



# 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)

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FOR RELEASE January 4, 1973

## COMMISSION ANNOUNCEMENTS

### ADVISORY COMMITTEE RECOMMENDS REVISIONS IN INVESTMENT COMPANY AND INVESTMENT ADVISER FILINGS AND REPORTS.

The Advisory Committee on Investment Companies and Investment Advisers has submitted a report to the SEC recommending a basic restructuring of the present investment company and investment adviser filing and reporting requirements. The Committee believes that its recommendations will lead to a reporting system which balances the elements of investor disclosure, regulatory requirements and public interest with the cost of preparation and actual utilization for these purposes.

The principle recommendations made by the Committee include: (1) The establishment of an integrated investment company filing system that provides for a significant reduction in the duplicative information reported to the Commission and for an improved flow of information. (2) Restructuring the investment company prospectus into a Summary and Appendix and eliminating unimportant information. (3) The elimination of quarterly reporting of investment company portfolio transactions. (4) The furnishing of current information to the public and the SEC on closed-end investment companies on a basis more comparable to open-end companies. (5) The filing by investment advisers of annual reports and quarterly updates to such reports. (6) The Commission should monitor the reporting and disclosure requirements of registrants on a continuing basis so that the requirements will coincide more with the ability of the Commission or the public to beneficially use the information.

The members of the Committee were: Frederick Werblow, Chairman, Partner, Price Waterhouse & Co.; Stephen K. West, Partner, Sullivan & Cromwell; David A. Hughey, Senior Vice President of Operations, Putnam Management Company, Inc.; Charles M. Noone, General Counsel, National Association of SBIC's, and Partner, McCarty & Noone; John R. Kenney, Associate General Counsel, Travelers Insurance Company; and Jerald L. Stevens, Senior Vice President, Wellington Management Company. Ronald J. Cerino, Special Counsel in the Commission's Division of Investment Company Regulation, served as Secretary to the Committee.

SUSPENSION OF TRADING IN TRANS-EAST AIR LIFTED. The SEC announced that the suspension of over-the-counter trading in the securities of Trans-East Air, Inc. of Bangor, Maine will terminate at midnight on January 4, 1973. The Commission originally suspended trading at the request of Trans-East because of the uncertainty as to the company's current financial condition and because of certain serious questions raised as to various outstanding loans and lease agreements on which Trans East is in default.

Mr. Edward H. Keith, trustee for Trans-East, has filed a Form 8-K for the company for the month of October 1972 with the Commission. Mr. Keith informed the staff that on December 18, 1972, he filed a notice with the Court. This notice, which was mailed to shareholders and creditors on December 20, 1972, points out that Trans-East's only real asset is a lease agreement covering certain facilities at Bangor International Airport and that the City of Bangor has taken steps to terminate this lease. Both the City of Bangor and Mr. Keith have filed Pleadings concerning the lease. Both parties have been ordered to file Responsive Pleadings by January 26, 1973. If the lease is terminated, Trans-East will be literally without assets. In the notice, Mr. Keith is requesting suggestions from shareholders and creditors with respect to the matter of the lease. (Rel. 34-9925)

ISSUE GUIDELINES ON CONDOMINIUMS, OTHER UNIT SALES. The SEC today issued a release containing guidelines as to the applicability of the Federal securities laws to offers and sales of condominiums and other types of units in a real estate development. As set forth in the release, an offering of condominiums or other units will be viewed as an offering of securities in the form of investment contracts if: (1) they are offered and sold with emphasis on the economic benefits to the purchaser to be derived from the managerial efforts of the promoter, or a third party designated or arranged for by the promoter, from rental of the units; (2) they are offered in connection with an offering of participations in a rental pool arrangement; (3) they are offered in connection with the offering of a rental or similar arrangement whereby the purchaser must hold his unit available for rental for any part of the year, must use an exclusive rental agent, or is otherwise materially restricted in his occupancy or rental of his unit.

The Commission noted that there might be other types of arrangements, not now anticipated, that might render an offering of condominiums an offering of securities. The release stated that the staff of the Commission will be available to respond to written inquiries on such matters. (Rel. 33-5347)

## COURT ENFORCEMENT ACTION

DAVENPORT HOTEL, INC., OTHERS ENJOINED. The SEC Seattle Regional Office announced that the Davenport Hotel, Inc., owner and operator of The Davenport Hotel in Spokane, Wash., and two of its officers, J. Harlow Tucker and Stanley J. Burke, of Spokane, were permanently enjoined on December 27, 1972 from selling the common stock and convertible debentures of the Davenport Hotel, Inc., or any other securities, in violation of the anti-fraud provisions of Section 17 of the Securities Act of 1933 and of Rule 10b-5 under the Securities Exchange Act of 1934. The defendants consented to the entry of the decree by the United States District Court for the Eastern District of Washington without admitting or denying the allegations of the complaint. (LR-5682)

