

sec news digest

a daily summary from the securities and exchange commission

Issue 73-207

(SEC Docket, Vol. 2, No. 19 - Nov. 6)

October 26, 1973

RULE PROPOSALS AND ADOPTIONS

COMMENT PERIOD EXTENDED FOR PROPOSED AMENDMENTS TO VARIABLE LIFE INSURANCE RULES.

The SEC has extended to November 19, 1973 the period in which persons may submit comments on its proposal to amend Rule 3c-4 under the Investment Company Act of 1940 and Rule 202-1 under the Investment Advisers Act of 1940 (Rel. IC-8000). Such amendments would condition the exemptions afforded by those rules for insurance company separate accounts issuing variable life insurance contracts and their advisers on a determination by the Commission that applicable state laws or regulations provide protections substantially equivalent to relevant protections afforded by the Investment Company Act and the Investment Advisers Act. (Rel. IC-8047)

COMMISSION ANNOUNCEMENTS

SUSPENSION OF BENEFICIAL LABS TO TERMINATE. The suspension of over-the-counter trading in the common stock, warrants and units of Beneficial Laboratories, Inc. of Oceanside, New York, will terminate at midnight (EDT) on October 30, 1973.

The Commission initiated the suspension on March 5, 1973 because of questions about the manner in which the Regulation A offering of Beneficial's securities was made, the aftermarket trading in the securities of Beneficial and the lack of adequate information available on the company.

In a statement of October 19th, Beneficial clarified some questions about the underwriter of its Regulation A offering and a market maker of Beneficial securities, Commonwealth Chemical Securities, Inc. Commonwealth is controlled by Julius Kleinman and Robert Drucker, brother-in-law of John Feldman. Feldman is president of Beneficial. Of the "public float" of Beneficial stock, some 44% is beneficially owned by three mutual funds, two of which were managed by DK&B Management Company, controlled by Kleinman and Drucker. DK&B no longer manages the funds although Drucker remains president of both funds.

The company also stated it knew of no development in its affairs to justify the increase of the bid price of its common stock from \$2.50 in March 1972 to \$26 in February, 1973. At March 31, 1973, the company had total assets of \$512,963, of which \$222,523 is allotted to goodwill resulting from business acquisitions and total liabilities of \$130,661.

The company noted that the Commission is conducting an investigation to determine if violations of the registration and antifraud provisions have occurred in offering and trading Beneficial stock and that the Commission may bring action for injunctive relief if necessary. It also noted that if unusual trading in the company's securities develops after trading is resumed, the Commission could again suspend trading. (Rel. 34-10460)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES NATURAL RESOURCE MANAGEMENT CORPORATION, OTHERS. The Washington Regional Office announced that on October 18, 1973, a complaint was filed in the U.S. District Court at Newport News, Virginia seeking to enjoin Natural Resource Management Corporation, a Delaware corporation with offices in Newport News, Virginia, William A. Hall, III, of Newport News, Virginia, and James R. McNab, Jr., of Charleston, West Virginia, from violations of the registration and anti-fraud provisions of the securities laws in the offer and sale of fractional undivided interests in oil and gas leases. (LR-6109)

NORMAN H. SHULTZ ENJOINED. The New York Regional Office announced that on September 10 the Federal court in New York had permanently enjoined Norman H. Shultz from further violations of the margin regulations, and the registration, net capital, segregation, recordkeeping, and supplemental reporting provisions of the Securities Exchange Act of 1934. (LR-6110)

TENTH CIRCUIT AFFIRMS PERMANENT INJUNCTION AGAINST BENTLEY. The Denver Regional Office, announced that on October 9, the U. S. Court of Appeals for the Tenth Circuit affirmed an order of permanent injunction entered by the District Court for Utah against Maxwell Bentley of Salt Lake City for violations of the antifraud and registration provisions of the federal securities acts. The Appeals Court affirmed the trial court's conclusion that Bentley had sold stock of Mountain States Development Company, a Utah corporation, without registration and in violation of the antifraud provisions. It found that Bentley was the supervisor of the stock transfer office of Mountain States in Salt Lake City during periods in 1967 and 1968 when large amounts of unregistered Mountain States stock were retransferred through the transfer office and found that Bentley assisted in preparing, editing or mailing letters to shareholders which contained omissions of material fact concerning interests that Mountain States had in oil properties and a battery manufacturing company. (LR-6111)

DONALD H. ABRAMS, OTHERS, ENJOINED: ANCILLARY RELIEF GRANTED. The Washington Regional Office announced that on October 24 a complaint was filed in the U.S. District Court in Maryland seeking a permanent injunction and ancillary relief and charging Donald Abrams, of Bethesda; Maryland with violations of the securities registration, broker-dealer registration, and anti-fraud provisions of the securities laws. The complaint further charges Harry Rich of Washington, D. C. and Sully Corporation of Bethesda, Md. with violations of the anti-fraud provisions. Rich is the president of Sully Corporation. The case involves the offer and sale of interests in twenty-five limited and general partnerships in unimproved real property in Maryland and Virginia between 1966 and the present.

