

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 April 28, 1971

DECISION IN ADMINISTRATIVE PROCEEDING

RAFKIND & CO., RAFKIND, LEVY SUSPENDED. The Commission today announced that the over-the-counter brokerage activities of the principal office of Rafkind & Co., Incorporated, located at 55 Broad St., New York City, have been suspended for 10 business days (subject to certain exceptions), and that Karl Rafkind and Arnold Levy, officers and directors of the firm, have been suspended from being associated with a broker or dealer for periods of 15 business days and 3 business days, respectively, all to commence with the opening of business on May 3. The sanctions were based on findings of violations of the registration provisions of the Securities Act of 1933 in connection with the offer and sale of 18,400 shares of common stock of Mastercraft Electronics Corporation during 1968, and Rafkind & Co.'s failure reasonably to supervise with a view to preventing such violations. Under the terms of a settlement offer submitted by the respondents, they consented to these findings and to imposition of the indicated sanctions, without admitting or denying the allegations against them.

During the 10-day suspension period, Rafkind's Broad Street office may engage only in unsolicited liquidating over-the-counter transactions for existing positions for the accounts of existing customers, as to which it may charge no commissions, and liquidating over-the-counter transactions for existing firm long and short positions. (Release 34-9158)

COURT ENFORCEMENT ACTION

HOME-STAKE 1970 PROGRAM, OTHERS ENJOINED. The SEC today announced that the Federal court for the District of Columbia permanently enjoined Home-Stake 1970 Program Operating Corporation, its parent, Home Stake Production Company, and officers and directors Robert S. Trippet, E. M. Kunkel, Thomas A. Landrith, J. D. Metcalfe, H. B. Gutelius and H. L. Fitzgerald, all of Tulsa, Okla. from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of Units of participation of the Home-Stake 1970 Program. In addition, Home-Stake 1970 is making an offer of rescission to all persons who purchased one or more units or fractional Units of participation in the Program. In this regard, the Commission emphasized that the prospectus that will be sent to each purchaser along with the offer of rescission purports fully and accurately to describe the projects to be included in the 1970 program; it should be read carefully by each purchaser so that he will be able to make an informed decision whether to accept the rescission offer. The defendants consented to the entry of the injunction orders. (LR-4990)

INVESTMENT COMPANY ACT RELEASES

TEXAS-ARKANSAS FUND. The SEC has issued an order under the Investment Company Act declaring that Texas-Arkansas Fund, Dallas, Tex., has ceased to be an investment company as defined in the Act. (Release IC-6488)

WADDELL & REED. The SEC has issued an order under the Investment Company Act giving interested persons until May 20 to request a hearing upon an application of United Continental Growth Exchange Programs ("Programs") and United Periodic Investment Plans to Acquire Shares of United Accumulative Fund without insurance ("Plan") (each a unit investment trust) and Waddell & Reed, Inc., depositor of the trusts, for an order permitting an offer of exchange. Program has filed a registration statement with the SEC for the purpose of allowing its shareholders to exchange their plan for a Program of the same completion amount. Applicants state that if exchanges are permitted, a Planholder could substitute shares of United Continental Growth Fund Inc. for shares of United Accumulative Fund without disturbing his investment program. Such exchange would be made without the investor's losing the advantages of prior investment, particularly the front-end load that he has paid at least in part. All such exchanges would be accomplished by redeeming the underlying shares of Plan at net asset value next determined and reinvesting the proceeds in underlying shares of Programs at net asset value. There would be a \$5 service charge for such exchange. ¹/(Release IC-6489)

HUBSHMAN FUND. The SEC has issued an exemption order under the Investment Company Act permitting the sale of certain office furniture owned jointly by The Hubshman Fund, Inc., New York mutual fund, and Hubshman Management Corporation, its investment adviser, to Louis Hubshman, Jr. (president and board chairman of the Fund and the adviser) for \$1,098. (Release IC-6490)

FUND OF AMERICA FOR EQUITY INCOME. The SEC has issued an order under the Investment Company Act giving interested persons until May 20 to request a hearing upon an application of Fund of America for Equity Income, Inc., New York mutual fund, for an order declaring that it has ceased to be an investment company. The Fund represents that it has issued no securities, has no assets, that no public offering is feasible and that it does not propose to make a public offering of securities. (Release IC-6491)

OVER

MCLEAN RESEARCH PROPOSES OFFERING. McLean Research Corporation, McLean, Va. 22101, filed a registration statement with the SEC on April 21 seeking registration of 100,000 shares of common stock. It is proposed to offer these shares for subscription by employees of Research Analysis Corporation ("RAC") in proportion to their current RAC salaries and at \$10 per share.

