

Company Name	Southwest Forest Industries, Inc.
File No.	R-145
Letter No.	61
Section	33-2(11)
Date	2-5-76

SECURITIES AND EXCHANGE COMMISSION JAN 5 1976

WASHINGTON, D.C. 20549

File No.	33	33
Section	2(11)	145(d)
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Mr. John W. Rowland
 Andrews, Kurth, Campbell & Jones
 Twenty Fifth Floor Exxon Building
 Houston, Texas 77002

Re: Southwest Forest Industries, Inc.

Dear Mr. Rowland:

This is in response to your letter dated April 22, 1975, as supplemented by your letter dated October 29, 1975, requesting the staff to confirm your views concerning the availability, by analogy, of Rule 145(d) to certain persons (the "sellers") making sales of shares of Southwest Forest Industries ("Southwest") issued to them in connection with business combinations.

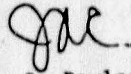
You indicate that Southwest filed a "shelf" registration statement in June of 1970, pursuant to an acquisition program. This registration statement was declared effective in December of 1970 and was for the purpose of future acquisitions and resales of shares (hereinafter "shelf shares") issued in acquisitions pursuant to Southwest's program by persons who might be deemed underwriters in connection with such resales. This registration statement was withdrawn in June of 1975 and no further "shelf" registration statement has been filed.

Based on the information submitted, this Division would not recommend enforcement action to the Commission if Southwest's shelf shares publicly are sold, by persons who otherwise may be deemed underwriters thereof, in transactions equivalent to Rule 145(d) transactions (hereinafter "Rule 145(d) transactions"). Also, we concur with your view that upon receiving written representations that all sales to the public by holders of Southwest's shelf shares will be effected in Rule 145(d) transactions, Southwest may instruct the transfer agent to exchange any certificate bearing a restrictive legend for an unlegended certificate and to permit the transfer of the shares without thereby being deemed to be engaged in or participating in a distribution subject to the registration and prospectus delivery requirements of the Act in connection with the sales of the shares to the public by the shareholders. Finally, the staff concurs with your view that a sale of Southwest's shelf shares to the public in Rule 145(d) transactions need not be preceded by the filing of a Form 144 unless the shares are proposed to be sold by any affiliate of Southwest.

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Because this position is based upon the representations made to the Division in your letter, it should be noted that any different facts or conditions might require a different conclusion. Further, this letter only expresses the Division's position on enforcement action and does not purport to express any legal conclusion on the questions presented.

Sincerely,



J. Rowland Cook
Chief Interpretive Counsel
For Forms, Rules, Regulations
and Legislative Matters

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