

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

SEC CALLS FOR SIMPLIFIED PROSPECTUSES AND OTHER DOCUMENTS. The SEC today issued a public invitation to lawyers, accountants, analysts, broker-dealers, issuers and others to offer comments and suggestions as to "reasonable measures which might be taken to improve the readability and informativeness of prospectuses, proxy statements and other documents the purpose of which is to inform investors or security holders." The comments and suggestions are due not later than January 15 (Release 33-5119).

Despite several measures heretofore adopted by the Commission to simplify these documents and make them "more readable and understandable by the average investor," many prospectuses and other documents are lengthy and complex and, while they may be useful for financial analysts and sophisticated investors, they may be "unintelligible" to the average investor; and registrants continue to file prospectus "which are so complex or lengthy as to be of little use in informing investors other than those possessing exceptional analytical skill."

In considering whether to clear (make effective) registration statements, the Commission is required to consider "the facility with which the nature of the securities to be registered, their relationship to the capital structure of the issuer and the rights of holders thereof can be understood..." In exercising this function, pursuant to delegated authority, the Division of Corporation Finance has determined that an "understandable and readable summary" should be included in the forefront of any complex or lengthy prospectus or proxy statement. While this is considered to be a necessary step, it is by no means a sufficient solution to the problem of unreadable prospectuses (the responsibility for the preparation of which lies with the issuer and its advisers). For this reason the Commission invites all interested persons to make whatever suggestions they may have for meeting the problem.

HOLDING COMPANY ACT RELEASES

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16936) extending to December 31, 1971, the period in which Columbia Gas of Pennsylvania, Inc., a subsidiary company of the Columbia Gas System, may acquire securities of Allegheny Housing Rehabilitation Corporation, which transaction had been previously authorized by the Commission.

EASTERN UTILITIES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16937) authorizing Eastern Utilities Associates, Boston, Mass., registered holding company, to make bank borrowings in the amount of \$17,000,000 and authorizing subsidiaries of Eastern to obtain loans from banks or advances from Eastern, as follows: Blackstone Valley Electric Company, \$11,100,000; Brockton Edison Company, \$13,500,000; Fall River Electric Light Company, \$7,900,000; and Montaup Electric Company, \$9,500,000. The funds will be used in part by the respective companies to meet cash requirements for construction and to pay short-term loans at or prior to maturity.

INVESTMENT COMPANY ACT RELEASES

ORDER RE SECURITIES MUTUAL FUND SOUGHT. The SEC has issued an order under the Investment Company Act (Release IC-6291) giving interested persons until January 4 to request a hearing upon the Commission's proposal to declare that Securities Mutual Fund, Inc., Philadelphia, has ceased to be an investment company. The Fund registered under the Act in February 1967. The Commission is informed that by June 1969 all securities of the Fund had been liquidated and all monies returned to the shareholders. No registration statement regarding a proposed public offering of securities has ever been filed.

GREAT PLAINS VARIABLE FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6292) declaring that Great Plains Variable Annuity Fund A, Wichita, Kansas, has ceased to be an investment company.

SCHOLARSHIP CLUB RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6293) exempting The Scholarship Club, Inc., sponsor of The Trust Fund Sponsored by the Scholarship Club, Inc., and Scholarship Services, Inc., distributor of Scholarship Plans, from certain provisions of the Act so as to permit a modification of the sales load charged in the sale of the plans. The Fund was organized in 1965 by Scholarship Club for the purpose of administering scholarship plans which would provide funds to be used towards the college education of children designated by investors; the plans are offered through Scholarship Services solely to bona fide residents of Florida. It is proposed to increase the sales load to Scholarship Services from \$112 to \$160, bringing the total sales and administrative charges to \$208. The total \$160 sales load would be taken monthly from each payment at the rate of 20% of such payment for a period of 40 months until the sales load in its entirety has been paid.

OVER

COURT ENFORCEMENT ACTION

COMPLAINT NAMES SENSITRON CO. The SEC announced on December 10 (LR-4847) the filing of a complaint in Federal court in Los Angeles, seeking to enjoin Sensitron, Inc., Julius G. Hammerslag, its president and board chairman, and Earl Steiker a former officer of Sensitron, from violating the anti-fraud and periodic reporting provisions of the Federal securities laws in connection with the filing and distribution of financial information by Sensitron.

SECURITIES ACT REGISTRATIONS

SINTERAL CORP. TO SELL STOCK. Sinteral Corporation, 103-10 178th St., Jamaica, N. Y., filed a registration statement (File 2-39021) with the SEC on December 14 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts, all or none basis" by Herbert Young & Co., Inc., 5 Hanover Sq., New York, N. Y. 10004, which will receive a 50¢ per share selling commission plus \$25,000 for expenses. The company has agreed to sell the underwriter, for \$150, five-year warrants to purchase 15,000 shares, exercisable after one year at \$5 per share.

