

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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DECISIONS IN ADMINISTRATIVE PROCEEDING

GUIDUCCI ACCEPTS SANCTION. The SEC today announced a decision under the Securities Exchange Act (Release 34-9059) in which it revoked the broker-dealer registration of Louis Guiducci, of New York, and imposed certain restrictions on his future activities related to the conduct of a securities business. Guiducci admitted his failure to file reports of financial condition for the calendar years 1968 and 1969 and his failure to comply with fee requirements applicable to non-NASD members for the year ended June 30, 1970, which violated the related provisions of the Exchange Act. In an offer of settlement, which the Commission accepted, he consented to revocation of his broker-dealer registration, to his suspension from association with any broker-dealer for one month, and to his suspension for a six-month period from acting as principal of any broker-dealer, investment company or investment adviser and from occupying any supervisory position with any investment company or investment adviser. The suspensions are to commence January 18. In his offer, Guiducci represented that he had not engaged in the securities business since late 1967 when his membership in the NASD was terminated.

HOLDING COMPANY ACT RELEASES

NEW JERSEY POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16967) granting a request of New Jersey Power & Light Company, Morristown, N. J., subsidiary of General Public Utilities Corporation, for an extension to June 30, 1971 of the time in which to issue and sell up to \$10,300,000 of notes as authorized by the Commission on April 23, 1969.

INVESTMENT COMPANY ACT RELEASES

BASS FINANCIAL SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6321) giving interested persons until January 27 to request an order exempting Bass Financial Corporation ("Bass"), Norridge, Ill., from all provisions of the Act. Organized in November 1969, Bass plans to make an exchange offer for the outstanding permanent reserve shares of Unity Savings and Loan Association ("Unity"), an Illinois stock savings and loan association with assets of some \$136 million and net worth of some \$4.8 million, contingent upon its receipt of tenders for at least 80% of such shares. Bass also proposes to make an exchange offer to acquire the majority of the outstanding voting securities of Plaza Insurance Company, a small insurance company, has completed negotiations to acquire the majority of the permanent reserve shares of Park Forest Savings and Loan Association, and proposes to make future acquisitions of savings and loan associations in Illinois. Bass urges that it will be primarily engaged in the savings and loan business, through controlled savings and loan associations, and that a conditional exemption from all provisions of the Act is in the public interest and consistent with protection of investors.

COURT ENFORCEMENT ACTIONS

RAFSKY & REIFLER RECEIVE SUSPENDED SENTENCES. The SEC New York Regional Office announced January 8 (LR-4872) that Sanford E. Rafsky and Lionel M. Reifler had received suspended sentences of three and four years, respectively, by the Federal court in New York City, following their pleas of guilty to conspiracy to violate and substantive violations of the Federal mail fraud statute. The violations arose out of transactions in stock of Tintair, Inc.

COMPLAINT NAMES DATRONICS ENGINEERS, OTHERS. The SEC Washington Regional Office announced January 13 (LR-4873) the filing of a complaint in Federal court in Baltimore, seeking to enjoin violations of the registration and antifraud provisions of the Federal securities laws by the following (involving the "spin-off" of certain companies and subsequent trading in their shares): Datronics Engineers, Inc., Falls Church, Va., John T. Gauthier, Falls Church, Va., Sylman I. Euzent, Kensington, Md., Irving Newirth, Brooklyn, N. Y., Multi-Media Engineering, Inc., Rockville, Md., Compu-Reader, Inc., Boston, Mass., Data-Call Systems, Inc., Falls Church, Va., Hosco, Inc., Freehold, N. J., Bun & Burger International, Inc., New York, N. Y., Cyclo-Shine Corporation, Mountainside, N. J., and The Laand Corporation, Las Vegas, Nev.

SECURITIES ACT REGISTRATIONS

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:
Schering-Plough Corporation, Bloomfield, N. J. 07003 (File 2-39198) - 935,739 shares
Jacobs Engineering Co., Pasadena, Calif. 91105 (File 2-39206) - 200,000 shares

OVER

AMERICAN ALL-SERVUS PROPOSES RIGHTS OFFERING. American All-Servus Corp., 326 North 14th St., Kenilworth, N.J. 07033, filed a registration statement (File 2-39201) with the SEC on January 12 seeking registration of 366,300 shares of common stock. It is proposed to offer these shares for subscription by common stockholders at the rate of three shares for each share held. Company officials and certain stockholders whose right to transfer their shares is restricted will not receive any rights; stockholders eligible to receive rights own a total of 122,100 of the 1,081,500 outstanding common shares. Any unsubscribed shares may be offered for public sale on a "best efforts" basis by Amwiss International Corporation, 56 Beaver St., New York, N. Y. 10003, which will receive \$50,000 for expenses plus 5c per share expense allowance. The record date and subscription price (\$2 per share maximum*) are to be supplied by amendment.

