

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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COURT ENFORCEMENT ACTIONS

TARZWELL, BREWER ENJOINED. The SEC Fort Worth Regional Office has announced that the Federal court in Phoenix, Ariz. permanently enjoined by default, Donald Tarzwell, also known as Michael J. O'Shea, of Los Angeles, and James W. Brewer of Miami from violating the registration, anti-fraud, and anti-manipulative provisions of the Federal securities laws in connection with the offer and sale of securities of Continental Investment Corporation. (LR-5000)

LAURENCE, BENJAMIN PLEAD GUILTY. The SEC New York Regional Office today announced that on May 7 Alfred D. Laurence entered a plea of guilty to one count of securities fraud, and Madwin Benjamin, also known as Maurice Benjamin, entered a plea of guilty to one count of manipulation in connection with the illegal distribution of unregistered securities of VTR Inc., to the public through a series of transactions through and involving, Swiss, German Banks and a Liechtenstein Trust. (LR-5001)

INVESTMENT COMPANY ACT RELEASE

GENERAL AMERICAN LIFE INSURANCE CO. The SEC has issued an order giving interested persons until May 28 to request a hearing on the application of General American Life Insurance Co., and General American Separate Account No. 2 of St. Louis for an order exempting them from certain provisions of the Investment Company Act to, among other things, permit access to the securities and other investments of Account 2 established October 1970 by representatives of the Insurance Division of Missouri, and to permit the distribution of divisible surplus with respect to the Contracts to be offered in connection with Account 2, and from other provisions as set forth in the application. (Release IC-6513)

HOLDING COMPANY ACT RELEASES

INDUSTRIAL LEASING CORP. The SEC has issued an order giving interested persons until June 2 to request a hearing on the application of Industrial Leasing Corporation of Providence, R. I. for an order declaring that it will not become an electric utility company within the meaning of the Holding Company Act as the result of a proposed transaction concerning the purchase and subsequent lease of electric generating equipment involving the Orange and Rockland Utilities, Inc. (Release 35-17122)

ALABAMA POWER CO. The SEC has issued an order giving interested persons until May 27 to request a hearing on the application of Alabama Power Company to issue \$5,805,000 of first mortgage bonds, due 1985, to be issued on the basis of property additions thus making available for construction and other purposes cash which would otherwise be required to satisfy the sinking fund requirements or to purchase bonds for such purpose. (Release 35-17123)

NORTHEAST UTILITIES. The SEC has issued an order under the Holding Company Act extending to December 2, 1971, the time in which financing arrangements can be made by The Millstone Point, a subsidiary of Northeast Utilities, with respect to a proposed transfer and assignment by other Northeast subsidiaries to The Millstone Point of their respective interest in a nuclear fuel contract. (Release 35-17124)

MISSISSIPPI POWER CO. The SEC has issued an order authorizing Mississippi Power Company to issue, prior to June 1, 1971, \$1,146,000 of first mortgage bonds due 1980, under its Indenture of September 1, 1941. (Release 35-17125)

MONONGAHELA POWER CO. The SEC has issued an order authorizing Monongahela Power Company to issue and sell at competitive bidding, \$20 million of first mortgage bonds, due 2001, and to increase the number of its shares of cumulative preferred stock from 340,000 to 390,000 and to sell at competitive bidding 50,000 such shares. (Release 35-17126)

CONSOLIDATED NATURAL GAS. The SEC has issued an order authorizing Consolidated Natural Gas Company to sell, subject to competitive bidding, \$40 million of debentures, due 1996, the proceeds of which will be used to finance, in part, the 1971 plant construction expenditures of its subsidiary companies, presently estimated at \$97,600,000. (Release 35-17127)

