

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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AMENDED TALLEY INDUSTRIES PLAN APPROVED. The SEC today announced the issuance of an order under the Investment Company Act (Release IC-5977) granting an amended exemption application of Talley Industries, Inc., of Mesa, Ariz., with respect to certain transactions incident to the proposed merger of Talley Industries ("Industries") and General Time Corporation ("GTC"). In its earlier decision of January 9, the Commission concluded that the application could not be granted unless Industries modified the terms of the merger agreement in certain respects. In its amended application, and in accordance with that decision, Industries and GTC have proposed, subject to approval of their shareholders, that for each share of common stock of GTC the holder, other than Industries, will receive one share of Series B preferred stock of Industries, that for each share of GTC Series A preferred stock the holder will receive 4 shares of Industries Series B preferred stock, and that each share of Industries Series B preferred stock will be convertible at the option of the holder into one share of Industries common stock at any time.

EQUITY INSURANCE FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5976) exempting Equity Insurance Company of Iowa ("Equity"), Equity of Iowa Variable Annuity Account A ("Account A") and E. I. Sales, Inc. ("E. I. Sales") from certain provisions of the Act. Equity established Account A in connection with the proposed offering to the public of individual variable annuity contracts.

A K ELECTRIC ENJOINED. The SEC New York Regional Office announced February 4 (LR-4537) that the Federal court in New York City had issued an order permanently enjoining violations of the Securities Act registration provisions by the following in the offer and sale of stock of A. K. Electric Corp.: A. K. Electric, of Brooklyn, N. Y., Jack A. Meltzer, its president, Juan Cheverez (aka John Cheverez), secretary, and Elihu Hasten. The defendant corporation and Meltzer also were enjoined from violations of the anti-fraud provisions of the Act. Each of the defendants consented to the injunction without admitting the violations.

INDICTMENT RETURNED IN SALE OF ALASKA WESTERN LIFE STOCK. The SEC Seattle Regional Office announced February 6 (LR-4538) the return of an indictment charging violations of the anti-fraud provisions of the Federal securities laws by the following in the offer and sale of stock of Alaska Western Life Insurance Company: Phil B. Duncan, of Seattle, Pedro Manuel Martinez, Stephen J. Dinneen and A. Early Walters, all of Miami, Carl G. Koch, of Seattle, and Bernard Berman, of Miami.

V L NORWOOD PLEADS GUILTY. The SEC Atlanta Regional Office announced February 9 (LR-4539) that Vernon Lee Norwood, of Port Angeles, Wash., entered a plea of guilty before the Federal court in Jacksonville, Fla., to two counts of indictment charging that in April and May 1966, while president of the Atlantic Investment Securities, Inc., defunct broker-dealer firm of Ormond Beach, Fla., Norwood caused that firm to extend and maintain credit to and for customers of the firm in violation of Regulation T.

SOUNDESIGN ENJOINED. The SEC announced February 10 (LR-4540) the filing of a complaint in Federal court in New York City, charging violations of the anti-manipulative provisions of the Federal securities laws by Soundesign Corporation, of Jersey City, N. J., in its repurchase of 80,000 company shares. The company consented to a court order of permanent injunction without admitting or denying the violations alleged.

BANK FIDUCIARY (EQUITY) FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5974) giving interested persons until February 26 to request a hearing upon an application of Bank Fiduciary (Equity) Fund, a New York mutual trust investment company (formerly Bank Fiduciary Fund), for continued exemption from certain provisions of the Act after its reorganization is completed. Until 1969, the Fund's investments had been limited by New York law to "legal" investments of New York, thus requiring a balanced portfolio, partly in bonds and partly in listed stocks (up to 50%). New York law has been amended so that a mutual fund can now invest entirely in "legal" bonds or entirely in "legal" stocks. As a result, Fund is being reorganized. It has changed its name to Bank Fiduciary (Equity) Fund and its authorized investment purpose so that up to 100% of its funds can be invested in common stocks or convertible securities which are "legal" in New York state. Fund is also transferring the market value of its investments in bonds and other fixed income securities, all of which have been liquidated, to a newly organized mutual trust investment company named Bank Fiduciary (Fixed Income) Fund in exchange for a number of shares equal to the number of Fund's outstanding shares of stock. Fixed Income Fund shares will be distributed pro rata to Fund shareholders. Fund employs no underwriter or sales force and will not undertake an active sales campaign.

