

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-208)

FOR RELEASE October 26, 1970

NEW RULES AND RULE PROPOSALS

FORM 10-K ANNUAL REPORTING REQUIREMENTS MODIFIED. The SEC today announced the adoption of revisions of its Form 10-K, which is prescribed for the filing of annual reports by both listed and over-the-counter companies having securities registered pursuant to Section 12 of the Securities Exchange Act, and by companies required to file reports pursuant to an undertaking in connection with a public offering under the Securities Act. The revised Form 10-K applies to reports filed for fiscal years ending on or after December 31, 1970 (Release 34-9000).

The purpose of the revision is to provide on an annual basis information which, together with that contained in the proxy or information statement sent to security holders, will furnish a reasonably complete and up-to-date statement of the business and operations of the registrant. Among the principal revisions is a requirement that where a registrant and its subsidiaries are engaged in more than one line of business there shall be disclosed for each of a maximum of the last five fiscal years the approximate amount or percentage of total sales and operating revenues and the contribution to income before income taxes and extraordinary items attributable of each line of business which contributed, during either of the last two fiscal years, a certain proportion to either the total of sales and revenues or income before income taxes and extraordinary items.

The revised form also calls for a summary of operations for the past five years, a description of the properties of the registrant and its subsidiaries, and disclosures relating to management, remuneration and transactions with insiders corresponding to the requirements of the Commission's proxy rules. In addition, the instructions as to financial statements have been revised to require comparative financial statements, including source and application of funds statements, for the last two fiscal years. Such comparative statements also must be included in annual reports to stockholders.

ACCOUNTING REGULATION S-X REVISED. The SEC has adopted an amendment to its Regulation S-X governing financial statements, consisting of a new section (Article 11A) to govern the content of statements of source and application of funds, a requirement for which is set forth in the revised Form 10-K discussed above. (Release 33-5090)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SIEREGA & CO. SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-9009) in which it ordered the 30-day suspension of the broker-dealer registration of Sierega and Company, Inc., of Los Angeles, effective October 26. The action was based upon violations of the Securities Act registration requirements in the 1968 offer and sale of stock of Mountain States Development Company, Inc. The firm is now undergoing liquidation by a court-appointed receiver (in an unrelated injunctive action brought by the Commission). In an offer of settlement, which the Commission accepted, the receiver consented to the 30-day suspension with the understanding that he may continue to liquidate existing long positions and cover existing short positions, without charging commission on such transactions, and may otherwise continue with the orderly liquidation of the firm during the suspension.

VINCENT J. PEPE BARRED. The SEC today announced a decision under the Securities Exchange Act (Release 34-9003) in which it barred Vincent J. Pepe, Seaford, N. Y., from association with any broker or dealer by reason of violations of the anti-fraud and other provisions of the federal securities laws. Pepe did not respond to the charges and was deemed in default. According to the Commission's decision, during the period Sept-Oct 1968, Pepe, in connection with the offer and sale of Datatronics Leasing Corp. stock, falsely represented that if the stock declined in price, customers would not have to pay for it; used customers' accounts to make unauthorized transactions in Datatronics stock for his own benefit, intending not to pay for stock purchased through such accounts unless it could be resold at a profit; refused and failed to make payment for such stock when the price of the stock declined, and effected securities transactions without disclosing to customers and others that the registrant was insolvent. The Commission also found violations by Pepe of the record-keeping, net capital and margin rules under the Act.

INVESTMENT COMPANY ACT RELEASES

COMRESS SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6221) giving interested persons until November 16 to request a hearing upon an application of Comress, Inc., Rockville, Md. for exemption from the Act until the Commission has acted upon an application for an order declaring that it is not an investment company.

OVER

CARTER GROUP INVESTMENT IN GOODBODY PROPOSED. The Carter Group, Inc., of New York City, has applied to the SEC for an exemption order under the Investment Company Act permitting an affiliate, Utilities and Industries Corp. ("U & I"), to make an investment in Goodbody & Co., New York broker-dealer and a member of the New York Stock Exchange; and the Commission has issued an order (Release IC-6223) giving interested persons until 12:00 Noon on November 2 to request a hearing thereon.