OVER

SECURITIES ACT REGISTRATIONS

CO-BUILD COMPANIES FILES FOR OFFERING AND SECONDARY. Co-Build Companies, Inc., Estate TuTu, St. Thomas, U. S. Virgin Islands 00801, filed a registration statement with the SEC on April 30 seeking registration of 650,000 shares of common stock, of which 500,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$20.25 per share maximum) through underwriters headed by Butcher & Sherrerd, 1590 Walnut St., Philadelphia 19102, and Thomson & McKinnn Auchincloss, Inc., 2 Broadway, New York 10004. Also included in this statement are \$1 million of outstanding 6% convertible subordinated notes, 7,070 shares of common stock issuable upon acceptance of any offer by the company to exchange one share for each \$15 of 6% subordinated debentures issued by Mystic Development Corporation and 29,288 shares issuable upon exercise of options granted to employees or assumed by the company.

The company is primarily a builder of low and moderate priced single-family and multi-unit housing in communities developed by the company. Of the net proceeds of its stock sale, \$4 million will be used in connection with two of the company's communities, and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 1,866,940 common shares, of which Eugene Farrow, board chairman and chief executive officer, owns 32.8%. He proposes to sell 77,200 shares and four others the remaining shares being registered. (File 2-40257)

METROCARE ENTERPRISES TO SELL STOCK. Metrocare Enterprises, Inc., Ernston Rd., South Amboy, N. J. 08879, filed a registration statement with the SEC on April 30 seeking registration of 400,000 shares of common stock to be offered for public sale (** at \$13 per share maximum). The offering is to be made through underwriters headed by Shearson, Hammill & Co. Inc., 14 Wall St., New York 10005.

Organized in 1968, the company operates nursing homes and hospitals and provides other services. Of the net proceeds of its stock sale, \$1,640,000 will be used to reduce the company's outstanding construction and land acquisition loans and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 1,281,946 common shares, of which management officials as a group own 26%. Raymond G. Chambers is president. (File 2-40259)

*ASSOCIATED MORTGAGE INVESTORS SECURITIES IN REGISTRATION. Associated Mortgage Investors, 250 Boylston St., Boston, Mass. 02116, filed a registration statement with the SEC on April 30 seeking registration of 25,710 outstanding warrants to purchase a like number of shares of beneficial interest. Such warrants may be offered for sale from time to time by the holders thereof at prices current at the time of sale. (File 2-40260)

FAIR-TEX MILLS FILES FOR OFFERING AND SECONDARY. Fair-Tex Mills, Inc., 2645 Mitchell Ave., Allentown, Pa. 18105, filed a registration statement with the SEC on April 30 seeking registration of 400,000 shares of common stock, of which 280,000 are to be offered for public sale by the company and 120,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$14 per share maximum) through underwriters headed by CBWL-Hayden, Stone Inc., 767 Fifth Ave., New York, N. Y. 10022.

The company designs, manufactures and sells knitted apparel fabrics. Of the net proceeds of its stock sale, \$1.6 million will be used for the purchase of equipment with the balance added to the company's general funds. The company has outstanding 1,200,000 common shares, all owned by Reuben Berman, Harry Berman and Stanley Berman, president, executive vice president, and vice president, respectively; they propose to sell a total of 120,000 shares. (File 2-40262)

G. D. SEARLE FILES FOR SECONDARY. The G. D. Searle Company, of Chicago, has filed a registration statement with the SEC on April 30 seeking registration of 23,318 outstanding shares of common stock to be offered for public sale by the holders thereof (**\$68 per share maximum). The sellers are Joseph and Gertrud Buchler of Fort Lee, N. J.; they own 35,869 and 35,886 shares, respectively, and are selling 11,659 shares each. (File 2-40263)

*SEABOARD COAST LINE INDUSTRIES PROPOSES EXCHANGE OFFER. Seaboard Coast Line Industries, Inc. ("Industries"), 3600 W. Broad St., Richmond, Va. 23230, filed a registration statement with the SEC on April 30 seeking registration of 4,155,046 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of Louisville and Nashville Railroad Company ("L&N"), at the rate of 2.45 Industries shares for each L&N share. Effectiveness of the exchange offer is conditioned upon the deposit of sufficient L&N shares to give Railroad at least 80% of the combined voting power of all classes of L&N stock. Morgan Stanley & Co. Inc., 140 Broadway, New York 10005, has agreed to head a group of dealers who will solicit acceptances of the exchange offer.

