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NEW RULES AND RULE PROPOSALS

PROPOSE RULES TO IMPROVE PROSPECTUS READABILITY. The Commission has under consideration certain amendments to its rules and regulations designed to improve the readability of prospectuses relating to securities registered under the Securities Act of 1933. These proposals will be the first in a series of steps to be taken by the Commission in its continuous effort to improve the readability of prospectuses.

Rules 425A and 426 and Guide No. 5 of the Guides for Preparation and Filing of Registration Statements, set forth in Securities Act Release No. 4926 would be amended to remove from the cover page of prospectuses certain information heretofore required or permitted to be set forth thereon. In addition, Guide No. 6 would be amended to require that dilution of the investor's equity in the enterprise be shown in pie chart form, in addition to the textual description of dilution. Guide No. 21 which relates to the use of the proceeds from the offering, would be amended to require that the use of proceeds be shown in pie-chart form, in addition to the textual statement with respect to such use.

All interested persons are invited to submit their views and comments on the proposed amendments to Alan B. Levenson, Division of Corporation Finance, Securities and Exchange Commission, Washington, D. C. 20549 on or before August 23, 1971. (Release 33-5164)

COMMISSION ANNOUNCEMENT

NATHAN, SELTZER RECEIVE PROMOTIONS. The Commission today announced the promotion of Richard E. Nathan to the position of Assistant General Counsel and Richard S. Seltzer to the position of Special Counsel, both in the Office of the General Counsel. Mr. Nathan joined the Commission's staff in March 1965 as an attorney in the Office of the General Counsel, and in September 1969 was promoted to Special Counsel. He graduated from the Wharton School of Finance and Commerce of the University of Pennsylvania in 1958, where he majored in accounting, receiving a degree of Bachelor of Science of Economics. He graduated from the University of Pennsylvania Law School, cum laude, in 1961 and is admitted to the New York State Bar. Mr. Seltzer joined the Commission's staff in June 1969 as an attorney in the Office of the General Counsel, and served in that Office until April 1970, when he became Legal Assistant to former Commissioner Richard Smith. In March 1971 he returned to the Office of the General Counsel. He received his A.B. degree from the University of Pennsylvania in 1963 and his law degree from Harvard Law School in 1966, and was thereafter admitted to the Pennsylvania bar.

DISTRIBUTION OF FORM N-1R. With respect to the announcement in the News Digest of July 15 concerning revisions to Form N-1R, The Investment Company Institute and the American Institute of Certified Public Accountants have agreed to make copies of the revisions available to their members. Copies will be available to the Commission's mailing list and general public about July 23.

COURT ENFORCEMENT ACTIONS

C.H. WAGNER, INC. PERMANENTLY ENJOINED. The SEC Boston Regional Office announced that on July 6, the Federal district court in Boston, entered an order of permanent injunction against C. R. Wagner & Co., Inc., of Boston, and its president, Clarence H. Wagner, enjoining them from violating the Commission's net capital rule. The defendants consented to the entry of the order without admitting or denying the allegations of the complaint. (LR-5093)

WALLING AND MC KNIGHT PLEAD GUILTY IN TEXAS. The SEC Fort Worth Regional Office announced that on July 9 John B. Walling, and Lyal W. McKnight both of Fort Worth, pleaded guilty to a superseding criminal injunction charging willful failure to register as a broker dealer in connection with transactions in bonds issued by 22 churches. (LR-5094)

FRANK D. FORD CO. CHARGED IN SPOKANE. The SEC Seattle Regional Office announced that on July 7, Harm H. Schlomer, Jr., doing business as Frank D. Ford Co., formerly a broker and dealer in securities in Spokane, was charged by the Spokane County prosecuting attorney for Grand Larceny for having appropriated to his own use a customer's money paid to him in 1969 for the purchase of securities. The Commission had previously revoked the broker dealer registration of Ford Co., expelled Mr. Schlomer from the Spokane Stock Exchange and barred him from being associated with any broker or dealer in securities. (LR-5095)

