



TEXAS

MONTHLY SECURITIES BULLETIN

CARL L. PHINNEY

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State Securities Board

709 STATE FINANCE BUILDING

POST OFFICE BOX 13167, CAPITOL STATION, AUSTIN, TEXAS 78711 — TELEPHONE (512) 475-4561

December, 1970

DECEMBER PERMITS

The State Securities Board issued permits in December, 1970, for 86 corporations to sell \$68,523,356 in securities. In the previous month permits for \$99,072,899 in securities to be sold by 73 corporations were issued.

Total dollar amount of securities applications processed for the first four months of this fiscal year is \$426,003,289 as compared to \$518,569,584 for the same period last year.

LICENSE INFORMATION

During December a total of 154 examinations were administered to 138 applicants for licensing under The Securities Act. This included 19 examinations on general securities principles, 133 examinations on The Texas Securities Act, and two examinations on the Special Bond. There were 73.7% of the applicants who passed the general securities section on first attempt, 92.5% who passed the Texas Law portion on first attempt and 50% who passed the Special Bond examination on first attempt.

ADMINISTRATIVE ORDERS

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|--------------------------------|---|-------------------|
| IN THE MATTER OF | Ø | |
| LEE C. STOVALL | Ø | ORDER NO. RD-450 |
| Route 2, Eagle Pass Radar Base | Ø | December 14, 1970 |
| Eagle Pass, Texas | Ø | |

On October 14, 1970, following a hearing, the Deputy Securities Commissioner issued an order revoking the registration of Lee C. Stovall as a "Securities Dealer in Oil and Gas Interests Only" after finding that Lee C. Stovall violated Section 12 of The Securities Act by offering unregistered securities in advertisements in the San Antonio Express in 1969 and 1970; made material misrepresentations in his 1970 application for license as a securities dealer; furnished false and misleading financial statements by understating liabilities in said application for license; and, failed to disclose to the Commissioner material matters touching upon his financial responsibility and business repute. Mr. Stovall consented to the entry of the order.

IN THE MATTER OF
THE SALE OF SECURITIES OF
INVESTMENT/INDICATORS FUND
Albert Building
1010 "B" Street
San Rafael, California

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ORDER NO. CD-451
December 16, 1970

On December 16, 1970, following a hearing, the Deputy Securities Commissioner issued an order prohibiting the sale of securities of Investment/Indicators Fund (a no load mutual fund), after finding that the sale and method of sale of such securities would tend to work a fraud upon, and would not be fair, just and equitable to, any purchaser thereof. Other findings set out in the order stated that unregistered shares of the fund had been sold to numerous Texas residents by and through the fund which is not registered as a securities dealer or salesman as is required by The Securities Act; a large undisclosed contingent liability exists in that the fund has offered and sold its unregistered securities to Texas residents in violation of the law; the prospectus filed with the registration application did not contain a satisfactory investment restriction on the amount of portfolio securities subject to arbitrary valuation; the Fund has temporarily stopped selling in all states because a change in control of the investment adviser may have caused a termination of the management contract with the Fund, causing a possible liability by the management company to the Fund for a return of approximately \$69,000, which the management company apparently does not presently have. The Fund was permitted to withdraw its application to register its securities which had been filed on September 22, 1969, but was not permitted to withdraw its Power of Attorney and Consent to Service of Process. (The fund subsequently asked for a rehearing by the Commissioner.)

CONVICTIONS

Clyde Rabun, (formerly of Houston, Texas, and presently residing in the Dallas, Ft. Worth area), on December 7, 1970, was convicted on two separate charges of selling securities in Texas without being licensed as a securities dealer or salesman as required by the provisions of the Texas Securities Act. Criminal District Judge Carl C. Anderson sentenced Rabun to a fine of \$1,000 for selling securities of Temple Baptist Church of Houston, Texas, without being licensed. Judge Anderson sentenced Rabun to ten years in the penitentiary for selling securities in Sun Valley Baptist Temple of El Paso, Texas, without being licensed, but probated the sentence upon condition that restitution of \$21,466 be repaid to the investor. The case was tried by Assistant District Attorney Frank Fitzpatrick.

Lester Eugene (Buddy) Mach was transferred on December 16, 1970, to the Huntsville Penitentiary to begin sentences following two convictions of ten years each in Dallas for theft of over \$50 arising out of the sale of silver certificates. Mach is currently under indictment for securities violations in Ft. Worth and was convicted of securities violations in Arkansas.

