



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

Washington, D.C. 20549

(Prepared by the SEC Office of Public Information)

(Issue No. 72-174)

FOR RELEASE September 12, 1972

NEW RULES AND RULE PROPOSALS

RULES 17a-16 and 17a-17 ADOPTED AND RULES 17a-9 and 19b-1 AMENDED. The SEC announced today that it has adopted Rule 17a-16 and Rule 17a-17 under the Securities Exchange Act of 1934 to become effective on October 16, 1972. The rules provide for the filing of notices and reports by broker-dealers who are third market makers or block positioners and who qualify under these rules for exemption from specified margin requirements for loans by banks to such broker-dealers under amendments to Regulation U of the Board of Governors of the Federal Reserve System ("the Board") which are being announced today.

Under Rule 17a-16, a third market maker who meets certain conditions, including specified net capital requirements, and who wishes to obtain "third market maker exempt credit" must file a notice with the Commission on Form X-17A-16(1) with respect to each listed security in which he makes a market at least five business days before receiving such credit. In addition, within 20 days after the end of each calendar quarter, he must file a report on Form X-17A-16(2) giving details of his transactions and borrowings.

Rule 17a-17 implements the Board's rule providing "block positioner exempt credit" for certain broker-dealers who position a block of stock with a value of \$200,000 or more to facilitate the sale or purchase of such block by a customer. Such credit must be extinguished within 20 business days unless extended for additional 5-day periods by a self-regulatory agency. The Commission's rule requires that a block positioner who intends to apply for exempt credit must file a notice with the Commission to that effect at least five business days before applying initially for such credit. (No form is provided for this purpose; these notices should be addressed to the Commission's Division of Market Regulation.) All broker-dealers who have filed such notices must, within 20 days after the close of each calendar quarter, file a report on Form X-17A-17 with the Commission. If the broker-dealer has used the "block positioner exempt credit," he must also file a Schedule A for each block positioned during a sample week to be selected by the Commission at the end of each quarter.

The forms relating to the rules, Forms X-17A-16(1), X-17A-16(2) and X-17A-17 and Schedule A thereof, may be obtained on and after October 2, 1972 from the Publications Unit, Securities and Exchange Commission, Washington, D. C. 20549. (Rel. 34-9760 and 34-9761)

RULE 17a-12 AMENDED. The SEC announced today the amendment of Rule 17a-12 under the Securities Exchange Act and the forms thereunder, relating to market makers in OTC Margin Securities, effective October 16, 1972. Under the amended rule, broker-dealers who do not use nor intend to use the exemption from margin requirements provided for under Regulation U of the Board of Governors of the Federal Reserve System for OTC Market Makers need no longer file notices or quarterly reports with the Commission. A broker-dealer who has not filed a notice that he is an OTC Market Maker, or has withdrawn his notice, but is otherwise eligible for exempt credit and wishes to obtain such credit may, within five days after applying for such credit, file a notification that he is an OTC Market Maker with the Commission. It is therefore suggested that those broker-dealers who have notices on file but do not ordinarily use the OTC Market Maker exemption of Regulation U withdraw their notices to lessen the paper work for both their own firms and the Commission.

In addition, Form X-17A-12(1), the notification form, and Form X-17A-12(2), the quarterly report form, have been revised and the latter will be due within 20 days after the close of the quarter instead of 10 days, as formerly. The revised Form X-17A-12(1) should be used on and after October 16, 1972 and the revised Form X-17A-12(2) should be used for the report for the quarter ending December 31, 1972. The new forms will be available on and after October 2, 1972 from the Publications Unit, Securities and Exchange Commission, Washington, D. C. 20549. (Rel. 34-9762)

COMMISSION ANNOUNCEMENT

SEC APPOINTS HEADS OF MIAMI, PHILADELPHIA OFFICES. SEC Chairman William J. Casey announced the appointment of Michael J. Stewart as Associate Regional Administrator of the Commission's Miami Branch Office. Mr. Stewart had been Assistant Regional Administrator of the SEC Washington, D. C. Regional Office since March 1972. He succeeds Roderick Knott, who resigned as Attorney-in-Charge of the Miami office to enter private law practice. Mr. Stewart joined the Commission in 1963 as a trial attorney in the Washington Regional Office. His subsequent work in complex civil, criminal and administrative proceedings led to successive promotions within that office. Mr. Stewart has also served as Special Assistant to the U.S. Attorney in Pittsburgh in the prosecution of a key securities law violation. A native of Charleston, S.C., Mr. Stewart received his undergraduate and law degree from Georgetown University.

