

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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FOR RELEASE November 12, 1970

NEW RULES AND RULE PROPOSALS

USE OF SHORT REGISTRATION FORM S-7 EXTENDED. The SEC today announced the adoption of amendments to its registration Form S-7 under the Securities Act (Release 33-5100) to broaden its availability for use in the registration of securities to be offered for cash sale to the public. Form S-7 is designed for use in the registration of securities by certain companies having established records of earnings and stability of management and business. Heretofore, it has required (among other things) that the issuer ("registrant") must have been subject to the SEC reporting requirements and proxy rules for at least five fiscal years; this period is reduced to three years in the revised form. The requirement that the registrant shall have been engaged in business of substantially the same general character for five years has been deleted; under the revised form, if registrant has not been engaged in business of the same general character since the beginning of its last five fiscal years, information must be furnished as to material changes in business which have occurred during that period. Previously, the form required that a majority of the existing board of directors of the registrant must have been directors of the registrant during each of the last three fiscal years. Under the amended form, directors of predecessor companies may be included in computing the majority.

Heretofore, the form required that the registrant must have had consolidated sales or gross revenues of at least \$50,000,000 for the last fiscal year, net income of at least \$2,500,000 for such fiscal year and \$1,000,000 for each of the preceding four fiscal years. The revised form deletes the requirement with respect to sales or gross revenues and provides that registrant must have had a net income, after taxes but before extraordinary items, of at least \$500,000 for each of the last five fiscal years. In determining the lines of business and classes of products for which certain information must be furnished separately, companies with sales or gross revenues not exceeding \$50 million will apply a 15% test, rather than a 10% test. The form also has been amended to require a source and application of funds statement for each fiscal year or other period for which an income statement is required, as well as a statement setting forth in reasonable detail the computation of per share earnings.

PROSPECTUS SHOULD DISCLOSE ADDRESS. The SEC today issued a "guide" to the preparation of Securities Act prospectuses (Release 33-5102), calling for the inclusion therein of the address of registrant's principal executive offices as well as its telephone number. While the business address is usually given in the registration statement, it is generally omitted from the prospectus. Consequently, investors and others, including State regulatory authorities, have been unable to communicate conveniently with the registrant, either by mail or by telephone.

HOLDING COMPANY ACT RELEASE

SOUTHWESTERN ELECTRIC PROPOSES STOCK SALE. The SEC has issued an order under the Holding Company Act (Release 35-16899) giving interested persons until December 8 to request a hearing upon an application of Central and South West Corporation, registered holding company, and one of its subsidiary companies, Southwestern Electric Power Company. Southwestern proposes to issue and sell 285,715 shares of its common stock to Central for \$4,000,010. Proceeds from the sale of common stock will be used by Southwestern to pay for additions or improvements to its utility system. Its estimated construction expenditures for 1971 are \$42,000,000.

COMMONWEALTH EDISON RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16900) releasing jurisdiction reserved with respect to the retention of Mid-Illinois Gas Company common stock by Commonwealth Edison Company, Chicago holding company. In December 1968, the Commission authorized the acquisition of all the common stock of Mid-Illinois by Commonwealth in exchange for certain gas and heating properties; but it reserved jurisdiction to require Commonwealth to divest itself of its interests in Mid-Illinois, pending a decision by the Federal Power Commission with respect to Commonwealth's continued operation of such gas properties. Commonwealth now proposes to distribute the Mid-Illinois common stock to holders of Commonwealth common stock; thereafter Mid-Illinois will be merged into Northern Illinois Gas Company, a nonassociate gas utility company. The FPC issued an order on November 5, 1970, releasing from its jurisdiction the issue of Commonwealth's retention of Mid-Illinois gas properties.

INVESTMENT COMPANY ACT RELEASE

METROPOLITAN CAPITAL SEEKS EXEMPTION. The SEC has issued an order under the Investment Company Act (Release IC-6237) giving interested persons until November 27 to request a hearing upon an application of Metropolitan Capital Corporation ("Metropolitan"), of Las Vegas, for exemption from all provisions of the Investment Company Act. Metropolitan was organized in May 1970 by Value Engineering Company, and has applied to the Small Business Administration for a license to operate as a small business investment company.

OVER

The parent, which owns all of Metropolitan's outstanding stock, is engaged in various businesses unrelated to that of an investment company. Metropolitan urges in its application that it would qualify from the exception to the definition of an investment company for companies all the outstanding securities of which are owned by a company engaged in business other than that of an investment company, except that it proposes to issue debt securities to the SBA.

