

sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION

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RULES AND RELATED MATTERS

JUL 5 1974

MUTUAL FUNDS AND RULE 145

LIBRARY

The Commission has issued an interpretative release setting forth the views of the Division of Corporation Finance with respect to registration procedures applicable to open-end investment companies registered under the Investment Company Act of 1940 when they issue their securities in connection with business combination transactions subject to Rule 145 under the Securities Act of 1933. Generally, the Division's view is that a registered open-end investment company effecting a statutory merger, a stock-for-assets exchange or any other Rule 145 transaction may choose to file a new registration statement on Form S-5 or Form S-14 or to file a post-effective amendment to its current registration statement on Form S-5, provided that if a Form S-5 is so utilized it must disclose all of the information required by Form S-14, including financial and other information regarding the company to be required. (Rel. 33-5510)

GUIDES FOR DISCLOSURE OF EXTRACTIVE RESERVES AND NATURAL GAS SUPPLIES AMENDED

The Commission has amended Guide 28, "Extractive Reserves," of the Guides for Preparation and Filing of Registration Statements (Rel. 33-4936), as amended) under the Securities Act of 1933 to require registrants engaged in the gathering, transmission, or distribution of natural gas to disclose material information with respect to the current availability of gas supplies in Forms S-1 and S-7 under the Securities Act. Guide 28 has been recaptioned "Disclosure of Extractive Reserves and Natural Gas Supplies" and sets forth certain factors that firms in the gas industry should consider in making disclosure of their capacity to respond to users' needs for natural gas.

The Commission also has adopted the substance of Guide 28, as amended, as Guide 2 of the Guides for Preparation and Filing of Reports and Registration Statements under the Securities Exchange Act of 1934. Guide 2 relates to similar disclosure of the current availability of gas supplies in Forms 10 and 10-K under the Exchange Act and requires disclosure of extractive reserves in Form 10.

The amendments will be effective August 1, 1974, and will apply to registration statements under the Securities Act and to reports and registration statements under the Exchange Act filed on or after that date, but not to such registration statements and reports filed before that date. (Rel. 33-5511)

COMMISSION ANNOUNCEMENTS

COMMENT PERIOD EXTENDED ON PROPOSED AMENDMENT TO NYSE RULE 440A.11

The Commission has extended the time for submitting comments to July 15, 1974, on the proposed amendment to New York Stock Exchange Rule 440A.11, submitted to the Commission by the New York Stock Exchange under Securities Exchange Act Rule 17a-8. The amendment would eliminate the language in Rule 440A.11 permitting the adjustment of fees for statistical or investment advisory services in accordance with commission business received and would substitute new language to prohibit any adjustment of a published fee.

All interested persons are invited to submit their comments in writing to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol St., Washington, D.C. 20549. Such communications should refer to File No. S7-524 and will be available for public inspection. (Rel. 34-10897)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

ALVIN F. PETERKA SANCTIONED

An order has been issued suspending Alvin F. Peterka of Belle Plaine, Minnesota from association with any broker-dealer, investment adviser, investment company, or affiliate thereof for twelve months, and thereafter barring him from such association in a supervisory capacity. The sanction imposed was based on findings that Peterka willfully violated the Securities Act by unlawfully selling the unregistered securities of New Life Trust, Inc. and by making misstatements in connection with their sale.

The Commission's order was issued pursuant to an offer of settlement in which Peterka, without admitting or denying the charges against him, consented to findings and sanctions. (Rel. 34-10878)

VANDE VEGTE, INC. REVOKED: RICHARD F. VANDE VEGTE BARRED

The Commission has revoked the broker-dealer registration of Vande Vegte, Inc., of Minneapolis, and barred Richard F. Vande Vegte, its president, from association with any broker-dealer, investment adviser, investment company or affiliate thereof. The sanctions imposed were based on findings that from about September 1970 to July 1972, the firm and Vande Vegte unlawfully sold unregistered securities of New Life Trust, Inc. (NLT), and made material misrepresentations in their sale about the safety of an investment, the value of the land allegedly securing an investment, and the financial condition of NLT. In addition, it was found that the firm and Vande Vegte failed to comply with recordkeeping and reporting requirements, and conducted the firm's securities business when the firm was not registered with the Commission as required. Without admitting or denying the charges against them, the firm and Vande Vegte consented to the findings and sanctions. (Rel. 34-10879)

TRADING SUSPENSIONS

HERSHBERGER ENTERPRISES, INC. SUSPENDED

Over-the-counter trading in the securities of Hershberger Enterprises, Inc. (formerly Hershberger Explorations, Inc.) of Wichita, Kansas, has been suspended for a ten-day period beginning on July 2 and terminating at midnight (EDT) on July 11, 1974.

