



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
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FOR RELEASE January 18, 1972

DECISION IN ADMINISTRATIVE PROCEEDING

HINTON JONES AND SIX ASSOCIATES SUSPENDED. The SEC has ordered that Hinton, Jones & Co., Inc. (registrant), Seattle, Wash., be suspended for 15 business days from engaging in activities as a dealer in securities, other than normal business in mutual funds and municipal bonds, unsolicited agency orders from existing customers only to buy or sell any securities (but with the proviso that no commission, credit or other compensation shall be paid or received in connection therewith), and dealer transactions with other broker-dealers in securities for which registrant is the only market maker or one of the only two market makers. The order also suspended Jack E. Jones, president of registrant, from association with any broker or dealer for 30 business days and similarly suspended Sidney B. Peters, Roger L. Freeman, John A. Logan, James H. Horst and Michael J. Welwood, now or formerly officers or salesmen of registrant, for 15 business days. The above suspensions were effective as of the opening of business on January 10, 1972 with the exception of the suspension of Freeman which is to be effective as of the opening of business on January 31, 1972. The order also censured Western Pacific Industries, Inc., which was the parent of registrant from March 1, 1969 to March 17, 1971.

The Commission found, among other things, that between January and June 1969 registrant, Jones, Peters and Freeman violated the registration provisions of the Securities Act in the sale of unregistered stock of Minnie Pearl's Chicken System, Inc. (also known as Performance Systems, Inc.) and Whale, Inc.; that those individuals aided and abetted registrant in the violation of antimanipulative provisions of the Securities Exchange Act in connection with distributions of those stocks; and that registrant and all the individual respondents violated antifraud provisions of both Acts in connection with transactions in the common stock of Aseco, Inc. and Whale. The Commission further found that registrant, Jones, Peters, Freeman and Western Pacific Industries, Inc., failed reasonably to supervise persons subject to their supervision with a view to preventing the above violations.

The Commission's order was issued pursuant to offers of settlement in which respondents consented to the above findings and the indicated sanctions without admitting the allegations in the Commission's order for proceedings. (Rel. 34-9461)

COMMISSION ANNOUNCEMENT

YALE EXPRESS ADVISORY REPORT FILED. The SEC has filed an advisory report with the Federal Court for the Southern District of New York on the trustee's plan for the reorganization of the Yale Express System, Inc. and its subsidiaries (Corporate Reorganization Release No. 309). The Commission finds the trustee's plan feasible and concludes that it would be fair and equitable if amended so as to increase the old creditors' interest (reducing that of the old stockholders) in the reorganized enterprise.

Yale Express is a motor freight carrier regulated by the Interstate Commerce Commission. Yale's Class A common stock and its convertible subordinated debentures were formerly listed on the New York Stock Exchange. Heavy losses caused the company to file voluntary petitions for itself and for its subsidiaries seeking reorganization under Chapter X of the Bankruptcy Act. Since those petitions were filed in 1965, the Chapter X trustee has effected material economies and taken other steps to place the debtors' operations on a sounder basis. The Trustee considers the debtors solvent. Accordingly, his plan would give the old stockholders 20.7% of the equity interest in the reorganized enterprise. The remaining 79.3% of the equity would go to the old creditors, including the public investors who hold a \$6.5 million issue of convertible subordinated debentures. Creditors would also receive some cash and some 10-year 7% notes.

