

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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NEW RULES AND RULE PROPOSALS

PROPOSED AMENDMENT RELATED TO REG S-X, FORMS 10 and 10-K FINANCIAL STATEMENTS. The Commission released today a proposal to amend Regulation S-X and Forms 10 and 10-K in a manner which would provide that financial statements of banks and life insurance companies filed with the Commission must be certified. The Commission's opinion that it is time for the removal of the exemption from certification of financial statements of these companies is supported by recent practice since many of these companies are currently furnishing their shareholders with financial statements on which accountants have rendered unqualified opinions. (Release 33-5149)

COMMISSION AMENDS TIME REQUIREMENTS. To avoid unnecessary hardship on counsel in proceedings before the Commission, the Commission has amended its Rules of Procedure effective today to provide that when time periods prescribed or allowed therein are seven days or less, intermediate Saturdays, Sundays, or legal holidays shall not be counted.

Rule 5 of the Commission's rules is therefore amended to read as follows:

Business Hours.

The principal office of the Commission, at 500 North Capitol Street, Washington, D. C. 20549, is open each day, except Saturdays, Sundays, and legal holidays, from 9 a.m. to 5:30 p.m., eastern standard time or eastern daylight-saving time, whichever is currently in effect in Washington. Legal holidays consist of New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day, and any other day appointed as a holiday in the District of Columbia by the President or the Congress of the United States.

Rule 22(j) is amended to read as follows:

Computation of Time.

In computing any period of time prescribed or allowed by these rules or by order of the Commission the day of the act, event, or default from which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included unless it is a Saturday, a Sunday, or a legal holiday (as defined in Rule 5) in which event the period runs until the end of the next day which is neither a Saturday, a Sunday nor a legal holiday. Intermediate Saturdays, Sundays and legal holidays shall be excluded from the computation when the period of time prescribed or allowed is seven days or less. (Release 33-5150)

DECISION IN ADMINISTRATIVE PROCEEDING

SEC ISSUES RULING RE NATIONAL ASSOC. OF SMALL BUSINESS INV. COMPANIES. The Commission denied the application of the National Association of Small Business Investment Companies an association of Small Business Investment Companies, licensed by the Small Business Administration for exemption from certain provisions of the Investment Company Act concerning dealings by an affiliated person. It conditionally exempted such SBIC's from the statutory restrictions respecting the issuance of stock options so as to permit the issuance under the Internal Revenue Code to officers and employees of options that are "qualified" subject to the adoption of SBA regulations satisfactory to the Commission, imposing appropriate limitations on option plans.

In granting a conditional limited exemption to permit the issuance of "qualified" stock options, the Commission noted that such options are today extensively employed as an element in management compensation and saw no basis in the record for disagreeing with the SBA's view that the ability to issue such options would assist in alleviating SBIC personnel problems. (Release IC-6523)

COURT ENFORCEMENT ACTION

A. T. LOVE ASSOCIATES, BARAK RESTRAINED. The SEC Washington Regional Office announced on May 12 that the Federal court in Philadelphia issued an order restraining Andrew T. Love Associates, Inc., a Pennsylvania broker-dealer and its president David A. Barak from violating the net capital and anti-fraud provisions of the Federal securities laws. The defendants without admitting or denying the allegations in the complaint consented to the entry of the order. (Release LR-5004)

HOLDING COMPANY ACT RELEASES

COLUMBIA HYDROCARBON CORP./COLUMBIA GAS SYSTEM. The Commission has issued an order giving interested persons until June 7 to request a hearing on the application of Columbia Gas System, Inc., and its wholly-owned subsidiary, Columbia Hydrocarbon Corporation for the latter to acquire, for cancellation, 110,000 shares of its common stock \$25 par value from Columbia in consideration of the issuance of Hydrocarbon of \$600,000

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of 8.4 Installment Promissory Notes to Columbia and a cash payment of \$2,150,000. It is stated that the proposed transaction will bring Hydrocarbon's capital ratio in line with the capital ratios of the Columbia System, eliminate excess cash not required by Hydrocarbon in future years, and decrease Hydrocarbon's share of System Federal income taxes.1/(Release 35-17128)

WEST PENN POWER CO. The Commission has issued an order giving interested persons until June 10 to request a hearing on application of West Penn Power Company to sell at competitive bidding, \$40 million of first mortgage bonds, due 2001, and 100,000 shares of preferred stock, Series G, par value \$100, and to increase the authorized number of shares of its preferred stock from 647,077 to 747,077. The net proceeds from the sale of the bonds and preferred will be used to finance, in part, the construction program of West Penn and subsidiary companies including payment of \$45,500,000 of short-term notes incurred therefor. Construction expenditures are estimated at \$91,000,000 for 1971.1/ (Release 35-17132)