Goodbody and U & I, which is 25%-owned by Carter Group, propose to enter into a transaction (still in the course of negotiation) whereby U & I will provide and cause to be provided a substantial amount of new financing for Goodbody, which has been advised by the NYSE that unless it raises substantial additional capital by November 5, 1970, the Exchange may be required to suspend Goodbody's operations for violation of the NYSE net capital rules. It is presently contemplated that an agreement will be executed as soon as possible providing for an immediate investment on execution of the agreement of \$10 million by U & I on a subordinate, 60-day loan basis, which will have the immediate effect of putting Goodbody into an acceptable net capital position. Upon the closing at the end of the 60-day period, assuming satisfaction of certain conditions, the original \$10 million 60-day loan will become a \$15 million 12-month subordinated loan, and at the same time Loew's Theatres, Inc., will make a \$5 million 12-month subordinated loan to Goodbody. At this point, Richard Graham, an associate of Carter Group and of U & I, will become a general partner of Goodbody and Arthur Carter and two other U & I and Carter Group officers will become limited partners of Goodbody. Thereafter, the division of profits will be 44% to U & I, 44% to the old Goodbody partners, and 12% to Loew's. The voting rights will be 56% to U & I and 44% to the other Goodbody partners. A majority of the Board of Directors and executive committee and the principal officers of the continuing Goodbody business will be designees of U & I.

Conditions to closing include necessary approvals of all appropriate regulatory and self-regulatory agencies, and a requirement that at least \$31 million out of \$35 million of present subordinated lenders must agree to extend their capital commitment for a period longer than the maturity of the U & I debenture, and an agreement of old Goodbody partners to re-invest, as capital, tax savings resulting from Goodbody losses. The proposed agreement also provides that the parties will use the best efforts to amalgamate the businesses of U & I and Goodbody in the future.

COURT ENFORCEMENT ACTION

HAROLD LEITMAN, OTHERS SENTENCED. The SEC announced October 22 that the Federal court in New York City had imposed a \$5,000 fine on Harold Leitman, former board chairman of VTR, Inc., on each of two counts of filing false and misleading financial statements on behalf of VTR, Inc., with the Commission and the American Stock Exchange for the years ending December 31, 1963 and 1964. Alvin Leitman was fined \$3,500 on each of two counts, and Milton Rubin was fined \$2,000 on each of two counts for aiding and abetting Harold Leitman and Leon Braudy, CPA, with violating the Federal securities laws in failing to report unauthorized withdrawals of VTR funds by the Leitman family. (LR-4787)

SECURITIES ACT REGISTRATIONS

FIRST OF LOUISVILLE FUND PROPOSES OFFERING. First of Louisville Equity Fund, 216 S. 5th St., Louisville, Ky. 40202, filed a registration statement (File 2-38629) with the SEC on October 22 seeking registration of \$20,000,000 of participating units in the Fund for public sale at net asset value with a minimum initial investment of \$5,000; no underwriting discounts or selling commissions are involved. The Fund is a no-load collective investment fund, organized by the First National Bank of Louisville, through which the securities management experience and investment advisory services of that bank and the Kentucky Trust Company are made available to participants in the Fund. Its primary objective is to achieve long-term capital growth through investment in equity securities which are believed to offer possibilities for increase in value; production of a current income is a secondary objective. A five member governing committee supervises the Fund, of which three are officers of the First National Bank. A. Steven Miles, executive vice president of the bank, is chairman of the committee.

PENSION INVESTMENT FUND PROPOSES OFFERING. Pension Investment Fund, 1845 Walnut St., Philadelphia, Pa., filed a registration statement (File 2-38648) with the SEC on October 22 seeking registration of 600,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 5.5%. The Fund was organized in August; its investment objective is to seek capital appreciation by investing in securities which the Fund's management believes possess a greater than average growth potential. It is intended that Fund shares be purchased principally by organizations exempt from federal income taxation under the Internal Revenue Code of 1954. Peneco, Inc., is the manager of the Fund; Peneco Distributors, Inc., its wholly-owned subsidiary, will act as principal distributor. Paul A. Tanker is president and director of the Fund and of Peneco, Inc., and Peneco Distributors, Inc.

COLUMBUS AND SOUTHERN OHIO TO SELL BONDS. Columbus and Southern Ohio Electric Company, Inc., 215 N. Front St., Columbus, Ohio 43215, filed a registration statement (File 2-38649) with the SEC on October 22 seeking registration of \$25,000,000 of first mortgage bonds, due 1976, to be offered for public sale through underwriters headed by Dillon, Read & Co., 46 William St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. An electric utility, the company will add the net proceeds from the sale of the new bonds to its general funds and will pay substantially all of its bank loans, expected to aggregate approximately \$25,000,000 at the time of receipt of the proceeds. The bank loans were incurred in part to pay the cost of additions and improvements to the company's electric properties. Construction expenditures for the period Sept. 1, 1970 through December 31, 1974 are estimated at \$390,000,000.

