

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



Washington, D. C. 20549

A brief summary of financial proposals filed with and actions by the S.E.C.

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(Issue No. 70-14)

FOR RELEASE January 21, 1970

**TWO REGULATION A SUSPENSIONS MADE PERMANENT.** The SEC today announced that it had ordered the permanent suspension of Regulation A exemptions from registration under the Securities Act of 1933 with respect to public stock offering proposals of the following:

- (a) Design International Corporation, Boston
- (b) Rico Enterprises, Salt Lake City

In the case of Design International, the Commission's temporary suspension order of November 12, 1969, was based upon the asserted failure to comply with certain provisions of Regulation A, in that (i) unregistered shares were sold prior to the filing of the Regulation A offering proposal and (ii) without the company's knowledge, the underwriter allegedly offered and sold shares and accepted payment therefor prior to the time when such securities could legally be offered and without delivery of the required offering circular, and failed to file advertising material used in the offer of the securities for sale. The November 13 suspension order with respect to Rico Enterprises asserted a failure to comply with certain provisions of Regulation A by reason (among other things) of the alleged failure to disclose (a) certain agreements or arrangements between the company, its officials and certain others by which monies received from its stock sale would be "siphoned off from the company for little or nominal consideration and primarily for the ultimate benefit of certain insiders of the issuer" and (b) that the purchase price of the principal assets to be acquired by Rico Enterprises with the proceeds of its stock sale was not determined by arm's-length bargaining between the company and the seller thereof, Darrell W. Jensen.

Neither company having requested a hearing on the question whether the respective temporary suspension orders should be vacated or made permanent, the Commission declared the suspensions permanent.

**ALABAMA POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16584) modifying its prior order authorizing Alabama Power Company, Birmingham subsidiary of The Southern Company, to issue and sell up to \$80,000,000 of short-term notes to a group of banks and commercial paper to commercial paper dealers. The modification permits Alabama Power to issue up to \$21,400,000 of short-term notes to four New York City banks and up to \$17,077,000 to 62 Alabama banks; the number of customers to whom commercial paper may be reoffered by the dealer may be increased from 100 to 200; and certificates of notification with respect to the sales of commercial paper notes may be filed 30 days after the closing of each calendar quarter.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8801) granting an application of the Midwest Stock Exchange to strike the capital stock (\$5 par) of D. H. Holmes Company, Ltd. from listing and registration, effective at the opening of business January 21, 1970. The company requested delisting because of the limited volume of trading during the past several years.

**UNITED RESOURCES PROPOSES OFFERING.** United Resources, Inc., 6801 Northwest 186th St., Miami, Fla. 33015, filed a registration statement (File 2-36004) with the SEC on January 16 seeking registration of \$8,000,000 of convertible subordinated debentures, due 1982, to be offered for public sale at 100% of principal amount, and 150,000 shares of common stock. The offering is to be made through underwriters headed by S. D. Fuller & Co., Inc., 26 Broadway, New York 10004; the offering price of the shares (\$20 per share maximum\*) is to be supplied by amendment. The underwriter will receive a 7% commission on the debentures and an 8% commission on the common stock; and the company has agreed to sell the Fuller firm, at 1¢ per warrant, five-year warrants to purchase common shares (equal to 10% of the number of shares initially issuable upon conversion of the debentures and 10% of the number of shares offered), exercisable after one year at 102% of the offering price.

Organized in October 1968 as Katria Corporation, the company is engaged in the acquisition, development and sale of real estate and the wholesale supply of marine accessories. Of the net proceeds of its financing, \$7,000,000 will be used to retire short term notes, \$250,000 for the construction of an office building, \$600,000 for construction of a hotel, \$250,000 for expansion and improvement of the company's water and sewage utility, \$200,000 for planning, development and land engineering, including preliminary site development for condominiums, apartments, town houses and single family residences, and \$1,000,000 for financing construction in progress of condominiums, apartments, town house residences, on-site improvements and commercial buildings; the balance will be added to the company's working capital and used for general corporate purposes, including possible acquisition of land and business enterprises in Florida and elsewhere. In addition to indebtedness, the company has outstanding 4,457,330 common shares (with an 11¢ per share book value), of which Guy B. Bailey, president, owns 39.3% and management officials as a group 77.9%.

