



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
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FOR RELEASE September 27, 1971

NEW RULES AND RULE PROPOSALS

FORMS 8-K, 7-Q, 10-Q, 10-K and N-1Q AMENDED. The SEC today announced the adoption of an amendment to Form 8-K to provide for the reporting of information on any material charge to cost or expenses or credit to income of an unusual nature to be reflected in the registrant's financial statements; amendments to Forms 8-K and N-1Q to require the registrant to report a change in the independent accountant and to elicit certain information from the registrant and the accountant regarding the reasons for the change; and amendments to Forms 7-Q, 10-Q, 10-K and N-1Q to require the registrant to describe any material change made during the periods covered by these reports in accounting principles or practices and to submit a letter from the independent accountants approving or otherwise commenting on the change.

The amendments are effective with respect to reports filed on Form 8-K on or after October 31, 1971, with respect to reports filed on Forms 7-Q, 10-Q and N-1Q for periods ending on or after December 31, 1971, and with respect to reports filed on Form 10-K for fiscal years ending on or after December 31, 1971. (Rel. 34-9344)

COMMISSION ANNOUNCEMENTS

DEFERRAL OF PROCESSING OF 1933 ACT REGISTRATION STATEMENTS UNTIL REPORTING REQUIREMENTS ARE COMPLIED WITH.

The SEC today stressed the importance of timely reporting by companies subject to the reporting requirements of the Securities Exchange Act of 1934. It was pointed out that the use of certain registration forms under the Securities Act of 1933 is conditioned upon timely compliance with those reporting requirements and that companies seeking to register on one of those forms should first ascertain that they have met the reporting requirements. It was further stated that it is the practice of the Commission's Division of Corporation Finance to defer processing 1933 Act registration statements filed by delinquent companies until all of the required reports have been filed. (Rel. 33-5196)

HEARING EXAMINER CONDITIONALLY SUSPENDS WHITE & CO., INC.

The SEC announced that Hearing Examiner Ralph H. Tracy issued an initial decision on September 21, 1971, ordering the conditional suspension of the registration of White & Company, Inc., St. Louis, Mo. pending final determination of the remaining issues in these proceedings. The action was taken in administrative proceedings in which the firm and its president, Edward A. White, are charged with engaging in the securities business with insufficient capital, failing to file reports of financial condition within the time required and violating the Commission's anti-fraud provisions in connection with the offer and sale of securities. The conditions of the suspension direct that registrant not engage in any securities transactions for retail customers, file a daily summary of securities and a monthly financial statement with the Commission, refrain from dealing in any securities which are subject to any SEC restriction and immediately notify the Commission if at any time it is not in compliance with the Commission's net capital rule. The decision is subject to review by the Commission on petition of the parties.

O-T-C TRADING SUSPENDED IN TELSTAR.

The SEC today announced the temporary suspension of over-the-counter trading in the common stock of Telstar, Inc., of Denver, Colo. The suspension is for the period September 24, 1971 to October 3, 1971, inclusive. Telstar, Inc. has made no filings with the Commission covering the offer for sale or sale of its securities except for a Regulation A filing made in 1962. The Commission's action was based on information developed by the Commission's staff concerning the adequacy and accuracy of information recently disseminated by the company regarding its financial condition and operations. It appears that the information concerning Telstar, Inc.'s, financial condition is inadequate in that current financial statements of Telstar, Inc., are unavailable. It further appears that false and misleading statements have been made by the company concerning its assets and, in particular, the valuation of its mineral properties in New Mexico. (Release 34-9347)

HOLDING COMPANY ACT RELEASES

SOUTHERN CO. The SEC has issued a notice under the Holding Company Act giving interested persons until October 15 to request a hearing upon an application of The Southern Company, Atlanta holding company, to increase the maximum amount of bank borrowings and commercial paper which may at one time be outstanding from time to time during 1971 from not in excess of \$120 million to not in excess of \$140 million, and to increase its investment in a subsidiary, Georgia Power Company, from an aggregate of \$75 million (\$10.5 million in common stock and \$64.5 million in capital contributions) to an aggregate of \$95 million (\$84.5 million in capital contributions and \$10.5 million in common stock). 1/ (Release 35-17284)

OVER

NEW JERSEY POWER & LIGHT. The SEC has issued an order under the Holding Company Act authorizing New Jersey Power & Light Company, Morristown subsidiary of General Public Utilities Corp., among other things, to extend the 60-day time limit in which it may sell 1,113 electric distribution wood poles to two subsidiaries of United Utilities System to not later than October 13, 1971. (Release 35-17287)