The Commission considered the trustee's earnings projections for the reorganized company overly sanguine. Its reading of the record led it to prefer a more conservative earnings estimate. On the other hand, the Commission viewed the rate at which the trustee capitalized the reorganized company's projected earnings as too low. The trustee had used a multiple of 10. The Commission concluded that a multiple of 13 would be appropriate for reorganization purposes. The Commission also pointed out that since the debtors were solvent, creditors were entitled to interest on their claims for the period that had elapsed since the petitions were filed. With respect to the amount of such post-petition interest, the Commission differed from the trustee. The trustee had allowed interest at the contractual rates to creditors whose contracts provided for specified rates of interest. The Commission agreed that this was correct. But it disagreed with the trustee's decision to allow trade creditors and other claimants whose contracts fixed no rate of interest, interest at the lowest of various contractual rates -- 4-1/4%, the contractual rate for the publicly held convertible subordinated debentures. The Commission stated that it knew of no support for this approach, referred to judicial precedents holding that where no rate of interest is fixed by contract post-petition interest should be calculated at the applicable legal rate, observed that there were no equitable considerations in the instant case to warrant a departure from that general rule, and urged that the claimants in question be awarded post-petition interest at the legal rate prescribed by New York law. The Commission concluded that the trustee's plan would be fair and equitable, if amended, to provide for proper allowances of post-petition interest and for a reduction of the old stockholders' interest in the reorganized enterprise from the 20.7% that the plan now gives them to the 11.6% that the Commission considers to be all that is permissible if creditors are to receive the full compensatory treatment to which they are entitled.

OVER

UNIFIED CONTROL SYSTEMS, OTHERS ENJOINED. The SEC Fort Worth Regional Office announced November 22 that the Federal court in Marshall, Tex., had preliminarily enjoined Unified Control Systems, Inc., West Central Foundatin, Inc., UCS Holding Corporation, William Osborne, Paul H. Garrett and Sam Skipper, Jr., all of Sherman, Tex. from violations of the registration and antifraud provisions of the Federal securities laws in connection with the sale of two-year, 20% promissory notes issued by Unified Control, and West Central. Unified Control, West Central, and UCS Holding had filed petitions for reorganization under Chapter XI of the Bankruptcy Act. A hearing on the motion for permanent injunction was set for January 10. (LR-5285)

SECURITIES ACT REGISTRATIONS

STANDARD OIL COMPANY, 910 S. Michigan Ave., Chicago, Ill. 60605, filed a registration statement on January 12 seeking registration of a minimum of 982,750 shares of common stock. It is proposed to offer these shares in exchange for the common stock of Midwest Oil Corporation, at the rate of not less than 1.68 shares for each Midwest share. Morgan Stanley & Co. Inc., 2 Wall St., New York 10005, has agreed to head a group of dealers who will solicit acceptances of the exchange offer. The company and its subsidiaries are engaged in integrated oil and gas operations. Midwest is engaged in production and sale of crude oil and natural gas and has conducted an oil and gas exploration program. (File 2-42834)

QUEBEC HYDRO-ELECTRIC COMMISSION, (U.S. Agent: Guy Poliquin, 15 W. 50th St., Rockefeller Center, New York 10020), filed a registration statement on January 13 seeking registration of \$100 million of debentures, Series BX, due 2002 (guaranteed by the Province of Quebec) to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005. Net proceeds of the debenture sale will be added to the general funds of the Commission and applied toward the cost of its construction program and its investment in the James Bay project, designed to develop hydro-electric and other resources in Northwestern Quebec. (File 2-42836)

UNIVERSAL MOBILE SERVICES CORPORATION, 2020 Southwest Freeway, Houston, Tex. 77006, filed a registration statement on January 13 seeking registration of 330,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 30,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by Russ & Co. Inc., 1600 Alamo National Bldg., San Antonio, Tex. 78205. The company is engaged in generating and servicing mobile home loans for banks and savings and loans, acting as agent for related insurance and financing inventories of mobile home dealers. Of the net proceeds of its stock sale, \$150,000 will be applied to the retirement of short-term debt incurred in connection with the organization of an Arizona life insurance subsidiary and the balance for working capital and other corporate purposes. (File 2-42837)