The company was organized in September 1967 to engage in the further development of techniques of aluminum powder metallurgy (a production technology relating to the manufacture of metal parts of both high density and low density) developed by Alloys Research and Manufacturing Corporation ("ARM"), of which the company is a licensee. Of the net proceeds of its stock sale, \$100,000 will be used to purchase automation equipment, \$75,000 for tools and dies, \$75,000 for promotional marketing materials and advertising materials and \$75,000 for an inventory of materials and supplies; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 247,500 common shares (with a 4¢ per share net tangible book value deficit), of which Hi-Tech Industries, Inc. and ARM own 40.3% each. Jerome M. Feldman is president. Purchasers of the shares being registered will acquire a 38% stock interest in the company for their investment of \$750,000 (they will sustain an immediate dilution of \$3.57 in per share book value from the offering price); present shareholders will then own 62%, for which the company received \$537,500 and a license to utilize the technology relating to the ARM patents.

WALT DISNEY TO SELL STOCK. Walt Disney Productions, 500 South Buena Vista St., Burbank Calif. 91505, filed a registration statement (File 2-39024) with the SEC on December 15 seeking registration of 500,000 shares of common stock, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Incorporated, 20 Exchange Place, and Lehman Brothers, One William St., both of New York, N. Y. The offering price (\$150 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the production and distribution of motion pictures, operates Disneyland near Los Angeles, is developing Walt Disney World near Orlando, Fla. (an entertainment and recreation complex), produces filmed television programs, and markets characters, music and other values arising from the company's motion pictures and other properties. Net proceeds of its stock sale will be used for capital expenditures, principally in connection with its entertainment and recreation complex in Florida; any portion not so used will be added to the company's general funds and may be used for capital expenditures at Disneyland or for other purposes. In addition to indebtedness, the company has outstanding 5,864,913 common shares. Roy O. Disney is board chairman and Donn B. Tatum president.

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:

BP Oil Corporation, Cleveland, Ohio 44115 (File 2-39022) - 15,000 shares and (File 2-39023) - 125,000 shares
 Leisure Dynamics, Inc., Minneapolis, Minn. 55435 (File 2-39025) - 100,000 shares
 John Fluke Mfg. Co., Inc., Mountlake Terrace, Wash. (File 2-39026) - 67,200 shares

MISCELLANEOUS

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-9044) granting applications of the Boston Stock Exchange for unlisted trading privileges in the common stocks or specified securities of the following companies: Abbott Laboratories, Inc., Arkansas-Louisiana Gas Company, Austral Oil Company Incorporated, The Bank of New York Company, Inc., CNA Financial Corporation, California Computer Products, Inc., Central Illinois Public Service Company, Chemical New York Corporation, Consolidated Freightways, Inc., Delmarva Power & Light Co., International Telephone & Telegraph Corporation - \$2.25 Cumulative Convertible Preferred Stock Series N, Kellogg Co., Levin-Townsend Computer Corporation, Manufacturer's Hanover Corporation, Northern States Power Company, Norton Simon, Inc., Peoples Gas Company, Perkin-Elmer Corp., Potter Instrument Company, Inc., Ralston Purina Company, Utah Power & Light Company, Jim Walter Corporation and Wells Fargo & Company.

SECURITIES ACT REGISTRATIONS. Effective December 15: American Medicorp, Inc., 2-37429 (40 days); Amrep Corp., 2-38468 (40 days); Commercial Bancorp., Inc., 2-38505 (40 days); Eastern Illinois Telephone Corp. 2-38790 (90 days); Electronic Data Systems Corp., 2-38662 (40 days); Exttek Microsystems, Inc., 2-36029 (90 days); Fuqua Industries, Inc., 2-38839 (40 days); International Funeral Services, Inc., 2-36215 (40 days); Litton Industries, Inc., 2-38871; Mitsubishi Chemical Machinery Mfg. Co., Ltd., 2-38934; Ryan Homes, Inc., 2-38730 (40 days); Security Bond Fund, Inc., 2-38414; Shulman Transport Enterprises, Inc., 2-36882 (90 days); The Starr Broadcasting Group, Inc., 2-38366 (40 days); Stylex Homes, Inc., 2-38252 (90 days); United Publishing Corp., 2-37711 (90 days); Universal Foods Corp., 2-38799 (40 days); Westmoreland Coal Co., 2-38853 (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.

*As estimated for purposes of computing the registration fee.