



Washington, D.C. 20549

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

(Prepared by the SEC Office of Public Information)

A Daily Summary of  
S.E.C. Activities

(Issue No. 72-143)

FOR RELEASE July 28, 1972

## DECISION IN ADMINISTRATIVE PROCEEDINGS

PAUL J. BRUCK & ASSOCIATES AND PRESIDENT SANCTIONED. The SEC announced the issuance of an order suspending the broker-dealer registration of Paul J. Bruck & Associates, of Elk Grove Village, Illinois, for 15 business days; suspending Paul J. Bruck, president of the firm, from association with any broker or dealer for the same period; and censuring the firm and Bruck. The suspensions are effective July 31, 1972.

The sanctions were based on findings that respondents violated net capital, recordkeeping and reporting provisions of the securities acts and failed to exercise proper supervision over persons under their control with a view to preventing those violations.

The Commission's order was issued pursuant to an offer of settlement in which respondents, without admitting or denying the charges against them, consented to the findings and the indicated sanctions. (Rel. 34-9692)

## NEW RULES & RULE PROPOSALS

SEC AMENDS RULE 17A-5. The Commission has adopted subparagraph (f)(2) amending Rule 17a-5 to require that a notice be filed by a member, broker or dealer when there is a change in the accountant certifying the annual report on Form X-17A-5. The required notice shall contain details of any unresolved problems between the broker-dealer and the certifying accountant concerning accounting, auditing or financial statement disclosure which would have led to a comment in the accountant's report. The broker-dealer shall request the displaced accountant to submit a letter stating whether he agrees with the statements in the notice and the letter shall be transmitted to the Commission with the notice. (Rel. 34-9691)

ADOPTION OF AMENDED RULE 0-5(d). The Commission announced that it has adopted amended Rule 0-5(d) under the Investment Company Act of 1940. The rule as amended, removes the present requirement that a \$500 fee be paid in connection with applications filed with the Commission pursuant to Section 9(c). (Rel. IC-7297)

## COMMISSION ANNOUNCEMENTS

TRADING BAN IN TANGER INDUSTRIES LIFTED. The SEC on July 26 ordered the termination of suspension of trading in the securities of Tanger Industries. The Commission first ordered the suspension of trading on May 18, 1972 on the American Stock Exchange and in the over-the-counter market to allow time for the clarification of the validity and circumstances surrounding the placing of certain orders to effect transactions in the securities of Tanger and possible relationships between the customers and the company. The Commission suspension followed a trading halt by the American Stock Exchange on May 16, 1972. The Exchange halted trading because of questions raised concerning the authenticity of these orders and customers' intentions to fulfill their obligations.

The SEC Los Angeles Regional Office announced that on July 20 the Federal court in Los Angeles had permanently enjoined Tanger from violations of the antifraud provisions of the Federal securities laws in connection with the sale and promotion of Tanger stock. Tanger consented to the court order without admitting or denying the allegations.

The Commission has been advised by the American Stock Exchange that its trading halt will be continued pending a review of the allegations contained in the SEC's complaint, a review of the company's audited financial statements for its fiscal year ended June 30, 1972 and the review of the disclosures contained in the registration statement the company plans to file within 60 days. (Rel. 34-9695)

TRADING SUSPENDED IN LEISURE CONCEPTS. The Commission on July 26 announced the temporary suspension of over-the-counter trading in the common stock of Leisure Concepts, Inc. (LCI) of New York, New York for the ten day period July 26 through August 4, 1972. The Commission ordered the suspension due to lack of information concerning the results of operation for the three month period ended June 30, 1972 and financial status of LCI as of June 30, 1972. A post-effective amendment to a registration statement filed by LCI pursuant to the Securities Act of 1933 on July 21, 1972 indicates that LCI had revenues of approximately \$32,000 and suffered a loss of approximately \$95,000 for that period. In addition, the post-effective amendment indicates that LCI's working capital deficit increased from \$125,619 as of March 31, 1972 to \$253,390 as of June 30, 1972. (Rel. 34-9697)

OVER

TRADING SUSPENDED IN DUESENBERG STOCK. The SEC on July 27 ordered the temporary suspension of over-the-counter trading in the common stock of Duesenberg Corporation of Los Angeles, California for a ten-day period beginning July 26 and terminating August 4, 1972.

