

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 71-113)

FOR RELEASE June 11, 1971

NEW RULES AND RULE PROPOSALS

COMMISSION EXTENDS START-UP EXEMPTION FOR VARIABLE ANNUITIES. The Commission today announced that it has extended start-up exemptions for variable annuity contracts under the Investment Company Act of 1940 to become effective June 14, 1971. The proposed amendments to Rules 27a-1, 27a-2 and 27a-3 would extend to variable annuity contractual plans sold subject to the spread-load provisions of Section 27(h). The same exemption presently permitted for plans sold subject to the rules for front-end load plans. Rule 27c-1 presently exempts variable annuities from the requirement that they be redeemable during the annuity pay-out period. 1/ (Release IC-6559)

DECISION IN ADMINISTRATIVE PROCEEDING

SCOTT FLETCHER CO. CENSURED, REGISTRATION WITHDRAWN. The SEC has ordered that Scott, Fletcher & Company, Inc. of Ridgewood, N. J., be censured and that its registration as a broker-dealer be withdrawn, and that Robert Lewis Steenstra, its president and sole stockholder, shall not become a registered broker-dealer or a principal of a registered broker-dealer without prior written approval of the Commission.

According to the decision, the firm failed to pay to the Commission an annual fee required to be paid by broker-dealers which are not members of the National Association of Securities Dealers, Inc., and failed to file a required report of financial condition.

The respondents submitted an offer of settlement in which they admitted the accuracy of certain of the allegations in the order for proceedings and consented to the findings of misconduct and imposition of the indicated sanctions. (Release 34-9204)

INVESTMENT COMPANY ACT RELEASES

PRINCIPAL CERTIFICATE SERIES, INC. The Commission has issued an order giving interested persons until June 28 to request a hearing on an application of Principal Certificate Series, Inc., Seattle, Wash., registered face-amount certificate company, for an order approving a depository agreement, as amended between, Principal and Bankers Trust Company wherein Principal undertakes to deposit and maintain with Bank qualified investments and reserves as required by Section 28 of the Investment Company Act with respect to its Series of certificates enumerated in the application. 1/ (Release IC-6556)

FORTUNE CAPITAL FUND, INC. The Commission has issued an order declaring that Fortune Capital Fund, New York, has ceased to be an investment company as defined in the Investment Company Act. (Release IC-6563)

HOLDING COMPANY ACT RELEASES

OHIO EDISON CO. The Commission has issued an order giving interested persons until June 29 to request a hearing on application of Ohio Edison Company and its subsidiary Pennsylvania Power Company, New Castle, Pa. pursuant to a proposed transaction involving the allocation of such common facilities of Sammis Unit #7 (a 625,000 generating unit under construction) equal to the agreed ownership interest of each in the Sammis Unit, Ohio Edison 48%, Pennsylvania 20.8% and Duquesne Light Company 31.2%. The Sammis Unit is to be owned by the companies as tenants in common. 1/ (Release 35-17159)

AMERICAN NATURAL GAS CO. The Commission has issued an order authorizing Michigan Wisconsin Pipe Line Company, subsidiary of American Natural Gas Company, to extend the maturity date of its line of credit with the Commercial Division of First National City Bank of New York, amounting to \$20 million and to issue and sell its notes thereunder, from July 1, 1971 to July 1, 1972. (Release 35-17160)

SECURITIES ACT REGISTRATIONS

AUTOMATION SCIENCES TO SELL STOCK. Automation Sciences International Corporation, 15 Columbus Circle, New York 10023, filed a registration statement on June 3 seeking registration of 400,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through underwriters headed by Mayflower Securities Co., Inc., 32 Broadway, New York 10004.

A wholly-owned subsidiary of Automation Sciences, Inc., the company is engaged in distributing and servicing a medium-sized general purpose computer and related peripheral equipment manufactured by Fujitsu Limited, a Japanese corporation. Of the net proceeds of its stock sale, up to \$800,000 will be used for the purchase of computer and peripheral equipment from Fujitsu, and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 600,000 common shares (with a 10¢ per share negative net tangible book value). Harold Rosenberg, president, is a principal of Automation Sciences. (File 2-40650)

OVER

JASON/EMPIRE FILES FOR SECONDARY. Jason/Empire, Inc., 2820 Warwick Trafficway, Kansas City, Mo. 64108, filed a registration statement on June 3 seeking registration of 80,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (** at \$12.50 per share maximum) through underwriters headed by George K. Baum & Company, Inc., 1016 Baltimore Ave., Kansas City, Mo. 64105.