Industries was organized in 1968 to become the owner of over 99% of the common stock of Seaboard Coast Line Railroad Company. In addition to indebtedness, Industries has outstanding 9,056,330 common shares. W. Thomas Rice is board chairman, Roger M. Kelly vice chairman and Prime F. Osbord president. (File 2-40264)

ENVIRONMENTAL RECREATION SYSTEMS TO SELL STOCK. Environmental Recreation Systems, Inc., 515 East 85th St., New York 10028, filed a registration statement with the SEC on April 30 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made by Occidental Securities Corp., 150 Broadway, New York.

The company was organized in May 1970 to engage in development and operation of a budget participation vacation program initially in the Caribbean Sea area. Of the net proceeds of its stock sale, \$150,000 will be used toward the purchase of the initial flotilla of cruisers, and the balance for working capital and other corporate purposes. The company has outstanding 187,250 common shares (with a 9¢ per share net tangible book value), of which James E. Krefting, president, and two other officers own 27.4% each. Victor J. Pollack is board chairman. (File 2-40265)

SOUTHWESTERN PUBLIC SERVICE PROPOSES OFFERING. Southwestern Public Service Company, 720 Mercantile Dallas Bldg., Dallas, Tex. 75201, filed a registration statement with the SEC on April 30 seeking registration of \$15,000,000 of first mortgage bonds due 2001, and 750,000 shares of common stock, to be offered for public sale (**\$15 per share maximum) through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York 10005. Of the net proceeds from the sale of bonds and stock, \$15,215,625 will be used to repay outstanding first mortgage bonds, and \$5 million will be applied to repayment of bank loans, with the balance added to general corporate funds. Construction expenditures are estimated at \$20,100,000 for 1972. (File 2-40266)

ARCHIE ENTERPRISES FILES FOR OFFERING AND SECONDARY. Archie Enterprises, Inc., 1116 First Ave., New York 10021, filed a registration statement with the SEC on April 30 seeking registration of 250,000 shares of common stock, of which 127,750 are to be offered for public sale by the company and 122,250 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Russ & Company, Inc., 1600 Alamo National Bldg., San Antonio, Tex. 78205.

The company is engaged in the creation of comic characters for use in various media and in the commercial exploitation of such characters. Net proceeds of its stock sale will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 450,000 common shares (with a 47¢ per share net tangible book value), of which John L. Goldwater, president, owns 33.3% and management officials as a group 100%. Goldwater proposes to sell 40,750 shares and four other officials the remaining shares being registered. (File 2-40267)

BAIRD & WARNER MORTGAGE INVESTORS PROPOSES OFFERING. Baird & Warner Mortgage and Realty Investors (the "Trust"), 10 S. La Salle St., Chicago 60603, filed a registration statement with the SEC on May 4 seeking registration of \$12.5 million of convertible subordinated debentures, due 1991, and 625,000 shares of beneficial interest, to be offered for public sale in units, each consisting of 5 shares and a \$100 debenture, and at \$200 per unit. The offering is to be made through underwriters headed by White, Weld & Co., 30 W. Monroe St., Chicago, Ill. 60603.