COLUMBIA LNG. The SEC has issued a notice under the Holding Company Act giving interested persons until October 15 to request a hearing upon an application of Columbia LNG Corporation, Wilmington, Del. subsidiary of The Columbia Gas System, Inc., to issue an additional \$25,400,000 of securities (\$14 million in the form of installment promissory notes and \$11,400,000 by 456,000 shares of common stock) to the parent. Net proceeds of its financing will be used to meet construction costs through March 1972. 1/ (Release 35-17288)

MASS. LNG, INC. The SEC has issued an order under the Holding Company Act authorizing Massachusetts LNG, Incorporated, a new wholly-owned subsidiary of Massachusetts Gas System, which in turn is a subsidiary of New England Electric System, to increase from \$15 million to \$16 million the amount of short-term construction notes it proposes to issue to a bank. (Release 35-17289)

SECURITIES ACT REGISTRATIONS

TRAILMOBILE FINANCE COMPANY, 200 South Michigan Ave., Chicago, Ill. 60604, filed a registration statement on September 22 seeking registration of \$25 million of notes, due 1978, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York 10005. A wholly-owned subsidiary of Pullman Incorporated, the company is engaged in purchasing and financing retail installment contracts generated by the Trailmobile Division of Pullman Incorporated. Net proceeds of the company's financing will be used to reduce short-term indebtedness incurred in connection with the acquisition of installment contracts and leases from the Trailmobile Division. (File 2-41827)

MARGO'S LA MODE, INC., 3909 Live Oak, Dallas, Tex. 75204, filed a registration on September 22 seeking registration of 247,500 shares of common stock, of which 175,000 are to be offered for public sale by the company and 72,500 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$9.50 per share maximum) through underwriters headed by Russ & Co., Inc., Alamo National Bank Bldg., San Antonio, Tex. 78205, and Earp, Kenney & Smith, Inc., Republic Bank Bldg., Dallas, Tex. 75201. The company is engaged primarily in the retail sale of women's and children's apparel through 51 specialty stores. Net proceeds of its stock sale will be used to reduce short-term bank and other loans and the balance for working capital and other corporate purposes. (File 2-41828)

COMPUTER NETWORK CORPORATION, 5185 MacArthur Blvd., N.W., Washington, D.C. 20016, filed a registration on September 22 seeking registration of 225,000 shares of common stock, to be offered for public sale (*at \$10 per share maximum) through underwriters headed by Ferris & Co., Inc., 1720 Eye St., N.W., Washington, D.C. 20006. The company is engaged primarily in providing remote access and batch computing services to the public on a "time-shared" basis. Of the net proceeds of its stock sale, \$980,000 will be used to retire notes held by banks and the balance for working capital and other corporate purposes. (File 2-41829)

SERVICE MERCHANDISE COMPANY, INC., 481 McNally Drive, Nashville, Tenn. 37211, filed a registration statement on September 22 seeking registration of 160,000 shares of common stock, to be offered for public sale (*at \$14 per share maximum) through underwriters headed by Wheat & Co., Inc., 80 East Main St., Richmond, Va. 23211. The company is primarily engaged in operating a general merchandise business by mail and at show-rooms. Of the net proceeds of its stock sale, some \$1,050,000 will be used to repay short-term bank indebtedness incurred in connection with the purchase of inventory and prior expansion and the balance for working capital and other corporate purposes. (File 2-41830)

SOUTHWESTERN ELECTRIC POWER COMPANY, 428 Travis St., Shreveport, La. 71156, filed a registration statement on September 22 seeking registration of \$30 million of first mortgage bonds, Series L, due 2001, to be offered for public sale at competitive bidding. Net proceeds will be used to finance a part of the company's construction expenditures, including repayment of short-term borrowings incurred therefor. Construction expenditures are estimated at \$56 million for the 17 months July 31, 1971 to December 31, 1972. (File 2-41831)

THE BRITISH PETROLEUM COMPANY LIMITED, Britannic House, Moor Lane, London, E.C.2, England, filed a registration statement on September 23 seeking registration of 2,000,000 ordinary shares. These shares are part of 23,922,954 shares being offered for subscription by ordinary stockholders, at the rate of one additional share for each 15 1/2 units of ordinary stock held of record on September 17 (and at \$12.85 per share maximum). Morgan Guaranty Trust Company of New York, as depositary, will make such subscription rights available to holders of American Depositary Receipts of record at the close of business on October 14. The British Government, which owns 48.6% of the company's outstanding ordinary stock, has indicated that it intends to subscribe for all the shares to which it is entitled. The company is engaged in the exploration and production of oil and gas and in related activities. Net proceeds of its stock sale will be added to the company's general fund and will be available for further investment in subsidiaries and associated companies in connection with their capital expenditures and working capital requirements. (File 2-41832)

