

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

RULE CALLS FOR CHANGES IN REGISTRATION FORMS. The SEC today announced the adoption of amendments to registration forms, S-1, S-9 and S-11 under the Securities Act of 1933 (Release 33-5135). Form S-1 is a general form for the registration of securities under the Act and has been amended to include, in the instructions as to financial statements provisions, for the furnishing of source and application of funds statements for each fiscal year or other period for which a profit and loss statement is required. The amendments to Form S-9 revise Item 3 which requires the furnishing of a five-year summary of earnings and which conforms the item and the instructions thereto to the corresponding item of the revised Form S-7, including a requirement for the furnishing of statements of source and application of funds. The first paragraph of the instructions as to financial statements in Form S-11 has been amended to refer to "financial statements" rather than to "balance sheets and profit and loss statements," in order to include statements of source and application of funds.

DECISION IN ADMINISTRATIVE PROCEEDING

HAIGHT GRANTED 10-DAY STAY. The SEC granted a motion by Haight & Company, Inc. (formerly Hodgdon & Co., Inc.), Washington, D. C., James F. Haight, Burton Kitain, W. Lyles Carr, Jr., David M. Adam, Jr., James W. Harper III, Homer E. Davis and Robert F. Kibler for a 10-day stay from February 24 of its February 19 order revoking the company's broker-dealer registration, expelling it from membership on the Philadelphia-Baltimore-Washington Stock Exchange and in the National Association of Securities Dealers, Inc., and barring the individual respondents from association with any broker or dealer. At the same time, the Commission denied respondents' request for a stay of its order pending determination of their appeal from that order to the D.C. Circuit Court of Appeals, and made the 10-day stay subject to the proviso that if the Court acted within that period upon respondents' request for a stay of the Commission's order pending appeal, the Commission's stay would then terminate.

COMMISSION ANNOUNCEMENT

SEC ENTERS FLYING W, FARRINGTON PROCEEDINGS. The SEC has entered the proceedings under Chapter X of the Bankruptcy Act for the reorganization of Flying W Airways, Inc., and its wholly-owned subsidiary Red Dodge Aviation, Inc., which are pending in the Federal court in Philadelphia. The court has named Eugene M. Bernstein and Robert C. Duffy as trustees. An airline operator, Flying W's schedule filed with its Chapter X petition, showed as of May 31, 1970 assets of \$16.7 million and \$15.3 in liabilities; its 2.5 million shares of common stock are held by approximately 1,000 persons.

The SEC has also entered the proceedings under Chapter X with respect to Farrington Manufacturing Company pending in the Federal court in Alexandria, Va. John W. Davidge, Jr., has been appointed trustee. According to its latest 10-K report, Farrington, an electronics manufacturer, had assets of \$37.6 million as against liabilities of \$38.4 million at the end of 1969; its 4.3 million shares of common stock are held by over 10,000 shareholders. Also publicly held are \$3,770,000 in 5 1/2 percent convertible subordinated debentures, in default since their April 1, 1970 maturity date.

HOLDING COMPANY ACT RELEASES

SOUTHWESTERN ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17017) authorizing Southwestern Electric Power Company, Shreveport subsidiary of Central and South West Corporation, to modify its Indenture of Mortgage or Deed of Trust dated February 1, 1940, as supplemented. Southwestern estimates that the modifications may have the effect of increasing the amount of net expenditures for bondable property during the period beginning January 1, 1971 by some \$2,000,000 to \$2,500,000 per year, a portion of which would be used for purposes other than the authentication of additional bonds. Southwestern represents that the proposed amendments would tend to assure its ability to finance additional construction expenditures through the issuance of first mortgage bonds.

CONSOLIDATED NATURAL SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17021) giving interested persons until March 15 to request a hearing on an application by Consolidated Natural Gas Company, New York holding company, to act as surety without fee or other consideration on the bond of its subsidiary company, Consolidated Gas Supply Corporation (Gas Supply). In October 1970, Hope Natural Gas Company, a division of Gas Supply filed revisions in its rate schedule with the West Virginia state Public Service Commission providing for increased rates and charges approximating \$5,989,197 per year and the effectiveness of the rates was suspended until March 16, 1971. The new rates may now become effective upon the filing by Supply Corporation of a bond in the amount of \$6,000,000.