INDICTMENTS

On December 4, 1970, the Harris County Grand Jury returned two indictments, each containing three counts, charging Harry V. Smith, (aka Harry De Loss Smith), and Louis Cass Lane with sale of unregistered

securities, sale of securities without being registered as a securities dealer or salesman, and fraud in the sale of securities. The indictment alleges that Smith and Lane represented that the purchaser of securities of Intrapersonal Programs, Inc. of Houston, would have at his disposal a huge bank account, would be president of the company, and would operate the company with a fully equipped program in the career assessment and career guidance field. Smith and Lane have been previously convicted in the Superior Court of Los Angeles County, California, on charges of violating the California Corporate Securities Statute and were ordered to repay California residents an amount in excess of \$200,000.00.

NOTICES CLEARED FOR DEALER SECONDARY TRADING

- 12-7-70 FRANKLIN ELECTRIC CO., INC., 400 E. Spring Street, Bluffton, Indiana 46714, qualified to May 31, 1971.
- 12-7-70 PALOMAR MORTGAGE INVESTORS, 1405 Commerce Street, Mobil Bldg., Dallas, Texas, qualified to May 31, 1971.

MONTHLY REPORT OF SECURITIES REGISTRATIONS IN TEXAS

A summary of individual permits issued in December, 1970, follows: These permits are permissive only and do not constitute a recommendation of the State Securities Board.

| <u>ISSUER</u> | <u>TYPE OF OFFERING</u> |
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| 12-22-70 Abex Corporation 530 Fifth Avenue New York, New York | 500 8 3/4% Debentures due December 1, 1977 in denominations of \$1,000.00 at 100%. |
| 12-18-70 Affiliated Capital Corporation 539 Capital National Bank Building Houston, Texas | 293,260 shs com/s (Par Value \$.50) to be offered in exchange as follows: 3 shs com/s for ea. outstanding share of permanent reserve fund stock of Center Savings Association, Houston, Texas; and, 4 shs com/s and \$20.00 cash <u>OR</u> 8 shs com/s for ea. outstanding share of permanent reserve fund stock of State Savings and Loan Association, Lubbock, Texas. Exchange value \$6.25 per share of com/s of Affiliated Capital Corporation. |
| 12-10-70 Afuture Fund, Incorporated 8 Pennell Road Village of Lima, Pennsylvania | shs com/s @ net asset value. |
| 12-18-70 Alison Mortgage Investment Trust 1900 Avenue of the Stars Los Angeles, California | 12,500 wts. @ \$1.00 ea. to purchase 12,500 shs of Beneficial Interest. |
| 12-31-70 Allstate Enterprises Stock Fund, Inc. 20 Allstate Plaza Northbrook, Illinois | shs com/s @ net asset value. |

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| 12-19-70 | American Brands, Inc. 245 Park Avenue New York, New York | Beneficial Interests in the Profit-sharing Plan to be sold to eligible employees @ net asset value of the American Stock Fund or Diversified Fund @ net asset value. |
| 12-10-70 | American Funding Programs 315 South Beverly Drive Beverly Hills, California | Programs for the acquisition of Mutual Fund Shares and Insurance Policies @ face amount of the Program Investment. |
| 12-28-70 | American Leaders Fund, Inc. 421 Seventh Avenue Pittsburgh, Pennsylvania | shs com/s @ net asset value. |
| 12-14-70 | David L. Babson Investment Fund, Inc. 301 West 11th Street Kansas City, Missouri | shs com/s @ net asset value. |
| 12-11-70 | Bi-Lo, Inc. Industrial Blvd. Mauldin, South Carolina | 20,000 shs com/s @ \$11.75 ea. |
| 12-18-70 | Capital Shares, Inc. 2727 Allen Parkway Houston, Texas | shs com/s @ net asset value. |
| 12-16-70 | Carrols Development Corporation 968 James Street Syracuse, New York | 5,000 shs com/s @ \$8.25 ea. |
| 12-7-70 | Cayman Corporation 608 Silver Spur Road Palos Verdes, California | 2,000 shs com/s to be exchanged for certain oil and gas interests as outlined in the prospectus. For computation of registration fees only, the exchange value is set @ \$7.00 ea. |
| 12-2-70 | Central Colorado Bancorp, Inc. 2339 East Platte Place Colorado Springs, Colorado | 549 shs com/s of Central Colorado Bancorp, Inc., to be exchanged for the Common Stock of Central Colorado Bank, Academy Blvd. Bank and Rocky Ford National Bank on the basis of 1 for 1.5003692 (Central Colorado Bank) 1 for 3.2298734 (Academy Blvd.) and 1 for 27.66 (Rocky Ford) @ \$7.02 ea. |
| 12-9-70 | Central United Corporation 417 Commerce Bldg. Sioux City, Iowa | 25,000 shs of \$1.00 Par Value com/s registered @ \$1.3125 ea. to be exchanged one-for-one for the common shs of Circle Key Life Insurance Company. |
| 12-16-70 | Colonial Income Fund, Inc. 75 Federal Street Boston, Massachusetts | shs com/s @ net asset value. |
| 12-8-70 | Combined Communications Corporation 1103 N. Central Avenue Phoenix, Arizona | \$300,000.00 in 8% Conv. Sub. Deb. due 1990 @ 100%; Debentures are to be convertible to com/s @ \$10.50 ea. |

