

# 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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## NEW RULES AND RULE PROPOSALS

**REVISED RULE PROPOSED RE EXEMPT OFFERINGS.** The SEC today invited public comments on a proposed Rule 144 to provide a greater degree of certainty with respect to the availability of the exemption from registration under Section 4(1) of the Securities Act for stock offerings by persons other than the issuer, by establishing more objective standards for determining when a person may be presumed not to be an underwriter or not to be engaged in a distribution. The comments are due October 30 (See Release 33-5087).

The proposed rule would provide that any affiliate of an issuer (*i.e.*, any person in a control relationship with the issuer) who offers or sells securities of the issuer in accordance with the terms and conditions of the rule is presumed not to be an underwriter of the securities within the meaning of Section 2(11) of the Act, and is further presumed not to be an "issuer," within the meaning of the last sentence of that section, so as to make his selling broker an underwriter. There would also be a presumption, where any other person offers or sells, in accordance with the terms and conditions of the rule, securities which he acquired from the issuer or from an affiliate of such issuer in a nonpublic transaction, that such person is not an underwriter of the securities within the meaning of Section 2(11).

Under the proposed rule the person making the offering must have owned the securities at least 18 months. The estate of a deceased owner of securities, other than an affiliate of the issuer, need not conform to any holding period.

The proposed rule also provides that there must be publicly available current financial and other information concerning the issuer. There is a presumption under the proposed rule that the required information is available with respect to an issuer which is required to and does file reports pursuant to Sections 13 or 15(d) of the Securities Exchange Act of 1934. With respect to other issuers the seller of the securities and the brokers involved in the transaction will have the obligation to determine whether adequate current information is publicly available. Factors that should be considered in making such determination are whether a reasonably current balance sheet and a profit and loss statement and current material information about the issuer's business and management have been published or furnished to security holders.

Also, under the proposed rule after the requisite holding period the securities may be sold only in brokers' transactions and only in limited quantities in any 12 month period. The quantity limitations are related to the amount of the class of securities outstanding or to recent trading volume, if the security is traded on a securities exchange. Sales by members of a person's family and other associates are considered sales by that person for purposes of determining the quantity he may sell during the relevant period.

Proposed Rule 144 is being considered in lieu of a series of proposed rules (the "160 series") relating to underwriters, nonpublic offerings and brokers' transactions published for comment by the Commission on September 15, 1969 in Securities Act Release 4997.

Should proposed Rule 144 be adopted, the staff of the Commission will not thereafter issue "no action" letters with respect to matters covered by the provisions of the rule. The burden will be on the sellers of securities to ascertain that an exemption is available.

## HOLDING COMPANY ACT RELEASES

**VERMONT YANKEE RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16838) authorizing Vermont Yankee Nuclear Power Corporation, Rutland, Vt., to issue and sell an additional \$20,000,000 of subordinated notes to its parent companies, including New England Power Company, which proposes to acquire 20% of the notes. The additional borrowings will be applied to the construction of a nuclear-powered electric generating plant; the sponsors will purchase the power output in accordance with their respective stock interests in the company.

**WISCONSIN GAS FILES FINANCING PROPOSAL.** Wisconsin Gas Company, Milwaukee subsidiary of American Natural Gas Company, has filed a proposal with the SEC under the Holding Company Act to issue and sell \$15,000,000 of debentures, due 1990, at competitive bidding, and to issue and sell an additional 416,667 common shares to its parent for \$5,000,004; and the Commission has issued an order (Release 35-16839) giving interested persons until October 8 to request a hearing thereon. Proceeds of this financing will be used by the subsidiary to retire \$3,720,000 of outstanding 3-3/8% sinking fund debentures, due November 1, 1970, for the retirement of some \$14,000,000 of bank loans, and for property additions and improvements, estimated at \$20,800,000 for 1970.

**BORROWINGS BY AMERICAN ELECTRIC POWER UNITS APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-16841) authorizing Appalachian Power Co., Roanoke, Va., Indians & Michigan Electric Co., Fort Wayne, Ind., and Ohio Power Co., Canton, Ohio, all subsidiaries of American Electric Power Co., Inc., to increase the maximum amount of short-term notes allowable as of June 30, 1970 under their respective certificates of incorporation to \$77,330,000, \$54,341,000 and \$84,691,000, respectively. As of March 31, 1969, the maximum amounts allowable were \$56,300,000, \$39,500,000 and \$75,700,000, respectively. Additional bank borrowings by Ohio Power also were authorized.

