

# sec news digest

a daily summary from the securities and exchange commission

Issue 73-170

(SEC Docket, Vol. 2, No. 12 - Sept. 18)

August 31, 1973

## COMMISSION ANNOUNCEMENTS

COMMENT PERIOD EXTENDED ON DISSEMINATION OF PREVIOUSLY UNDISCLOSED MATERIAL INFORMATION. The Securities and Exchange Commission has announced that the period for submitting comments on the appropriate utilization and dissemination of previously undisclosed material information (see Rel. 34-10316 of August 1, 1973) is extended so that comments may be submitted up to and including October 15, 1973. (Rel. 34-10371)

IMPERIAL '400' NATIONAL, INC., SUPPLEMENTAL ADVISORY REPORT FILED. The Commission has filed a supplemental advisory report with the United States District Court, Newark, N. J., on four plans of reorganization of Imperial '400' National, Inc., under Chapter X of the Bankruptcy Act. The debtor, a nationwide budget motel chain, consists of 96 units, 58 operated by partnerships, 29 wholly-owned, and 9 operated by franchises. Book assets were approximately \$22 million at the end of 1972. Gross revenues for that year were about \$11.8 million and net income before Federal income taxes exceeded \$1 million. Imperial's convertible subordinated debentures and common stock are publicly held. The plans analyzed in the Commission's report were proposed by Schiavone Construction Co., Inc., a privately held New Jersey heavy construction contractor; American Realty Trust, a real estate investment trust whose shares are traded on the American Stock Exchange; a group put together by Burnham & Co., Incorporated, an investment banking firm; and Continana Corporation, a present Imperial shareholder.

Under the Schiavone plan, Imperial and Schiavone would become wholly-owned subsidiaries of a new holding company, 12.8% of which would be owned by the Imperial interests and the remaining 87.2% going to Schiavone. In addition, Imperial's creditors would receive \$1.5 million of 5-year 5% subordinated convertible debentures and 100,000 warrants. The Commission noted that if this plan were amended to distribute cash instead of debentures and to replace the warrants with about 59,000 shares, it could be found fair and equitable. There was no question as to its feasibility.

American Realty proposes to acquire Imperial. Under this plan American Realty will issue to Imperial's unsecured creditors either 66-2/3% in cash or 100% in 15-year 6-1/2% subordinated convertible debentures in exchange for their claims and American Realty shares at the rate of \$2 per share market value to Imperial's common stockholders. The Commission found that the plan is feasible, but the offer to Imperial's unsecured creditors is unfair and can be made fair by deleting the cash alternative and increasing the debenture offer to 110% of the claims.

The plan advanced by the Burnham group calls for \$1 million cash investment for 25% of the reorganized company's equity as well as voting control. In addition, the reorganized company would have to borrow \$2 million in order to make some cash payments to Imperial's unsecured creditors. The Commission, in noting that under the plan nothing would be left for Imperial's stockholders who have an equity, found it unfair and not feasible. The Commission recommended deletion of the \$2 million loan and an increase of the group's investment to an amount closer to the investment value of the 25% interest it wishes to buy.

Continana has proposed an internal plan. It provides for the recapitalization and issuance of about 3.6 million shares of common stock of the reorganized company in exchange for claims of and interests of Imperial's unsecured creditors and shareholders. Noting that this plan was feasible but the allocation of stock under it was unfair to Imperial's unsecured creditors, the Commission recommended the distribution of some of Imperial's excess cash to such creditors and a reduction in the number of shares to be issued and to be reallocated between creditors and shareholders. (Corporate Reorganization Rel. 313)

## COURT ENFORCEMENT ACTIONS

**COMPLAINT NAMES TRI-STATE METALS, OTHERS.** The Chicago Regional Office announced that on August 22 a complaint was filed in the Federal court at Toledo, Ohio, seeking to enjoin Tri-State Metals Corporation, a West Virginia Corporation with offices in Chester, West Virginia; Theodore D. Glass, president of Tri-State and a resident of Chester, West Virginia; and Mark S. Haukedahl, of Battle Creek, Michigan, from further violations of the registration and antifraud provisions of the Federal securities laws, in the offer and sale of common stock of Tri-State. (LR-6043)

**CASH SHOAF & CO., INC. ENJOINED - RECEIVER APPOINTED.** The Washington Regional Office announced that on August 29 the Federal court in Roanoke, Virginia, preliminarily enjoined Cash Shoaf & Co., Inc., Roanoke broker-dealer, from violations of the net capital requirements and the reserves and custody requirements for customers fully-paid securities under the Federal securities laws. Cash Shoaf consented to the injunction without admitting or denying the allegations of the Commission's complaint.