**ROCKLAND ELECTRIC TO SELL BONDS.** Rockland Electric Company, 231 Closter Dock Road, Closter, N. J. 07624, filed a registration statement (File 2-36005) with the SEC on January 16 seeking registration of \$5,000,000 of first mortgage bonds, Series D, due 2000, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A wholly-owned subsidiary of Orange and Rockland Utilities, Inc., the company will apply the net proceeds of its bond sale to the reduction of bank loans incurred in connection with its construction program, of which \$6,250,000 were outstanding at December 31. Construction expenditures are estimated at \$9,600,000 for the period 1969 through 1971.

OVER

**RENAISSANCE FUND TO SELL STOCK.** Renaissance Fund, Inc., 501 Fifth Ave., New York 10017, filed a registration statement (File 2-36006) with the SEC on January 16 seeking registration of 1,750,000 shares of common stock, to be offered for public sale at \$15 per share. The offering is to be made on a best efforts basis through Hoppin Bros. & Co., 55 Broad St., New York 10005, which will receive an 8-1/2% selling commission (9.29% of the net proceeds to the Fund) on purchases of less than 1,000 shares. The Fund is a fully diversified, closed-end investment company whose investment objective is to seek growth of capital. Renaissance Holding Company, Inc., will serve as investment adviser. Eric S. Emory is president of the Fund and of the adviser.

**UNITED CONTINENTAL GROWTH FUND PROPOSES OFFERING.** United Continental Growth Fund, Inc., 20 West 9th St., Kansas City, Mo. 64105 filed a registration statement (File 2-36007) with the SEC on January 15 seeking registration of 2,500,000 shares of capital stock, to be offered for public sale at \$9.99 per share (including an 8.75% sales charge on purchases of less than \$25,000). The Fund is a mutual fund which seeks growth of capital. Waddell & Reed, Inc., will serve as investment adviser and principal underwriter. Cameron K. Reed is board chairman of the Fund and Cornelius Roach is president of the Fund and board chairman of the adviser.

**UNITED CONTINENTAL INCOME FUND PROPOSES OFFERING.** United Continental Income Fund, Inc., 20 West 9th St., Kansas City, Mo. 64105, filed a registration statement (File 2-36008) with the SEC on January 15 seeking registration of 2,500,000 shares of capital stock, to be offered for public sale at \$9.99 per share (including an 8.75% sales charge) for purchases of less than \$25,000. The Fund is a mutual fund whose investment objective is a reasonable rate of income and long term appreciation of capital. Waddell & Reed, Inc., will serve as investment adviser and principal underwriter. Cameron K. Reed is board chairman of the Fund and Cornelius Roach is president of the Fund and board chairman of the adviser.

**ADRs FOR DAIWA SECURITIES FILED.** Morgan Guaranty Trust Company of New York, 23 Wall St., New York, 10015, filed a registration statement (File 2-36009) with the SEC on January 16 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of The Daiwa Securities Co., Ltd., a Japanese corporation.

**CONTINENTAL RESOURCES PROPOSES OFFERING.** Continental Resources Corporation, 1700 Broadway, Denver, Colo. 80202, filed a registration statement (File 2-36011) with the SEC on January 16 seeking registration of \$3,000,000 of preformation limited partnership interests in Continental Resources Fund 1970, (the "Partnership") to be offered for public sale in \$2,500 units with a minimum investment of \$5,000 required. Participating NASD members will receive a 7-1/2% selling commission. The Partnership will engage in a multi-well drilling program for oil and gas, primarily in western Canada and the Rocky Mountain region of the United States. Continental will serve as general partner. F. Wallace Gage is president of Continental and owns 65% of its outstanding common stock.