CONTINENTAL OIL PROPOSES OFFERING. Hudson's Bay Oil and Gas Company Limited, 320 7th Ave. South West, Calgary 2, Alberta, Canada, filed a registration statement (File 2-38650) with the SEC on October 22 seeking registration of 2,000,000 shares of common stock. Continental Oil Company, of New York, which owns 12,039,067 (65.87%) of the outstanding shares of Hudson's Bay Oil stock, proposes to invite its shareholders to tender Continental shares in exchange for Hudson's Bay Oil shares; the exact exchange ratio is to be supplied by amendment. The purpose of Continental's tender offer is to acquire additional shares of Continental to be available for acquisitions and other corporate purposes; also, to broaden the public base of equity ownership of Hudson's Bay Oil and provide a wider market for its shares (an additional 4,008,656 shares, or 21.97%, are owned by a subsidiary of Hudson's Bay Company, a Canadian corporation).

Hudson's Bay Oil is engaged in acquiring petroleum and natural gas rights in Canada and in the exploration for and development of hydrocarbons. In addition to indebtedness and preferred stock, it has outstanding 18,294,044 common shares. Andrew Wilson Tarkington is board chairman, James Richard Murray vice-chairman, and David Carlton Jones president; Tarkington also is vice-chairman of Continental Oil.

WALTER HELLER CO. PROPOSES OFFERING. The Walter E. Heller & Company, 105 West Adams St., Chicago, Ill. 60690, filed a registration statement (File 2-38652) with the SEC on October 22 seeking registration of \$20,000,000 of subordinated debentures, due 1990, to be offered for public sale through underwriters headed by Salomon Brothers & Hutzler, 60 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. The company, a wholly-owned subsidiary of Walter E. Heller International Corp. and its subsidiaries are engaged principally in furnishing financing services to business and industry and to a lesser degree in making personal installment loans, primarily in the U. S., Canada and Puerto Rico. The proceeds to be received from the sale of the debentures will be added to the general funds of the company and will be applied initially to the reduction of short-term notes due within one year which were issued in the ordinary course of the company's business. Norman B. Schreiber is board chairman and Franklin A. Cole is president.

LAFAYETTE FUNDS PROPOSES OFFERING. Lafayette Funds, Inc., a general partnership, 1600 Fairfield Ave., Shreveport, La. 71101, filed a registration statement (File 2-38653) with the SEC on October 23 seeking registration of \$20,000,000 of limited partnership interests in partnerships to be formed under Lafayette Funds Drilling Program, to be offered for public sale in minimum amounts of \$2500. No underwriting is involved; participating NASD members will receive a seven percent selling commission on each sale. The partnership will be formed for the purpose of drilling for and producing oil and gas. The general partner is a wholly-owned subsidiary of Resource Exploration, Inc. J. C. Trahan is president and J. Russell Duncan board chairman of the general partner; Duncan is also board chairman of the parent.

MISCELLANEOUS

CLARIFICATION RE SCOTT-TEX. The SEC News Digest of October 1 reported court action involving the sale of unregistered stock of Scott-Tex, Inc. by John Noel Scott of Andrews, Tex. The issuer is not to be confused with a Brooklyn, N. Y., company called Scottex Corporation.

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 October 5 News Digest.

BK Reports for Aug 70

Aluminum Specialty Co. Jul 70 (11,13)	1-5780-2	Alumina Ferrite Corporation of America May 70(9)	2-33788-2
Control Data Corp July 70 (12,13)	1-1969-2	American Computer Leasing Corp (7,13)	0-3512-2
Day Mines, Inc. (12,13)	1-3459-2	Avco Corporation (4,12,13)	1-124-2
Brown Foreman Distillers Corp (7,10)	1-123-2	Buxton's Country Shops(9,12,13)	0-4731-2
Atlantic Richfield Company (3,12,13)	1-1196-2	Alterman Foods, Inc.(8,11)	1-5063-2
Cybermatics Inc. (11,13)	0-3856-2	Doyle Dane Bernbach, Inc.(3,12)	0-171-2
Empire International, Inc. Jul 70(11,12,13)	0-788-2	Emhart Corporation Jul 70(3)	1-4012-2
Fine Products Company, Inc. Jul 70(3,4,7,10)	0-4137-2	Burlingame Foods Jul 70(2,12,13) Aug 70(2,12,13)	0-4890-2 0-4890-2
Central Illinois Light Co. (7,13)	1-2732-2	Funeral Homes of America, Inc. (11,12,13)	2-33957-2
Continental Copper & Steel Ind., Inc. (12,13)	1-3604-2	American District Telegraph Co. (3)	1-6084-2
Reliance Industries, Inc. Dec 69 & Jan 70(2,7,13)	0-2775-2	American Diversified Industries Corp (2,7,12,13)	0-4314-2
		American Medical Enterprises Inc. (2,7,13)	1-5714-2
		Curtis Publishing Co.(2,6,13)	1-69-2