TEXAS OIL & GAS CORP., Fidelity Union Tower, Dallas, Tex. 75201, filed a registration statement on January 13 seeking registration of \$30 million of first mortgage bonds, Series C, due 1992, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005, and The First Boston Corp., 20 Exchange Pl., New York. The company is primarily engaged in the oil and gas business. Net proceeds of its stock sale will be applied to prepay all but \$100,000 of an outstanding installment note payable (at January 10, the outstanding principal amount of such note was \$20,940,000) and the balance for other corporate purposes. (File 2-42839)

MISCELLANEOUS

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 "***"):

NO.	REGISTRANT	LOCATION			
			5932	First City Bancorporation of Texas, Inc.	Houston, TX
5902	Advanced Memory Systems, Inc.**	Sunnyvale, CA	5957	The Hotel Investors**	Kensington, MD
5898	Addmaster Corporation**	San Gabriel, CA	5896	Jaco Electronics, Inc.**	Hauppauge, NY
5797	Aerotron, Inc.	Raleigh, NC	5934	Mid-America Nursing Centers, Inc.	Wichita, KS
5826	American Zinc Co. **	St. Louis, MO	5828	Mortgage Growth Investors**	Boston, MA
5960	Apollo Lasers, Inc.**	L. A., CA	5889	Oak Ridge Atom Industries, Inc.	Louisville, KY
5954	Computer Research, Inc.	Pittsburgh, PA	5936	The Orange Bowl Corporation	Miami, FL
5904	Development International Corporation**	Coral Gables, FL	5953	Security Savings and Loan	Baltimore, MD
996	Diversa, Inc.**	Dallas, TX	5951	Service Producing Co., Inc.	Livonia, MI
5961	Diversified Financial Corp.	Opelika, AL	5950	Sigmatics	Newport Beach, CA
5948	Downey Savings and Loan Association	Downey, CA	5940	Temtex Industries, Inc.**	Dallas, TX
5947	Elkhorn Mining Co.	Boulder, MT	5796	United Consolidated Industries, Inc.**	Baltimore, MD
5942	The Equity Group, Inc.	South Norwalk, CT	5944	U. S. Dynamics, Inc.	Elmsford, NY
5929	F & M National Corp	Winchester, VA			

CONTINUED

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 January 7 News Digest.

