

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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DECISIONS IN ADMINISTRATIVE PROCEEDING

QUINN FIRM, DORNACKER SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-9062) in which it ordered a 15-day suspension from NASD membership of Quinn and Company, Inc., of Albuquerque, New Mexico, and the 20-day suspension of John Dornacker, a vice president of the Quinn firm, from association with any securities firm. The suspensions, which are effective February 1, were ordered by the Commission by reason of violations of the Securities Act registration requirements in the 1968 offer and sale of common stock of Mountain States Development Corporation.

According to the Commission's decision, in 1968 Dornacker, while serving as a general partner of Quinn Co., predecessor of Quinn and Company, Inc., effected sales of 25,000 shares of Mountain States stock for the account of one Ted M. White, who had received the stock in exchange for certain properties sold by him to Mountain States. The shares were not registered with the Commission; and in these proceedings, the respondents urged various exemptions from the Securities Act registration requirements. In rejecting these arguments, the Commission observed, among other things, that White's acceptance of the Mountain States stock and immediate resale thereof for cash did not differ in essence from an arrangement whereby the issuer sold the stock to the public for cash and used the cash so raised to buy White's properties, an arrangement which clearly would have required registration. Dornacker, who effected the sales for White with knowledge of the facts, was therefore also subject to the registration requirements. To rule otherwise would clearly defeat the basic policy of the Act calling for registration of securities offered for public sale under these circumstances.

Because of certain mitigating circumstances, however, the Commission concluded that the 15- and 20-day suspensions were adequate in the public interest.

CORRECTION RE ROSEN-NEWMAN ACTION. The News Digest, January 25, incorrectly reported that Mark I. Rosen and Richard I. Newman, of Rosen-Newman Securities, Inc., had been suspended for one year from association with any broker-dealer. The Commission's order provided that they be barred from acting as principal of or assuming any managerial or supervisory position with any broker-dealer, except that at the expiration of one year from the date of the order they may apply to the Commission's staff for permission to become so associated based upon a satisfactory showing that they have undergone a training program designed to enable them to fulfill such responsibilities.

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16975) authorizing American Electric Power Company, Inc., New York holding company, to make up to \$5,000,000 in cash capital contributions to a subsidiary, Kentucky Power Company, to assist the subsidiary in financing the cost of its construction program, to reimburse its treasury for expenditures in connection with its 1970 construction program and for other corporate purposes. The subsidiary's construction program for 1970 involved expenditures of some \$16,000,000 and for 1971 will involve expenditures of some \$11,500,000.

VERMONT YANKEE SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16976) giving interested persons until February 9 to request a hearing upon an application of Vermont Yankee Nuclear Power Corporation, Rutland subsidiary of both Northeast Utilities and New England Electric Systems. Vermont Yankee is constructing a nuclear-powered electric generating plant with a net expected capacity of approximately 540 megawatts, the total capital cost of which, excluding the approximate \$20 million of initial inventory of nuclear fuel, is estimated at \$135 million. Its ten sponsor companies are committed to provide Vermont Yankee the capital required and to purchase the capacity and power output of the Vermont Yankee plant on a cost-of-service basis, which includes an appropriate return on their investment. To obtain interim financing for its initial nuclear fuel inventory, Vermont Yankee proposes to issue and sell up to \$14 million notes to six banks. Net proceeds will be used to pay for or to reimburse Vermont Yankee for payments made for fabrication, construction and acquisition of nuclear fuel until a more permanent arrangement can be made.

NORTHEAST UTILITIES RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16979) authorizing Northeast Utilities, West Springfield, Mass. holding company, to make cash capital contributions to three subsidiaries, The Connecticut Light and Power Company ("CL&P"), The Hartford Electric Light Company ("Hartford") and Western Massachusetts Electric Company ("Western Massachusetts") in the amounts of \$30,000,000, \$20,000,000 and \$5,000,000, respectively. Each subsidiary will credit the cash capital contribution to its capital surplus account and apply such contribution, together with other available funds, to the financing of its 1971 construction program. The construction programs for CL&P, Hartford, and Western Massachusetts are estimated at \$130,000,000, \$66,500,000 and \$38,000,000, respectively.