OVER

8K Reports for Aug 70

Acmatic Industries, Inc.(11,12,13)	0-3345-2	Cavanaugh Communities Corporation	(2,3,11,13)	0-4868-2
Atlas Hotels, Inc. (3,12,13)	0-4327-2	The Bali Company, Inc.(4,7,13)		1-5378-2
Burlington Industries, Inc.		Coleman Cable & Wire Co. (13)		0-3466-2
(7,13)	1-2932-2	Combustion Engineering Inc.		
El Paso Natural Gas Co. (7)	1-2700-2	July 70(8,13)		1-117-2
		Jun 70(7,13)		1-117-2
Acme Markets, Inc.(7,13)	1-311-2	Evans Products Co. (12)		1-542-2
Agency, Inc. (7)	2-22791-2			
Audiscan, Incorporated Jun 70		Alberts Inc. (12)		0-4184-2
(2,11,13)	0-4866-2	Chrysler Corp (3)		1-686-2
Chesapeake & Ohio Ry Co.		Computer Terminal Systems, Inc.		
(3,7,12)	1-1261-2	(2,7)		2-34587-2
Colonial Penn Group, Inc.(12,13)	0-4645-2	Culligan, Inc.(7,8,11,12,13)		1-5500-2
Cousins Mortgage and Equity		E. I. Du Pont De Nemours & Co.		
Investments (7)	2-37410-2	(13)		1-815-2
		Electric Hose & Rubber Co. (7)		1-5113-2
Chicago Helicopter Industries, Inc.		Equity National Industries, Inc.		
(2,13)	0-809-2	(2,7,13)		0-3842-2
Com-Share, Inc. (9)	0-4096-2	Fall River Gas Co. (13)		0-449-2
Cousins Properties, Inc.(7,13)	0-3576-2			
Dan River Mills, Inc.(7,13)	1-3912-2	American Pacific Group, Inc.(11)		0-1428-2
		Barbecue Inns International, Inc.		
Arnav Industries, Inc.(3)	0-3158-2	Mar, Apr, May, Jun, Jul & Aug		
Astro Controls, Inc. (11)	0-3083-2	70(1,2,4,7,8,11,12,13)		2-32769-2
		Berns Air King Corp (11,13)		0-2772-2
Atlantic Information Systems,		Bloomfield Bldg. Industries, Inc.		
Inc. (11)	2-34322-2	(12,13)		1-4608-2
Barrington Industries, Inc.		Cannon Mills Co. (3)		0-758-2
(4,11,13)	0-258-2	Certron Corporation (12)		1-6273-2
E. T. Barwick Industries, Inc.		Condec Corporation (13)		1-3899-2
(11)	0-3959-2	Cummins Engine Company (3)		1-4949-2
Columbia Pictures Industries,		Disc, Inc. (11)		0-1466-2
Inc. (7,13)	1-6240-2			
Automatic Service Co. (2,13)	0-3368-2	Allied Aero Industries, Inc.		
Capitol Reclamation Corporation		(9,12)		0-360-2
(12,13)	2-33221-2	B.T.B. Corp (4,13)		1-3410-2
Celanese Corp (3)	1-1308-2	Barton Brands, Inc. (13)		1-5193-2
Central Banking System, Inc.(12)	0-3652-2	Cambridge Computer Corporation		
Coastal States Gas Producing Co.		July 70(7,13)		2-34045-2
(7)	1-4718-2	Drew National Corporation		
Commercial International Corporation		(7,12,13)		1-6339-2
(12,13)	0-4178-2			
Ford Motor Co. (3)	1-3950-2	Capital Reserve Corporation (9)		0-3551-2
		Consolidated Edison Co. of N.Y.		
Andrea Radio Corp (12,13)	1-4324-2	(3,7,12,13)		1-1217-2
Books for Libraries, Inc.				
(4,7,13)	0-4834-2			

SECURITIES ACT REGISTRATIONS. Effective October 23: First Wisconsin Bankshares Corp., 2-37785 (40 days); Marine Midland Banks, Inc., 2-38300; Mathematical Applications Group, Inc., 2-37383; Old Stone Mortgage and Realty Trust, 2-38012 (90 days); Rex Chainbelt Inc., 2-38471 (40 days); Worldwide Energy Co. Ltd., 2-34857 (Dec 1).

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.

---0000000---