

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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FOR RELEASE December 17, 1970

NEW RULES AND RULE PROPOSALS

PROPOSAL WOULD AMEND INVESTMENT CO. REPORT FORM. The SEC today announced a proposal under the Investment Company Act (Release IC-6284) to revise its Form N-1R annual report for most management investment companies and to amend related Rule 30a-1. Views and comments thereon may be submitted not later than February 16, 1971. The proposed revision of the Form N-1R would require more explicit information with respect to the registration of investment company shares, processing of orders for sales, redemptions and repurchases of such shares, as well as investment company portfolio transactions generally and transactions in "restricted securities". Information relating to the status of shareholder accounts and the processing of shareholder inquiries would also be required. The opinion of the Independent Public Accountant filed with the Form N-1R would be required to include an evaluation of the accounting system and the system of internal control of the investment company, comments upon any material inadequacies in them and any corrective action taken or proposed. The amendment of Rule 30a-1 would reduce the time for filing Form N-1R reports from 120 to 90 days after the close of an investment company's fiscal year. However, investment companies would be permitted to include information in Part II of the Form N-1R as of the end of the ninth month of their fiscal year.

HOLDING COMPANY ACT RELEASE

COLUMBIA GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16938) giving interested persons until January 15 to request a hearing upon an application of The Columbia Gas System Inc., Wilmington, Del. holding company, to purchase, for \$2,000,000, 80,000 shares of common stock (\$25 par) of Columbia Coal Gasification Corporation ("Coal Gasification"), which will then constitute all of its outstanding common stock. Coal Gasification was organized for the purpose of researching, developing and ultimately producing a low cost, direct substitute for natural gas from the synthesis of coal. Net proceeds of its stock sale will provide Coal Gasification with its contemplated cash requirements for 1971. Columbia cites the increasing scarcity of natural gas in the face of an increasing demand therefor as the principal reason for Coal Gasification's undertaking.

INVESTMENT COMPANY ACT RELEASE

ACME FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6294) exempting Acme Fund, Inc., New York mutual fund which operates as an investment club, from the daily pricing requirements of Rule 22c-1 of the Act.

COURT ENFORCEMENT ACTION

TEN "PARVIN DOHRMANN" DEFENDANTS ENJOINED. The SEC announced December 15 (LR-4848) that the Federal court in New York City entered a "Final Judgment of Permanent Injunction and Disgorgement of Profits" against the following in connection with their 1969 transactions in stock of Parvin Dohrmann Co.: Edward Torres, Gerald Herzfeld, ^{Nathan Herzfeld} Saul Herzfeld; Stephen Leedom Carpet Company, Inc., Sidney R. Korshak, Marshall Korshak and Jill St. John. Final judgment of permanent injunction were entered against Harold Butler and Valley Bank of Nevada. The defendants consented to the court judgments without admitting the violations. Court orders of injunction previously had been entered against Denny's Restaurants, Inc., Parvin Dohrmann, Delbert W. Coleman and William C. Scott. The action remains open as to defendants Albert B. Parvin, John J. Dunphy, Jesup & Lamont and Nathan Voloshen.

AMERICAN GENERAL INSURANCE. The SEC today announced (LR-4849) that American General Insurance Company, in an action filed by the Commission to enjoin alleged violations of the prospectus provisions of Section 5(b)(1) of the Securities Act and the sales literature filing provisions of Section 24(b) of the Investment Company Act in the offering of securities of the Channing group of investment companies and the Variable Annuity Life Insurance Company (VALIC) separate accounts, had entered into an undertaking (without admitting the allegations) to comply with the said sections; and the Federal court in Houston ordered the undertaking into effect. The action was dismissed as to defendants Channing Financial Corporation, Channing Company, Inc., and VALIC.