COURT ENFORCEMENT ACTION

COMPLAINT NAMES SLENT CORP., OTHERS. The SEC Fort Worth Regional Office announced on November 4 (LR-4804) the filing of a complaint in the Federal court in Houston seeking to enjoin the following organizations and individuals from violations of the registration provisions of the Federal securities laws in connection with the offer and sale of stock of Slent Computer Corporation: Slent Computer Corporation, a Texas company, Ronald E. Gold, Donald A. Williams, Ludwig Otto, Kenneth Kramer, S. B. Financial Corporation, Schmitt, Berry & Co., Inc., all of Houston, and Al Willard of New York. The complaint also seeks to enjoin Slent and Ludwig Otto from further violations of the anti-fraud provisions of the Securities Exchange Act in selling stock of Slent.

COMPLAINT NAMES MANN & CO. The SEC Boston Regional Office announced on November 5 (LR-4805) the filing of a complaint in Federal court in Boston seeking to enjoin violations by Mann and Company, Inc., Medford, Mass., a registered broker-dealer, Herman M. Solomon, and Burton J. Rosenblatt, officers of the company, of the Commission's net capital and record keeping rules and the anti-fraud provisions of the Securities Exchange Act. In addition, the Commission requests the appointment of a receiver for the firm.

SECURITIES ACT REGISTRATIONS

MONUMENTAL CORP. FILES FOR SECONDARY. Monumental Corporation, Charles and Chase Sts., Baltimore, Md. 21202, filed a registration statement (File 2-38761) with the SEC on November 6 seeking registration of 350,520 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by Alex. Brown & Sons, 135 E. Baltimore St., Baltimore, Md. 21202; the offering price (\$45 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in July 1968 for the purpose of becoming a holding company and, through subsidiaries, engaging in operating insurance companies, real estate development and investment projects and related enterprises. In addition to indebtedness and preferred stock, the company has outstanding 4,004,184 common shares and 2,158,975 Class B common shares. Joseph Meyerhoff, a director, Harvey M. Meyerhoff, executive vice president, and J. H. Pearlstone, Jr., senior vice president, and their family members as a group own 13% of the outstanding common stock and 81.5% of the outstanding Class B common stock (representing 37% of the outstanding stock of both classes). Frank Baker, Jr., is board chairman and Donald H. Wilson, Jr., president. The Joseph Meyerhoff Fund, Inc., proposes to sell all of 275,000 shares held and 15 other organizations the remaining shares being registered.

GRAYBOL OIL PROPOSES OFFERING. Graybol Oil Corporation, 608 National Bank of Tulsa Bldg., Tulsa, Okla. 74103, filed a registration statement (File 2-38762) with the SEC on November 6 seeking registration of \$25,000,000 of limited partnership interests in the Graybol Oil and Gas Drilling Fund (the "Partnership"), to be offered for public sale in \$100,000 units. The offering is to be made on a best efforts basis by Howard Weil, Labouisse, Friedrichs and Company, 211 Carondelet St., New Orleans, La., which will receive up to a 2.5% selling commission plus seven-year warrants to purchase 2,000 common shares of Graybol at \$5 per share for each annual drilling partnership formed; the underwriter may realow up to a 1.5% cash commission to participating broker-dealers. The Partnership is to be formed for the purpose of exploration for oil and gas, primarily in the Anadarko Basin of North America over a five-year period, commencing in 1971. Graybol Oil Corporation will be the general partner; it has outstanding 85,400 common shares, of which M. S. Patton, Jr., president, two other officers, and three others own 14.06% each and management officials as a group 51.48%.

NEVADA POWER TO SELL STOCK. Nevada Power Company, P. O. Box 230, Las Vegas, Nev. 89101, filed a registration statement (File 2-38763) with the SEC on November 6 seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by White, Weld & Co., 20 Broad St., New York, N. Y. 10005. The offering price (\$35 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its stock sale to reduce short-term borrowings incurred for construction purposes. Construction expenditures are estimated at \$20,100,000 in 1970, \$18,600,000 in 1971, \$32,400,000 in 1972 and \$37,700,000 in 1973.

ABEX CORP. TO SELL DEBENTURES. Abex Corporation, 530 Fifth Ave., New York, N. Y. 10036, filed a registration statement (File 2-38764) with the SEC on November 6 seeking registration of \$25,000,000 of debentures, due 1977, to be offered for public sale through underwriters headed by Salomon Brothers. The interest rate, offering price and underwriting terms are to be supplied by amendment.