OVER

SECURITIES ACT REGISTRATIONS

GENERAL AMERICAN LIFE PROPOSES OFFERING. General American Life Insurance Company, 1501 Locust St., St. Louis, filed reg. statements with the SEC on Jan. 25 seeking registration of: (a) \$5,000,000 of tax sheltered group variable annuity contracts designed for certain tax-benefited retirement plans, qualified under Section 403(b) of the Internal Revenue Code and to be offered for sale with a minimum purchase payment of \$10 monthly for coverage in the group contract and with a maximum sales deduction of 4.75%; (b) 5,000,000 of tax sheltered deferred variable annuity contracts which are designed for certain tax-benefited retirement plans qualified under Section 403(b) of the Internal Revenue Code and to be offered for sale with a minimum purchase payment of \$10 monthly for a periodic contract or \$2,000 for a single payment contract and with a maximum sales deduction of 8% (File 2-39273); and (c) \$5,000,000 of individual variable annuity contracts with a minimum purchase payment of \$10 monthly for a periodic contract or \$2,000 for a single payment contract and with a maximum sales deduction of 8% (File 2-39274). Payments made under the variable portion of all the contracts are invested in a fund of securities and assets, primarily common stocks, established by General American as Separate Account No. 2. General American is a mutual life insurance company. Armand Stalnaker is president and chief administrative officer of General American. (**File 2-39272)

REX-NORECO FILES FOR OFFERING AND SECONDARY. Rex-Noreco, Inc., 616 Palisade Ave., Englewood Cliffs, N. J. 07632, filed a registration statement (File 2-39276) with the SEC on January 25 seeking registration of 1,000,000 shares of common stock, of which 700,000 are to be offered for public sale by the company and 300,000 (being outstanding shares) by the holder thereof. The offering is to be made through underwriters headed by Thomson & McKinnon Auchincloss, Inc., 2 Broadway, New York 10004. The offering price (\$22 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in supplying services to banks and other lending institutions in connection with the financing of mobile home purchases by mobile home dealers and their customers, providing insurance in connection with the purchase and financing of mobile homes, selling mobile homes and developing and leasing sites in a mobile home park. Net proceeds of its sale of additional stock will be used to provide, as an adjunct to the company's present mobile home financing services, both inventory and retail financing to qualified mobile home dealers (alone or in conjunction with lending institutions serviced by the company and for other corporate purposes). The company has outstanding 1,848,568 common shares, of which Mark A. Salitan, president, owns 60.2%. He proposes to sell 300,000 of 1,113,168 shares held.

WHITTAKER FUTURES SYNDICATE PROPOSES OFFERING. The Whittaker Futures Trading Syndicate (the "Partnership"), P. O. Box 4337, Jacksonville, Fla. 32201, filed a registration statement (File 2-39277) with the SEC on January 25 seeking registration of \$1,000,000 of limited partnership units, to be offered for public sale initially in \$1,000 units. No underwriting is involved. The Partnership was organized in December 1970 for the purpose of buying, selling and trading in commodity future contracts. Sam E. Whittaker is the general partner.

ISRAEL TO SELL BONDS. State of Israel (U.S. Agent: Moshe Elran, 850 Third Ave., New York 10022), filed a registration statement (File 2-39279) with the SEC on January 25 seeking registration of \$750,000,000 of (i) fifteen year 4% dollar coupon bonds (maturing serially from 1986 to 1989), to be offered at 100% of principal amount and in denominations beginning at \$500 and up to \$100,000 and (ii) fifteen year dollar savings bonds to be offered at 100% of principal amount in denominations beginning at \$100 and up to \$10,000. The offering is to be made on a best efforts basis by Development Corporation for Israel, 215 Park Ave., South, New York City 10003, which will receive a 6% selling commission.

In a separate registration statement (File 2-37280), Israel seeks registration of \$250,000,000 of twenty year 5½% dollar coupon bonds (four series, maturing from 1991 to 1994) to be offered at 100% of principal amount and in denominations of from \$2,500 to \$100,000, only to banks, insurance companies, labor unions, employee benefit funds, governmental funds, community funds, endowment funds, building funds and credit unions. The offering is to be made on a best efforts basis by Development Corporation for Israel, which will receive a 6% selling commission.

Net proceeds of the bond sales will be used by Israel toward the ultimate achievement of a self-supporting economy.

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 January 5 News Digest.

8K Reports for November 1970

Meidc-Home Leasing Corp (2,8,11,13)	0-4447-2	Petrol Industries, Inc. Aug 1970 (2,7,13)	0-3912-2
Metalcrafters Specialties, Inc. Dec 1970 (12)	2-36054-2	Protech Programs, Inc. (7,8,12,13)	0-4969-2
Monarch Electronics Inc. (3,12)	1-5497-2	Reeves Telcom Corporation (2,13)	1-4361-2
Morton's Shoe Stores Inc. (2,7,11,13)	1-5605-2	Wiltek, Inc. (12)	0-2401-2

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8K Reports for Nov 1970 (Con't)

