

sec news digest

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March 15, 1973

DECISIONS IN ADMINISTRATIVE PROCEEDING

SUSQUEHANNA CORPORATION, KORHOLZ AND BRADLEY SUSPENDED. The SEC has issued an order suspending the Susquehanna Corporation of Los Angeles, California and Herbert Korholz and Emmett Bradley from association in various capacities with any registered investment company for periods of one year, 120 days, and 60 days, respectively.

According to the decision Susquehanna controlled Pan American Sulphur Company (PASCO), a corporation which the Commission had declared to be subject to the provisions of the Investment Company Act of 1940 as though it were a registered investment company, with certain exceptions not relevant to the proceeding, and Korholz and Bradley were officers and directors of both Susquehanna and Pasco. During the period September 1970 through February 1972 Susquehanna and Korholz caused Pasco to purchase and renew \$59.6 million in certificates of deposit of certain banks as an inducement for the banks to extend credit in the amount of \$42 million to Susquehanna. It was also found that Susquehanna, Korholz and Bradley induced Pasco to become a party to a security agreement of Susquehanna whereby Pasco agreed, among other things, that in the event of default on the loans its deposits could be setoff against such loans. Respondents' respective participation in these transactions was held violative of antifraud and reporting provisions of the Securities Exchange Act of 1934 and of various provisions of the Investment Company Act of 1940.

The respondents consented to the findings and sanctions without admitting or denying the allegations contained in the order for proceedings. Susquehanna represented that it has disposed of its interest in Pasco, and Korholz agreed to resign immediately and permanently from any and all offices and positions with Pasco. (Rel. IC-7718)

COURT ENFORCEMENT ACTIONS

MORGAN KENNEDY & CO. ENJOINED. The SEC New York Regional Office announced the filing of a complaint in Federal court in Manhattan on March 9 seeking to enjoin Morgan Kennedy & Co., Inc., New York City broker-dealer, from violating and Irwin Rudnet its president and Gerald Rudnet, its vice-president, from aiding and abetting violations of the credit extension, net capital, bookkeeping, financial reporting and supplemental reporting provisions of the Securities Exchange Act of 1934 and rules promulgated thereunder. On the same day, the Securities Investor Protection Corporation (SIPC) filed an application seeking the appointment of a trustee to liquidate Morgan Kennedy. The Court granted the Commission's motion for a temporary restraining order against the defendants and appointed, at the request of SIPC, Eugene L. Bondy, Jr. as temporary receiver. (LR-5788)

INVESTMENT COMPANY ACT RELEASES

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, MASSMUTUAL CORPORATE INVESTORS, INC. The SEC has issued an order pursuant to Section 17(b) exempting from Section 17(a) the transfer by the Insurance Company to the Fund of one-half of the principal amount of certain notes of Triangle Industries, Inc. (Rel. IC-7721)

RICO ARGENTINE MINING CO. The SEC has issued a notice giving interested persons until April 6 to request a hearing on an application of (1) Rico Argentine Mining Company, Consolidated Eureka Mining Company, Bonneville-On-The-Hill Company, George H. Hogle, James E. Hogle, James E. Hogle, Jr., Sherman B. Hinckley, R. Gordon Bader, Donald M. Hogle, Hugh Hogle for an order permitting their participation in a proposed merger whereby Banner Mining Company will become a wholly-owned subsidiary of American Metal Climax, Inc.; and (2) Banner Mining Company, Rico Argentine Mining Company and Consolidated Eureka Mining Company for an order exempting the proposed transaction from certain provisions of the Act to the extent that such transaction may involve a purchase and sale of securities between Rico Argentine Mining Company and Banner Mining Company or between Consolidated Eureka Mining Company and Banner Mining Company. (Rel. IC-7722)

THE VALUE LINE DEVELOPMENT CAPITAL. The SEC has issued a notice giving interested persons until April 6 to request a hearing on an application of The Value Line Development Capital Corporation (Value Line), New York closed-end management investment company, and Coaxial Communications, Inc. and Coaxial Holdings, Inc., of Sarasota, Florida, for an order permitting the joint participation of Value Line, affiliated persons of Value Line, and affiliated persons of such persons in a proposed reorganization of Coaxial Communications, Inc. (Rel. IC-7723)