The court also entered an order giving Cash Shoaf & Co., Inc. until September 20, 1973, to show cause why a SIPC trustee should not be appointed and appointed Frank W. Rodgers as temporary receiver for Cash Shoaf, pending determination of the SIPC application. (LR-6044)

## HOLDING COMPANY ACT RELEASES

**THE COLUMBIA GAS SYSTEM.** An order has been issued releasing jurisdiction over the sale of \$4,500,000 of installment notes by Columbia Gas of Pennsylvania, Inc., to its parent company, The Columbia Gas System, Inc. in a program of intrasystem financing heretofore authorized by the Commission. (Rel. 35-18080)

**THE ROCKY RIVER REALTY COMPANY.** A notice has been issued giving interested persons until September 24 to request a hearing on proposals of The Rocky River Realty Company, Berlin, Conn. non-utility subsidiary of Northeast Utilities, to purchase improved realty near Newington, Connecticut. Rocky River will lease the property to Northeast Utilities Service Company, a service subsidiary of Northeast, to provide it with additional facilities. (Rel. 35-18082)

## INVESTMENT COMPANY ACT RELEASES

**MOODY'S CAPITAL FUND.** An order has been issued declaring that Moody's Capital Fund, Inc. of New York, has ceased to be an investment company. (Rel. IC-7963)

**OPPENHEIMER A.I.M. FUND, INC.** An order has been issued on an application of Oppenheimer A.I.M. Fund, Inc., New York mutual fund, exempting from the provisions of Section 22(d) the proposed issuance of shares of the Fund without sales lead in exchange for substantially all the assets of BBC Corporation, a New York personal holding company. (Rel. IC-7964)

**EXCELSIOR INCOME SHARES.** A notice has been issued giving interested persons until September 26 to request a hearing on an application of Excelsior Income Shares, Inc., New York diversified, closed-end management investment company, for an order declaring that James H. Walker, a director of the Fund, shall not be considered an "interested person" of the Fund as defined in the Act solely by reason of his status as a director of the Equitable Life Assurance Society of the United States, a registered broker-dealer. (Rel. IC-7971)

## MISCELLANEOUS

**SECURITIES ACT REGISTRATIONS.** Effective August 30: ARA Services, Inc., 2-48743; Delta Western 1973 Drilling Fund, 2-48006; Esquire, Inc., 2-48791; First Bancshares of Florida, Inc., 2-47474; First National Stores, Inc., 2-48630; First Peoples Banco, 2-48127; Orion Industries, Inc., 2-48333; Ryan Homes, Inc., 2-48150; The Scott & Fetzer Co., 2-48909; The Tokio Marine and Fire Insurance Company, Limited, 2-48744.

**TRADING SUSPENSIONS CONTINUED.** The SEC has ordered the suspension of (a) over-the-counter trading in the securities of Royal Properties, Inc. for the further ten-day period August 31 through September 9, inclusive; (b) exchange and over-the-counter trading in the securities of BBI, Inc. and U. S. Financial, Inc., and over-the-counter trading in the securities of Aztec Products, Inc., Beneficial Laboratories and Triex International Corp. for the further ten-day period September 1-10, inclusive; and (c) exchange and over-the-counter trading in the securities of Coastal States Gas Corp., Coastal States Gas Producing Co., Colorado Interstate Corp., and CIC Industries, Inc., and over-the-counter trading in the securities of Colorado Interstate Gas Company and First Leisure Corp. for the further ten-day period September 3-12, inclusive.

## RECENT FORM 8-K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (*i.e., collateral for registered securities*); defaults upon senior securities, increase or decrease in the amount of securities outstanding, options to purchase securities; revaluation of assets; submission of matters to a vote of security holders, and any newly enacted requirements effecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (*in ordering, please give month and year of report*). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
SEABOARD CORP	2,13,14	07/73
SECURITY NEW YORK STATE CORP	7	07/73
SEEBURG INDUSTRIES INC	7,9,14	07/73
SOUTHERN FILM EXTRUDERS INC	13	07/73
SPECTRONICS INC	11	07/73
STANDARD MICROSYSTEMS CORP	11,14	07/73
STANDARD OIL CO	3	07/73
STRUTHERS WELLS CORP	7,8,9,14	07/73
SUBURBAN BROADCASTING CORP	13	07/73
TALLEY INDUSTRIES INC	7,14	07/73
TEJAS GAS CORP	6	07/73
TEJON AGRICULTURAL PARTNERS	13,14	07/73
TEJON RANCH CO	13,14	07/73
TERRAMAR CORP	7,8,13,14	07/73
TRANS SERVICES CORP	3	07/73
TRANSCANADA PIPELINES LTD	7,8	07/73
TRUNKLINE GAS CO	13	07/73
TUFTCO CORP	8,13	07/73
UNIROYAL INC	3	07/73
UNITED AMERICAN LIFE INSURANCE CO	13	07/73
UNITED NATIONAL CORP	8,11,14	07/73
UNITED STATES FILTER CORP	10,14	07/73
URIS BUILDINGS CORP	1,3,13,14	07/73
USM CORP	11,14	07/73
VALLES STEAK HOUSE	7,11	07/73
WELLINGTON MANAGEMENT CO	3,8	07/73
WESTCHESTER CORP	7,14	07/73
WOMBAT PRODUCTIONS INC	6,14	07/73
WOODHOOR CORP	13	07/73
ACME PRECISION PRODUCTS INC	2,8	07/73
ANGORD INC	13,14	07/73
AMERICAN HOSPITAL SUPPLY CORP	7	07/73
AMERICAN VANGUARD CORP	3	07/73
ANICORP NATIONAL SERVICES INC	13	07/73
ARCHON PURE PRODUCTS CORP	3	07/73

