

# 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

PROPOSAL TO USE CUSIP SECURITIES NUMBERING SYSTEM IN SEC OPERATIONS AND TO REVISE INVESTMENT COMPANY AND BROKER-DEALER REPORT FORMS. The SEC today announced plans to use the CUSIP securities identification system in its electronic data processing systems, as well as proposals under the Investment Company Act and Securities Exchange Act to revise certain of its report forms to require the inclusion of CUSIP numbers.

The CUSIP system was developed under the sponsorship of the Committee on Uniform Security Identification Procedures (CUSIP) of the American Bankers Association to provide a common language for identifying securities in communications between brokers, transfer agents and other organizations involved in the trading cycle. The CUSIP number specifically, uniformly and permanently identifies both the issuer of the security and the particular issue. Its wide spread use<sup>will</sup> constitute the essential first step toward the goal of full automation of the trading cycle, and make possible the automated handling of much of the present data flow in the financial community. The Commission urged industry-wide implementation of the CUSIP system in order to obtain maximum benefits from this common language for the identification of securities.

Under the proposed form revisions, Form N-1Q for quarterly reports and Form N-1R for annual reports filed by most management investment companies (Release IC-6349),<sup>and</sup> Forms X-17A-9(1), (2) and (3) filed by certain registered broker-dealers (Release 34-9075), would be revised to require that CUSIP numbers be included for securities reported therein, and present requirements to report exchange symbols would be rescinded. Views and comments thereon may be submitted not later than March 16, 1971. To further realize the benefits of the CUSIP system in its own operations, the Commission also plans to use the CUSIP numbers in other EDP systems involving the analysis of securities and in the publication of certain directories. The Commission further proposes to require the use of the CUSIP numbers in additional public-use forms as it develops and perfects the necessary EDP systems.

## COMMISSION ANNOUNCEMENT

SEC ORDER CITES ST. LOUIS SECURITIES. The SEC has ordered proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of St. Louis Securities, Inc. ("Registrant"), of Clayton, Mo., and its president, Karl H. Rehberg. The proceedings are based upon allegations of the Commission's staff that Registrant and Rehberg had (a) engaged in the conduct of a securities business in violation of the Commission's capital rules, (b) hypothecated customers securities under circumstances in which they were commingled with securities carried for the accounts of persons other than bona fide customers under a lien for a loan to Registrant, (c) violated the credit rules and regulations of the Federal Reserve System, (d) violated the record-keeping and financial reporting provisions of the Federal securities laws and failed to file and failed promptly to file with the Commission amendments to its broker-dealer registration application changes in the ownership of Registrant's equity securities and the physical location of the business.

A hearing will be scheduled by further order to take evidence on staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true, and, if so, whether any action of a remedial nature should be ordered by the Commission.

## HOLDING COMPANY ACT RELEASES

GPU RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16996) authorizing General Public Utilities, New York holding company to submit for stockholder approval a proposed amendment of its Article of Incorporation to increase from 30,000,000 to 40,000,000 the number of authorized shares of common stock.

ALLEGHENY POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17003) giving interested persons until March 5 to request a hearing on an application by Allegheny Power System, Inc., New York. Allegheny proposes to become surety to the State of West Virginia in an amount not exceeding \$8,600,000 to ensure the prompt refund by its wholly-owned subsidiary, Monongahela Power Company, of all amounts Monongahela may collect or receive in excess of rates and charges contained in tariffs filed with the State Public Service Commission. The purpose of the proposed transaction is to enable Monongahela to begin using the new rates prior to completion of the PSC's investigation, hearing and decision with respect thereto.

## INVESTMENT COMPANY ACT RELEASE

LSL CORP. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6355) declaring that LSL Corporation, Denton, Tex. is primarily engaged, through controlled companies, in a business other than that of investing, reinvesting, owning, holding or trading in securities.

SECURITIES ACT REGISTRATIONS

AVCO FINANCIAL TO SELL DEBENTURES. Avco Financial Services, Inc., 620 Newport Center Drive, Newport Beach, Calif. 92660, filed a registration statement (File 2-39389) with the SEC on February 11 seeking registration of \$50,000,000 of senior debentures, due 1977, to be offered for public sale through underwriters headed by Lehman Brothers, Inc., 1 William St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company (formerly Seaboard Finance Company) is engaged in the business of extending personal loans to individuals in relatively small amounts and for relatively short periods. Net proceeds of its debenture sale will be added to general funds and will be available to pay current indebtedness and to carry additional receivables. Such proceeds will be applied initially to reduction of short-term borrowings. In addition to indebtedness and preferred stock, the company has outstanding 500,000 common shares. A. E. Weidman is board chairman and H. Wallace Merryman is president.