The company was organized in March 1971 to take over and perform the work presently carried on by RAC, a non-profit organization engaged in offering research and analysis services principally to government agencies, but also to private organizations. Net proceeds of its stock sale will be used as working capital. Frank A. Parker, Jr., is president. (File 2-40130)

TENNIS VENTURES TO SELL STOCK. Tennis Ventures, Inc., 545 Madison Ave., New York, N. Y., filed a registration statement with the SEC on April 21 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on a best efforts basis by Austin, James & Co., Inc., 11 Broadway, and Winkler, Cantor, Pomboy & Co., Inc., 30 East 42nd St., both of New York.

The company was organized in October 1970 to sell both portable and permanent tennis courts by Tennis Services, Inc. Net proceeds will be added to the company's working capital and used for general corporate purposes. The company has outstanding 306,100 common shares, of which William W. Morton, president, owns 26.1% and management officials as a group 54.2%. (File 2-40131)

MARRIOTT SHARES IN REGISTRATION. Marriott Corporation, 5161 River Rd., Washington, D. C. 20016, filed a registration statement with the SEC on April 21 seeking registration of 49,154 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$41 per share maximum). (File 2-40132)

INERTIAL MOTORS TO SELL STOCK. Inertial Motors Corp., 280 N. Broad St., Doylestown, Pa. 18901, filed a registration statement with the SEC on April 21 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts" basis by Renneisen, Renneisen and Redfield, Inc., 54 West State St., Doylestown, Pa. 18901.

Organized in January 1968, the company is engaged in designing, developing, assembling, producing and marketing a line of low inertia, direct current electric motors. Of the net proceeds of its stock sale, \$100,000 will be used to repay outstanding demand notes and \$100,000 to purchase capital equipment and inventory and the balance for working capital or other corporate purposes. The company has outstanding 401,250 common shares (with a 33¢ net tangible book value deficit), of which Emil Mihalko, president, owns 23.7% and management officials as a group 63.5%. Purchasers of the shares being registered will sustain an immediate dilution of \$4.47 in per share book value from the offering price. (File 2-40133)

CHILD WORLD FILES FOR OFFERING AND SECONDARY. Child World, Inc., 25 Littlefield St., Avon, Mass., filed a registration statement with the SEC on April 21 seeking registration of 220,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 70,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$22.25 per share maximum) through underwriters headed by R. W. Pressprich & Co. Inc., 80 Pine St., New York 10005.

The company operates 11 self-service, supermarket-type retail stores (known as Child World stores) and two mini toy stores. Of the net proceeds of its stock sale, \$2,250,000 will be used to pay costs in connection with the opening of nine Child World stores and the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 1,055,851 common shares, of which Sidney Schneider, president, owns 38.8% and Joseph Arnesano, executive vice president, 37.3%. They propose to sell 35,000 shares each. (File 2-40134)

***EVANS PRODUCTS SHARES IN REGISTRATION.** Evans Products Company, 1121 S. W. Salmon St., Portland, Ore. 97208, filed a registration statement with the SEC on April 21 seeking registration of 956,481 shares of common stock. Such shares were issued in connection with acquisitions by the company and/or pursuant to stock options which have been or are to be issued by the company. The holders or recipients may offer such shares for sale from time to time at prices current at the time of sale (** \$44.25 per share maximum). (File 2-40135)

***FOSTER WHEELER FILES FOR SECONDARY.** Foster Wheeler Corporation, 666 Fifth Ave., New York 10022, filed a registration statement with the SEC on April 21 seeking registration of 350,000 outstanding shares of \$1 cumulative preferred stock, Series A, to be offered for public sale by the holders thereof. The offering is to be made (** at \$19.50 per share maximum) through underwriters headed by Eastman Dillon, Union Securities & Co. Inc., One Chase Manhattan Plaza, New York 10005.

The company is principally engaged in engineering, manufacturing and construction in the energy field. Hans C. Glitsch proposes to sell 208,779 of 218,655 preferred shares held and four others the remaining shares being registered. (File 2-40137)

***KAUFMAN AND BROAD SHARES IN REGISTRATION.** Kaufman and Broad, Inc., 10801 National Blvd., Los Angeles, Calif. 90064, filed a registration statement with the SEC on April 22 seeking registration of 750,000 shares of common stock, issuable pursuant to common stock purchase warrants. (File 2-40138)

***CONTROL DATA SHARES IN REGISTRATION.** Control Data Corporation, 8100 34th Ave. South, Minneapolis, Minn. 55440, filed a registration statement with the SEC on April 22 seeking registration of 36,712 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$65 per share maximum). (File 2-40140)

AFCOA TO SELL STOCK. AFCOA, 20801 Dearborn St., Chatsworth, Calif. 91311, filed a registration statement with the SEC on April 22 seeking registration of 200,000 shares of common stock, to be offered for public sale (**at \$30 per share maximum). The offering is to be made through underwriters headed by Herbert Young & Co., Inc., 5 Hanover Sq., New York 10005. Also included in this statement are 56,000 shares of common stock issuable from time to time pursuant to options which have been granted to officers and other key employees and 26,600 issuable upon exercise of options granted to others.