BANK FIDUCIARY (FIXED INCOME) FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5975) giving interested persons until February 26 to request a hearing upon an application of Bank Fiduciary (Fixed Income) Fund ("Fund"), a New York mutual trust investment company, for exemption from certain provisions of the Act so that, among other things, shareholder approval of Fund's investment adviser and directors may be delayed until its first shareholder meeting scheduled for March 10, 1970. Fund was organized in December 1969 to provide an investment medium for smaller banks and trust companies whose trust

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assets often are not of sufficient size to establish their own legal common trust funds. Under New York law, it may invest only in fixed income securities that are "legal" investments for fiduciaries. Initially the Fund will issue to Bank Fiduciary (Equity) Fund ("Equity Fund"), another New York mutual trust investment company, organized in 1955, a number of shares equal to the number of shares of Equity Fund outstanding as of February 28, 1970, against a cash payment equal to the market value at February 28 of Equity Fund's present portfolio of bonds and other fixed income securities; and Equity Fund will immediately distribute the shares pro rata to its shareholders. At October 30, Equity Fund had 182,040 shares outstanding whose market value was \$8,422,270. Fund also seeks exemption from the requirements for solicitation of proxies for stockholders' meetings, for the use of a prospectus in connection with sales of redeemable securities, for the prohibition of suspending the right of redemption of a redeemable security or postponing the date of payment or satisfaction upon redemption for more than seven days after tender of such security, denying to registered investment companies the "intrastate" exemption from registration. Fund contends that compliance with such provisions would entail substantial expense and such provisions would not accord sufficient protection in addition to the requirements of New York state law to warrant the additional expense.

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-8815) granting applications of the New York Stock Exchange to strike from listing and registration the common stock of American Bank Note Company, effective at the opening of business February 10, and to strike from listing and registration the common stock of Kentucky Fried Chicken Corporation (a Kentucky corporation), effective at the opening of business February 11, 1970, and of the American Stock Exchange to strike from listing and registration the Class A common stock of The Kissell Company, effective at the opening of business February 9. B.T.B. Corporation holds 832,532 shares (or 63% of the 1,316,583 outstanding shares) of common stock of American Bank Note and has made an exchange offer for the remaining public shares, which are held by some 680 round-lot stockholders (fewer than the required 900). Pursuant to a purchase offer by Pittsburgh National Corporation of October 22, 1969, only 13,169 Class A common shares of Kissell remain publicly held (fewer than the 150,000 shares required to be publicly held). Only 281,099 shares of Kentucky Fried Chicken Corporation (a Kentucky corporation) remain publicly held exclusive of some 9,171,862 shares acquired by Kentucky Fried Chicken Corporation, a Delaware corporation, and 199,700 shares held in the treasury of the company. The common stock of the Delaware corporation is listed and registered on the New York Stock Exchange.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-8815) granting applications of the following exchanges for unlisted trading privileges in the common stocks or named securities of the listed companies: Boston Stock Exchange - Jim Walter Corporation - \$1.60 Cumulative Convertible Voting Fourth Preferred Stock; Philadelphia-Baltimore-Washington Stock Exchange - Ecological Science Corporation; Detroit Stock Exchange - Aluminum Company of America, Benquet Consolidated, Inc., Bunker-Ramo Corporation, Champion Spark Plug Company, Clark Equipment Company, Computer Sciences Corporation, Dart Industries, Inc., Dayton-Hudson Corporation, Genesco, Inc., Glen Alden Corporation, Gerber Products Company, Inland Steel Company, Kaufman & Broad, Inc., Kentucky Fried Chicken Corporation, Knight Newspapers, Inc., The Lionel Corporation, McDonalds Corporation, Monroe Auto Equipment, Natomas Company, Philip Morris, Inc., Singer Company, Skyline Corporation, Union Oil Company of California, The Wickes Corporation.

INLET OIL & MINING FUND PROPOSES OFFERING. Inlet Oil and Mining Fund, Ltd. (the "Partnership"), 345 6th Ave., Anchorage, Alaska 99501, filed a registration statement (File 2-36214) with the SEC on February 4 seeking registration of \$20,010,000 of limited partnership interests in its 1970-1971-1972 programs, to be offered for public sale at \$30,000 per interest. The offering is to be made through Rotan, Mosle-Dallas Union, Inc., 2200 Bank of Southwest Bldg., Houston, Tex., which will receive a 5% selling commission plus a 3% net profits interest in all prospects. The Partnership will engage in oil and gas and mining exploration and development in the United States, Canada and other parts of the world. Inlet Mining and Exploration Company, Inc., a wholly-owned subsidiary of Inlet Oil Corporation, will serve as general partner. William D. Folta, president, owns 16.28% of the outstanding common stock of Inlet Oil Corp., management officials as a group 44.82%, Apco Oil Corporation 19.10% and Loeb, Rhoades & Co. 11.46%.

INTERNATIONAL FUNERAL SERVICES SHARES IN REGISTRATION. International Funeral Services, Inc., 1301 E. Euclid Ave., Des Moines, Iowa 50316, filed a registration statement (File 2-36215) with the SEC on February 4 seeking registration of 400,000 shares of common stock, which may be issued from time to time in connection with the acquisition of other businesses. Organized in July 1966, the company is principally engaged in owning, operating and managing 49 funeral homes located in 8 states and Canada. It has outstanding 1,942,470 common shares. Paul G. Hamilton is president.

VANDERBILT INN PROPOSES OFFERING. Vanderbilt Inn, Inc., 215 E. Waterloo Road, Akron, Ohio 44319, filed a registration statement (File 2-36216) with the SEC on February 4 seeking registration of 3,500 shares of common stock, to be offered for public sale at \$1,000 per share. No underwriting is involved; company officials and participating securities salesmen or dealers will receive up to a 15% selling commission.

