

# 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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## COMMISSION ANNOUNCEMENT

DEFENSE CONTRACT DISCLOSURE INQUIRY TO RESUME. The SEC inquiry into questions of disclosure with respect to costs incurred in major defense contracts is to resume on November 16 at 10:00 A.M. *Table Industry*

## NEW RULES AND RULE PROPOSALS

INDUSTRIAL REVENUE BONDS EXEMPT. The SEC today issued a statement concerning the applicability of the registration requirements of the Securities Act and the Securities Exchange Act to industrial development (industrial revenue) bonds. The typical industrial development bond is issued nominally by a political subdivision of a State for purposes of financing a specific industrial project, owned by the subdivision but leased to a specific private company; and it had been the Commission's policy to require registration of such financing plans in which any part of the principal and/or interest on the bond is payable by the private company from payments under the lease, sale or other arrangement with the private company.

However, pursuant to Section 401 of the Employment Security Amendments of 1970, signed into law on August 10, 1970, issues of industrial development bonds in amounts not exceeding \$5,000,000 are generally exempt from the SEC registration requirements; and such issues are exempt, without limitation as to size, if substantially all the proceeds thereof are to be used to provide sports facilities, convention or trade show facilities, airports, docks, wharves, mass commuting facilities, parking facilities, or storage or training facilities directly relating to any of the foregoing, as well as sewage or solid waste disposal facilities or facilities for the local furnishing of electrical energy, gas, or water, and air and water pollution control facilities.

While Section 401 makes no reference to the Trust Indenture Act of 1939, the Commission has determined, in keeping with what it considers to be the intent of Congress, that it will not require the qualification of trust indentures for issues which are exempt from the registration provisions of the Securities Act. However, the anti-fraud provisions of all three laws will continue to apply, regardless of any exemption from the registration requirement. (Release 33-5103)

## HOLDING COMPANY ACT RELEASES

GPU RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16891) authorizing General Public Utilities Corporation, New York holding company, to alter the designated allocations of contributions under a Commission order of June 1, 1970 (Release 35-16744) permitting GPU to make \$160,000,000 of cash contributions to certain of its subsidiary companies, so as to contribute \$16,000,000 to Pennsylvania Electric Company and reduce the intended contribution to Jersey Central Power & Light Company by the same amount.

MISSISSIPPI POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16893) giving interested persons until November 20 to request a hearing upon an application of Mississippi Power Company, Gulfport, subsidiary of The Southern Company, to issue and sell \$15,000,000 of first mortgage bonds at competitive bidding. Mississippi Power will use the net proceeds to finance, in part, its 1970 construction program (estimated to be \$19,626,000), to repay short-term notes incurred for such purposes (both bank notes and commercial paper), of which \$9,917,000 are expected to be outstanding on the date the bonds are sold, and for other purposes.

## COURT ENFORCEMENT ACTIONS

MUSCAT, OTHERS NAMED IN COMPLAINT. The SEC announced on November 3 (LR-4799) the filing of a court action in the Federal court in New York City, seeking to enjoin Victor Muscat, Victor Metals Products Corporation, Robert L. Huffines, Jr., and the Robert L. Huffines, Jr. Foundation, from violating Section 9(a) (2) of the Securities Exchange Act in connection with transactions involving the common stock of El-Tronics Inc. Huffines and the Foundation have indicated (without any admissions) that they will consent to a court order of permanent injunction.

INTERNATIONAL AEROSPACE AND PACE ENJOINED. The SEC Boston Regional Office announced November 4 (LR-4800) that the Federal court in Boston had issued an order of permanent injunction against International Aerospace Associates, Inc., Bedford, Mass., and its president, Robert V. Pace of Waltham, Mass. enjoining them from further violations of the anti-fraud provisions of the Federal securities laws in connection with the offer and sale of securities of International Aerospace. The defendants consented to the entry of the decree.

**SALE OF AART COMMUNICATIONS STOCK ENJOINED.** The SEC Denver Regional Office announced November 2 (LR-4801) that the Federal court in Denver had issued an order temporarily restraining violations of the Securities Act registration provisions in the offer and sale by the following of stock of A.A.R.T. Communications Corporation: Airline Valet Baggage, Inc. (formerly Western Plains Oil and Gas Company), doing business as A.A.R.T. Communications Corporation, Francis P. O'Neill, of Scottsdale, Ariz., and James Morae, of Las Vegas, Nev. A court hearing upon the Commission's motion for a preliminary injunction is scheduled for November 6.

