

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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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SUSQUEHANNA ORDERED TO CORRECT TENDER OFFER REPORT. The SEC today announced a decision under the Securities Exchange Act (Release 34-8933) in which it held that the Susquehanna Corporation, of Alexandria, Va., falsely stated in its November 1968 report of a cash tender offer to stockholders of Pan American Sulphur Company ("Pan American") that it had no plans to liquidate Pan American, to sell its assets to, or merge it with, any other company, or to make any other major change in its business or corporate structure. On the contrary, the Commission found, as did the hearing examiner whose decision had been appealed by Susquehanna, that Susquehanna planned, upon acquiring control of Pan American, to use the latter's cash assets to acquire control of, or merge Pan American with, some other company and thus make a major change in its business or corporate structure. Susquehanna was ordered to file a correcting report within 20 days.

The Commission's ruling was based primarily on the activities and statements of Susquehanna's president and chairman of its executive committee, Herbert F. Korholz, prior to and during the tender offer. According to the evidence, Korholz engaged in discussions with representatives of American Smelting and Refining Company, and others, with respect to the use of Pan American's cash for acquisition or merger purposes. The Commission rejected Susquehanna's contention that Korholz was not authorized to speak for the company, and ruled that shareholders of Pan American were entitled to full and accurate disclosure of Susquehanna's plans upon acquiring control of their company. The Commission also rejected the company's arguments that it had prejudged the issues in this proceeding in a *amicus curiae* brief filed in private litigation between Susquehanna and Pan American, and that the reversal of a preliminary injunction in that action and dismissal of Pan American's suit barred any adjudication in administrative proceedings on the grounds of estoppel.

EXAMINER SUSPENDS MONTE CRISTO OFFERING. SEC Hearing Examiner Sidney L. Feiler has filed an initial decision in administrative proceedings under the Securities Act involving a public offering pursuant to a claimed Regulation A exemption from Securities Act registration of an issue of 300,000 shares at \$1 per share by Monte Cristo Corporation, Moab, Utah. The Examiner ordered that the Commission's prior order temporarily suspending such exemption be made permanent for failure of the company to comply with the terms and conditions of the Regulation, particularly by reason of false and misleading representations in and the omission of material facts from the company's notification and offering circular. The company may seek Commission review of the Examiner's decision within 15 days. In the event no such petition is filed and if the Commission does not determine on its own initiative to review the decision, the Examiner's decision will become final.

The Examiner's findings involve primarily the company's failure to make proper disclosure of its use of David K. Tanner as an underwriter in the offer and sale of its stock and arrangements for his compensation. Tanner had been restrained from engaging in certain conduct and practices in connection with the purchase and sale of securities; by reason thereof, a Regulation A exemption from registration was unavailable for the offering by Monte Cristo.

COMMISSION ANNOUNCEMENT

EVALUATION OF RESTRICTED SHARES DISCUSSED. The SEC today made public an interpretive position of its Division of Corporate Regulation concerning the proposed valuation at market price of restricted shares acquired by a registered investment company (Release IC-6121). As previously indicated, the fair value of securities which cannot be sold to the public without prior Securities Act registration must be determined in good faith by the company's board of directors. The Division further stated: Whether or not it would be appropriate for the board of directors of a registered investment company to value the securities of the issuer at the market price of fully tradeable shares of the same class depends upon all of the circumstances affecting the issuer and its shares at the time of the valuation. The maintenance of a 'shelf' registration for the securities in question is a factor which a registered investment company's board of directors could properly take into consideration in valuing these securities. However, it is impossible to predict in advance how long it will take between the filing of a post-effective amendment and its becoming effective. For example, substantial changes in the business and finances of the industrial company may require the same degree of review as a new registration statement. Further, because of new, but incomplete ventures, the industrial company may desire not to make public such ventures for some period of time. Therefore, while the existence of a 'shelf' registration statement is a factor that should be considered in the determination of the value of such securities, automatic valuation at market price on this basis alone, without taking other factors into account, would be improper.

OVER

HOLDING COMPANY ACT RELEASES

MISSISSIPPI POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16785) authorizing Mississippi Power & Light Company, Jackson subsidiary of Middle South Utilities, Inc., to issue and sell \$17,500,000 of first mortgage bonds, due 2000, and 75,000 shares of cumulative preferred stock (\$100 par), at competitive bidding. Mississippi Power will apply the net proceeds to the payment of some \$12,000,000 of short-term bank loans incurred for the purpose of temporarily financing its 1970 construction program, to its 1970 construction program (estimated at \$49,871,000) and to other corporate purposes.