SECURITIES ACT REGISTRATIONS

*U. S. INDUSTRIES SHARES IN REGISTRATION. U. S. Industries, Inc., 250 Park Ave., New York 10017, filed a registration statement with the SEC on May 7 seeking registration of 3,500,000 shares of common stock. These shares may be issued upon conversion of certain series of special preference stock or upon exercise of common stock purchase warrants. Such shares include shares which have been or may be issued in mergers or in exchange for the business and assets or shares of capital stock of other companies. They may be offered for sale from time to time by the recipients thereof at prices current at the time of sale (**\$25 per share maximum). (File 2-40345)

EVERGREEN FUND PROPOSES OFFERING. The Evergreen Fund, Inc., 600 Mamaroneck Ave., Harrison, N. Y. 10528, filed a registration statement with the SEC on May 10 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share). The Fund is an open-end diversified management investment company, whose investment objective is long-term capital appreciation. Saxon Woods Asset Management Corp., wholly-owned by Lieber & Company, is investment adviser. Stephen A. Lieber is president of the Fund and a general partner of Lieber & Company. (File 2-40357)

*BRISTOL MYERS SHARES IN REGISTRATION. Bristol-Myers Company, 345 Park Ave., New York 10022, filed a registration statement with the SEC on May 10 seeking registration of 209,387 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (**\$67 per share maximum). (File 2-40358)

GAC INCOME FUND PROPOSES OFFERING. GAC Income Fund Inc., 1040 Bayview Dr., Fort Lauderdale, Fla. 33304, filed a registration statement with the SEC on May 10 seeking registration of 250,000 shares of common stock, to be offered for public sale at net asset value (**\$10 per share maximum) with a sales charge of 1-1/2%. The Fund is a mutual fund whose primary objective is to provide income to its shareholders. GAC Research and Management Inc. is the investment adviser and GAC Securities Inc. distributor of Fund shares. Roger N. Willoughby is president of the Fund, the investment adviser and the distributor. (File 2-40359)

DHJ INDUSTRIES SHARES IN REGISTRATION. DHJ Industries Inc., 16 East 34th St., New York 10016, filed a registration statement with the SEC on May 10 seeking registration of 71,000 outstanding shares of common stock, issued in connection with the company's acquisition of all the assets of Ouachita Industries, Inc. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (**\$30.25 per share maximum). The company is principally engaged in supplying specialized products and technical services to the apparel industry. (File 2-40360)

MULTIPHASIC SYSTEMS TO SELL STOCK. Multiphasic Systems, Inc., 1401 DeKalb St., Norristown, Pa. 19401, filed a registration statement with the SEC on May 10 seeking registration of 320,000 shares of common stock and 320,000 common stock purchase warrants (each to purchase 1/2 share), to be offered for public sale in units, each consisting of one share and one warrant and at \$4 per unit. The offering is to be made through underwriters headed by Delphi Capital Corporation, 1700 Market St., Philadelphia, Pa. 19102.

Organized in March 1968, the company is engaged in theoretical research programs for government agencies and industry. Of the net proceeds of its stock sale, \$500,000 will be made available to its subsidiary, Medical Diagnostic Centers, Inc., for the establishment of satellite screening centers in the Philadelphia area and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 580,195 common shares, of which Arthur Sherman, president, owns 17% and management officials as a group 48%. Purchasers of the shares being registered will sustain an immediate dilution of \$2.73 in per share book value from the offering price. (File 2-40561)

BIG V SUPERMARKETS FILES FOR OFFERING AND SECONDARY. Big V Supermarkets, Inc., 176 N. Main St., Florida, N. Y. 10921, filed a registration statement with the SEC on May 11 seeking registration of 325,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 125,000 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$11 per share maximum) through underwriters headed by Bear, Stearns & Co., One Wall St., New York 10005.

The company operates a chain of ten supermarkets. Net proceeds of its stock sale will be used to finance in part the construction and equipping of four new stores. In addition to indebtedness, the company has outstanding 800,000 common shares, of which William Rosenberg, board chairman, owns 69%, and A. Richard Rosenberg, president, 16%. They propose to sell 107,500 and 15,000 shares, respectively, and one other the remaining shares being registered. (File 2-40363)

CONSOLIDATED INTERNATIONAL PROPOSES OFFERING. Consolidated International, Inc., 2020 Corvair Ave., Columbus, Ohio 43216, filed a registration statement with the SEC on May 11 seeking registration of 75,000 shares of common stock and \$750,000 of sinking fund debentures, due 1986, to be offered for public sale (**at \$7.50 per share maximum) through The Ohio Company, 51 N. High St., Columbus, Ohio 43215.