OVER

INVESTMENT COMPANY ACT RELEASE

GOLCONDA SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6363) giving interested persons until March 19 to request a hearing upon an application of Golconda Corporation (successor to Golconda Mining Corporation), Chicago, for an order declaring that it has ceased to be an investment company as defined in the Act. Golconda Mining, which during its first 30 years was engaged solely in mining and mineral refinement, became engaged in 1957 in a program of acquiring the securities of other mining companies and, thus, an "investment company" as the term is defined in the Act. At a special stockholders meeting in September 1970, more than two-thirds of Golconda Mining shareholders voted: (1) to approve a merger with Astro Controls, Inc., (2) to change the company's name to Golconda Corporation and (3) to change the nature of its business so that it should cease to be an investment company. According to the application, Golconda claims that as a result of the merger it has ceased to be an investment company.

COURT ENFORCEMENT ACTIONS

VAN WYKE INDICTED. The SEC Seattle Regional Office announced February 22 (LR-4914) that the Federal Grand Jury in Seattle had returned an indictment against Arthur Richard Van Wyke charging him in six counts with violating the mail fraud statute, and one count with the transportation in interstate commerce of a fraudulently obtained check.

HOWARD CARLTON, INC., LAZELL, ENJOINED. The SEC New York Regional Office announced February 23 (LR-4915) that the Federal court in New York had preliminarily enjoined Howard Carlton, Inc., New York, and Howard L. Lazell, Belle Harbor, N. Y., from violating the net capital and bookkeeping provisions of the Federal securities laws, and appointed Clark J. Gurney, Esq. receiver until such time as the Securities Investor Protection Corporation may make an application to the Court for a trustee. The order further stayed and enjoined all lawsuits and persons from interfering with property in possession of Howard Carlton, Inc.

SECURITIES ACT REGISTRATIONS

LEASCO DATA EQUIPMENT SHARES IN REGISTRATION. Leasco Data Processing Equipment Corporation, 280 Park Ave., New York 10017, filed a registration statement (File 2-39446) with the SEC on February 19 seeking registration of 444,930 shares of common stock. Of these shares, 400,000 are issuable upon exercise of options under the company's 1970 non qualified stock option plan and 44,930 are outstanding shares which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$18 per share maximum*).

A. T. CROSS FILES FOR SECONDARY. A. T. Cross Company, One Albion Rd., Lincoln, R. I. 02865, filed a registration statement (File 2-39459) with the SEC on February 23 seeking registration of 500,000 outstanding shares of Class A common stock, to be offered for public sale by the holders thereof through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The offering price (\$27 per share maximum*) and underwriting terms are to be supplied by amendment. The selling stockholders have agreed to pay Goldman, Sachs \$25,000 for expenses.

The company is engaged primarily in the manufacture of high quality writing instruments, consisting of ball point pens, mechanical pencils and desk sets. It has outstanding 1,776,000 Class A and 225,600 Class B common shares. W. Russell Boss, Jr., board chairman, owns 22.1% and S.I.P.P. Co., Inc., 52.4% of the A shares. Boss proposes to sell 160,350 of 391,980 A shares held, S.I.P.P. 232,650 of 930,600, Bradford R. Boss, president, Russell A. Boss, vice president, and two Boss trusts 26,750 shares each of from 84,600 to 141,000 shares held each.

OPPENHEIMER MEDALLION FUND PROPOSES OFFERING. Oppenheimer Medallion Fund, Inc., One New York Plaza, New York 10004, filed a registration statement (File 2-39461) with the SEC on February 23 seeking registration of 500,000 shares of capital stock, to be offered for public sale at net asset value (\$10 per share maximum*) with a sales charge of 8 1/2% on purchases of less than \$25,000. The Fund is a non-diversified open-end investment company with an investment objective of capital appreciation. Oppenheimer Management Corporation will serve as investment adviser and distributor of Fund shares. Jack Nash is president.

U. S. FINANCIAL TO SELL DEBENTURES. U. S. Financial, 1250 Sixth Ave., San Diego, Calif. 92101, filed a registration statement (File 2-39462) with the SEC on February 23 seeking registration of \$35,000,000 of convertible subordinated debentures, due 1991, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

CONTINUED

The company and its subsidiaries are engaged in the design, production and sale of shelter (including single-family homes, apartments, residential homesites, mobile home parks and commercial income properties) and in related financing activities. Net proceeds of its debenture sale will be applied to the reduction of short-term debt (aggregating \$71,206,000 at January 31) incurred primarily to fund construction loans made by the company to finance the production of shelter. In addition to indebtedness and preferred stock, the company has outstanding 3,754,669 common shares, of which Robert H. Walter, president and chief executive officer, owns 11.4% and management officials as a group 20%.