INVESTMENT COMPANY ACT RELEASES

REMSEN FUND. The Commission issued an order declaring that the Remsen Fund, New York, has ceased to be an investment company as defined in the Investment Company Act. (Release IC-6613)

OVER

FRANKLIN LIFE INSURANCE COMPANY/VARIABLE ANNUITY FUND A. The Commission issued an order exempting Franklin Life Insurance Company and Franklin Life Variable Annuity Fund A of Springfield, Ill., from certain provisions of the Investment Company Act, to, among other things, permit access to the securities and other investments of Fund, and to permit variable annuity contracts of the Fund to be sold without a deduction for sales expense, all subject to certain conditions enumerated in the order. (Release IC-6616)

FIRST CHICAGO INVESTMENT FUND. The Commission issued an order declaring that First Chicago Investment Fund has ceased to be an investment company as defined in the Investment Company Act. (Release IC-6617)

HOLDING COMPANY ACT RELEASES

ALABAMA POWER COMPANY. The Commission issued an order authorizing Alabama Power Co., a subsidiary of the Southern Company, to issue and sell at competitive bidding, \$85 million of first mortgage bonds; net proceeds from the bond sale, together with excess cash on hand and cash capital contributions of \$42 million to be made by Southern will be used to finance Alabama's 1971 construction program estimated at \$227,630,000. (Release 35-17191)

ARKANSAS POWER COMPANY. The Commission issued an order giving interested persons until August 4 to request a hearing on application of Arkansas Power and Light Company to amend its Charter to permit the Board of Directors to include in the resolution creating any future series of the Company's preferred stock, appropriate provisions restricting redemption thereof, in accordance with conditions enumerated in the application, it is intended to submit the proposed amendment to its shareholders for approval at a special meeting to be held on October 21, 1971. 1/ (Release 35-17192)

AMERICAN ELECTRIC POWER COMPANY. The Commission issued an order authorizing American Electric Power Company to act as surety for one of its subsidiary companies, Appalachian Power Company, pursuant to an order of the PSC of West Virginia in connection with placing into effect new rates prior to completion of an investigation by the West Virginia Commission with respect thereto. (Release 35-17193)

SECURITIES ACT REGISTRATIONS

*MCDONALD'S FILES FOR OFFERING AND SECONDARY. McDonald's Corp., McDonald's Plaza, Oak Brook, Ill. 60521, filed a registration statement on June 30 seeking registration of \$25 million of convertible subordinated debentures, due 1996, and 377,586 outstanding shares of common stock. The debentures are to be offered for public sale by the company and the shares by the holders thereof (** at \$52.63 per share maximum) through underwriters headed by Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York 10005.

The company develops, operates, licenses and services a system of self service restaurants. Net proceeds of its debenture sale will be used for the acquisition in fee of existing leased sites and for the acquisition and development of additional real estate for new store locations and for other corporate purposes. Ray A. Kroc, board chairman, proposes to sell 75,000 of 3,990,000 shares held, The Kroc Foundation 15,000 of 58,045 and a large number of others (all of whom acquired the shares in connection with acquisitions by McDonald's) the remaining shares being registered. (File 2-41069)

*BEVERLY ENTERPRISES SHARES IN REGISTRATION. Beverly Enterprises, 251 South Lake Ave., Pasadena, Calif. 91101, filed a registration statement on June 30 seeking registration of 63,822 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 (** \$14 per share maximum). Mack Novak may sell all of 59,396 shares held and three others the remaining shares being registered. The company is engaged in the operation of health care facilities, the manufacture and sale of pharmaceuticals and the development and sale of recreational land. (File 2-41070)

*FEDERAL REALTY INVESTMENT TRUST PROPOSES RIGHTS OFFERING. Federal Realty Investment Trust, 5530 Wisconsin Ave., Chevy Chase, Md. 20015, filed a registration statement on June 30 seeking registration of 200,000 shares of beneficial interest. It is proposed to offer these shares for subscription by holders of beneficial interest, at the rate of one new share for each ten shares held (** and at \$6 per share maximum). Any unsubscribed shares may be offered for public sale by Investor Service Securities, Inc. Also included in this statement are 38,958 outstanding shares of beneficial interest which may be offered for sale from time to time by the holders thereof at prices current at the time of sale.

