

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. 70-140)

FOR RELEASE July 21, 1970

COMMISSION ANNOUNCEMENTS

ACCEPTABLE ALTERNATE STATE EXAMINATIONS. The Commission today announced (Release 34-8935) that the following states administer securities examinations which are acceptable alternatives to the examinations for associated persons of broker-dealers required by SEC Rule 15b8-1: Alabama, Alaska, Arizona, Arkansas, Colorado, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Maryland, Minnesota, Missouri, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Washington, West Virginia, Wisconsin and Wyoming.

With the exception of the State of Washington, the states above are administering the State Securities Sales Examination which is prepared under the sponsorship of the New York Stock Exchange. The State of Washington has developed its own examination. Among those states which do not administer an examination are several which require successful completion of the NASD examination by applicants for licenses to engage in securities activities.

An associated person may also fulfill the examination requirements of Rule 15b8-1 by successful completion of one of the following examinations: The Examination for Qualification as a Principal or the Examination for Qualification as a Registered Representative of the NASD; the Standard Examination for Registered Representatives or the Allied Member Examination of the New York Stock Exchange; the Examination for Qualification as a Registered Representative or the Examination for Office Partners of Member Firms of the American Stock Exchange; and the Examination for Qualification as a Registered Representative of the Pacific Coast Stock Exchange.

"SEPARATE ACCOUNT" REGISTRATIONS DISCUSSED. The SEC today released a statement by Solomon Freedman, Director of its Division of Corporate Regulation (Release IC-6124), suggesting that registration Form S-5 (rather than S-1) be used in seeking Securities Act registration of interests or participations in certain "separate accounts" which are exempted from the registration and certain other requirements of the Investment Company Act, until such time as a form designed specifically for such filings is adopted. The Director also has advised a number of insurance companies that the Division would not recommend that the Commission take any action if the insurance company proceeded to use one of its separate accounts to fund variable annuity contracts issued in connection with retirement plans established pursuant to HR-10 without registering the separate account under the Investment Company Act provided that a registration statement under the Securities Act has become effective in connection with the proposed transactions. In addition, a number of insurance companies have been advised that the Division would not recommend that the Commission take any action with respect to separate accounts relating to contracts intended to satisfy the requirements of Rule 3c-3 under the Act where such contracts provided that employees could elect variable and/or fixed benefits. Such a choice, in the Division's view, is the equivalent of an allocation of employee dollars to the contract (though all dollars were initially contributed by the employer) prohibited by subparagraph (a)(3) of Rule 3c-3.

For further details, see Release IC-6124. The Commission's staff has been advised that copies of Release IC-6124 are being distributed by the American Life Convention and the Life Insurance Association of America to their respective memberships.

TRADING BAN IN FOUR SEASONS NURSING CONTINUED. The SEC today announced that it had continued its ban on exchange and over-the-counter trading in securities of Four Seasons Nursing Centers of America, Inc., of Oklahoma City, through July 24. However, the suspension will terminate at the close of business that date. The American Stock Exchange halted trading in Four Seasons' shares on April 30 and the Commission ordered its suspension of trading on May 13. On June 26, the company filed a Chapter X petition for reorganization with the Federal court in Oklahoma, stating that "the action resulted from its inability to raise financing in order to meet its debts and commitments associated with the construction of health care facilities." In its petition to the court, Four Seasons alleged that it was unable to pay its debts as they mature. An unaudited balance sheet accompanying the petition reflected, among other things, that a substantial but undeterminable amount of the accounts and notes receivable, which totaled approximately \$19,300,000 or almost 80% of current assets were of doubtful collectibility. However, the allowance for doubtful accounts was only \$238,000.

The Exchange has advised that it will continue its suspension of trading in Four Seasons stock pending developments in the reorganization proceeding and a review of the question of the continued listing of the company's stock. Norman Hirschfield serves as court-appointed trustee of the debtor.

INVESTMENT COMPANY ACT RELEASE

ORDER RE STANDARD HOLDING ISSUED. The SEC has issued an order (on its own motion) under the Investment Company Act (Release IC-6126) declaring that Standard Holding Corporation has ceased to be an investment company.

OVER

FIRST WILLIAM ST. SECURITIES ENJOINED. The SEC New York Regional Office announced July 15 (LR-4685) that the Federal court in New York had issued an order of preliminary injunction against violations of the net capital, record-keeping and anti-fraud provisions of the Securities Exchange Act by First William Street Securities, Inc., and Jack M. Portney. The court also ordered a freeze of the assets of the defendant corporation pending further order of the court.

