

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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FOR RELEASE June 2, 1970

HOLDING COMPANY ACT RELEASE

ARKANSAS P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16746) authorizing Arkansas Power & Light Company, Little Rock subsidiary of Middle South Utilities, Inc., to increase from \$19,295,000 to \$24,000,000 the amount of short-term notes it may issue to banks from time to time prior to April 30, 1971. The \$24,000,000 of notes are included in the \$35,000,000 of notes Arkansas P&L was authorized to issue to banks and/or to a dealer in commercial paper pursuant to Commission order of May 21, 1969 (Release 35-16381).

INVESTMENT COMPANY ACT RELEASE

MINNESOTA MUTUAL VARIABLE FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6065) giving interested persons until June 22 to request a hearing upon an application for an exemption order filed by The Minnesota Mutual Life Insurance Company and Minnesota Mutual Variable Fund D, both of St. Paul, Minn. The Fund, an open-end diversified management company registered under the Act, was established by Insurance Company in connection with the offering to the public of individual and group variable annuity contracts. Insurance Company is the principal underwriter for the Fund. A purchaser of a variable annuity contract may choose to have a portion of each net purchase payment allocated to Insurance Company's general assets for accumulation at a guaranteed interest rate. The same rate of sales charge applies whether amounts are allocated to the Fund or to the general assets of Insurance Company. The Insurance Company and Fund seek an order permitting values accumulated at a guaranteed interest rate as previously described, to be transferred to the Fund during the period before the annuity commencement date, or applied to provide variable annuity payments at the annuity commencement date, without the imposition of any additional sales charge.

COURT ENFORCEMENT ACTIONS

RECEIVER NAMED FOR CUTTER & CO. The SEC Boston Regional Office announced May 22 (LR-4616) the filing of an action in Federal court in Boston seeking to enjoin Saul H. Cutter, d/b/a Cutter & Company, of Brookline, Mass., from violating the net capital and anti-fraud provisions of the Securities Exchange Act. The Court granted the Commission's motion for a temporary restraining order and for the appointment of a receiver for the Cutter firm.

20TH CENTURY INDUSTRIES ENJOINED. The SEC New York Regional Office announced May 25 (LR-4617) that the Federal court in New York City had permanently enjoined 20th Century Industries, Inc., of Brooklyn, N. Y., and Frank Terranova and Martin Goldman, president and vice president, respectively, from further violating the anti-fraud and reporting provisions of the Federal securities laws. The court order compels the defendant corporation to file certain reports with the Commission.

SECURITIES ACT REGISTRATIONS

INVESTORS FUNDING PROPOSES OFFERING. Investors Funding Corporation of New York, 630 5th Ave., New York 10020, filed a registration statement (File 2-37449) with the SEC on May 22 seeking registration of \$2,000,000 of 9% registered subordinated debentures, due 1977 (with warrants to purchase 100,000 Class A shares), \$25,000,000 of 10% registered convertible subordinated debentures, due 1986 (with warrants attached to purchase 750,000 Class A shares), and \$2,000,000 of 8% short-term subordinated notes, all of which debentures are to be offered for public sale at 100% of principal amount. Also included in this statement are \$400,000 of 8% registered subordinated debentures, due 1973, to be offered at 100% of principal amount pursuant to a regularized investment program to persons who have invested in securities of the company or its affiliates and subsidiaries. The offerings are to be made on a best efforts basis through IPC Securities Corp., 630 Fifth Ave., Suite 3420, New York, a wholly-owned subsidiary of the company, which will receive from an 8% to 10% selling commission plus warrants to purchase Class A stock at the rate of 2 warrants for each \$1,000 debenture sold. In addition, there are included in this statement \$5,500,000 of outstanding 7½%, 8%, 9% and 10% registered subordinated debentures, due 1970 through 1985, certain of which may have Class A stock purchase warrants attached, \$2,500,000 of outstanding 7½% registered convertible subordinated debentures, due 1974, and \$850,000 of outstanding 7½% registered convertible subordinated debentures, due 1975, and 197,081 shares of Class A stock issuable pursuant to the company's stock option and stock purchase plans. These securities may be offered for sale from time to time by the holders or recipients thereof at prices current at the time of sale.

