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FOR RELEASE September 14, 1971

NEW RULES AND RULE PROPOSALS

COMMISSION INVITES COMMENTS ON REVISED DRAFT OF PROPOSED RULE 144. The Commission has announced new proposed rules in the resale of restricted stock. In announcing the rules, Chairman William J. Casey made the following statement:

"The Commission is acting today to both protect the purchasers of so-called "letter" or "restricted" stock and create greater clarity and certainty as to when and how such stock may be sold. Additional investor protection will come from assuring that information is available about the issuing company, requiring a definite holding period to establish that the seller has held the securities at risk, and establishing quantitative restrictions on the amount of stock sold within a 6-month period in order to protect against wide swings in the market price. The new rules are also designed to increase the number of companies about which information is publicly available.

The new proposed Rule 144 will, in essence, after a two year holding period, allow holders of stock in issuers about which adequate public information is available to sell through brokers limited amounts without registration. With these new proposals, the Commission believes that it has refined and improved investor protection by updating the entire pattern of disclosure required by the 1933 and 1934 Acts."

* * * *

The Commission today published for comment a revised draft of proposed Rule 144 under the Securities Act of 1933. Comments on the revised draft are to be submitted to the Commission on or before October 14, 1971. Comments were invited on an earlier draft on September 22, 1970 in Release 33-5087.

The rule provides that any affiliate (*i.e.*, control person) or other person who sells restricted securities for his own account, or any person who sells either restricted or other securities for the account of an affiliate of the issuer, shall be deemed not to be engaged in a "distribution" of the securities and therefore not to be an underwriter of the securities if all of the terms and conditions of the rule are met. The term "restricted securities" is defined to mean securities acquired from their issuer or from an affiliate of such issuer in a transaction or chain of transactions not involving any public offering. A brief summary of the terms and conditions follows.

There must be available public information with respect to the issuer of the securities. This condition is deemed to be met if the issuer is subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 and has filed all reports due within the past 90 days. If the issuer is not subject to those reporting requirements, there must be publicly available the information concerning the issuer specified in paragraph (a)(4) of Rule 15c2-11 under the Exchange Act.

If the securities sold are restricted securities, they must have been beneficially owned and paid for for a period of at least two years. During that period the seller must not have acquired or agreed to acquire any other restricted securities of the issuer, other than certain nontransferable options, warrants or rights. Certain transactions, however, do not start the two-year period running anew. These include stock dividends, conversions, contingent issuance of securities, bona fide pledges, gifts and transactions by certain trusts and estates.

The rule provides that the amount of securities which may be sold thereunder during any period of six months shall not exceed the lesser of one percent of the class outstanding, or the average weekly volume of trading on an exchange, if the securities are registered on an exchange. In the case of sales by affiliates, the amount must be computed on the basis of all restricted and other securities sold, while in the case of other persons the amount must be computed only on the amount of restricted securities sold. In certain situations, such as sales by pledgees, donees, trusts and estates, sales must be aggregated with those made during the six-month period by the person from whom the securities were acquired.

The securities must be sold in "brokers' transactions" within the meaning of Section 4(4) of the Securities Act. There can be no solicitation of buy orders by the broker or the seller of the securities, and the broker can receive only the usual and customary broker's commission.

If the securities to be sold will exceed 500 shares or other units or the aggregate sale price will exceed \$10,000, a notice of the proposed sale must be filed with the Commission at least 10 days prior to the sale. If the securities are not sold within 90 days after the notice is filed, an amended notice must be filed before any further sales are made. A form to be used in filing the above notice accompanies the rule. (Rel. 33-5186)

PROPOSED EXEMPTION RULE UNDER SECURITIES ACT. The Commission has invited public comments on a proposed new Rule 237 which would exempt from registration under that Act outstanding securities held by persons, other than the issuer, control persons or brokers or dealers, if the following conditions are met:

The issuer is a domestic issuer and has been actively engaged in business as a going concern for at least five years; and

The securities have been beneficially owned and paid for by the seller for at least five years and are sold in negotiated transactions otherwise than through a broker or dealer.

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The amount of securities which could be sold during any one year could not exceed one percent of the amount of the class outstanding and the aggregate gross proceeds could not exceed \$50,000.

A notice of intention to sell securities under the rule would have to be filed by the selling security holder with the appropriate Regional Office of the Commission 10 business days before the sale.

