

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

INTERMARK INVESTING SETTLEMENT APPROVED. The SEC today announced its acceptance of an offer of settlement submitted by Intermark Investment, Inc., of La Jolla, Calif., which provides for a shareholder vote on a proposal for sale or other disposition by Intermark of all operating assets and securities of controlled companies within one year, investment of the proceeds in investment securities, and the operation of Intermark as a closed-end diversified investment company (Release IC-6243). The offer was made in proceedings to review a Hearing Examiner's initial decision which denied an application of Intermark for exemption from the Investment Company Act (see News Digest of May 5). The management of Intermark will recommend disapproval of the sale proposal because it believes that there is a greater economic potential for the company in continuing to operate as an operating holding company. If a majority of shareholders should vote to reject the proposal, the Commission, upon appropriate application, will issue an order granting deregistration to Intermark as an investment company.

NEW RULES AND RULE PROPOSALS

SUCCESSORS MUST REGISTER UNDER SECTION 12(g). The SEC today invited the submission of comments not later than December 11 on proposed new rules under the Securities Exchange Act which would require that, where an issuer has issued equity securities to the holders of equity securities of a predecessor which were registered under Section 12(g) and there are at least 300 holders of the class so issued, such class shall be deemed to be registered pursuant to that section. In such case, in lieu of filing a registration statement under Section 12(g), the successor issuer would be required to file a report pursuant to Section 13 on Form 8-K with respect to the transaction. Where the predecessor was required to register securities pursuant to that section but had not yet done so, the rule provides that the successor shall file a registration statement within the period of time the predecessor would have been required to file one, or within such extended period as the Commission may authorize. Where an issuer which is not required to file reports pursuant to Section 15(d) of the Act succeeds to an issuer which is required to file such reports, the successor issuer is deemed to have assumed the duty to file such reports unless it is exempt therefrom or the duty to file reports is suspended under the provisions of that section. (Release 33-9017)

HOLDING COMPANY ACT RELEASES

JERSEY CENTRAL P&L RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16902) authorizing the Jersey Central Power and Light Company, Morristown, N. J. subsidiary of General Public Utilities Corporation to issue and sell \$16,000,000 of First Mortgage Bonds, due 2000 at competitive bidding the proceeds of which will be used to pay a portion of \$48,000,000 of short-term bank notes which have been or will be used to finance its construction program for 1970-71.

JERSEY CENTRAL P&L SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16903) giving interested persons until December 3 to request a hearing upon an application by Jersey Central Power and Light Company, Morristown, N. J.; to issue and sell or to renew from time to time prior to December 31, 1972, its short-term promissory bank notes. The aggregate principal amount of such notes to be outstanding at any one time will not exceed \$54,000,000. Proceeds from the sale of the notes will be used by Jersey Central for the purpose of financing its business as a public utility, including construction expenditures, the repayment of other short-term borrowings and the temporary reimbursement of its treasury for construction expenditures.

INVESTMENT COMPANY ACT RELEASES

WALTHAM INDUSTRIES RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act (Release IC-6238) permitting Lee Bunting, former board chairman of Waltham Industries Corporation, to purchase from Waltham all of the outstanding capital stock of Bunting SteriSystems, Inc. (for details, see News Digest of October 27).

BRIDGES INVESTMENT RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6239) granting to Bridges Investment Counsel, Inc. ("Counsel"), and Bridges Investment Fund, Inc., of Omaha, Nebr., an exemption from the provisions of the Act which provide for the automatic termination of an investment advisory contract in the event of its assignment. Fund shareholders on October 22 re-adopted the investment advisory contract with Counsel, which had terminated due to an "assignment" that occurred within the meaning of Section 2(a)(4) of the Act upon the death of the shareholder of a majority of the outstanding voting shares of Counsel.

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RICO ARGENTINE MINING SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6241) giving interested persons until December 7 to request a hearing upon an application by Rico Argentine Mining Company, Salt Lake City, Utah for an exemption from the provisions of Section 7 of the Act until such time as the Commission has acted upon an application filed by it on September 8, 1970 for a declaration that it is not an investment company which exemption expired on November 7. Under the Act, such filing provides for an exemption of 60 days from all provisions of the Act applicable to investment companies. Rico in requesting a temporary exemption, has agreed that it and other persons in its transactions and relations with it shall be subject to all other provisions of the Act and the respective rules and regulations promulgated under each of such provisions except for certain stipulated provisions, as though it were a registered investment company.