CALUMET INDUSTRIES PROPOSES RIGHTS OFFERING. Calumet Industries, Inc., 10 S. LaSalle St., Chicago, Ill. 60603, filed a registration statement (File 2-39463) with the SEC on February 23 seeking registration of \$3,500,000 of debentures, due 1986, and 105,000 common stock purchase warrants, to be offered for subscription by common stockholders in units, each unit consisting of a \$100 debenture and three warrants, and at the rate of one unit for each ten shares held, and at \$100.75 per unit.

The company is engaged in the refining of selected crude oils and the sale of a line of lubricating oils and by-products consisting of fuel oils and asphalts. Of the net proceeds of its financing, \$800,000 will be used to reduce long-term bank indebtedness, \$500,000 to reduce short-term indebtedness and \$750,000 to construct a refining facility at Natches, Miss.; the balance will be added to the company's general funds and will be available to provide additional working capital and for other corporate purposes. In addition to indebtedness, the company has outstanding 430,750 common shares, of which Harry J. Fair, Jr., board chairman and president, owns 33.1% and management officials as a group 37.2%.

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:

SuCrest Corporation, New York 10005 (File 2-39468) - 100,000 shares

International Industries, Inc., Beverly Hills, Calif. 90212 (File 2-39469) - 308,118 shares and
(File 2-39470) - 15,000 shares

MISCELLANEOUS

WASHINGTON RO CHANGE OF ADDRESS. Effective March 1, the SEC Washington Regional Office will be located at:

Ballston Center Tower 3 (Phone number remains the same)
4015 Wilson Boulevard 557-8201
Arlington, Va. 22201

LANCASTER COLONY SEEKS ORDER. Lancaster Colony Corporation, of Columbus, Ohio, has filed an application with the SEC under the Trust Indenture Act of 1939 seeking a determination that the trusteeship of The Citizens and Southern National Bank ("Bank"), Atlanta, Ga., under an indenture dated April 1, 1969 (the "1969 indenture"), which is qualified under the Act, and the trusteeship of the Bank under an indenture to be dated January 1, 1971 (the "1971 indenture"), which will not be qualified under the Act, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Bank from serving as trustee under both; and the Commission has issued an order giving interested persons until March 15 to request a hearing thereon.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-9095) granting applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies: Midwest Stock Exchange - The Flying Tiger Corporation - Common Stock and Common Stock Purchase Warrants. Philadelphia-Baltimore-Washington Stock Exchange - Bloomfield Building Industries, Inc., Class A common stock. Mobil Oil Corporation - Warrants (Expiring 8/1/75), Northwest Industries, Inc. - Warrants (Expiring 3/31/79) Recrion Corporation, Riker-Maxson Corporation, Ronco Teleproducts, Inc., Shelter Resources Corporation, Wabash Magnetics, Inc.

CORRECTION RE MONARCH ELECTRONICS INTERNATIONAL. With reference to the News Digest item of February 19 respecting Monarch Electronics International, Inc. (LR-4908), the Form 10-K report referred therein refers to the calendar year 1968.

SECURITIES ACT REGISTRATIONS. Effective February 25: Bass Financial Corp., 2-35680 (90 days); Central Telephone & Utilities Corp., 2-39354; Cypress Communications Corp., 2-38835 (40 days); Electric Regulator Corp., 2-38057 (90 days); The Firestone Tire & Rubber Co., 2-39425; Guardsmark, Inc., 2-39003 (90 days); Howard Johnson Co., 2-39385; Lafayette Funds, Inc., 2-38653 (90 days); Ling-Temco-Vought, Inc., 2-37303 (40 days); LTV Aerospace Corp., 2-39371; McCulloch Properties Credit Corp., 2-39239 (90 days); Orange and Rockland Utilities, Inc., 2-39355; Payless Cashways, Inc., 2-39319; Waxman Industries, Inc., 2-38882 (90 days).

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.