The company is engaged in investing in, purchasing, developing, financing and selling real estate. Of the net proceeds of the company's financing, \$9,000,000 will be used to repay a bank loan and the balance will be used for purchasing and financing the development of real property. In addition to indebtedness and

preferred stock, the company has outstanding 1,013,430 Class A and 17,582 Class B shares; management officials as a group own 10.5% of the A and 97.3% of the B shares. Jerome Dansker is board chairman and president. Irving Koerner, a director, may sell all of \$100,000 of 7½% 1975 debentures held and 10 others the remaining 1975 debentures being registered, and National General Corporation may sell all of \$2,500,000 of 7½% 1974 debentures held.

DIEBOLD SHARES IN REGISTRATION. Diebold, Incorporated, 818 Mulberry Rd., S.E., Canton, Ohio 44709, filed a registration statement (File 2-37493) with the SEC on May 27 seeking registration of 84,861 shares of common stock issuable pursuant to common stock purchase warrants. Such warrants were issued to three institutional investors in connection with the sale of \$5,000,000 of 6% subordinated notes, due 1986. The shares may be offered for sale from time to time by the recipients thereof at prices current at the time of sale (\$55.50 per share maximum*). Connecticut General Life Insurance Company may sell 40,000 shares and two others the remaining shares being registered. The company has outstanding 2,951,404 common shares.

SOLITRON DEVICES FILES FOR SECONDARY. Solitron Devices, Inc., 256 Oak Tree Rd., Tappan, N. Y. 10983, filed a registration statement (File 2-37494) with the SEC on May 27 seeking registration of 100,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holder thereof (Union Carbide Corporation) at prices current at the time of sale (\$15.687 per share maximum*). They were received by Union Carbide, along with \$1,237,500 cash, as partial consideration for the sale to Solitron of certain of Union Carbide's semi-conductor assets.

Solitron is engaged in the design and production of solid-state electronic components and related electro-mechanical devices for the electronics industry. In addition to indebtedness, it has outstanding 6,016,905 common shares. Union Carbide may sell all of 100,000 shares held.

COMP-U-CHECK PROPOSES RIGHTS OFFERING. Comp-U-Check, Inc., 19225 West Eight Mile Rd., Detroit, Mich. 48219, filed a registration statement (File 2-37496) with the SEC on May 27 seeking registration of 356,602 shares of common stock and 356,602 common stock purchase warrants, to be offered for subscription by common stockholders in units, each consisting of one share and one warrant, and at the rate of one unit for each share held. No underwriting is involved; participating NASD members will receive up to a 5% per unit selling commission during the initial 45-day period and up to a 10% selling commission during the following 60-day period; the subscription price (\$3 per unit maximum*) is to be supplied by amendment.

Organized in November 1967, the company is engaged in providing a computerized check verification service to retail merchants, and is engaged in operations in related areas of data processing and retail credit. Of the net proceeds of its stock sale, \$350,000 will be used to pay certain outstanding loans and other current obligations and certain accounts payable; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 356,602 common shares. Arthur C. Brownell is president.

AFRICA U.S.A. TO SELL STOCK. Africa U.S.A., Inc., 2930 E. Guiberson Rd., Fillmore, Calif. 93015, filed a registration statement (File 2-37497) with the SEC on May 27 seeking registration of 150,000 shares of common stock, to be offered for public sale on a best efforts, all or none basis by Resch-Cassin & Co., Inc., 99 Wall St., New York. The offering price (\$8 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the underwriter, for \$150, six-year warrants to purchase 15,000 shares.

Organized in November 1969, the company is engaged in affection training, breeding, raising and leasing wild animals for use in motion pictures and television films, programs and commercials. Of the net proceeds of its stock sale, \$500,000 will be used to establish a wild animal theme amusement park on the company's ranch, \$145,000 to repay short term loans from individuals which funds were used for general corporate purposes and \$75,000 for the acquisition of certain species of animals and birds; the balance will be added to the company's working capital and used to meet general corporate expenses. In addition to indebtedness, the company has outstanding 350,000 common shares, of which Ralph Helfer, president, owns 61.3%.