The trust is engaged in investing in diversified real estate holdings consisting of apartment developments, office buildings, shopping centers, industrial buildings and in mortgages secured by commercial real estate. Net proceeds of its sale of beneficial interest will be used for general corporate purposes. Investor Service Management, Inc., may sell 18,510 shares and seven other the remaining shares being registered. (File 2-41071)

*LIONEL CORP. SHARES IN REGISTRATION. The Lionel Corp., 1345 Avenue of the Americas, New York 10019, filed a registration statement on June 30 seeking registration of 618,402 shares of common stock. Of these shares, 366,522 are outstanding shares which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$4.75 per share maximum). The remaining 251,880 shares are issuable pursuant to the company's stock option plan. The company is engaged in the manufacture of certain industrial and commercial products and the marketing of leisure time products. Leonard Wasserman, vice president, may sell 156,442 of 625,769 shares held and nine others the remaining shares being registered. (File 2-41072)

***ARKANSAS P&L TO SELL BONDS.** Arkansas Power and Light Co., Little Rock, Ark., filed a registration statement on July 1 seeking registration of \$30 million of first mortgage bonds, due 2001, to be offered for public sale at competitive bidding. The net proceeds from the bond sale together with \$10 million to be received from the issuance and sale of 800,000 shares of common stock to Middle South Utilities Inc., (its parent), will be used for the payment of bank loans and commercial paper indebtedness, estimated to be \$15 million at the time proceeds are received, and for other corporate purposes including construction purposes. Construction expenditures are estimated at \$130,400,000 for 1971. (File 2-41080)

***PHILADELPHIA ELECTRIC TO SELL BONDS.** Philadelphia Electric Co., filed a registration statement on July 1, seeking registration of \$80 million of first and refunding mortgage bonds, due 1996, to be offered for public sale at competitive bidding. Net proceeds from the sale of the bonds will be used to provide part of the permanent financing of the construction and expansion program including partial payment of short-term debt incurred for interim financing of that program. Construction expenditures are expected to be \$372 million per year for the years 1972-1975. (File 2-41081)

***BRANIFF AIRWAYS FILES FOR SECONDARY.** Braniff Airways, Dallas, Texas, filed a registration statement on July 1 seeking registration of 2,259,991 outstanding shares of special stock, Class A, to be offered for public sale by the holders thereof through underwriters headed by Lehman Brothers, Inc., One William St. and Goldman, Sachs & Co., Inc., 55 Broad St., Both of New York, at a proposed maximum offering price of \$9.25 per unit**. The selling stockholder is Ling-Temco-Vought, Inc., which owns 2,493,541 shares of Braniff Class A stock. However 233,550 shares of such stock will be disposed of by LTV as of June 29, 1971 pursuant to an exchange offer by LTV to holders of its 5% subordinated debentures to exchange for each \$100 principal amount of such debentures two shares of the Class A stock of Braniff and two shares of LTV's common stock. The exchange offer as extended expired on June 29, 1971. Sale of the shares being registered will constitute a full divestiture of Braniff holdings by LTV in accordance with a stipulation entered into with the Department of Justice pursuant to a final judgement of the Federal District Court in Pittsburgh. (File 2-41082)

***RUBBERMAID TO SELL STOCK.** Rubbermaid, Inc., 1255 East Bowman St., Wooster, Ohio 44691, filed a registration statement on July 1 seeking registration of 175,000 shares of common stock to be offered for public sale through underwriters headed by Goldman, Sachs & Co., Inc., 55 Broad St., New York, at a proposed maximum offering price of \$48 per share**. The net proceeds of the stock sale will be used to retire short-term borrowings, incurred for capital expenditures and for the company's capital expenditure program and for working capital. The company manufactures and markets rubber, plastic consumer and institutional products. (File 2-41083)

