

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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DECISION IN ADMINISTRATIVE PROCEEDING

INTERNATIONAL AEROSPACE ASSOCIATES SUSPENSION PERMANENT. The SEC today announced a decision under the Securities Act (Release 33-5096) making permanent a prior order temporarily suspending a Regulation A exemption from registration with respect to a proposed public offering of 50,000 shares of stock at \$1 per share by International Aerospace Associates, Inc., of Lexington, Mass. The company was organized in 1969 to develop airport facilities for supersonic transport planes. According to the Commission's decision, International failed to comply with Regulation A in that among other things it filed a statement, in lieu of an offering circular containing financial statements, although it was not entitled to do so under the Regulation, and that the statement was materially misleading with regard to the company's operating and earnings history, and facilities. There was no disclosure that the company had little or no assets other than an office, and information with respect to the location and general character of the properties held or intended to be acquired was misleading. The statement also failed to disclose that International did not own or have the necessary funds to exercise an option, in fact owned by its president and expiring on September 30, 1970, to purchase an airport property, which was suitable only for small aircraft and had other deficiencies. The statement was also false and misleading in stating that 25,000 shares had been sold in a prior offering at \$1 per share, when, in fact, only 3,030 shares had been sold, and it did not disclose, as required, the names of the persons to whom the securities were issued.

NEW RULES AND RULE PROPOSALS

DELEGATION RULES MODIFIED. The SEC today announced the amendment of its "delegation rules" (Release 33-5097) to provide for delegation to its Chief Hearing Examiner of certain functions (previously performed by its Secretary) relating to the scheduling of hearings in the Commission's administrative proceedings, the designation of Hearing Examiners ~~and~~ to preside at such hearings, and various related matters.

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16886) giving interested persons until November 25 to request a hearing upon an application of Consolidated Natural Gas Company, New York holding company, to issue and sell \$45,000,000 of debentures, due 1995, at competitive bidding. Consolidated will use net proceeds to replenish general corporate funds for the repayment of a construction bank loan due October 25, 1970, and to finance, in part, the 1970 capital expenditures of Consolidated's subsidiaries, estimated at \$106,000,000.

MISSISSIPPI POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16887) giving interested persons until November 19 to request a hearing upon an application of Mississippi Power & Light Company, Jackson subsidiary of Middle South Utilities, Inc., to strengthen its capital structure by transferring \$3,100,000 (the equivalent of \$1 per share for each of 3,100,000 common shares outstanding) from its retained earnings account to its common stock capital account. At August 31, common stock capital and retained earnings amounted to \$65,100,000 and \$17,668,392, respectively.

SOUTHERN CO. RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16888) authorizing The Southern Company, Atlanta holding company, to issue and sell \$75,000,000 of common stock at competitive bidding. Southern will use the net proceeds of its stock sale, together with other available funds (1) to acquire additional common stock of subsidiaries as authorized by the Commission on January 29, 1970 (Release 35-16596), (2) to pay short-term notes of \$23,100,000 which were issued for the purpose of making such investments and (3) for additional investments in 1970 in common stock of subsidiaries as follows: \$4,000,000 to purchase 40,000 shares of Alabama Power Company and \$12,000,000 to purchase 120,000 shares of Georgia Power Company. Alabama Power and Georgia Power will use the net proceeds of their stock sale to pay short-term notes and to finance, in part, their 1970 construction expenditures estimated at \$226,761,000 and \$158,666,000, respectively.

INVESTMENT COMPANY ACT RELEASES

ORDER RE PYRAMID INVESTORS SOUGHT. The SEC has issued an order under the Investment Company Act (Release IC-6226) giving interested persons until November 23 to request a hearing upon a proposal to declare that Pyramid has ceased to be an investment company. Pyramid registered under the Act in January 1964. Information available to the Commission indicates that, pursuant to a vote of shareholders at a meeting held in March 1968, Pyramid was dissolved on August 12, 1968 in accordance with Indiana law. Distributions of Pyramid's cash assets to all shareholders was substantially completed around April 30, 1968 and no undischarged liabilities remain.