**TECHNOLOGICAL ADVANCEMENT CENTERS FILES FOR OFFERING AND SECONDARY.** Technological Advancement Centers, Inc., 29 Division St., Somerville, N.J. 08876, filed a registration statement (File 2-36013) with the SEC on January 19 seeking registration of 132,500 shares of common stock, of which 120,000 are to be offered for public sale by the company and 12,500 (being outstanding shares) by the present holders thereof. The offering is to be made at \$9 per share through underwriters headed by Tobey & Kirk, 52 Wall St., New York, which will receive a 90¢ per share commission plus \$15,000 for expenses. The company has agreed to sell the Tobey firm, for \$130, five-year warrants to purchase 13,000 shares, exercisable initially (after 13 months) at \$9 per share.

The company, formerly Saul Gordon Associates, Inc., conducts short-term intensive courses of instruction in the fields of science, engineering, technical management and various industrial disciplines designed to broaden the skills and knowledge of the participants and to apprise them of recent developments within their field of interest. Of the net proceeds of its sale of additional stock, \$125,000 will be used to pay all current liabilities, \$100,000 for advertising and promotion for expanded course offerings, \$50,000 for enlargement and upgrading of the company's mailing list, \$150,000 for publication in print and audio-visually of course material and other technical information and \$300,000 for acquisition of physical facilities and equipment to provide the company's own classrooms and conference space; the balance will be added to working capital and used for general corporate purposes. The company has outstanding 226,170 common shares (with a 9¢ per share book value deficit), of which Saul Gordon, president, owns 28.6% and management officials as a group 48.8%. Anametrics, Inc. proposes to sell 5,000 shares and five others the remaining shares being registered. Purchasers of the shares being registered will acquire a 38% stock interest in the company for their investment of \$1,192,500 (they will sustain an immediate dilution of \$6.52 in per share book value from the offering price); present shareholders will then own 62%, for which they paid \$101,910 or 48¢ per share.

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to employee stock plans:

United Utilities, Incorporated, Kansas City, Mo. 64112 (File 2-35999) - 300,000 shares  
 Butler Manufacturing Company, Kansas City, Mo. 64126 (File 2-36012) - 12,000 shares  
 STIFCO Industries, Inc., Cleveland, Ohio 44103 (File 2-36030) - 102,500 shares  
 R.J. Reynolds Tobacco Company, Winston-Salem, N.C. 27102 (File 2-36024) - 275,000 shares

**ENVIRONMENTAL SYSTEMS FILES FOR OFFERING AND SECONDARY.** Environmental Systems International, Inc., 8430 Santa Monica Blvd., Los Angeles, Calif. 90069, filed a registration statement (File 2-36015) with the SEC on January 19 seeking registration of 250,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Laird Inc., 140 Broadway, New York 10005; the offering price (\$10 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Laird firm, for \$250, five-year warrants to purchase 25,000 shares, exercisable initially (after one year) at 110% of the offering price.

The company through subsidiaries is engaged in residential, commercial and institutional building design and land planning and intends to engage in the manufacture and sale of mobile/modular housing units and in the purchase, development and sale of land. Of the net proceeds of its sale of additional stock, \$120,000 will be used to purchase and furnish a building for the company's offices, \$180,000 to supply a subsidiary with increased working capital and for the development of computer programs for producing cost analyses and production drawings, and \$400,000 to supply funds to another subsidiary for initial land acquisition projects and start-up expenses, principally salaries. In addition to indebtedness, the company has outstanding 770,000 common shares (with a 2c per share net tangible book value), of which Barry A. Berkus, president and board chairman, owns 94%.

**GULF NATURAL RESOURCES FUND PROPOSES OFFERING.** Gulf Natural Resources Fund 1970-A (the "Partnership"), One Main Place, Dallas, Tex. 75250, filed a registration statement (File 2-36016) with the SEC on January 19 seeking registration of \$5,000,000 of limited partnership interests, to be offered for public sale at \$5,000 per unit. Participating NASD members will receive a 7% selling commission. The Partnership was organized to engage primarily in the exploration for oil and gas, the purchase of producing oil and gas properties and the production of oil and gas. Gulf Natural Resources Management Corporation is the general and managing partner. Kenneth C. Gifford, Jr., board chairman, and Fred J. Agnich, director, own 15% and 20%, respectively, and management officials as a group 63% of the outstanding common stock of the general partner. G. Jack Carter is president.