Paul E. Leonard, currently Chief Enforcement Attorney of the Washington Regional Office, has been named to succeed Mr. Stewart as Assistant Regional Administrator in that office. Mr. Leonard joined the SEC in 1958 as Special Counsel in the Office of General Counsel and was assigned to the Washington Regional Office in 1962. He is a graduate of Loyola College and the Georgetown Law School.

The Commission also announced the appointment of Thomas H. Monahan as Attorney-in-Charge of the Commission's new Philadelphia Branch Office. Mr. Monahan was formerly associated with the brokerage firm of R. S. Dickson, Powell, Kistler and Crawford of Charlotte, N. C. He has previously served with the Commission as a trial attorney in the former Division of Trading and Markets, where he became branch chief in 1968. He later

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accepted a position as general counsel with the brokerage firm of Legg, Mason & Co. in Baltimore. A native of Daytona Beach, Fla., he received his undergraduate degree from Richmond Professional Institute and his law degree from George Washington University.

DECISION IN ADMINISTRATIVE PROCEEDING

DECISION ISSUED IN LEVITZ CASE. The SEC announced the issuance of its Findings and Opinion with respect to its prior order which, on the basis of an offer of settlement, suspended the effectiveness of a registration statement filed by Levitz Furniture Corporation, of Pottstown, Pa., relating to a proposed public offering of 600,000 shares of the company's common stock.

The Commission found that the registration statement was materially deficient in failing to disclose various facts concerning the company's labor situation. The Opinion recited that certain company executives, including Gary R. Levitz, an executive vice-president and director, had been informed by the International Brotherhood of Teamsters ("IBT") that a nationwide campaign to organize the company's employees would begin about June 1, 1972; that Levitz informed IBT that the proposed contract terms it had outlined were acceptable to him and that he would recommend their acceptance by the company; that Levitz subsequently told IBT that the company would not oppose IBT's campaign if it were deferred until completion of the proposed offering; and that IBT thereupon agreed to defer its campaign until about July 1.

The Commission stated, "As (the company) was aware, there was an imminent effort to unionize its employees and a likelihood that they would become organized and that a labor contract along indicated lines would be entered into between the company and the union. Under the circumstances, potential investors who were to be asked to buy stock in (the company) should have been apprised of those facts and, to the extent possible, of the effects of IBT's organizing campaign and the proposed labor contract terms on (the company's) business operations, employee relations and income. The failure to do so deprived such investors of material information necessary for an informed investment decision, rendered the registration statement materially misleading, and made appropriate the issuance of the stop order." (Rel. 33-5295)

COURT ENFORCEMENT ACTIONS

NINE ENJOINED. The SEC Denver Regional Office announced August 30 that the Federal district court in Denver, entered an order permanently enjoining Ronald Herndon, Herndon and Associates, Interstate Motel and Property Management, Inc., Harvey W. Postlethwait, Sands Motel and Restaurant, Continental Longview Motor Inn, Kings Inn, Americana Motor Hotel and Kona Kai Inn from violating the registration and anti-fraud provisions of the Federal securities laws in connection with the offer and sale and purchase of common stock of Interstate and limited partnership interests in Sands, Continental, Kings, Americana and Kona Kai. The defendants consented to entry of the order. (LR-5521)

COMPLAINT NAMES DOORES SECURITIES CORP. The SEC New York Regional Office announced the filing of a complaint on August 24 in the Federal court in New York City seeking to enjoin Doores Securities Corp., of New York City and David Weiss, its president, of Staten Island, N. Y., from violations of the net capital, bookkeeping and supplemental reporting requirements of the Federal securities laws. The complaint requests appointment of a temporary receiver until such time as the Securities Investor Protection Corporation makes a determination whether or not to make application to install a trustee. (LR-5522)

INVESTMENT COMPANY ACT RELEASE

NEW AMERICA FUND, INC. The SEC has issued a notice giving interested persons until September 22 to request a hearing upon an application of New America Fund, Inc., of Los Angeles, for an order pursuant to the Investment Company Act of 1940 to permit New America Fund, Inc. to participate in a public offering of shares of common stock of Under Sea Industries, Inc. (Rel. IC-7355)

HOLDING COMPANY ACT RELEASES

NEW JERSEY POWER & LIGHT COMPANY. The SEC has issued a supplemental order authorizing New Jersey Power & Light Company, Morristown subsidiary of General Public Utilities Corporation, to sell additional utility poles to two nonassociate telephone companies. (Rel. 35-17689)