AMERACE ESNA TO SELL DEBENTURES. Amerace Esna Corporation, 245 Park Ave., New York 10017, filed a registration statement (File 2-37498) with the SEC on May 27 seeking registration of \$25,000,000 of debentures, due 1995, to be offered for public sale through underwriters headed by Salomon Brothers & Hutzler, 60 Wall St., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the development, manufacture and sale of rubber and plastic-based products, self-locking fasteners, electrical products and specialty chemicals. Net proceeds of its debenture sale will be used for working capital purposes, to prepay certain existing long-term debt (\$1,800,000) and for the construction and equipping of new manufacturing facilities, principally a new facility for the manufacture of Ace Sil battery separators (some \$4,500,000) and the expansion of the Hackettstown plant for production of Elastimold underground power transmission products (some \$2,000,000). In addition to indebtedness and preferred stock, the company has outstanding 2,500,867 common shares.

RCA PROPOSES OFFERING. RCA Corporation, 30 Rockefeller Plaza, New York 10020, filed a registration statement (File 2-37501) with the SEC on May 27 seeking registration of \$75,000,000 of notes due 1975, and \$75,000,000 of sinking fund debentures due 1990, to be offered for public sale through underwriters headed by Lehman Brothers, 1 William St., and Lazard Freres & Co., 44 Wall St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in the research, manufacture, distribution, sale, lease and servicing of electronic products. It is also engaged in operating television and radio broadcasting networks and stations, providing international and marine communications services, licensing patents and providing technical

know-how, renting and leasing automobiles and trucks, book publishing, processing and selling frozen prepared foods and conducting related activities. Net proceeds of the company's financing will be added to its general funds and used for general corporate purposes, including further investment in plant and equipment and working capital requirements. In addition to indebtedness and preferred stock, the company has outstanding 66,926,461 common shares. Robert W. Sarnoff is board chairman and president.

WASHINGTON GAS LIGHT TO SELL BONDS. Washington Gas Light Company, 1100 H St., N. W., Washington, D. C. 20005, filed a registration statement (File 2-37502) with the SEC on May 27 seeking registration of \$20,000,000 of first mortgage bonds, to be offered for public sale at competitive bidding. A gas utility, the company will use the net proceeds of its bond sale to pay for a part of its 1970 construction program, estimated at \$28 million, to reimburse its treasury for payment at maturity of \$8 million of 3-1/8% Series bonds, due 1970, and for other corporate purposes. Construction expenditures for the years 1970 through 1974 are estimated at \$129 million.

FIRELITE INDUSTRIES TO SELL STOCK. Firelite Industries Ltd., 280 Route 109, Farmingdale, N. Y. 11735, filed a registration statement (File 2-37503) with the SEC on May 27 seeking registration of 125,000 shares of common stock with warrants to purchase an additional 93,750 shares of common stock, to be offered for public sale in units, each consisting of four shares with warrants to purchase three additional shares, and at \$16 per unit. The offering is to be made on a "best efforts, 60% or none" basis through Victor Securities Corp., 15 William St., New York, which will receive a \$1.60 per unit selling commission plus \$15,000 for expenses. The company has agreed to sell to the underwriter and to Paul Brostoff, a finder, for \$112.50 and \$12.50, respectively, five-year warrants to purchase 11,250 and 1,250 shares, respectively, exercisable after one year at \$4.40 per share. It has also agreed to pay Brostoff \$1,000 for his services as finder.

The company is engaged in the design, manufacture and sale of pre-fabricated door units and in the sale and distribution of pre-hung windows, moldings, panels, sliding glass patio doors, pre-fabricated fireplaces, chimneys and other related building products. Of the net proceeds of its stock sale, \$82,000 will be used to retire certain indebtedness incurred pursuant to factoring and security agreements; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 500,000 common shares (with a 23c per share net tangible book value), of which Charles Gingold, president, owns 75%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.12 in per share book value from the offering price.

MURRAY, LIND & CO. TO SELL STOCK. Murray, Lind and Company, Inc., 744 Broad St., Newark, N. J. 07102, filed a registration statement (File 2-37504) with the SEC on May 28 seeking registration of 318,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made on a best efforts one-third or none basis through Fund Securities Inc., 355 Victory Blvd., Staten Island, N. Y., which will receive a \$1 per share selling commission plus \$19,080 for expenses. The company has agreed to sell the underwriter and its counsel 8,500 shares at 1c per share, nontransferable for one year.