The court permanently enjoined the defendants, by consent, from violations of the aforementioned provisions of the securities laws. The Court also ordered, by consent, the ancillary relief requested including an immediate accounting of funds received by defendants relating to Town Center Limited Partnership and South Branch Industrial Limited Partnership disgorgement of undisclosed profits totalling approximately \$240,000 the appointment of Jeffrey D. Bauman, Esq., of Washington, D.C. as special fiscal agent to oversee and supervise management of the partnerships; and, finally, the dissemination of a disclosure document to all limited and general partners. A schedule of the disgorgement payments was also filed with the Court. (LR- 6112)

CORRECTION RE JOE GEBRON, JR., ALAN M. WEISS. The SEC News Digest of October 4 inadvertently reported "Joe Gebron, Jr. and Alan M. Weiss Guilty of Criminal Contempt." As indicated in the article itself, the SEC had filed a criminal information alleging that Joe Gebron, Jr. and Alan M. Weiss, both of Dallas, were guilty of criminal contempt of injunction. The Commission regrets the error.

HOLDING COMPANY ACT RELEASES

WISCONSIN GAS COMPANY. A notice has been issued giving interested persons until November 21 to request a hearing on a proposal of Wisconsin Gas Company, a gas subsidiary company of American Natural Gas Company, to (1) borrow up to \$28 million on promissory notes maturing November 28, 1974, under a line of credit arranged with several banks, or (2) sell up to \$9 million of commercial paper to a dealer or (3) issue up to \$5 million of promissory notes to the trust department of a bank. The total of all such borrowings will not exceed \$28 million at any one time. Net proceeds will be used to repay notes outstanding on November 29, 1973, and to partially finance its 1973 construction program. (Rel. No. 35-18136)

SECURITIES ACT REGISTRATIONS FILED

IU INTERNATIONAL CORPORATION, The Wilmington Tower, 1105 North Market St., Wilmington, Del. 19801 - 766,886 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Codesco Inc., at the rate of .40 share for each Codesco share. IU, through subsidiaries, operates shipping companies, gas and electric utilities, trucking companies, companies engaged in product distribution and in the manufacture and sale of energy systems and equipment. Codesco primarily sells and distributes consumable dental supplies and dental equipment and operates dental laboratories which manufacture oral prosthetic devices. (File 2-49221 - Oct. 1)

EXETER & HAMPTON ELECTRIC COMPANY, 225 Water St., Exeter, New Hampshire 03833 - 39,500 shares of common stock. It is proposed to offer these shares for subscription by common stockholders at the rate of one share for each four shares held. (File 2-49218 - Oct. 1)

UNITED FIRST FLORIDA BANKS, INC., Marine Bank Bldg., P. O. Box 953, Madison & Franklin Sts., Tampa, Fla. 33601 - 890,404 shares of common stock. It is proposed to offer these shares in exchange for the outstanding capital stock of the following banks at the indicated rates: 2.1 shares for each Peoples Bank in North Fort Myers share; 3.4 shares for each First State Bank of Lutz share; 3.25 shares for each Southside Bank of St. Petersburg share; 2.75 shares for each DeLand State Bank share; 2.0 shares for each Peoples Bank of Tallahassee share; 1.2 shares for each American Guaranty Bank (Tallahassee) share; and 3.9 shares for each Boynton Beach First National Bank and Trust share. (File 2-49238 - Oct. 3)

DIGITAL EQUIPMENT CORPORATION, 146 Main St., Maynard, Mass. 01754 - 250,000 shares of common stock, which may be issued from time to time under the company's 1968 Restricted Stock Purchase Plan. (File 2-49239 - Oct. 3)

GREAT NORTHERN NEKOOSA CORPORATION, 75 Prospect St., Stamford, Conn. 06901 - 43,320 shares of common stock, which may be offered for sale from time to time by certain stockholders at prices prevailing at the time of sale or at negotiated prices. (File 2-49241 - Oct. 3)

KERR-McGEE CORPORATION, Kerr-McGee Bldg., Oklahoma City, Okla. 73102 - 509,246 shares of common stock, issuable upon full conversion of 254,623 shares of \$4.50 convertible Series A preferred stock. (File 2-49244 - Oct. 4)

MINNESOTA MINING AND MANUFACTURING COMPANY, 3M Center, St. Paul, Minn. 55101 - 1,500,000 shares of common stock, to be offered for sale by the Maude L. McKnight Estate, selling shareholder, through underwriters headed by Kidder, Peabody & Co. Inc. The company classifies its products into eight groups: graphic systems, abrasives, adhesives, building service products and chemicals; tape and allied products; advertising services and protective products; photographic, printing and nuclear products, recording materials, electrical products; and health care products and services. (File 2-49245 - Oct. 3)

COMMONWEALTH EDISON COMPANY, One First National Plaza, P. O. Box 767, Chicago, Ill. 60690 - 600,000 shares of common stock, to be offered under the company's Automatic Dividend Reinvestment and Stock Purchase Plan. (File 2-49246 - Oct. 4)