OVER

AMERICAN RESEARCH & DEVELOPMENT SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6227) giving interested persons until November 23 to request a hearing upon an application of American Research & Development Corporation ("Research") and American Enterprise Development ("Enterprise"), both of Boston, and Miller and Fink Publishing Company ("Miller") and Professional Advisory Services, Inc. ("Advisory Services"), both of Greenwich, Conn., for an order of exemption from certain provisions of the Act. Research owns all of the outstanding voting securities of Enterprise, which in turn owns 52% of the outstanding voting stock of Miller, which is primarily engaged in the publication of medical and engineering periodicals. Miller recently organized Advisory Services to provide a planning and advisory service for high-income individuals, and owns 86% of its outstanding voting securities. Advisory Services is required to register under the Investment Advisers Act; and the subject application seeks an exemption from provisions of the Act prohibiting a registered investment company from owning a direct interest in a registered investment company.

WADDELL & REED RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6228), upon an application of Waddell & Reed, Inc., Kansas City, Mo. sponsor of four unit investment trusts, permitting an exchange of securities of the trusts. Waddell & Reed sponsors United Continental Growth Investment Programs, United Continental Income Investment Programs and United Vanguard Investment Programs (the "Programs") and United Periodic Investment Plans to Acquire Shares of United Science Fund ("Plan"). Each Program offers Monthly Investment Programs ("MIP") and Executive-Professional Investment Programs ("EPIP") for the accumulation of shares, respectively, in United Continental Growth Fund, United Continental Income Fund and United Continental Vanguard Fund; and the Plan provides for the accumulation of shares of United Science Fund without insurance. An exemption from certain provisions of the Act is granted so that holders of each Program's securities may exchange their holdings for the MIP or EPIP, respectively, or another Program, at the relative net asset value thereof, upon payment of a single transaction service charge. Holders of Plan securities could exchange them for a MIP of any of the Programs on the same conditions and charge.

SECURITIES ACT REGISTRATIONS

DIVERSIFIED INDUSTRIES SHARES IN REGISTRATION. Diversified Industries, Inc., 7701 Forsyth Blvd., Clayton, Mo. 63105, filed a registration statement (File 2-38687) with the SEC on October 29 seeking registration of 1,356,213 shares of common stock, of which 733,572 are outstanding shares issued in connection with certain acquisitions, 171,000 are outstanding shares issued upon exercise of options granted pursuant to the company's stock option plans, 419,018 are issuable upon exercise of outstanding options and 32,623 may be issued upon exercise of options which may be granted. The holders or recipients of such shares may offer them for sale from time to time, at prices current at the time of sale (\$9.75 per share maximum*).

The company and subsidiaries are primarily engaged in metal processing; also in the manufacture of products for sale to the transportation industry and the sale of consumer products through discount outlets. In addition to indebtedness, the company has outstanding 6,120,369 common shares. Sarah Ginsberg may sell all of 51,240 shares held, Frank Ginsberg all of 50,310 and a large number of others the remaining shares being registered.

CONSOLIDATED BANKSHARES (FLA.) PROPOSES EXCHANGE. Consolidated Bankshares of Florida, Inc., 225 E. Las Olas Blvd., Fort Lauderdale, Fla. 33301, filed a registration statement (File 2-38690) with the SEC on October 29 seeking registration of 1,464,270 shares of common stock. It is proposed to offer these shares in exchange for all of the outstanding common shares of the following banks, at the indicated exchange ratios: 2.60 shares for each share of First National Bank in Fort Lauderdale, 2.10 shares for each share of Plantation First National Bank, 2.75 shares for each share of Guaranty First National Bank of Fort Lauderdale and 1.85 shares for each share of Ocean First National Bank of Fort Lauderdale. The exchange offer is contingent upon acceptance by holders of at least 80% of each of the affiliating banks.

The company was organized in September for the purpose of becoming a bank holding company. George W. English is board chairman and Fred R. Millsaps president.

PROFESSIONAL DEVELOPMENT CORP. TO SELL STOCK. Professional Development Corporation of America, 35 Plaza Mall, Virginia Beach, Va. 23452, filed a registration statement (File 2-38698) with the SEC on October 29 seeking registration of 340,000 shares of common stock, to be offered for public sale at \$7.50 per share. The offering is to be made on a best efforts basis by Somerset Equities Corporation, Troy, Mich., which will receive a 75¢ per share selling commission plus up to \$13,600 for expenses. The company has agreed to sell the underwriter, for 1¢ each, six and one-half year warrants to purchase up to 17,000 shares, exercisable after 18 months for \$8.25 per share.

