

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the SEC.



Washington, D.C. 20549

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

(Issue No. 70-200)

FOR RELEASE October 14, 1970

## NEW RULES AND RULE PROPOSALS

**FORM 10 REGISTRATION APPLICATION MODIFIED.** The SEC today announced the adoption of revisions of its Form 10 for the registration of securities of commercial and industrial companies pursuant to Section 12(b) and 12(g) of the Securities Exchange Act (for listing on an exchange or registration of shares traded over-the-counter, respectively). To a large extent, the revisions seek to clarify and make more precise the informational requirements of the form. A new item has been added calling for a summary of operations for the past five years; and the item relating to business calls for the disclosure of the dollar amount of backlog of orders believed to be firm and the extent to which backlog is significant in the business of the registrant. The Commission determined not to adopt the proposed amendment relating to the description of property to call for certain additional information in regard to the operations of companies in extractive industries. The items relating to management, remuneration and transactions with insiders have been amended to bring them into accord with the corresponding requirements of the Commission's proxy rules; thus, the form includes requirements for the disclosure of indebtedness of insiders to the registrant or its subsidiaries and transactions between insiders and the company's pension, retirement, savings or similar plans. Instructions as to financial statements require a statement of the source and applications of funds for each of the three fiscal years for which a profit and loss statement is required. (Release 34-8996)

## INVESTMENT COMPANY ACT RELEASES

**MUTUAL FUNDS ADVISORY CO. SEEKS ORDER.** The SEC has scheduled a hearing for November 16 upon the application of Mutual Funds Advisory Inc. of Gorsal Cables, Fla., a registered broker-dealer and an affiliate of Fundpack, Inc., a registered, open-end diversified investment company for an order exempting it from certain provisions of the Act in the sale of shares of other open-end investment companies to Fundpack. Fundpack proposes to invest at least 80% of its assets in securities issued by other investment companies of the load as well as no-load variety. Mutual Funds company proposes to sell to Fundpack shares of other mutual funds at the net asset value of such shares plus the principal underwriter's discount. It seeks, among others, an exemption from that provisions of the Act which requires that securities issued by registered investment companies shall not be sold except at a current public offering price described in the prospectus. (Release IC-6212)

**UNITED CONTINENTAL FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6210) declaring that United Continental Accumulative Fund, Inc., Kansas City, has ceased to be an investment company.

## COURT ENFORCEMENT ACTIONS

**COPP AND D'HONAU GUILTY.** The Federal court in Los Angeles on October 9 found Gordon M. Copp and Allen L. D'Honsu guilty of violating the anti-manipulation and related provisions of the Federal securities laws in connection with their 1967 transactions in the common and preferred shares of Eastern Mass. Railway System (LR-4776).

**ILLINOIS CAPITAL INVESTMENT, OTHERS ENJOINED.** The SEC Chicago Regional Office announced October 9 (LR-4777) the entry of an order by the Federal court in Chicago permanently enjoining violations of the Investment Company Act by Illinois Capital Investment Corporation, Irving Berlin, president, David Kravitz, vice president, and National Institutional Developers, Inc., an Illinois corporation owned and controlled by Kravitz in connection with prohibited transactions between Illinois Capital Investment and its affiliates. Each of the defendants consented to the entry of the permanent injunction without admitting the allegations contained in the Commission's complaint.

## SECURITIES ACT REGISTRATIONS

**CHANG'S EGG ROLL TO SKILL STOCK.** Chang's Egg Roll, Inc., 134 S. W. 153d St., Seattle, Wash. 98166, filed a registration statement (File 2-38575) with the SEC on October 9 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at 50¢ per share. No underwriting is involved.

Organized in August 1969, the company is engaged in a Chinese drive-in operation, operating as Chang's Egg Roll. Of the net proceeds of its stock sale, the company will use \$100,000 to build the first unit in the San Francisco Bay area and will add the balance to working capital for general corporate purposes; part of the proceeds may be used in connection with an offer of the company to repurchase certain outstanding shares which may have been issued in violation of the Securities Act registration requirements. The company has outstanding 1,958,074 common shares (with a \$.158 per share book value), of which management officials as a group own 162. John P. Chang is president and Don Phillips board chairman. Purchasers of the shares being registered will sustain an immediate dilution of \$.228 in per share value from the offering price.