OVER

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM. The SEC has issued an order upon an application of New England Electric System, a registered holding company, and certain of its subsidiary companies authorizing the proposed issue and sale of notes by the subsidiary companies to banks, commercial paper dealers, and/or their holding company and the proposed retirement of outstanding notes. (Rel. 35-17836)

FALL RIVER ELECTRIC LIGHT CO. The SEC has issued a notice giving interested persons until January 23 to request a hearing on an application of Fall River Electric Light Company, Fall River, Mass. electric utility subsidiary company of Eastern Utilities Associates, regarding the proposed issue and sale of \$5 million of first mortgage bonds. The net proceeds will be used to prepay short-term notes to banks. (Rel. 35-17837)

OHIO EDISON COMPANY. The SEC has issued a supplemental order extending the time until December 31, 1973, within which Ohio Edison Company, Akron, Ohio electric utility company and a registered holding company, may issue and sell its short-term notes up to an aggregate of 10% of its total capitalization. (Rel. 35-17838)

SECURITIES ACT REGISTRATIONS FILED

AMERICAN BANCSHARES, INCORPORATED, 11755 Biscayne Blvd., N. Miami, Fla. 33161 - 300,000 shares of common stock, to be offered for sale (\*at \$35 per share maximum) through underwriters headed by Walston & Co. Inc., 77 Water St., New York 10005. American Bancshares is a bank holding company, which owns substantially all of the outstanding stock of six Florida banks. Net proceeds will be used to provide additional capital to subsidiary banks and for other corporate purposes. (File 2-46661 - Dec 22)

STANDARD LOGIC, INC., 2215 S. Standard Ave., Santa Ana, Calif. 92707 - 150,000 shares of common stock with warrants to purchase 75,000 shares of common stock, to be offered for sale in units, each consisting of two shares and one warrant to purchase an additional share. The offering is to be made (\*at \$20 per unit maximum) through underwriters headed by Muller and Co., 80 Pine St., New York 10005. Also included in this statement are 3,750 shares of common stock, which are to be offered for sale from time to time by a selling shareholder at prices current at the time of sale (\*\$8 per share maximum). The company develops, produces and sells components of digital computers and equipment used in the manufacture of electronic assemblies. Of the net proceeds, \$240,000 will be used to reduce bank borrowings and the balance for working capital and other corporate purposes. (File 2-46662 - Dec 22)

MAIN LINE FLEETS, INC., Gateway Center, Wayne, Pa. 19087 - \$750,000 of 8% subordinated debentures, due 1997, and \$1,000,000 of 9% subordinated debentures, due 1982, to be offered for sale at 100% of principal amount by The First Columbus Corp., 58 E. Gay St., Columbus, Ohio 43215. The company leases luxury automobiles, especially Cadillacs, on a non-fleet basis. Of the net proceeds, \$1 million will be used to repay loans and the balance for working capital and other corporate purposes. (File 2-46663-Dec 22)

TOOL RESEARCH AND ENGINEERING CORPORATION (Tool Research), 9460 Wilshire Blvd., Beverly Hills, Calif. 90212 - 100,000 shares of common stock. It is proposed to exchange these shares for the outstanding common stock of Rex Precision Products, Inc. (Rex) at the rate of .253165 Tool Research Shares for each Rex share (based on a price of from \$45 to \$55 per share for Tool Research). Under a plan of reorganization, it is proposed that a recently-formed, wholly-owned subsidiary of Tool Research will be merged into Rex and all the outstanding Rex common shares (other than dissenting shares, if any) will be converted into and exchanged for Tool Research common stock. Rex primarily manufactures and sells precision investment castings, made to customer specifications. Tool Research manufactures and sells components and structures for use in aircraft and also manufactures and sells decoratively styled locksets. (File 2-46665 - Dec 26)

DICK WEEKS CONSTRUCTION COMPANY, Asheboro, N. C. 27203 - 100,000 shares of common stock, to be offered for sale at \$10 per share by McDaniel Lewis & Co., 925 W. Market at Mendenhall, Greensboro, N. C. 27402. The company is primarily an electric power line contractor engaging in the installation of power lines for public utilities. Of the net proceeds, \$300,000 will be used to retire short-term debt and the balance for working capital and other corporate purposes. (File 2-46667 - Dec 20)

EVANS PRODUCTS COMPANY, 1121 S. W. Salmon St., Portland, Ore. 97205 - 147,338 shares of common stock, which may be offered for sale from time to time by certain shareholders (\*at \$24 per share maximum). (File 2-46670 - Dec 26)

