

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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SEC

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TRADING IN ALCAR INSTRUMENTS TO RESUME. The SEC today announced that its ban on trading in common shares of Alcar Instruments, Inc., formerly of New York City, would not be continued beyond October 23, and that over-the-counter trading therein may resume on October 24. However, the Commission cautioned that investors should consider carefully the facts related in its announcement (Release 34-8427) in connection with future transactions in Alcar stock, and that broker-dealer firms should be particularly mindful of their obligations under the Federal securities laws in effecting transactions therein. Among the facts related in the release is that "Alcar has no offices, no ascertainable assets, no operations, no officers or directors, no employees and no income whatsoever. The extent of Alcar's liabilities will not be known until a bankruptcy proceeding and several lawsuits now pending are concluded . . . Further, Alcar has no registrar and no transfer agent for its stock and consequently there are no facilities available to record and effect the transfer of Alcar shares to future purchasers."

GREAT-WESTERN LIFE SEEKS ORDER. Great-Western Life Assurance Company, Winnipeg, Manitoba, Canada, has joined with Great-West Variable Annuity Account A in the filing of an application for exemption from certain provisions of the Investment Company Act; and the Commission has issued an order (Release IC-5516) giving interested persons until October 31 to request a hearing thereon. Account A was established by the said Assurance Company as a segregated investment account to offer group variable annuity contracts which are initially intended to qualify for federal tax benefits under Section 403(b) of the Internal Revenue Code.

HAMBURGER HAMLETS FILES FOR OFFERING AND SECONDARY. Hamburger Hamlets Inc., 118 S. Beverly Drive, Beverly Hills, Calif. 90212, filed a registration statement (File 2-30469) with the SEC on October 15 seeking registration of 170,000 shares of common stock, of which 85,000 are to be offered for public sale by the company and 85,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Dempsey-Tegeler & Co., Inc., 1000 Locust St., St. Louis, Mo. 63101; the offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters \$10,000 for expenses.

The company is engaged in operating a chain of ten specialty restaurants in the Greater Los Angeles area under the name "Hamburger Hamlet." Of the net proceeds of its sale of additional stock, \$500,000 will be used for opening new locations, \$220,000 for expansion of two existing restaurants, \$125,000 for new administrative offices and furnishings, \$125,000 for a pilot franchise program of two or three franchised locations, and \$65,000 for relocating and enlarging a restaurant; the balance will be allocated to working capital and used for general corporate purposes. The company has outstanding 400,000 shares of common stock, all of which is owned by Harry and Marilyn Lewis, president and board chairman, respectively; they propose to sell 85,000 shares. Upon completion of this offering, Harry and Marilyn Lewis will own 65% of the outstanding common shares and the public investors will own 35%.

HORIZON CORP. SHARES IN REGISTRATION. Horizon Corporation, P.O. Box 5128, Tucson, Ariz. 85703, filed a registration statement (File 2-30473) with the SEC on October 15 seeking registration of 466,842 shares of common stock. Of this stock, 295,000 shares are issuable upon exercise of outstanding common stock purchase warrants; 171,842 shares, representing outstanding stock, will be offered for public sale from time to time by the holders thereof, at prices current at the time of sale (\$26 per share maximum*).

The principal business of the company is the acquisition of large tracts of unimproved land for the purpose of subsequent resale in the form of subdivided lots, commercial and industrial sites, and parcels of various sizes. In addition to indebtedness, the company has outstanding 2,059,611 common shares, of which management officials own 19.5%. Joseph Timan is president. Morton Globus, one of the selling stockholders, proposes to sell all of his holdings of 60,878 shares.

GOLDEN WEST FINANCIAL TO SELL STOCK. Golden West Financial Corporation, 1632 Franklin St., Oakland, Calif. 94612, filed a registration statement (File 2-30475) with the SEC on October 16 seeking registration of 178,000 shares of common stock, to be offered for public sale through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005 and Schwabacher & Co., 100 Montgomery St., San Francisco, Calif. 94104. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is a savings and loan holding company the principal business of which is the ownership of all of the outstanding guarantee stock of Golden West Savings and Loan Association, of Oakland. Net proceeds of its stock sale will be used to reduce the principal amount of \$3,745,200 payable to First Western Bank and Trust Company by about \$1,400,000; the balance, if any, will be used for general corporate purposes. The proceeds of the bank loan, together with equity funds, were used to acquire the stock of and to make a capital contribution to the Association. The company now has outstanding 1,440,000 common shares, of which Herbert M. Sandler, president, owns 19.7%, Marion O. Sandler, senior vice president, 17.8%, and Bernard A. Osher, senior vice president, 39.4%.