The company designs, manufactures and sell a wide variety of high quality parts and assemblies for computer disc, drum and tape memory and recording systems. Of the net proceeds of its stock sale, \$750,000 will be used to secure larger facilities and purchase additional production and test equipment for the company's Korean subsidiary, and the balance will be added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,056,046 common shares, of which Joseph P. Bruno, president, owns 69.7%. (File 2-40139)

***CALLAHAN MINING SHARES IN REGISTRATION.** Callahan Mining Corporation, 277 Park Ave., New York 10017, filed a registration statement with the SEC on April 22 seeking registration of 350,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof (Joseph H. Hirshborn, board chairman) at prices current at the time of sale (**\$14.75 per share maximum). The company is engaged in the mining of silver and other minerals. It has outstanding 3,283,969 common shares. (File 2-40143)

COLORADO NATIONAL BANKSHARES TO SELL DEBENTURES. Colorado National Bankshares, Inc., 918 17th St., Denver, Colo. 80202, filed a registration statement with the SEC on April 22 seeking registration of \$10 million of convertible subordinated debentures due 1996, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co. Inc., One Chase Manhattan Plaza, New York 10005.

A bank holding company, the company owns substantially all the capital stock of five banks located in Colorado. Net proceeds of its debenture sale will be used in part, to retire short-term indebtedness of \$1,600,000 to an unaffiliated bank and the balance for general corporate purposes. In addition to indebtedness, the company has outstanding 1,097,185 common shares. Melvin J. Roberts is president. (File 2-40144)

***MAREMONT SHARES IN REGISTRATION.** Maremont Corporation, 168 N. Michigan Ave., Chicago, Ill. 60601, filed a registration statement with the SEC on April 22 seeking registration of 2,154 outstanding shares of common stock. These shares are to be offered for public sale by the holders thereof from time to time at prices current at the time of sale (**at \$15.25 per share maximum). The company is engaged in the manufacture and distribution of automotive replacement parts, manufacture of textile yarn preparatory machinery, and manufacture of ordnance equipment. (File 2-40145)

NATIONAL INDUSTRIAL SERVICES TO SELL STOCK. National Industrial Services Corp., 34 S. Broadway, White Plains, N. Y. 10601, filed a registration statement with the SEC on April 23 seeking registration of 160,000 shares of common stock, to be offered for public sale (**at \$11.875 per share maximum). The offering is to be made through underwriters headed by Herold, Kaster & Gerald Inc., 40 Wall St., New York 10005.

The company is engaged primarily in financing leases of bio-medical instrumentation. Net proceeds will be used to temporarily reduce bank borrowings and for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 358,920 common shares (with a \$4.78 per share book value), of which Howard D. Blank, president, owns 10.32% and management officials as a group 37.40%. (File 2-40147)

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:

Cluett, Peabody & Co., Inc., New York (File 2-40136) - 200,000 shares
 Fieldcrest Mills, Inc., Eden, N. C. (File 2-40141) - 250,000 shares
 Holobeam, Inc., Paramus, N. J. (File 2-40142) - 50,000 shares
 Vulcan Materials Company, Mountain Brook, Ala. (File 2-40146) - 329,545 shares
 The Flying Tiger Corporation, Los Angeles, Calif. (File 2-40148) - 776,080 shares
 Austral Oil Company Incorporated, Houston, Tex. (File 2-40149) - 250,000

SECURITIES ACT REGISTRATIONS. Effective April 27: Avco Financial Services, Inc., 2-39389; Boston Edison Co., 2-39983; Community Public Service Co., 2-39828; Cox Broadcasting Corp., 2-39883; Essex International, Inc., 2-39992; McCormick & Co. Inc., 2-39703; McGraw-Edison Co., 2-39976; Mississippi Power Co., 2-39988; Mountain Fuel Supply Co., 2-39920; Puritan-Bennett Corp., 2-39656; Realty Industries, Inc., 2-39294 (Jul 26); Reserve Resources, Inc., 2-38412; Signode Corp., 2-39786; Standard Brands Inc., 2-40017; Texfi Industries, Inc., 2-39746.

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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes 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 full details of the application.