#### SECURITIES ACT REGISTRATIONS

**NEW BEDFORD GAS PROPOSES FINANCING.** New Bedford Gas and Edison Light Company, 130 Austin St., Cambridge, Mass. 02139, filed a registration statement (File 2-38736) with the SEC on November 4 seeking registration of \$9,000,000 of notes, Series E, due 1995, to be offered for public sale at competitive bidding. A public utility subsidiary of New England Gas and Electric Association, the company will use the net proceeds of its financing, together with the proceeds of \$9,000,000 from the proposed sale of common stock, to repay short-term bank loans incurred for the purpose of temporarily financing additions to property, plant and equipment. Construction expenditures are estimated at \$19,260,000 for the period 1970 - 1972.

**GULF STATES UTILITIES TO SELL BONDS.** Gulf States Utilities Company, P. O. Box 2951, Beaumont, Tex. 77704, filed a registration statement (File 2-38740) with the SEC on November 4 seeking registration of \$30,000,000 of first mortgage bonds, Series A due 2000, to be offered for public sale at competitive bidding. The company will use the net proceeds of its bond sale to pay part of its short-term notes having various maturity dates extending into 1971, of which it is estimated \$55,000,000 will be outstanding at the time of the sale of the new bonds. Proceeds of the notes were used for construction and other corporate purposes. Construction expenditures are estimated at \$110,000,000 for 1970 and \$93,000,000 for 1971.

**HUNT MFG. FILES FOR SECONDARY.** Hunt Manufacturing Co., 1405 Locust St., Philadelphia, Pa. 19102, filed a registration statement (File 2-38742) with the SEC on November 4 seeking registration of 271,256 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by Butcher & Sherrerd, 1500 Walnut St., Philadelphia, Pa.; the offering price (\$8 per share maximum\*) and underwriting terms are to be supplied by amendment. Also included in this statement are 49,000 shares of common stock issuable upon exercise of stock options granted or to be granted to employees pursuant to a qualified stock option plan.

The company manufactures and distributes Boston brand pencil sharpeners and numerous other products for the business, education and leisure-time markets. The company has outstanding 886,900 common shares, of which George E. Bartol III, board chairman, owns 60.3% and management officials as a group 81.9%. Bartol proposes to sell 181,000 of 534,884 shares held, a trust for four of his daughters 34,200 of 165,032, and three others the remaining shares being registered.

**TATTERED TOM CO. PROPOSES OFFERING.** The Tattered Tom Company (the "Partnership"), c/o Margrove Productions, Inc., 1564 Broadway, New York, filed a registration (File 2-38743) with the SEC on November 3 seeking registration of \$500,000 of limited partnership shares, to be offered for public sale in \$10,000 units. No underwriting is involved. The Partnership is to be organized for the purpose of producing a dramatico-musical play presently entitled "Tattered Tom." Margrove Productions, Inc. is producer of the play and will serve as general partner. Timothy Gray is author of the book and Hugh Martin and Ralph Blane are the song writers.

**CARROLS DEVELOPMENT TO SELL STOCK.** Carrols Development Corporation, 968 James St., Syracuse, N. Y. 13203, filed a registration statement (File 2-38745) with the SEC on November 5 seeking registration of 250,000 shares of common stock, to be offered for public sale through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006. The offering price (\$11.75 per share maximum\*) and underwriting terms are to be supplied by amendment. Also included in this statement are 13,518 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale.

The company operates fast food restaurants under the name "Carrols" and operates and manages motion picture theatres. Of the net proceeds of its stock sale, \$504,765 will be used to repay borrowings from North European Oil Company incurred as interim building financing for seven restaurants, \$200,000 for remodeling and improvement of four existing company operated restaurants and \$900,000 for developing sites and equipping some 12 future company-operated mini theatres; the balance will be added to the company's general funds and used for general corporate purposes, principally for working capital. In addition to indebtedness, the company has outstanding 1,054,074 common shares, of which Herbert N. Slotnick, board chairman and president, owns 69% and management officials as a group 74%. Herbert Nitke may sell 7,081, Betty and John Walborn 5,000 and Charles Girard 1,437 shares.

**CLEARY PETROLEUM PROPOSES OFFERING.** Cleary Petroleum Corporation ("Cleary"), 310 Kermac Bldg., Oklahoma City, Okla. 73102, filed a registration statement (File 2-38744) with the SEC on November 5 seeking registration of \$6,000,000 of partnership interests in Cleary Ventures 1971 and 1972 ("Ventures"), to be offered for public sale in \$5,000 units with a minimum subscription of two units. No underwriting is involved; participating NASD members will receive a 7% selling commission. Ventures is a drilling program organized for the purpose of exploring for and developing oil and gas reserves. It is proposed that one to four partnerships will be formed with Cleary as general partner. William B. Cleary is president.