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| 12-17-70 | Continental Coffee Company 100 S. Wacker Drive Chicago, Illinois | 30,000 shs (\$1.00 Par Value) com/s @ \$18.00 ea. |
| 12-17-70 | Data General Corporation Route 9 Southboro, Massachusetts | 100,000 shs \$.01 Par Value com/s @ \$21.00 ea. |
| 12-22-70 | Dayton-Hudson Corporation Savings and Stock Purchase Plan 700 Nicollet Mall Minneapolis, Minnesota | Interests in the Fixed Income Fund, Equity Fund, or Company Stock Fund to be sold to eligible employees @ net asset value. |
| 10-19-70 | De Vegh Mutual Fund, Inc. 20 Exchange Place New York, New York | shs com/s @ net asset value. |
| 12-12-70 | Drexel Investment Fund, Inc. 1500 Walnut Street Philadelphia, Pennsylvania | shs com/s @ net asset value. |
| 12-12-70 | Electronic Data Systems Corporation 1300 EDS Center Exchange Park Dallas, Texas | 10,000 shs com/s (No Par Value) @ \$56.50 ea. |
| 12-6-70 | Emerging Securities Fund 437 Madison Avenue New York, New York | shs com/s @ net asset value. |
| 12-9-70 | Equity Funding Corporation of America 1900 Avenue of the Stars Los Angeles, California | 50,000 warrants to purchase com/s registered @ \$8.00 ea., may be sold in Units with Debentures. The common shs are listed NYSE. |
| 12-17-70 | Fidelity Mortgage Investors One Federal Street Boston, Massachusetts | 37,500 wts. to purchase shs of Beneficial Interest @ \$20.00 ea. These wts. are included in units consisting of 8 wts. and exempt debentures. The shs underling the wts. are also exempt securities. |
| 12-21-70 | Fidelity Trend Investment Plans 225 Franklin Street Boston, Massachusetts | Single Payment Plans and Systematic Plans for the accumulation of shs of Fidelity Trend Fund, Inc. @ face amount. |
| 12-10-70 | First Investment Securities Co. 121 South Broad Street Philadelphia, Pennsylvania | 5,000 shs of \$.10 Par Value com/s @ \$10.00 ea. |
| 12-1-70 | First National Charter Corporation Tenth and Baltimore Kansas City, Missouri | 1,420 shs of \$12.50 Par Value com/s @ \$55.00 ea. to be exchanged on a basis one share for ea. share of Webster Groves Trust Company and 35.5 shs for ea. share of National Bank of Boonville. |

