



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

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(Prepared by the SEC Office of Public Information)

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FOR RELEASE August 17, 1972

NEW RULES AND RULE PROPOSALS

ADOPTION OF AMENDMENT TO RULE TO PERMIT BROKERS AND DEALERS TO ENTER INTO CERTAIN CLEARING ARRANGEMENTS.

The SEC today announced the adoption of an amendment to Rule 17a-3(b) under the Securities Exchange Act of 1934 ("the Act") effective October 31, 1972. The amendment is adopted under Sections 15(c)(3), 17(a) and 23(a) of the Act. The effect of the amendment is to relieve the existing restriction prohibiting broker-dealers who are not members of a national securities exchange from clearing their transactions for customers on a fully disclosed basis through other broker-dealers, provided such clearing broker-dealers meet the minimum net capital requirement of \$25,000. The amendment also imposes similar net capital requirements upon members of exchanges who were previously authorized under the rule to clear transactions for other exchange members on a fully disclosed basis. Thus, exchange members who clear for other exchange members are required to have the same financial responsibility. Therefore, as amended, Rule 17a-3(b) permits such clearing arrangements if the clearing broker-dealer has and maintains net capital of not less than \$25,000 and is otherwise in compliance with Rule 15c3-1 or the capital rules of the exchange of which such clearing broker-dealer is a member if the members of such exchange are exempt from Rule 15c3-1 by subparagraph (b)(2) thereof.

Rule 17a-3(b) has been also amended to permit a broker-dealer to clear his transactions through a bank provided (1) that the books and records respecting those transactions are made and kept in accordance with Rules 17a-3 and 17a-4 under the Act, and (2) that the bank agrees that they are the records of the broker-dealer, and (3) that the bank files an undertaking with the Commission that such books and records will be available for examination by the Commission's representatives as specified in Section 17(a) of the Act, and (4) that it will furnish to the Commission copies of all or any part of such books and records upon the Commission's demand.

The Commission believes that the place of the smaller broker-dealer in the industry must be preserved, and is mindful that the recent increase in the minimum net capital requirements to \$25,000 would cause significant problems for such broker-dealers. However, the Commission also believes that the standards of financial responsibility of the industry must be improved. Accordingly, in order to preserve the continued existence of the smaller broker-dealer, as well as to remain consistent with its objective of improving the financial responsibility of broker-dealers to their customers, the Commission provided for a \$5,000 minimum net capital requirements for those broker-dealers who do not hold funds or securities of customers and do not carry customers accounts. The amendments to Rule 17a-3(b) allow smaller broker-dealers to qualify for such lower minimum net capital requirements by having their transactions cleared through financially responsible broker-dealers or through banks.

The Commission has made October 31, 1972 the effective date of the amendment to Rule 17a-3(b) in order to give clearing broker-dealers and exchanges time to comply with recent changes in Rule 15c3-1 ("the net capital rule") (Rel. 34-9633) (Rel. 34-9734)

DECISION IN ADMINISTRATIVE PROCEEDING

GARDNER SECURITIES REVOKED, MICHAEL GARDNER BARRED. The SEC has issued an order revoking the registration of Gardner Securities Corp., previously a New York City broker-dealer, and barring Michael Gardner, who served as president of the corporation, from association with any broker-dealer, investment adviser or investment company.

According to the decision, respondents willfully violated registration and antifraud provisions of the securities laws in connection with the offer and sale of unregistered shares of stock of Spectrum, Ltd. Among other things, it was found that they made materially untrue and misleading statements concerning Spectrum's financial condition, operations, business, market activity and officers and directors.

The respondents consented to the findings and sanctions without admitting or denying the allegations in the order for proceedings. (Rel. 34-9724)

COMMISSION ANNOUNCEMENT

ASSOCIATED MOBILE SCHOOLS AND MODERN TRAINING CENTERS, INC., REGULATION A EXEMPTION PERMANENTLY SUSPENDED.

Hearing Examiner Ralph Hunter Tracy has filed an initial decision which makes permanent a prior order temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to an offering of 100,000 shares of common stock by Associated Mobile Schools and Modern Training Centers, Inc., of Boston, Massachusetts. The Examiner found that Associated failed to comply with the terms and conditions of Regulation A in that its offering circular was materially false and misleading in failing to disclose that Associated was entirely dependent upon the services of its president without whom it has been unable to begin any of its stated operations and, that the underwriter did not intend to make a bona fide public offering of the 100,000 shares of Associated common stock. The decision is subject to review by the Commission on its own motion or on petition of the parties.

