

# 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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## RULE PROPOSAL

**PROPOSAL WOULD MAKE "NO COMMENT" LETTERS PUBLIC.** The SEC today invited the submission of views and comments not later than August 15 upon a proposal (Release 33-5073) that requests for interpretative advice or "no action" letters and written responses thereto shall be treated as public records of the Commission after the response has been made. It would provide, however, for confidential treatment for a period not exceeding 60 days where it is shown that such treatment is reasonable and appropriate.

Interpretative letters are informal opinions of authorized staff officials as to the application of the securities laws to contemplated factual situations; in a no-action letter, the official may state with respect to a specified proposed transaction that the staff will not recommend a Commission enforcement action if the transaction is consummated in the manner described in the incoming letter. In Release 33-4924 of September 20, 1968, the Commission invited comments as to whether no-action letters should be available to the public. The Commission received numerous comments in response thereto, the overwhelming majority of which favored public disclosure of the letters in one form or another. Most were concerned, however, that a means be found to assure that confidential treatment of sensitive matters could be given when appropriate. Under the Commission's proposal, the exchange of letters would be made public within 10 days after the staff responds to the inquiry; however, in particular cases where it appears that a temporary delay in publication would be appropriate, the incoming letter and response thereto would be given confidential treatment for a reasonable period not exceeding 60 days if need therefor is clearly shown in the incoming letter.

## COMMISSION ANNOUNCEMENT

**McCoy SUCCEEDS WHITNEY.** Chairman Hamer H. Budge of the SEC today announced the designation of Neal S. McCoy as Chief Counsel, Division of Corporation Finance. Mr. McCoy succeeds Courtney Whitney, Jr. who has resigned. Mr. McCoy is a graduate of the University of Kansas (Phi Beta Kappa) and the Harvard Law School. He attended Cambridge University, England, for one year majoring in economics. Having been admitted to the bar of the state of California, he began his employment with the Commission in August, 1966 as a member of the Branch of Administrative Proceedings and Investigations, Division of Corporation Finance. From May 1969 to the present he has served as Legal Assistant to the Chairman.

## SECURITIES ACT REGISTRATIONS

**PHILIPS INDUSTRIES TO SELL NOTES.** Philips Industries Inc., 4509 Springfield St., Dayton, Ohio 45431, filed a registration statement (File 2-37909) with the SEC on July 2 seeking registration of \$15,000,000 of Notes, due 1977, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in the manufacture and sale of components for the mobile home and recreational vehicle industries. The net proceeds of its note sale will be used to prepay about \$10,000,000 of short-term bank loans and \$2,500,000 borrowed from banks on 15-month notes maturing in August and November 1970. The balance will be added to working capital. In addition to indebtedness and preferred stock, the company has outstanding 4,685,381 common shares, of which management officials as a group own about 23.3%. Jesse Phillips is board chairman and chief executive officer and Robert Levenatein president.

**RIGHTS OFFERING PROPOSED BY CREDIT BUREAU REPORTS.** Credit Bureau Reports, Inc., 7204 Harwin Drive, Houston, Tex. 77036, filed a registration statement (File 2-37908) with the SEC on July 2 seeking registration of 406,560 shares of common stock. It is proposed to offer this stock for subscription by stockholders at the rate of 2½ new shares for each share held. The record date, subscription price (\$8 per share maximum\*) and underwriting terms are to be supplied by amendment. No underwriting is involved.

The company provides area, regional and national credit granters with access to credit reports issued by about 2,000 credit bureaus located throughout the United States. Of the net proceeds of its stock sale, \$120,000 will be used to discharge a bank loan obtained in connection with the term-financing of the company's principal executive offices in Houston, \$750,000 will be added to working capital to enable the company to eliminate or reduce short-term borrowing, and the balance will be used to acquire credit bureaus. The company now has outstanding 162,624 common shares, of which management officials as a group own 5.7%. Dewey E. S. Kuhns is board chairman and Richard P. Erichson president.

**KAVANAU TRUST SHARES IN REGISTRATION.** Kavanau Real Estate Trust, 30 E. 42d St., New York, filed a registration statement (File 2-37912) with the SEC on July 2 seeking registration of (a) 300,938 shares to be offered to certain persons under agreements which gave them the option to accept such shares or cash in exchange for their working interests in and to eight oil and gas leases acquired by the Trust; and (b) 300,938 outstanding shares, to be offered for sale by the present holders thereof (at \$8 per share maximum\*).