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| 11-30-70 | General Foods Corporation 225 North Street White Plains, New York | Participating interests in the Employee Thrift-Investment Plan, @ net asset value. |
| 11-19-70 | General Mortgage Investments The Chesapeake Bldg. Towson, Maryland | 1,000 Units @ \$1,000.00 ea., ea. Unit to consist of \$1,000.00 principal amount of 8% Converti- ble Subordinated Debentures due November 1, 1990 with wts. to purchase 30 shs of Ben. Int. In addition, the shs to be ac- quired upon exercise of the wts. @ \$11.75 ea. |
| 12-8-70 | Gloucester Engineering Co., Inc. 18 Sargent Street Gloucester, Massachusetts | 8,000 shs com/s @ \$22.75 ea. |
| 12-19-70 | The B. F. Goodrich Company 500 South Main Street Akron, Ohio | Participations in Fund A and Fund B and an indeterminate number of com/s in Fund C of the B. F. Goodrich Company Employee Stock Purchase and Savings Plan. |
| 12-17-70 | Great Midwest Corporation 2918 Commerce Tower Kansas City, Missouri 64105 | 50,000 shs com/s @ \$15.00 ea. |
| 12-21-70 | Great Plains Western Ranch Company, Inc. 1148 East Whittier Blvd. Whittier, California | 250 Units of Limited Partnership in Circle Two Cattle Fund - B @ \$1,000.00 per Unit plus a maximum potential assessment of \$200.00 per Unit with a minimum investment of five (5) Units. |
| 1-1-71 | Growth Industry Shares, Inc. 6 North Michigan Avenue Chicago, Illinois | shs com/s @ net asset value. |
| 12-6-70 | Hamilton Growth Fund, Inc. 777 Grant Street P. O. Box 5061 Denver, Colorado | shs com/s @ net asset value. |
| 11-30-70 | Hamilton Income Fund, Inc. 777 Grant Street Denver, Colorado | shs com/s @ net asset value. |
| 11-30-70 | Howmet Corporation 475 Steamboat Road Greenwich, Connecticut | Participations in Howmet Corpo- ration Employees' Savings Plan @ value of Employee Contribution. |
| 12-22-70 | ICM Equity Fund, Inc. 527 Madison Avenue New York, New York | shs com/s @ net asset value. |
| 12-11-70 | IFC Collateral Corporation 630 Fifth Avenue New York, New York | \$50,000.00 in 10% Registered Subordinated Debentures Series due June 30, 1979, @ 100%. |

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| 12-17-70 | The Income Fund of America, Inc. Two Greenwich Plaza Greenwich, Connecticut | shs com/s @ net asset value. |
| 12-18-70 | International Investors Life Insurance Company, Inc. 959 Reinli Austin, Texas | 70,000 shs com/s @ \$2.20 ea. |
| 12-13-70 | The Investment Company of America 611 West Sixth Street Los Angeles, California | shs com/s @ net asset value. |
| 12-7-70 | IsTel Fund, Inc. 345 Park Avenue New York, New York | shs com/s @ net asset value. |
| 12-10-70 | Jacobs Engineering Company 837 South Fair Oaks Avenue Pasadena, California | 12,500 shs com/s @ \$12.00 ea. |
| 12-20-70 | The Johnston Mutual Fund, Inc. 460 Park Avenue New York, New York | shs com/s @ net asset value. |
| 12-17-70 | Jones & Laughlin Steel Corporation Savings Plan 3 Gateway Center Pittsburgh, Pennsylvania | Interests of Participation in the Savings Plan to eligible employees @ net asset value. |
| 12-8-70 | Liberty Homes, Inc. P. O. Box 608 Syracuse, Indiana | 15,000 shs \$1.00 Par Value com/s @ \$18.50 ea. |
| 12-28-70 | Massachusetts Fund 70 Federal Street Boston, Massachusetts | shs Beneficial Interests @ net asset value. |
| 12-4-70 | Median Mortgage Investors 30 Federal Street Boston, Massachusetts | 1,000 Units, ea. consisting of 10 shs Ben. Int. and \$200.00 principal amount of Convertible Debentures due 1990 @ \$300.00 ea. Debentures are convertible into shs @ \$10.00 ea. |
| 12-9-70 | Minnesota Fabrics, Inc. 1800 Como Avenue St. Paul, Minnesota | 5,000 shs com/s @ \$28.50 ea. |
| 12-16-70 | Monumental Corporation Charles and Chase Streets Baltimore, Maryland | 6,000 shs com/s @ \$42.00 ea. |
| 12-27-70 | W. L. Morgan Growth Fund, Inc. 3001 Philadelphia Pike Claymont, Delaware | shs com/s @ net asset value. |