VERMONT YANKEE NUCLEAR POWER CORPORATION. The SEC has issued an order authorizing Vermont Yankee Nuclear Power Corporation, Rutland, Vt. subsidiary company of Northeast Utilities and New England Electric System, to amend its bond indenture to delete the obligation of Vermont Yankee to place its plant in commercial operation by December 31, 1972, thereby leaving the obligation of placing the plant in commercial operation without a date certain. Vermont Yankee represents that such deletion will have no adverse effect on the rights of the bond holders in that the sponsors of Vermont Yankee are committed to satisfy all obligations of the bondholders arising subsequent to December 31, 1972. (Rel. 35-17690)

SECURITIES ACT REGISTRATIONS

RIMROCK CATTLE PARTNERSHIPS. R. Harold White, Jay R. Bingham, James H. Bell, Jr., W. Dean Belnap, Tad H. Bingham, and Clark M. Mower (the general partners), 1610 S. Main St., Bountiful, Utah 84010, filed a registration statement on September 5 seeking registration of \$5 million of partnerships interest in Rimrock Cattle Partnerships, to be offered for public sale in minimum amounts of \$2,500 (five units) by selected NASD members. The Partnerships are to be formed to engage primarily in the cattle feeding business. (File 2-45612)

CONTINUED

EDGINGTON OIL COMPANY, 2400 E. Artesia Blvd., Long Beach, Calif. 90805, filed a registration statement on September 6 seeking registration of 417,974 shares of common stock, of which 100,000 are to be offered for public sale by the company and 317,974 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$24 per share maximum) through underwriters headed by Dean Witter & Co. Inc., 800 Wilshire Blvd., Los Angeles, Calif. 90017. The company is an independent oil refiner and a domestic marketer and distributor of refined petroleum products. Of the net proceeds of its stock sale, \$1,500,000 will be used to retire a bank loan and the balance used for working capital and other corporate purposes. (File 2-45613)

COMMUNITY PSYCHIATRIC CENTERS, One Embarcadero Center, San Francisco, Calif. 94111, filed a registration statement on September 6 seeking registration of 255,000 shares of common stock, of which 225,000 are to be offered for public sale by the company and 30,000 (issuable upon exercise of options) by the recipients thereof. The offering is to be made (*at \$20.125 per share maximum) through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Calif. 94106. The company is engaged in operating and managing acute psychiatric hospitals. Net proceeds will be used to reduce debt and finance expansion of acute psychiatric hospital facilities. (File 2-45614)

AMERICAN BUILDINGS COMPANY, State Docks Road, Eufaula, Ala. 36027, filed a registration statement on September 6 seeking registration of 400,000 shares of common stock, to be offered for public sale (*at \$17 per share maximum) through underwriters headed by Reynolds Securities Inc., 120 Broadway, New York 10005. The company is engaged in the manufacture and marketing of metal buildings for commercial and other users. Net proceeds will be applied to the payment of a 6% senior note issued by the company as a portion of the purchase price of assets acquired from Boise Cascade Corporation. (File 2-45615)

HEWLETT-PACKARD COMPANY, 1501 Page Mill Rd., Palo Alto, Calif. 94304, filed a registration statement on September 6 seeking registration of 297,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (*at \$72 per share maximum) through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005. The company manufactures and markets precision electronic instruments and systems for measurement, analysis and computation. (File 2-45616)

GENERAL TELEPHONE COMPANY OF THE SOUTHWEST, subsidiary of General Telephone & Electronics Corporation (GTE), 2701 S. Johnson St., San Angelo, Tex. 76901, filed a registration statement on September 6 seeking registration of \$40 million of first mortgage bonds, due 2002, to be offered for public sale at competitive bidding. Net proceeds together with proceeds from the proposed sale of 720,000 of common stock to GTE, will be applied toward payment of short-term loans owing to banks and GTE, and commercial paper (estimated not to aggregate more than \$90,500,000 at the time of such application), obtained for the purpose of financing the company's construction program. Construction expenditures are estimated at \$104 million for 1972. (File 2-45617)

CONSOLIDATED CAPITAL CORPORATION, 319 Minorca Ave., Coral Gables, Fla. 33134, filed a registration statement on September 6 seeking registration of 650,000 shares of common stock, to be offered for public sale at \$5 per share. No underwriting is involved. Recently organized, the company proposes to engage in the life insurance business in Florida. The company proposes to contribute \$1,250,000 to a proposed life insurance subsidiary as contributed surplus and capital and to use the balance for other corporate purposes. (File 2-45620)

INTERACTIVE DATA CORPORATION, 486 Totten Pond Road, Waltham, Mass. 02154, filed a registration statement on September 6 seeking registration of 300,000 outstanding shares of common stock, to be offered for public sale (*at \$25 per share maximum) through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006. The company is primarily engaged in providing remote access time-sharing computer services. (File 2-45621)

