

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 October 30, 1970

COMMISSION ANNOUNCEMENTS

TRADING IN AART COMMUNICATIONS SUSPENDED; COMPLAINT FILED. The SEC today announced the filing of a complaint in Federal court in Denver, seeking to enjoin the offer and sale of stock of AART Communications Corporation, Inc. (formerly Western Plains Oil and Gas Co.), of Fort Collins, Colo., in violation of the Securities Act registration requirements by the issuer (AART), Francis P. O'Neil, its president, and James M. Morse, a promoter. The Commission also ordered the suspension of over-the-counter trading in AART stock for the period October 30 through November 8 because of a lack of adequate and accurate public information concerning AART, the value of its assets, its operations, and its financial condition. The complaint in the injunctive action alleges that in June 1970 AART and O'Neil entered into a scheme to reactivate a dormant corporate shell (Western Plains), changed its name to AART, increased its capital stock from 475,000 to 4,750,000 shares by a 10-1 stock split, and within two months caused an unlawful, widespread distribution of large blocks of unregistered AART shares.

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation and Picture Island Computer Corporation for the further ten-day period November 2-11, 1970, inclusive.

ADDENDUM RE "NO ACTION" LETTERS. The rules governing the publication of "no action" letters referred to in the SEC News Digest of October 29, apply to requests for "no action" letters received on and after December 1, 1970.

EXAMINATION FEE INCREASED. The SEC today announced that, commencing November 2, the NASD will require applicants who take the Commission's General Securities Examination to pay a fee of \$30 rather than the \$20 fee presently being charged by the NASD (Release 34-9015). Examinations for registered representatives and principals are conducted for the Commission by the NASD. The Commission also announced a proposal to amend its Form SEC0-2 to increase the initial registration fee for associated persons of registered broker-dealers who are not NASD members from \$25 to \$35, effective December 15. Interested persons may submit views and comments thereon not later than November 17.

COURT ENFORCEMENT ACTIONS

LESSTUDS CORPORATION, OTHERS ENJOINED. The SEC New York Regional Office announced October 28 (LR-4792) that the Federal court in New York City has entered default judgments of preliminary injunction against LesStuds Corporation (now known as Trans Southern Holding Corporation) of Mobile, Ala., and Gary Alpert, New York, N. Y., and consent judgments of permanent injunctions against Clark Grimshaw and John Badger, both of Ogden, Utah, and J. H. Rapp Company (a registered broker-dealer) and its principal Robert Rapp, both of Kennelworth, N. J., enjoining them from further violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of LesStuds common stock.

DENNETT AND ZACHARIAS ENJOINED. The SEC New York Regional Office announced October 19 (LR-4793) that the Federal court in New York City had issued an order of preliminary injunction enjoining John Elwood Dennett of Salt Lake City, pending final determination of this action, from transferring stock of LesStuds Corporation (now known as Trans Southern Holding Corporation) without the prior written authorization of the Commission, and enjoining Dennett and Leslie Zacharias (also known as Lee Zacharias), of Miami Beach, Fla., from selling, pledging, transferring or otherwise disposing of LesStuds Corporation stock pending such determination.

SECURITIES ACT REGISTRATIONS

APACHE REALTY FUND PROPOSES OFFERING. Apache Realty Fund (the "Partnership"), 1800 Foshay Tower, Minneapolis, Minn. 55402, filed a registration statement (File 2-38682) with the SEC on October 28 seeking registration of \$2,186,690 of limited partnership units, to be offered for public sale at \$515 per unit. The offering is to be made on a best efforts basis by Apache Oil Program, Inc., a wholly-owned subsidiary of Apache Corporation (the "general partner"), and other selected NASD members; the underwriting terms are to be supplied by amendment. The Partnership was organized for the purpose of acquiring, developing, operating and occasionally selling real estate. Charles B. Sweatt, Sr., is board chairman and Raymond Plank president and chief executive officer of the general partner.

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FIRST ALABAMA BANCSHARES PROPOSES EXCHANGE OFFER. First Alabama Bancshares, Inc. ("First Alabama"), 317 N. 20th St., Birmingham, Ala. 35203, filed a registration statement (File 2-38683) with the SEC on October 28 seeking registration of 3,124,500 shares of common stock. It is proposed to offer these shares in exchange for the common stock of the following banks at the indicated rates: two shares for each share of The First National Bank of Montgomery, 0.48505 shares for each share of Exchange Security Bank of Birmingham, and 4.30975 shares for each share of The First National Bank of Huntsville. The exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding shares of each affiliating bank. First Alabama was organized in June for the purpose of becoming a bank holding company. Frank A. Plummer is president and chief executive officer of First Alabama and of First Montgomery.