OVER

HOLDING COMPANY ACT RELEASE

NEW JERSEY POWER & LIGHT COMPANY. The SEC has issued a notice giving interested persons until September 7 to request a hearing upon a declaration filed by New Jersey Power & Light Company, an electric utility subsidiary company of General Public Utilities Corporation, a registered holding company, regarding the sale of utility poles to two nonassociate telephone companies. (Rel. 35-17670)

INVESTMENT COMPANY ACT RELEASE

PMI TAX EXEMPT BOND FUND. The SEC has issued an order granting an application of PMI Tax Exempt Bond Fund, First Series (and Subsequent Series) for exemption from certain provisions under the Investment Company Act. (Rel. IC-7325)

SECURITIES ACT REGISTRATIONS

HILLENBRAND INDUSTRIES, INC., Highway 46, Batesville, Ind. 47006, filed a registration statement on August 11 seeking registration of 276,598 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (* at \$59.75 per share maximum) through underwriters headed by Lehman Brothers, Inc., One William St., New York 10004. The company is primarily engaged in the manufacture of hospital equipment and metal burial caskets. (File 2-45328)

MACK TRUCKS, INC., Mack Blvd., Allentown, Pa. 18105, filed a registration statement on August 11 seeking registration of \$75 million of sinking fund debentures, due 1997, to be offered for public sale through underwriters headed by A. G. Becker & Co. Inc., First National Plaza, Chicago, Ill. 60670. The company is the manufacturer of heavy duty trucks and truck tractors. A wholly-owned subsidiary of Signal Companies, Inc., net proceeds from its debenture sale will be used to repay indebtedness owed to Signal, and repay short-term bank debt. (File 2-45329)

ISOTEC INCORPORATED, 35 Newtown Rd., Plainview, N. Y. 11803, filed a registration statement on August 11 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share by J. D. Winer & Co., Inc., 5 Hanover Square, New York 10004. Organized in April 1972, the company will engage in the design and development of optical character recognition equipment. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-45330)

CROWN AUTO STORES, INC., 6757 Oxford St., St. Louis Park, Minn. 55426, filed a registration statement on August 11 seeking registration of 265,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 115,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$10 per share maximum) through underwriters headed by Dain, Kalman & Quail, Inc., 100 Dain Tower, Minneapolis, Minn. 55402. The company is engaged in the retail sale of automobile parts, supplies, tires, and accessories. Of the net proceeds of its stock sale, \$500,000 will be used to repay bank loans, and the balance for working capital and other corporate purposes. (File 2-45331)

ROTHSCHILD PARTNERSHIP FUND (the Partnership), 410 Degree of Honor Bldg., St. Paul, Minn. 55101, filed a registration statement on August 11 seeking registration of \$5 million of limited partnership interests, to be offered for public sale at \$1,000 per unit with a required minimum purchase of 5 units by Dain, Kalman & Quail Inc., 100 Dain Tower, Minneapolis, Minn. 55402. The Partnership was formed to acquire for investment and own a diversified portfolio of equity interests in improved income-producing real property, including multi-family rental housing, commercial and industrial buildings. H & Val J. Rothschild, Inc. is the General Partner. (File 2-45332)

STANDARD HAVENS, INC., 7219 E. 17th St., Kansas City, Mo. 64126, filed a registration statement on August 11 seeking registration of 250,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$15 per share maximum) through underwriters headed by Laird Inc., 140 Broadway, New York 10005. The company is engaged in the business of the design, development and direct sale and marketing of equipment for use by hot-mix asphalt producers and to a limited extent, of industrial air pollution abatement equipment. Of the net proceeds of its stock sale, \$1,250,000 will be used to reduce short-term debt, and the balance for other corporate purposes. (File 2-45333)

ARGO INDUSTRIES CORPORATION, 70-02 34th Ave., Jackson Heights, N. Y. 11372, filed a registration statement on August 11 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$5.50 per share by Howard Lawrence & Co., Inc., 1180 Raymond Blvd., Newark, N. J. 07102. The company is engaged in the design, manufacture and sale of toy electrical appliances and food mix sets. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-45338)