OVER

INVESTMENT COMPANY ACT RELEASE

OCCIDENTAL LIFE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6193), on application of Occidental Life Insurance Company and Occidental's Separate Account Fund C, granting an exemption from certain provisions of that Act with respect to the sale of variable annuities by the Separate Accounts.

COURT ENFORCEMENT ACTION

UNIVERSAL HOLDING, OTHERS ENJOINED. The SEC Washington Regional Office announced September 15 (LR-4758) that the Federal court in Alexandria, Va., had permanently enjoined the following, with their consent, from violations of the Securities Act registration and antifraud provisions in the offer and sale of stock of Universal Holding Corporation and limited partnership interests of Torch House Enterprises, Inc., and Easter Food Systems, Inc.: the named corporations, Charles C. Weaver and Donald E. Burdette.

SECURITIES ACT REGISTRATIONS

ISLAND GEM ENTERPRISES PROPOSES OFFERING. Island Gem Enterprises, Ltd. N. V. ("Enterprises"), Philipsburg, St. Maarten, Netherlands Antilles, filed a registration statement (File 2-38401) with the SEC on September 18 seeking registration of 600 99-year leases (units) on apartments in the Mullet Bay Beach Hotel Development in the "Lowlands" section of the Island of St. Maarten. The apartment units are to be offered at prices ranging from \$65,000 to \$75,000. Personal use of the apartment by the owner will be limited; a purchaser is required to make the apartment available as part of the hotel operation for not less than three out of the four months in each year between December 15 and April 15. A purchaser will not receive fee title to the apartment but receives a leasehold interest therein extending to December 31, 2070. According to the prospectus, 104 apartments have been constructed and 40 are under construction; the remaining apartments are to be built from time to time in the future. The prospectus further indicates that 51 of the 600 apartment units and 294½ shares of Enterprises stock have been sold in possible violation of the Securities Act registration requirements; and the prospectus covers a proposed offer of rescission to the purchasers. Any units or shares reacquired will be reoffered, the shares at \$13,000 each. Mullet Pond Development Venture Limited, C.V., was formed to assist in the financing, development and improvement of part of the Development in conjunction with Island Gem Enterprises; Enterprises and its president, Herbert B. Merser, are its general partners. The partnership owns certain assets in the Development, which are leased to Enterprises.

DRESSER INDUSTRIES TO SELL DEBENTURES. Dresser Industries, Inc., Republic National Bank Bldg., Dallas, Tex., filed a registration statement with the SEC on September 18 (File 2-38402) seeking registration of \$50,000,000 of sinking fund debentures, due 1995, to be offered for public sale at competitive bidding. The offering is to be made through underwriters headed by The First Boston Corporation, 20 Exchange Place, and Eastman Dillon Union Securities & Co., One Chase Manhattan Plaza, both of New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is one of the major manufacturers of products for and suppliers of services to the oil and natural gas industries, as well as a manufacturer of industrial machinery. Net proceeds from its sale of the debentures will be used to reduce presently outstanding domestic short-term borrowings, which were incurred to provide working capital and to finance capital expenditures and cash acquisition of other businesses. In addition to indebtedness, the company has outstanding 9,833,260 shares of common stock. John V. James is president and chief executive officer and John Lawrence is board chairman.

MISCELLANEOUS

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-8988) granting applications (1) of the American Stock Exchange to strike from listing and registration the common stock of National Video Corporation, and (2) of the Midwest Stock Exchange to strike from listing and registration the common stock of Monarch Machine Tool Company, both effective at the opening of business on September 21, 1970. On February 26, 1969, National Video filed a petition for Reorganization under Chapter X of the Federal Bankruptcy Act with the U. S. District Court for the Northern District of Illinois Eastern Division. On May 20, 1970, the court approved the Trustee's Plan of Reorganization providing for an orderly liquidation of the company, the conversion to cash of all assets owned by the company and the payment of liquidating distributions. No transactions in Monarch Machine Tool have taken place on the Midwest Exchange since January 1, 1969 and the company concurs in the requested delisting. The common stock remains listed and registered on the New York Stock Exchange.