**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 November 5 News Digest.

Natl. Invest. Corp Aug. 1970 ( 2,9,13)	0-4786-2	Geror, Inc Aug. 1970 (9)	2-29364-2
Supermarkets Genl. Corp Amdt. #1 to 8K for Aug. 1970(4)	1-5287-2	Management Assistance, Inc Aug. 1970(4,8,12)	0-2017-2
Unitec Ind., Inc Aug. 1970 ( 2,10,12,13)	0-3691-2	Win Stephens Leasing Co Aug. 1970 (13)	2-31634-2
Varo, Inc July 1970 ( 7,8,10,13)	1-5381-2	Total Energy Leasing Corp Aug. 1970 ( 6,12)	0-3641-2
Photo Motion Corp Aug. 1970 ( 2,3,11,12,13)	0-4802-2	Vahlsing, Inc Aug. 1970( 7,13)	0-174-2
Mega Systems, Inc. Jun 70 (1,12,13)	0-4662-2	Holiday Airlines, Inc Aug. 1970 (12)	0-4270-2
Plessey Inc Aug. 1970 (12)	0-4116-2	Leeds Shoes, Inc Aug. 1970 ( 7,8,11,12)	0-2216-2
Topsy's Intl., Inc Aug. 1970 (8)	0-3324-2	PKL Co's, Inc Jan. 1970 (12)	1-4997-2
Youngstown Sheet & Tube Co Aug. 1970 ( 4,7,13)	1-6080-2	Rex Chainbelt, Inc Aug. 1970 (12,13)	1-373-2
GFI Computer Ind., Inc July 1970 ( 1,2,8,12,13)	0-3323-2	Liberty Fabrics of N.Y., Inc Aug. 1970 (12)	1-3595-2
Technicolor, Inc Aug. 1970 ( 2,8,13)	0-338-2	Lum's, Inc Aug. 1970 ( 2,13)	1-5976-2
Pocono Downs, Inc Amdt. #1 to 8K for Jan. 1970(3)	0-2149-2	Detroit Edison Co Aug. 1970 (13)	1-2198-2
Aspro, Inc Aug. 1970 ( 12,13)	1-2268-2	Lin Tso Corp Aug. 1970 (12)	2-27957-2
Quaker State Oil Refining Corp(July 1970)(12,13)	1-2677-2	Homasote Co Aug. 1970 (8)	1-3786-2
Staco, Inc Aug. 1970 (6)	0-1900-2	Homestead Minerals Corp Aug. 1970 (1)	0-4055-2
American Cyanamid Co Aug. 1970 (3)	1-3426-2	Maule Ind., Inc June 1970 ( 3,4,7,12)	1-4081-2
Carousel Fashions, Inc Aug. 1970 (13)	1-6329-2	Northern Realty Shares Aug. 1970 (7)	0-4241-2
Holly Sugar Corp Aug. 1970 ( 9,13)	1-2270-2	Telex Corp Aug. 1970 (13)	1-5414-2
Leisure Dynamics, Inc Aug. 1970 (3)	0-2608-2	Trans World Financial Co July 1970 (7)	1-4629-2
Microdot, Inc Aug. 1970 ( 2,12)	1-4873-2	Kirshner Entertainment Corp Aug. 1970 ( 2,13)	2-34714-2
Pacific American Corp Aug. 1970 ( 2,7)	0-4935-2	Natl. Computer System, Inc Aug. 1970 ( 2,13)	0-3713-2
Lockheed Aircraft Corp Aug. 1970 (13)	1-2193-2	Zayre Corp Aug. 1970 ( 2,13)	1-4908-2
Micropac Ind., Inc Aug. 1970 ( 1,3,7,12,13)	0-5109-2	Hooker American, Inc Aug. 1970 ( 11,13)	0-4830-2
Zapata Norness, Inc July 1970 ( 9,13)	1-4219-2	Liberty Financial Corp Aug. 1970 ( 1,2,7,12,13)	0-3608-2
		Lykes-Youngstown Corp Aug. 1970 ( 7,13)	1-5962-2
		Lykes Youngstown Financial Corp Aug. 1970 (10)	0-4366-2
		Telectro-Mek, Inc. Aug. 1970 (12)	1-6130-2
		Western Energy Corp April 1970 ( 1,2,7,9,13)	0-3159-2