**ADRs FOR MITSUI BANK FILES.** Morgan Guaranty Trust Company of New York, 23 Wall St., New York, filed a registration statement (File 2-36017) with the SEC on January 19 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of The Mitsui Bank, Ltd., a Japanese corporation.

**AFORTRESS FUND PROPOSES OFFERING.** Afortress Fund, Incorporated, 8 Pennell Road, Village of Lima, Pa., filed a registration statement (File 2-36018) with the SEC on January 19 seeking registration of 100,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum\*) with no sales charge. The Fund is a diversified mutual fund whose investment objective is long term appreciation of capital. Carlisle-Asher Management Co. will serve as investment adviser. Edward A. Wilson is board chairman of the Fund and president of the investment adviser and Richard C. McKenzie, Jr., is president of the Fund and executive vice president of the investment adviser. Wilson, McKenzie, Kenneth N. Wenrich, Roger W. Baker and J. Lloyd Elliott (all officers or directors of the Fund and of the adviser) each owns 16.7% of the outstanding shares of the adviser.

**AMERICAN INDUSTRY FUND PROPOSES OFFERING.** American Industry Fund, Inc., 1200 N. Ashland Ave., Chicago, Ill. 60622, filed a registration statement (File 2-36019) with the SEC on January 19 seeking registration of 30,000 shares of common stock, to be offered for public sale at net asset value with a 2% sales charge (\$3.20 per share maximum\*). The Fund is a mutual fund whose investment objective is capital appreciation. Its board of directors will manage Fund investments. Zygmunt Poradowski is board chairman and John J. Truty president.

**FERGUSON OIL PROPOSES OFFERING.** Ferguson Oil Company, Inc. ("Ferguson"), 100 Park Ave. Bldg., Okla. City, Okla. 73102, filed a registration statement (File 2-36021) with the SEC on January 19 seeking registration of \$4,000,000 of performance limited partnership interests in Ferguson Drilling Venture--1970 (the "Partnership"), to be offered for public sale at \$5,000 per unit. Participating NASD members will receive up to an 8% selling commission. The Partnership was organized to engage in the search for oil and gas. Ferguson will serve as the general partner. Bill Ferguson is board chairman and L. Wendell Knox president.

**PHILIP PELTZ SENTENCED.** The SEC announced January 13 (LR-4523) that Philip Peltz of New York City had received a one-year sentence (nine months of which were suspended) plus one-year probation, following his conviction under an indictment charging violations of the anti-fraud and short-selling provisions of the Securities Exchange Act in connection with transactions in stock of Georgia Pacific Corporation.

**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 (please give News Digest "Issue No." in ordering). 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 January 13 News Digest.