Comments on the proposal are to be submitted to the Commission on or before October 14, 1971. (Rel. 33-5187)

PROPOSED AMENDMENTS TO REGULATION A. The Commission has invited public comments on certain proposed amendments to Regulation A, a general exemption regulation under the Securities Act of 1933. One of the amendments would provide that offerings by persons other than the issuer would not be counted against the amount which the issuer could offer for its own account. The maximum amounts which could be offered by various persons during any 12-month period would be as follows: the issuer could offer \$500,000; control persons (affiliates) could offer, in the aggregate, \$100,000; and other persons could offer \$100,000 each but not more than \$300,000 in the aggregate.

The regulation would also be amended to provide that where the required notification is filed by an issuer which has filed or is required to file with the Commission certified financial statements for its last fiscal year, the financial statements required to be included in the offering circular for such fiscal year must also be certified.

Comments on the proposal are to be submitted to the Commission on or before October 14, 1971. (Rel. 33-5188)

PROPOSED AMENDMENTS TO FORMS 10-K AND 10-Q. The Commission has invited public comments on proposed amendments to annual report Form 10-K and quarterly report Form 10-Q under the Securities Exchange Act of 1934. The proposed amendments would require registrants to indicate whether or not they have filed all annual, quarterly and other reports required to be filed with the Commission within the last 90 days. This would enable persons who wish to sell securities pursuant to proposed Rule 144 to determine whether the registrant is up to date in its reporting requirements and therefore has made the disclosure requisite to the sale of securities under that rule. (Rel. 34-9332)

Comments on the proposal are to be submitted to the Commission on or before October 14, 1971.

NOTE: With respect to the above cited releases, pending their distribution to the appropriate Commission mailing lists, the complete texts will appear in the Federal Register shortly.

INVESTMENT COMPANY ACT RELEASE

FOUNDERS MUTUAL DEPOSITOR CORP. The SEC has issued an exemption order under the Investment Company Act upon an application of Founders Mutual Depositor Corp. (Founders), Founders Special Fund, Inc. (Special), Founders Growth Fund, Inc. (Growth) and Founders Income Fund, Inc., (Income), all of Denver, Colorado permitting (among other things) investors in Founders to exchange their certificates for shares of Special, Growth or Income and permitting shareholders of Special, Growth or Income to exchange their shares for certificates of Founders. (Release IC-6726)

HOLDING COMPANY ACT RELEASE

OHIO POWER. The SEC has issued a notice under the Holding Company Act giving interested persons until October 1 to request a hearing upon an application of Ohio Power Company, Canton subsidiary of American Electric Power Company, Inc., to issue and sell \$40 million of first mortgage bonds and 350,000 shares of cumulative preferred stock (\$100 par) at competitive bidding. Net proceeds will be applied to payment, at maturity, of the company's then outstanding commercial paper and unsecured short-term notes issued in connection with its construction program, which is estimated at \$190 million for 1971, to reimburse its treasury for money expended for such purposes and for working capital. (Release 35-17263)

SECURITIES ACT REGISTRATIONS

GEMINI PACIFIC CORPORATION, 14006 Ventura Blvd., Sherman Oaks, Calif. 91403, filed a registration statement on August 31 seeking registration of 200,000 shares of common stock to be offered for public sale at \$5 per share. An underwriter has not been named. The company is engaged in the businesses of real estate investment, acquisition, development and sales, business management and hotel management. Of the net proceeds of its stock sale, \$250,000 will be used for the purchase of unimproved real property and the balance for working capital and other corporate purposes. (File 2-41650)

AUTOMATED OPTICS, INC., 6 Dunton Court, East Northport, N.Y. 11731, filed a registration statement on August 31 seeking registration of 250,000 shares of common stock, to be offered for public sale (*at \$10 per share maximum) through underwriters headed by J.H. Kern & Co., 40 Wall St., New York 10005. The company was organized in July to manufacture and sell soft and hard contact lenses and a patented hydrophilic plastic material to be used in making soft lenses. Part of the net proceeds of the company's stock sale will be paid to purchase the patent rights on the soft lens material and the balance for working capital and other corporate purposes. (File 2-41643)

COLORFLO HOLDING INTERNATIONAL (a Luxembourg Corporation), 37, Rue Notre-Dame, Luxembourg-Ville, filed a registration statement on August 31 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share by Hartzmark & Co., Inc. The company is a holding company organized in Feb which will engage through subsidiaries in the manufacture and sale or lease of products related to a single-impression multi-color intaglio printing process. Of the net proceeds of its stock sale, \$570,000 will be used to acquire from Engraved Stationery Manufactures Research Institute, Inc. all the outstanding shares of Colorflo Limited and the balance for working capital and other corporate purposes. (File 2-41644)