8K Reports for Nov 1971

Synercon Corp Aug 71 (2,11,14)	0-5300-2	Heritage Rembrandt Corp (12,13)	0-4199-2
Tenn Forging Steel Corp (11,13)	0-5205-2	Jervis Corp (4,12,13)	1-5073-2
White Consolidated Inds Inc Oct 71 (4,7,13)	1-826-2	John Roberts Inc (4,7,13)	0-3531-2
Arctic Enterprises Inc Oct 71 (3)	1-6290-2	Union Stock Yards Co Of Omaha (2)	0-900-2
Carte Blanche Corp (12)	0-2049-2	IPM Technology Inc (2,7,8,12,13)	0-2800-2
Klystronics Inc (11,13)	0-5203-2	Invst Corp Of Fla (2,7)	0-1796-2
Molecular Research Inc (7,14)	0-3540-2	Mallory Restaurants Inc Sept 71 (11)	1-6343-2
New England Elec System (12)	1-3446-2	Manhattan Continental Develmt Corp (2,7,12,13)	0-4795-2
New England Power Co (3,12)	1-6564-2	Natl Sugar Refining Co (2)	0-5440-2
Northeast Computer Institute Inc (11)	2-29620-2	Resistoflex Corp Oct 71 (11)	1-4128-2
Pro-Tech Programs (3)	0-4969-2	Standard Register Co (12)	0-1097-2
Ramo Inc (1,4,8,11,13,14)	0-2284-2	Union Oil Co Of Calif (3)	1-554-2
Roosevelt Raceway Inc (3,11)	0-5895-2	Cascade Corp (9,13)	0-1960-2
Safeco Corp (4,7,8,10)	1-6563-2	Clev Cin Chi & Stl Louis RY Co Oct 71 (3,11)	1-1710-2
U S Smelting Refining & Mining Co (3,12)	1-5172-2	KLM.Royal Dutch Airlines 6K For Dec 71	1-4059-2
FPA Corp (2,7,12,13)	0-5061-2	Natl Inds Inc (12)	1-5512-2
Liggett & Myers Inc (12)	1-5759-2	The Red Food Stores Inc (12,13)	0-4012-2
Seggos Inds Inc (2,12,13)	0-5009-2	Southwestern Invst Co (4,7,13)	1-5788-2
John B Stetson Co (4,10,11,14)	0-2163-2	Sunshine Mining Co (3)	1-678-2
Teleprompter Corp (1,3,11,13,14)	1-4138-2	Systems Capital Corp Oct 71 (1)	0-3689-2
American Realty Trust Oct 71 (13)	1-5954-2	Transamerica Financial Corp (7,13)	1-6798-2
Trans World Airlines Inc (6,7)	1-975-2	Wellington Eight Inds Inc Oct 71 (3)	2-33671-2
Chris Craft Inds Inc (4,7,13)	1-2999-2	Wellington Technical Inds Inc Mar 71 (6)	0-3254-2
Cryplex Inds Inc (3,7,11)	2-24371-2	Jun 71 (6,7)	0-3254-2
Duro Test Corp (11,13)	1-2783-2	Jul 71 (7)	0-3254-2
Economy Finance Corp (8)	0-2352-2	Automated Player Machines Inc (7,13)	2-36003-2
Evans Products Co (7)	1-542-2	Eldorado General Corp (12)	0-3830-2
GSF Productions Inc Apr 71 (1,2,7,11,13)	2-32536-2	Golden West Mobile Homes Inc (2,7,13)	1-6669-2
Jul 71 (7)	2-32536-2	Lennar Corp (7,8,14)	1-6643-2
Gates Learjet Corp (4,11,14)	0-1693-2	Pier One Imports Inc (7)	1-6413-2
Int'l Chemical & Nuclear Corp (2,7,14)	1-5965-2	Ramada Inns Inc Oct 71 (7,11,13)	1-5440-2
Ipcos Hospital Supply Corp Oct 71 (8)	1-4670-2	ABG Inds Inc (3)	0-3881-2
Pitts & West Va RR (12)	1-5447-2	Allied Supermarkets Inc (11)	1-3212-2
Seaco Computer-Display Inc (13)	0-5212-2	Berg Enterprises Inc (11,13)	0-5864-2
G T Schjedahl Co (13,14)	0-45-2	Connrex Corp (12)	1-5875-2
Serendipity Inc Oct 71 (2,7,13)	0-5178-2	Diodes Inc Oct 71 (11)	1-5740-2
Eastern Airlines Inc (7,8,13)	1-3049-2	Envirodyne Inc (7,12)	0-5485-2
Electronic Memories & Magnetics Corp (3)	1-6035-2	Midas-Int'l Corp (12,13)	0-1041-2
Shareholders Capital Corp (7)	0-3597-2	Union Pacific RR Co (13)	1-1324-2
Pakco Companies Inc (3)	0-592-2	Bristol Myers Co (3)	1-1136-2
		Central Louisiana Elec Co Inc (7,12,13)	1-5663-2