INVESTORS TAX SHELTERED REAL ESTATE, LTD. SERIES II (the Partnership), 120 N.E. 9th St., Miami, Fla., filed a registration statement on August 11 seeking registration of \$10,000,000 of limited partnership interests, to be offered for public sale at \$500 per unit (with a required minimum purchase of 5 units) by Investors Sheltered Securities, Inc. and selected NASD members. The objective of the Partnership will be to acquire improved real estate. Investors Tax Sheltered Real Estate, Inc. is the general partner. (File 2-45339)

NATIONAL SEMICONDUCTOR CORPORATION, 2900 Semiconductor Drive, Santa Clara, Calif. 95051, filed a registration statement on August 14 seeking registration of 332,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 32,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$40 per share maximum) through underwriters headed by E. F. Hutton & Co. Inc., One Battery Park Plaza, New York 10004. The company manufactures and supplies high quality general-purpose integrated circuits and also manufactures and sells transistors. Net proceeds will be used for working capital and other corporate purposes. (File 2-45343)

MIDLANTIC BANKS INC., 744 Broad St., Newark, N. J. 07101, filed a registration statement on August 11 seeking registration of 209,226 shares of common stock, to be issued upon the exercise of stock purchase warrants upon its acquisition by merger of Citizens National Bank. The warrants are exercisable at any time on or after September 28, 1972 and prior to September 28, 1977 at a purchase price of \$49.52 per share. A bank holding company, the company operates in the state of New Jersey. (File 2-45334)

IDS REALTY TRUST (the Trust) IDS Tower, Minneapolis, Minn. 55402, filed a registration statement on August 11 seeking registration of \$25 million of Series A subordinated debentures, due 1987, to be offered for public sale by Investors Diversified Services, Inc. A real estate investment trust, the Trust was organized to invest in a portfolio of real property investments. IDS Realty Services, Inc. is the investment adviser. (File 2-45340)

DIRECTORS DIVERSIFIED INDUSTRIES, 4311 Wilshire Blvd., Los Angeles, Calif. 90005, filed a registration statement on August 14 seeking registration of 227,613 shares of \$4 par value common stock. The company offers to exchange three shares of the stock for each outstanding share of the \$10 par value Capital Stock of Directors Life Insurance Company, a California corporation. The offer is being made for the purpose of reorganizing the corporate structure of Directors Life and its subsidiary so that Directors Life and the subsidiary will become subsidiaries of Directors Diversified Industries, which will operate as a holding company. (File 2-45341)

PETROLEUM EXPLORATION & DEVELOPMENT FUNDS, INC. (General Partner), 744 Hickory St., Abilene, Tex. 79604, filed a registration statement on August 14 seeking registration of \$2,500,000 of preformation limited partnership interests in Petroleum Exploration & Development Funds "1972/A Program" to be offered for public sale at \$5,000 per unit with a required minimum purchase of 2 units by selected NASD members. The Program will engage in oil and gas exploration. (File 2-45342)

METRO-GOLDWYN-MAYER INC., 10202 W. Washington Blvd., Culver City, Calif. 90230, filed a registration statement on August 14 seeking registration of \$50 million of collateral trust bonds, due 1992, to be offered for public sale through underwriters headed by Blyth Eastman Dillon & Co. Inc., and Dominick & Dominick, Inc., 14 Wall St., New York 10005. The company is a producer and distributor of feature length motion pictures. Net proceeds from the bond sale will be used to finance a portion of the construction costs of the Grand Hotel in Las Vegas, Nev. presently under construction. (2-45345)

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:

Giant Stores Corp., Chelmsford, Mass. (File 2-45300) - 50,000 shares
 Green Giant Company, LeSueur, Mass. (File 2-45308) - 150,000 shares
 E-Systems, Inc., Dallas, Tex. (File 2-45314) - 300,000 shares
 Jewelcor Incorporated, New York, N. Y. (File 2-45325) - 85,866 shares
 Medenco, Inc., Houston, Tex. (File 2-45336) - 304,500 shares
 H & R Block, Inc., Kansas City, Mo. (File 2-45337) - 191,872 shares
 Crocker National Corporation, San Francisco, Calif. (File 2-45344) - 98,525 shares
 American International Group, Inc., New York, N. Y. (File 2-45346) - 630,000 shares

MISCELLANEOUS

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the several items of the form was included in the August 3 News Digest.