The Commission initiated the suspension because the company has failed to comply with the reporting provisions of the Exchange Act. (Rel. 34-10896)

ADDITIONAL ACTION OF THREE TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Stratton Group, Ltd., and over-the-counter trading in the securities of Franklin New York Corp., Franklin National Bank, and Continental Vending Machines, Inc. for the further ten-day period July 4-13, inclusive.

COURT ENFORCEMENT ACTIONS

C. R. RICHMOND & CO., CURTIS R. RICHMOND ENJOINED

The Los Angeles Regional Office announced that on June 26 the Federal Court in Los Angeles permanently enjoined C. R. Richmond & Co. and Curtis R. Richmond from violations of the registration provisions of the securities laws in the offer and sale of options on commodities futures contracts and any other securities.

The injunction resulted from a trial on the merits which was based on a stipulated record. C. R. Richmond & Co., a registered broker-dealer and investment adviser, offered and sold commodity options for Commodity Options International and Double Options Systems, both of Los Angeles, which were defendants in the case which consented to a permanent injunction and the appointment of a permanent receiver on April 6, 1973. (LR-6420)

COMPLAINT NAMES WRIGHT INVESTMENTS, INC., OTHERS

The Seattle Regional Office announced the filing on June 12 of a complaint in the U.S. District Court for Washington at Seattle, seeking to enjoin Wright Investments, Inc., Pacific Financial Corporation, Western Horizons, Inc., Diversified Land Investments, Washington Land and Cattle Company, Inc., Edward K. Wright, Jr., Donald R. Hunter, Morgan R. West, Herbert A. Leland, all of Seattle, Frederick F. Poyner, of Arlington, Washington, Clark E. Cameron, of Spokane, James G. Higginson, of Bothell, Washington, David G. Hudson, of Everett, Washington, from violations of the registration and antifraud provisions of the securities laws. The complaint alleges defendants sold various forms of securities including limited partnership interests and tenancy-in-common interests in real property; notes; and investment contracts to residents of 19 states and Canada while using false and misleading sales literature and statements about the financial condition of the company, the fees and commissions from sale of land, the ownership, price, and encumbrances on the properties promoted, among others. (LR-6415)

INDICTMENT CHARGES DOUGLAS V. HALTER, OTHERS

The Seattle Regional Office has announced that on June 20 the Federal grand jury at Seattle, Washington, returned a 16-count indictment against Douglas V. Halter and William C. Joines, formerly of Auburn, Washington; and on June 19 the grand jury returned a separate, 15-count indictment against Charles C. Hight of Seattle, arising from the same subject matter. The defendants are charged with fraud in the sale of securities, sale of unregistered securities, mail fraud, and conspiracy. The two indictments allege a scheme to offer and sell to investors in Washington and California unregistered securities in the form of loan agreements convertible into fractional interests in funds to be generated from the manufacture and sale of a supposedly novel type of motor vehicle storage battery, by employing misrepresentations as to defendants' character and past record, the safety of the investment, the nature of the invention, the use of the proceeds of investment, and the nature and extent of steps taken or to be taken by defendants to manufacture the battery. (LR-6416)

INVESTMENT COMPANY ACT RELEASES

BACHE & CO.

An order has been issued exempting Bache & Co. Incorporated, its co-representatives and co-underwriters from certain provisions of the Act in respect of their transaction incident to the proposed distribution of shares of common stock of Extractable Resources, Inc., a newly registered closed-end investment company. (Rel. IC-8407)

EXTRACTABLE RESOURCES, INC.

An order has been issued on an application of Extractable Resources, Inc., a closed-end investment company, permitting Vestaur Corporation, to serve as investment adviser to the Fund, and the directors of the Fund to serve as directors, without prior shareholder approval of an investment advisory agreement or election of directors and until a meeting of stockholders to be held within 180 days after the effective date of the Fund's registration statement. (Rel. IC-8408)

SECURITIES ACT REGISTRATIONS

(S-1) PRECISION POLYMERS, INC.