The SEC has also issued an order granting an application of Sundance Oil Company to withdraw its common stock from listing and registration on the Salt Lake Stock Exchange, effective at the opening of business September 25, 1970. According to the application, the company believes the concentration of the market solely on the Pacific Coast Stock Exchange will provide a better market for its stock and that the requested withdrawal will eliminate fees and other administrative requirements. Sundance shareholders approved the delisting on April 23, 1970.

CONTINENTAL VENDING BAN CONTINUED. The SEC has issued an order suspending trading of the securities of Continental Vending Machine Corporation for the further ten-day period September 23, through October 2, 1970.

**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 September 3 News Digest.

Ideal Basic Ind., Inc June 1970 (3)	1-4070-2	Glen Explorations, Inc July 1970 (12)	1-5789-2
New England Gas & Elec. Assoc. May 1970 (11,13)	0-688-2	Music & Entertainment Co Inc May 1970 (2,7,11,13)	2-31080-2
Wometco Enterprises, Inc July 1970 (3)	1-5085-2	North Shore Gas Co July 1970 (12)	2-35965-2
Silver Eureka Corp July 1970 (1,2,13)	0-3508-2	Oslas Organization, Inc July 1970 (2)	0-4185-2
Uniservices, Inc June 1970 (6)	0-77-2	Pan Alaska Fisheries, Inc July 1970 (2,4,12,13)	0-1692-2
Viewlex, Inc July 1970 (2,13)	1-4328-2	Public Service Elec. & Gas Co July 1970 (2,13)	1-973-2
Regency Electronics, Inc July 1970 (3)	0-1877-2	Reliable Invstrs. Group, Inc July 1970 (2)	0-3820-2
Sunshine Fifty, Inc July 1970 (3,13)	0-4318-2	Sterling Sugars, Inc May 1970 (11,13)	0-1287-2
Westcoast Transmission Co Ltd July 1970 (11,13)	1-4951-2	URS Systems Corp July 1970 (12)	1-6067-2
Reading Co July 1970 (7,11,12,13)	1-649-2	International Business Machines Corp July 1970 (3,12,13)	1-2360-2
Vanguard Studios, Inc July 1970 (2,12,13)	0-4127-2	Lehigh Valley RR Co July 1970 (3)	1-1112-2
Visual Electronics Corp July 1970 (3,6,9,10,12,13)	1-5460-2	North American Mortgage Invstrs. July 1970 (12)	1-6078-2
Hetra Computer & Communications Industries, Inc June 1970 (11,13)	2-31992-2	St. Paul Ammonia Products, Inc July 1970 (12)	0-1794-2
Integrated Resources, Inc July 1970 (2,7,13)	0-4427-2	Wheeling & Lake Erie Ry Co May 1970 (11)	1-1926-2
Intl. Multifoods Corp July 1970 (3)	0-4443-2	National Chemsearch Corp July 1970 (7,8,11)	1-5838-2
ITT Thorp Corp June 1970 (7,13)	2-33654-2	Sierra Trading Corp July 1970 (3)	0-3620-2
July 1970 (11,13)	2-33654-2	Southern Conn. Gas Co June 1970 (12,13)	0-2376-2
Security Intl. Corp July 1970 (12)	0-4653-2	Technicolor, Inc June 1970 (1,2,3,8,9,13)	0-338-2
TX Ind., Inc July 1970 (11,13)	0-3753-2	United Lead Zinc Mines Co July 1970 (2,11)	1-315-2
Instrument Technology Corp June 1970 (11,13)	0-4988-2	Science Mgt. Corp July 1970 (2,7,13)	1-6059-2
Liberty Equities Corp July 1970 (2,3)	0-2258-2	Success Motivation Institute, Inc July 1970 (3,11,13)	2-33441-2
Powers Regulator Co July 1970 (11,13)	0-3875-2	New Jersey Power & Light Co July 1970 (10,12)	1-3221-2
Quality Data Processing Inc April 1970 (2,13)	2-33880-2	Waters Instruments, Inc July 1970 (12)	0-1388-2
Raytheon Co July 1970 (8,12)	1-2833-2	Pacific Power & Light Co July 1970 (7,13)	1-5152-2
Public Service Co of New Mexico Stk. Pur. Plan for Employees July 1970 (7)	2-37544-2	Pott Ind., Inc May 1970 (7)	0-891-2
Sharon Steel Corp July 1970 (11,13)	1-569-2	Strategic Ind., Inc July 1970 (2,13)	0-4363-2
Torginol Ind., Inc July 1970 (1)	0-1977-2	Trans-Industries, Inc June 1970 (1,3)	0-4539-2