Ad Press Ltd.			
June 1970 (11,13)	2-34046-2	Codex Corporation (10,12)	0-4068-2
Cadence Industries Corporation		General Telephone Company of the	
(3,6)	1-2991-2	Northwest (11)	0-2908-2
Guidance Technology, Inc. (12)	1-6036-2	Indian Head Inc. (8,13)	1-5264-2
Hart Schaffner & Marx (8)	1-3236-2	Investors Growth Industries, Inc.	
Kingsford Industries, Inc.		(12)	0-796-2
(4,6,11)	0-1696-2	Jaco Electronics, Inc.	
Local Finance Corp (7)	0-1464-2	Oct 1970 (11)	2-34664-2
P & A Industries Inc. (3)	1-4475-2		
Pepsico Inc. (3)	1-1183-2	Kinney National Service Inc.	
Seneca Foods Corp		(3,12)	1-4671-2
(2,4,7,11,13)	0-1989-2	Lehigh Coal & Navigation Co.	
Underwriters Natl Assurance Co.		(8)	0-1760-2
(11,13)	2-21929-2	Merck & Co., Inc. (12)	1-3305-2
		Mississippi River Corp. (8)	1-3599-2
Cincinnati Economy Drug Co.		North Shore Gas Company (12)	2-35965-2
Oct 1969 (7)	0-1838-2	Paragon National Corp	
Colgate Management Corporation		Oct 1970 (1,2,10,13)	2-31540-2
Dec 1970 (3,13)	2-33010-2	Prevor-Mayrsohn International, Inc.	
Consumers Power Co. (3,7,13)	1-5611-2	(2,7,13)	0-3181-2
Eastern Associated Coal Corp		Wolf Corp	
(7,13)	2-26404-2	Dec 1970 (3,9,13)	0-294-2
Inforex, Inc. (9,12,13) Oct 70	2-36587-2		
Mayflower Investors, Inc. (12)	0-2622-2	Gaz Metropolitan, Inc. (9,13)	2-13160-2
National Compactor & Technology Systems,		Lenox Inc. (7,11,13)	1-4856-2
Inc. (3,12)	2-36808-2	National Gypsum Co. (3)	1-2489-2
National Securities Inc. (2)	0-1105-2	Northern Corp (2,13)	0-4405-2
Pentair Industries, Inc. (3)	0-4689-2	Saturn Airways, Inc. (12)	1-5844-2
Sun Oil Co. (13)	1-2223-2	June 1970 (12)	1-5844-2
Susquehanna Corporation		July 1970 (12)	1-5844-2
(7,10,12,13)	1-5515-2	Dec 1970 (12)	1-5844-2
Texaco Operations Ltd. (7,13)	1-5747-2	Schlumberger N. V. (Schlumberger Ltd)	
Timpte Industries, Inc. (1)	2-30449-2	(6K) Dec 70	1-4601-2
		Silo, Incorporated (7)	0-2300-2
Dimode Industries, Inc. (3)	0-4385-2	Trans-Canada Pipe Lines, Ltd.	
General Development Corp		(7,8,13)	2-12927-2
(3,7)	1-4080-2	Unarco Industries, Inc.	
Geriatrics Inc. (12,13)	2-32437-2	(4,7,12,13)	1-6463-2
International Paper Co. (7,13)	1-3157-2	Western Bancorporation (3)	1-4114-2
The Mayflower Company (2,12)	0-3218-2	Williamhouse-Regency Inc. (12)	1-4559-2
Medical Investment Corp (2,13)	0-1467-2		
Rem Metals Corporation		A. J. Industries, Inc. (12,13)	1-5672-2
(4,11,12,13)	0-3276-2	Bickfords Inc. (11,13)	1-3180-2
Rupp Industries, Inc. (12,13)	1-6426-2	CF&I Steel Corp (8)	1-2743-2
Stange Co (7)	0-3762-2	Jones & Laughlin Steel Corp	
Times Mirror Company (12)	1-4914-2	(12)	1-463-2
UMC Electronics Co (2,13)	0-2972-2	LTV ElectroSystems, Inc. (13)	1-5237-2
		Lincoln Liberty Life Insurance Co.	
Allegheny Airlines, Inc.		(1,12)	2-18894-2
(2,3,7,12,13)	1-3631-2	Macrodyne Chatillon Corp	
Bethlehem Steel Corp		(12,13)	1-5592-2
Dec 1970 (13)	1-1941-2	Northeastern Bankshares Association	
Cle-Ware Industries, Inc. (12)	0-1683-2	(12)	2-34668-2
Dynell Electronics Corporation		Panacolor Inc.	
(12,13)	1-6477-2	(1,3,7,11,13)	0-536-2
General Motors Corp (3)	1-143-2		
Heublein, Inc. (8)	1-4661-2	Potomac Edison Co.	
Homestead Minerals Corporation		Dec 1970 (7,11,13)	1-3376-2
(3)	0-4055-2	Proteus Foods & Industries, Inc.	
Planning Research Corp		(2,3,6,12,13)	0-3828-2
(11,12,13)	1-4941-2	Triangle Brick Company (8)	0-2878-2
Quest Exploration and Development		Western Holding Corporation	
Corporation (7,12,13)	2-33649-2	May 1970 (7)	0-3615-2
Time Share Corporation			
(2,12)	0-4483-2	Baron Industries Corporation	
		(6,11,12)	2-30488-2
		Earth Resources Company	
		(2,7,13)	1-5984-2
		Environmental Industries, Inc.	
		(2,13)	2-34049-2

