary series of commemorative medals, primarily in sterling silver. Of the net proceeds of its stock sale, some \$3,300,000 will be used to reduce short-term bank loans incurred primarily to finance accounts receivable, to acquire silver inventory and for working capital purposes, and the balance will be added to working capital. Joseph M. Segel, president, and his wife propose to sell 50,000 shares each of 167,710 and 142,880 shares held, respectively. (File 2-39960)

INTERLAKE TO SELL DEBENTURES. Interlake, Inc., 310 South Michigan Ave., Chicago 60604, filed a registration statement with the SEC on April 6 seeking registration of \$60 million of debentures, due 1996, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005.

The company (into which Interlake Steel Corporation was merged in 1970) is engaged principally in producing iron, steel and related products, packaging and storage products and ferroalloys and silicon metal. Of the net proceeds of its debenture sale, \$50,475,000 will be used to repay bank loans and the balance for general corporate purposes. In addition to indebtedness, the company has outstanding, 4,257,128 common shares. Reynold C. MacDonald is president. (File 2-39962)

***NORTH AMERICAN MORTGAGE INVESTORS PROPOSES OFFERING.** North American Mortgage Investors (the "Trust"), 294 Washington St., Boston 02108, filed a registration statement with the SEC on April 6 seeking registration of 827,264 outstanding shares of beneficial interest, to be offered for public sale by the holders thereof. The offering is to be made (**at \$32 per share maximum) through underwriters headed by E. F. Hutton & Company, Inc., 1 Chase Manhattan Plaza, New York 10005.

The Trust is a mortgage investment trust specializing in first mortgage construction loans and other short-term mortgages on revenue-producing properties. In addition to indebtedness, it has outstanding 3,903,136 shares of beneficial interest. John Hancock Mutual Life Insurance Company proposes to sell 214,285 of 334,285 shares held and 25 others the remaining shares being registered. (File 2-39963)

***AILEEN FILES FOR OFFERING AND SECONDARY.** Aileen, Inc., 331 E. 38th St., New York 10016, filed a registration statement with the SEC on April 6 seeking registration of 400,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$46 per share maximum) through underwriters headed by Faulkner, Dawkins & Sullivan Securities Inc., One New York Plaza, New York 10004.

The company is engaged in the design, manufacture and sale of knitted casual wear and sportswear for women and girls. In addition to indebtedness, it has outstanding 2,323,194 common shares, of which Meyer Osofsky, board chairman, and Abe Oberlin, president, own 20.6% each. Each proposes to sell 100,000 shares. (File 2-39964)

CASSETTE SCIENCES TO SELL STOCK. Cassette Sciences Corporation, 41 East 28th St., New York 10016, filed a registration statement with the SEC on April 6 seeking registration of 250,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made through underwriters headed by Daniel S. Brier & Co., Inc., 80 Broad St., New York.

The company was organized in February 1970 as a wholly-owned subsidiary of Allied Management & Systems Corporation for the purpose of developing, producing, marketing and providing associated services for the "Cassette-Vision" (C-V) System (which permits interaction among a television cassette player, a remote computer and a standard television set). Of the net proceeds of its stock sale, \$540,000 will be paid to the parent (\$140,000 in repayment of advances and \$400,000 for the purchase price of patent rights covering the C-V System), and the balance will be used for general corporate purposes. The company has outstanding 2,090,000 common shares (with a 27¢ per share net tangible book value deficit). Benjamin C. Zitron is board chairman and Gerald E. Dorfuss president. Purchasers of the shares being registered will sustain an immediate dilution of \$9 in per share book value from the offering price. (File 2-39965)

BELCO PETROLEUM PROPOSES OFFERING. Belco Petroleum Corporation (the general partner), 630 Third Ave., New York 10017, filed a registration statement with the SEC on April 6 seeking registration of \$10 million of limited partnership interests in Belco 1971 Oil and Gas Fund, Ltd. (the "Partnership"), to be offered for public sale in units of \$5,000 (with a minimum subscription of \$10,000). The offering is to be made by White, Weld & Co., 20 Broad St., New York and Goldman, Sachs & Co., 55 Broad St., New York 10004 (either directly or through selected dealers). The Partnership is to be organized to explore for oil and gas. Arthur B. Belfer, board chairman, owns 14.13%, Robert A. Belfer, president, 10.39% and management officials as a group 51.99% of the outstanding common stock of the general partner. (File 2-39966)

UNITED JERSEY BANKS TO SELL DEBENTURES. United Jersey Banks, 210 Main St., Hackensack, N.J. 07602, filed a registered statement with the SEC on April 6 seeking registration of \$20 million of debentures, due 1996, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005.