AIREQUIPT INC., 20 Jones St., New Rochelle, N. Y. 10802 - 200,000 shares of common stock, to be offered for sale at \$5 per share by Robert W. Steven Corp. The company designs, manufactures and sells slide projectors, viewers and related items. Of the net proceeds, \$300,000 will be used for the manufacture and market introduction of a pocket camera and the balance for working capital and other corporate purposes. (File 2-46671 - Dec 26)

CONTINUED

**BECK CORPORATION**, 2930 LaRue St., Elkhart, Ind. 46514 - 330,000 shares of common stock, of which 80,000 are to be offered for sale by the company and 250,000 by certain shareholders. The offering is to be made (\*at \$12 per share maximum) through underwriters headed by Fulton, Reid & Staples, Inc., 2100 East Ohio Bldg., Cleveland, Ohio 44114. The company manufactures and sells steel frames and steel components parts of frames for mobile homes and certain types of recreational vehicles. Net proceeds will be used to pay short-term bank loans and for other corporate purposes. (File 2-46672 - Dec 26)

**PETROFUNDS, INC.** (the general partner), 2200 Esperson Bldg., Houston, Tex. 77002 - \$15 million of partnership interests in Petrofunds 1973 Drilling Programs, Series 9 (a series of limited partnerships), to be offered for sale in minimum amounts of \$5,000 through NASD members, including the company's wholly-owned broker-dealer subsidiary, Petrofunds Ventures, Inc. The Partnerships are to be organized for the purpose of drilling, development and operation of oil and gas leaseholds. (File 2-46673 - Dec 26)

**LAFAYETTE FUNDS, INC.** (the general partner), 1600 Fairfield Ave., Shreveport, La. 71101 - \$6 million of partnership interests in partnerships to be formed under Lafayette Funds Gas and Oil Income Program, to be offered for sale in minimum amounts of \$2,000 by selected NASD members. The Partnerships are to be organized for the purpose of purchasing and operating producing gas and oil properties. (File 2-46674-Dec 26)

**LAFAYETTE FUNDS, INC.** (the general partner), 1600 Fairfield Ave., Shreveport, La. 71101 - \$10 million of partnership interests to be formed under Lafayette Funds Drilling Program, to be offered for sale in minimum amounts of \$5,000 through selected NASD members. The Partnerships are to be formed for the purpose of investing in property and leasehold interests in oil and gas prospects and in their exploration and development through drilling of wells. (File 2-46675 - Dec 26)

**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:  
 American Smelting and Refining Company, New York, N. Y. (File 2-46664) - 258,000 shares  
 Filmways, Inc., Los Angeles, Calif. (File 2-46666) - 237,357 shares  
 Standard Oil Company, Chicago, Ill. (File 2-46668) - 766,000 shares  
 Combustion Engineering, Inc., Stamford, Conn. (File 2-46669) - 400,000 shares  
 Bodin Apparel, Inc., Hialeah, Fla. (File 2-46676) - 100,000 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 January 2 News Digest.

#### 8K Reports for Sept 72

<b>Macrodyne Chatillon Corp</b> (12)	1-5592-2	<b>Leisure Technology Corp</b> ( 4,14)	1-6011-2
<b>Medical Scientific Intl. Corp</b> Sept. 1972 ( 13,14)	0-5968-2	<b>Loctite Corp ( 4,11,14)</b>	0-5347-2
<b>Medicalodges, Inc</b> Sept. 1972 ( 7,14)	0-5395-2	<b>FVO Intl., Inc ( 12,14)</b>	0-1773-2
<b>Scot Lad Foods, Inc</b> (12,14)	1-5486-2	<b>Fearless Mfg. Co (11) (Oct. 1971)</b>	0-5214-2
<b>Taylor Intl. Corp</b> (2,14)	0-2126-2	<b>Royal Publishers, Inc</b> (11,13)	0-4095-2
<b>Triangle Pacific Forest Prod.</b> Corp(4,14)	1-5127-2	<b>Shorebank, Inc ( 12,13)</b>	0-3818-2
		<b>Standard Dredging Corp (11,13)</b>	1-2973-2
		<b>The Upjohn Co (12)</b>	1-4147-2
		<b>Waters Instruments, Inc (12,14)</b>	0-1388-2
		<b>Northern &amp; Central Gas Corp</b> June 1972 (7)	1-6365-2
<b>Leadership Housing, Inc</b> ( 2,7,9,13)	1-6448-2	<b>Nortek Inc ( 2,7,8,10,14)</b>	1-6112-2
<b>The Sampson Corp</b> (11)	2-36889-2	<b>Nuclear Data, Inc ( 4,7,8,14)</b>	1-5779-2
<b>Saunders Leasing Systems, Inc</b> (7,13)	0-3106-2	<b>Sigmatics ( 2,3,4,13,14)</b>	0-5950-2
<b>Southern Calif. Edison Co</b> (13)	1-2313-2	<b>Southeastern Michigan Holding Co</b> ( 10,13)	1-6515-2
<b>Southern Ry Co</b> (7,13)	1-743-2	<b>Sunamerica Corp ( 13,14)</b>	2-36774-2
<b>Standard Products Co</b> (11,14)	1-2917-2	<b>Tyler Corp ( 7,8)</b>	1-5409-2
<b>Summit Mortgage Investors</b> ( 2,14)	0-5160-2		
<b>Telco Marketing Services, Inc</b> (13,14)	2-41908-2		
			<b>8K for Misc. Months</b>
		<b>Parkview Gem, Inc</b> July 1972 (13)	0-9-2
		<b>Wellington Eight Ind., Inc</b> July 1972 (12)	2-33671-2
		<b>Optical Systems Corp</b> Aug. 1972 (7)	0-5156-2