8K Reports for Nov 1970 (Con't)

Gelman Instrument Co. (2,13)	0-2297-2	The Oakland Consolidated Corp	
Microform Data Systems, Inc.		(1,2,7,13)	0-1535-2
(12)	0-4187-2		
Mid-Iowa Lakes Corp (1,12)	0-3014-2	National Alfalfa Dehydrating	
Mohawk Airlines Inc. (6,12)	1-4198-2	& Milling Co (2,7,13)	1-3687-2
Monterey Nursing Inns, Inc.			
(2,12)	0-4140-2	H. Miller and Sons, Inc.	
National Chemical Corporation		(1)	2-34504-2
(3)	0-5101-2		
National Steel Corp (12)	1-983-2	Ansul Co (4,12)	1-4606-2
Philadelphia Suburban Water Company			
(7,13)	2-36916-2	American Equity Investment	
Robintech, Inc. (7,9,13)	1-4177-2	Trust (7,13)	0-4869-2
Science Management Corporation			
(3)	1-6059-2	Revere Racing Association, Inc.	
Thomas & Betts Corporation		Oct 1970 (8)	0-1590-2
(12)	1-4682-2		
Unimed, Inc. (3,13)	0-3390-2	OPT Sciences Corporation	
		(1)	0-1455-2
Alliance Medical Inns, Inc.			
(2,13)	2-33086-2	Collins Radio Co	
Bath Industries, Inc. (3)	1-5458-2	(4,11,12,13)	1-4248-2
Belden Corp (4,7,8)	1-2951-2	General Leisure Products Corporation	
Graco Inc (12)	0-4540-2	(3)	2-35132-2
Hall-Mark Electronics Corp (11)	2-34915-2	Intermountain Industries, Inc.	
International Rectifier Corp		(2,8,11,12,13)	0-2172-2
(11)	1-4399-2		
Lowe's Companies Inc (11,12,13)	12-15-70	Cliffs St. Clair Corporation	
Lydall, Inc. (12)	0-1137-2	(2,8,13)	1-2665-2
Masonite Corp (7,11)	1-2263-2		
National Information Systems, Corp		Hardwicke Companies Inc.	
(12,13)	0-4569-2	Oct 70 (10,11,13)	2-31468-2
National Information Systems Corp			
(12,13)	0-4569-2	Project 7 Inc	
New Jersey Power & Light Co		Oct 1970 (11,13)	2-33586-2
(10)	1-3221-2	Sept 1970 (12,13)	2-33586-2
		Aug 1970 (2,13)	2-33586-2
Allied Control Co., Inc. (3,9)	1-3830-2	Southern California Water Co	
Amarex, Inc. & Amarex Funds, Inc.		(7,13)	0-1121-2
Aug 1970 (2,3,4,13)	2-36642-2		
Career Academy, Inc. (7,12)	1-5473-2	Transmedia International Corp	
Double X Ranch, Inc. (6,12,13)	2-32645-2	(7,2,13)	2-32930-2
GAC Corporation (2)	1-3453-2		
Gaynor & Company Inc. (11)	0-4207-2	Regency Electronics Inc	
General Acceptance Corp (12)	1-5786-2	(3)	0-1877-2
Noble Lumber Corp (2,13)	1-6115-2	Aug 1970 (2)	0-1877-2
Rancho's Mexican Buffet, Inc.		United American Industries, Inc.	
(7,9,13)	0-4678-2	Oct 1970 (2,3,13)	0-3950-2
The Favelle Corporation			
(7,11,13)	0-2885-2	Reading Co (4,7,11,12,13)	1-649-2
Portland General Elec. Co.			
(4,7,13)	1-5532-2	Pan American World Airways, Inc.	
Texsun Corp (1,2,11,13)	0-1809-2	(7)	1-3532-2

SECURITIES ACT REGISTRATIONS. Effective January 26: Alexander and Alexander, Inc., 2-39114; American Finance System Inc., 2-38864; Cambridge Nuclear Corp., 2-38472; Financial General Bankshares, Inc., 2-39049; Lowe's Companies, Inc., 2-39060; Outboard Marine Corp., 2-39184; Jim Walter Corp., 2-39150 and 2-39260.

*As estimated for purposes of computing the registration fee.

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