OVER

FUND "FORWARD PRICING" RULE ADOPTED. The SEC today announced the adoption of a new Rule 22c-1 under the Investment Company Act (Release IC-5520) prescribing the time of pricing redeemable securities (mutual fund shares) for purposes of their sale and distribution, redemption and repurchase; and it also has adopted an amendment to Rule 17a-3 under the Securities Exchange Act requiring dealers to time-stamp each purchase and sale order. The rules are effective January 13, 1969.

Rule 22c-1 requires that mutual fund shares shall be sold, redeemed and repurchased "at a price based on the current net asset value of such security which is next computed after receipt of a tender of such security for redemption or of an order to purchase or sell such security," and such computation must be made "not less frequently than once daily as of the time of the close of trading" on the NYSE. The once-daily pricing requirement is in substitution for the twice-daily pricing originally proposed. However, the once-daily pricing requirement is not intended to prohibit an investment company from pricing its redeemable securities more frequently if it so wishes. Furthermore, where an investment company believes that the once daily pricing requirement will be unduly burdensome, it can apply to the Commission for an appropriate exemption.

One purpose of Rule 22c-1 is to eliminate or reduce so far as reasonably practicable any dilution of the value of outstanding redeemable securities of registered investment companies through (i) the sale of such securities at a price below their net asset value or (ii) the redemption or repurchase of such securities at a price above their net asset value. Dilution through the sale of redeemable securities at a price below their net asset value may occur, for example, through the practice of selling securities for a certain period of time at a price based upon a previously established net asset value. This practice permits a potential investor to take advantage of an upswing in the market and an accompanying increase in the net asset value of investment company shares by purchasing such shares at a price which does not reflect the increase. An investor may be encouraged to purchase securities in this manner by the practice of announcing the next sale price in advance of the time at which it becomes effective, thereby enabling the investor to time his purchase so as to obtain investment company securities at the lower of two known prices. Another purpose is to eliminate or reduce so far as reasonably practicable other results, aside from dilution, which arise from the sale, redemption, or repurchase of securities of registered investment companies and which are unfair to the holders of such outstanding securities. The Commission believes that the practice of selling securities for a certain period of time, at a price based upon a previously established net asset value, encourages speculative trading practices which so compromise registered investment companies as to be unfair to the holders of their outstanding securities. This pricing practice allows speculators to buy large blocks of such securities under circumstances where the net asset value of the securities has increased but where the increase in value is not reflected in the price. The speculators hold such securities until the next net asset value is determined and then redeem them at large profits. These speculative trading practices can seriously interfere with the management of registered investment companies to the extent that (i) management may hesitate to invest what it believes to be speculators' money and (ii) management may have to effect untimely liquidations when speculators redeem their securities.

The amendment to Rule 17a-3 will require dealers, when selling securities to, or buying securities from a customer, other than a broker or dealer, to stamp on the memorandum of order the time of receipt. Brokers are already subject to such a requirement.

NEW ENGLAND POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16190) giving interested persons until November 14 to request a hearing upon an application of New England Power Company ("NEPCO"), Boston subsidiary of New England Electric System, to issue and sell \$20,000,000 of first mortgage bonds, Series O, due 1998, at competitive bidding. Net proceeds of its bond sale will be applied by NEPCO to the payment of short-term notes evidencing borrowings for construction expenditures or to reimburse the treasury therefor.

GULF POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16189) authorizing Gulf Power Company, Pensacola, Fla. subsidiary of The Southern Company, to issue and sell to banks an additional \$2,400,000 commitment of unsecured promissory notes. Net proceeds of the company's note sale will be used to finance in part, its 1968 and 1969 construction program, estimated at \$43,814,000, to pay short-term bank loans incurred therefor, and for other corporate purposes.

UNLISTED TRADING SOUGHT. The SEC has issued an order under the Securities Exchange Act (Release 34-8430) giving interested persons until October 31, 1968, to request a hearing upon applications of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stock of Walter Kidde & Company, Inc., and of the Pittsburgh Stock Exchange for such privileges in the \$4.75 convertible preference stock, Series A, of American Standard, Inc.