Amended 8K Reports

Community Health Facilities, Inc Amdt. #1 to 8K for Aug. 1972 (1)	1-6612-2	Grow Chemical Corp #1 Jun 72 (12)	1-4596-2
Jade Oil & Gas Co #1 for July 1972 (7)	0-6061-2	Cherry Burrell Corp Amdt #1 for Apr 72(3,13)	1-1524-2
Consurgico Corp #1 for Aug. 1972 (12)	1-6689-2	MEI Corp #1 for Jun 72(14)	1-6276-2
Data Trends Inc #1 for July 1972 ( 7,14)	0-4086-2	#1 for Jul 72(14)	1-6276-2
General Devel. Corp #1 for Sept. 1972 (7)	1-4080-2	Season-All Inds Inc. #1 for Aug 72(13,14)	1-4706-2
Varadyne Ind., Inc #1 for June 1972 (7)	0-3243-2	Hydro-Ski Int'l Corp #1 for Mar 72(12)	0-4089-2
Cinerama Inc #1 for Sept. 1972 ( 13,14)	1-4107-2	Jade Oil & Gas Co. #1 for Aug 72(7)	0-6061-2
Keuffel & Esser Co # for Sept. 1973 ( 8,14)	0-2117-2	Art's Way Mfg Co. Inc. July 72(13)	0-5131-2
Aero Jet General Corp #1 for July 1972 ( 14)	1-4144-2	Resdel Inds Inc. #1 Aug 72(7,13)	0-5863-2
Prel Corp #1 for Sept 1972 (13,14)	1-6831-2	Technical Tape Inc. #1 for Mar 72(3)	1-1488-2
Hydro Ski Intl. Corp #1 for Nov. 1970 (12)	0-4089-2	Publishers Broadcasting Corp July 72(7)	0-5479-2
Colgate Palmolive Co #1 for Aug. 1972 (14)	1-644-2	Laneco, Inc. Apr 72(7,9,13)	2-42725-2
Centronics Data Computer Corp #2 for March 1971(12,13)	2-32982-2	Motorola Inc. #1 for May 72(13)	1-3321-2
Paramount Packaging Corp #1 for Sept. 1972 (14)	1-6006-2	PRF Corp Jun 72(14)	1-5550-2
Amrep Corp #1 for Sept. 1972 (7)	1-4702-2	Phoenix Steel Corp #1 for Apr 72(1)	1-2908-2
		Pollution Control Industries #2 for Jan 72(13)	0-5832-2
		#1 for Aug 72(2)	0-5832-2
		Sheller-Globe Corp July 72(13)	1-4172-2

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of (a) exchange and over-the-counter trading in the securities of Topper Corporation and U. S. Financial Corporation for the further ten-day period January 4-13, inclusive, and (b) over-the-counter trading in the securities of Power Conversion Inc., and Triex International Corporation for the further ten-day period January 4-13, inclusive.

SECURITIES ACT REGISTRATIONS. Effective December 29: Sierra Silver Mining Co., 2-42871; Tri-American Corp., 2-45229. Effective January 3: Colorado Interstate Corp. & Coastal States Gas Corp., 2-46621; Derby Refining Co. and Coastal States Gas Corp., 2-46622; Drexler Technology Corp., 2-44815; Engelhard Minerals & Chemicals Corp., 2-46615; Marriott Corp., 2-46654; National Medical Care, Inc., 2-46596; TCR Service, Inc., 2-42971 (90 days); Vetco Offshore Industries, Inc., 2-46308; Vico Corp., 2-46578.

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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