



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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FOR RELEASE December 13, 1971

SMALL INVESTOR PARTICIPATION VITAL CASEY TELLS LAW JOURNAL FORUM

SEC Chairman William J. Casey told a meeting of the First Annual New York Law Journal Forum on Current developments in Law and Finance in New York Friday that in order to maintain the liquidity which has made our capital markets the best in the world, competitive market-making will have to be expanded and strengthened and the interest of small investors will have to be held and increased by giving their bids in auction market "some form of priority and mobilizing their buying power to help absorb the big institutional orders by giving them the opportunity to share in the premiums and discounts created by the size of institutional orders."

"Developing rules to accomplish this will take care and time," he told the Forum, "but just this week the industry has agreed to put its best brains to work on hammering out a better relationship between the auction market, the third market, the exchange specialists and the block positioners."

He also said the Commission hopes to put an end to the uncertainties surrounding the sale of restricted or better stock by developing new objective standards. Given the new approach, when a person acquires shares in a private placement and cannot get the issuer to make a commitment to register, the shares acquired would become saleable without registration in two years if the holder obtains a commitment to file data voluntarily with the SEC or to make financial statements available to the broker-dealer who makes a market in the stock. "I believe this will put an end to the unseemly process of shopping for opinions, create greater certainty for investors and their counsel, and generate more adequate information about more companies for the public," he said.

"We are similarly concerned with making investment research more broadly available." He continued, "As a pending Commission administrative proceeding indicates, it may well be a violation of the existing antifraud provisions of the securities laws for a broker to fail to advise his customers that the broker has new research which produced a judgment that a particular security he has recommended for purchase in the past is no longer a desirable investment and should be sold."

Chairman Casey spoke from notes and did not use a prepared speech.

COMMISSION ANNOUNCEMENTS

SEC ORDER CITES GREAT SOUTHWEST CORPORATION. The SEC has on Thursday ordered administrative proceedings involving Great Southwest Corporation, Los Angeles, Calif. The proceedings relate to staff allegations that Great Southwest Corporation has failed to comply with Section 13 of the Securities Exchange Act of 1934. The staff alleges that Great Southwest Corporation's annual reports for 1968 and 1969 materially overstated sales and net income as a result of including in sales income the contract price of three real estate transactions. The Commission's order provides for a public hearing to be held at 10:00 a.m. on January 5, 1972 at the Commission's Washington Office, 500 North Capitol Street, Washington, D. C. to determine whether the allegations set forth in the Division's Statement of Matters are true and to afford Great Southwest Corporation an opportunity to establish any defenses to the allegations as set forth. (Rel. 34-9418)

SEC ORDER CITES NEWTON INVESTMENT CORP. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Newton Investment Corp., of Boston, Mass. Also named as respondent is Edward J. Katz, president of Newton. The proceedings are based upon staff allegations that Newton, aided and abetted by Edward J. Katz violated the Federal securities laws in that during the period from on or about January 22, 1970, to date (a) Newton effected transactions in certain securities with and for the accounts of customers without, giving or sending to every such customer a written confirmation correctly disclosing the capacity in which it acted and with respect to transactions effected as agent the actual amount of commission or other remuneration received or to be received in connection with the transaction, (b) failed to properly maintain accounts and other records, and (c) violated the antifraud provisions in the offer and sale of securities.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission.

COURT ENFORCEMENT ACTION

FOUR PLEAD GUILTY IN NEW YORK. The SEC New York Regional Office announced that four of the thirteen defendants indicted by a Federal grand jury in New York on July 27, 1971, for conspiring to obstruct a Commission investigation; obstruction of justice; perjury in their testimony before the Commission and false statements to Commission employees conducting the investigation, pleaded guilty. They were Steven C. Burns, Irwin L. Tarlow, Harvey Printz, and Norman Kreit. Burns pleaded guilty on August 4, 1971 to count eleven in the indictment charging him and others with obstruction of justice by causing the destruction of the records of Arnold Wilkens & Co., Inc. No date has been set for his sentencing. Tarlow pleaded guilty on September 7, 1971 to count one in the indictment charging him and others with conspiracy to obstruct justice and will be sentenced on December 15. Printz pleaded guilty on September 8, 1971, to count one of the indictment and was sentenced to pay a \$500 fine and 1 year probation. Kreit pleaded guilty on September 16, 1971, also to count one in the indictment and will be sentenced on December 15. (LR-5243)