OVER

**ECOLOGICAL SCIENCE SHARES IN REGISTRATION.** Ecological Science Corporation, 20215 N. W. Second Ave., Miami, Fla. 33169, filed a registration statement (File 2-38577) with the SEC on October 9 seeking registration of 1,449,861 shares of common stock. Included in the shares being registered (plus shares previously registered) are 1,306,100 shares which may be offered for sale from time to time by the holders or recipients thereof (including 1,000,000 shares which may be issued upon exercise of warrants, the conversion of convertible subordinated notes or pursuant to acquisition agreements); 410,000 shares which have been or may be issued under the company's qualified stock option plan and 150,000 shares which may be issued under the company's employee stock purchase plan.

The company is engaged in the manufacture and sale of heat transfer equipment and cast steel valves; water treatment, air treatment equipment and other equipment; consulting, engineering and other systems activities; and the operation of water supply, sewage disposal and liquefied and natural gas distribution utilities. In addition to indebtedness, the company has outstanding 3,546,780 common shares. Bankers Trust Company (as trustee of various pension funds) may sell all of 325,754 shares held and a large number of others the remaining shares being registered.

**LIBBY, MCNEIL & LIBBY PROPOSES RIGHTS OFFERING.** Libby, McNeill & Libby, 200 S. Michigan Ave., Chicago, Ill., filed a reg. statement (File 2-38578) with the SEC on October 12 seeking registration of 5,980,897 shares of common stock. It is proposed to offer these shares for subscription by common stockholders at the rate of one new share for each share held. The subscription price (\$6.25 per share) is to be supplied by amendment. Nestle Alimentana S. A. ("Nestle") and three of its affiliates, which own an aggregate of 34% of the company's common stock, have advised the company that they intend to subscribe for their pro rata portion of the shares being offered (plus an unspecified amount of shares which may not be purchased by other stockholders).

The company is engaged in processing canned food products and certain frozen food products. Of the net proceeds of its stock sale, \$10,500,000 will be used to repay a loan from Nestle and the balance will be used to reduce short-term borrowings under the company's bank credit agreement. According to the prospectus, the borrowings were obtained from Nestle because losses sustained in fiscal 1969 and 1970 made it increasingly difficult to find other timely sources of funds; and management believes that an increase in the company's equity capital through the subscription offer is a necessary first step looking to the solution of its financial problems. In addition to indebtedness and preferred stock, the company has outstanding 5,980,897 common shares. Lyndle W. Hess is board chairman and David E. Guarrant president.

**FIRESTONE LIMITED PARTNERSHIP PROPOSES OFFERING.** Firestone Limited Partnership--Delta II 1970 (the "Partnership"), 342 N. Rodeo Dr., Beverly Hills, Calif. 90210, filed a registration statement (File 2-38580) with the SEC on October 12 seeking registration of \$5,000,000 of limited partnership interests, to be offered for public sale in \$3,000 units. No underwriting is involved; participating NASD members will receive up to a 10% selling commission plus 1% for expenses. The Partnership was organized for the purpose of acquiring parcels of undeveloped real property and to cause the construction of apartment projects thereon by joint ventures consisting of Firestone Development Corporation, a wholly-owned subsidiary of The Firestone Group, Ltd., and various builders. Firestone Equities Corporation, wholly-owned subsidiary of The Firestone Group, Ltd., is the general partner. Allen & Co., Inc., and an affiliated company own 41% and Richard M. Firestone 29% of the outstanding capital stock of The Firestone Group. Martin A. Scott is president of the general partner.

**COSTRI CATTLE CO. PROPOSES OFFERING.** Costri Cattle Company, 1102 Ponce de Leon Blvd., Coral Gables, Fla. 33134, filed a registration statement (File 2-38581) with the SEC on October 7 seeking registration of investment contracts with respect to \$300,000 of managed breeding herds, which are to be offered for public sale in \$3,000 units. Each purchasers of a herd is required to enter into a maintenance agreement with the company for the care and breeding of the cattle for the initial five-year period immediately following the date of purchase. The offering is to be made by Isis and Company, which will receive a 20% selling commission; the company contemplates making Isis a \$25,000 loan so that it can qualify as a broker-dealer in various states and for the development of a sales organization. Organized in August, the company intends to engage primarily in managing herds for investors on ranches or farms in Costa Rica. Herman T. Isis, president and board chairman, and David S. Isis, a director, own 50% each of the outstanding shares of the company.