The Trust was established to invest in a portfolio of real property mortgages and equity investments in income-producing properties. Baird & Warner, Inc. will act as investment adviser. John W. Baird is president of the Trust and of the adviser. Warner G. Baird is board chairman of the adviser. (File 2-40271)

SINGER SHARES IN REGISTRATION. The Singer Company, 30 Rockefeller Plaza, New York 10020, has filed a registration statement with the SEC on May 3 seeking registration of 500,000 shares of common stock to be offered pursuant to the company's 1968 Employee Stock Purchase Plan. (File 2-40272)

COIT INTERNATIONAL FILES FOR SECONDARY. Coit International Inc., of Dallas, filed a registration statement with the SEC on May 4 seeking registration of 500 outstanding shares of common stock to be offered for public sale by T. McCulloch Strother from time to time at prevailing market prices, or by a negotiated sale. (File 2-40274)

QUAKER OATS TO SELL DEBENTURES. Quaker Oats Company, Merchandise Mart Plaza, Chicago, Ill. 60654, filed a registration statement with the SEC on May 4 seeking registration of \$50 million of sinking fund debentures, due 2001, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. From the net proceeds of the debenture sale, the company will repay the remaining balance of 5-3/4% notes amounting to \$30,625,000; the balance will be added to general corporate funds. The company has outstanding 12,856,486 common shares. Robert D. Stuart, Jr. is president. (File 2-40276)

BANK SHARES FILES FOR OFFERING AND SECONDARY. Bank Shares, Incorporated, 777 Marquette Ave., Minneapolis, Minn. 55402, filed a registration statement with the SEC on May 3 seeking registration of 475,000 shares of common stock of which 325,000 shares are to be offered for public sale by the company and 150,000 (being outstanding shares) by the owners thereof. The offering is to be made (**at \$15 per share maximum) through underwriters headed by Kidder, Peabody & Co., 20 Exchange Pl., New York 10005, and Piper, Jaffray & Hopwood, Inc., 115 S. 7th St., Minneapolis 55402.

The company is in the business of owning and managing banks and insurance in the Minneapolis area. Of the net proceeds from the company's sale of stock, \$3,650,000 will be used to purchase an 80% interest in the Olmsted Bank from MEI Corporation and the balance will be added to the company's general funds. The company has outstanding 956,552 common shares, of which the Helen Stotesbery Trust owns 42% and a Residuary Trust under the Russell L. Stotesbery Estate 40%. They propose to sell 20,000 and 130,000 shares, respectively. Carl R. Pohlard is president. (File 2-40279)

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:

The Deltona Corporation, Miami, Fla. (File 2-40258) - 60,000 shares
 United States Tobacco Company, Greenwich, Conn. (File 2-40261) - 100,000 shares
 National Steel Corporation, Pittsburgh, Pa. (File 2-40268) - 300,000 shares
 Kansas City Power & Light Company, Kansas City, Mo. (File 2-40269) - 16,000 shares
 Sambo's Restaurants, Inc., Santa Barbara, Calif. (File 2-40270) - 45,788 shares
 Liberty Fabrics of New York, Inc., New York (File 2-40273) - 30,000 shares
 Mattel, Inc., Hawthorne, Calif. (File 2-40281) - 2,022,824 shares
 Cutter Laboratories, Inc., Berkeley, Calif. (File 2-40282) - 50,000 shares
 Square D Company, Park Ridge, Ill. (File 2-40284) - 4,878 shares
 Trans Union Corporation, Chicago, Ill. (File 2-40287) - 100,000 shares

AUTOMATED BUSINESS CONTROLS PROPOSES OFFERING. Automated Business Controls, Inc., 1120 Northwest 159th Dr., Miami, Fla. 33139, filed a registration statement with the SEC on May 3 seeking registration of \$1 million of 7½% convertible subordinated sinking fund debentures, due 1986, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by Consolidated Securities Corp., 902 N. Federal Highway, Pompano Beach, Fla.

The company designs, manufactures and sells business forms and business systems. Of the net proceeds of its debenture sale, \$350,000 will be used to reduce indebtedness and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 700,484 common shares, of which Martin Rothman, president, owns 17.9% and management officials as a group 52.8%. (File 2-40283)

LUCIEN PICCARD FILES FOR OFFERING AND SECONDARY. Lucien Piccard Industries, Inc., 580 Fifth Ave., New York, N. Y. 10036, filed a registration statement with the SEC on May 3 seeking registration of 220,000 shares of common stock, of which 185,000 are to be offered for public sale by the company and 35,000 (being outstanding shares) by the holder thereof. The offering is to be made (** at \$7 per share maximum) through underwriters headed by Riter, Pyne, Kendall & Hollister.