Iroquois Industries, Inc (Del)		Georgia-Pacific Corp	
April 72 (3,11)	1-5387-2	April 72 (7,8,11,13)	1-3506-2
Provident National Corp		Pennzoil Offshore Gas	
April 72 (11)	0-4827-2	Operators Inc	
Colonial Penn Group, Inc		April 72 (11,14)	0-5468-2
April 72 (7,11,13)	0-4645-2		
Dome Mines, LTD		St. Lucie-Jupiter Development	
April 72 (11)	1-541-2	Corp	
Omni Industries Corporation		March 72 (2,7,13)	0-6204-1
April 72 (11)	2-30366-2	American Crystal Sugar Co	
Dan River, Inc		April 72 (12)	1-114-2
April 72 (10,13)	1-3912-2	Blue Ridge Real Estate Co	
Howard Johnson Co.		April 72 (2)	0-2844-2
Feb 72 (7, 13)	1-4594-2	South European Pipeline Co	
MSL Industries, Inc.		(6K) for May 72	1-4627-2
April 72 (11, 13, 14)	1-3205-2	Union Tank Car Co (Del)	
Permaneer Corp		April 72 (8)	1-5666-2
April 72 (11)	1-5911-2	Penobscot Shoe Co	
Food Industries, Inc		April 72 (11)	1-5548-2
July 71 (9,13)	0-3372-2	Monarch Industries Inc	
Academy Computing Corp		Dec 69 (7)	0-4161-2
April 72 (3,11)	2-30680-2	Pope & Talbott, Inc	
American Micro Systems, Inc		April 72 (4,7,11,)	0-928-2
April 72 (11)	0-5542-2	Angelica Corp	
Automation Industries, Inc		April 72 (1,4,11,13)	1-5674-3
April 72 (3,11,14)	1-5655-2	Beverly Enterprises	
Boeing Company		April 72 (13)	1-5894-2
April 72 (11, 13)	1-442-2	Cogar Corp	
Eckerd Drugs, Inc		April 72 (3,4,6,13,14)	0-4319-2
April 72 (7,14)	1-6574-2	Real Eight Co Inc	
Environmental Communities Inc		March 72 (12)	1-5504-2
March 72 (7,14)	2-41843-2	Danmont Corp	
First Nat'l of Nebraska, Inc		April 72 (7,11,14)	0-6342-2
April 72 (11)	0-3502-2	First Nat'l Holding Corp GA	
Kaufman & Broad Inc		April 72 (7)	0-4725-2
April 72 (11, 13, 14)	1-4618-2	Houston Lighting & Power Co	
Applied Magnetics Corp		April 72 (11,13)	1-3187-2
Jan 71 (11, 13)	1-6635-2	Standun, Inc	
General Motors Corp		April 72 (11)	0-6101-2
April 72 (3,13, 14)	1-143-2		

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Topper Corporation and over-the-counter trading in the securities of Research Games, Inc. for the further ten-day period August 17-26, inclusive.

SECURITIES ACT REGISTRATIONS. Effective August 14: Lonrho Limited, 2-45256.
Effective August 15: American Financial Corp., 2-44511; American Income Fund, Ltd., 2-43438 (90 days); Tom Brown, Inc., 2-44391; Calny Food Services, Inc., 2-44368 (Nov. 13); Cheezem Development Corp., 2-45246 (Nov. 13); The Circle K Corp., 2-45083; Gossett Oil Co., 2-42930 (90 days); H. J. Heinz Co., 2-45120; Hospital Financial Corp., 2-44661 (Nov. 14); McDonnell Douglas Corp., 2-45151; Mirro Aluminum Co., 2-45060; Pacific Gamble Robinson Co., 2-44509, Pennzoil United, Inc., 2-42852 (Nov. 13); Pier 1 Imports, Inc., 2-44947; Precise Exploration Corp., 2-43232; Redgrave Information Resources Corp., 2-44102 (90 days); Sterndent Corp., 2-45037; Vintage Enterprises, Inc., 2-44335; Dean Witter & Co., 2-44909.

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.

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