

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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GENERAL DEVELOPMENT CORP. SEEKS ORDER. General Development Corporation and its subsidiary, General Development Utilities, Inc. ("Utilities"), 2828 Coral Way, Miami, have applied to the SEC for an order under the Holding Company Act declaring Utilities not to be a "gas utility company" or, in the alternative, exempting General Development and its subsidiary companies from certain provisions of the Act; and the Commission has issued an order (Release 35-14980) giving interested persons until December 31 to request a hearing thereon. According to the application, General Development, a Delaware corporation engaged in the development of communities and real estate subdivisions in Florida, has 22 subsidiary companies all of which (with the exception of Utilities) are engaged in activities relating to real estate development. Utilities, a Florida corporation, furnishes water, sewerage and gas service to residents of General Development's communities and real estate subdivisions and, to a minor extent, other customers. General Development states that it is only incidentally a "holding company" within the meaning of the Holding Company Act and that it is primarily engaged or interested in one or more businesses other than the business of a public-utility company.

CONTINENTAL CAPITAL RECEIVES ORDER. The SEC has issued an order (Release IC-3850) with respect to Continental Capital Corporation, 120 Montgomery St., San Francisco, a registered investment company under the Investment Company Act and also a licensee under the Small Business Investment Act of 1958, certifying pursuant to Section 851(e) of the Internal Revenue Code of 1954 that Continental for its tax year ended March 31, 1963, was principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes, or products not previously generally available.

MODERN ENGRAVING SEEKS ORDER. Modern Engraving and Machine Company, 1413 Chestnut Ave., Hillside, N. J. has made application to the SEC for an order under the Investment Company Act exempting from certain provisions of the Act the proposed purchase from Modern Engraving by M. W. Colbert (president of American Engraving and Machine Co., a wholly-owned subsidiary) of all the issued and outstanding stock of American Engraving; and the SEC has issued an order (Release IC-3849) giving interested persons until December 23 to request a hearing thereon. According to the application, 92% of the outstanding stock of Modern Engraving is owned by Townsend Corporation of America, a registered closed-end investment company. The application states that the proposed purchase price would be payable as follows: \$50,000 in cash; \$25,000 in 3 year promissory notes bearing interest at the rate of six percent per year; and a release by American Engraving of Modern Engraving from any and all indebtedness (not to exceed \$25,000) owed to American Engraving by Modern Engraving and a subsidiary.

SECOND CONGRESS STREET FUND FILES EXCHANGE PLAN. Second Congress Street Fund, Inc., 35 Congress St., Boston, filed a registration statement (File 2-21934) with the SEC on December 9 seeking registration of 400,000 shares of capital stock to be offered on an exchange basis to holders of equity securities. Kidder, Peabody & Co. has been named Dealer Manager for soliciting dealers. The basis for the exchange will be one share of the Fund for each \$25 of market value of securities received by the Fund, after deducting from such value subscription fees to be paid to the Dealer Manager and Soliciting Dealers aggregating 4% in single transactions of less than \$100,000, scaled down to 1½% in single transactions of \$1,000,000 or more. The exchange will not be consummated unless securities having an aggregate market value of at least \$10,000,000 are deposited and accepted by the Fund. According to the registration statement, the purpose of the Fund is to offer large holders of equity securities an opportunity to exchange such securities for a diversified investment in the Fund without, in the opinion of counsel, incurring federal capital gains tax liability. Securities which would have to be registered under the Securities Act of 1933 will not be accepted, and the aggregate market value of securities deposited by an investor must be at least \$25,000. The Fund will strive to acquire diversified equity securities, looking toward possible long-term capital growth and income. Edward C. Johnson, 2nd, president and director of the Fund, is also president and a director of Fidelity Management & Research Company, adviser to the Fund.