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8K Reports for Nov 1971

Consolidated Water Co (1)	0-202-2	American Agronomics Corp (13)	1-6442-2
Crown Corp Oct 71 (7,8)	1-6090-2	Central Banking System Inc	
Nationwide Nursing Centers Inc		Oct 71 (12)	0-3652-2
(3,7,14)	0-4370-2	Cont'd Care Facilities Inc	
Shorebank Inc (13)	0-3818-2	Oct 71 (3)	0-4100-2
Suave Shoe Corp (3,13)	1-6370-2	Delta Western Systems Inc	
Tronchemics Research Inc		(13)	2-32931-2
Oct 71 (2)	0-3437-2	Mr Steak Inc (3)	0-4280-2
AGC Inds Inc (3)	0-4468-2	Consurgico Corp (12,14)	1-6689-2
Bayuk Cigars Inc (4,8,13)	1-294-2	Goodyear Tire & Rubber Co	
Bio-Medical Sciences Inc		(2)	1-1927-2
Oct 71 (9,12)	0-5613-2	Shur-Gro Inds Inc (11)	2-34766-2
Dallas Power & Light Co (7)	0-1250-2	Volume Shoe Corp (11)	0-1961-2
Danmont Corp (2,3,14)	0-4596-2		
Alfred Hart Co Oct 71 (11)	1-5136-2		
Int'l Foodservice Systems Inc			
(3)	1-6483-2	Int'l Utilities Corp (7,14)	1-116-2
		Residex Corp (7)	0-2318-2
Alvo Standard Corp		Aerodex Inc (7,8,13)	1-5709-2
(7,10,13)	1-5964-2	American Raceways Inc (3,13)	0-3333-2
TDA Inds Inc (2,14)	0-4088-2	Laclede Steel Co (13)	0-3855-2
United Tenn Bancshares Corp		Davos Inc Oct 71 (2)	0-4018-2
Oct 71 (11,13)	2-39103-2	Devalmt Corp Of America	
Citadel Inds Inc (2)	0-331-2	(7)	1-6484-2
Data Probe Inc		Hemisphere Hotels Corp (3)	0-5329-2
Sept 71 (11)	2-29728-2	Raritan Plastics Corp	
R H Macy & Co Inc (4,11,14)	1-556-2	(7,11)	0-3285-2
Great Atlantic Life Ins Co		Castleton Inds Inc (13,14)	1-5464-2
(13,14)	2-24070-2	Oct 71 (13,14)	1-5464-2
Marinduque Mining & Industrial		General Instrument Corp	
Corp 6K For Aug 71	1-5534-2	(4,8,10,13,14)	1-5442-2
Canadian Pacific Ltd (13)	1-1342-2	Int'l Scanatron Systems Corp	
Leads Shoes Inc (3,12,13)	0-2216-2	(13,14)	2-28324-2
Module Systems & Develmt Corp		Manley Inds Inc Dec 71 (12)	0-4906-2
(13,14)	2-39123-2	Sitkin Smelting & Refining Inc	
Natl Apparel Corp (7)	0-4743-2	(11)	1-5516-2
Automated Business Controls Inc		Cantop Inds Inc (2,7)	2-41808-2
(2,12)	2-33432-2	College/University Corp	
Cornet Stores Oct 71 (11)	0-2851-2	(13,14)	0-4640-2
Mountain Equities Inc		Golden United Invest Co	
(2,7,9,14)	0-3308-2	Oct 71 (7,8,13)	0-4690-2
Western Co Of North America		Medequip Corp (2,13,14)	0-4688-2
(13)	0-3376-2	North American Corp (11)	0-3715-2
Wheeling Pitts Steel Corp		The Riley Co (7,12)	1-6280-2
(3,6,13)	1-2394-2	Riley Stoker Corp (2,11,14)	0-272-2
Record Retention & Retrieval Corp		Rusco Inds Inc (1,13)	1-5087-2
(1)	2-34033-2		

SECURITIES ACT REGISTRATIONS. Effective January 14: Alison Mortgage Investment Trust, 2-41800; Colorado National Bankshares, Inc., 2-42488; Farmland Industries, Inc., 2-42493; E. F. Hutton & Co. Inc., 2-42559; National Investment Corp., Inc., 2-34449; Old Town Corp., 2-41924 (40 days); Pizza Hut, Inc., 2-2-35895; Vernitron Corp., 2-41866; Western Digital Corp., 2-41338 (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.

GPO 912-604

*As estimated for purposes of computing the registration fee.

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