United Jersey is a bank holding company which owns five New Jersey banks. Of the net proceeds of its debentures sale, some \$13,750,000 will be used to increase capital funds of the constituent banks and the balance will be added to the company's general funds and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,828,208 common shares. Edward A. Jesser, Jr., is board chairman and Kenneth H. Fisher, president. (File 2-39967)

***GENERAL MOTORS ACCEPTANCE TO SELL DEBENTURES.** General Motors Acceptance Corporation, 767 Fifth Ave., New York 10022, filed a registered statement with the SEC on April 6 seeking registration of \$200 million of debentures, due 1993, to be offered for public through underwriters headed by Morgan Stanley & Co. Inc., 2 Wall St., New York 10005.

A wholly-owned subsidiary of General Motors Corporation, the company finances the distribution of new products manufactured by General Motors to dealers for resale and finances such dealers' retail installment sales of new products as well as used units of any make. Net proceeds will be added to the company's general funds and will be available for purchase of receivables or for maturing debt; such proceeds initially may be applied to reduction of short-term borrowings. (File 2-39968)

***ANGELICA CORP. FILES FOR OFFERING AND SECONDARY.** Angelica Corporation, 700 Rosedale Ave., St. Louis, Mo. 63112, filed a registered statement with the SEC on April 6 seeking registration of 620,579 shares of common stock, of which 100,000 are to be offered for public sale by the company and 520,579 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$37 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005.

The company manufactures and distributes, by direct sale and rental services, vocational and protective apparel, related accessories and institutional linens. Part of the net proceeds of its stock sale will be used to repay short-term bank debt (\$2,575,000 at March 31) and the balance to complete payment for a warehouse and office under construction and for additions and improvements to existing rental laundry facilities and other corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 2,752,216 common shares, of which Williard L. Levy, president, owns 9.3%. He proposes to sell 100,000 of 365,800 shares held, John D. Levy, executive vice president, 100,000 of 238,971 and a large number of others the remaining shares being registered. (File 2-39969)

MISSISSIPPI RIVER TRANSMISSION PROPOSES RIGHTS OFFERING. Mississippi River Transmission Corporation, 9900 Clayton Rd., St. Louis, Mo. 63124, filed a registration statement with the SEC on April 6 seeking registration of 963,000 shares of common stock. It is proposed to offer these shares for subscription by common stockholders, at the rate of one new share for each four shares held (** and at \$14 per share maximum). Mississippi River Corporation, owner of 81.8% of the company's outstanding common stock, has agreed to subscribe for 785,027 shares pursuant to the rights offering.

The company owns and operates a natural gas pipeline system serving principally the Greater St. Louis area in Missouri and Illinois. Net proceeds of its stock sale will be used to repay, in part, short-term bank loans (of which \$13 million are expected to be outstanding at April 30) incurred in connection with the company's 1970 capital expenditures programs and for other corporate purposes. In addition to indebtedness, the company has outstanding 3,837,000 common shares. (File 2-39970).

MUNICIPAL TRUST FUND PROPOSES OFFERING. Municipal Investment Trust Fund, Series 1H, filed a registration statement with the SEC on April 6 seeking registration of \$39,375,000 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 a diversified investment in revenue and general municipal bonds rated "BBB" or better by Standard & Poor's Corporation or "Baa" or better by Moody's Investors Service. The Fund consists of the diversified tax exempt bond portfolio⁸⁷ interest-bearing obligations 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, exempt from all Federal income tax under existing law. (File 2-39972).

***NATIONAL LIBERTY FILES FOR OFFERING AND SECONDARY.** National Liberty Corporation, Valley Forge, Pa. 19481, filed a registration statement with the SEC on April 6 seeking registration of 700,000 shares of common stock, of which 500,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Smith, Barney & Co., Inc., and Kidder, Peabody & Co., Inc.

The company and its subsidiaries are primarily engaged in soliciting and underwriting accident and health and life insurance policies. Of the net proceeds of its stock sale, \$5,250,000 will be used to repay bank indebtedness incurred to finance prior marketing expenditures and the balance will be invested in the insurance subsidiaries and used to finance part of the marketing expenditures through 1972. (File 2-39973).

SECURITIES ACT REGISTRATIONS. Effective April 14: American Fletcher Corp., 2-39568; ARA Services, Inc., 2-39928; Brockton Taunton Gas Co., 2-39531; Commonwealth Edison Co., 2-39765; Floyd Valley Packing Co., 2-39362; Illinois Bell Telephone Co., 2-39764; Michigan Gas Utilities Co., 2-39631; The Montana Power Co., 2-39536; Rapid-American Corp., 2-39654; Robo-Wash, Inc., 2-38485; Tasty Baking Co., 2-39777; Texas Gas Transmission Corp., 2-39803.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.

1/ Pending distribution of this Release by the Commission, interested persons should consult the Federal Register for full details of the application.