FRANTZ INDUSTRIES FILES FOR REGISTRATION. Frantz Industries, Inc., Vestal Parkway East, Vestal, N. Y., filed a registration statement (File 2-21933) with the SEC on December 9 seeking registration of 40,000 shares of common stock, to be offered for public sale at \$25 per share. Frantz Industries was organized earlier this year under New York law for the purpose of designing, developing, manufacturing and selling office convenience copying equipment and supplies, particularly in the electrostatic office copying field. The company is said to have developed such a machine and has scheduled the initial production run for March, 1964. The company plans to market its copiers by direct sales through branch offices and selected dealers. Proceeds from the

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proposed sale will be added to the working capital of the company and used for general corporate purposes. If all shares are sold, the company estimates that it will net approximately \$988,000, which will be used partially as follows: \$325,000 for inventory; \$25,000 for production assembly equipment; \$325,000 for leasehold improvements and plant operating capital; about \$25,000 for research purposes; and the balance for working capital. At the present time there are 62,300 shares of common stock outstanding which is owned 100% by officers and directors of the company. Frederick H. Frantz is president and director and promoter of the company.

SEC COMPLAINT NAMES NEW RUFUS ARGENTA MINES. The SEC Seattle Regional Office announced December 5 (LR-2795) the filing of a complaint in Federal court (USDC, Seattle) seeking to enjoin further sales of stock of New Rufus Argenta Mines Ltd. (a British Columbia company) in violation of the Securities Act registration and anti-fraud provisions. Named as defendants along with the issuing company were Samuel A. Liening, Herbert R. Kirby and Wilbur L. McGuire.

COURT ORDER ENJOINS COASTWIDE MOBILE PARKS TRUST, OTHERS. The SEC Denver Regional Office announced December 6 (LR-2796) the entry of a Federal court order (USDC Boise, Idaho) preliminarily enjoining Robert D. Sparrow, Paul White, Coastwide Mobile Parks Real Estate Trust and United Securance Real Estate Investment Trust from violating the Securities Act registration and anti-fraud provisions in the sale of certificates of the two trusts and also common stock of World Wide Mobile City, Inc., and Coastwide Mobile Parks, Inc., and interest certificates in World Wide Mobile City Real Estate Trust.

PAN AMERICAN WORLD AIRWAYS FILES FOR OFFERING. Pan American World Airways, Inc., Pan Am Building, New York City, filed a registration statement (File 2-21935) with the SEC on December 10 seeking registration of \$60,000,000 of convertible subordinated debentures, due 1984, to be offered to stockholders through underwriters headed by Lehman Brothers, One William St., New York. The subscription price (100% of principal amount*) and underwriting terms are to be supplied by amendment. The company proposes to offer the debentures to stockholders of record Jan. 7, 1964, the rate of subscription to be supplied by amendment.

The company is principally engaged in commercial air transport operations in the United States and almost all major areas of the world. Proceeds received from the sale of the debentures would be used for expansion purposes, including (1) the acquisition of Boeing jet aircraft now contracted for and conversion of certain jet aircraft now used in the company's operations, and (2) the acquisition of automated ground handling cargo facilities and of a new electronic data processing and communications and reservations system, and to the extent deemed desirable, for prepayment of loans outstanding under a Credit Agreement. As of November 30, 1963 the company had, in addition to other indebtedness, 6,470,110 shares of capital stock outstanding. Juan T. Trippe is president.

SECURITIES ACT REGISTRATIONS. Effective December 9: Eversharp, Inc. (File 2-21703); Great Lakes Homes, Inc. (File 2-21737); Paul Hardeman, Inc. (File 2-21857); Maremont Corp. (File 2-21672); Standard & Poor's Corp. (File 2-21743); Xerox Corp. (File 2-21865).
Effective December 10: Allen Electric and Equipment Co. (File 2-21740); Allright Auto Parks, Inc. (File 2-21729); Bergen Drug Co., Inc. (File 2-21827).

*As estimated for purposes of computing the registration fee.

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