A wholly-owned subsidiary of Illinois Central Industries, Inc., the company manufactures components and machinery for the automotive, aerospace, railroad, mining, construction, rubber and other industries. Of the net proceeds of its debenture sale, \$16,000,000 will be used to repay advances made by the parent principally to finance on an interim basis additions and expansions to Abex's manufacturing facilities; the balance will be used for additional working capital and for new and expanded manufacturing plants, future acquisitions or other corporate purposes. T. W. Russell, Jr., is board chairman and N. G. Belury president. Union Pacific Railroad Company owns 2,149,319 (or 16.7%) of the outstanding voting shares of the parent.

MISCELLANEOUS

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 (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the November 5 News Digest.

Jone & Laughlin Steel Corp Aug. 1970 (12,13)	1-463-2	<u>8K Reports for Aug 70</u>	
Lincoln Liberty Life Insur. Co Aug. 1970 (1,12)	2-18894-2	Decitron Electronics Corp (12)	0-2833-2
LTV Aerospace Corp July 1970 (7,13)	1-5219-2	Capitol Industries, Inc. (3)	1-3981-2
LTV Electrosystems, Inc July 1970 (7,8,13)	1-5237-2	Edison Bros. Stores, Inc. (2)	1-1394-2
Oak Electro-Netics, Corp Aug. 1970 (13)	1-4474-2	Harvard Industries Inc. (7,13)	1-1044-2
		KLM Royal Dutch Airlines 6K for Sept 70	1-4059-2
		Marine Resources, Inc. (12)	0-4296-2
		Flying Diamond Land and Mineral Corporation (7)	0-4033-2
First Banc Group of Ohio, Inc Aug. 1970 (2,7)	0-3644-2	Baron Industries Corporation July 70(7,9,13)	2-30488-2
Genstar Ltd Aug. 1970 (2)	1-6063-2	Beefy King International, Inc. (13)	2-31398-2
Granger Assoc. Aug. 1970 (12)	1-5321-2	Carpenter Technology Corp. (3,12)	1-5828-2
Lukens Steel Co Amdt. #1 to 8K for June 1970(8)	1-3258-2	Dayton Hudson Corp July 70 (4,7,13)	0-3143-2
Mangurians, Inc Aug. 1970 (12)	1-6087-2	The Gleason Works May 70 (4,11,12)	0-3580-2
Menasco Mfg. Co Aug. 1970 (4,7,13)	1-2205-2	Hi-Plains Enterprises Inc.(1)	0-2711-2
Mercury Savings & Loan Assoc. Aug. 1970 (12,13)	0-4700-2	Mohawk Airlines Inc. (12)	1-4198-2
Nelly Don, Inc Amdt. #1 to 8K for June 1970 (1,13)	1-4331-2	Alliance Medical Inns, Inc. (2,13)	2-33086-2
		Associated Mortgage Investors (11,13)	1-6225-2
		Cosmetically Yours, Inc.(7,13)	0-3774-2
		Lowe's Companies Inc.(4,7,13)	0-94-2
		Mooney Broadcasting Corporation (2,13) Jun 70	0-3851-2
		May 70(2,11,13)	0-3851-2
Continental Air Lines, Inc Aug. 1970 (7)	1-3661-2	American Recreation Centers, Inc. (7,8,13)	0-2849-2
Cosmopolitan Invstrs. Funding Co June 1970 (2,12)	0-3638-2	Bankers Trust (3,13)	0-1610-2
Sept. 1970 (3,12)	0-3638-2	Computer Servcenters, Inc. Sept 70(2,13)	0-3377-2
Damon Creations, Inc Aug. 1970 (11)	0-3227-2	Fidelity Real Estate Invst. Trust(3,13)	0-1929-2
Echo Oil Corp Aug. 1970 (7,13)	0-5011-2	Franchise Management Systems, Inc. (11)	2-33275-2
Hyatt Corp Aug. 1970 (11)	0-3149-2	Alco Standard Corp(7,8,13)	1-5964-2
Intl. Funeral Services, Inc Aug. 1970 (11)	0-3198-2	Financiera Metropolitana S.A. (7)	2-29641-2
Jayark Corp Aug. 1970 (7,12)	0-3255-2	Higbee Co. (7,8,13)	0-1406-2
AGC Ind., Inc Aug. 1970 (12,13)	0-4468-2	BMS Data Processing Corp. (2,7,13)	2-33627-2
IHC Inc Aug. 1970 (13)	1-4222-2	D. C. Transit System, Inc. July 67, May 70 & Jun 70 (12,13)	1-4179-2
Intl. Foodservice Systems, Inc Amdt. #1 to 8K for July 1970 (2)	1-6483-2	The Pennstar Company (3,13)	0-1993-2
Katy Ind., Inc Aug. 1970 (12)	1-5558-2	Sycor, Inc. Apr 70(7,13)	2-32336-2
The Lange Co Aug. 1970 (2,7,9,12,13)	0-4490-2	Arizona Biochemical Co. July 70(2,13)	0-2948-2
		Beck Industries, Inc. (1,12,13)	1-3267-2