MISCELLANEOUS

DELISTING SOUGHT. The SEC has issued orders under the Securities Exchange Act giving interested persons until October 8 to request a hearing upon application of the following exchanges for unlisted trading privileges in the common stocks of specified securities of the named companies:
Boston Stock Exchange: H.&R. Block, Inc.; Caldor, Inc.; Carborundum Co.; Dennison Mfg. Co.; Ling-Temco-Vought, Inc., Warrants Expiring 1978; Merrill Lynch, Pierce, Fenner & Smith, Inc.; National General Corp. Warrants Expiring 1974 and 1978; Pacific Southwest Airlines; Santa Fe International Corp.; Selas Corp., of America; Storer Broadcasting Co.; Sunbeam Corp.; Thrifty Drug Stores Co., Inc.; Westvaco Corp.
Detroit Stock Exchange: American Telephone & Telegraph Co. \$4 Convertible Preferred Stock (\$1 par).
Philadelphia-Baltimore-Washington Stock Exchange: Arlen Realty & Development Corp.; Chrysler Corp. - Warrants Expiring 1976; Cleveland Electric Illuminating Co., Fibreboard Corp.-Warrants Expiring 1978; Great Basins Petroleum Co.; Houston Lighting & Power Co.; Seaboard World Airlines, Inc. 5% Convertible Subordinated debentures, due 1986; Security Mortgage Investors Shares of Beneficial Interest. (Rel. 34-9342)

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 September 3 News Digest.

8K's for Aug 1971

Datatronics Inc Jun 71 (3,9,12,13)	0-4262-2	Clear Creek Corp (6)	0-1379-2
Bowl America Inc (2,13)	0-1830-2	Cotton States Life & Health Ins Co Jun 71 (7,13)	2-39729-2
Diverco Inc Jun 71 (11,13)	2-16478-2	Fisco Inc (4,13)	2-34500-2
Equity Corp Jul 71 (12,13)	1-2278-2	Great Commonwealth Life Ins Co (11,13)	2-24061-2
Lectro Mgt Inc (11,13)	1-6266-2	Kimberly Clark Corp (12)	1-225-2
Reclamation Systems Inc May 71 (2,3,7)	0-4800-2	Mitre Inds Inc (2,8,12,13)	0-4295-2
Drug Fair Inc Sept 70 (7,13)	1-4387-2	Acrite Inds Inc Jul 71 (12,13)	2-30582-2
Aydin Corp Jul 71 (11,12)	0-4773-2	Advanced Systems Inc (11,13)	2-31201-2
BGI Corp Feb 71 (1,2,7,12,13)	2-30253-2	Agway Inc Employee Incentive Thrift Plan Jul 71 (7)	2-25865-2
Mar 71 (1,2,7,13)	2-30253-2	Audiscan Inc (12,13)	0-4866-2
Jun 71 (1,2,7,13)	2-30253-2	Imoco-Gateway Corp (11,12,13)	1-580-2
Continental Connector Corp Jul 71 (7)	1-4385-2	All-State Properties Inc (12)	0-2438-2
Diversified Earth Sciences Inc Jul 71 (2,13)	0-3474-2	Coca-Cola Co Sept 71 (13)	1-2217-2
Eagle County Develmnt Corp (12,13)	0-3778-2	Guardian Inds Corp (3,12)	1-6037-2
Duke Power Co (7)	1-4928-2	Institutional Investors Systems Inc (12)	2-33362-2
Develmnt Corp Of America (7)	1-6484-2	Maine Sugar Inds Inc Jul 71 (3,6)	0-2426-2
Emenee Corp (12)	1-4349-2	Canadian Pacific Ltd (13) Jul 71 (12,13)	1-1342-2
Disc Inc (2,11,13)	0-1466-2	Good Deal Supermarkets Inc (3)	0-1549-2
Great Southwest Corp Jul 71 (3,6,13)	0-100-2	Metropolitan Health Care Co Inc (12,13)	2-30879-2
Bassett Furniture Inds Inc (7)	0-209-2	Mister Gasket Co Jun 71 (8,12,13)	0-5142-2
The Dayton Power & Light Co (7)	1-2385-2	Chattem Drug & Chemical Co	2-34209-2
Dynasil Corp Of America Jul 71 (7)	2-35742-2	Columbia Pictures Inds Inc (7,13)	1-6240-2
Pro's Inc (2,3,7,9,13)	2-3222-2	Gondas Corp (12,13)	0-5085-2
Avondale Mills (10)	1-5589-2	Hilton Hotels Corp (2,7,13)	1-3427-2
		Mechanical Enterprises Inc (11,13)	2-31548-2
		New Eng Elec System Jul 71 (3)	1-3446-2
		Clark Equipment Co (7,13)	1-5646-2
		Commercial Internatl Corp (3)	0-4178-2