NEW JERSEY POWER RECEIVES ORDERS. The SEC has issued an order under the Holding Company Act (Release 35-16787) granting the request of New Jersey Power & Light Company ("NJPL"), Morristown subsidiary of General Public Utilities, for an extension to December 31, 1970 of the time within which to issue and sell up to \$10,300,000 of notes, as authorized by the Commission's order of April 23, 1969 (Release 35-16350).

A supplemental order (Release 35-16786) has also been issued authorizing NJPL to sell an additional 1,171 electric distribution wood poles to New Jersey Telephone Company and United Telephone Company of New Jersey, subsidiaries of United Utilities System.

INVESTMENT COMPANY ACT RELEASES

MIDNITE MINES RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6123) declaring that Midnite Mines, Inc., Spokane, Wash., is primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities, either directly or through majority owned subsidiaries or through controlled companies conducting similar types of businesses.

INVESTORS SYNDICATE OF AMERICA SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6125) giving interested persons until August 10 to request a hearing upon an application of Investors Syndicate of America, Inc. ("Investors") Minneapolis face-amount certificate company, to modify the Commission order authorizing uninsured property improvement loans as qualified investments for Investors (Release IC-4178 of March 4, 1965), as follows:

- (1) to increase the authorized maximum financial charge on uninsured loans from 7% discount added, or approximately 12½% on an annual percentage rate basis, to 10½% discount added, or approximately 18% on an annual percentage rate basis;
- (2) to increase the authorized maximum maturity of uninsured loans from seven to ten years, subject to the condition that Investors will not purchase loans having a maturity of more than seven years in an amount exceeding 20% of the dollar amount of all such loans purchased in any one year; and
- (3) to increase the authorized maximum principal amount of any uninsured property improvement loans purchased by Investors as a "qualified investment" from \$5,000 per property to \$7,500 per property.

Investors represents that the foregoing amendments are necessary because of an increase in the cost of money and because of inflation which has necessitated larger property improvement loans and consequently longer terms so that monthly payments may be kept within the borrower's ability to pay. Investors has agreed that any exemption issued will expire after one year at which time it may reapply to the Commission for any necessary exemption.

SECURITIES ACT REGISTRATIONS

GT&E TO SELL DEBENTURES. General Telephone & Electronics Corporation, 730 Third Ave., New York 10017, filed two registration statements with the SEC on July 16: (File 2-37972) seeking registration of \$50,000,000 of Series A debentures, due 1976, and (File 2-37973) seeking registration of \$40,000,000 of Series B sinking fund debentures, due 1995, both to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York, and two other firms. The interest rates, offering prices and underwriting terms are to be supplied by amendment.

The company through subsidiaries is engaged in operating an independent telephone system in the United States and elsewhere, in manufacturing communications equipment, and in manufacturing in the fields of lighting and electronics. Net proceeds of the Series A debentures will be applied toward the reduction of some \$85,000,000 of bank loans incurred to purchase common stocks of and to make advances to subsidiaries in connection with the financing of their construction programs. Net proceeds of the Series B debentures will be added to the company's general funds and will be available for general corporate purposes including the payment of bank loans and further investment in, or advances to, subsidiaries.

WILSHIRE OIL (TEX.) FILES FOR EXCHANGE OFFER AND SECONDARY. Wilshire Oil Company of Texas, 250 Park Ave., New York 10017, filed a registration statement (File 2-37974) with the SEC on July 16 seeking registration of \$16,320,000 of 6% convertible subordinated debentures, due 1995. It is proposed to offer these debentures in exchange for all of the common stock of The Trust Company of New Jersey ("TC") at the rate of \$22 of debentures in exchange for each TC share. G. H. Walker & Co. and Gude, Winnill & Company have agreed to head a group of soliciting dealers who will use their best efforts to solicit acceptance of the exchange offer. At June 1, Wilshire owned 30% of TC's outstanding common shares. Also included in this statement are 267,788 shares of common stock. Of these shares, 104,392 are outstanding shares which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$4.50 per share maximum*). The remaining 143,396 shares are treasury stock which may be issued by the company in the future in connection with its acquisition program.