STOCK PLANS FILED. The following companies have filed Form S-8 registration statements with the SEC proposing the offer of stock under employees stock option and similar plans:
 Richardson-Merrell Inc., New York, N. Y. 10017 (File 2-30467) - 200,000 shares
 Unitrode Corporation, Watertown, Mass. 02172 (File 2-30470) - 137,000 shares
 Automation Industries, Inc., Los Angeles, Calif. 90067 (File 2-30472) - 118,349 common, 870 Series A convertible preferred, and 1,231 Series B convertible preferred 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 "★★"):

<u>File</u> <u>No. O-Registrant</u>		<u>Location</u>
3207	Barringer Research, Inc**	Ontario, Canada
3205	John Breuner Co**	Oakland, Calif.
3222	Clarkson Ind., Inc**	New York, N.Y.
3206	Cook Chemical Co	Kansas City, Mo.
3239	Duffy Mott Co, Inc**	New York, N.Y.
3208	Goren Foods Co	Boston, Mass.
3216	Investors Heritage Life Insurance Co	Frankfort, Ken.
3207	Investors Heritage Life Insur. Co of Ohio	Col. Ohio
3209	Levin-Townsend Service Corp	New York, N.Y.
3218	The Mayflower Co	Okalhoma City. Oklahoma
3211	Natl. Student Marketing Corp**	Wash. D.C.
3220	Optics Technology Inc**	Palo Alto, Claif.
3210	Posi-Seal Intl. Inc	Westerly, R.I.
3214	Roxbury Carpet Co**	Mass.
3212	Royal American Corp	Baton Rouge, La.
3198	Services Invst. Co**	Des Moines, Iowa
3196	Staff Builders, Inc	New York, N.Y.
3249	Telecheck Intl., Inc	Honolulu, Hawaii
3221	Trygon Electronics, Inc**	Long Island, N.Y.

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 (please give News Digest "Issue No." in ordering). 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 7 News Digest.

Guaranty Financial Corp Aug 68 (2,3,7,8,9,13)	0-1539-2	Ling-Temco Vought Inc Amd #1 to 8K for Apr68(8,11,13)	1-4368-2
Hi-Shear Corp Aug 68 (12,13)	0-2731-2	Murphy Oil Corp Amd #1 to 8K for Jun 68(7,8)	1-4857-2
Ingersoll Rand Co Jun 68(4,7,13)	1-985-2	Allstate Finance Corp Sept 68 (10,11,13)	0-1930-2
Interstate Bakeries Corp Aug 68 (12)	1-4969-2	California Liquid Gas Corp Aug 68 (11)	1-5402-2
Kalvex Inc Sept 68 (7,8)	1-3947-2	Cordis Corp Sept 68 (11,13)	2-27147-2
Jas H Matthews & Co Aug 68 (1,8)	2-22663-2	Datatronics Inc Jul 68 (2,7,9,13)	2-27987-2
Novo Industrial Corp Aug 68 (2,13)	1-976-2	Exolon Co Sept 68 (12)	1-5499-2
Elgin Natl Watch Co Aug 68(12,13)	1-1330-2	Providence & Worcester RR Co Sept 68 (11,12,13)	0-2555-2
General Alloys Co Aug 68 (9,12,13)	1-1870-2	SMD Inds Inc Sept 68 (7,8)	1-5028-2
Intercontinental Inds Inc Sept 68 (2,11,13)	1-5566-2	Siskon Corp Sept 68 (2,13)	1-3420-2
Omark Inds Inc Aug 68(11,13)	1-5385-2	Southwestern Bell Telephone Co Sept 68 (11)	1-2346-2
Great American Rity Corp Aug68(2)	1-5630-2	Alico Land Development Co Sept 68 (12)	0-261-2
Gap Instrument Corp Sept 68 (12)	0-2677-2	Baltimore Business Forms Inc Sept 68 (12)	0-2111-2
Menon Railroad Aug 68 (11,13)	1-3345-2	Combustion Equipment Associates Inc Jul 68 (7,13)	2-28137-2
Canoga Electronics Corp Aug 68 (12)	1-5576-2	Continental Telephone Corp Sept 68 (7)	1-4765-2
KST Liquidating Co Aug 68 (11,13)	1-3270-2	Financial Security Planning Corp of Amer Sept 68 (3)	0-3148-2
Midwestern Companies Inc Amd #1 to 8K for Jun 68 (10)	0-1925-2	Fotochrome Inc Jul 68 (12)	0-2281-2
Great Plains Life Ins Amd #1 to 8K for Feb 68(1,2)	2-14541-2	Tishman Rity & Constr Co Inc Sept 68 (2)	1-1046-2
Interstate Bakeries Corp Amd #1 to 8K for Aug 68(7)	1-4969-2	Unilever Ltd (6K) Oct 68	1-4546-2
		Chatham Mfg Co Sept 68(2,13)	0-2699-2
		Diners Club Inc Sept 68(4,7,13)	1-3994-2
		Diversified Rity Inc Aug 68 (7)	0-2864-2