The company imports optical and weather instruments for marketing throughout the U. S. It has outstanding 560,000 common shares, of which Richard M. Levin, president, owns 65.3%. Levin proposes to sell 73,000 shares and Robert M. Wolff, executive vice president, 7,000 shares. (File 2-40651)

BANCORPORATION OF MONTANA FILES FOR OFFERING AND SECONDARY. Bancorporation of Montana, P.O. Box 2308, Great Falls, Mont., 59401, filed a registration statement on June 3 seeking registration of 182,000 shares of common stock, of which 95,200 are to be offered for public sale by the company and 86,800 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$17 per share maximum) through underwriters headed by Dain, Kalman & Quail, Inc., 100 Dain Tower, Minneapolis, Minn. 55402.

The company owns and provides management services to 11 commercial banks in Montana. Of the net proceeds of its stock sale, \$930,000 will be used to retire short-term indebtedness to a non-related bank and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 283,109 common shares, of which Richard D. Rubie, board chairman, and Charles W. Rubie, president, own 30.75% each. Each proposes to sell 43,400 shares. (File 2-40652)

WORLD PATENT DEVELOPMENT TO SELL STOCK. World Patent Development Corp., 1 Rockefeller Plaza, New York, 10020, filed a registration statement on June 3 seeking registration of 110,000 shares of common stock, to be offered for public sale at \$5.50 per share. The offering is to be made by Flaks, Zaslow & Co., Inc., 40 Exchange Place, New York 10005.

The company was organized in 1969 for the primary purpose of acquiring, developing and marketing various patents, inventions and processes. Of the net proceeds of its stock sale, \$200,000 will be used in connection with the Regnal process (which involves the restoration and preservation of paper, textiles and binding leather) and the balance for working capital and other corporate purposes. The company has outstanding 652,800 common shares (with a 16¢ per share negative net tangible book value), of which Eliot R. Weston, board chairman, owns 64.5%. Curtis B. Hayworth is president. Purchasers of the shares being registered will acquire a 14% stock interest in the company for their investment of \$605,000; present shareholders will then own 86% for which they paid approximately \$178,700 (including \$178,700 from private offering of 59,567 shares to a limited group investors between January 1970 and May 1971. (File 2-40654)

NOBILITY HOMES FILES FOR OFFERING AND SECONDARY. Nobility Homes, Inc., 1768 S. W. College Road, P.O. Box 1652, Ocala, Fla. 32670, filed a registration statement on June 3 seeking registration of 217,000 shares of common stock, of which 70,000 are to be offered for public sale by the company and 140,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$16 per share maximum) through underwriters headed by Fulton, Reid & Staples, Inc., 2100 East Ohio Bldg., Cleveland, Ohio 44114.

Organized in 1967, the company designs, manufactures and sells medium-priced mobile homes. Of the net proceeds of its stock sale, \$400,000 will be used to finance four additional mobile homes manufacturing facilities and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 660,000 common shares (with a \$1.74 per share book value), of which Terry E. Trexler, president, owns 58.49% and management officials as group 100%. Trexler proposes to sell 81,900 shares and two other officials the remaining shares being registered. (File 2-40655)

*COMMERCIAL CREDIT PROPOSES FINANCING. Commercial Credit Company, 300 St. Paul Place, Baltimore, Md. 21202, filed a registration statement on June 3 seeking registration of \$50 million of notes, due 1978, and \$50 million of notes, due 1991, to be offered for public sale through underwriters headed by White, Weld & Co., and Kilder, Peabody & Co., Inc., 20 Exchange Place, both of New York.

A wholly-owned subsidiary of Control Data Corporation, the company is principally engaged in the consumer finance business. Net proceeds of its financing will be added to the company's working capital and applied initially to reduction of short-term borrowings. (File 2-40656)

*WASHINGTON GAS LIGHT TO SELL BONDS. Washington Gas Light Co., 1100 H. St., N.W., Washington, D.C. 20005, filed a registration statement on June 3 seeking registration of \$15 million of first mortgage bonds, due 1996, to be offered for public sale at competitive bidding. Net proceeds of its bond sale and net proceeds (estimated at \$10 million) of common stock in 1971 will be used to repay \$15.5 million of bank borrowings incurred for construction purposes, to pay part of its 1971 construction program (estimated at \$31 million) and for other corporate purposes. (File 2-40657)

*REVLON SHARES IN REGISTRATION. Revlon, Inc., 767 5th Ave., New York 10022, filed a registration statement on June 3 seeking registration of 153,642 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 (** \$70.25 per share maximum). (File 2-40658)

*U. S. FINANCIAL SHARES IN REGISTRATION. U. S. Financial, 1250 Sixth Ave., San Diego, Calif. 92101, filed a registration statement on June 3 seeking registration of 172,086 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 (** \$55 per share maximum). State Mutual Life Assurance Company of America may sell all of 108,750 shares held and three others the remaining shares being registered. (File 2-40659)

***WALT DISNEY TO SELL DEBENTURES.** Walt Disney Production, 500 South Buena Vista St., Burbank, Calif. 91505, filed a registration statement on June 4 seeking registration of \$100 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Lehman Brothers Inc., One William St., and Kidder, Peabody & Co., Inc., 20 Exchange Place, both of New York.