## 8K Reports for Aug 70

Gibraltar Financial Corp of Calif. Aug. 1970 (12)	1-4575-2	Conill Corp (3)	1-5872-2
		Grow Chemical Corp (12)	1-4596-2
		Hotel Corp. of Israel(4,12)	0-1670-2
		Investors Corporation of America (7,13)	0-4888-2
Mem Co Inc Aug. 1970 (8)	1-5292-2	DEI Industries, Inc. (12)	0-725-2
		Hawaiian Telephone Co. (7)	1-4729-2
Midas Intl. Corp Aug. 1970 (3)	0-1041-2	Caldwell Computer Corp (12,13)	0-3983-2
South Dakota Corp July 1970 ( 2,13)	0-1525-2	Downe Communications Inc. (2,3,7,9,13)	0-3666-2
Unagusta Mfg Corp. Amdt. #1 to 8K for June 1970(1)	2-34415-2	Larabee Wire, Inc. Jul 70(7,13)	1-6267-2
		Brush Beryllium Co. (8)	0-484-2
Garrett Freightlines, Inc Aug. 1970 ( 3,11,12,13)	0-705-2	Dallas Airmotive, Inc. (1,11,13)	0-1557-2
Larson Ind., Inc Aug. 1970 2)	0-2955-2	Dean Research Corporation(13)	0-4865-2
Warner Electric Brake & Clutch Co July 1970 ( 12,13)	0-534-2	Instrument Systems Corp (7)	1-5643-2
		Micromation Systems Inc. (7)	2-29237-2
		Investors Diversified Services, Inc. (3,12)	1-5226-2
		Knickerbocker Insurance Co. (12,13)	1-6120-2
Nevada Savings & Loan Assoc. Aug. 1970 (12)	0-3780-2	Allied Chemical Corp (8,12)	1-1269-2
Strategic Systems, Inc Aug. 1970 ( 12,13)	0-3462-2	Convalescent Nursing Centers of America, Inc. (9,13)	0-3636-2
		A.H.C.P. of Michigan Inc.(11)	0-2183-2
Kirk Corp Amdt. #2 to 8K for March 1970 (13)	0-4182-2	American Equity Investment Trust (7,13)	0-4869-2
Viewlex, Inc Amdt. #2 to 8K for June 1970 (13)	1-4328-2	Astrodata Inc. (11)	1-4803-2
Tilco, Inc Amdt. #1 to 8K for June 1970 (7)	2-35829-2	Bohemia Lumber Co., Inc. (4,13)	0-3939-2
Sperti Drug Corp Amdt. #1 to 8K for Aug. 1970 (2,11)	0-2313-2	Delta Air Lines, Inc. (8)	1-5424-2
Heinicke Instruments, Inc. Amdt. #1 to 8K for Feb. 1970 (7)	1-4604-2	Life Investors Inc. Dec 68(3) Apr 70(11)	0-982-2 0-982-2
		Hayward Mfg. Co. Inc. Jul 70 (2,13)	2-33959-2
		Kalvex Inc. (7,8,13)	1-6356-2
		R. G. LeYourneau, Inc. (9)	0-2643-2
		National Data Corporation Jul 70(9,13)	0-3966-2
		Servamerica, Inc. (1,7,13)	2-29362-2
		Anixter Bros. Inc. (13)	0-3326-2

**SECURITIES ACT REGISTRATIONS. Effective November 5:** Alle Processing Corp., 2-37441 (90 days); Ankony Breeding Systems - 1970, 2-38301 (Feb 3); The Dow Chemical Co., 2-38607; Dynamic Optics, Inc., 2-37349 (90 days); Florida Power Corp., 2-38487; Ford Motor Credit Co., 2-38563 (Dec 15); Franklin New York Corp., 2-38417; General Telephone Co. of the Northwest, Inc., 2-38444 (Dec 15); Great American Mortgage Investors, 2-38296 (Dec 16); Gulf Oil Corp., 2-38606; Metro-Tel Corp., 2-32382 (90 days); Mohasco Industries, Inc., 2-38473 (40 days); Pennzoil United, Inc., 2-36545 (90 days); United Banks of Colorado, Inc., 2-38522 (40 days).

**Withdrawn November 4:** American Medicorp Inc., 2-37283; Automated Sewing Apparatus Inc., 2-33661; Coaches of America Inc., 2-37797; The House of Vision, Inc., 2-37858; Institutional Multi-Management Fund, 2-37033; Liberty Computing Service, 2-36583; Linatco Inc., 2-31969; Mid-Continent Bottlers Inc., 2-34846; Reliance Oil Corp.-1970 Oil & Gas Program No. 2, 2-37525; Rosenthal Realty Investors, 2-35598.

**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.