**U. S. LEASING TO SELL NOTES.** United States Leasing Corporation, 633 Battery St., San Francisco, Calif. 94111, filed a registration statement (File 2-38584) with the SEC on October 13 seeking registration of \$20,000,000 of senior notes, due 1974, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., and Smith Barney & Co., 1345 Avenue of the Americas, both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in leasing a wide variety of equipment to various industrial and commercial businesses. Net proceeds of its financing will be used to reduce short-term borrowings from banks incurred primarily for the purchase of equipment for lease to others and expected to aggregate \$51,000,000 at the time of the note sale. In addition to indebtedness and preferred stock, the company has outstanding 2,664,082 common shares. Brooks Walker, Jr., is board chairman and 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:

Great Western United Corporation, Denver, Colo. 80202 (File 2-38582) - 100,000 shares  
Lincoln First Banks Inc., Rochester, N. Y. 14603 (File 2-38583) - 2,564 shares  
Tally Corporation, Kent, Wash. 98031 (File 2-38585) - 137,300 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
5110	Computer Exchange Inc**	New York, NY
5092	Computer Reporting Systems Inc**	Newport Beach, California
5084	Datapax Computer Systems Corp**	New York, NY
5085	Gondas Corporation**	Miami, Fla.
5153	Great Republic Corp	Vancouver, Washington
5083	Hyde Athletic Industries Inc**	Cambridge, Mass.
5147	Information Storage Systems Inc	Cupertino, California
5136	North American Building Technology Inc	Everly Hills, California
5080	Prelude Corp**	Westport, Mass.
5128	Scott's Liquid Gold Inc	Denver, Colo.
5138	Thermal Systems Inc	Burbank, Calif.
5143	Time Savings Holding Co Inc	San Diego, Cal.

**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 October 5 News Digest.

Beecham, Inc		Akzo N.V. (6K) May 70	2-10219-2
July 1970 ( 11,13)	0-3798-2	Frawley Enterprises Inc Jun 70	
Computer Servicentra., Inc		(2,13)	1-6436-2
July 1970 ( 2,13)	0-3377-2	Sunmade Electric Corp Aug 70(11)	0-4968-2
Monmouth Ind., Inc		Uniservices Inc Aug 70(6)	0-77-2
Aug. 1970 ( 3)	0-1913-2	Addressograph Multigraph Corp	
		Jul 70(7,8,13)	1-683-2
C.G.S. Scientific Corp		Centronics Data Computer Corp	
Amdt. to 8K for May 1970		Jul 70(12,13)	2-32962-2
(13)	0-3551-2	Economy Bookbinding Corp Jul 70	
		(12,13)	0-143-2
Marshall Electronics Co		Sonoco Products Co Aug 70(2,7)	0-516-2
Amdt. to 8K for June 1969		Southern Electric Generating Co	
(13)	0-4060-2	Aug 70(8)	2-14992-2
Thermo Electron Corp		United Liberty Life Insur Co Aug 70	
Amdt. to 8K for Apr. 1970		(9)	2-31169-2
(9,13)	0-3293-2	American Smelting & Refining Co	
		Jul 70(12,13)	1-164-2
E.L.I. Ind., Inc		Countrywide Credit Industries Inc	
Amdt. to 8K for May 1970		Jul 70(12)	2-33762-2
(13)	0-3911-2	Deltona Corp Jul 70(7)	1-4719-2
Magnetic Heads Corp		Leonard Refineries Inc Aug 70	
Amdt. to 8K for Oct. '69	0-4474-2	(12,13)	1-3944-2
Harvard Ind., Inc		Bowser Delaware Corp Jun & Jul 70	
Feb. 1969 (13)	1-1044-2	(2,11,12)	1-4867-2
Computerized Automotive Reporting		Detection Systems Inc Jul 70	
Service, Inc April 1970(7,13)	1-5758-2	(11,13)	2-31621-2
		Pacific Asbestos Corp Aug 70(6)	0-1144-2

City Commerce Corp Jul 70(11,13)0-4486-2  
 Funeral Homes of America Inc Jul 70  
 (1,2,7,13) 2-33957-2  
 Jun 70(12,13) 2-33957-2  
 Potomac Electric Power Co Aug 70  
 (7,13) 1-1072-2