The company is engaged in the production and distribution of motion pictures, the production of television programs, operating and developing amusement theme parks and in related activities. Net proceeds of its debenture sale will be added to the company's general funds and used principally in connection with the Walt Disney World (a Florida amusement park under development) and for capital expenditures at Disneyland in California. In addition to indebtedness, the company has outstanding 12,832,546 common shares. Roy O. Disney is board chairman and Donn B. Tatum president. (File 2-40662)

***FLORIDA TELEPHONE PROPOSES RIGHTS OFFERING.** Florida Telephone Corporation, 302 South East Broadway, Ocala, Fla. 32670, filed a registration statement on June 4 seeking registration of 950,000 shares of Class A common stock. It is proposed to offer these shares for subscription by holders of its Class A stock, at the rate of one new share for each four shares held on July 7 (** and at \$25 per share maximum). Any unsubscribed shares may be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, and Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., both of New York. Net proceeds of the company's stock sale will be used to repay short-term bank loans and commercial paper, all of which were incurred in connection with its 1971 construction program, and for construction expenditures. Construction expenditures are estimated at \$24 million for 1971. (File 2-40663)

CRUTCHER RESOURCES SHARES IN REGISTRATION. Crutcher Resources Corporation, 1500 Main Bldg., Houston, Tex. 77002, filed a registration statement on June 4 seeking registration of 153,738 outstanding shares of common stock (acquired upon exercise of warrants). These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale. (File 2-40661)

MINIT MAN DEVELOPMENT TO SELL STOCK. Minit-Man Development Company, 5354 North High St., Columbus, Ohio 43214, filed a registration statement on June 4 seeking registration of 200,000 shares of common stock. These shares are to be offered (** at \$10 per share maximum) through underwriters headed by Somerset Equities, Inc., Troy, Mich.

The company was organized in 1969 to develop a car wash organization. Net proceeds will be used for working capital and other corporate purposes. The company has outstanding 467,255 common shares. Max V. Parrish is president. (File 2-40664)

***DIAMOND SHAMROCK TO SELL DEBENTURES.** Diamond Shamrock Corporation, 300 Union Commerce Bldg., Cleveland, Ohio 44115, filed a registration statement on June 4 seeking registration of \$60 million of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Kuhn, Loeb & Co., both of New York.

The company is engaged in the manufacture and sale of a wide variety of chemicals and plastics, in the production of natural gas and the sale of petroleum products, in the exploration and operation of mineral properties and in related activities. Of the net proceeds of its debenture sale, \$27 million will be used to retire short-term borrowings and the balance for working capital and other corporate purposes. (File 2-40665)

EQUITABLE DEVELOPMENT TO SELL STOCK. Equitable Development Corporation, 1451 North Bayshore Dr., Miami, Fla. 33132, filed a registration statement on June 4 seeking registration of 166,667 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made by Consolidated Securities Corp., 920 North Federal Highway, Pompano Beach, Fla. 33061. Also included in this statement are 1,000,000 shares of common stock reserved for possible issuance for acquisition of real estate.

Organized in November 1969, the company is engaged in land sales and development. Net proceeds of its stock sale will be used in payment of past due amount of Wyman Atkins Investment Corporation in connection with the purchase of land for sale and for working capital and other corporate purposes. The company has outstanding 333,333 common shares (with a \$1.06 per share book value), of which Bernard H. Horowitz, president and board chairman, owns 99.9%. (File 2-40666)

CURTICE-BURNS PROPOSES RIGHTS OFFERING. Curtice-Burns, Inc., 315 Alexander St., Rochester, N.Y., filed a registration statement on June 2 seeking registration of 100,000 shares of common stock. It is proposed to offer these shares for subscription by holders of its Class B common shares and by members of Pro-Fac Cooperative, Inc., at the rate of one new A share for each 5.2 B shares held on March 31 and one new A share for each \$93.50 of the sum of common stock, certificate of retained earnings, revolving fund certificates and preferred stock of Pro-Fac held by members of the Pro-Fac as determined from the Pro-Fac books at March 31. The subscription price is \$24 per share.

The company is engaged in processing, packing and marketing of fruits and vegetables which it sells primarily to wholesale chain store outlets. Curtice-Burns leases and operates processing facilities from Pro-Fac, a cooperative whose shareholders are vegetable and fruit growers. Of the net proceeds of its stock sale \$450,000 will be used to repay a loan to Pro-Fac and the balance for working capital purposes. In addition to indebtedness, the company has outstanding 250,754 Class B common shares, of which Agway, Inc. owns 66%. Harold G. Soper is board chairman and Morton Adams president. (File 2-40667)

VALU VEND CREDIT CORP. TO SELL DEBENTURES. Valu Vend Credit Corporation, 2224 North Charles St., Baltimore, Md. 21218, filed a registration statement on June 4 seeking registration of \$25 million of subordinated debentures (plus up to 3% contingent participating interest), due 1977, to be offered for public sale at 100% of principal amount. The offering is to be made by Shaskan & Co., Inc., 67 Broad St., New York.