UNITED BENEFIT FUND PROPOSES OFFERING. United Benefit Variable Fund B, 3316 Farnam St., Omaha, Neb., 68131, filed a registration statement on July 1 seeking registration of \$10 million of variable annuity contracts. The fund was established by United Benefit Life Insurance Co. to be used in connection with plans established by persons entitled to the benefits of the Keogh Act, and annuity purchase plans adopted by public school systems and certain tax-exempt organizations pursuant to section 403(b) of the Internal Revenue Code. (File 2-41084)

***KATHOL PETROLEUM FILES FOR RIGHTS OFFERING.** Kathol Petroleum, Inc., 900 Sutton Pl., Wichita, Kans. 67202 filed a registration statement on July 1 seeking registration of 1,175,137 common shares with warrants to be offered to holders of its outstanding common stock, in units each consisting of one share of common stock and one warrant at a proposed maximum offering price of \$4 per unit**. The company is engaged principally in the exploration and drilling for oil and gas. The company proposes to apply the bulk of the net proceeds of the offering to the retirement of indebtedness incurred in the purchase of equipment, and to retire accounts payable and to other specified corporate purposes. (File 2-41086)

ANCHORAGE CAROLINA TO SELL STOCK. Anchorage Carolina Corp., 235 Polaris St., Anderson, South Carolina 29621, filed a registration statement on July 1 seeking registration of 166,000 shares of common stock to be offered for public sale through underwriters headed by Mayflower Securities Co., Inc., 32 Broadway, New York 10004, at a proposed maximum offering price of \$7 per share **.

The company is engaged as a commission manufacturer in the knitting of double knit fabrics for manufacturers and converters in the apparel markets. Of the net proceeds of the stock sale, \$300,000 will be used to reduce debt incurred for the purchase equipment and machinery and the balance will be used for present debt on existing machinery and for other specified corporate purposes. In addition to indebtedness, the company has outstanding 450,000 common shares, of which Bertram Rothkopf, board chairman, owns 43.5%, Bernard Silverman, vice president 33.8% and Hermann Daiber, president, 19.3%. Purchasers of the shares being registered will sustain immediate and substantial dilution. (File 2-41087)

OLD REPUBLIC INTERNATIONAL PROPOSES EXCHANGE OFFER. Old Republic International Inc., (International), 307 North Michigan Ave., Chicago, Ill 60601, filed a registration statement on July 1 seeking registration of 675,000 shares of common stock. It is proposed to offer these shares to holders of common stock of Old Republic Insurance Co. in the ratio of 1-2/3 shares for each share of Old Republic Insurance Stock. Through subsidiaries, International is principally engaged in writing credit and credit disability insurance, other types of life insurance and property and casualty insurance. In addition to indebtedness, it has outstanding 1,996,647 common shares, of which Finsery Corp., a wholly-owned subsidiary of Studebaker Worthington, Inc., owns 17.3% and management officials as a group 13.2%. James H. Jarrell is board chairman and William R. Stover, president. (File 2-41089)

ZENITH NATIONAL INSURANCE TO SELL STOCK. Zenith National Insurance Corp., 2930 W. Imperial Highway, Inglewood, Calif. 90303, filed a registration statement on July 1 seeking registration of 300,000 shares of common stock, to be offered for public sale (** at \$15 per share maximum). The offering is to be made through underwriters headed by Bear, Stearns & Co., One Wall St., New York 10005, and Bateman Eichler, Hill Richards, Inc., 460 S. Spring St., Los Angeles, Calif. 90013.

The company through a subsidiary is engaged in writing workmen's compensation and general liability insurance in California. Net proceeds of its stock sale will be used to pay indebtedness to Zenith Funding Corporation (owner of all Zenith National's outstanding common stock) and the balance to be contributed to the capital account of the company's operating subsidiary. Maxwell L. Rubin is board chairman and Nelson J. Sanesi is president of the company. (File 2-41088)

***SQUIBB SHARES IN REGISTRATION.** Squibb Corporation, 460 Park Ave., New York 10022, filed a registration statement on July 1 seeking registration of 12,768 outstanding shares of common stock. These shares may be offered for sale from time to time by the holder thereof (Robert Gabriel Seeman) at prices current at the time of sale (** \$75.75 per share maximum). (File 2-41092)