The company was organized in February 1969 for the purpose of acquiring, improving and subdividing tracts of land for development into planned recreation-oriented residential communities containing single-family residences, townhouses, apartment buildings and such commercial structures as would be a natural by-product of such residential construction. Of the net proceeds of its stock sale, \$730,000 will be used for development and improvement of additional homesites, \$120,000 for advertising, promotion and sales expenditures, \$280,000 to discharge long-term debt due within one year, \$90,000 for design and engineering costs for an 18-hole golf course and \$200,000 to activate a proposed wholly-owned mortgage banking subsidiary; the balance will be used for general corporate purposes, including reduction of liabilities and indebtedness and development of land now owned or to be acquired, financing the acquisition of land the possible acquisition from others of businesses complementary to its real estate development operations. In addition to indebtedness, the company has outstanding 375,071 common shares (with a \$2.24 per share book value), of which management officials as a group own 19.97%. George M. Sullivan, Jr., is board chairman and president. Purchasers of the shares being registered will acquire a 48% stock interest in the company for their investment of \$2,550,000 (they will sustain an immediate dilution of \$3.24 in per share book value from the offering price); present shareholders will then own 52%, for which they paid \$807,273.91 and rendered services valued at \$32,690.15.

CONTINUED

RESERVE RESOURCES PROPOSES OFFERING. Reserve Resources, Inc., 200 W. Douglas, Wichita, Kans. 67202, filed a registration statement (File 2-38692) with the SEC on October 29 seeking registration of \$50,000,000 of pre-organization subscriptions in limited partnerships issued under oil and gas participation plans, to be offered for public sale in \$5,000 units by Calgo Oil & Gas Fund. The offering is to be made on a best efforts basis by M. H. Deckard & Co., Inc., 822 N. Broadway, Santa Ana, Calif. 92701, which will receive an 8% selling commission and will reallocate a 7.5% selling commission to participating NASD members. A series of six limited partnerships (of which Reserve Resources, a subsidiary of Hershberger Explorations, Inc. will be the general partner) are to be formed under a program to acquire and develop proven, semi-proven and non-proven oil and gas properties. Kenneth L. Ingham is president of the general partner and James W. Hershberger president of its parent.

JOHN HANCOCK INVESTORS TO SELL STOCK. John Hancock Investors Inc. (the "Fund"), 200 Berkeley St., Boston, Mass. 02117, filed a registration statement (File 2-38699) with the SEC on October 29 seeking registration of 4,000,000 shares of capital stock, to be offered for public sale in minimum amounts of 20 shares and 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 up to \$1.75 per share commission. The Fund is a closed-end diversified management investment company whose primary investment objective is to generate income for distribution to shareholders, with capital appreciation as a secondary objective. John Hancock Advisers, Inc., a wholly-owned subsidiary of John Hancock Mutual Life Insurance Company, will serve as investment adviser. Arthur B. Worthley, Jr., is board chairman and Floyd A. Lamb president; they are board chairman and vice president, respectively, of the adviser.

OFFERING TO PROGRAMMING & SYSTEMS HOLDERS PROPOSED. Allstates-Programming and Systems Incorporated, 151 W. 51st St., New York 10019, filed a registration statement (File 2-38689) with the SEC on October 29 seeking registration of 162,106 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of Programming and Systems, Inc. ("PSI"), parent of EDP Printing & Systems, Inc. ("EDP"), a principal stockholder of the company, at the rate of one share for each 20 PSI shares held. The record date and subscription price (\$3 per share maximum*) are to be supplied by amendment.

Organized in August 1969, the company is engaged in the operation of a data processing service bureau which offers its clients miscellaneous data processing services in a broad range of commercial applications, including billing accounts receivable and inventory services for book publishers and computer printing of promotional direct mail for magazine publishers, charitable institutions and political parties. Net proceeds of its stock sale will be applied principally to the payment of notes held by PSI and others representing advances for the payment of taxes, the development of a marketing program, and other purposes. The company has outstanding 935,000 common shares (with a 15¢ per share book value), of which EDP owns 66% and Allstates Design and Development Company, Inc. 28%. Irwin Mautner is board chairman and Frank J. Anello president.

