

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



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

Washington, D.C. 20549

(In ordering full text of Releases from Publications Unit, cite number)

(Issue No. 65-8-21)

FOR RELEASE August 31, 1965

IMPERIAL FINANCIAL DECISION ANNOUNCED. The SEC today announced its findings (Release 34-7684) in support of prior action involving the broker-dealer firm of Imperial Financial Services, Inc. ("IFS"), of Minneapolis. IFS serves as underwriter for and investment adviser to two mutual fund companies, Imperial Fund, Inc. ("Imperial"), and Imperial Capital Fund, Inc. ("Capital"). In January 1964, pursuant to an offer of settlement made by IFS and three former officials (Albert M. Sheldon, Jr., John H. Sarles, Jr., and Robert L. Foster), the Commission by order (Release 34-7204) found that IFS and the three individuals had violated provisions of Federal securities laws in the offering and sale of shares of the two Funds. However, it was concluded that the circumstances did not require revocation of the IFS registration or its suspension or expulsion from the NASD. The three individuals had resigned their positions with IFS and the two Funds, and new management officials had been installed to replace them. Sheldon had also agreed to dispose of his voting stock in IFS.

In its decision supplementing the 1964 order, the Commission ruled that IFS caused the filing of and used prospectuses in the sale of Imperial shares which were materially misleading. Among the misleading statements were laudatory representations about the quality and size of the staff of, and the research methods used by, IFS in the performance of its advisory services to Imperial. There was also a failure to disclose that unaffiliated directors of Imperial were not informed of material transactions, which caused the prospectuses to be misleading in view of the inherent implication that affiliated directors are discharging their responsibilities and that investors are being accorded benefits of responsible and objective observation and consideration of the issuer's activities by the unaffiliated directors.

Moreover, according to the Commission's decision, the prospectuses failed to disclose that Imperial and its affiliates (including some of its directors and officers and those of IFS, its adviser), participated in transactions with affiliated persons in violation of Section 17 of the Investment Company Act, and that Imperial transferred a substantial portion of its assets to a closed-end investment company, in consideration for which the latter issued its shares to Imperial shareholders, without the requisite approval of shareholders under Section 13(a)(1) of that Act.

PENNSYLVANIA ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15297) authorizing it to sell at competitive bidding \$20,000,000 of debentures, due 1990. The application states that the proceeds from the debenture sale will be used to reimburse the company's treasury, in part, for the cost of construction prior to January 1, 1965. Out of its treasury funds as thus reimbursed, the company will pay its short-term notes to banks then outstanding and will finance (in part) its 1965 construction program, estimated at \$32,500,000.

CONSOLIDATED NATURAL GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-15298) authorizing it to sell at competitive bidding \$25,000,000 of debentures due 1990. According to the application, the company will use \$15,000,000 of the proceeds therefrom to repay a bank loan incurred for construction purposes, and \$10,000,000 to finance (in part) the 1965 construction program of its subsidiaries, estimated at \$70,300,000.

PANORAMA CITY FILES FOR OFFERING. Panorama City, Incorporated, 1506 Sleater-Kinney Rd., Olympia, Wash., filed a registration statement (File 2-23976) with the SEC on August 30 seeking registration of 400,000 shares of common stock, to be offered for public sale at \$20 per share through company officials.

Organized under Washington law in December 1964, the company (formerly Arbutus Building Co., Inc.) is engaged in the acquisition and development of real estate. Through mergers it has acquired the assets of Puget Development, Inc. (organized in 1956), Panorama City, Inc. (organized in 1963), and Lacey Village, Inc. (organized in 1962), all Washington corporations. The company is presently constructing and developing a retirement community known as Panorama City and a shopping center known as Lacey Village Shopping Center, both located in the Lacey area, Olympia, Wash. The shopping center is in full operation and an expansion is presently under construction. The retirement community is in operation and at present has approximately 150 residents. The company anticipates that once the retirement community has been completely constructed, it will have a population of approximately 2,000 persons. Net proceeds from its stock sale will be used primarily to achieve completion of the construction and development involved in its present program, the total cost being estimated at \$14,000,000. The company has outstanding 199,572 common shares, of which management officials own 54.8% (including 40.5% owned by Morris J. Loveless, president). Loveless and two other individuals were the original promoters of Puget Development Company and acquired their present holdings in the company through mergers and purchases (in the case of purchases all stock was acquired at a cost of \$10 per share).