SOUTHEAST BANKING CORPORATION, 100 South Biscayne Blvd., Miami, Fla. 33131 - 518,979 shares of common stock, issuable upon conversion of the company's 6% convertible subordinated debentures, due 1994, which the company has called for redemption on November 5, 1973. Morgan Stanley & Co. has agreed to head a group of dealers who will purchase debentures and convert them into common shares. (File 2-49247 - Oct. 4)

MORTGAGE INVESTORS OF WASHINGTON, 7316 Wisc. Ave., Bethesda, Md. 20014 - \$15 million of senior subordinated notes, due 1980 (floating rate (8-1/2%)), to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. The Trust invests primarily in short-term first mortgage construction, land and development loans. MIW Advisors, Inc. is investment adviser. (File 2-49248 - Oct. 4)

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:

USM Corporation, Boston, Mass. (File 2-49231) - 200,000 shares
 McCrory Corporation, New York, N. Y. (File 2-49234) - 140,413 shares
 Digital Equipment Corporation, Maynard, Mass. (File 2-49240) - 200,000 shares
 Safeguard Automotive Corporation, King of Prussia, Pa. (File 2-49242) - 80,000 shares
 The Pizza Inn, Inc., Dallas, Tex. (File 2-49243) - 99,750 shares

SECURITIES ACT REGISTRATIONS. Effective October 25: Coquina Oil Corp., 2-48473 (40 days); General Motors Acceptance Corp., 2-49292; Missouri Public Service Co., 2-48945.

NOTE TO DEALERS: The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Koracorp Industries, Incorporated, Stratton Group, Ltd. and TelePrompter Corporation for the further ten-day period October 27-November 5, inclusive, (b) over-the-counter trading in the securities of Home-Stake Production Co. and Continental Vending Machines Corp. for the further ten-day period October 27-November 5, inclusive, and (c) over-the-counter trading in the securities of Seaboard Corp. for the further ten-day period October 28-November 6, inclusive.

RECENT FORM 8-K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes changes in control of the registrant, acquisition or disposition of assets, legal proceedings; changes in securities (i.e., collateral for registered securities), defaults upon senior securities, increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets, submission of matters to a vote of security holders, and any newly enacted requirements effecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
ILLINOIS BELL TELEPHONE CO	8,14	09/73
INTERCONTINENTAL TRAILSEA CORP	11	09/73
INTERNATIONAL BANKNOTE CO INC	4,14	09/73
INTERNATIONAL BUSINESS MACHINES CORP	3,13	09/73
INTERNATIONAL SYSTEMS & CONTROLS CORP	7,14	09/73
INTERPUBLIC GROUP OF COMPANIES INC	8	09/73
INTERSTATE STOKES INC	13	09/73
INVESTORS FIDELITY CORP	11,14	09/73
ISC INDUSTRIES INC	11,14	09/73
ISI CORP	13	09/73
ITEL INVESTORS GROUP I	2,7,14	09/73
ITT CONTINENTAL BAKING CO	3	09/73
JASPER CORP	13	09/73
JAYS INDUSTRIES INC	7,14	09/73
JEWEL COMPANIES INC	8	09/73
JOHNSON HOWARD CO	10,14	09/73
JUY MANUFACTURING CO	13	09/73
JUNIPER PETROLEUM CORP	2,7,14	09/73
JUPITER INDUSTRIES INC	2	09/73
KAISER CEMENT & GYPSUM CORP	3,8,14	09/73
KEARNEY & TRECKER CORP	13	09/73
KENNEDY & COHEN INC	13,14	09/73
KENTON CORP	11	09/73
KENTUCKY JOCKEY CLUB INC	12,14	09/73
KETTERING INDUSTRIES INC	9,11	09/73
KMS INDUSTRIES INC	7,8,9,14	09/73
KODICOR INC	12,14	09/73
KURFUND INC	12	09/73
LEASCO CORP	7,8	09/73
LEHIGH COAL & NAVIGATION CO	6,11,13	09/73
LEHIGH VALLEY INDUSTRIES INC	14	09/73
LEVINGSTON SHIPBUILDING CO	7,8	09/73
LINDSEY GEORGE INTERNATIONAL INC	3,10,14	09/73
LONG ISLAND LIGHTING CO	3,13	09/73
LQ MOTOR INNS INC	7,8,14	09/73
LYKES YOUNGSTOWN CORP	3,13	09/73
LYNCH CORP	13,14	09/73
MAGNETIC HEAD CORP	10	09/73
MAPI INC	11,14	09/73
MAKCUS CORP	11	09/73
MARITIME FRUIT CARRIERS CO LTD	7,11	09/73
MATTEL INC	10	09/73
MAYER OSCAR & CO INC	4,8	09/73
MCCULLOUGH OIL CORP	10,13,14	09/73
MCLEAN TRUCKING CO	13	09/73
MCMURAN EXPLORATION CO	2,14	09/73
MEI CORP	3	09/73

---000000---

Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail, \$8.25 additional for foreign mailing, \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail, \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.