MISCELLANEOUS

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act (Release 34-9012) giving interested persons until November 13 to request a hearing upon an application of the Midwest Stock Exchange for unlisted trading privileges in the common stock or specified securities of the following companies: Federated Department Stores, Inc., First National City Corp., Florida Power Corporation, Halliburton Co., H. J. Heinz Co., Hilton Hotels Corp., International Industries, Inc., International Telephone & Telegraph Corp. - \$2.25 Convertible Preferred Stock, Series N, Johnson & Johnson, Kentucky Fried Chicken Corp., Kinney National Service, Inc., Eli Lilly & Co., Leasco Data Processing Equipment Corp. - \$2.20 Convertible Preferred Stock, Series B (\$1 par), Louisiana Land & Exploration Co., Lums, Inc., The May Department Stores Company, McGraw-Hill, Inc., Memorex Corp., Mohawk Data Sciences Corp., J. P. Morgan & Co., Inc., and Walter Kidde & Co.

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 October 5 News Digest.

8K Reports for Aug 1970

American Photocopy Equipment Co. (3)	1-6081-2	Beneficial Corp. (8)	1-1177-2
Aufre-Grant Inc. (7,13)	2-30206-2	Broadway Joe's, Inc. Sept 70(1)	0-5157-2
California Water Service Co. (8)	0-464-2	World Computer Corporation Jul 70(7,13)	0-5098-2
Crown Corp (7)	1-6090-2	Alico Land Development Co.(2)	0-261-2
Atlantic American Corp(7,11,13)	0-3722-2	Continental Telephone Corp (7,13)	1-4765-2
Citizens Commonwealth Corporation (7,13)	0-4746-2	American Nuclear Corp(8,13)	0-1764-2
Cooper Industries, Inc. (2,7,10,11,13)	1-1175-2	Barnes Hind Pharmaceuticals, Inc. (2,7,12,13)	0-1991-2

8K Reports for Aug 70

Dasa Corp Aug. 1970 (7,13) 0-2145-2	Data Management Services, Inc. (12) 0-3887-2
Sealed Air Corp Aug. 1970 (2,13) 0-3030-2	Data Products Corp (9) 1-5756-2 Ross Aviation, Inc. July 70 (3,12) 0-5093-2 Tassette Inc. (11) 0-5100-2
Chattem Drug & Chemical Co Aug. 1970(1,2,4,7) 2-34209-2	Bell & Howell Co. (13) 1-3246-2 Computer Installations Corp(3) 0-3657-2
Papcom Ind., Inc Aug. 1970(8) 1-4512-2	Allen Organ Co. (12) 0-275-2 American Metal Climax, Inc. (2,3,7,13) 1-229-2 Bourns, Inc. (3) 1-5257-2
State Street Life Insur. Co July 1970(110) 2-23925-2	Cerro Corp (7,8,13) 1-1518-2 Amarex, Inc. July 70(2,7,9,13) 2-31307-2
Willcox & Gibbs, Inc Aug. 1970(4,7,13) 1-5731-2	
ASG Ind., Inc Aug. 1970(1,7,8,9,13) 0-541-2	
Programmed Tax South, Inc July 1970(1,2,4,7,11,13) 2-33276-2	<u>Amended 8K Reports</u>
Scam Instrument Corp Sept. 1970(12,13) 1-6280-2	Beaver Mesa Exploration Co. Amdt #1 for Jun 70(13) 0-2939-2
Bristol Myers Co Aug. 1970(3) 1-1136-2	Cambridge Corporation Amdt #1 for May 70(11) 0-3234-2
Transamerica, Inc Amdt. #1 to 8K for April 1970(7) 1-2964-2	West Indies Enterprises, Inc. Amdt #1 for Jun 70(13) 0-5096-2
Sonderling Broadcasting Corp Amdt. #1 to 8K for Aug. 1969(13) 1-6051-2	

SECURITIES ACT REGISTRATIONS. Effective October 29: Xtra, Inc., 2-37762 (40 days).

Effective October 30: Automatic Data Processing, Inc., 2-38678; Bill Allen Enterprises, Inc., 2-36165 (90 days); Caldor, Inc., 2-38445; First National Stores Inc., 2-38144; Flock Industries, Inc., 2-36841 (90 days); Harris-Intertype Corp., 2-38453; Intercontinental Trailsea Corp., 2-35209 (90 days); Logicon, Inc., 2-38101; Massachusetts Capital Development Fund, Inc., 2-36431; May Exploration Ventures, Inc., 2-37664 (90 days); Sierra Petroleum Co., Inc., 2-37795 (90 days).

Withdrawn October 28: Deseret Pharmaceutical Co., Inc., 2-36412; E W Industries, Inc., 2-35709.

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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