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SHELTER PARTNERSHIP OF AMERICA. The SEC has issued a notice giving interested persons until December 29 to request a hearing upon an application of Shelter Partnership of America (the Partnership) and Shelter Financial Corporation (the General Partner) for an order exempting them from all provisions of the Act. Partnership was organized in August, pursuant to the Housing and Urban Development Act of 1968, to provide investors a means to acquire equity interests in low and moderate income housing units. Applicants state that the cash returns available to investors in governmentally assisted housing projects is limited by applicable legislation, and therefore, investment in subsidized projects is attractive only to the extent the sizable net tax losses these projects generate can be made available for offset against an investor's income from other sources. Applicants do not concede the Partnership to be an investment company as defined in the Act and contend that denial of the exemption would eliminate the only feasible type of vehicle for attracting private equity capital for the publicly assisted housing market. (Rel. IC-6881)

PAKCO COMPANIES. The SEC has issued a notice giving interested persons until January 3 to request a hearing upon an application of Pakco Companies, Inc., Hammonton, N. J. closed-end non-diversified investment company, for an order declaring that it has ceased to be an investment company as defined in the Act. Pakco represents that it is not an investment company because it is engaged directly or through wholly-owned subsidiaries in businesses other than that of investing, reinvesting or trading in securities and because less than 40% of its assets consist of investment securities as defined in the Act. (Rel. IC-6882)

BOSTON FINANCIAL HOUSING PARTNERSHIPS. The SEC has issued an order upon an application of Boston Financial Housing Partnerships-1, Boston Financial Technology Group, Inc. and Josiah H. Child, Jr., exempting them from all provisions of the Act. (Rel. IC-6883)

SECURITIES ACT REGISTRATIONS

CARRIER CORPORATION, Carrier Parkway, Syracuse, N. Y. 13201, filed a registration on December 6 seeking registration of 42,880 shares of common stock, of which 11,160 are issuable upon conversion of the company's cumulative preferred stock, \$2.25 Series, and 31,720 to be issued in connection with certain acquisitions. The holder or recipients of such shares may offer them for sale from time to time at prices current at the time of sale (*\$42.25 per share maximum). (File 2-42531)

CONTINENTAL COFFEE COMPANY, 100 S. Wacker Dr., Chicago, Ill. 60606, filed a registration statement on December 6 seeking registration of 41,512 shares of common stock, of which 38,710 (being outstanding shares) were issued in connection with certain acquisitions, and 2,802 will be issued upon conversion of 876 shares of series preferred stock (\$10 par), also issued in connection with acquisitions. The recipients or holders of such shares may offer them for sale from time to time at prices current at the time of sale (*\$45 per share maximum). (File 2-42532)

FIRST BANC GROUP OF OHIO, INC., 100 East Broad St., Columbus, Ohio 43215, filed a registration statement on December 7 seeking registration of \$15 million of notes, due 1980, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York 10005. First Banc is a bank holding company, which owns substantially all of the outstanding stock of nine commercial banks. Of the net proceeds of its financing, \$8.5 million will be used to provide funds to subsidiaries and the balance for working capital and other corporate purposes. (File 2-42534)

WAVETEK, 9045 Balboa Ave., San Diego, Calif. 92123, filed a registration statement on December 7 seeking registration of 200,000 shares of common stock, of which 150,000 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 \$10 per share maximum) through underwriting headed by Hambrecht & Quist, 235 Montgomery St., San Francisco, Calif. 94104. The company is engaged in designing, manufacturing and selling electronic test equipment and data communications equipment. Of the net proceeds of its stock sale, \$600,000 will be used to finance installment sales and leases of equipment manufactured by the company and the balance for working capital and other corporate purposes. (File 2-42535)

INTERNATIONAL ALUMINUM CORPORATION, 767 Monterey Pass Road, Monterey Park, Calif. 91754, filed a registration statement on December 7 seeking registration of up to 159,375 shares of common stock, issuable pursuant to options which have been or may be granted under the company's Stock Option Plan and 1971 Stock Option Plan. (File 2-42537)

RICH'S, INC., 45 Broad St., S. W., Atlanta, Ga. 30302, filed a registration statement on December 7 seeking registration of \$18 million of sinking fund debentures, due 1997, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and The Robinson-Humphrey Co., Inc., 2 Peachtree St., N. W., Atlanta, Ga. 30303. The company operates eight conventional department stores and four discount department stores. Of the net proceeds of its debenture sale, \$6 million will be used to repay short-term indebtedness and the balance for working capital and other corporate purposes. (File 2-42538)

LING-TEMCO-VOUGHT, INC., P. O. Box 5003, Dallas, Tex. 75222, filed a registration statement on December 7 seeking registration of 850,415 common stock purchase warrants expiring 1978, each evidencing the right to purchase one share of common stock. It is proposed to offer these warrants in exchange for outstanding warrants, expiring in January 1972, June 1 and June 15, 1973, January 1975 and December 1978 (issued by LTV) and November 1978 (issued by The Okonite Company, a former LTV subsidiary, now unaffiliated and named Omega-Alpha, Inc.). Lehman Brothers Inc., One William St., and Goldman Sachs & Co., 55 Broad St., both of New York, have agreed (together with certain other dealers) to solicit exchanges. (File 2-42539)