OCEANIC RESOURCES, INC., 362 Fifth Ave., New York 10001, filed a registration statement on September 6 seeking registration of 250,000 shares of common stock, to be offered for public sale (*at \$8 per share maximum) through underwriters headed by Pressman, Frohlich & Frost, Inc., One State St. Plaza, New York 10004. The company is engaged in the processing, packaging, freezing and sale of seafood products to distributors in Japan and the United States. Of the net proceeds of its stock sale, \$750,000 will be used to purchase shrimp and other seafood products and the balance for working capital and other corporate purposes. (File 2-45622)

MIDWEST SAINTS, INC., Metro Sq. Bldg., St. Paul, Minn. 55101, filed a registration statement on September 6 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at \$1.50 per share through underwriters headed by Denis McCauley & Co., 730 Second Ave. South, Minneapolis, Minn. 55402. The company has organized a professional hockey team which will commence play in October 1972 under the name "Minnesota Fighting Saints." Of the net proceeds of its stock sale, \$225,000 will be used to retire indebtedness and the balance for working capital and other corporate purposes. (File 2-45623)

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MARLAND ENVIRONMENTAL SYSTEMS, INC., 150 Strafford Road, Wayne, Pa., filed a registration statement on September 6 seeking registration of 140,000 shares of common stock, to be offered for public sale at \$4 per share by Blinder, Robinson & Co., Inc., 185 Post Ave., Westbury, N. Y. 11590. The company is engaged in the design, development and sale of equipment used for waste water treatment and recycling. Of the net proceeds of its stock sale, \$140,000 will be used to establish a marketing program for the company's products and the balance for working capital and other corporate purposes. (File 2-45624)

FILM CARTRIDGE CORPORATION, 347 Madison Ave., New York 10017, filed a registration statement on September 6 seeking registration of 240,000 shares of common stock, to be offered for public sale at \$2.50 per share by Davis Securities, Inc., 50 Broadway, New York. The company was organized in May to engage in the production, purchase and marketing of video tapes and film cartridges for educational, training and home entertainment purposes. Net proceeds will be used for working capital and other corporate purposes. (File 2-45625)

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:

- Keene Corporation, New York, N. Y. (File 2-45609) - 400,000 shares
- Ryder System, Inc., Miami, Fla. (File 2-45611) - 300,000 shares
- E. F. Hutton & Company, New York, N. Y. (File 2-45618) - 300,000 shares and (File 2-45619) - 300,000 shares

MISCELLANEOUS

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the several items of the form was included in the September 1 News Digest.

8K Reports for May 72

Admiral International Enterprises C Corp. (14)	1-6202-2	Mortgage Trust of America (7,10,12,13)	1-6667-2
American Guaranty Corp. (6)	0-2451-2	Mouldings Inc (3,10)	1-6053-2
Brenton Banks, Inc (4,11)	0-6216-2	Northern Central RY Co. (11)	1-1562-2
Butler Aviation International Inc. (3)	1-5658-2	SEA World Inc. (9)	0-3702-2
Central Communications Corp. Jan 72 (2,7,13,14)	2-41589-2	Talley Industries, Inc. (7)	1-4778-2
Condec Corp (10)	1-3899-2	Trans-Canada Pipe Lines, Ltd.(7,8)	2-12927-2
Fleetwood Enterprises Inc. (7)	1-5602-2	Viking General Corp (2,12,13)	1-6212-2
LSL Corp. (2)	0-6168-2	Warbern Packaging Industries, Inc. (11,13)	0-6274-2
Marine Resources Inc. (13)	0-4296-2	Wisconsin Electric Power Co (3,11 14)	1-1245-2
Maryland Old Line Corp (11)	0-3453-2	Wisconsin Michigan Power Co	0-319-2
Medichex Inc (2,7,9,14)	2-38054-2	Wisconsin Natural Gas Co. (3)	2-2066-2
Michigan Central RR Co. (11)	1-1787-2		

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation and North American Planning Corporation for the further ten-day period September 12-21, inclusive.

SECURITIES ACT REGISTRATIONS. Effective September 8: Admiral Corp., 2-44605; Bank Building & Equipment Corp. of America, 2-45077; Bio-Dynamics, Inc., 2-45384; Cenco Instruments Corp., 2-45382; First Investors Leverage Corp., 2-44784; Hammermill Paper Co., 2-44640; Horizon Corp., 2-45418; Pan American Bancshares, Inc., 2-44772; Physics International Co., 2-42701 (40 days); The United States Shoe Corp., 2-44782; Seatrain Lines, Inc., 2-45459; Vetco Offshore Industries, Inc., 2-45181.

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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