Church's Fried Chicken Inc Jul 70  
 (9) 0-4720-2  
 Communication & Studies Inc Jul 70  
 (1,6) 2-31805-2  
 Computer Technology Inc Jun 70  
 (12,13) 0-3510-2  
 Continental Travel Ltd Jul 70(7,  
 9,12,13) 0-4017-2

First S & L Sharr's Inc Jul 70  
 (12) 1-4572-2  
 Riley Stoker Corp Aug 70(9,  
 12) 0-272-2  
 Santa Fe International Corp Aug 70  
 (12) 1-4827-2  
 James Talcott Inc Jul 70(11,13)1-2592-2  
 Telecheck International Inc May 70  
 (2,3,7,13) 1-5764-2

Computer Learning & Systems Corp  
 Jul 70(2,13) 0-4616-2  
 Phoenix Steel Corp Aug 70(7) 1-2908-2

Columbia General Corp Aug 70(12,  
 13) 0-4229-2

Cone Mills Corp Amdt #1 for May 70  
 (11) 1-3634-2  
 First General Resources Co Amdt #1  
 for Sept 69(2) 0-129-2

Chicago & North Western RY Co Amdt #1 for  
 May 70(13) 1-3211-2

Arney Industries Inc Amdt #1 for Jan 69  
 (13) 0-3158-2

Dalto Electronics Corp Amdt #1 for  
 May 70(12) 0-1852-2

Alco Standard Corp  
 July 1970 ( 7,13) 1-5964-2  
 Elgin Natl. Ind., Inc  
 July 1970 ( 7) 1-5771-2  
 Golden State Health Ctrs., Inc  
 Aug. 1970 ( 2,13) 0-4380-2  
 Gwaltney Inc  
 Aug. 1970 (11) 0-2956-2

Anderson Jacobson, Inc (May &  
 June 1970 (11,13) 0-5039-2  
 Chicago South Shore & South  
 Bend RR  
 July 1970 ( 12,13) 0-4364-2  
 DEI Ind., Inc  
 July 1970 (3) 0-725-2  
 Flick-Reedy Corp  
 July 1970 ( 4,13) 0-4119-2  
 G.R.I. Corp  
 Sept. 1970 ( 12) 1-6421-2  
 Kaiser Steel Corp  
 Aug. 1970 ( 7,8) 0-433-2  
 Northgate Exploration Ltd  
 Aug. 1970 ( 2,7,12,13) 1-6138-2  
 Slick Corp  
 May 1970 (12) 1-3942-2  
 Sun City Ind., Inc  
 July 1970 (12) 2-24901-2  
 Texas Clay Ind., Inc  
 Aug. 1970 (12) 2-32717-2

GRI Computer Corp  
 Aug. 1970 (3,11) 0-5104-2  
 Galaxy Oil Co  
 Aug. 1970 ( 12,13) 0-4130-2  
 Monsanto Co  
 Aug. 1970 (12) 1-2516-2  
 Smoke Watchers Intl., Inc  
 May, June & July '70  
 ( 3,7,8,11,13) 2-31984-2

Teledyne Inc  
 July 1970 (7) 1-5212-2 2  
 Vahlising, Inc  
 July 1970 ( 2,7,12,13) 0-174-2

Associated Bank Services, Inc  
 Aug. 1970 ( 11,13) 2-34098-2  
 Avis Industrial Corp  
 July 1970 ( 12) 1-4472-2  
 General American Oil Co of Texas  
 Aug. 1970 (12) 1-4056-2  
 Nasco Ind., Inc  
 Aug. 1970 ( 2,7,12,13) 0-3850-2

Gerber Scientific Instrument Co  
 Aug. 1970 (11,13) 1-5865-2  
 Koger Properties, Inc  
 Aug. 1970 (11,13) 0-5013-2  
 Meyercord Co  
 Aug. 1970 ( 12,13) 2-6437-2

**SECURITIES ACT REGISTRATIONS. Effective October 13:** Avery Products Corp., 2-38330; Delta Western 1970 Drilling Fund, A Partnership, 2-37662 (90 days); K B Marketing Systems, Inc., 2-37957; National Systems Corp., 2-37911; Real Estate Participations in Israel, Ltd., 2-35744 (90 days); "Tefahot" Israel Mortgage Bank Ltd., 2-35743 (90 days); Vermont Yankee Nuclear Power Corp., 2-38291 (90 days); Virginia Commonwealth Bankshares, Inc., 2-37919 (40 days); Wilder Transportation, Inc., 2-36640 (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.