8K REPORTS CONT.

ARKANSAS LOUISIANA GAS CO	7,13,14	07/73
AKMADA CORP	3	07/73
ASSOCIATED FOOD STORES INC NEW YORK	13,14	07/73
ATLANTIC INDUSTRIES INC	3,10,13,14	08/73
AUTHENTICOLOR INC	11	07/73
BASIL FOOD INDUSTRIES INC	13	07/73
BRADEN INDUSTRIES INC	13	07/73
BRANIFF AIRWAYS INC	7,13,14	07/73
CHEMICAL EXPRESS CO	7	03/73
CHRISTIANA COMPANIES INC	14	07/73
CHURCHS FRIED CHICKEN INC	7	07/73
COLORADO INTERSTATE CORP	3	07/73
COLUMBIA GENERAL CORP	11,14	07/73
COMTEL CORP MICHIGAN	2,14	07/73
CONNECTICUT WATER CO	7	07/73
CONSUMERS WATER CO	2,14	07/73
DARFIELD INDUSTRIES INC	11,14	07/73
DIODES INC	3	07/73
DOMINION MORTGAGE & REALTY TRUST	7,8,13	07/73
EUMUS CORP	7,14	07/73
ELLIMAN DOUGLAS L & CO INC	13	07/73
ENFLU CORP	13	06/73
ESB INC	10,14	07/73
ESQUIRE INC	11	07/73
EVANS PRODUCTS CO	4,7,8,14	07/73
FEDERAL SIGN & SIGNAL CORP	13,14	07/73
FLYING TIGER CORP	11,14	05/73
FREEMAN CARL M ASSOCIATES INC	7,14	07/73
FREEZE DRY PRODUCTS INC	14	07/73
GENERAL GROWTH PROPERTIES	13	07/73
GF INDUSTRIES INC	1,4,7,14	02/73
GIBSON GAY INC	7,14	07/73
HAMPSHIRE DESIGNERS INC	13	07/73
IDEAL BASIC INDUSTRIES INC	3,8	07/73
IDS MCCOLLUCH OIL EXPLORATION 1969	13,14	07/73
IMPERIAL AMERICAN RESOURCES FUND INC	14	06/73
INTERKRAFT INDUSTRIES CORP	13,14	07/73
INTERNATIONAL INVESTER CO	7,10,14	07/73
KENT MOORE CORP	11	07/73
KIDDIE PRODUCTS INC	7,14	07/73
MID CONTINENTAL REALTY CORP	1,12,14	07/73
MUNMOUTH REAL ESTATE INVESTMENT TRUST	3	07/73
MONTANA POWER CO	3	07/73
POLLUTION CONTROL INDUSTRIES INC	13,14	07/73
REDM CORP	3,10	07/73
RICHARDSON MERRELL INC	13	07/73
RUNCO TELEPRODUCTS INC	13,14	07/73
SAVE WAY GARDEN & BEAUTY SUPPLIES INC	13	07/73
SERVICE CORP OF AMERICA	12,14	07/73
SYSTEMS CORP	2,7,14	07/73
TIME BROKERS INC	13	08/73
UNITED STATES NATURAL RESOURCES INC	2,14	07/73
VERSA TECHNOLOGIES INC	13	07/73
WALKER HIRAM GOODERHAM & WORKS LTD	4,14	07/73
WARUS CO INC	11,13	07/73
WESTERN UNION CORP	3	07/73
WINDECKER INDUSTRIES INC	1,7	07/73

---0000000---

Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail, \$8.25 additional for foreign mailing, \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail, \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.