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VIKING RESOURCES CORP., 10948 Reading Road, Cincinnati, Ohio, filed a registration statement on December 7 seeking registration of \$2 million of participations in its 1972 Annual Oil and Gas Program (Program) to be offered for public sale at \$5,000 per unit. Viking will engage in the exploration for oil and gas using funds supplied by the Program. No underwriting is involved. (File 2-42540)

C. I. REALTY & MORTGAGE INVESTORS (the Trust), One Boston Place, Boston, Mass. 02108, filed a registration statement on December 7 seeking registration of 2,000,000 shares of beneficial interest and warrants to purchase 2,000,000 shares of beneficial interest, to be offered for public sale in units, each consisting of one share and one warrant. The offering is to be made at \$25 per unit through underwriters headed by DuPont, Glore Forgan Inc. The Trust intends to qualify as a real estate investment trust.

It was organized to invest in income-producing real properties such as shopping centers, office buildings, industrial parks, warehouses, apartment buildings and hotels. C. I. Planning Corporation is investment adviser. (File 2-42542)

FLORIDA TELEPHONE CORPORATION, 302 S. East Broadway, Ocala, Fla. 32670, filed a registration statement on December 7 seeking registration of \$12 million of first mortgage bonds, Series T, due 2002, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., both of New York. Net proceeds of its bond sale will be used to pay the company's outstanding short-term bank loans and commercial paper, all of which were incurred in connection with its 1971 construction program (estimated at \$26,400,000). Construction expenditures are estimated at \$29,000,000 for 1972. (File 2-42543)

PENRIL DATA COMMUNICATIONS, INC., 5520 Randolph Rd., Rockville, Md. 20852, filed a registration statement on December 7 seeking registration of 364,668 shares of common stock, to be offered for public sale (*at \$7 per share maximum) through underwriters headed by Edwards & Hanly Securities, Inc., One Whitehall St., New York 10004. The company develops, assembles, markets and services modems used in the communication of data to and from a computer or teletype machine, as well as in the research and development of a credit authorization terminal. Of the net proceeds of its stock sale, \$400,000 will be used for increased marketing and the balance for working capital and other corporate purposes. (File 2-42544)

PUBLIC SERVICE COMPANY OF INDIANA, INC., 1000 East Main St., Plainfield, Ind. 46168, filed a registration statement on December 8 seeking registration of \$50 million of first mortgage bonds, Series S due 2002, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be applied to retirement of short-term promissory notes, to reimbursement of its treasury for funds expended on construction and towards future construction expenditures. (File 2-42545)

NORTHWESTERN REALTY AND MORTGAGE INVESTORS (the Trust), 500 East Morehead St., Charlotte, N. C. 28201, filed a registration statement on December 8 seeking registration of 1,250,000 shares of beneficial interest and warrants to purchase 1,250,000 shares of beneficial interest, to be offered for public sale in units, each consisting of one share and one warrant. The offering is to be made at \$20 per unit through underwriters headed by Shields & Co. Inc., 44 Wall St., and First Securities Corporation of North Carolina, One New York Plaza, both of New York. The Trust intends to qualify as a real estate investment trust under the Internal Revenue Code. (File 2-42547)

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:

Lomas & Nettleton Financial Corporation, Dallas, Tex. (File 2-42535) - 150,000 shares
Ogilvy & Mather International, Inc., New York (File 2-42546) - 116,037 shares

MI SCELLANEOUS

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 December 8 News Digest.

8K Reports for Oct 1971

The Lange Co (10)	0-4490-2	Canadian Breweries Ltd (11)	1-3374-2
Ohio Bell Tel Co (7,13)	1-6781-2	Computer Dynamics Inc	
		Sept 70	0-4120-2
Agway Inc (7)	2-22791-2	Fla Commerical Banks Inc	
American Book Stratford Press		(3,12,13) Aug 71	0-3562-2
Inc (6)	1-4701-2	Louisiana & Southern Life Ins Co	
Daylight Inds Inc		(2,3,7,14)	2022429-2
Jun 71 (9)	0-1471-2	Midwest Corp (11,12,13)	0-2814-2
Jackson Natl Life Ins Co		Omega Equities Corp	
(3,11)	2-22790-2	(2,12,13)	0-188-2
W A Krueger Co (11,13,14)	0-1872-2		
Manpower Inc (13,14)	1-5395-2	Brush Wellman Inc (8,11,13)	0-484-2

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