Organized in November 1969, the company intends to engage primarily in the building and operation of motor hotels affiliated with Ramada Inns, Inc. It plans to construct and operate such a motor hotel at Vanderbilt Beach, Fla. Of the net proceeds of its stock sale, \$1,400,000 will be used in the development of the Vanderbilt Beach Ramada Inn; the balance will be used principally for the acquisition of other sites for the company's motor hotels and for the construction of motor hotels on such sites. The company has outstanding 3,501 common shares (with a \$4.28 per share net tangible book value), of which Harold J. Baker,

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president, and five other officers own 13.33% each and management officials as a group 100%. Purchasers of the shares being registered will acquire a 50% stock interest in the company for their investment of \$3,500,000 (they will sustain an immediate dilution of \$421.58 in per share book value from the offering price); present shareholders will then own 50%, for which they contributed \$15,000, or \$4.28 per share.

DONALDSON FILES FOR OFFERING AND SECONDARY. Donaldson Company, Inc., 1400 West 94th St., Minneapolis, Minn. 55431, filed a registration statement (File 2-36217) with the SEC on February 4 seeking registration of 307,000 shares of common stock, of which 175,000 are to be offered for public sale by the company and 132,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York 10005, and Dain, Kalman & Quail, Inc., 100 Dain Tower, Minneapolis, Minn. 55402.

The company designs, manufactures and sells a wide variety of air cleaners and filters to original equipment manufacturers and as replacement parts to users of heavy duty internal combustion engines utilized in construction equipment, highway trucks, farm equipment and military equipment and vehicles. Of the net proceeds of its sale of additional stock, \$1,250,000 will be used to finance construction of an addition to the company's headquarters in Bloomington, Minn., and the balance will be used for construction of and equipment for a new plant near St. Paul, Minn., estimated to cost \$3,500,000 (including equipment). In addition to indebtedness, the company has outstanding 1,850,069 common shares, of which Frank A. Donaldson, president, owns 10.4% and management officials as a group 12.8%. A Trust for the benefit of Evelyn M. Donaldson and children proposes to sell 22,080 of 68,080 shares held, a Trust for the benefit of John Scott Donaldson 18,545 of 91,596, Frank Donaldson 6,914 of 191,914 and 13 others the remaining shares being registered.

UNIVERSAL PROGRAMS PROPOSES OFFERING. Universal Programs, Inc., 110 Wall St., New York 10005, filed a registration statement (File 2-36219) with the SEC on February 4 seeking registration of \$25,000,000 of single payment and periodic payment programs with and without insurance for the accumulation of shares of Eagle Growth Shares, Inc. Thomas J. Flaherty, Jr., is president.

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered under and pursuant to an employee stock plans:
 Certified Corp., Charlestown, Mass. 02129 (File 2-36211) - 50,000 shares
 Chadbourn Inc., Charlotte, N. C. 28205 (File 2-36218) - 300,000 shares
 International Telecomputer Network Corporation, Bethesda, Md. (File 2-36220) - 40,000 shares

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

File No.	O-Registrants	Location			
			4315	Lewis Refrigeration Co	Woodinville, Wash.
			4345	Luminall Paints Inc	Los Angeles, Calif.
4337	BRF Resources Inc	Chesterfield, Mo.	4263	Mecca Computer Systems Inc**	Albuquerque, N.M.
4266	Computer Retrieval Systems Inc**	Bethesda, Md.	4295	Mitre Industries Inc	Dallas, Tex
4262	Datatronics Inc**	Waltham, Mass	4268	National Lithographers & Publishers Inc**	Miami, Fla.
4267	Diamond M Drilling Co	Houston, Tex	4297	Templet Industries Incorporated	Plainview, NY
4290	Dixson Inc	Grand Junction, Colo.	4301	Texas State Network Inc	Ft. Worth, Tex
4339	Golden Flake Inc**	Birmingham, Ala.	4265	Transdata Corporation**	Phoenix, Ariz.
4342	Halbern Industries Inc	L.I.C., NY	4299	Vesco Corp	West Chester, Pa.
4261	Hy Gain Electronics Corp**	Lincoln, Nebr.			
4260	Investment Property Builders Inc**	Miami, Fla.			

SECURITIES ACT REGISTRATIONS. Effective February 10: American Regitel Corp., 2-33236 (90 days); Babcock Industries, Inc., 2-35772 (90 days); Colony Kitchens, Inc., 2-34773 (90 days); General American Transportation Corp., 2-36066; Gulf States Utilities Co., 2-36032; Jamestown Telephone Corp., 2-35883 (90 days); Minerva Electronics Industries, Inc., 2-34604 (90 days); Mohasco Industries, Inc., 2-35413 (40 days); Oxford Pendaflex Corp., 2-33220 (90 days); San Diego Gas & Electric Co., 2-36042 (40 days); Teledyne, Inc., 2-35962; Westours, Inc., 2-35049 (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.

*As estimated for purposes of computing the registration fee.