A wholly-owned subsidiary of Valu Vend, Inc. (in turn a wholly-owned subsidiary of Allegheny Beverage Corporation), the company will engage in the making of loans to Valu Vend to finance the purchase and sale of beverage vending machines and guaranteeing certain loans made to Valu Vend. Net proceeds of its debentures sale will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 100,000 common shares. Morton M. Lapidis is board chairman and president. (File 2-40668)

INFOREX FILES FOR OFFERING AND SECONDARY. Inforex, Inc., 21 North Avenue, Burlington, Mass. 01803 filed a registration statement on June 4 seeking registration of 340,000 shares of common stock, of which 252,000 are to be offered for public sale by the company and 88,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$45 per share maximum) through underwriters headed by Drexel Firestone, Inc.

The company was organized in 1968 to design, develop, manufacture and market computer peripheral equipment. Net proceeds of its stock sale will be used to repay short-term bank indebtedness which was incurred, and the balance will be used, to finance the cost of manufacturing systems to be rented to customers. In addition to indebtedness, the company has outstanding 1,346,455 common shares, of which J. H. Whitney & Co. owns 15.6%, officers of G. H. Walker & Co., Inc., 14.3% and management officials as a group 18.6%. Thomas B. Horgan is president. (File 2-40669)

ULTIMACC SYSTEMS TO SELL STOCK. Ultimacc Systems, Inc., 1064 River Rd., Edgewater, N.J. 07020, filed a registration statement on June 4 seeking registration of 125,000 shares of common stock to be offered for public sale (** at \$8 per share maximum). The offering is to be made through underwriters headed by Cannon, Jerold & Co., Inc., 77 Water St., New York.

Organized in October 1968, the company has designed and developed an integrated business accounting system, using a mini-computer and provides related services. Of the net proceeds of its stock sale, \$275,000 will be used for marketing and sales and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 282,177 common shares, of which Robert A. Weber, board chairman and president, owns 10.5% and management officials as a group 57.3%. Purchasers of the shares being registered will acquire a 30.7% stock interest in the company for their investment of \$1 million**; present shareholders will then own 69.3%, for which they paid \$467,225, or \$1.65 per share. (File 2-40670)

CONTINENTAL TELEPHONE SHARES IN REGISTRATION. Continental Telephone Corporation, 222 South Central, Clayton (St. Louis), Mo. 63105, filed a registration statement on June 4 seeking registration of 314,286 shares of common stock. These shares may be deliverable upon conversion of outstanding 6% convertible subordinated debentures, due 1990, of Apache Corporation and upon conversion of outstanding 6% convertible subordinated debentures, due 1987, of Apache Corporation. (File 2-40671)

STOCK PLANS. 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.

Copper Industries, Inc., Houston, Tex. (File 2-40504) - 200,000 shares
 Signode Corporation, Chicago, Ill. (File 2-40505) - 110,960 shares
 The Coleman Company, Inc., Wichita, Kans. (File 2-40506) - 200,000 shares
 Foote, Cone & Belding Communications, Inc., New York (File 2-40527) - 75,000 shares
 Russ Togs, Inc., New York (File 2-40528) - 12,298 shares
 Honeywell, Inc., Minneapolis, Minn. (File 2-40531) - 90,000 shares
 J. C. Penney Company, Inc., New York (File 2-40533) - 280,000 shares

SECURITIES ACT REGISTRATIONS. Effective June 10: Ashland Oil, Inc., 2-39655; Baker Bros. Inc., 2-39763 (Sep 8); Desota Inc., 2-40380; Fair-Tex Mills, Inc., 2-40262 (90 days); General Host Corp., 2-37709; The Kansas City Star Co., 2-39027 (40 days); Lion Country Safari, Inc., 2-39845 (90 days); McGraw Edison Co., 2-40555; Missouri Bancshares, Inc., 2-39749 (40 days); National Paragon Corp., 2-39782 (Jul 20); National Systems Corp., 2-40152; Pharmicare, Inc., 2-39775; Planet Oil and Mineral Corp., 2-38813 (40 days); Reliance Oil Corp., 2-39136 (90 days); Texas American Oil Corp., 2-37883 (90 days); Winnebago Industries, Inc., 2-40316; Yardis Corp., 2-39127 (90 days).

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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.

1/ Pending distribution of this Release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for more details of the release.