SK Reports for Aug 70 Cont'd

First-Met Realty Corporation (11,13)	2-32450-2	Applied Data Research, Inc.(3)	1-6015-2
General Transportation Services, Inc. (1,2,12,13)	0-4397-2	First National Bancorporation, Inc. (3,13)	0-3695-2
Maine Sugar Industries Inc. (3,6)	0-2426-2	Foodarama Supermarkets, Inc. (7,12,13)	1-5745-2
Seagrave Corp Sept 70(12,13)	1-5091-2	Tower Products, Inc.(11,13)	2-33999-2
Unisource Corporation (2)	0-4452-2	Dunkin Donuts Incorporated(7,13)	0-3456-2
Lectro Management Incorporated Sept 70(11,13)	1-6266-2	Gaz Metropolitan, Inc.(13)	2-13160-2
PKL Companies, Inc. Oct 69(12)	1-4997-2	Kenton Corp.(4,7,13)	1-5909-2
Helena Rubinstein, Inc. Jul 70 (3)	1-1411-2	Philips Industries, Philips N.V. & U.S. Philips Tr 6K for 5-20-70 thru 8-31-70	2-20193-2
S. F. Durst & Co., Inc.(2,13)	0-4649-2	A & E Plastik Pak Co. Inc. (4,11,12,13)	0-3491-2
Edwards Industries, Inc. (7,11,13)	0-4043-2	Dr. Pepper Co. July 70(13)	1-248-2
Modern Diversified Industries, Inc. Jun 70(2,7,13)	0-127-2	Empire Lif Insurance Co.(7,9)	2-20749-2
Servisico (12)	1-4794-2	Macrodyne Chatillon Corp. Jul 70(6)	1-5592-2
Simmons Co. (4,13)	1-795-2	Commonwealth Investors Group Nov 69(1,3)	0-2577-2
American Standard Inc. (7,8)	1-470-2	Connrex Corp (11,12,13)	1-5875-2
Associated Dry Goods Corp. (12)	1-599-2	Tidal Marine International Corp. (7)	2-33734-2
Central Bancorp, Inc. (10,12)	2-31017-2	Jul 70(2,7,8,12,13)	2-33734-2
Whittaker Corp (4,7,12,13)	1-5407-2	Automation Sciences, Inc. (1,2,8,12,13)	0-4191-2
Dynamic Security Corporation May & July 70(11,12)	0-3710-2	Rayne Industries, Inc. (11)	2-33178-2
Ero Industries, Inc.(12,13)	1-3936-2	Atlantic American Corp July 70(2,13)	0-3722-2
Old Town Corp(3,13)	1-3601-2	Bobbie Brooks, Inc. (11)	1-4168-2
Southern Mutual Investment Corp Apr 70(7,13)	0-4166-2	Equitable Real Estate Invst. Trust (3,13)	0-1605-2
Bazar, Inc.(2,13)	0-14-2	Interplastic Corporation(11,13)	0-2799-2
Bermec Corporation (3,4,6,9,12,13)	1-4739-2	ARA Services, Inc. (4,13)	1-4762-2
Dinode Industries, Inc.(6,13)	0-4385-2	Bankers United Management Corp. (2)	0-3716-2
Ovitron Corp (3,11,13)	0-3128-2	Charter Company Jun 70(11,13)	1-6397-2
American Life Underwriters, Inc. (6)	0-1024-2	Akzo N.V. 6K for Aug 70	2-10219-2
Century Laboratories, Inc. (12)	0-3303-2		
Maule Industries, Inc.(3)	1-4081-2		
Quest Exploration and Development Corporation(7)	2-33649-2		

SECURITIES ACT REGISTRATIONS. Effective November 10: Alabama Power Co., 2-38632; American Telephone and Telegraph Co., 2-38635; Beneficial Corp., 2-38538; Burroughs Corp., 2-38603; The Circle Corp., 2-38594 (40 days); The Duplan Corp., 2-38664 (40 days); Firelite Industries Ltd., 2-37503 (90 days); Missouri Public Service Co., 2-38489 (40 days); Petro-Search Exploration Corp., 2-38174 (90 days); U. N. Bancshares, Inc., 2-38202 (90 days).

Withdrawn November 9: Anchor National Life Insurance Co., 2-35795; Panalogic, Inc., 2-36284; Solar Productions, Inc., 2-36754.

NOTE TO DEALERS. 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.

*As estimated for purposes of computing the registration fee.

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