The company is engaged in the manufacture and sale of watches and jewelry. Of the net proceeds of its stock sale, \$350,000 will be used to reduce existing short-term bank debt with the balance to be used for general corporate purposes. It has outstanding 326,319 common shares, of which Abraham Blumstein, board chairman, will sell 35,000 of 145,725 owned. Stanley Blumstein is president. (File 2-40285)

***CHASE MANHATTAN CORP. TO SELL DEBENTURES.** The Chase Manhattan Corporation, 1 Chase Manhattan Plaza, New York, N. Y. 10005, filed a registration statement with the SEC on May 3 seeking registration of \$200 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., and Lazard, Freres & Co., 44 Wall St., both of New York.

The company is a one-bank holding company, which owns all the outstanding stock of The Chase Manhattan Bank (National Association) (the "Bank"). Net proceeds of the company's debenture sale will be made available to the Bank through the purchase by the company of shares of capital stock of the Bank. Proceeds of its stock sale will be used by the Bank for expansion and for loans and other services. The company has outstanding 31,881,323 common shares. David Rockefeller is board chairman and Herbert P. Patterson is president. (File 2-40286)

***TEXAS INTERNATIONAL PETROLEUM PROPOSES EXCHANGE OFFER.** Texas International Petroleum Corporation, 3545 N. W. 58th St., Oklahoma City, Okla. 73112, filed a registration statement with the SEC on May 3 seeking registration of 105,204 shares of common stock. It is proposed to offer these shares and \$867,443 in cash to affected venturers for their partnership interests in Texas International Drilling Fund -- Series A, Quarterly Drilling Partnerships 70-1, 70-2, 70-3 and 70-4, each of which partnerships has productive oil and gas wells.

Texas International is engaged in the exploration and development of oil and gas properties, well servicing, manufacturing and the development and sale of real estate. In addition to indebtedness, it has outstanding 4,805,412 common shares, of which management officials as a group own 19%. George Platt is board chairman and president. (File 2-40288)

***3M SHARES IN REGISTRATION.** Minnesota Mining and Manufacturing Company, 3M Center, St. Paul, Minn. 55101, filed a registration statement with the SEC on May 3 seeking registration of 35,300 outstanding shares of common stock. These shares were issued in connection with the acquisition of Triangle Connector Co., Inc., and may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$113.38 per share maximum). (File 2-40289)

***NVF SECURITIES IN REGISTRATION.** NVF Company, Yorklyn Rd., Yorklyn, Del. 19736, filed a registration statement with the SEC on May 4 seeking registration of 200,000 warrants sold or to be sold to key employees of the company and its subsidiaries under its Warrants Purchase Plan and 79,400 shares issued or issuable pursuant to the company's stock option plans. (File 2-40293)

FIRST EMPIRE STATE TO SELL NOTES. First Empire State Corporation, One M&T Plaza, Buffalo, N. Y. 14240, filed a registration statement with the SEC on May 4 seeking registration of \$25 million of notes, due 1979, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York 10005. Net proceeds of its financing will be used by the company for general corporate purposes. The company has outstanding 2,615,885 common shares. Charles R. Diebold is president. (File 2-40294)

SECURITIES ACT REGISTRATIONS. Effective May 10: American Standard Inc., 2-40197; Eagle-Picher Industries, Inc., 2-40086; Electronic Data Systems Corp., 2-38663 (40 days); Monongahela Power Co., 2-39838; Revlon, Inc., 2-40013 & 2-40095; Tesoro 1971 Exploration and Development Program, 2-39165 (90 days); U. S. Plywood-Champion Papers Inc., 2-39850; Wisconsin Real Estate Investment Trust, 2-39575.

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.

* 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 to the appropriate mailing lists, interested persons should consult the Federal Register for full details of the application.