JERSEY CENTRAL P&L PROPOSES BOND OFFERING. Jersey Central Power & Light Company, Madison Ave. at Punch Bowl Rd., Morristown, N. J., filed a registration statement (File 2-23977) with the SEC on August 30 seeking registration of \$20,000,000 of first mortgage bonds (due 1995), to be offered for public sale at competitive bidding. The company will use the proceeds from the bond sale to reimburse its treasury for construction costs (including payment of \$20,000,000 of short-term bank loans incurred or to be incurred in 1965). The company's construction program for 1965 is estimated to cost \$56,000,000.

OVER

CORMAC CHEMICAL ENJOINED. The SEC today announced (LR-3307) the entry of a Federal court order (USDC, Conn.) permanently enjoining Cormac Chemical Corporation and William W. Bonnell from further violations of the reporting requirements of the Securities Exchange Act, and requiring the filing of annual and other periodic reports.

CITIZENS & SOUTHERN HOLDING RECEIVES ORDER. The SEC has issued an order under the Securities Exchange Act granting an application of The Citizens and Southern Holding Company (Holding Company), Atlanta, Ga., for exemption from the registration provisions of Section 12(g) of the Act. The granting of such request will have the additional effect of providing an exemption from the periodic reporting requirements of Section 13 of the Act, as well as an exemption from the proxy and "insider trading" provisions of Section 14 and 16, respectively.

According to the application, the Holding Company was organized in 1928 by The Citizens and Southern National Bank, of Atlanta. Until May 26, 1965, the Holding Company's outstanding stock, represented by one certificate, was held by the Bank as trustee for its shareholders (the beneficial owners); and the transfer of Bank stock was treated as the transfer of the beneficial interest of the holder of Bank stock in the stock of the Holding Company. As of May 26, 1965, with the approval of the holders of 2,864,486 (86.802%) of the Bank's outstanding stock, the beneficial interest in the Holding Company stock, as well as the legal and equitable title thereto, was transferred to the Bank. Under Section 12(i) of the Act, the Comptroller of the Currency is vested with the enforcement powers granted the Commission under Sections 12, 13, 14(a) and (c) and 16 of the Act as to the Bank. Beginning with the year 1966, Section 12(g) will not apply to the Holding Company.

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 (please give News Digest's "Issue No." in ordering). Invoice will be included with the requested material when mailed. An index of the caption of the several items of the form was included in the August 3 News Digest.

Gordon Jewelry Corp July 65 (9,13)	1-4540-2	Brunswick Corp July 65 (4,13)	1-1043-2
Mtn States Tel & Tel Co		GTI Corp July 65 (12)	1-4289-2
July 65 (7)	1-3040-2	Metalfab Inc July 65 (1)	2-19223-2
Silver Creek Precision Corp		Nati Genl Corp July 65 (3,12,13)	1-3675-2
July 65 (11,13)	0-1457-2	Walter Kidde & Co Inc	
Cal Interstate Tel Co July 65 (1)	0-1245-2	July 65 (7,10)	1-3226-2
Tom Huston Peanut Co July 65 (8,9)	0-359-2	Shinn Industries Inc July 65	
Management Assistance Inc		(4,7,8,13)	2-17338-2
July 65 (7)	2-21532-2	Advance Mortgage Corp July 65(11,13)	2-20305-2
Monsanto Co July 65 (7,13)	1-2516-2	W H Nicholson & Co July 65(11,13)	2-12205-2
Gatineau Power Co July 65 (4)	1-3012-2	Donnkenny Inc May 65 (11,13)	2-19809-2
Kewanee Oil Co July 65 (2)	0-755-2	Marsh Supermarkets Inc July 65(8)	0-1532-2
Central Tel Co July 65 (7,13)	0-751-2	Niagara Frontier Transit Sys Inc	
Middle States Tel Co of Ill		July 65 (12,13)	0-835-2
July 65 (7)	0-750-2	Rusco Industries Inc July 65	
Bonanza Airlines Inc July 65(3,13)	1-5100-2	(4,12,13)	1-3805-2
N J Life Ins Co July 65 (4,7,9,13)	2-22069-2	Hart-Carter Co July 65 (12)	0-704-2
Old Town Corp July 65 (13)	1-3601-2	Phila Suburban Water Co	
		July 65 (11,13)	0-952-2

SECURITIES ACT REGISTRATIONS. Effective August 30: The Mead Corp., 2-23874 (Oct 10); Vornado, Inc., 2-23810 (40 days). Effective August 31: ACF Industries, Inc., 2-23912; Alabama Power Co., 2-23924 (Oct 20); Amphenol Corp., 2-23816; E. R. Moore Co., 2-23919 (Oct 10); Oklahoma Natural Gas Co., 2-23754; Pennsylvania Electric Co., 2-23831.

NOTE TO DEALERS. The last date or 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.