

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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COMMISSION ANNOUNCEMENTS

COMMISSION AMENDS RULES ON TYPE SIZE. The SEC has adopted certain amendments to its Rules providing among other things, that notes to financial statements and other tabular data shall be set forth in 10-point type, which is the size of type prescribed for the body of prospectuses, proxy statements and other documents filed with the Commission or sent to security holders. The amendments leave unchanged the provision that financial statements and other tabular data, including tabular data in notes, may be set forth in 8-point type. The amended rules also require that printed material filed with the Commission or sent to security holders pursuant to the Commission's rules must be in type at least as large and as legible as roman (not italic), modern type of the size specified. Thus the rules do not specify a particular type face so long as the one used meets the standards set forth in the rules. This enables issuers to choose from a variety of type faces in deciding which one to use for a particular type of document. (Release 33-5145)

SECO ASSESSMENTS ESTABLISHED FOR FISCAL 71. On April 2, 1971, the Commission proposed the adoption of Form SECO-4-71 to set annual assessments for the fiscal year 1971 payable by registered broker-dealers who are not members of the National Association of Securities Dealers, Inc. (nonmember broker-dealers). Release 34-9131 proposed that the assessments prescribed by Form SECO-4-71 would become due on June 1, 1971. Accordingly, the Commission has adopted Form SECO-4-71. The charges set forth in the Form are due and payable on June 1 and are the same as those of last year except that the assessment ceiling has been increased from \$25,000 to \$50,000. Rule 15b9-2(d) under the Securities Exchange Act of 1934 provides that the annual assessments will be set each year in the Form SECO-4 for that particular year. A copy of Form SECO-4-71 will be forwarded to most nonmember broker-dealers and copies of the form as adopted have been filed with the Office of the Federal Register. (Release 34-9160)

PRIVATE NONINSURED PENSION FUNDS DECLINE IN GROWTH. Total assets of private noninsured pension funds amounted to \$95.8 billion (book value) at the end of 1970, according to preliminary estimates released today by the SEC. This represents a growth in total assets of \$5.3 billion for the year, versus \$7.5 billion in 1969. While the growth in pension fund assets was still substantial, the rate of increase slowed in both 1969 and 1970 from the higher growth rates of earlier years, which averaged 12 percent from 1960 through 1968. Data on private noninsured pension funds include funds of corporations, nonprofit institutions, and unions and multiemployer groups. Also included by definition are profit sharing plans involving retirement benefits, but not health, welfare, or other employee benefit plans. (For further details, see Stat. Release No. 2516).

FEDERAL HOME LOAN MORTGAGE CORP. The SEC has announced that securitized guaranteed by the Federal Home Loan Mortgage Corporation have been designated exempted securities under the Securities Exchange Act of 1934 by the Secretary of the Treasury which action had been previously announced in the Federal Register for March 25, 1971. (Release 34-9146)

DECISION IN ADMINISTRATIVE PROCEEDING

J. R. PARKER & CO, REGISTRATION WITHDRAWN, PARKER CENSURED. The Commission today ordered that the registration as a broker and dealer of James Robert Parker, doing business as J. R. Parker & Co., of Norfolk, Va., be permitted to be withdrawn and that Parker be censured and may not become a registered broker or dealer or a proprietor thereof without prior written approval of the Commission. According to the Commission's decision, the registrant violated the financial reporting provisions of the Federal securities laws, in that he failed to file with the Commission a report of financial condition for the calendar years 1968 and 1969. Parker submitted an offer of settlement in which he admitted the accuracy of the allegations and consented to Commission findings of willful violations and to the sanctions as imposed. (Release 34-9159)

COURT ENFORCEMENT ACTIONS

COMPLAINT CITES GRAHAM STUART CO. The SEC today announced the filing of a complaint in Federal court in Washington seeking an order directing Graham Stuart Corporation to file certain delinquent reports and an amendment to its registration statement, and prohibiting it from further violating the reporting requirements of the Securities Exchange Act of 1934. According to the Commission's complaint, financial statements filed with Graham's Form 10 application for a stock registration filed in December 1969 were not certified as required and that other required information was missing and that Graham failed to file other forms as required. (LR-4992)