CHEMICAL NEW YORK TO SELL DEBENTURES. Chemical New York Corporation, 20 Pine St., New York 10015, filed a registration statement (File 2-39393) with the SEC on February 12 seeking registration of \$50,000,000 of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005; the interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a holding company the principal asset of which is the capital stock of the Chemical Bank, a New York banking corporation. The net proceeds from its debenture sale will be made available to the bank either by way of a subordinated loan or a capital contribution or a combination thereof, for use in the operation of its banking business. In addition to indebtedness, the company has outstanding 13,414,823 common shares. William S. Renchard is board chairman and Howard W. McCall, Jr. is president.

UTAH POWER & LIGHT PROPOSES OFFERING. Utah Power & Light Company, 1407 West North Temple St., Salt Lake City, Utah 84110, filed a registration statement (File 2-39394) with the SEC on February 12 seeking registration of \$35,000,000 of first mortgage bonds, and 520,000 shares of Series E cumulative preferred stock (\$25 par), to be offered for public sale at competitive bidding. A public utility, the company will apply part of the proceeds from the sale of the bonds and preferred stock to pay notes aggregating \$38,000,000 evidencing borrowings for construction purposes and the remaining proceeds to carry forward the company's construction program. Construction expenditures are estimated at \$191,000,000 for the year 1971-1973.

AMERICAN MICRO-SYSTEMS FILES FOR OFFERING AND SECONDARY. American Micro-Systems, Inc., 3800 Homestead Rd., Santa Clara, Calif. 95051, filed a registration statement (File 2-39396) with the SEC on February 12 seeking registration of 565,500 shares of common stock, of which 250,000 are to be offered for public sale by the company and 315,500 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Blyth & Co., Inc., 555 California St., San Francisco, Calif. 94104; the offering price (\$45 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the business of designing, developing and manufacturing large scale integrated circuits used in electronic equipment for commercial, industrial, military-space and other applications. A major portion of the net proceeds of the sale of additional stock will be used to repay all of the company's outstanding short and long term debt incurred by its Korean subsidiary; the balance will be added to working capital. In addition to indebtedness, the company has outstanding 1,924,751 common shares, of which management officials as a group own 36.3%. The Garrett Corporation may sell all of 160,000 shares owned, Small Business Enterprises Co., 80,000 of 155,827, and numerous others the remaining shares being registered. Howard S. Bobb is board chairman and president.

PET INC. TO SELL DEBENTURES. Pet Incorporated, 400 S. 4th St., St. Louis, Mo. 63166, filed a registration statement (File 2-39397) with the SEC on February 12 seeking registration of \$35,000,000 of sinking fund debentures, due 1991, to be offered for public sale through underwriters headed by Lehman Brothers Inc., 1 William St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in manufacturing, processing and distribution of a wide variety of food products and food store equipment, and rendering of related services. Net proceeds from the sale of the debentures will be used in part to repay domestic short-term bank loans and retire commercial paper at maturity (amounting to \$31,200,000 on February 5), incurred to finance capital expenditures and to provide working capital; the balance will be used for working capital expansion, capital asset additions and for other corporate purposes. In addition to indebtedness and preferred stock the company has outstanding 5,749,087 common shares. Boyd F. Schenk is president.

TELECOR FILES FOR OFFERING AND SECONDARY. Telecor, Inc., 116 N. Robertson Blvd., Los Angeles, Calif. 90048, filed a registration statement (File 2-39400) with the SEC on February 12 seeking registration of 325,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 205,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005; the offering price (\$26 3/8 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company sells electronic home entertainment products and home appliances purchased from Matsushita Electric Corporation (a New York corporation and the sole U. S. sales agency for Panasonic products produced by its parent company, Matsushita Electrical Industrial Co., Ltd., of Japan) and from various

American manufacturers. The products are sold directly through its own sales organization and through independent manufacturers' representative organizations, to chains and individual retailers and wholesalers for resale by such purchasers. Of the net proceeds of its sale of additional stock, \$300,000 will be invested by Telecor in a separate marketing division to sell Panasonic business machines, \$1,600,000 will be used to establish a distribution center, and the balance will be used for working capital and inventory expansion. The company has outstanding 1,793,912 common shares, of which Louis W. Corin, board chairman, owns 24.4%, Mayer Greenberg, president 16.0%, and officers Harold A. Haytin and E. T. Staniek 10.7% and 10%, respectively. Corwin proposes to sell 58,000 of 438,397 shares owned, Greenberg 44,300 of 287,572, Haytin 31,000 of 192,510, Staniek 29,000 of 179,062, and 19 others the remaining shares being registered.