Organized in January 1969, the company provides investment banking services and asset management and related services to its clients. Of the net proceeds of its stock sale, \$100,000 will be used to establish an expanded retail securities business, \$200,000 to expand wholesale security operations, \$300,000 to enable the firm to establish investment positions in public securities by use of additional capital, \$500,000 for equity participation for investment purposes in new and emerging corporations, \$500,000 for purchase of memberships on securities exchanges, \$350,000 for expansion of real estate development investments and \$100,000 to exercise option to purchase 50,000 shares of Computer Skills, Inc. at \$2 per share; the balance will be added to the company's working capital and used to permit underwritings on a "firm commitment basis" and for other corporate purposes. The company has outstanding 570,365 common shares (with a 55c per share book value), of which Lawrence Murray, board chairman and president, owns 52.8% and management officials as a group 72.3%. Purchasers of the shares being registered will acquire a 36% stock interest in the company for their investment of \$3,180,000; present shareholders will then own 64%, for which they paid \$265,420, or an average of 47c per share.

CAROLINA P&L TO SELL BONDS. Carolina Power & Light Company, 336 Fayetteville St., Raleigh, N. C., filed a registration statement (File 2-37505) with the SEC on May 28 seeking registration of \$50,000,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding. An electric utility, the company will apply the net proceeds of its bond sale to the reduction of short-term loans incurred for corporate purposes, primarily for the construction of additional electric plant facilities. Such short-term loans are estimated at \$54,000,000 at the time of the sale of the bonds. Construction expenditures are estimated at \$618,961,000 for the three-year period 1970 through 1972.

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:

- Cyclops Corporation, Pittsburgh, Pa. 15228 (File 2-37499) - 100,000 shares
- American Financial Corporation, Cincinnati, Ohio 45202 (File 2-37509) - 75,000 shares
- Armco Steel Corporation, Middletown, Ohio (File 2-37510) - up to 127,413 \$2.10 cumulative convertible preferred shares and (File 2-37511) - up to 1,315,300 common shares
- Wilson Pharmaceutical & Chemical Corporation, Chicago, Ill. 60601 (File 2-37521) - 100,000 shares

MISCELLANEOUS

COPENHAGEN TELEPHONE RECEIVES ORDER. The SEC has issued an order under the Trust Indenture Act of 1939, granting an application of Kjobenhavns Telefon Aktieselskab (Copenhagen Telephone Company, Inc.), for a determination that the trusteeship of First National City Bank under an indenture securing \$10,000,000 of debentures due 1985 issued outside the United States, is not so likely to involve a material conflict of interest (by reason of the Bank's serving under five other indentures) as to call for the bank's disqualification.

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-8891) authorizing the Midwest Stock Exchange to strike from listing and registration the 3-3/4% cumulative preferred stock (\$100 par) of Crane Co. and the National Stock Exchange to strike from listing and registration the common stock of Intercontinental Life Insurance Company, effective at the opening of business on June 2, 1970. No transactions have occurred in the Crane preferred during the last five years. As a result of an exchange offer made by Intercontinental Life Company, there are insufficient shareholders of Intercontinental Life Insurance Company.

IMPORTANT NOTICE

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed: Public Reference Section, Securities and Exchange Commission, Washington, D. C. 20549. The reproduction cost will approximate 12c per page, plus postage, for mailing within four days, to 25c per page, plus postage, for overnight mailing. Cost estimates given on request.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (please give News Digest "Issue No." in ordering). Invoice will be included with the requested material when mailed.

8Ks for March 1970

Health-Mor, Inc(12)	1-6220-2	Scan-Data Corporation Mar 70	
John's Bargain Stores Corp (3,13)	1-4733-2	(7,13)	0-3077-2
Life Assurance Co of Carolina (11,13)	2-22855-2	The Seven Up Company Apr 70 (11)	0-2992-2
Ohio Water Service Co (3)	0-498-2	The Texstar Corporation Mar 70 (7,13)	1-4229-2
Revenue Properties Co Ltd (3,12)	1-5827-2	Guardian Care, Inc.	
Silverline Inc (11)	0-2890-2	Amdt #1 for Jun 69(13)	0-4340-2
Southern Discount Company Amdt #1 for Feb 70(4,7)	0-4059-2		

SECURITIES ACT REGISTRATIONS. Effective June 1: Arvin Industries, Inc., 2-36938; Colonial Penn Group, Inc., 2-36716 (90 days); Cyclops Corp., 2-37499; Lone Star Gas Co., 2-37324; Hampshire Funding, Inc., 2-36140 (Aug 27); LTV ElectroSystems, Inc., 2-34953, 2-34977 & 2-37522; Rheingold Corp., 2-37227; West Penn Power Co., 2-37255 (60 days).

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.