OVER

TWELVE ENJOINED IN SELECT ENTERPRISES CASE. The SEC New York Regional Office has announced that the following have been permanently enjoined from violating the Federal Securities laws in transactions involving the common stock of Select Enterprises, Inc.: Emerson Titlow, Martin Ciment d/b/a Crown Trading Co., Hoyt W. L. Brinlee, Alan I. Segal, Select Enterprises, Inc., Joe T. Boyd, Jim Joiner, M. S. Knisely, William C. Chapel, William Wayne Barnett, Howard Brookshire, Glen Dial. Defendants Select, Boyd, Joiner, Knisely, Segal, Titlow and Crown were enjoined from further violations of the anti-fraud and registration provisions of the Federal securities laws. Brinlee, Chapel, Barnett and Dial were enjoined from further violations of the anti-fraud provisions and Brookshire was enjoined from further violations of the registration provisions. Defendants Titlow, Crown, Brinlee and Segal consented to the entry of the injunctions without admitting or denying the allegations of the Commission's complaint. The other defendants were enjoined on default. (LR-4993)

ASH AND HAWKINS ENJOINED. The Chicago SEC Regional Office has announced that on April 16, the Federal court in Cincinnati permanently enjoined Harrison Oliver Ash, Jr., and Stanley G. Hawkins from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Pauplic Gold Mines Ltd. The defendants consented to the entry of the injunction. (LR-4994)

HOLDING COMPANY ACT RELEASE

GENERAL PUBLIC UTILITIES. The SEC has issued an order under the Holding Company Act authorizing General Public Utilities Corporation to transfer its 58 officers and employees and those 240 of its subsidiaries who are performing system-wide functions to Service Corp., a new corporation, created to perform management, planning, engineering, coordinating, administrative and operating services for the subsidiaries. Service Corp. is authorized to issue and sell from time to time for a five-year period 5,000 shares of common stock to the parent for \$50,000, and to issue and sell from time to time long-term unsecured notes (not to exceed \$5 million at any one time). Net proceeds will be used to finance requirements of Service Corp. (Release 35-17112)

SECURITIES ACT REGISTRATIONS

PACIFIC SILVER FILES FOR OFFERING AND SECONDARY. Pacific Silver Corporation, 1320 Ala Moana Bldg., 1441 Kapiolani Blvd., Honolulu, Hawaii 96814, filed a registration statement with the SEC on April 23 seeking registration of 414,500 shares of common stock, to be offered for public sale (**at \$4 per share maximum). The underwriter is to be specified later.

The company has joint equal participating interests in two mining properties with Silver King Mines, Inc. and owns 267,730 of the 1,858,181 outstanding common shares of Silver King. Net proceeds of its stock sale will be used for working capital and other corporate purposes. The company has outstanding 1,086,825 common shares, of which K. L. Stocker, president, owns 20.45% and Silver King 9.15%. Silver King proposes to sell 100,000 of 146,000 shares held and 16 others the remaining shares being registered. (File 2-40157)

***FLORIDA TILE INDUSTRIES FILES FOR OFFERING AND SECONDARY.** Florida Tile Industries, Inc., 608 Prospect St., Lakeland, Fla. 33830, filed a registration statement with the SEC on April 23 seeking registration of 380,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 80,000 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$22 per share maximum) through underwriters headed by Johnson, Lane, Space, Smith & Co., Inc., 1000 Commerce Bldg., Atlanta, Ga. 30303.