**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:

Loehmann's, Inc., Bronx, N. Y. 10469 (File 2-39391) - 91,035 shares  
 Dymo Industries, Inc., Emeryville, Calif. (File 2-39390) - 230,000 shares  
 Pier 1. Imports, Inc., Fort Worth, Tex. 76102 (File 2-39392) - 100,000 shares  
 House of Fabrics, Inc., Sun Valley, Calif. 91352 (File 2-39399) - 10,000 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        | File No. | O-Registrants                      | Location            |
|----------|--------------------------------------|-----------------|----------|------------------------------------|---------------------|
|          |                                      |                 | 5285     | General Computer Systems Inc**     | Dallas, TX          |
| 5362     | Amcol Development Corp               | Worthington, OH | 5288     | Hardwicke Co Inc**                 | New York, NY        |
| 5371     | Artco-Bell Corp**                    | Temple, Tx      | 5343     | International Recreation Corp**    | Boise, ID           |
| 5346     | Booz-Allen & Hamilton Inc**          | Chicago, IL     | 5286     | Kewaunee Scientific Equipment Corp | Adrian, MI          |
| 5352     | Carterfone Communications Corp       | Dallas, TX      | 5312     | Master Hosts International Inc     | North Hollywood, CA |
| 5359     | Conrad, Inc                          | Houghton, IA    | 5298     | Mobile Americana Corp**            | St. Paul, MN        |
| 5349     | Credit Systems Inc                   | Colmar, PA      | 5290     | Natel Electronic Industries Inc    | Los Angeles, CA     |
| 5293     | Curtice-Burnes Inc**                 | Rochester, NY   | 5355     | National Sharedata Corp            | Dallas, TX          |
| 5294     | Daytona Beach General Hospital Inc** | Holly Hill, FL  | 5297     | Provincial House Inc**             | East Lansing, MI    |
| 5283     | Designcraft Jewel Industries Inc**   | New York, NY    | 5289     | Video Systems Corp**               | Pennsauken, NJ      |
| 5291     | Falcon Capital Corp                  | New York, NY    |          |                                    |                     |
| 5296     | Family Dollar Stores Inc**           | Charlotte, NC   |          |                                    |                     |

**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 February 5 News Digest.

#### 8K Reports for December 1970

|  |                      |  |                      |
|--|----------------------|--|----------------------|
| Williams Brothers Co<br>(1,8,11,12,13)                 | 1-4174-2             | North Atlantic Corp<br>(2,13)  | 0-2548-2             |
| American Investment Co<br>Aug 1969 (4,7)<br>(4,7,)     | 1-2335-2<br>1-2335-2 | Salem Corp (7,13)<br>Twin Americas Agricultural<br>& Industrial Developers,<br>(7) | 1-3931-2<br>0-5224-2 |
| Antarenni Industries, Inc<br>Oct 1970 (11)             | 1-6188-2             | Water Treatment Corp<br>(2,13)   | 0-1735-2             |
| First Empire State Corporation<br>(12)                 | 0-4561-2             | Financial Federation, Inc.<br>(12)   | 1-4524-2             |
| Great American Industries, Inc.<br>(3,10,12,13)        | 1-3782-2             | Hydron International, Ltd.<br>(12,13)  | 2-35356-2            |
| Greenfield Real Estate Investment<br>Trust Nov 70 (11) | 0-161-2              | Molecular Research Inc<br>(7,8,13)   | 0-3540-2             |
| Jetronic Industries, Inc<br>(9,13)                     | 1-4124-2             | Narrangansett Elec Co<br>(3,11)  | 0-898-2              |
| Lectro Management Incorporated<br>(7,8,13)             | 1-6266-2             | National Patent Development Corp<br>(12,13)  | 0-2743-2             |
| Leeds Shoes Inc (7,8)                                  | 0-2216-2             | Royal American Industris, Inc<br>(7,13)  | 1-4109-2             |
| Mack Trucks, Inc<br>(4,7,9,13)                         | 1-5526-2             |  |                      |