KEYSTONE CUSTODIAN FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6242) giving interested persons until December 7 to seek a hearing on an application by Keystone Custodian Funds, Inc. ("Keystone," of Boston), as Trustee for Keystone Custodian Fund, Series B-3 ("Fund"), for an order declaring that the Fund has ceased to be an investment company as defined by the Act. Keystone represents that, pursuant to a 1966 exchange offer, all but 98 holders of 4,095 of the 3,439,589 then-outstanding shares had surrendered their Fund certificates for shares of Keystone Custodian Fund, Series, B-4. With respect to these shareholders, a special account has been established at the State Street Bank and Trust Company into which all undelivered B-4 Fund certificates and all undelivered dividend checks have been deposited, and all future dividend checks will be deposited.

COLONIAL FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6244) giving interested persons until November 27 to request a hearing upon an application of Colonial Fund, Inc., Boston mutual fund, for an order exempting from the prohibitions of Section 10(f) of the Act its purchase of 80,000 units of Tenneco Inc. The units are part of a total of 5,500,000 units of Tenneco (each consisting of one common share and one warrant) to be offered for public sale pursuant to a registration statement filed with the Commission. James H. Orr and James Coggeshall, Jr., directors of the Fund, are also directors of The First Boston Corp., which is expected to be one of the principal underwriters of the public offering of Tenneco units. Section 10(f) provides that no registered investment company may purchase any security during the existence of any underwriting or selling syndicate, if any director of such an investment company is an affiliated person of a principal underwriter of such security.

SECURITIES ACT REGISTRATIONS

RESORTS INTERNATIONAL SHARES IN REGISTRATION. Resorts International, Inc., 767 Fifth Ave., New York 10022, filed a registration statement (File 2-38789) with the SEC on November 10 seeking registration of \$7,498,000 of outstanding 5% subordinated debentures, due 1994, and 1,574,600 outstanding common stock purchase warrants (and the underlying 1,603,434 common shares). These securities may be offered for sale from time to time by the holders thereof at prices current at the time of sale.

The company is engaged primarily in the ownership, development and operation of tourist and resort facilities, including gaming, and in the development and sale of residential, resort and commercial property in the Bahama Islands. In addition to indebtedness, the company has outstanding 3,939,228 Class A and 348,192 Class B common shares. James M. Crosby is board chairman, John F. Crosby, Jr., vice chairman and I. G. Davis, Jr., president. The Chase Manhattan Bank, N. A. may sell \$7,243,000 of debentures and 1,448,600 warrants and ten others the remaining securities being registered. These securities were issued in April 1969 in connection with the company's purchase of additional shares of capital stock of Pan American World Airways Inc.

VAN DYKE 1971 PROGRAM PROPOSES OFFERING. Van Dyke 1971 Program (the "Partnership"), 400 Southwest Tower, Houston, Tex. 77002, filed a registration statement (File 2-38803) with the SEC on November 13 seeking registration of \$5,000,000 of limited partnership interests, to be offered for public sale at \$1,000 per unit. No underwriting is involved; participating NASD members will receive an 8% selling commission. The Partnership proposes to engage in exploring for and producing oil and gas in the continental limits of the United States, including its offshore waters, and in four Canadian provinces. Gene Van Dyke and Van Dyke Exploration Company, a wholly-owned subsidiary of Van Dyke Oil Company, are the general partners. Gene Van Dyke is president of Van Dyke Exploration and of its parent.

ARGUS SHARES IN REGISTRATION. Argus Incorporated, 3325 Platt Springs Rd., West Columbia, S. C. 29169, filed a registration statement (File 2-38802) with the SEC on November 13 seeking registration of 375,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof, at prices current at the time of sale (\$2.75 per share maximum*).

The company is primarily engaged in the manufacture, assembly and importing of photographic equipment. In addition to indebtedness and preferred stock, it has outstanding 3,831,435 common shares. Mistora A. G. may sell all of 200,000 shares held, Mandataria A.G. all of 150,000 and Klausen-Finanz A.G. 25,000 of 50,000 shares held. Such shares were acquired in units of one share and one warrant at \$2.25 per unit in private placements in November 1969 and February 1970.

AMERICAN CEMENT SHARES IN REGISTRATION. American Cement Corporation, 2404 Wilshire Blvd., Los Angeles, Calif. 90057, filed a registration statement (File 2-38801) with the SEC on November 13 seeking registration of 226,172 outstanding shares of common stock, of which 220,221 were issued in connection with the company's acquisition of all the outstanding stock of Muskin Mfg. Co. Inc. These shares may be offered for sale from time to time by the holders thereof, at prices current at the time of sale (\$7.63 per share maximum*).

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The company is engaged principally in producing portland cement. In addition to indebtedness and preferred stock, it has outstanding 5,579,420 common shares, of which W. T. Pascoe III, president, owns 8.2% and management officials as a group 13.1%. William L. Abramowitz may sell all of 45,466 shares held, Irving and Robert Korn all of 40,885 and 40,884 shares held, respectively, and six others the remaining shares being registered.