Organized in May 1968, the company, through subsidiaries, is engaged in three segments of the service industry: security services; keypunch and automated bookkeeping services; and automobile leasing. Of the net proceeds of its stock sale, \$150,000 will be used to retire short-term debt (\$75,000 of which was incurred in connection with an acquisition and \$75,000 for working capital purposes) and \$100,000 for operations of a security services subsidiary; the balance will be applied to the working capital of the company, a portion of which may be used in connection with possible acquisitions. In addition to indebtedness, the company has outstanding 1,081,500 common shares (with a 5c per share net tangible book value), of which Michael C. Temkin, president, owns 34% and management officials as a group 44%.

LUM'S SHARES IN REGISTRATION. Lum's, Inc., 8515 Biscayne Blvd., Miami, Fla. 33138, filed a registration statement (File 2-39202) with the SEC on January 12 seeking registration of 1,000,000 shares of common stock. It is proposed to offer these shares to the former stockholders of Desert Palace, Inc., in cancellation of indebtedness (for part of the purchase price of Caesars Palace, a Las Vegas gambling casino) of the company to those stockholders, at the rate of \$12 indebtedness per share plus accrued interest from September 1, 1969 to September 8, 1970, subject to obligations to repurchase up to 200,000 shares in each of the years 1976 through 1980 for \$16 per share. The company's restaurant subsidiaries own and operate 110 fast-service restaurants; and franchisees operate an additional 325 such restaurants. In addition to indebtedness, it has outstanding 6,975,457 common shares, of which management officials as a group own 14.2%. Clifford Perlman is chairman, Stuart Perlman, vice chairman, and Melvin Chasen president.

BELDEN & BLAKE PROPOSES OFFERING. Belden & Blake and Company Limited Partnership No. 43, 702 Tuscarawas Street, West, Canton, Ohio 44702, filed a registration statement (File 2-39203) with the SEC on January 11 seeking registration of 100 units of participation in the Partnership (\$295,000), to be offered for public sale in \$2,950 units. The Partnership was formed to acquire oil and gas well locations together with the supporting leases and to drill oil and gas wells. Henry S. Belden III and Glenn A. Blake are general partners.

LEE-GUNN OIL PROPOSES OFFERING. Lee-Gunn Oil Corporation ("Lee-Gunn"), No. 3 Ridgewood Rd., Hattiesburg, Miss., filed a registration statement (File 2-39204) with the SEC on January 11 seeking registration of \$500,000 of limited partnership interests in Lee-Gunn Oil Investment Fund 1971 (the Fund, a limited partnership), to be offered for public sale at \$5,000 per unit. No underwriting is involved; participating broker-dealers will receive a selling commission of from 5% to 10%. The Partnership is to be organized for the purpose of conducting an oil and gas well drilling program. Lee-Gunn is the general partner of the Fund. After the Fund is activated, it will form a second limited partnership ("Lee-Gunn Drilling Partnership--1971") in which the Fund is the only limited partner; Robert A. Lee and Wallace R. Gunn, individually, will be the sole general partners. The primary purpose of the second partnership will be to drill during 1971 as many wells in search of oil and gas as the financing will permit. Wallace Gunn, president, and Robert Lee, executive vice president of Lee-Gunn, each owns 45% of its outstanding common stock.

MID-TEXAS COMMUNICATIONS FILES FOR OFFERING AND SECONDARY. Mid-Texas Communications Systems, Inc., 603 North 8th St., Killeen, Tex. 76541, filed a registration statement (File 2-39205) with the SEC on January 13 seeking registration of 355,000 shares of common stock, of which 350,000 are to be offered for public sale by the company and 5,000 (being outstanding shares) by the holder thereof. The offering is to be made through underwriters headed by Clark, Dodge & Co. Incorporated, 140 Broadway, New York, N. Y. 10005; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in 1969 to acquire all the outstanding stock of Mid-Texas Telephone Systems, Inc., a holding company owning through subsidiaries operating telephone systems, a community antenna television (CATV) system and a common carrier microwave system. The company renders telephone, CATV and microwave services, through subsidiaries, in Texas. Net proceeds of its sale of additional stock, together with funds generated internally, will be applied to the prepayment of \$5,000,000 to be borrowed on February 15, 1971 under the company's credit agreement. Such borrowing will be used to pay the \$5,000,000 installment due February 1971 on the company's 7% notes payable to the former shareholders of Mid-Texas Telephone. In addition to indebtedness, the company has outstanding 400,000 common shares, of which J. B. McDuff, president, owns 16.9%, management officials as a group 33.4%, and Rotan, Mosle-Dallas Union, Inc. 14%. John B. Connally (a former director) proposes to sell all of 5,000 shares held. Purchasers of the shares being registered will acquire a 47.3% stock interest in the company for their investment of \$5,325,000*; present shareholders will then own 52.7%, for which the company received \$1,975,000.

SECURITIES ACT REGISTRATIONS. Effective January 13: A.P.S., Inc., 2-37257 (90 days); A-T-O Inc., 2-38262; Cities Service Co., 2-39080; Funded Investors, Inc., 2-37931 (90 days); General Mills, Inc., 2-39101; Elizabethtown Water Co., 2-38833 (Feb 23); U.S. Home & Development Corp., 2-38134.

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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