The company is engaged in the distribution of automotive replacement parts and automotive accessories and equipment. Of the net proceeds of its financing, \$500,000 will be used to retire bank notes incurred primarily to provide interim financing for increased working capital and furniture and equipment, and the balance will be used for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 100,000 common shares, of which Sol A. Shenk, president, owns 25% and management officials as a group 66%. (File 2-40364)

ITEL CORP. TO SELL DEBENTURES. ITEL Corporation, One Embarcadero Center, San Francisco, Calif. 94111, filed a registration statement with the SEC on May 11 seeking registration of \$30 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., and duPont Glore Forgan Staats, Inc., Bank of America Center, both of San Francisco.

The company is engaged in the manufacture and sale or lease of computer, computer peripheral and data handling equipment and in providing data processing services and arranging transportation leases. Net proceeds of its debenture sale will be used to prepay borrowings and for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 7,121,459 common shares, of which Fireman's Fund Insurance Company owns 27%. Fred H. Merrill is board chairman and Peter S. Redfield president. (File 2-40365)

EQUITEX RESOURCES PROPOSES OFFERING. Equitex Resources Corporation (a wholly-owned subsidiary of Equity Funding Corporation of America ("EFCA")), 1900 Avenue of the Stars, Los Angeles, Calif. 90067, filed a registration statement with the SEC on May 11 seeking registration of 400,000 shares of common stock with non-detachable conditional rights to exchange shares for common stock of EFCA, cash or a combination thereof, having a value of \$40, to be offered for public sale at \$20 per share. The offering is to be made through underwriters headed by New York Securities Co. Inc., One New York Plaza, New York 10004.

The company owns with unaffiliated oil and gas companies interests in concession or license agreements granting oil and gas exploration and development rights. Net proceeds of its stock sale will be used to repay indebtedness to EFCA (\$1 million), to defray 1971 and 1972 expenses (\$3 million each year) and for working capital and other corporate purposes. The company has outstanding 1,760,000 common shares. Stanley Goldblum is board chairman and Dov Amir president. (File 2-40367)

***PHILADELPHIA ELECTRIC TO SELL STOCK.** Philadelphia Electric Company, 1000 Chestnut St., Philadelphia, Pa. 19105, filed a registration statement with the SEC on May 11 seeking registration of 2,500,000 shares of common stock, to be offered for public sale (** at \$23.625 per share maximum). The offering is to be made through underwriters headed by Drexel Firestone Inc., 1500 Walnut St., Philadelphia, and The First Boston Corporation, 20 Exchange Place, New York 10005. Net proceeds of its stock sale will be used to provide part of the permanent financing of the company's construction and expansion program. Construction expenditures are estimated at \$352 million in 1970 and \$424 million in 1971. (File 2-40368)

AMERICAN FLETCHER MORTGAGE INVESTORS SHARES IN REGISTRATION. American Fletcher Mortgage Investors, 225 Franklin St., Boston, Mass. 02110, filed a registration statement with the SEC on May 11 seeking registration of 40,000 outstanding warrants to purchase 40,000 shares of beneficial interest. These warrants were issued to American Fletcher Corporation in connection with the original organization of the Trust and may be offered for sale from time to time by American Fletcher Corp. at prices current at the time of sale. (File 2-40369)

***ATLANTA GAS LIGHT PROPOSES OFFERING.** Atlanta Gas Light Company, 235 Peachtree St., N. E., Atlanta, Ga. 30302, filed a registration statement with the SEC on May 11 seeking registration of \$15 million of first mortgage bonds, and 80,000 shares of \$100 par cumulative preferred stock, to be offered for public sale through underwriters headed by Stone & Webster Securities Corporation, 90 Broad St., New York 10004. Net proceeds of the company's financing will be used to retire short-term notes expected to approximate \$17,450,000, incurred or to be incurred primarily to finance construction; to retire 4% debentures due August 1971 in the aggregate principal amount of \$2,695,000; and for other corporate purposes. (File 2-40370)

***GILBERT FLEXI-VAN TO SELL STOCK.** Gilbert Flexi-Van Corporation, 330 Madison Ave., New York 10017, filed a registration of 710,000 shares of common stock, to be offered for public sale (** at \$30 per share maximum). The offering is to be made through underwriters headed by Dean Witter & Co. Inc., 14 Wall St., New York 10005.