SCIENTIFIC INCINERATION DEVICES TO SELL STOCK. Scientific Incineration Devices, Inc., 134 Evergreen Pl. East Orange, N. J. 07018, filed a registration statement (File 2-38686) with the SEC on October 29 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made as to the first 160,000 shares on an "all-or-none" basis and as to the remaining 140,000 shares on a "best efforts" basis by Gotham Securities Corp., 565 Fifth Ave., New York 10017, which will receive a \$1 per share selling commission plus \$50,000 for expenses. The company has agreed to sell the underwriter, at 1¢ per warrant, six year warrants to purchase up to 30,000 shares, exercisable after one year at \$10 per share.

Organized in 1965, the company intends to engage in designing, constructing and marketing to municipalities, other governmental subdivisions and potential users, as well as operating itself, incinerator systems for the disposal of solid waste in large quantities. Of the net proceeds of its stocks sale, \$795,000 will be used to pay liabilities owed at July 31, 1970, \$371,000 for payment of additional expenses which may be incurred in order to make the incinerator unit for Wanaque, N. J. operable, and \$119,000 for general corporate purposes. The company may be required to use all additional proceeds, first for the completion of the Wanaque unit and then for construction of a second unit; or if it is able to obtain financing for the second unit, \$500,000 for the construction of additional units and the balance for working capital and general corporate purposes, including \$100,000 for research and development. The company has outstanding 604,167 common shares (with a 17¢ per share net tangible book value), of which Anthony J. Maitilasso, Sr., vice president, owns 14.4% and management officials as a group 40.8%.

AMERICAN PACIFIC HOLDING TO SELL STOCK. American Pacific Holding Corporation, One Crocker Plaza, Suite 2190, San Francisco, Calif. 94104, filed a registration statement (File 2-38688) with the SEC on October 29 seeking registration of 700,000 shares of common stock, to be offered for public sale at \$1 per share. No underwriting is involved.

Organized as a holding company in May, the company conducts its business through its wholly-owned subsidiary, American Pacific Securities Corporation, which is engaged in the retail sale to the public of mutual fund shares and insurance in California and Oregon. Net proceeds of its stock sale will be added to the company's general funds and used initially to pay promissory notes to be issued to stockholders of Powell, Johnson & Associates in connection with the acquisition of its stock and for the expansion of the company's activities, possibly including the acquisition or establishment of additional subsidiaries or divisions to engage in activities related to the company's business, to hold seats on additional stock exchanges, and to engage in the reinsurance business. The company has outstanding 774,000 common shares (with a 47¢ per share net tangible book value), of which John G. Kelly, board chairman, and B. J. Bird, president own 11.4% each and management officials as a group 82.3%. Purchasers of the shares being registered will acquire a 47% stock interest in the company for their investment of \$700,000 (they will sustain an immediate dilution of 28¢ in per share book value from the offering price); present shareholders will then own 53%, for which they paid \$216,000 in cash and notes of \$211,000, or an average of 55¢ per share.

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:

Westrans Industries, Inc., New York 10017 (File 2-38684) - 154,000 shares
United Jersey Banks, Hackensack, N. J. 07602 (File 2-38685) - 38,615 shares

SECURITIES ACT REGISTRATIONS. Effective October 29: Arcata National Corp., 2-38617; Beehive Medical Electronics, Inc., 2-37125 (90 days); Biometric Testing Inc., 2-37016 (90 days); Bowles Fluidics Corp., 2-37706 (Jan 27); Callahan Mining Corp., 2-37541 (Dec 8); Castleton Industries, Inc., 2-38693 (40 days); Eagle County Development Corp., 2-38558 (Dec 8); The Equitable Life Mortgage and Realty Investors, 2-38380 (Jan 27); First Mortgage Investors, 2-38494 (Dec 9); Franklin Discount Co., 2-35952 (Dec 12); Libby, McNeill & Libby, 2-38578 (Dec 8); Lincoln First Banks, Inc., 2-38583; Marriott Corp., 2-38604; Mid-America Bancorporation, Inc., 2-38037 (Dec 8); Mississippi River Transmission Corp., 2-38320 (Dec 8); John Nuveen & Co. (Inc.), 2-38184; Philadelphia Suburban Water Co., 2-38592 (Dec 8); S. Riekes & Sons, Inc., 2-35184 (Jan 27); Rollins Burdick Hunter Co., 2-38011 (Jan 27); South Carolina Electric & Gas Co., 2-38429; Specialty Restaurants Corp., 2-36756 (Dec 8); The Toledo Edison Co., 2-38569.

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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