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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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A Daily Summary of
S.E.C. Activities

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FOR RELEASE February 2, 1972

COMMISSION ANNOUNCEMENT

DSI DESIGNCARD SERVICES REG. A EXEMPTION SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by DSI Designcard Service, Inc. The order provides an opportunity for hearing upon request, on the question whether the suspension should be vacated or made permanent.

Pursuant to a notification filed on June 19, 1970, DSI offered 100,000 shares of common stock for sale at \$3 per share. According to the order, the Commission's staff has reason to believe that (a) the offering circular failed to state material facts concerning the proposed use of proceeds in that it failed to state that a substantial portion of the net proceeds would be used to pay expenses of a prior registration statement filed by the company which was withdrawn and (b) the underwriter failed to cooperate with and obstructed members of the Commission's staff in the conduct of an investigation relating to the manner of the distribution of the shares. By reason thereof, it is alleged, that the offering of DSI stock violated the Securities Act antifraud provisions.

WALTON-RICHARDSON REG. A EXEMPTION SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to an offering of stock by Walton-Richardson Co., of Newark, N. J. The order provides an opportunity for hearing upon request, on the question whether the suspension should be vacated or made permanent.

Pursuant to a notification filed on June 26, 1970, Walton-Richardson offered 150,000 shares of common stock for sale at \$2 per share. The offering circular provided that the shares would be offered on a "50,000 share all-or-none" basis. If the minimum number of shares were not sold within 120 days, all funds were to be returned to subscribers. According to the order, the Commission's staff has reason to believe that (a) the offering circular was materially false and misleading in that the minimum number of shares required to be sold within a 120-day period was never reached and yet funds in the amount of at least \$7,650 were never returned to subscribers, (b) although the circular stated that receipts from subscribers were to be deposited in a special account, no account for subscribers' funds was ever opened, and (c) Walton-Richardson failed to file a Form 2-A report as required by the Act which was due on April 29, 1970.

COURT ENFORCEMENT ACTION

APPEALS COURT UPHOLDS MANOR NURSING RULING. The SEC New York Regional Office, announced that on January 21, 1972, the U. S. Court of Appeals in New York affirmed the order of the U. S. District Court of New York enjoining Manor Nursing Centers, Inc. and 14 other defendants from violating the registration and antifraud provisions of the Federal securities laws and ordering disgorgement by all of the defendants of the approximately \$1.9 million which they realized in a public offering of Manor stock. In addition, the Court of Appeals upheld the provisions of the District Court's order whereby certain defendants were enjoined from further violations of Section 5(b) (2) of the Securities Act, Section 15(c) (2) of the Exchange Act and Rule 15c2-4 promulgated thereunder. (LR-5305)

INVESTMENT COMPANY ACT RELEASE

LEON B. ALLEN FUND. The SEC has issued a notice giving interested persons until February 21 to request a hearing upon an application of Leon B. Allen Fund, Inc., a New York mutual Fund, for an order exempting Gillen & Company, investment adviser to the Fund, from the provisions of the Act which prohibit any person from serving as an investment adviser to a fund except under a contract which has been approved by a vote of the majority of the outstanding voting securities of such fund during the period from October 27, through March 15, 1972. Because of the death of a partner of the Adviser, who had substantial financial and management interests in the Adviser, and the resultant transfer of control, an assignment of the investment advisory agreement has occurred. A new advisory agreement has been entered into with the Fund and approved by a majority of the Fund's board of directors. The Fund proposes to hold a special meeting of shareholders on or before March 15, 1972 for the purpose of submitting a new investment advisory agreement for shareholder approval. (Rel. IC-6972)

SECURITIES ACT REGISTRATIONS

SECURITIES CLEARING CORPORATION, 234 East Colorado Blvd., Suite 301, Pasadena, Calif. 91101, filed a registration statement on January 27 seeking registration of \$500,000 of options to sell contracts. The contracts are intended to limit or eliminate loss in the investment in open-end or closed-end investment companies by granting to the purchaser the right to sell to the Securities Clearing Corp. the shares purchased for an amount set forth in the contract so as to limit or recoup the loss due to a decline in the market value of the shares covered by the contracts. A broker-dealer, Securities Clearing Corp. also acts as

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endorser as well as exclusive distributor of the contracts. It will endeavor to obtain at all times writers of the contracts whose assets will be sufficient to write contracts in amounts necessary to meet the requirements of the endorser. If a contract is not exercised or renewed, it will terminate and the purchaser will lose all benefits of the contract. (File 2-42932)