The company is engaged in the leasing of containers, tractors and trailers and other equipment for the inter-modal transportation of freight. Of the net proceeds of its stock sale, \$10.8 million will be used to retire short-term bank debt as it becomes due and the balance for working capital and other corporate purposes. (File 2-40371)

VALERON CORP. SHARES IN REGISTRATION. The Valeron Corporation, 13721 W. 11 Mile Rd., Oak Park, Mich. 48237, filed a registration statement with the SEC on May 10 seeking registration of 150,000 shares of common stock, to be offered pursuant to the company's Employees Stock Purchase Plan. (File 2-40374)

J&S DEVELOPMENT TO SELL STOCK. J&S Development Corp., 44-883 King St., Indio, Calif. 92201, filed a registration statement with the SEC on May 12 seeking registration of 300,000 shares of capital stock, to be offered for public sale (** at \$11 per share maximum). The offering is to be made through underwriters headed by McKinney, Rose & Company, Inc., Mercantile Bank Bldg., Dallas, Tex. 75201.

The company was organized in December 1970 for the purpose of engaging in various phases of the residential building and construction industry. Of the net proceeds of its stock sale, some \$900,000 will be used in connection with the construction of multi-unit dwellings and the balance for working capital or other corporate purposes. The company has outstanding 810,000 common shares, of which J. L. Johnston, board chairman, owns 53% and Graham L. Sterling, Jr., president, 37%. (File 2-40375)

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:

DEKALB AgResearch, Inc. (File 2-40362) - 112,800 shares
 The Rouse Company, Columbia, Md. (File 2-40366) - 270,200 shares
 Geon Industries, Inc., Woodbury, N. Y. (File 2-40372) - 100,000 shares
 Cooper Tire & Rubber Company, Findlay, Ohio (File 2-40373) - 28,188 shares

MISCELLANEOUS

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "**"):

File No.	O-Registrants	Location
5585	Affiliated Bank Corp	Madison, WI
5594	American Pioneer Corp	Orlando, FL
5430	Applied Power Industries, Inc.	Milwaukee, WI
5614	Atlas Management Co	Mt. Vernon, IL
5617	Berkshire Bancorp Inc	Pittsfield, MA
5593	Central-National Financial Corp	Jacksonville, IL
5540	Chicago National League Ball Club	Chicago, IL
5616	Colonial Bancorp Inc	Waterbury, CT
5577	Columbia Management Co	Bloomburg, PA
5596	Connecticut Financial Services Corp	Bridgeport, CT
5559	First Financial Corp	Waco, TX
5580	First National Bancorp	Toledo, OH
5581	Fort Worth National Corp	Ft. Worth, TX
5595	GNB Corp	Uniontown, PA
5546	Georgia Investors Inc	Atlanta, GA
5541	Great American Corp	Baton Rouge, LA
5564	Guaranty Trust Inc	Pasadena, TX
5558	Highland Telephone Co	Monroe, NY
5562	Home Beneficial Corp	Richmond, VA
5605	ICE Corporation	New Orleans, LA
5618	Interstate Motor Hotels Inc	West Monroe, LA
5446	Lamp Fashion Inc**	Bronx, NY
5448	McCulloch Aircraft Corp	El Segundo, CA
5547	Medical Electrosience and Pharmaceuticals Inc	Cherry Hill, NJ
5578	National Columbus Bancorp Inc	Providence, RI
5597	O'Hareport Motor Hotel Corp	Northlake, IL
5544	Ohio Casualty Corp	Harrison, OH
5445	Ohio Sealy Mattress Mfg Co**	Medina, OH
5560	Patagonia Corp	Tucson, AZ
5447	Pennsylvania National Turf Club Inc**	Grantsville, PA
5525	Pyramid Oil Co	Santa Fe Springs, CA
5549	Southwest Bancshares Inc	Houston, TX
5599	Trans Services Corp	Irving, TX
5563	UNAC International Corp	Indianapolis, IN
5583	United Carolina Bancshares Corp	Whiteville, NC
5623	United Security Holding Co	Birmingham, AL
5582	Winchester Bay Seafood Co	Winchester Bay, OR

SECURITIES ACT REGISTRATIONS. Effective May 14: Aircraft Mechanics, Inc., 2-39246; Audiscan, Inc., 2-39281; McCulloch Oil Corp., 2-40311; United Refining Co., 2-40190.

* 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.

1/ Pending distribution of this Release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for more details of the release.