The company is engaged in the acquisition of prospective oil and natural gas interests, in the exploration and development of such interests and in the sale and production of crude oil and natural gas. TC is engaged in the general commercial banking and trust business. In addition to indebtedness, Wilshire has outstanding 5,214,387 common shares. Lawrence B. Carey is board chairman and Otto F. Weinert, Jr., president of Wilshire and of TC. Lewis A. Crosby may sell all of 39,302 shares held, Addison L. Sandford all of 37,701 and four others the remaining shares being registered.

CONTINUED

AMERICAN GENERAL BOND FUND TO SELL STOCK. American General Bond Fund, Inc., 2727 Allen Parkway, Houston, Tex. 77019, filed a registration statement (File 2-37975) with the SEC on July 16 seeking registration of 2,000,000 shares of common stock, to be offered for public sale at \$25 per share. The offering is to be made through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York 10005, which will receive a \$2.125 per share commission.

Organized in July, the company is a closed-end, diversified management type investment company, which will seek interest income with preservation of capital through investing solely in debt securities. American General Management Company, a wholly-owned subsidiary of American General Insurance Company, will serve as investment adviser. American General Insurance Company owns all of the company's outstanding common stock. Benjamin M. Woodson is board chairman of the company and president of its parent and Charles T. Bauer is president of the company and senior vice president of the parent.

HUNTINGTON BANCSHARES PROPOSES EXCHANGE OFFER. Huntington Bancshares Incorporated ("Bancshares"), 17 S. High St., Columbus, Ohio 43215, filed a registration statement (File 2-37977) with the SEC on July 16 seeking registration of 266,200 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of First National Bank and Trust Company of Lima ("Bank"), at the rate of 1.1 shares for each Bank share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding Bank shares.

Bancshares is a bank holding company and controlling shareholder in seven Ohio Banks. It has outstanding 1,595,680 common shares. Clair E. Fultz is president.

BEACON RESOURCES PROPOSES EXCHANGE OFFER. Beacon Resources Corporation, Suite 1000 Century Plaza, Wichita, Kans. 67202, filed a registration statement (File 2-37978) with the SEC on July 17 seeking registration of 1,026,586 shares of common stock. It is proposed to offer these shares to owners of units and participation in the Beacon Resources Corporation 1967, 1968 and 1969 Drilling Programs in exchange for such units and participations.

Organized in February 1967, the company is engaged in the sale and management of oil and gas drilling programs for investors. In addition to preferred stock, it has outstanding 471,400 common shares, of which John P. Jennings, president, owns 21% and management officials as a group 26%.

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 Pacific Lumber Company, San Francisco, Calif. 94133 (File 2-37965) - 30,750 shares
- Union Pacific Corporation, New York, N. Y. 10022 (File 2-37966) - 615,000 shares
- Thomas & Betts Corporation, Elizabeth, N. J. 07207 (File 2-37971) - 100,000 shares
- IPCO Hospital Supply Corporation, New York, N. Y. 10013 (File 2-37976) - 100,000 shares

MISCELLANEOUS

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8940) granting an application of the American Stock Exchange to strike from listing and registration the common stock of Stanrock Uranium Mines Limited, effective at the opening of business on July 20, 1970. Stanrock fails to meet the Exchange's standards for continued listing with respect to earnings and net tangible assets.

DELISTING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-8940) giving interested persons until August 3 to request a hearing upon an application of Health Industries, Inc. (formerly Kennebec Consolidated Mining Company) to withdraw its common stock from listing and registration on the Salt Lake Stock Exchange, which affords a trading market primarily for mining securities. The company requests delisting because its business has substantially changed from that of a mining company to that of a company engaged in the operation of health clubs. The proposed delisting was approved by stockholders on June 5, 1970.

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. Photocopies thereof may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the June 2 News Digest.

Valmont Ind., Inc April 1970(11)	0-3701-2	Greater Nebraska Corp April 1970 (2,7,13)	0-537-2
Kustom Electronics, Inc Jan. 1970 (11,13)	0-4325-2	Murray Ohio Mfg. Co April 1970 (4,11,13)	1-2172-2
New Hampshire Insur. Co Aug, Oct. 1969 & March 1970(1,13)	2-8837-2	Public Service Co of Indiana Inc April 1970 (3,10,12)	1-3543-2
Revlon, Inc April 1970 (11)	1-4020-2	Wyomissing Corp April 1970 (4,11,13)	1-4886-2
Roanoke Gas Co April 1970 (7,11)	0-367-2	First Executive Corp April 1970 (4,7,12,13)	0-3042-2
Sherwood Medical Ind., Inc Amdt. #1 to 8K for Jan. 1970 (13)	1-5615-2	U. S. Reduction Co April 1970 (11)	1-5328-2