IMPERIAL GENERAL CORPORATION, 5220 W. Imperial Highway, Los Angeles, Calif. 90045, filed a registration statement on January 28 seeking registration of 175,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$11 per share maximum) through underwriters headed by D. H. Blair Securities Corp., 10889 Wilshire Blvd., Los Angeles, Calif. 90024. The company is engaged in providing comprehensive logistical support services to doctors, clinics, and others. Of the net proceeds of its stock sale, \$570,500 will be used for renovation and improvements of property and the balance for working capital and other corporate purposes. (File 2-42938)

SOUTHEASTERN MODULAR INDUSTRIES, INC., 2001 Elmendorf St., Chattanooga, Tenn. 37406, filed a registration statement on January 28 seeking registration of \$2,000,000 of 8½% convertible subordinated debentures, due 1987, to be offered for public sale by the company at 100% of principal amount through Delphi Capital Corporation, 1700 Market St., Philadelphia, Pa. 19102. Also included in this statement are 50,000 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (*\$10 per share maximum). The company is engaged in the manufacture and sale of prefabricated houses, and related equipment and training manuals. Of the net proceeds of its financing, \$322,981 will be used to repay short- and long-term debt and the balance for working capital and other corporate purposes. (File 2-42939)

STEAK & BREW INC., 230 Park Ave., New York 10017, filed a registration statement on January 28 seeking registration of 300,000 shares of common stock, of which 75,000 are to be offered for public sale by the company and 225,000 shares by Longchamps, Inc. (owner of all the company's outstanding common stock). The offering is to be made (*\$15 per share maximum) through underwriters headed by Faulkner, Dawkins & Sullivan Securities, Inc., One New York Plaza, New York 10004. The company operates moderately priced, family steak house restaurants. Net proceeds from the stock sale will be used for construction of additional restaurants. (File 2-42940)

PIEDMONT REAL ESTATE INVESTMENT TRUST, (the Trust), 1110 American Building, Charlotte, N.C. 28202, filed a registration statement on January 28 seeking registration of 250,000 shares of beneficial interest with warrants to purchase 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 maximum) through underwriters headed by R. S. Dickson, Powell, Kistler & Crawford, 1316 East Morehead St., Charlotte, N.C. The Trust proposes to invest primarily in income-producing properties, such as office buildings, apartments, shopping centers, and industrial and other commercial property. Southeastern Real Estate Management Company is investment adviser. (File 2-42941)

DUKE POWER COMPANY, 422 S. Church St., Charlotte, N.C. 28201, filed a registration statement on January 28 seeking registration of 5,000,000 shares of common stock, to be offered for public sale (*at 25 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., and The First Boston Corp., 20 Exchange Pl., both of New York. Net proceeds will be used to reduce short-term obligations incurred in connection with and amounting to \$119,343,000 at December 31, 1971. Construction expenditures are estimated at \$1,288,482,000 for the three year period 1972-74. (File 2-42942)

KELLER INDUSTRIES, INC., 18000 State Road No. 9, Miami, Fla. 33162, filed a registration statement on January 28 seeking registration of 506,448 outstanding shares of common stock, which may be offered for sale from time to time (*at \$25 per share maximum) by certain future pledgees of Giffen Industries, Inc. The company manufactures and sells a diversified line of building and consumer products. (File 2-42943)

WHITTAKER CORPORATION, 10880 Wilshire Blvd., Los Angeles, Calif. 90024, filed a registration statement on January 28 seeking registration of \$1,637,000 of 10% subordinated debentures, due 1988, and 390,000 warrants to purchase common stock (expiring May 1979). These securities may be issued in exchange for \$1,636,250 of the company's non-interest bearing subordinated promissory notes, due 1972, issued to Goldman, Sachs & Co. in exchange for 275,000 1977 warrants which that firm purchased from the holders thereof for \$1,512,500. (File 2-42944)

DENTALLOY, INC., 1310 Logan Ave., Costa Mesa, Calif. 92626, filed a registration statement on January 28 seeking registration of 150,000 shares of common stock, to be offered for public (*at \$5 per share maximum) through underwriters headed by Gust, Merhab & Co., Inc., 1666 N. Main St., Santa Ana, Calif. 92701. The company is principally engaged in the recovery of precious metals from electronic scrap as well as the refining of such metals. Of the net proceeds of its stock sale, \$300,000 will be used for the development of the company's proposed dental subsidiary and the balance for working capital and other corporate purposes. (File 2-42945)