BK Reports for Dec 69

Cinerama Inc.(12,13)	1-4107-2	Chemway Corp(7,13)	1-261-2
Clarkson Industries, Inc. Nov 69 (1)	1-6205-2	General American Transportation Corp. (7)	1-2328-2
Clear Creek Corporation (6)	0-1379-2	Nippon Electric Company Ltd (6K)	2-20940-2
Fabri-Centers of America, Inc. (7,10)	2-30979-2	Ramo, Inc. (11,12)	0-2284-2
Genesco, Inc. (11,13)	1-3083-2	Syntex Corporation (11)	1-4269-2
Hermetite Corporation (11,13)	0-555-2	The TI Corp (12,13)	1-6182-2
The Stern Metals Corp(7,13)	1-5147-2	U. S. Gypsum Company Aug & Dec 69 (3)	1-5247-2
Tropical Gas Co., Inc.(6K)	1-4937-2	Wheeling-Pittsburgh Steel Corp(7)	1-2394-2
National Presto Industries, Inc. (8,12,13)	1-2451-2	American Funding Corp(1,2,3,7,12, 13)	2-30485-2
Agway, Inc. (7)	2-22791-2	Armour-Dial, Inc.(13)	1-5698-2
FAIM Information Services, Inc. (2,13)	1-6056-2	Bresnahan Computer Corporation(11)	2-33299-2
First Capital Corp (2,12)	0-3683-2	Central Telephone Utilities Corp (7,13)	1-5734-2
Hawaiian Electric Co., Inc.(7)	1-4955-2	Coleman Co. Inc.(7)	1-988-2
Holophane Co., Inc.(13)	1-5208-2	Hartford Fire Insurance Co(12,13)	2-26153-2
Inter-Polymer Industries Inc. (2,7,13)	2-32768-2	Logetronics, Inc.(12)	0-3645-2
The Jasper Corporation (2)	0-3279-2	Lums, Inc.(11,12)	1-5976-2
Kaiser Industries Corp(12,13)	1-3340-2	Northwest Natural Gas Co.(13)	0-994-2
Dan River Mills, Inc.(7,13)	1-3912-2	Rainbo Photo Color, Inc.(2,7,13)	2-32370-2
Easco Corporation(3,7)	1-1329-2	Supermarkets General Corp(7,13)	1-5287-2
Eddie Webster's Inc.(7)	2-32118-2	Western Union Telegraph Co.(7,13)	1-2493-2
Guardian Industries Corp(2,13)	1-6037-2	Woodward & Lothrop, Inc(13)	0-2445-2
Medfield Corporation Nov 69 (11,13)	1-5606-2	Amerada Hess Corp (4,7,13)	1-1204-2
Mountain National Corp (7,13)	0-2814-2	Baltimore Aircoil Co Inc(4,7,13)	0-2181-2
Western Investment Real Estate Trust (2)	0-2809-2	Cabot Corp (2)	1-5667-2
Wrather Corp (3,7,13)	1-6172-2	California Real Estate Invmt Trust (7,11,12,13)	0-3232-2
Dextra Corporation	0-1602-2	First Republic Corp of America(13)	0-1437-2
Fullview Industries, Inc.	0-2698-2	Great Lakes Dredge & Dock Co. Nov 69(12,13)	1-1303-2
Hammermill Paper Co.(4,7,12,13)	1-3100-2	Koppers Co., Inc.(7,8)	1-3224-2
Leeds Shoes, Inc.(7,8)	0-2216-2	National Student Marketing Corp. (4,7,11,13)	0-3211-2
PIC Productions Corp.(2,7,12)	2-31541-2	Raytheon Company (7)	1-2833-2
A O Smith Corp(12)	1-475-2	Susquehanna Corp(12)	1-5515-2
Affiliated Computer Systems, Inc. (7,12,13)	0-3558-2	Ten-Da-Brand Frozen Foods, Inc. Oct 69(7)	2-32580-2
D. H. Baldwin Co.(2,7,11,13)	1-1655-2		

**SECURITIES ACT REGISTRATIONS. Effective January 16:** Carter-Wallace, Inc., 2-35573; Computer Micro-technology, Inc., 2-33198 (90 days); Copy-Data Systems, Inc., 2-34121 (90 days); National Gypsum Co., 2-35696 (40 days); The Rinfret Fund, Inc., 2-34386; SCI Equity Fund, Inc., 2-34277; Time Sharing Resources, Inc., 2-33506 (90 days).

**Effective January 20:** Baldwin & Lyons, Inc., 2-35889; Central Louisiana Electric Co., 2-35592; Comcorp, Inc., 2-34761 (90 days); Double X Ranch, Inc., 2-33258 (90 days); Electrogasdynamics Inc., 2-33834 (90 days); Family Dollar Stores, Inc., 2-35468 (90 days); Fleetwood Enterprises, Inc., 2-35725 (40 days); Ford Motor Co., 2-35884; General Telephone Co. of the Northwest, Inc., 2-35488 (90 days); Jensen Industries, 2-32369 (90 days); Kansas Beef Industries, Inc., 2-34177 (90 days); The Nippon Kangyo Bank Limited, 2-35923; Orion Research Inc., 2-33852 (90 days); Prudential Funds, Inc., 2-35637 (40 days); Townhill Fabrics, Inc., 2-31926 (90 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.

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