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The Trust operates as a real estate investment trust. In addition to indebtedness and preferred stock, it has outstanding 1,386,611 shares, of which management officials own some 25%. Abe Greenberg may sell 100,000 of 164,107 shares held and several others the remaining shares being registered.

**STEWART MANAGEMENT FILES FOR OFFERING.** Stewart Income Management Company, 485 Madison Ave., New York 10022, filed a registration statement (File 2-37914) with the SEC on July 2 seeking registration of \$25,000,000 of pre-organization subscriptions in limited partnerships to be organized from time to time, with Stewart serving as sole General Partner. The objectives of the partnerships will be a combination of possible (a) long-term growth and enhancement of underlying assets, together with possible (b) tax-protected income, and (c) substantial tax deductions or other tax benefits which may flow through to the individual investor as a limited partner -- through engaging in diversified businesses such as ownership and maintenance of cattle-breeding herds and feeder cattle, exploration and development of oil and gas and other mineral properties, equipment leasing, acquisition and operation of real estate, and other ventures. Stewart is a limited partnership; one of its general partners is Stewart Capital Corporation, successor to Stewart Petroleum Corporation. The other general partner is Alexander S. Bowers.

**VENTURE FUND PROPOSES OFFERING.** Venture Special Fund, Inc., One Wall St., New York 10005, filed a registration statement (File 2-37916) with the SEC on July 2 seeking registration of 100,000 shares of capital stock, to be offered for public sale at net asset value plus a sales charge of 8-2/3% of the offering price, scaled down to 1% depending on the size of the investment. The mutual fund's objective is growth in the net asset value of its shares; it will engage in certain speculative activities. Calvin Bullock, Ltd., 1 Wall St., New York, serves as distributor and Venture Advisers, Inc., as adviser. Martin H. Proyect is president and board chairman of the Fund and adviser and executive vice president of the distributor.

**CHESAPEAKE INSTRUMENT SHARES IN REGISTRATION.** Chesapeake Instrument Corporation, Shadyside, Md. 10867, filed a registration statement (File 2-37918) with the SEC on July 2 seeking registration of 150,000 common shares. These shares have been issued or are issuable upon exercise of outstanding options. The company has 1,066,239 shares outstanding.

**VIRGINIA COMMONWEALTH BANKSHARES FILES FOR OFFERING.** Virginia Commonwealth Bankshares, Inc., 800 E. Main St., Richmond, Va. 23214, filed a registration statement (File 2-37919) with the SEC on July 2 seeking registration of \$6,000,000 of subordinated capital notes (due 1975-85), to be offered by the corporation or its subsidiary banks at 100% of principal amount. Also included in the statement are 75,000 outstanding shares of common stock, which may be offered by the several holders thereof for sale through Wheat & Co., Inc., of 801 Main St., Richmond, Va.; the offering price (\$25 per share maximum\*) and underwriting terms are to be supplied by amendment. Bankshares will use the net proceeds of its sale of notes and of the private sale of a 6% subordinated term note for the payment of \$2,150,800 of indebtedness, for additional contributions to the capital of subsidiaries, and for other corporate purposes. Herbert C. Mosely is board chairman and Frederick Deane, Jr., president. Selling stockholders number 22.

**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 Rucker Company, Oakland, Calif. 94612 (File 2-37910) - 239,535 shares  
 National Systems Corporation, Newport Beach, Calif. 92660 (File 2-37911) - 60,000 shares  
 Airpax Electronics Incorporated, Fort Lauderdale, Fla. 33313 (File 2-37913) - 10,000 shares  
 Cogar Corporation, Herkimer, N. Y. 13350 (File 2-37915) - 260,000 shares  
 Phillips-Van Heusen Corporation, New York 10016 (File 2-37917) - 100,000 shares

#### MISCELLANEOUS

**TRADING BAN CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period July 15-24, 1970, inclusive.

**SECURITIES ACT REGISTRATIONS.** Effective July 13: Control Data Corp., 2-36339 (40 days); Electrospace Corp., 2-37552 (40 days); Harrelson Rubber Co., 2-36554 (90 days); Mary Kay Cosmetics, Inc., 2-37535 (40 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.