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| 12-17-70 | Municipal Investment Trust Fund, Series 1D 55 Broad Street New York, New York | 400 Units, ea. consisting of a fractional undivided interest in the principal and net income of the Fund @ net asset value. Price not to exceed \$1,050.00 per Unit plus accrued interest. |
| 12-3-70 | NCNB Corporation 200 South Tryon Street Charlotte, North Carolina | 1,000 8.40% Sinking Fund Debentures, due 1995 @ 99.50%. |
| 12-18-70 | Nuveen Tax-Exempt Bond Fund, Series 32 209 South LaSalle Street Chicago, Illinois | 5,000 Units, ea. consisting of a fractional undivided interest in the principal and net income of the Fund @ net asset value. Price not to exceed \$110.00 ea. plus accrued interest. |
| 12-17-70 | The One Hundred and One Fund, Inc. 1700 Broadway Denver, Colorado | shs Cap/s @ net asset value. |
| 11-30-70 | Oppenheimer Systematic Capital Accumulation Program 20 Exchange Place New York, New York | Single Payment Plans and Systematic Accumulation Plans for the accumulation of shs of Oppenheimer Fund, Inc. @ face amount. |
| 12-17-70 | PNB Mortgage and Realty Investors 7320 Old York Road Melrose Park, Pennsylvania | 60,000 Units ea. consisting of one sh. of Beneficial Interest, \$1.00 Par Value, and one wt. to purchase one additional share @ \$20.00 ea. to be sold at \$20.00 per unit; 10,000 shs underlying wts. are registered @ \$20.00 ea. |
| 12-10-70 | Pfizer, Inc. 235 East 42nd Street New York, New York | Participating Interests in Fund A, B, and C to be sold to eligible employees @ net asset value. |
| 12-1-70 | Pullman Transport Leasing Company 200 South Michigan Avenue Chicago, Illinois | 500 8 3/4% Equipment Trust Certificate (Series 2) due December 15, 1985 in denominations of \$1,000.00 @ 100%. |
| 12-28-70 | Putnam Investment Programs 265 Franklin Street Boston, Massachusetts | Single Payment Programs and Systematic Investment Programs for the accumulation of shs of Putnam Growth Fund @ face amount. |
| 12-7-70 | Reliance Insurance Company Employees Savings Incentive Plan 4 Penn Center Plaza Philadelphia, Pennsylvania | Memberships in the Employees Savings Incentive Plan @ the value of contribution. |
| 12-15-70 | Republic Financial Services, Inc. 2727 Turtle Creek Blvd. Dallas, Texas | 3,304 shs com/s (\$5.00 Par Value) to be exchanged on a share for share basis for outstanding shs of common capital stock of Republic Insurance Company. Exchange rate \$34.50 ea. |

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| 12-8-70 | Rowe Price New Horizons Fund, Inc. One Charles Center Baltimore, Maryland | shs cap/s @ net asset value. |
| 12-15-70 | Ryan Homes, Inc. 100 N. Wren Drive Pittsburgh, Pennsylvania | 12,000 shs com/s without Par Value @ \$47.00 ea. |
| 12-7-70 | Salem Fund, Inc. 35 Congress Street Boston, Massachusetts | shs cap/s @ net asset value. |
| 12-9-70 | San Jacinto Investors, Ltd. Suite 440, 2990 Richmond Ave. Houston, Texas | 110 Limited Partnership Interests @ \$2,500.00 ea. with a minimum investment of \$5,000.00. |
| 12-15-70 | Shulman Transport Enterprises, Inc. 20 Olney Avenue Cherry Hill, New Jersey | 15,000 shs com/s @ \$15.75 ea. |
| 11-30-70 | Sigma Trust Shares 10 Post Office Square Boston, Massachusetts | Beneficial Interests @ net asset value. |
| 12-15-70 | The Starr Broadcasting Group, Inc. 1000 Howard Avenue New Orleans, Louisiana | 9,000 com/s purchase wts. (Registration fee computed @ \$10.00), exercisable @ \$10.50 through December 31, 1976, to be sold attached to Debentures. The common shares are listed for trading on the Midwest Stock Exchange. |
| 12-30-70 | 1970 Treecrop Company 2150 Franklin Street Oakland, California | 100 Units of Limited Partnership Interest @ \$2,500.00 per Unit - minimum investment \$5,000.00. |
| 12-17-70 | U. S. Leasing Real Estate Investors 600 Battery Street San Francisco, California | 135,000 Units @ \$25.00 ea., ea. Unit consisting of 1 sh of Beneficial Interest and one warrant to an additional share of Beneficial Interest; 135,000 shs Beneficial Interest underlying the wts. @ \$25.00 ea. |
| 12-6-70 | United Funds, Inc. (Income) 20 West 9th Street Kansas City, Missouri | shs United Income Fund @ net asset value. |
| 12-8-70 | United States Leasing Corporation 633 Battery Street San Francisco, California | \$500,000.00 in 9 1/4% Senior Notes due November 1, 1974 @ 100%. |
| 11-18-70 | United Vanguard Investment Programs 20 West 9th Street Kansas City, Missouri | Monthly Investment Programs and Selective Investment Programs for the accumulation of shs of United Vanguard Fund, Inc. @ face amount. |