Houston Oil & Minerals Corp Nov. 1969 (7,13)	0-2562-2	Compo Ind., Inc April 1970 (11)	1-2076-2
Itel Corp April 1970 (1,2,7,9,11)	1-5989-2	Consolidated Packaging Corp April 1970 (12,13)	1-1379-2
Kansas Power & Light Co April 1970 (7,13)	1-3523-2	Duriron Co Inc April 1970 (4,11,13)	0-325-2
Lykes Youngstown Financial Corp April 1970 (8)	0-4366-2	Equitable Real Estate Invst. Tr March 1970 (3,13)	0-1605-2
Midwestern Gas Transmission Co April 1970 (11,13)	0-744-2	Filter Flow Corp Mar. 1970 (2,7,13)	2-33142-2
Square H Industries, Inc Marc. 1970 (1,2,6,13)	0-3958-2	Monroe Combining Corp April 1970 (11)	0-4419-2
Tenneco Inc April 1970 (11,13)	1-4101-2	Nuclear Data Inc March 1970 (9)	1-5879-2
Union Electric Co April 1970 (7,11,13)	1-2967-2	Pott Ind., Inc April 1970 (11,13)	0-891-2
		Standun Inc April 1970 (11)	2-30655-2
Bucyrus Erie Co April 1970 (11,13)	1-871-2	Intl. Tape Cartridge Corp Amdt. #3 to 8K for Mar. 1970 (6,13)	0-3193-2
Electro-Care Ind., Inc April 1970 (2,13)	0-4194-2	Financial Corp of Arizona Amdt. to 8K for July '69(7)	0-882-2
Faberge Inc April 1970 (11)	1-4342-2	Safeco Corp Amdt. 8K for Feb'70(3)	0-332-2
Mem Co Inc April 1970 (8)	1-5292-2	Statham Instruments, Inc Amdt. to 8K for Dec. '69 (13)	1-4110-2
Midwest Oil Corp April 1970 (11,13)	1-3652-2	Spang Ind., Inc Amdt. to 8K for Jan'70 (7)	0-700-2
Teleflex Inc April 1970 (11,13)	1-5353-2	Taylor Intl. Corp Amdt. 8K for Dec. '69(2)	0-2126-2
Western Financial Corp April 1970 (11)	1-6200-2	The Cambridge Corp Amdt. to 8K for Mar. 1970 (13)	0-3234-2
Husky Oil Co of Del. April 1970 (11)	0-664-2	Electro-Mechanical Corp April 1970 (11)	0-3268-2
King Radio Corp April 1970 (4,11,13)	1-5932-2	Riegel Textile Corp April 1970 (13)	1-5070-2
Marine Central Rr Co April 1970 (11,13)	1-867-2	Castle & Cooke Inc April 1970 (12)	1-4455-2
Texas Oil & Gas Corp April 1970 (7)	1-4995-2	Crompton & Knowles Corp April 1970 (9,11,13)	1-4663-2
Turf Paradise Inc April 1970 (11)	0-1923-2	Susquehanna & Western Ry Co April 1970 (11,12)	1-807-2
Village Super Markets, Inc April 1970 (11)	0-2633-2	First Wisconsin Bankshares Corp April 1970 (4,7,9,11,12,13)	1-2981-2
Atlantic City Elec. Co April 1970 (7,11,13)	1-3559-2		
Consol Water Co Oct. 1969 (3)	0-202-2		
Crown Corp April 1970 (11,13)	1-6090-2		
Phoenix Steel Corp (Apr '70)	1-2908-2		
Fidelity Corp of Penna April 1970 (11)	0-4279-2		
Lone Star Cement Corp March 1970 (7)	1-6124-2		

SECURITIES ACT REGISTRATIONS. Effective July 17: Atlantic Richfield Co., 2-37699; Devon 1970 Oil and Gas Program, Ltd. (Devon Corp.), 2-36454 (90 days); Foote, Cone & Belding Communications, Inc., 2-37129; The Mory Fund, Inc., 2-34350; Overhead Door Corp., 2-37759; Presidio Oil Funds, Inc., 2-36959 (90 days); Raymond Exploration Co., Inc., 2-36262 (90 days); Royal Coach, Inc., 2-37718.

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.