SEC COMPLAINT NAMES PAULPIC GOLD MINES, OTHERS. The SEC Chicago Regional Office announced December 10 (LR-4850) the filing of a complaint in Federal court in Cincinnati, seeking to enjoin violations of the registration and anti-fraud provisions of the Federal securities laws by the following in the offer and sale of stock of Paulpic Gold Mines Ltd.: Paulpic Gold Mines Ltd., of Toronto, Ontario, Canada; Stanley G. Hawkins of Toronto, Ontario, Canada; Harold Loewenstine, Sr., and Harold Loewenstine, Jr., of Cincinnati, Ohio; and Harrison Oliver Ash, Jr., of San Francisco, Calif.

OVER

SECURITIES ACT REGISTRATIONS

KANSAS CITY STAR FILES EXCHANGE OFFER. The Kansas City Star Company (the "Star"), 1729 Grand Avenue, Kansas City, Mo. 64108, filed a registration statement (File 2-39027) with the SEC on December 15 seeking registration of \$7,000,000 of 8-3/4% installment debentures, last due 1978. The Star proposes to offer to holders of the common stock of Graham Paper Company to purchase Graham stock for \$84.79 per share, payable in cash as to holders of 100 shares or less and as to other holders payable \$8.49 in cash and \$76.30 principal amount of the 8-3/4% debentures. E. F. Hutton & Co., Inc., 1 Chase Manhattan Plaza, New York 10005, has agreed to solicit acceptances of the offer from Graham stockholders residing in certain states, for which it will receive up to a \$1,500 fee.

The Star is engaged principally in publishing a metropolitan daily newspaper in Kansas City, Mo. It is also engaged in publishing two other small daily newspapers and in the manufacture and sale of fine paper and commercial printing and lithographing. The company has outstanding 1,024,286 common shares, of which management officials as a group own 12.38%. Paul V. Milner is president.

COUSINS MORTGAGE PROPOSES OFFERING. Cousins Mortgage and Equity Investments (the Trust), 300 Interstate North, Atlanta, Ga. 30339, filed a registration statement (File 2-39028) with the SEC on December 15 seeking registration of 200,000 shares of beneficial interest. The shares may be issued from time to time by the Trust to its shareholders solely in connection with its Automatic Dividend Investment Plan.

CLARKE-GRAVELY TO SELL STOCK. Clarke-Gravelly Corporation, 2800 Estes St., Muskegon, Mich., 49441, filed a registration statement (File 2-39029) with the SEC on December 15 seeking registration of 450,000 shares of common stock, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, and Lehman Brothers Inc., One William St., New York. The offering price (\$19 per share maximum*) and underwriting terms are to be supplied by amendment.

The company, a wholly-owned subsidiary of Studebaker-Worthington Inc., is primarily engaged in the design, development, manufacture and distribution of a broad line of indoor and outdoor maintenance equipment and related products for the care of floors, surfaces, lawns and gardens. Of the net proceeds of its stock sale, \$6,500,000 will be used to repay a portion of bank loans which were incurred to pay a dividend to Studebaker-Worthington in the amount of \$13,000,000. The remainder will be added to the company's working capital and used for general corporate purposes. The company now has outstanding 1,800,000 shares of Class B common stock, all owned by Studebaker-Worthington. Each share of Class B stock is entitled to four votes per share and is convertible at any time into one share of common stock. W. G. Gordon is board chairman and Fred G. Cooper president and chief executive officer.

U-CALL HOME SERVICES TO SELL STOCK. U-Call Home Services, Inc., 1853 Central Park Ave., Yonkers, N. Y. 10710, filed a registration statement (File 2-39030) with the SEC on December 14 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5.50 per share. The offering is to be made on a "best efforts" basis by Nagler, Weissman & Co., Inc., 99 Wall St., New York 10005, which will receive a 55¢ per share selling commission plus up to \$19,500 for expenses. The company has agreed to sell the underwriter at 1¢ each, five-year warrants to purchase one share for each 10 shares sold, exercisable after one year at \$6.05 per share.

The company was organized in August for the purpose of arranging repair, maintenance and improvement services for residences, offices and commercial buildings. Of the net proceeds of its stock sale, \$150,000 will be used for operating expenses, \$175,000 for advertising and promotion and \$100,000 for development and initial funding of a credit card program; the balance will be added to the company's general funds and will be available for general corporate purposes. The company has outstanding 432,000 common shares, of which Michael Kagan, president, owns 49.8% and management officials as a group 64.4%.