8K's for Aug 1971

Consolidated Papers Inc (8)	0-1051-2	Fas Internatl Inc (12)	1-4692-2
Galaxie Natl Corp		Fibreboard Corp (12,13)	1-271-2
Jul 71 (1,2,6)	0-4227-2	Ling-Temco Vought Inc (13)	1-4368-2
Goldsmith Bros (11,12,13)	2-20527-2		
Gulf Life Holding Co		Allied Supermarkets Inc	
(4,7,8,13)	1-6091-2	(13)	1-3212-2
Hathaway Instruments Inc		Davis Food Service Inc (12,13)	0-3380-2
Apr 71 (3)	0-4041-2		
Jun 71 (3)	0-4041-2	American Diversified Inds Corp	
HYTEK Internatl Corp (2,13)	2-35567-2	(2,12)	0-4314-2
Local Finance Corp (7)	0-1464-2	Continental Air lines Inc (7)	1-3661-2
		Graco Inc (4,7,8,13)	0-4540-2
An-Son Funds Inc (13)	2-39434-2		
General Medical Corp (11)	1-6716-2	Danmont Corp (3,11,13)	0-4596-2
Natl Securities Inc		Gulf Power Co (7,11,13)	0-2429-2
Jul 71 (3,6)	0-1105-2	Leadville Corp (2,13)	0-1519-2
Nylon Engineering Inc			
Jul 71 (1,7,13)	0-3569-2	Southland Royalty Co (12,13)	1-495-2
Transitron Electronic Corp		Texas Plastics Inc(7,13)	0-4230-2
Apr 71 (12)	1-4261-2	Trans East Air Inc (7)	0-3472-2
Continental American Royalty Co		Applebaums Food Markets Inc	
(12,13)	0-3073-2	(11,12)	0-2218-2
Tucson Gas & Elec Co (7,13)	1-5924-2	Pacific Asbestos Corp (6)	0-1144-2
		Shell Transport & Trading Co Ltd	
Alterman Foods Inc (11)	1-5063-2	6K Sept 71	1-4039-2
Burlington Northern Inc		Tel & Data Systems Inc	
(7,13)	1-6324-2	(4,7,13)	2-34882-2
Chrysler Financial Corp (11)	1-5966-2	Udico Corp (12)	1-5839-2
Fla Power & Light Co (12,13)	1-3545-2	Universal Housing & Develmnt	
Loral Corp (2,13)	1-4238-2	Co Jul 71 (2,13)	0-1253-2
Medalist Inds Inc (7,12)	1-6322-2	Wolf Corp (11,12)	1-6576-2
Palabora Mining Co Ltd 6K	2-22241-2		
Cox Broadcasting Corp (12)	1-4933-2	Penn Virginia Corp (4,7,13)	0-753-2
Davos Inc Jun 71 (3,11)	0-4018-2	Schlumberger N V 6K	1-4601-2
Magic Chef Inc (2,7,13)	1-6229-2	Western Bancorporation	
The Ohio Art Co (12)	0-4479-2	Mar 71 (11,13)	1-4114-2
Owens-Corning Fiberglas Corp			
(7,13)	1-3660-2	Schick Invst Co	
		May 71 (11,13)	0-5107-2
American Guaranty Corp			
Jan 71 (2,13)	0-2451-2	Electronic Transistors Corp	
Kansas Power & Light Co		Jul 71 (7)	0-4006-2
(8,13)	1-3523-2		
Korfund Inc Jul 71 (3,13)	0-1168-2	Perfex Corp (2,13)	0-4588-2
		Rite Aid Corp (12,13)	1-5742-2
Atco Chemical Industrial Products			
Inc (11,13)	1-4099-2	Elco Corp (12,13)	1-5162-2

SECURITIES ACT REGISTRATION. Effective September 23: Atlantic Department Stores, Inc., 2-40236; Barnett Mortgage Trust, 2-41245; Chesapeake International, Ltd., 2-40565 (90 days); Combustion Equipment Associates, Inc., 2-41393; Computer Machinery Corp., 2-40747 (90 days); Family Dollar Stores, Inc., 2-41523; Fashion Fabrics, Inc., 2-41301; Inforex, Inc., 2-40669; Investment Corp. of Florida, 2-39798; Lincoln First Banks, Inc., 2-41451; Masoneilan International, Inc., 2-41029 (12-22-71); The Pacific Lumber Co., 2-41544; Pacific Southwest Airlines, Inc., 2-41150; Power Test Corp., 2-40881 (90 days); Prudential Funds, Inc., 2-41180 (90 days); Technicon Corp., 2-38968; The Williams Companies, 2-41777.

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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