RECREATION VENTURES PROPOSES OFFERING. Recreation Ventures (the "Partnership"), 955 Main St., Bridgeport, Conn. 06603, filed a registration statement (File 2-38788) with the SEC on November 10 seeking registration of 350 limited partnership interests, to be offered for public sale at \$5,000 per unit. The offering is to be made on a best efforts basis by Black & Co., Inc., 300 American Bank Bldg., Portland, Oreg., which will receive a \$425 per unit selling commission plus \$20,000 for expenses.

Organized in August 1969, the Partnership owns about 90 acres of unimproved land in St. Croix, U. S. Virgin Island, which it plans to develop into a resort residential community of 920 condominium apartments and related recreational and supporting facilities and small local shops. Initially, the company intends to construct 10 to 40 condominiums, on approximately four acres (and related resort facilities), towards which it will apply the net proceeds of this offering. Recreation Ventures Incorporated is the managing general partner and Amsen Corporation is a general partner. Albert J. Kleban is president and board chairman of the general partner. Management officials of RVI as a group own all the outstanding capital stock of RVI and Amsen.

EASTERN ILLINOIS TELEPHONE TO SELL BONDS. Eastern Illinois Telephone Corporation, 300 N. Maplewood, Rantoul, Ill. 61866, filed a registration statement (File 2-38790) with the SEC on November 10 seeking registration of \$5,000,000 of first mortgage bonds, due 2000, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005, and The Ohio Co., 51 N. High St., Columbus, Ohio 43215. The interest rate, offering price and underwriting terms are to be supplied by amendment. A wholly-owned subsidiary of Mid-Continent Telephone Corporation, the company will apply the net proceeds of its bond sale to repayment of loan advances from the parent, which aggregated \$4,797,557 at October 31 (after giving effect to a \$500,000 equity contribution by Mid-Continent on that date). The company obtains advances for interim financing from Mid-Continent to extend service to new customers, to modernize and improve the efficiency of existing service and for general corporate purposes. Construction expenditures are estimated at \$2,324,922 for 1970 and \$2,907,004 for 1971.

ARVIN INDUSTRIES TO SELL DEBENTURES. Arvin Industries, Inc., Columbus, Ind. 47201, filed a registration statement (File 2-38791) with the SEC on November 12 seeking registration of \$15,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a diversified manufacturer of a broad class of industrial and consumer products, including automotive parts for the major motor vehicle manufacturers. The net proceeds of its debenture sale, together with other available funds, will be applied to the payment of the company's \$15,000,000 of outstanding bank borrowings under a revolving credit agreement; such borrowings were incurred to refinance short-term bank loans incurred in connection with capital expenditures for additions to property, plant and equipment and for working capital. In addition to indebtedness, the company has outstanding 2,733,783 common shares. Eldo H. Stonecipher is board chairman and Eugene I. Anderson president.

PETROLEUM RESOURCES PROPOSES OFFERING. Petroleum Resources, Ltd. 1971, 101 N.E. 26th St., Oklahoma City, Okla. 73105, filed a registration statement (File 2-38793) with the SEC on November 12 seeking registration of \$7,500,000 of limited partnership interests, to be offered for public sale in \$5,000 units. No underwriting is involved; participating NASD members will receive a 7% selling commission. The general partner is Jones & Pellow Resources Co., a wholly-owned subsidiary of Jones & Pellow Oil Co., which will act as general operating agent. The existing limited partner is Paul F. McGuire. Vernon E. Pellow is president and board chairman of the general partner and its parent and owns all of the outstanding stock of the parent.

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:
Carrols Development Corporation, Syracuse, N. Y. 13203 (File 2-38786) - 50,000 shares
United Merchants and Manufacturers, Inc., New York 10018 (File 2-38792) - 689,315 shares
Borman's, Inc., Detroit, Mich. 48227 (File 2-38798) - 50,000 shares

SECURITIES ACT REGISTRATIONS. Effective November 13: American Cement Corp., 2-38801 (40 days); The Lamson & Sessions Co., 2-38590; Samson International Corp., 2-31205 (90 days).
Effective November 16: Amalgamated Automotive Industries, Inc., 2-37589 (90 days); Bandag, Inc., 2-38425; Delfi Capital Sales, Inc., 2-38110; Delmarva Power & Light Co., 2-38636.
Withdrawn November 10: IIR/1970 Land Program, Ltd., 2-35045; Minco Oil and Gas Co., 2-37213.
Withdrawn November 12: Kellett Corp., 2-35813; Prime Industries, 2-35166; Record Club of America, Inc., 2-35684.

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.