

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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INDIVIDUALS' SAVING REPORTED. Individuals' Saving amounted to \$20.8 billion in the third quarter, somewhat higher than the same period last year. Third quarter individuals' saving was considerably larger than that of the April-June period this year; however, after allowance is made for seasonal influences that exist in saving, the third quarter total was only 12 percent larger. Individuals' saving includes that of households, private trust funds, nonprofit institutions, and farms and other noncorporate business; the saving data includes changes in financial assets and net investments in tangible assets less changes in debt of these groups. For further details, see Stat Rel 2409.

TRADING SUSPENDED IN SEVEN STOCKS. The SEC today ordered the suspension of over-the-counter trading in securities of the following companies, for the ten-day period December 22-31, inclusive (Release 34-8783) XI Productions, Inc. ("XI"), of Beverly Hills, Calif., Universal Coverage Corporation, of Beverly Hills, Calif., Rietz Industries, Inc., ("Rietz"), of Chatsworth, Calif., Consolidated Smelting and Refining Corp., ("Consolidated") and its successor, Michelle Enterprises Ltd. ("Michelle") of Long Beach, Calif., Trans-Pacific Enterprises ("Enterprises") and Trans-Pacific Development Corp. ("Development"), of San Francisco.

The suspensions were ordered because it appears that, by reason of the unavailability of adequate and accurate information and/or the dissemination of false and misleading information about the issuing companies their operations, financial condition and prospects, an informed and realistic analysis and evaluation of their securities cannot be made by public investors. None of their securities has been registered with the Commission under the Securities Act of 1933; the failure to register has deprived public investors of financial and other information essential to such an evaluation.

RIETZ INDUSTRIES, OTHERS NAMED IN COURT ACTION. The SEC also announced that it had filed a complaint in the U.S. District Court in Los Angeles (LR No. 4505) seeking to enjoin violations of the Securities Act registration requirements by the following in the offer and sale of stock of Rietz Industries, Inc. Rietz Industries, Inc., John T. Rietz, Universal Coverage Corporation, Frank Rosenthal, Associated Busby Corporations Robert M. Bryson, Erwin Cheldin, Jack Cheldin, Milton Cohn, Harry Coloduros, Ozzie Curtis, Ronald E. General, Genson Corporation, Leo Haggai, Peter D. Polland, Jerry M. Wolff (all of Los Angeles), Charles Parr (Sarasota, Florida), and Trans Nevada Development Authority, Inc. (Las Vegas, Nevada).

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Rajac Industries, Inc. for the further ten-day period December 23, 1969 through January 1, 1970.

SEC COMPLAINT NAMES CONTINENTAL CONNECTOR, OTHERS. The SEC announced December 18 (LR 4507) the filing of an action in the U.S. District Court in New York City seeking to enjoin violations of its proxy and other rules by Continental Connector Corporation and M & R Investment Company, d/b/a Dunes Hotel, in connection with the solicitation of proxies for shareholder approval of Continental's acquisition of M & R and Golden Nugget, Inc. The Commission's complaint also seeks a court order preventing Continental from consummating its merger with Golden Nugget until shareholders of both companies have been resolicited upon the basis of proper disclosure of financial and other information.

MASSACHUSETTS ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16562) giving interested persons until January 16 to request a hearing upon an application of Massachusetts Electric Company and New England Power Company ("NEPCO"), subsidiaries of New England Electric System ("NEES") Westboro, Mass. holding company, to issue and sell up to \$28,000,000 and \$37,000,000 of notes, respectively to banks, to NEES and to dealers in commercial paper. Massachusetts Electric and NEPCO will use the proceeds of this financing to meet anticipated cash requirements for capitalizable expenditures pending permanent financing or generation of funds from internal sources. Capital expenditures for the year 1970 are estimated at \$31,300,000 for Massachusetts Electric and at \$54,500,000 for NEPCO.

NEWTON FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5933) permitting Newton Fund, Inc., Milwaukee mutual fund, to issue its shares at other than the public offering price thereof in exchange for substantially all of the assets of O-P-R-A Corporation.

CORRECTION RE NEW YORKER HOMES. The December 3 News Digest report of the proposed offering of New Yorker Homes Corp. incorrectly stated that Donald E. Castello, president of the company, proposes to sell 182,000 of 186,000 common shares held. He proposes to sell 104,000 of 286,000 shares held.

FUNDING CORP PROPOSES OFFERING. Funding Corporation of America, Inc. 5400 Diplomat Circle, Orlando, Fla. 32810, filed a registration statement (File 2-35706) with the SEC on December 19 seeking registration of \$1,500,000 of Programs for the Acquisition of Mutual Fund Shares and Life Insurance. Mutual fund shares are purchased through Funded Securities, Inc., a wholly-owned subsidiary of the company, and independent mutual fund distributors who act as dealers only. Life insurance is sold through the company and through independent insurance agencies. Richard C. Hassberger, president, owns 42.6% and Thomas O. Ward, Sr., executive vice president, 35.5% of the 351,900 outstanding common shares of the company.