8K Reports for Jul '70

AAR Corp(7,8,9,12)	1-6263-2	Connaught Films, Ltd. Jun 70(12,13)	2-30463-2
MGIC Investment Corp (2,13)	1-5724-2	Dan River Mills, Inc.(12,13)	1-3912-2
Aetna Life and Casualty Co.(12,13)	1-5704-2	Downe Communications, Inc.	
Bell Tel Co. of Pa.(7,13)	1-6393-2	(3,11,12,13)	0-3666-2
Detatronics, Inc(2,3,6,12,13)	0-4262-2	Northwest Plastics Inc.(12)	0-2458-2
EON Corporation (7,13)	1-5912-2	Tidewater Marine Service, Inc.	
FAB Industries, Inc.(1)	1-5901-2	May 70(7,13)	1-6311-2
Farmland Ind., Inc.(7,8)	2-7250-2	UMC Industries Inc.(12)	1-4202-2
First Western Financial Corp			
(3,11,12)	0-2904-2		
Agway, Inc. (7)	2-22791-2	The Chubb Corp (11)	0-3089-2
Capitol Hill Associates Inc.(11,12)	2-26467-2	Apr 70(11)	0-3089-2
Castle & Cooke Inc. (7)	1-4455-2	Community Improvement Programs, Inc.	
DEI Industries Inc.(11,13) Sept 69	0-725-2	(12,13)	0-3817-2
May 69(11,13)	0-725-2	Apr 70(7)	0-3817-2
Frontier Airlines, Inc.(12,13)	1-4877-2	Herzing Institutes, Inc.	
Jamaica Water & Utilities Inc.		(2,3,7,8,13)	2-34343-2
(2,13)	0-2315-2	Materials Research Corporation (12)	1-6427-2
Recreational Planners, Inc.		Modular Dimensions, Inc.(12)	2-34019-2
(7,12,13)	2-33763-2	Tesoro Petroleum Corp (4,7,13)	1-3473-2
Security New York State Corp (12)	0-2569 2	Twin Americas Agricultural & Industrial	
		Developers, Inc.(7)	2-28917-2

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*"):

File No.	O-Registrants	Location
5116	Academic Systems and Management Corp	Los Angeles, Cal.
5023	Ag-Met Inc**	Hazleton, Pa.
5035	Care Centers Inc	Dayton, Ohio
5026	Dewitt Drug and Beauty Products Inc	Great Neck, NY
5011	Echo Oil Corporation	Casper, Wyo.
5024	Farinon Electric**	San Carlos, Cal.
5034	Frostie Enterprises**	Camden, NJ
5113	General Security Corp	Little Rock, Ark.
5019	Gould Investors Trust	NYC
5007	Green Cross Industries Inc	Kansas City, Kansas
5033	Illini Beef Packers Inc**	Geneseo, Ill.
5114	J K K Industries Inc	Van Nuys, Cal.
5012	J D Jewell Inc**	Gainesville, Ga
5013	Koger Properties Inc	Jacksonville, Fla.
5119	Lackey Industries Inc	Leland, NC
5001	MB Associates**	San Ramon, Cal.
5032	Madison Industries Inc	New York, NY
5109	Micropac Industries Inc**	Garland, Tex.
5105	Milwaukee Western Corp	New York, NY
5030	Mortgage Investors of Washington	Bethesda, Md.
5027	Network Data Processing Corp**	Oak Brook, Ill.
5016	Olshen Overseas Inc**	Miami, Fla.
5015	Quantronix Corp**	Smithtown, NY
5002	Savannah Foods & Industries Inc	Savannah, Ga.
5108	State Street Boston Financial Corp	Boston, Mass.
5029	Success Motivation Institute Inc**	Waco, Tex.
5028	Syner-Data Inc**	Beverly, Mass.
5025	Vanier Graphics Corp**	Santee, Cal.
5018	Visual Graphics Corp**	New York, NY
5021	Whitney-Fidalgo Seafoods Inc**	Seattle, Wash.

SECURITIES ACT REGISTRATIONS. Effective September 21: Baltimore Gas and Electric Co., 2-38289; Gerber Products Co., 2-38219; MAPCO Inc., 2-37667; Thomas & Betts Corp., 2-37971; Warnaco Inc., 2-38325 & 38323.

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

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