1136 Route 22, Mountainside, N.J. 07092 - 201,452 warrants to purchase common stock, and the underlying 201,452 common shares. These securities are to be offered for sale by selling securityholders at the market. The company primarily manufactures and sells polyvinyl chloride resin plastic pipe and fittings, solvent adhesives and medium density polyethylene flexible plastic pipe. (File 2-51451 - June 28)

(S-14) PIZZA HUT, INC.

10225 East Kellog, Wichita, Kan. 67207 --- up to 1,250,000 shares of common stock. It is proposed to offer these shares in exchange for outstanding common stock of Pizza Corporation of America at the rate of .55 Pizza Hut share for each Pizza Corp. share. Pizza Hut operates, develops, franchises and services Pizza Hut restaurants. (File 2-51453 - June 28)

(S-11) MERIT REAL ESTATE INVESTMENT TRUST

624 South Michigan Ave., Chicago, Ill. 60605 - 10,000,000 shares of beneficial interest to be offered for sale at \$20 per share, on a "best efforts" basis by participating NASD members. Merit is a real estate investment trust. (File 2-51461 - June 28)

(S-1) INTERDATA, INC.

Two Crescent Pl. Oceanport, N.J. 07757 - warrants expiring September 25, 1974 to purchase 21,840 shares of common stock, and the underlying common shares, which may be offered for sale from time to time at then current prices by certain holders of the warrants. Interdata designs, manufactures, markets and services small digital computers. (File 2-51465 - June 28)

(S-14) REFORESTATION, INC.

12815 East Sprague Ave., Spokane, Wash. 99214 (Refo-Delaware) - up to 2,549,493 shares of common stock, to be issued in connection with the reincorporation of Reforestation, Inc., a Washington corporation (Refo-Washington), in the State of Delaware by means of the sale of substantially all of its assets to Refo-Delaware, its wholly-owned subsidiary. The shareholders of Refo-Washington will receive one share of Refo-Delaware common stock for each share of Refo-Washington common stock held. Refo-Delaware will engage in the production of lumber, the acquisition and sale of unimproved land and growing fruit. (File 2-51466 - June 27)

(S-16) THE SCOTT & FETZER COMPANY

400 INA Bldg., 14701 Detroit Ave., Lakewood, Ohio 44107 -- 79,996 common shares, which may be offered for sale (or pledged) from time to time by certain shareholders at then current market prices. The Scott & Fetzer Company is a diversified company which manufactures and sells a wide variety of products. (File 2-51467 - June 28)

(S-14) WELLS FARGO & COMPANY

420 Montgomery St., San Francisco, Cal. 94104 - 145,289 shares of common stock, to be offered in exchange for the common stock of Riverside National Bank of Riverside, California, at the rate of .09 Wells shares for each Riverside share. Wells is a bank holding company whose principal asset is the capital stock of Wells Fargo Bank. In addition, through other subsidiaries, it manages a real estate investment trust, originates and services real estate loans for investors, and provides equipment lease financing and data processing services. (File 2-51480 - July 1)

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:

- American Hoist & Derrick Company, St. Paul, Minnesota (File 2-51454 - June 28) - 15,000 shares
- Pennwalt Corporation, Philadelphia, Penn. (File 2-51455 - June 28) - 50,000 shares
- Thermo Electron Corporation, Waltham, Mass. (File 2-51458 - June 28) - 129,800 shares
- Video Systems Corp., Pennsauken, N.J. (File 2-51463 - June 28) - 139,000 shares
- Westrans Industries, Inc., New York, N.Y. (File 2-51464 - June 28) - 125,000 shares
- OKC Corp., Dallas, Tex., (File 2-51470 - June 27) - 44,444 shares
- Buttes Gas & Oil, Oakland, Cal. (File 2-51476 - July 1) - 265,000 shares
- Computer Election Systems, Inc., Berkeley, Cal. (File 2-51477 - July 1) - 30,000 shares
- Steelmet, Inc., Pittsburgh, Pa. (File 2-51489 - July 1) - 40,000 shares

REGISTRATIONS EFFECTIVE

June 29: CTS Corporation, 2-51110.