FLAH'S OF ALBANY, INC., 878 Albany-Shaker Rd., Lathma, N.Y. 12110, filed a registration statement on September 3 seeking registration of 125,000 shares of common stock, of which 112,500 are to be offered for public sale by the company and 12,500 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by First Hudson Securities Corp. 41 State St., Albany, N.Y. The company operates retail stores in eastern New York State. Of the net proceeds of its stock sale, \$500,000 will be used to pay a portion of existing long-term bank debt of \$800,000 and the balance will be added to working capital and used for general corporate purposes. (File 2-41679)

INTERNATIONAL FUNERAL SERVICES, INC., 2501 Grand Ave., Des Moines, Iowa 50312, filed a registration statement on September 3 seeking registration of 1,400,000 shares of common stock, of which 1,000,000 are to be offered for public sale by the company and 400,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$11 per share maximum) through underwriters headed by Bear, Stearns & Co., One Wall St., New York 10005. The company operates funeral homes, cemeteries, mausoleums and crematories. Of the net proceeds of its stock sale, \$4,750,000 will be used to acquire Schwartz Brothers Memorial Chapels, Inc., and Forest Park Chapels, Inc. and the balance for working capital and other corporate purposes. (File 2-41680)

TRANSIONIC CHEMICALS CORPORATION, 540 Madison Ave., New York 10022, filed a registration statement on September 3 seeking registration of 152,000 shares of common stock, to be offered for public sale at \$6.50 per share through Redstone Securities Corp., Two Dean Dr., Tanafly, N.J. The company was formed in March to acquire the exclusive world-wide rights to a newly developed chemical process for the production, the function of which is to custom modify clays for various end uses. Of the net proceeds of its stock sale, \$250,000 will be used for establishment of a U.S. manufacturing facility and the balance for working capital and other corporate purposes. (File 2-41681)

WLOHAN LUMBER CO., 238 North Center Rd., Saginaw, Mich. 48603, filed a registration statement on Sept. 3 seeking registration of 300,000 shares of common stock, to be offered for public sale (*at \$14 per share maximum) through underwriters headed by First of Michigan Corporation, 1200 Buhl Bldg., Detroit, Mich. 48226. The company operates a chain of 16 building supply centers. Net proceeds will be used to repay outstanding short-term banks loans (totaling \$3.2 million at August 20), and the balance for working capital and other corporate purposes. (File 2-41682)

ADVANCED SYSTEMS, INCORPORATED, 1100 W. Northwest Highway, Mount Prospect, Ill. 60056, filed a registration statement on September 3 seeking registration of 335,314 shares of common stock, of which 150,000 are to be offered for public sale by the company and 185,314 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$14 per share maximum) through underwriters headed by The Chicago Corporation, 208 South LaSalle St., Chicago, Ill. 60604. The company is primarily engaged in the production and sale or lease of "video assisted instruction" training courses for in-house training of personnel. Of the net proceeds of its stock sale, some \$910,000 will be used to pay short-term bank notes and the balance for working capital and other corporate purposes. (File 2-41683)

ANGELICA CORPORATION, 700 Rosedale Ave., St. Louis, Mo. 63112, filed a registration statement on Sept. 1 seeking registration of 36,000 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (*\$26.875 per share maximum). (File 2-41684)

ADR'S FOR Taisei CONSTRUCTION. First National City Bank, 111 Wall St., New York 10015, filed a registration statement on September 1 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Taisei Construction Co., Ltd. (a Japanese corporation). (File 2-41685)

MISCELLANEOUS

RECENT FORM 8K 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 September 3 News Digest.

8K's for July 1971

Coit Internatl Inc (2,13)	2-35063-2	Alpha Inds Inc (11)	1-5560-2
Fotomat Corp (1,7,8,12,13)	0-4916-2	Blue Chip Stamps (3)	0-3810-2
Grow Chemical Corp (7,13)	1-4596-2	Trans-Pacific Leasing Inc (12)	0-4250-2
Brown Enterprises Inc (9,13)	0-4400-2	American Regitel Corp (12,13)	0-5078-2
Invst Property Builders Inc (1,12,13)	0-4260-2	Instrument Systems Corp (2,7,13)	1-6620-2
May 71 (12,13)	0-4260-2	Ameron Inc (3,13)	1-6069-2
Louisville & Nashville RR Co Jun 71 (7,13)	1-1116-2	Internatl Leisure Corp (1,13)	1-6646-2
Northwest Bancorporation (13)	1-2979-2		
Zapata Norness Inc (2,7,13)	1-4219-2		