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| 11-26-70 | United Wholesale Druggists of Fort Worth, Inc. 70 Jennings Street Fort Worth, Texas | 391 shs com/s (No Par Value) @ \$50.00 ea. |
| 12-15-70 | Universal Foods Corporation 433 East Michigan Street Milwaukee, Wisconsin | 10,000 shs com/s @ \$25.00 ea. |
| 12-17-70 | The VLM Corporation P. O. Box 6215 Fort Worth, Texas | 60,000 shs of \$.10 Par Value com/s @ \$2.50 ea. |
| 12-8-70 | Valley View Bridge Studio of Texas, Inc. 13155 North Central Expressway Dallas, Texas | 105,000 shs \$.10 Par Value com/s @ \$4.00 ea. |
| 12-24-70 | Varied Industry Plan, Inc. 7551 U. S. Highway 24 West Fort Wayne, Indiana | shs com/s @ net asset value. |
| 11-30-70 | Viking Growth Fund, Inc. 6006 North Mesa Street El Paso, Texas | shs com/s @ net asset value. |
| 12-10-70 | The West Company, Incorporated West Bridge Street Phoenixville, Pennsylvania | 10,000 shs com/s @ \$15.00 ea. |
| 12-15-70 | Westmoreland Coal Company 2500 Fidelity Bldg. Philadelphia, Pennsylvania | 25,000 shs \$5.00 Par Value com/s @ \$44.75 ea. |
| 12-22-70 | Wheeling-Pittsburgh Steel Thrift Plan Four Gateway Center Pittsburgh, Pennsylvania | Interests of Participation in the Thrift Plan for salaried employees. |

REGISTRATION APPLICATIONS WITHDRAWN OR ABANDONED

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| 12-22-70 | Ankony Breeding Systems - 1970 Rhinebeck, New York 12572 | 4 Partnership Units @ \$25,000.00. |
| 11-25-70 | Car Tapes Incorporated 320 West Ohio Street Chicago, Illinois | 14,000 shs com/s @ \$7.50 ea. |
| 12-22-70 | Commercial Cattle Company 1808 Main Street Kansas City, Missouri 64108 | 10 Units of Limited Partnership Interests @ \$20,000.00 per Unit. |
| 12-10-70 | Design Professionals In- surance Company Risk Analysis & Research Corporation One Maritime Plaza San Francisco, California | 10,000 shs com/s @ \$50.00 ea. |
| 12-30-70 | Dynafacts, Inc. 1387 New Circle Road, N.E. Lexington, Kentucky | 30,000 shs com/s @ \$15.00 ea. |

