

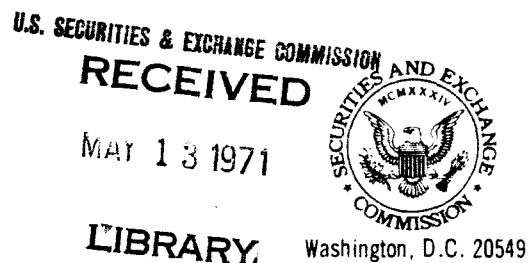
# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

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

(Issue No. 71-93)

FOR RELEASE May 13, 1971



## NEW RULES AND RULE PROPOSALS

**SEC PROPOSES AMENDMENT TO NET CAPITAL RULE.** The SEC proposed an amendment to Rule 15c3-1 (the "net capital" rule) under the Securities Exchange Act of 1934 in order to implement proposed provisions of the Investment Company Act relating to brokers and dealers who act as underwriters of or depositors for contractual plans.

On April 28, 1971, the Commission published its proposal under the Investment Company Act of 1940 for the adoption, among other provisions, of Rule 27d-1 which would provide for the deposit into and maintenance of a "segregated trust account" by every depositor of or principal underwriter for a periodic payment plan certificate sold subject to Section 27(d) or 27(f). Independent of this statutory reserve requirement, any such brokers or dealers will also have to establish, maintain, and include in their books and records a liability reserve consisting of estimates based on their actual experience in effecting refunds under Sections 27(d) and 27(f) of the Investment Company Act.

The proposed amendment to the net capital rule would limit the deductions in the computation of net capital to only that portion of the amount in the segregated trust account which exceeds the amount of the liability reserve. They would also exclude amounts in the segregated trust account from aggregate indebtedness to the extent that such amounts do not exceed the amount of the liability reserve. (Release 34-9173)

Printing and mailing of copies of the release for distribution to the Commission's mailing list will be somewhat delayed. Therefore, the Association of Mutual Fund Plan Sponsors, the Investment Company Institute, the American Life Convention and the Life Insurance Association of America have undertaken to distribute copies to their memberships. The release will also appear in the Federal Register within the next few days.

## DECISION IN ADMINISTRATIVE PROCEEDING

**WYLLIE INVESTMENT REVOKED; WYLLIE BARRED.** The SEC has ordered that the broker dealer registrations of William Edward Wyllie, doing business as Wyllie Investment Company, and Wyllie Investment Company, Inc. (successor to the sole proprietorship), Grand Junction, Colo., be revoked, and that Wyllie be barred from association with a broker or dealer, provided that he is not precluded from employment in the securities business in a non-supervisory capacity upon an appropriate showing after the expiration of one year that he will be adequately supervised. The sanctions were imposed for violations of the registration provisions of the Federal securities laws in 1968-1969 in connection with the offer and sale of securities of S&M Industries Inc. (formerly S&M Supply Co.) and J B & T Co. (formerly Junction Bit & Tool Co.) as to which no registration statement had been filed or was in effect.

In an offer of settlement, the respondents, without admitting the allegations in the order for proceedings, consented to the findings of violations and to imposition of the indicated sanctions. (Release 34-9172)

## INVESTMENT COMPANY ACT RELEASES

**B.S.F. CO.** The SEC has issued an order under the Investment Company Act exempting from the Act the proposed purchase from B.S.F. Company, Los Altos, Calif., by Chicago Helicopter Industries, Inc., or one of its wholly-owned subsidiaries, of BSF's entire holdings of 9,643 shares of common stock of Mercantile National Bank of Chicago at \$75 a share or total of \$723,225. (Release IC-6515)

**COLONIAL HEDGEFUND.** The SEC has issued an order under the Investment Company Act declaring that Colonial Hedgefund, Inc., Boston, has ceased to be an investment company as defined in the Act. (Release IC-6516)

**FIRST AMERICAN AUSTRALIAN INVESTORS LTD.** The SEC has issued an order under the Investment Company Act permitting First American-Australian Investors Ltd., Canberra, to register as an investment company and to make a public offering of securities in the United States. (Release IC-6517)

**HALCYON FUND, INC.** The SEC has issued an order declaring that Halcyon Fund, Inc., New York, has ceased to be an investment company as defined in the Investment Company Act. (Release IC-6518)