July 2: American General Life Insurance Co., 2-51071; TRW Inc., 2-51306.

REGISTRATIONS WITHDRAWN

June 25: First Arkansas Bankstock Corp., 2-47738.

June 27: Instrument Systems Corp., 2-47386; Unionamerica Mortgage and Equity Trust, 2-49948; Uranus Electronics, Inc., 2-47262;

June 28: Dominion Bankshares Corp., 2-50557; Holiday Inns, Inc., 2-50171; Steiner American Corp., 2-47442.

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the equity securities of another company within 10 days of the acquisition. The following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies during the period June 13-24, 1974.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
SCW, Inc.	Electronic Engineering Co. of Calif. (Santa Ana, Calif.) Common Stock - 40,700 shs.	6-13-74
* Pricel S.A. Prixilla S.A.	Dymo Industries, Inc. (San Francisco, Calif.) Common Stock - 498,800 shs.	6-13-74
Sears, Roebuck and Co. Allstate Insurance Co.	AAR Corp. (Elk Grove Village, Ill.) 7PC Notes - \$1,750,000 Prin. Amt. convertible into common stock at \$13.00 per share	6-14-74
Sprout Capital Group II	RSR Corp. (Dallas, Texas) Common Stock - 15,000 shs. Common Stock - 250,000 shs. on conversion of Notes	6-14-74
* Key Apparel Corp.	American Recreation Group, Inc. (New York City) Common Stock - 223,400 shs.	6-14-74
Fasco A.G. (Leichtenstein) wholly-owned by Michele Sindona	Talcott National Corp. (New York City) Common Stock - 1,600,000 shs.	6-14-74
* Loews Corp.	Wheeling-Pittsburgh Steel Corp. (Pittsburgh, Pa.) Common Stock - 927,000 shs. (Above shares are held by Lawton General Corp., a wholly-owned subsidiary)	6-14-74
Merchant Investors Corp. Martin J. Wygod	Hickory Furniture Co. (Hickory, N.C.) Common Stock - 60,742 shs.	6-17-74
First Pennsylvania Bank N.A.	Standard Container Transport Corp. (Elizabeth, N.J.) Common Stock - 65,000 shs. on exercise of Warrants	6-17-74
Crown Financial Corp.	National Alfalfa Dehydrating & Milling Co. (Overland Park, Kansas) Common Stock - 1,100,000 shs. (Above shares pledged to Crown as security for loan to Charles Peterson, former president and major stockholder of National. Crown has the right to vote such shares)	6-17-74

ACQUISITION REPORTS CONT.

Don F. Gaston	Southwest Realty & Development Co., Inc. (Houston, Texas) Common Stock - 74,346 shs.	6-17-74
* Don F. Gaston	SRD Realty Corp. (Houston, Texas) Common Stock - 22,966 shs. Common Stock - 65,617 shs. on conversion of Preferred	6-17-74
John R. Bennett	Fairlane Industries, Inc. (Houston, Texas) Common Stock - 240,000 shs.	6-17-74
Prudential Insurance Co., of America	Utah Power & Light Co. (Salt Lake City, Utah) Series F Preferred - 120,000 shs.	6-17-74
Estate of Howard C. Boerner	Harvey Group, Inc. (Woodbury, N.Y.) Common Stock - 647,116 shs.	6-17-74
* N-REN Corp.	St. Paul Ammonia Products, Inc. (St. Paul, Minn.) Common Stock - 7,351,313 shs. Common Stock - 1,176,073 shs. on conversion of Preferred	6-17-74
Madison Fund, Inc.	Grumman Corp. (Bethpage, N.Y.) Common Stock - 344,100 shs.	6-17-74
Ampco-Pittsburgh Corp.	Pittsburgh Forgings Co. (Pittsburgh, Pa.) Common Stock - 449,966 shs.	6-17-74
Mutual of Omaha Insurance Co.	United Benefit Life Insurance Co. (Omaha, Nebr.) Capital Syock - 510,668 shs. (70.9%)	6-19-74
Paul Revere Life Insurance Co.	Alphanumeric Inc. (New York City) Common Syock - 1,134,167 shs. (Above shares acquired on conversion of Debentures)	6-19-74
Best National Enterprises, Inc.	Greater Idaho Corp. (Twin Falls, Idaho) Common Stock - 20,313,162 shs. (58.8%) (Above shs. acquired from Sierra Life Insurance Co. under an agreement)	6-20-74
* Home Oil Company Ltd.	Scurry-Rainbow Oil Ltd. (Calgary, Canada) Common Stock - 2,264,457 shs. (85.5%)	6-20-74
* Charles G. Bluhdorn	SRD Realty Corp. (Houston, Texas) Common Stock - 38,430 shs. Common Stock - 109,800 shs. on conversion of Preferred	6-20-74
Charles G. Bluhdorn	Southwest Realty & Development Co., Inc. (Houston, Texas) Common Stock - 60,794 shs.	6-20-74
James M. French	Northern States Bancorporation, Inc. (Detroit, Michigan) Common Stock - 177,174 shs.	6-20-74
G. Russell French	Northern States Bancorporation, Inc. (Detroit, Michigan) Common Stock - 148,060 shs.	6-21-74
Wilkinson Sword Inc., a wholly-owned subsidiary of Wilkinson Sword, Ltd. (England)	Scripto, Inc. (Atlanta, Ga.) Common Stock- 3,284,704 shs. (53.6%)	6-21-74