The company is engaged in manufacturing and selling glazed ceramic wall tile and tufted carpet. Net proceeds will be applied to the reduction of current bank loans, used primarily to finance carpet inventories and accounts receivables, and the balance will be used for other corporate purposes. (File 2-40160)

***FAB INDUSTRIES FILES FOR SECONDARY.** Fab Industries, Inc., 200 Madison Ave., New York 10016, filed a registration statement with the SEC on April 23 seeking registration of 380,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (**at \$27 per share maximum) through underwriters headed by Bear, Stearns & Co., One Wall St., New York 10005.

The company is engaged in the knitting, dyeing, finishing, converting, laminating and bonding of tricot and raschel warp knit fabrics, circular double and single knits, novelty knits and laces. In addition to indebtedness, it has outstanding 2,139,309 common shares, of which Samson Bitensky, board chairman and president, owns 27.9% and Bankers Life and Casualty Company 29.4%. Bitensky proposes to sell 165,000 shares, Bankers Life 135,385 and six others the remaining shares being registered. (File 2-40161)

CONSTRUCTION VENTURES PROPOSES OFFERING. Construction Ventures Corporation, 2415 S. Manchester Ave., Anaheim, Calif. 92802, filed a registration statement with the SEC on April 22 seeking registration of 200,000 shares of common stock, and 400,000 common stock purchase warrants, to be offered for public sale in units, each consisting of one share and two warrants, and at \$1.75 per unit minimum to \$6.75 per unit maximum.

The company was organized in January for the purpose of acquiring, improving and subdividing tracts of land for development into planned recreation-oriented residential communities. To date, the company has not conducted any operations. Of the net proceeds of its offering, \$202,218 will be used for construction projects and the balance for working capital and other corporate purposes. The company has outstanding 250,000 common shares (with a 10¢ per share net tangible book value), of which Theodore L. Aroney, board chairman and president, owns 60%. Purchasers of the shares being registered will sustain an immediate dilution of 49¢ in per share book value from the offering price. (File 2-40162)

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:

G. D. Searle & Co., Chicago, Ill. (File 2-40159) - 150,000 shares
Delta Air Lines, Inc., Atlanta, Ga. (File 2-40167) - 95,128 shares

CONTINUED

MICHIGAN BOND FUND PROPOSES OFFERING. First of Michigan Corporation, Buhl Bldg., Detroit, Michigan 48226, filed a registration statement with the SEC on April 23 seeking registration of \$6,300,000 of units of Michigan Tax Exempt Bond Fund, Sixth Series. The Fund was created by a trust agreement under which First of Michigan Corporation acts as Sponsor, United States Trust Company of New York acts as Trustee and Standard & Poor's Corporation acts as Evaluator. The objective of the Fund is to earn interest from a diversified tax exempt bond portfolio of interest-bearing obligations, rated "BBB" or better by Standard & Poor's Corporation or "Baa" by Moody's Investors Services, issued by or on behalf of the State of Michigan and counties and municipalities therein and authorities and political subdivisions thereof, including school districts, universities and community colleges, which interest is in the opinion of counsel exempt from certain Michigan taxes and all Federal income tax under existing law. (File 2-40164)

ANSTAT TO SELL STOCK. Anstat, Inc., 605 Third Ave., New York, N. Y. 10016, filed a registration statement with the SEC on April 23 seeking registration of 160,000 shares of common stock, to be offered for public sale (** at \$9 per share maximum). The offering is to be made through underwriters headed by Agio Capital Corporation, Two Broadway, New York 10004.

Organized in January 1970, the company is principally engaged in offering packaged real-time data processing services, primarily for application in the distribution and manufacturing industries. Net proceeds of its stock sale will be used for program modifications, rental of computer equipment and other corporate purposes. The company has outstanding 515,667 common shares (with a \$1.17 per share consolidated net tangible book value), of which Leon Weisburgh, president and board chairman, owns 48.5%. (File 2-40165)

CROCKER NATIONAL TO SELL DEBENTURES. Crocker National Corporation, 1 Montgomery St., San Francisco, Calif. 94120, filed a registration statement with the SEC on April 26 seeking registration of \$60 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., New York 10004, and Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, 94106.