8K Reports for December 1970 (Con't)

|                                     |           |                                       |           |
|-------------------------------------|-----------|---------------------------------------|-----------|
| Trans-Sonics, Inc. (12)             | 0-2618-2  | American Financial Corp               |           |
| U. S. Surgical Corp                 |           | (7,8,13)                              | 0-839-2   |
| (3,4,7,8,11,13)                     | 0-4685-2  | Bandag, Inc (7)                       | 0-3533-2  |
| American Standard Inc               |           | Brunswick Corp (4,13)                 | 1-1043-2  |
| (4,7,13)                            | 1-470-2   | CIG International Capital Corp        |           |
| Datron Systems, Inc (12)            | 2-33019-2 | (1,12)                                | 1-6437-2  |
| Hart Schaffner & Marx (8)           | 1-3236-2  | Fremont First National Co             |           |
| Hathaway Instrument Inc.            |           | (7)                                   | 2-27699-2 |
| (2,7,13)                            | 0-4041-2  | Gates Learjet Corporation             |           |
| IFC Collateral Corp (13)            | 2-19513-2 | (12)                                  | 0-1693-2  |
| International Telephone & Telegraph |           | Gamble Aldens Finance Co              |           |
| Corp (12)                           | 1-5627-2  | (2,13)                                | 2-17985-2 |
| G C Murphy Co                       |           | General Corporation of Ohio           |           |
| (2,7,12,13)                         | 1-2563-2  | (9,13)                                | 0-264-2   |
| National Fast Food Corp             |           | Greater Nebraska Corp                 |           |
| (6,13)                              | 0-4221-2  | (2,7,13)                              | 0-537-2   |
| Petro-Lewis Corporation             |           | Genge Industries, Inc                 |           |
| (12,13)                             | 2-29701-2 | (8,12,13)                             | 1-6082-2  |
| University Computing Co             |           | Genway Corp (12,13)                   | 0-2332-2  |
| (2,7,13)                            | 1-6055-2  | Holiday Inns, Inc (3)                 | 1-4804-2  |
| G.I.T. Financial Corp (8)           | 1-1861-2  | Hubbard Real Estate Investments       |           |
| Consolidated Oil & Gas Inc.         |           | (12,13)                               | 1-6309-2  |
| April 1970 (11)                     | 1-4516-2  | Jervis Corp (11,12,13)                | 1-5073-2  |
| G.T. Corporation (2,13)             | 0-2676-2  | Iowa National Investment Co           |           |
| Koppers Co., Inc (7)                | 1-3224-2  | (11)                                  | 0-2165-2  |
| Image Systems, Inc.                 |           | Milton Roy Company (12,13)            | 1-6007-2  |
| (9,11,13)                           | 0-4331-2  | Northeast Airlines, Inc               |           |
| International Controls Corp         |           | (3,12)                                | 1-3200-2  |
| (3,12)                              | 1-5599-2  | Northern Virginia Doctors Hospital    |           |
| International Systems & Controls    |           | Corp (7,8,13)                         | 0-2927-2  |
| Corp                                |           | Oglebay Norton Co                     |           |
| June 1970 (11,13)                   | 0-1427-2  | (12,13)                               | 0-663-2   |
| Iowa Illinois Gas & Electric Co     |           | Facemaker Corporation                 |           |
| (12)                                | 1-3573-2  | (1)                                   | 0-5306-2  |
| Land Consultants of America Inc     |           | Fueblo International Inc              |           |
| (13)                                | 2-35770-2 | (7,13)                                | 1-6376-2  |
| Mayflower Investors, Inc            |           | Starr Broadcasting Group Inc          |           |
| (12,13)                             | 0-2622-2  | (2,3,7,9,13)                          | 1-6377-2  |
| National Securities Inc             |           | United Research Homes, Inc.           |           |
| (2,12)                              | 0-1105-2  | (2,12,13)                             | 2-33156-2 |
| Nylon Engineering, Inc.             |           | Bergstrom Paper Co                    |           |
| (7,13)                              | 0-3569-2  | (4,7,13)                              | 0-377-2   |
| Pan American Sulphur Co             |           | Boise Cascade Corp                    |           |
| (3)                                 | 1-4319-2  | (11,13)                               | 1-5057-2  |
| Transitron Electronic Corp          |           | Class Student Services, Inc.          |           |
| (12)                                | 1-4261-2  | (12,13)                               | 0-4876-2  |
| Union Carbide Corporation           |           | Docktor Diet Centers, Inc.            |           |
| (12)                                | 1-1463-2  | (1,12,13)                             | 0-3396-2  |
| Vista International Corp            |           | First Executive Corp                  |           |
| (2,13)                              | 0-4778-2  | (2,4,7,12,13)                         | 0-3042-2  |
| Jim Walter Corp (3,12,13)           | 1-4868-2  | General Telephone Co of Indiana, Inc. |           |
|                                     |           | (7,13)                                | 0-1210-2  |

SECURITIES ACT REGISTRATIONS. Effective February 12: CP Financial Corp., 2-36637.

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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