**COMRESS, INC.** The SEC has issued an order giving interested persons until June 1 to request a hearing on the application of Comress, Inc., Rockville, Md., for an order declaring that it is primarily engaged in a business other than that of investing, reinvesting, etc., in securities, either directly or through majority-owned subsidiaries. The company states that it is primarily engaged in the following businesses: computer technology directly and through Comcet, Inc.; and in developing computer programs through Complex Systems, Inc., and Data Art Corp. (Release IC-6519)

OVER

**CONSOLIDATED FINANCIAL CORP.** The SEC has issued an order giving interested persons until June 4 to request a hearing on the application of Consolidated Financial Corporation, Chicago for an order declaring that it has ceased to be an investment company as defined by the Investment Company Act. On March 31, 1971 Consolidated merged with Baker Pentress & Company and the latter succeeded to all property, assets, rights, liabilities and obligations of Consolidated and its existence as a separate corporation ceased. 1/  
(Release IC-6520)

#### SECURITIES ACT REGISTRATIONS

**BEL-AIR ENTERPRISES TO SELL STOCK.** Bel-Air Enterprises, Inc., 1422 Sharp Bldg., Lincoln, Neb., filed a registration statement with the SEC on May 6 seeking registration of 170,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made through company officials.

Organized in February 1968 as Deon's, Inc., the company is engaged in operating low-priced, family oriented restaurants in Lincoln. Net proceeds of the company's stock sale will be used for working capital and other corporate purposes. The company has outstanding 122,500 common shares, of which Virgil P. Jordan, president and board chairman, owns 100,000 shares (for which he paid 20¢ per share). (File 2-40322)

**\*MELVILLE SHOE TO SELL DEBENTURES.** Melville Shoe Corporation, 25 W. 43d St., New York, N. Y. 10036, filed a registration statement with the SEC on May 6 seeking registration of \$25 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York, N. Y. 10005.

The company is engaged in the integrated shoe retailing-manufacturing business. Net proceeds of its debenture sale will be applied to reduction of outstanding short-term bank loans, which totaled \$36,150,000 at April 3. (File 2-40323)

**SOUTH CAROLINA ELECTRIC PROPOSES RIGHTS OFFERING.** South Carolina Electric & Gas Company, 328 Main St., Columbia, S. C. 29201, filed a registration statement with the SEC on May 6 seeking registration of 958,000 shares of common stock. It is proposed to offer these shares for subscription by common stockholders, at the rate of one share for each ten shares held of record on June 2, 1971 (\*\* and at \$26 per share maximum). Any unsubscribed shares may be offered for public sale through underwriters headed by Kidder, Peabody & Co., 20 Exchange Place, New York 10005. Net proceeds of its stock sale will be used for repayment in part of outstanding short-term indebtedness incurred as a result of construction expenditures and expected to aggregate \$32 million at the expiration date of the subscription period. Construction expenditures are estimated at \$102,014,000 for 1971 and \$573,000,000 for the five-year period 1971 through 1975. (File 2-40324)

**\*SCOTTY'S HOME BUILDERS SUPPLY TO SELL DEBENTURES.** Scotty's Home Builders Supply, Inc., Recker Highway, Winter Haven, Fla. 33880, filed a registration statement with the SEC on May 7 seeking registration of \$5 million of convertible subordinated debentures, due 1986, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by Reynolds & Co., 120 Broadway, New York, N. Y. 10005.

The company engages in the retail distribution of building materials and supplies and related items. Of the net proceeds of its debenture sale, \$2,200,000 will be used for land, construction, equipping and stocking of approximately six additional new stores and the balance for working capital and other corporate purposes. (File 2-40335)

**EDUCATIONAL GUIDANCE SYSTEMS TO SELL STOCK.** Educational Guidance Systems Corporation, 342 Madison Ave., New York, N. Y., filed a registration statement with the SEC on May 7 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2.50 per share. The offering is to be made by Barody & Co, 4040 Gault Ocean Dr., Ft. Lauderdale, Fla.

Organized in August 1970, the company is engaged in providing certain computerized services for persons who seek to attend or are attending college. Net proceeds of its stock sale will be used for working capital and other corporate purposes. The company has outstanding 610,000 common shares (with a 2¢ per share net tangible book value), of which Stephen R. Schlesinger, president, owns 17.7% and management officials as a group 73.8%. Purchasers of the shares being registered will sustain an immediate dilution of \$1.99 in per share book value from the offering price. (File 2-40336)

**\*SPERRY RAND TO SELL DEBENTURES.** Sperry Rand Corporation, 1290 Avenue of the Americas, New York, N. Y. 10019, filed a registration statement with the SEC on May 7 seeking registration of \$160 million of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities Inc., One Chase Manhattan Plaza, New York 10005.