The company is a bank holding company. Net proceeds of its debenture sale will be made available to its subsidiaries, principally its banking subsidiary, either by way of subordinated loans or capital contributions or a combination thereof, for use in the operation of their respective businesses. In addition to indebtedness, the company has outstanding 10,460,725 common shares. Emmett G. Solomon is board chairman and Leslie C. Peacock is president. (File 2-40168)

***IOWA ELECTRIC PROPOSES OFFERINGS.** Iowa Electric Light and Power Company, Security Bldg., Cedar Rapids, Iowa 52401, filed a registration statement with the SEC on April 26 seeking registration of 100,000 shares of cumulative preference stock (\$100 par), to be offered for public sale at competitive bidding. Also included in this statement are 710,000 shares of common stock, to be offered for subscription by common stockholders of record June 1, at the rate of one new share for each five shares held (**and at \$20 per share maximum). Any unsubscribed shares are to be offered for public sale at competitive bidding. Net proceeds of its stock sale will be applied to the company's 1971 construction program and to the retirement of short-term bank notes (estimated to aggregate \$16 million at the receipt of such proceeds), issued for 1971 construction expenditures. Construction expenditures are estimated at \$60,100,000 and \$48,600,000 for 1972. (File 2-40169)

AMERICAN NUCLEONICS SHARES IN REGISTRATION. American Nucleonics Corporation, 6036 Variel Ave., Woodland Hills, Calif. 91364, filed a registration statement with the SEC on April 26 seeking registration of 90,000 shares of common stock, owned by Riverside Financial Corporation (which were acquired in exchange for 75% of the outstanding shares of Astro Optics Laboratory, Inc.). Riverside proposes to distribute the American Nucleonics shares to holders of Riverside common stock as a dividend.

American Nucleonics is engaged primarily in the research, design, manufacture and sale of electronic communication and related systems. It has outstanding 1,100,000 common shares. (File 2-40170)

FAS INTERNATIONAL SHARES IN REGISTRATION. FAS International, Inc., 437 Madison Ave., New York, N. Y. 10022, filed a registration statement with the SEC on April 26 seeking registration of 40,000 shares of common stock. Such shares represent the maximum number of shares to be issued by FAS for the purpose of making payment upon two notes aggregating \$199,000 principal amount, that were issued on April 30, 1970, to Computer Tutors Corporation ("CTC"). Such notes are payable in shares of common stock at the option of FAS. The shares may be offered for sale from time to time by the assignee of CTC at prices current at the time of sale. (File 2-40171)

MISCELLANEOUS

TRADING BAN CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period May 1-10, 1971, inclusive.

SECURITIES ACT REGISTRATIONS. Effective April 27: D. L. Saslow Co., Inc., 2-39600 (90 days). **Effective April 29:** American Hospital Supply Corp., 2-39699; Apache Corp., 2-38995 & 2-38996; The Armstrong Rubber Co., 2-39565; Atlantic City Electric Co., 2-39611; Brockton Taunton Gas Co., 2-39532; Cities Service Co., 2-40040; Colgate-Palmolive Co., 2-39728; Dillingham Corp., 2-39892; Evans Products Co., 2-40135; Ford Motor Co., 2-40081, 2-40082, 2-40083 & 2-40084; Health-Tex, Inc., 2-39870 (90 days); Holiday Inns, Inc., 2-40025 & 2-40114; Houston Natural Gas Co., 2-40163; Investors Realty Trust, 2-36143 (90 days); Leisure Lodges, Inc., 2-40100; Mervyn's, 2-39698 (90 days); Mississippi River Transmission Corp., 2-39970; Pennsylvania Engineering Corp., 2-37787 (40 days); Petrie Stores Corp., 2-39761; Simmons Co., 2-39907; Springer Corp., 2-38457 (90 days); Topper Corp., 2-39801; Wagner Mining Equipment, Inc., 2-39479.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.

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