SECURITIES ACT REGISTRATIONS FILED

PAN AMERICAN WORLD AIRWAYS, INC., Pan Am Bldg., 200 Park Ave., New York, N. Y. 10017 - 1,273,885 shares of capital stock issuable upon conversion of the 7% guaranteed debentures, due 1986, of Inter-Continental Hotels Overseas N.V., which may be delivered by Pan Am, Inter-Continental Hotels Overseas or Intercontinental Hotels Corporation (the guarantor). (File No. 2-47254 - Mar 13)

FREDSON TRAILER SUPPLY, INC., 3733 West Warner Ave., Santa Ana, Calif. 92704 - 300,000 shares of common stock, to be offered for sale (*at \$7 per share maximum) through underwriters headed by Jones, Rensberger & Co., Inc., 606 S. Olive St., Los Angeles, Calif. 90014. The company is engaged in the whole-sale distribution and retail sale of accessories and parts for, and service of, recreational vehicles and mobile homes. Of the net proceeds, \$560,000 will be used to repay short-term bank loans and the balance for working capital and other corporate purposes. (File 2-47250 - Mar 13)

THE SEVEN-UP COMPANY, 121 S. Meramec, St. Louis, Mo. 63105 - 133,622 shares of common stock. It is proposed to issue these shares in exchange for the outstanding shares of common stock of Ventura Coastal Corporation. Seven-Up primarily manufactures and sells concentrated extract for certain soft drinks. Ventura grows and process lemons and produces and sells lemon products, principally frozen concentrate for lemonade. (File 2-47251 - Mar 13)

ELECTRO RENT CORPORATION, 2230 Charleston Rd., Mountain View, Calif. 94040 - 300,000 shares of common stock, of which 180,000 are to be offered for sale by the company and 120,000 by certain shareholders. The offering is to be made (*at \$13 per share maximum) through underwriters headed by Robertson, Colman, Siebel & Weisel, 235 Montgomery St., San Francisco, Calif. 94104. The company rents electronic instrumentation and test equipment to industrial and other users. Of the net proceeds, \$500,000 will be used to retire bank indebtedness and the balance for working capital and other corporate purposes. (File 2-47253 - Mar 13)

PROVINCE OF QUEBEC (U. S. Agent: Guy Poliquin, 17 W. 50th St., Rockefeller Center, N. Y. 10020) - \$100 million of debentures, due 2003, to be offered for sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. Net proceeds will be added to the Consolidated Revenue Fund of the Province. (File 2-47255 - Mar 13)

BERKSHIRE BANCORP INC., 54 North St., Pittsfield, Mass. 01201 - 333,835 shares of common stock. It is proposed to issue such shares in exchange for all the outstanding capital stock of Guaranty Bank & Trust Company, at the rate of 1.1 shares for each outstanding Guaranty share. Bancorp is a one-bank holding company, which owns substantially all of the stock of Berkshire Bank. (File 2-47257 - Mar 13)

NASHUA CORPORATION, 44 Franklin St., Nashua, New Hampshire 03060 - 182,997 shares of common stock, to be offered for sale by certain shareholders. The offering is to be made (*at \$53-1/8 per share maximum) through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York. Nashua manufactures office copy and other coated and printed products and provides photofinishing services. (File 2-47258 - Mar 13)

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered suspension of over-the-counter trading in the securities of Beneficial Laboratories, Inc. and Proof Lock International Corp. for the further ten-day period March 15-24, inclusive.

SECURITIES ACT REGISTRATIONS. Effective March 14: Ada Oil Exploration Corp., 2-46057 (90 days); Centura Inc., 2-46146 (90 days); Diversified Mortgage Investors, 2-46976; Hardee's Food Systems, Inc., 2-46182; Liberty National Corp., 2-46992; Measurcorp., 2-47108; Price-Meyers Corp., 2-46861; ADRs of Woolworths Limited, 2-46838.

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.

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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 and the SEC Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.