PETRO-SEARCH PROPOSES OFFERING. Petro-Search Exploration Corporation (the general partner), 825 Petroleum Club Bldg., Denver, Colo. 80202, filed a registration statement (File 2-39031) with the SEC on December 16 seeking registration of \$15,000,000 of limited partnership interests, to be offered for public sale in minimum amounts of \$6,000. No underwriting is involved; participating NASD dealers will receive a 9% selling commission. A series of limited partnerships are to be formed for the purpose of carrying on oil and gas exploration and production in the United States and Canada. The partnerships will be operated by Petro-Search Inc., parent of the general partner. Truman E. Anderson is president of the general partner and the parent.

COMMONWEALTH EDISON TO SELL BONDS. Commonwealth Edison Company, One First National Plaza, Chicago, Ill. 60690, filed a registration statement (File 2-39032) with the SEC on December 16 seeking registration of \$100,000,000 of first mortgage bonds, Series 22, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale for repayment of short-term commercial paper notes issued and to be issued primarily for interim financing of its continuing construction program, estimated to aggregate \$115,000,000 as of January 20, 1971. Construction expenditures for the 1970-74 period are estimated at \$2,250,000,000.

PETROLEUM EXPLORATION PROPOSES OFFERING. Petroleum Exploration & Development Funds, Inc. (the "general partner"), 744 Hickory St., Abilene, Tex. 79604, filed a registration statement (File 2-39033) with the SEC on December 16 seeking registration of \$5,000,000 of preformation limited partnership interests in Petroleum Exploration & Development Funds--1971 Program, Ltd. (the "Partnership"), to be offered for public sale in minimum amounts of \$10,000. No underwriting is involved; participating NASD members will receive up to a 6% selling commission. The Partnership will be organized for the purpose of oil and gas exploration. The general partner is a wholly-owned subsidiary of The Exploration and Development Corporation, which is owned by Richard E. Krafve, board chairman, and J. E. Connally, president and two other officers.

CONTINUED

MISCELLANEOUS

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 December 7 News Digest.