PACIFIC AMERICAN REAL ESTATE FUND PROPOSES OFFERING. Pacific American Real Estate Fund 1971B (the Partnership), 3704 State St., Santa Barbara, Calif. 96815, filed a registration statement on July 1 seeking registration of \$10 million of limited partnership interests, to be offered for public sale at \$500 per unit. The offering is to be made through NASD members and through selected foreign broker-dealers. The Partnership will engage in investing principally in improved real estate and, to a lesser extent, in unimproved real estate, short-term first mortgage construction loans and other real estate related financing activities. Pacific American Real Estate Fund, Ltd., a wholly-owned subsidiary of PA Realty Management Co. Inc., is the general partner. PA Realty Management Co., Inc., will serve as investment adviser. Randolph Crossley is board chairman and Rex S. Kuwasaki president of the general partner. (File 2-41091)

***FLYING TIGER FILES FOR SECONDARY.** Flying Tiger Corp., 7401 World Way West, Los Angeles, Calif. 90009, filed a registration statement on July 1 seeking registration of 805,624 outstanding shares of common stock, to be offered for public sale by certain stockholders through underwriters headed by Dominick and Dominick, Inc., 14 Wall St., New York 10005 at a proposed maximum offering price of \$37.375 per share **.

The company is engaged in the air transportation of property and mail and the leasing of specialized types of railroad cars. Each selling stockholder is selling all of the shares which it will acquire upon conversion of Flying Tiger's 5-3/4% convertible subordinated notes, due 1989, which were issued in February 1969 and called for prepayment on July 27, 1971. (File 2-41090)

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.

International Bank, Washington, D.C. (File 2-41073) - 62,900 shares
Cavanagh Communities Corp., Miami Beach, Fla. (File 2-41076) - 400,000 shares
Dynalectron Corp., Washington, D.C. (File 2-41085) - 174,073 shares
New England Merchants Co., Inc., Boston, Mass. (File 2-41093) - \$2,000,000 of participations in the Employees Profit Sharing Plan

SECURITIES ACT REGISTRATION. Effective July 13: Alabama Power Co., 2-40885, American Financial Leasing and Services Co., 2-40899, Cartridge Television Inc., 2-39559 (90 days), The Chubb Corp., 2-40799, Commonwealth Theatres, Inc., 2-35621 (90 days), Conoco Exploration, Ltd and Continental Oil Ltd., 2-39550; Cooper Ind., Inc. 2-40705, Cramer Electronics, Inc., 2-39948, Data General Corp. 2-40816; Desert Pharmaceutical Co., Inc., 2-39486; Greit Realty Trust and Remico, Inc., 2-39840 (90 days), Indiana Gas Co., Inc., 2-40825; Marshall & Ilsley Bank Stock, 2-40280, Nalco Chemical Co., 2-40696, National Distillers and Chemical Corp., 2-40608; Northeast Bankshare Assoc., 2-39576; Penn Fruit Co., Inc., 2-40754, Real Properties, Ltd. - 1971, 2-38915 (90 days), Rotodyne, Inc., 2-38416 (40 days), Ryan Homes, Inc., 2-40711, Skaggs Co., Inc., 2-39241, Technomic Research Associates, Inc., 2-40929, Universal Metals & Machinery, Inc., 2-39473 (90 days).
Effective July 14: American Depository Receipts of Marui Co., Ltd., 2-40941, American Medicorp., Inc. 2-39167; Commonwealth Edison Co., 2-41056; Crutcher Resources Corp., 2-40661; Franklin Life Variable Annuity Fund A, 2-36394, General Medical Corp., 2-40542; McDonnell Douglas Corp., 2-40951, 40952 and 2-40953; Property Capital Trust, 2-40453 (90 days), RB Industries, Inc., 2-40300; Scanforms, Inc., 2-39120 (90 days), Sam Boren Petroleum Corp. Oil & Gas Venture No. 1, 2-39401; Thiem Corp., 2-40390 (90 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 details of the release.

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