QUEEN CASUALS, INC., 10175 Northeast Ave., Philadelphia, Pa. 19116, filed a registration statement on January 28 seeking registration of 325,000 outstanding shares of common stock, to be offered for public sale (*at \$16 per share maximum) by the holders thereof through underwriters headed by Bache & Co. Inc., 100 Gold St., New York 10038. The company designs, manufactures and sells popular priced women's sportswear and casual wear. (File 2-42946)

UNION COMMERCE CORPORATION, 1025 Connecticut Ave., N. W., Washington, D. C. 20036, filed a registration statement on January 28 seeking registration of \$25,000,000 of debentures, due 1997, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York. The company is a bank holding company which owns 99% of the capital stock of The Union Commerce Bank. Net proceeds of its debenture sale will be used for general corporate purposes. (File 2-42947)

REYBOLD HOMES, INC., 3906 Concord Pike, Wilmington, Del. 19803, filed a registration statement on January 28 seeking registration of 333,300 shares of common stock, to be offered for public sale (*at \$8.50 per share maximum) through underwriters headed by Hallowell, Sulzberger, Jenks & Co., Philadelphia National Bank Bldg., Broad and Chestnut Sts., Philadelphia, Pa. 19107. The company is engaged in owning, and operating mobile home parks, and distributing and servicing mobile homes. Of the net proceeds of its stock sale, \$1,938,000 will be used to repay short-term indebtedness incurred in the acquisition and development of the company's properties and the balance for working capital and other corporate purposes. (File 2-42948)

AMERICAN CREDIT CORPORATION, 201 S. Tryon St., Charlotte, N. C. 28201, filed a registration statement on January 28 seeking registration of \$50 million of senior debentures, due 1992, to be offered for public sale through underwriters headed by White, Weld & Co., Inc., 20 Broad St., and Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., both of New York. The company is engaged through subsidiaries in the consumer finance business, factoring and commercial financing, writing insurance in connection with its finance operations and leasing of automobiles, trucks and other equipment. Net proceeds of its financing will be used for working capital and other corporate purposes. (File 2-42949)

COUSINS MORTGAGE AND EQUITY INVESTMENTS (the Trust), 300 Interstate North, Atlanta, Ga. 30339, filed a registration statement on January 28 seeking registration of \$30 million of subordinated debentures, due 1982, and warrants to purchase shares of beneficial interest, to be offered for public sale in units, each consisting of a \$1,000 debenture and an unspecified number of warrants. The offering is to be made at \$1,000 per unit through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., and The Robinson-Humphrey Company, Inc., Two Peachtree St., N. W., Atlanta, Ga. 30303. Organized by Cousins Properties Incorporated, the Trust is a real estate trust whose primary investment policy is to invest in long-term first mortgage loans on income-producing commercial, residential and industrial properties. A subsidiary of Cousins Properties acts as investment adviser. (File 2-42950)

OUT ISLAND INN LIMITED, George Town, Great Exuma, Bahama Islands, filed a registration statement on January 28 seeking registration of \$3,080,000 of condominium units (88 units) in an existing resort hotel located on the island of Great Exuma, to be offered for public sale (*at \$35,000 per unit maximum). The units, which consist of one room with bath and do not contain kitchen facilities, are to be offered for sale by real estate brokers. (File 2-42951)

VIRGINIA ELECTRIC AND POWER COMPANY, 700 East Franklin St., Richmond, Va. 23261, filed a registration statement on January 28 seeking registration of 450,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale (*at \$101 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. Net proceeds from the sale will be used to retire short-term indebtedness incurred for construction purposes. Construction expenditures are estimated at \$2 billion for the five-year period 1971-75. (File 2-42952)

INVESTORS TRUST OF AMERICA (the Trust), 2255 Watt Ave., Sacramento, Calif. 95825, filed a registration statement on January 28 seeking registration of 1,250,000 shares of beneficial interest, to be offered for public sale at \$20 per share through underwriters headed by Richard A. Harrison, Inc., 2200 16th St., Sacramento, Calif. 95818. The Trust intends to invest primarily in real estate equity interests, mortgages and other real estate investments in income producing properties. Teratron General is investment adviser. (File 2-42953)

MISCELLANEOUS

ECOLOGICAL SCIENCE SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Ecological Science Corporation for the further ten-day period February 3 through February 12, inclusive.

SECURITIES ACT REGISTRATIONS. Effective January 31: Automated Processes Inc., 2-42446 (90 days); Federated Media Inc., 2-42553 (90 days); First Bancshares of Florida, Inc., 2-42721; Georgia-Pacific Corp., 2-42785; Hawaii Bancorporation, Inc., 2-42485 (90 days); Sports Associates Inc., 2-42389 (90 days).

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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