S. G. FASSOULIS CONVICTED. The SEC New York Regional Office announced July 15 (LR-4686) that the Federal court in New York City had convicted Satiris G. Fassoulis of New York of violating and conspiracy to violate the Federal mail fraud statute involving (among other things) the purchase of stock of Tintair, Inc., from Community National Life Insurance Company. Previously, Jimmy J. Ryan, president of Community National Life of Tulsa, and Sanford E. Rafsky and Lionel M. Reifler, entered pleas of guilty,

DANIELSON AND DINNEEN SENTENCED. The SEC Denver Regional Office announced July 17 (LR-4687) that James C. Danielson of Denver and Stephen J. Dinneen of Key Biscayne, Fla., received six-month prison sentences following their conviction of criminal contempt of a prior court order enjoining their offer and sale of securities of Woodward Oil, Inc., in violation of the Securities Act registration requirements.

SECURITIES ACT REGISTRATIONS

HAWAIIAN TELEPHONE TO SELL BONDS. Hawaiian Telephone Company, 1130 Alakea St., Honolulu, Hawaii, filed a registration statement (File 2-37979) with the SEC on July 17 seeking registration of \$35,000,000 of first mortgage bonds, Series T, due 2000, to be offered for public sale through underwriters headed by Paine, Webber, Jackson & Curtis, 140 Broadway, New York, and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment. A wholly-owned subsidiary of General Telephone & Electronics Corporation, the company will apply the net proceeds of its bond sale toward the payment of short term bank loans and commercial paper (estimated not to exceed \$33,500,000 at the time of such application), obtained for the purpose of financing the company's construction program, and the balance will become part of the treasury funds to be used for the construction, completion, extension and improvement of its facilities in 1970. In addition to indebtedness, the company has outstanding 8,700,000 common shares. Douglas S. Guild is president.

SOUTHWEST RESOURCES FUND PROPOSES OFFERING. Southwest Resources Fund, Inc. (the "General Partner"), 15 Office Park Circle, P. O. Box 7502-A, Birmingham, Ala. 35223, filed a registration statement (File 2-37980) with the SEC on July 17 seeking registration of \$3,000,000 of pre-organization subscriptions in units of limited partnership interests in Southwest Resources Fund, Inc. 1970 Limited Partnerships, to be offered for public sale at \$2,500 per unit. The Partnerships are to be formed for the purpose of engaging in the exploration for and production of oil and gas resources and investing in producing and other oil, gas and mineral properties or projects. No underwriting is involved; participating NASD members will receive a 7% selling commission. George Tanner, board chairman, and Charles D. Beard, president, own 50% each of the outstanding stock of the general partner.

PRO-FORMA TO SELL STOCK. Pro-Forma, Inc., Suite 1920, TenMain Center, Kansas City, Mo. 64105, filed a registration statement (File 2-37981) with the SEC on July 17 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made through underwriters headed by L. C. Wegard & Co., Inc., U. S. Highway 130 & Levitt Parkway, Willingboro, N. J. 08046, which will receive a 40¢ per share commission plus \$20,000 for expenses. The company has agreed to sell to the Wegard firm, for \$120, six-year warrants to purchase 12,000 shares, exercisable after one year at \$4.28 per share.

Organized in July 1969, the company proposes to engage in the business of representing professional athletes in obtaining fees and other compensation for personal appearances, sales promotions, product endorsement and similar activities. Of the net proceeds of its stock sale, \$150,000 will be used to pay for the preparation and distribution of advertising and promotional literature and the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 227,781 common shares (with a 23¢ per share net tangible book value), of which James E. Tyrer, president, owns 46.3%, and Del-Term Associates, Inc. and Creative Management Associates, Inc. 10.9% each. Purchasers of the shares being registered will acquire a 34% stock interest in the company for their investment of \$480,000 (they will sustain an immediate dilution of \$2.81 in per share book value from the offering price); present shareholders will then own 66%, for which they paid \$133,481.

COMMERCIAL CATTLE PROPOSES OFFERING. Commercial Cattle Company (the "Partnership"), 1808 Main St., Kansas City, Mo. 64108, filed a registration statement (File 2-37982) with the SEC on July 17 seeking registration of \$14,000,000 of limited partnership interests, to be offered for public sale in initial units of \$10,000 with an additional investment of \$10,000. The offering is to be made on a best efforts, all or none basis by New York Securities Co., One Whitehall St., New York, which will receive up to a 10% selling commission. The Partnership was formed for the purpose of entering into the commercial cattle breeding business. R. Jay Ingraham, the sole general partner, has retained Oppenheimer Industries, Inc. to act as agent in the selection of cattle to form the Partnership's herd.