The company is engaged in developing, manufacturing and marketing business and other equipment and other products. Net proceeds of its debenture sale will be applied to the reduction of short-term debt and term bank loans. (File 2-40337)

**WHITE SHIELD DRILLING PROGRAM PROPOSES OFFERING.** White Shield International Drilling Program (the "Partnership"), 1601 South Main St., P. O. Box 2139, Tulsa, Okla. 74101, filed a registration statement with the SEC on May 7 seeking registration of \$36 million of partnership interests, to be offered for public sale at \$5,000 per unit. No underwriting is involved; NASD members may participate. White Shield Oil and Gas Corp. and White Shield Exploration Corp. are the general partners. White Shield Exploration is over 60% owned by White Shield Corporation and White Shield Oil and Gas is wholly-owned by White Shield Corporation. Earl B. Austin is president of White Shield Corp. and John F. Ireland is president of White Shield Exploration. (File 2-40338)

CONTINUED

**PRO DATA TO SELL STOCK.** Pro Data, Inc., Atlanta, Ga., filed a registration statement with the SEC on May 6 seeking registration of 75,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made by Leonard Brothers, Inc., 50 Broadway, New York 10004.

The company was organized in February 1970 for the purpose of selling and servicing office business machines and equipment, and in related activities. Of the net proceeds of its stock sale, \$185,000 will be used to purchase demonstration equipment and fund initial operating expenses of new offices and to expand a present sub-office, and the balance will be used for general corporate purposes. The company has outstanding 367,100 common shares, of which Armand B. Caruso, board chairman, and Robert V. Clarke, Jr., president, together own 55%. (File 2-40326)

**\*EQUITY FUNDING SHARES IN REGISTRATION.** Equity Funding Corporation of America, 1900 Avenue of the Stars, Los Angeles, Calif. 90067, filed a registration statement with the SEC on May 6 seeking registration of 245,362 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 (\*\*\$42 per share maximum). (File 2-40327)

**MUNICIPAL TRUST FUND PROPOSES OFFERING.** Municipal Investment Trust Fund, Series II, filed a registration statement with the SEC on May 6 seeking registration of \$39,375,000 of units. The Fund was created by a Trust Agreement under which Merrill Lynch, Pierce, Fenner & Smith Inc., Bache & Co. Inc., and Walston & Co., Inc., act as sponsors, United States Trust Company of New York acts as Trustee and Standard & Poor's Corporation acts as evaluator. The objectives of the Fund are tax exempt income and conservation of capital through a diversified investment in revenue and general municipal bonds rated "BBB" or better by Standard & Poor's Corporation or "Baa" or better by Moody's Investors Service. (File 2-40330)

**\*TEXACO TO SELL DEBENTURES.** Texaco, Inc., 135 East 42nd St., New York 10017, filed a registration statement with the SEC on May 7 seeking registration of \$200 million of debentures, due 2001, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Inc., 2 Wall St., New York 10005. Net proceeds of the company's debenture sale will be added to its general funds which will be used for general corporate purposes including capital and exploratory expenditures and working capital requirements. (File 2-40333)

**GEORGIA POWER TO SELL BONDS.** Georgia Power Company, 270 Peachtree St., N. W., Atlanta, Ga. 30303, filed a registration statement with the SEC on May 7 seeking registration of \$100 million of first mortgage bonds, to be offered for public sale at competitive bidding. A subsidiary of The Southern Company, Georgia Power will use the net proceeds of its bond sale, together with other funds, to finance its 1971 construction expenditures of \$363,787,000 and to retire \$7,871,000 of previously outstanding bonds for sinking fund purposes. Construction expenditures are estimated at \$1,108,809,000 during 1971, 1972 and 1973. (File 2-40334)

**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:

Transcontinental Gas Pipe Line Corporation, Houston, Tex. (File 2-40325) - 370,437 common shares, 102,004 \$4.90 preferred, 93,844 \$5.60 preferred, 99,131 \$5.26 preferred, 83,789 \$6.65 preferred and 63,408 \$10.32 preferred shares  
 General Binding Corporation, Northbrook, Ill. (File 2-40331) - 120,000 shares  
 General Portland Cement Company, Dallas, Tex. (File 2-40332) - 23,281 shares  
 Sonderling Broadcasting Corporation, New York, N. Y. (File 2-40339) - 75,000 shares  
 Graniteville Company, Graniteville, S. C. (File 2-40343) - 80,000 shares