8K Reports for Oct '70

Allied Artists Pictures Corp		Sundstrand Corp	
March 1970 (6)	1-2965-2	June 1970 (4,7,13)	1-5358-2
Sept 1970 (6)	1-2965-2	American Beef Packers, Inc	
Clear Creek Corporation (6)	0-1379-2	(11,13)	0-4504-2
Coit International, Inc.		Cleveland Electric Illuminating Co	
(11,13)	2-35063-2	April 1970 (11,13)	1-2323-2
First General Resources Co.		Haydon Switch & Instrument, Inc.	
Dec 1969 (13)	0-129-2	(11,12)	0-3404-2
Liberty Bell Racing Association		Health-Mor, Inc.	
(2,4,7,10,11)	0-2523-2	Sept 1970 (2,7,13)	1-6220-2
General Kinetics, Inc (11)	0-1738-2	Allied Mills, Inc (11)	1-90-2
Jensen Industries (11)	0-5150-2	American Medical Affiliates, Inc.	
Mei Corp		June 1970 (12,13)	0-4040-2
Sept 1970 (3,2,)	1-6276-2	First Mississippi Corp (11)	0-1866-2
American Safety Equipment Corp.		Los Angeles Airways Inc	
Aug 1970 (8)	1-4829-2	Sept 1970 (3,12,13)	0-2543-2
Gloucester Engineering Co., Inc.		Louis Sherry, Inc	
(11)	2-31776-2	Aug 1970 (12,13)	0-5159-2
H & B American Corporation		ALD, Inc. (6)	0-254-2
Sept 1970 (2)	1-4089-2	Inexco Oil Co (7)	1-6424-2
The Interpublic Group of Companies		Mangurians, Inc (12,13)	1-6087-2
Inc. (4,7,11,13)	2-30151-2	Maul Bros., Inc. (11,13)	1-4970-2
Brush Beryllium Co (8)	0-484-2	Goodwin Brothers Leasing, Inc.	
Frier Industries, Inc (11)	1-5556-2	(7,11,12,13)	0-5046-2
Hamilton Watch Co. (6)	1-181-2	Bearings, Inc (11,13)	1-2299-2
Helena Rubinstein, Inc. (12)	1-1411-2	Lockheed Aircraft Corp (13)	1-2193-2
Hershey Foods Corp (8,12)	1-183-2	Southwestern Electric Service Co.	
MSL Industries Inc		(7,8,13)	0-22-2
Sept 1970 (10)	1-3205-2	Southwestern Public Service Co.	
Olson Laboratories Inc		(4,12)	1-3789-2
Sept 1970 (3,10)	2-31374-2	Sunbeam Corp (12)	1-6180-2
Federal Realty Investment Trust		Sycor Inc. Sep 70(7)	2-32336-2
(7,13)	0-3155-2	Total Petroleum(North America)	
Liberty Equities Corp		Ltd. (12,13)	1-6184-2
(3,12,13)	0-2258-2	Unilever Limited 6K for Nov 70	1-4546-2
Aero Mechanism, Inc.		Washington Natural Gas Co.(12)	0-951-2
(11,13)	2-32394-2	Wellco Enterprises, Inc.(12)	1-5555-2
Eaton Yale & Towne Inc.(13)	1-1396-2	Amico Properties (8,10,13)	0-2308-2
Datacraft Corporation (11,13)	0-5140-2	Bishop Industries, Inc.(6)	0-5162-2
Jervis Corp (12,13)	1-5073-2	Chicago Helicopter Industries, Inc.	
Kleinert's, Inc.		(2,13)	0-809-2
Sept 1970 (12,13)	1-6454-2	Den-Tal-Ez, Inc. (11)	2-34913-2
July 1970 (12)	1-6454-2	Kelsey-Hayes Co. Sept 70(12,13)	1-477-2
Koss Electronics, Inc		Omega Equities Corp (2,3,12,13)	0-188-2
(11,13)	0-3295-2	Petroleum Resources Corporation	
Lucky Breweries, Inc		(11,12,13)	0-3329-2
(3,12,13)	0-1395-2	Seismic Computing Corporation	
Northeast Airlines, Inc		(9,13)	0-3399-2
(3,11,12)	1-3200-2	Servotronics, Inc. Sept 70(3)	1-6126-2
Aileen, Inc (7,13)	1-4734-2	Tyson's Foods, Inc. (3)	0-3400-2
HI-G Inc (12,13)	1-5513-2	Allison Steel Mfg Co. (1)	1-5403-2
Nachman Corp (13)	1-1492-2	Beaver Creek Industries, Inc.	
National Computer Systems, Inc.		(2,7,13)	0-3923-2
(1,2,7,12,13)	0-3713-2		
Owens-Corning Fiberglas Corp			
(13)	1-3660-2		