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| 12-14-70 | Dynetics Corporation 7th and Ranstead Streets Philadelphia, Pennsylvania | 10,000 shs com/s @ \$5.00. |
| 12-16-70 | Empire Mortgage Trust 30 East 42nd Street New York, New York | 50,000 Units ea. consisting of Beneficial Interest and one wt. to purchase one additional share @ \$20.00. |
| 12-11-70 | Extek Microsystems, Inc. 15424 Cabrito Road Van Nuys, California | 50,000 shs com/s @ \$12.00 ea. |
| 12-21-70 | Familian Corporation 7651 Woodman Avenue Van Nuys, California | 10,000 shs com/s @ \$12.00 ea. |
| 12-17-70 | Forest Gas Corporation 300 Oil and Gas Bldg. Houston, Texas | 66,666 shs Class A com/s (\$1.00 Par Value) @ \$15.00 ea. |
| 12-7-70 | Inexco Mining Fund, Ltd. 308 Lincoln Tower Bldg. Denver, Colorado | 1,000 Limited Partnership Inter- ests @ \$1,000.00. |
| 12-22-70 | Investment Resources, Inc. 10836 South Western Avenue Chicago, Illinois | 10,000 shs com/s @ \$6.00 ea. |
| 12-17-70 | Mego International, Inc. 1133 Broadway New York, New York | 5,000 shs com/s @ \$8.00 ea. |
| 12-16-70 | Pacific Gulf Resources, Inc. Suite 1404 - 1600 Sansome St. San Francisco, California | 12,500 Units @ \$64.00 ea. con- sisting of 4 shs com/s & 1 wt. to purchase an additional share com/s; plus 12,500 shs underlying wts. @ \$15.00 ea. |
| 12-16-70 | R & D Industries, Inc. 4300 North Central Expressway Dallas, Texas | 100,000 shs com/s @ \$5.00 ea. |
| 12-31-70 | Rand Capital Corporation 2205 Maine Place Buffalo, New York | 2,100 shs com/s @ \$12.00 ea. |
| 12-21-70 | Raymond Petroleum Company, Inc. Fourth National Bank Bldg. Wichita, Kansas | 20,000 shs com/s @ \$5.00 ea. |
| 12-17-70 | Rex Precision Products, Inc. 14831 Maple Avenue Gardena, California | 20,000 shs com/s (\$.50 Par Value) @ \$9.00 ea. |
| 12-17-70 | SB Partners 1345 Avenue of the Americas New York, New York | 20 Limited Partnership Interests @ \$10,000.00 ea. |
| 12-21-70 | Senor Taco, Inc. 1400 "K" Street Modesto, California | 30,000 shs com/s @ \$16.00 ea. |

12-28-70 Standard-Knickerbocker 40,000 shs com/s @ \$5.00 ea.
 (U.S.) Ltd.
 82 Hazel Street
 Glen Cove, New York

12-28-70 Telfon Communications 20,000 shs com/s @ \$10.00 ea.
 Corporation
 4444 Beary Blvd.
 San Francisco, California

Securities Registrations from September 1, 1970, through December 31, 1970

Month of December, 1970

| | <u>Number Registration</u> | <u>Amount</u> | <u>Prior Total Accumulated</u> | <u>Total</u> |
|--|--------------------------------|----------------------|------------------------------------|-------------------------|
| <u>Original Applications of Corporate Securities</u> | | | | |
| Texas Companies | 8 | \$ 4,005,863(1) | \$ 61,896,952 | \$ 65,902,815 |
| Foreign Companies | <u>57</u> | <u>38,394,989(2)</u> | <u>111,782,949</u> | <u>150,177,938</u> |
| | 65 | \$42,400,852 | \$173,679,901 | \$216,080,753 |
| <u>Renewal Registrations</u> | | | | |
| Texas Companies | 2 | 376,893(3) | 4,579,937 | 4,956,830 |
| Foreign Companies | <u>19</u> | <u>25,745,611(4)</u> | <u>136,056,924</u> | <u>161,802,535</u> |
| | 21 | \$26,122,504 | \$140,636,861 | \$166,759,365 |
| TOTALS | <u>86</u> | <u>\$68,523,356</u> | <u>\$314,316,762</u> | <u>\$382,840,118(5)</u> |

Includes Mutual Investment Funds Amounting to:

- (1) \$ 495,000
- (2) \$ 16,640,727
- (3) \$ 357,343
- (4) \$ 24,099,469
- (5) \$241,370,750

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MOODY'S OTC MANUAL

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The State Securities Board has received several inquiries concerning the status of Moody's OTC Manual with respect to the secondary trading exemption of Section 5.O. of The Securities Act.

After careful study the Securities Board made the following announcement following its meeting on January 18, 1971:

"Moody's OTC Manual is recognized to the following limited extent as a basis for the secondary trading exemption available for securities dealers under Section 5.O. (9) of The Securities Act, provided other requirements of Section 5.O. are met:

"If detailed financial information of a company appeared in Moody's Industrial Manual published in 1969 (the old Manual), and such financial information for the same company also appears in Moody's OTC Manual published in 1970 (the new Manual) it is held that the statutory language of Section 5.O. (9)(c) with reference to three year profit and loss statements has been complied with, and security dealers may engage in secondary trading transactions in securities of such company under the exemption.

"Security dealers may also engage in secondary trading transactions under the exemption in securities of a company which has been in existence less than three years provided detailed financial information of the Company appears in Moody's OTC Manual for the period of existence of the Company.

"Moody's OTC Manual is not recognized for securities of any other company listed in the Manual at this time."