#### MISCELLANEOUS

**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 May 10 News Digest.

#### 8K Reports for Feb 1971

Maryland Cup Corp (11,12,13)	1-4430-2	Industrial Electronic Hardware Corp Dec 70 (2,13)	0-5278-2
New Jersey Realty Co (12,13)	0-1294-2	Host International, Inc (13)	1-5616-2
NBC Co Jan 71 (12,13)	0-4752-2	Greater Nebraska Corp (12,13)	0-537-2
National Modular Concepts, Inc (11)	2-33865-2	Newmont Mining Corporation (7)	1-1153-2
North Pennsylvania Railroad Co (12,13)	0-605-2	GSC Enterprises, Inc (11,13)	1-5847-2
Kiddie Care Corporation Dec 70 (13)	0-4788-2	Inspiration Consolidated Copper Co (13)	1-1050-2

8K Reports for Feb 1971 (Con't)

Missouri Power & Light Co (7)	0-1013-2	Lilac Time of Rochester Inc (12)	2-31932-2
Overmyer Corporation (13)	0-4514-2	Oregon National Life Insurance Co (3,13)	2-22328-2
Gray Manufacturing Co May, July & Nov 70 (2,12,13)	1-5533-2	Merck & Co., Inc (13)	1-3305-2
Great Western United Corp Jan 71 (7,13)	1-5443-2	Lehigh Valley Industries Inc (12)	1-155-2
Louisiana Gas Service Co (2,7,8,11,12,13)	1-4335-2	Investors Unltd. (11,13)	0-2202-2
National Utilities & Industries Corp (12)	0-4293-2	Mark Systems Inc Dec (2,12,13)	0-3067-2
Hampton Shirt Co., Inc (2,13)	1-6105-2	Ohio Bell Telephone Co (11)	2-24383-2
Noble Lumber Corp (8)	1-6115-2	Ideal Basic Industries Inc (3,12,13)	1-4070-2
Northern and Central Gas Corporation Ltd. Jan 71(7)	1-6365-2	Louisville & Nashville RR Co (3,7,13)	1-1116-2
Goddard Industries, Inc (11)	0-2052-2	King Resources Co (3,6,12,13)	0-3084-2
Holly Resources Corp (13)	1-4343-2	Kollmorgen Corp (12,13)	1-5562-2
Halliburton Co (13)	1-3492-2	Mecca Computer Systems, Inc (1,10,11)	0-4263-2
Marriott Corporation (7)	1-5664-2	Graniteville Co (7,12,13)	1-4630-2
New Bedford Gas & Edison Light CO (11)	2-7749-2	Integrated Resources Inc (7,13)	0-4427-2
Eli Lilly and Co (13)	1-6351-2	Ogden Corp (3,8)	1-3122-2
Massey-Ferguson Ltd. (12)	1-5190-2	R. B. Jones Corporation (7,12,13)	2-37603-2
Guardian Packaging Corporation April 70 (11,13)	1-4848-2	A. C. Nielsen Company (11)	0-24-2
Humanics, Inc Nov 70 (8)	0-4246-2	Great Lakes Dredge & Dock Co (12)	1-1303-2
Dec 70 (7)	0-4246-2	Koppers Co., Inc (7,8,13)	1-3224-2
Geotel, Inc (11,13)	0-1400-2	National Western Life Insurance Co (8,12)	2-17039-2
Gulf States Utilities Co (3)	1-2803-2		

**SECURITIES ACT REGISTRATIONS. Effective May 12:** Certain-Teed Products Corp., 2-39899; Tandy Corp., 2-39987; Computer Technology Inc., 2-38715; Trans World Airlines, Inc., 2-40077; Municipal Investment Trust Fund, New York Series, 2-40000; Marifarms, Inc., 2-39218 (90 days); Washington Gas Light Co., 2-40060; Tidewater Telephone Co., 2-39949; Denver Real Estate Investment Assoc., 2-39816; Reading & Bates Offshore Drilling Co., 2-39758; Hartford National Corp., 2-39474; Addison - Wesley Publishing Co., Inc., 2-39768; United States Tobacco Co., 2-40261; Teletronics International, Inc., 2-39152 (90 days); Lee-Gunn Oil Corp., 2-39204 (90 days); House of Fabrics, Inc., 2-39979; General Research Corp., 2-39408; General Exploration Co. of Calif. 2-38850 (40 days).

**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.