ACQUISITION REPORTS CONT.

Beverly Agency, Inc.	Beverly Bancorporation, Inc. (Chicago, Ill.) Common Stock - 39,367 shs.	6-21-74
Ampco-Pittsburgh Corp.	Pittsburgh Forgings Co. (Pittsburgh, Pa.) Common Stock - 450,696 shs.	6-24-74
Automatique Kansas City, Inc.	Automatique, Inc. (Kansas City, Mo.) Common Stock - 80,000 shs.	6-24-74
* Atlantic Realty Co. Richard W. Courts, II	Great Southern Real Estate Trust (Atlanta, Ga.) Shares of Beneficial Intrest - 77,697 shs.	6-24-74
Hydraulic Co.	Ridge Land & Development Co. (Stamford, Conn) Common Stock - 9,930 shs.	6-24-74
* Joel Greenberg	Bluebird, Inc. (Chicago, Ill) Common Stock - 438,200 shs.	6-24-74
Jacob Schulman	Life of Pennsylvania Financial Corp. (Phila. Pa.) Common Stock - 40,060 shs.	6-24-74
C. Itoh & Co., Ltd. (Japan) C. Itoh & Co. (America) Inc.	Cascade Steel Rolling Mills, Inc. (McMinnville, Ore.) Common Stock - 195,000 shs.	6-24-74

* Amended Acquisition Report

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE TENDERED:</u>	<u>DATE FILED</u>
Aktiebolaget Electrolux (Sweden)	National Union Electric Corp. (Greenwich, Conn.) Common Stock - All outstanding shs. for cash at \$28.00 net per share	6-20-74
GL Corp.	Cerro Corp. (New York City) Common Stock - 1,500,000 shs. for cash at \$19.00 net per share (GL presently owns 813,100 shs. (10.3%))	6-20-74
Hambro Canada Ltd	Peel-Elder Ltd. (Toronto, Canada) Capital Shares- All outstanding shs. for cash at \$13.25 net per share (Hambro presently owns 1,636,978 shs. (49.86%))	6-20-74
Atlantic Realty Co.	Great Southern Enterprises, Inc. (Atlanta, Ga.) Common Stock - 100,000 shs. for cash at \$9.00 net per share (Atlantic presently owns 57,650 shs. (21%) and in addition has options to purchase 68,918 shs.)	6-24-74
J. Lyons (U. S. Holdings) Inc.	Baskin-Robbins Ice Cream Co. (Burbank, Calif) Common Stock - All outstanding shs. for cash at \$17.50 net per share (U. S. Holdings presently owns 2,031,250 shs. (83%) which were purchased from United Brands Co. on 12-31-73 pursuant to an agreement)	6-24-74

Chloride Inc.

Chloride Connrex Corp. (Tampa, Fla.)
 Common Stock - All outstanding shs. for
 cash at \$10.00 net per share
 (Chloride Inc. is a wholly-owned subsidiary
 of Chloride Group Ltd. (England) which owns
 1,316,500 shs. (70%) of Connrex.)

6-24-74

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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