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8K's for July 1971

Arizona Public Service Co (3)	1-4473-2	Canada Ltd Jun 71 (2,11,12,13)	1-4588-2
Dorr Oliver Inc (7)	1-3870-2	Tilco Inc (2,7,13)	0-5303-2
Jack Eckerd Corp (7,12,13)	1-4844-2		
FPA Corp (7,8,13)	0-5061-2	Southland Equity Corp (7,12)	2-38874-2
ITT Continental Baking Co (3)	1-5841-2	Trans-Sonics Inc (12)	0-2618-2
		Westcalind Corp (12,13)	1-6671-2
Fansteel Inc Jun 71 (12,13)	1-2331-2	American Appraisal Associates Inc (13)	2-40223-2
Natl Telefilm Associates Inc (2,13)	0-57-2	American Internatl Devl Corp (7,8)	0-3427-2
Homasote Co Aug 71 (8)	1-3786-2	Ocean Science & Engineering Inc (12,13)	0-4611-2
Hosp Affiliates Inc (2,7,11,12,13)	1-6396-2	Texas Gas Transmission Corp (12)	1-4169-2
Indiana Gas Co Inc (4,7,13)	1-6494-2	Time Holding Co Inc (12)	0-5143-2
General Houswares Corp (11,13)	0-4837-2	Seton Co (8)	1-1014-2
Hico Corp Of America (3)	1-5449-2	Susquehanna Corp (3)	1-5515-2
Wright Machinery Co Inc (11,13)	0-5410-2	Texscan Corp Jun 71 (3,13)	0-3337-2
		Travelodge Internatl Inc (2,9,11,13)	1-6558-2
Ala Gas Corp (3)	1-3740-2	American Equity Invst Trust (2,7,13)	0-4869-2
Great Southwest Corp Aug 71 (13)	0-100-2	Toledo Edison Co (13)	1-3583-2
A J Inds Inc (11,13)	1-5672-2	Winnebago Inds Inc (3,13)	1-6403-2
American Export Inds Inc (7,13)	1-5054-2	Adobe Corp Apr 71 (11)	0-5601-2
Lennar Corp (2,13)	1-6643-2	Jun 71 (12)	0-5601-2
MEM Co Inc (7)	1-5292-2	Jul 71 (12)	0-5601-2
Peter Paul Inc (8)	1-5520-2	Unicapital Corp (7)	0-3919-2
Jamesbury Corp (3)	0-1813-2	Information Machines Corp (7,9,13)	0-5600-2
Natl Chemical Corp (3,13)	1-6632-2	Manhattan Continental Devel Corp Jun 71 (2,13)	0-4795-2
Bomaine Corp (2,13)	1-5940-2	Tipperary Land & Exploration Corp (12,13)	0-2960-2
King Mountain Corp (11,13)	2-34768-2	Ultrasonic Systems Inc (11)	0-5620-2
La-Z-Boy Chair Co (11,12)	0-5091-2	American Business Products Inc Apr 71 (11)	0-3794-2
Winston Mills Inc (12)	1-6713-2	May 71 (7,8)	0-3794-2
ACC Inds Inc (2,13)	0-3523-2	Jun 71 (2,7)	0-3794-2
AAR Corp (7,9,12)	1-6263-2	Marine Resources Inc (12)	0-4296-2
Ohio Bell Tel Co May 71 (11,13)	2-24383-2	The Offshore Co (12)	1-5833-2
Wichita Inds Inc Jun 71 (12)	1-1637-2	Omark Inds Inc (3)	1-5385-2
Addressograph Multigraph Corp (12,13)	1-683-2	Applied Devices Corp (11,13)	1-3882-2
Rahall Communications Corp (12)	0-5609-2	Institutional Equity Corp (2,7,13)	2-34729-2
American Medicorp Inc (7,9)	1-6717-2		
Jefferson Lake Petrochemicals Of			

SECURITIES ACT REGISTRATIONS. Effective September 9: Colwell Mortgage Trust, 2-41187; Eaton Corp., 2-41481; Mendenco, Inc., 2-40448; The Ryland Group, Inc., 2-41290 (90 days); Tidewater Marine Service, Inc., 2-41202.

Effective September 10: Acushnet Company, 2-41196; Concord Fabrics, Inc., 2-41533; Evans Products Co., 2-41564; Instrument Systems Corp., 2-40769; Integon Corp. and Integon Life 2-39268; Interfund Inc., 2-39958; Intermodulex NDH Corporation, 2-40778; Keene Corp., 2-41347; Manhattan Industries, Inc., 2-41183; Reserve Oil and Gas Company, 2-41532; Reynolds Metals Co., 2-41677; San Diego Gas & Electric Co., 2-41487; Vermont Yankee Nuclear Power Corp., 2-39670.

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 purpose of computing the registration fee.

1/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.

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GPO 912-604