ALLEGHENY AIRLINES PROPOSES RIGHTS OFFERING. Allegheny Airlines, Inc., Washington National Airport, Washington, D. C. 20001, filed a registration statement (File 2-37984) with the SEC on July 17 seeking registration of 528,412 shares of common stock. These shares are to be offered for subscription by common stockholders at the rate of one new share for each six shares held. The subscription price (\$12 per share maximum*) is to be supplied by amendment.

The company is a certificated air carrier engaged in the business of transporting passengers, property and mail. Of the net proceeds of its stock sale, \$2,800,000 will be used to prepay a 10% note due 1971 to an aircraft manufacturer for an aircraft acquired in March 1970 and \$1,074,150 will be applied to payment of an installment on bank indebtedness; the balance will be added to the company's general funds and used for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 3,170,471 common shares. Henry A. Satterwhite is board chairman and Leslie O. Barnes president.

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:

Howmedica, Inc., New York 10022 (File 2-37983) - 260,594 shares
 Core Laboratories, Inc., Dallas, Tex. 75247 (File 2-37985) - 70,000 shares
 Minneapolis Gas Company, Minneapolis, Minn. 55402 (File 2-37989) - 50,000 shares

MISCELLANEOUS

DELISTING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-8942) giving interested persons until August 5 to request a hearing upon an application of Arnold Constable Corporation to withdraw its common stock from listing and registration on the Philadelphia-Baltimore-Washington Stock Exchange. The company's request for withdrawal was due to limited activity in its shares on the Exchange and was approved by stockholders on June 17.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8942) granting an application of Macke Company to withdraw its common stock from listing and registration on the Philadelphia-Baltimore-Washington Stock Exchange, effective at the opening of business on July 27. The company believes that the concentration of the market solely on the New York Stock Exchange will provide a better market for its common shares and that the withdrawal will eliminate fees and other administrative requirements of listing on the PBWSE. The proposed delisting was approved by stockholders on February 24. The PBWSE has submitted a letter agreeing that its rules for delisting have been complied with but disagreeing with the opinions advanced by the issuer in support of its application.

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	Loaction			
4955	Advanced Chemical Technology	El Monte, Calif.	4960	FSI Corp	Camp Hill, Penna.
4954	Amadac Industries Inc	New York, NY	4837	General Housewares Corp**	New York, NY
4869	American Equity Investment Trust**	Cedar Rapids, Iowa	4990	GO Publishing Co Inc	New York, NY
4989	Ameritel Enterprises Inc	Cambridge, Ohio	4987	Hodgson Houses Inc	Hartford, Conn.
4866	Audiscan Inc**	Bellevue, Wash.	4952	Houston National Co	Houston, Tex.
4834	Books for Libraries Inc**	Freeport, NY	4831	Hydraulic Co	Bridgeport, Conn.
4898	Bradford Computer & Systems Inc**	New York, NY	4988	Instrument Technology Corp	Clearwater, Fla.
4870	California Shopping Centers Inc**	Pomona, Calif.	4835	J-S Industries Inc**	Presque Isle, Me.
4868	Cavanagh Leasing Corp**	New York, NY	4832	Lyon Metal Products Inc	Aurora, Ill.
4856	Colonial Commercial Corp**	Valley Stream, NY	4872	Mackey International Inc**	Ft. Lauderdale, Fla.
4867	Condominiums Northwest Inc	Salem, Ore.	4851	Martin-Brower Corp	Chicago, Ill.
4871	Data Instruments Co**	Sepulveda, Calif.	4850	Medic-Shield Nursing Centers Inc	Denver, Colo.
4957	Educational Development Corp	Tulsa, Okla.	4956	National Mobile Home Cities Corp	Des Moines, Iowa
			4977	Salem Electronics Inc	Los Angeles, Calif.
			4958	Teletrans Industries Inc	Los Angeles, Calif.
			4959	Thompson International Corp	Phoenix, Ariz.

SECURITIES ACT REGISTRATIONS. Effective July 17: Ultra Dynamics Corp., 2-32789 (90 days).
 Effective July 20: Gulf Resources & Chemical Corp., 2-37184; Lectro Computer Leasing Corp., 2-36914 (40 days);
 Loctite Corp., 2-37818; Lykes-Youngstown Corp., 2-37478 (40 days); Master Hosts International, Inc., 2-36076
 (90 days); Mississippi Power & Light Co., 2-37617; Syncom, Inc., 2-34404 (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.