Amended 8K Reports8K Reports for October 1970 Cont'd

Canon Inc. 6K for Jun 70	2-32402-2	Teledata, Inc.	
Carolina Telephone & Telegraph Co. (7,13)	1-6469-2	Amdt #1 for Sept 70(2,13)	0-4088-2
Commonwealth Edison Co.(7,12,13)	1-1839-2	Omega Equities Corp	
Computer Response Corporation (1,2,7,8,13)	0-4793-2	Amdt #1 for May 70(2)	0-188-2
Eli Lilly and Co. (3,13)	1-6351-2	Amdt #1 for Apr 70(13)	0-188-2
Kingsford Co. (12,13)	1-2105-2	Amdt #1 for Jun 70(12)	0-188-2
Oakridge Holdings, Inc. Sept 70(2,13)	0-1937-2	Integrated Resources, Inc.	
Shakespeare Co. (3)	0-3358-3	Amdt #2 to Oct 69(13)	0-4427-2
Uniflite, Inc. (3,12)	0-3479-2	Amdt #3 for Dec 69(13)	0-4427-2
Water Wonderland Corp (2,7,11)	1-5-2	The Goodrich Investors Group	
Westrans Industries, Inc.(11,13)	1-5167-2	Amdt #1 for Sept 70(7,8,13)	2-35173-2
Whippany Paper Board Co., Inc.(11)	1-4497-2	Unicare Health Services, Inc.	
		Amdt #1 for Apr 70(7)	0-3988-2
Carte Blanche Corp (7,13)	0-2049-2	Computer Studies, Inc.	
Cornet Stores		Amdt #1 for Nov 69(2,11,13)	1-5918-2
Nov 1970 (11)	0-2851-2	Bernac Corporation	
Digicon Inc (3,13)	0-4160-2	Amdt #1 for Aug 70(13)	1-4739-2
Financial Devel and Research Corp		Universal Shelter Corporation	
Sept 1970 (1,2,8,13)	0-1702-2	Amdt #1 for Aug 70(7,13)	0-4507-2
Integrated Resources Inc		Pawnee Corporation	
Sept 1970 (1)	0-4427-2	Amdt #1 for May 70(1)	0-4273-2
Intercraft Industries, Corp (11,12,13)	2-34532-2	Telecheck International, Inc.	
Marshall Electronics Co (12,13)	0-4060-2	Amdt #1 for May 70(13)	1-5764-2
Monogram Industries Inc (11,12,13)	1-6174-2	Tanger Industries	
Ramo, Inc. (3)	0-2284-2	Amdt #1 for July 70(1,2,13)	1-6301-2
Ravens Metal Products Inc		Udyco Industries Inc.	
Sept 1970 (1,2,7,8,13)	0-1709-2	Amdt for Jun 70(13)	0-2821-2
Residel Engineering Corp (11,13)	2-35396-2	Wells Fargo & Co.	
Salem Industries, Inc (2,9,13)	0-4977-2	Aug 1970 (12)	1-6214-2
Select Theatres Corp (11)	0-1799-2	Integrated Resources, Inc.	
Standard Electronics, Inc (11)	2-32315-2	#1 for Aug 1969 & Feb 1970 (13)	0-4427-2
Tax Computer Systems, Inc (11,13)	2-32031-2	#1 for April 1970 (13)	0-4427-2
UAL, Inc. (12)	1-6033-2	Investors Diversified Services, Inc.	
United Air Lines Inc (13)	1-2637-2	Setp 1970 (3,12)	1-5226-2
Clark Equipment Co (13)	1-5646-2	Control Industries Corp	
Coastal States Gas Producing Co (7)	1-4718-2	#1 for Aug 1970 (7)	0-4344-2
Commercial International Corporation (3,12,13)	0-4178-2	International Systems Associates Ltd. #1 for Sept 1970 (11)	0-4973-2

SECURITIES ACT REGISTRATIONS. Effective December 16: Alberto-Culver Co., 2-38986; Allegheny Airlines, Inc., 2-37984 (40 days) & 2-38991 (40 days); Apache Corp., 2-37848 (90 days); Carrols Development Corp., 2-38745 (40 days); CNA Financial Corp., 2-38854 (40 days) & 2-38855 (40 days); Five Star Foods Corp. of Md., 2-37095 (90 days); Long Island Lighting Co., 2-38750; Mars Bargainland, Inc., 2-36758 (90 days); The Mead Corp., 2-38924; Monumental Corp., 2-38761 (40 days); Petro-Lewis Corp., 2-37827 (40 days); The Sampson Corp., 2-36889 (90 days); The Sherwin-Williams Co., 2-38997; Standard International Corp., 2-38622; Talley Industries, Inc., 2-38992; United Nuclear Corp., 2-38612; Venice Industries Inc., 2-38840 (40 days); Wien Consolidated Airlines, Inc., 2-37041 (40 days).

Withdrawn December 11: Advanced Computer Systems, Inc., 2-34997; Caprack Feeding Fund, Inc., 2-37153; The Charter Corp., 2-37853; Jersey Jay Sports, Inc., 2-37933; Realtronics of Denver, Inc., 2-29951; Weathers Corp., 2-33513.

Withdrawn December 15: Keymatch Computer Corp., 2-37380.

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.