The suspension was ordered because of the unavailability of adequate current information concerning the company's financial condition. Various acquisitions have been undertaken by this company, but no public information is now available on the impact of these acquisitions on the financial condition of Duesenberg. In addition, the company is currently delinquent in its required filings with the Commission. There also is some question as to the amount of stock available for trading. (Rel. 34-9698)

TRADING BAN LIFTED IN INTER-ISLAND MORTGAGEE. The SEC on July 27 ordered the termination of suspension under the Securities Exchange Act of 1934, of trading in the over-the-counter market in the securities of Inter-Island Mortgagee Corporation. The termination is to become effective at 10:00 a.m. (EDT) on July 28, 1972.

The Commission first ordered the suspension of trading on May 5, 1972 and such suspension has continued to date. The trading suspension was ordered because of certain information concerning Inter-Island's ability to maintain its approved mortgagee status with the Department of Housing and Urban Development (HUD). On May 5, 1972 HUD suspended the right of Inter-Island from doing business with any offices of HUD. The HUD suspension denied Inter-Island's right as an approved mortgagee to file new mortgage applications with HUD. On May 11, 1972 Inter-Island obtained a restraining order against the HUD suspension from the United States District Court for the District of Columbia pending the outcome of hearings before HUD. On June 26, 1972, HUD released an Initial Determination, stating that the HUD suspension shall be terminated immediately, subject to reversal or modification within 30 days by the Assistant Secretary for Housing Production and Mortgage Credit of HUD, thus reinstating Inter-Island's approved mortgagee status. On July 25, 1972, HUD released a final determination, affirming its action of June 26, 1972. (Rel. 34-9699)

#### COURT ENFORCEMENT ACTIONS

SEC CITES ATTORNEY EZRINE FOR RULES OF PRACTICE VIOLATIONS. The Commission on July 25 announced the institution of a civil injunctive action in the Federal court in New York against Ivan Allen Ezrine, an attorney with offices in New York City, for violations of the provisions of its Rules of Practice that regulate the appearance and practice before the Commission of attorneys and other professionals.

The complaint charges that Ezrine has continued to appear and practice before the Commission after his privilege to do so had been temporarily and then permanently suspended. It is alleged that the Commission on April 4 ordered Ezrine's temporary suspension from practice based upon a permanent injunction entered against him for violations of the prospectus-delivery and antifraud provisions of the federal securities laws in connection with a public offering of Manor Nursing Centers, Inc. common stock, and that on May 17 his suspension automatically became permanent upon his conviction by the federal court in New York for conspiracy to violate Federal Reserve Board Regulation T, a felony. The complaint further alleges that, notwithstanding his suspension, Ezrine on June 29 appeared in an administrative proceeding conducted before a Commission hearing examiner and represented certain parties to that proceeding. The Commission also claims that during the period of his disqualification Ezrine has continued to serve as house counsel to Contemporary Securities Corporation, a registered broker-dealer, advising and assisting Contemporary in its compliance with the federal securities laws, and has advised other clients both with respect to their obligations to file reports, statements and other documents with the Commission and their transaction of business subject to the Commission's jurisdiction.

The complaint seeks a temporary restraining order, and a preliminary and permanent injunction enjoining Ezrine from further appearance and practice before the Commission. The Commission has also requested that Ezrine be required to disclose the fact of his disqualification from practice to all persons who seek to or employ Ezrine's services in connection with matters arising under the federal securities laws and that Ezrine be restrained from receiving or retaining any legal fees which he has already received or as to which he may have a claim for services rendered during his disqualification in connection with matters before, or within the jurisdiction of, the Commission. (LR-5477)

CONVAN CORP. FOUND IN CONTEMPT. The SEC announced that on July 13 the Federal District Court in the District of Columbia granted the Commission's motion to withdraw its motion to find Convan Corporation (Convan) of New York City in civil contempt of an order of that Court compelling Convan to file certain periodic reports pursuant to the Exchange Act and prohibiting future violations of that Act. On April 7, 1972 Convan was adjudicated a bankrupt in proceedings in a Federal District Court in New York, and it appears that Convan presently has no officers, directors or employees. (LR-5476)

NATIONAL STUDENT MARKETING CORP. ENJOINED. The SEC announced that on July 26, 1972, the Honorable Barrington D. Parker of the United States District Court for the District of Columbia entered a Judgment of Permanent Injunction against National Student Marketing Corporation ("NSMC"). NSMC consented to the entry of this judgment without admitting or denying the allegations of the Commission's complaint against it. The Judgment enjoins NSMC from engaging in violations of the antifraud, reporting and proxy provisions of the federal securities laws. In addition, the Judgment further directs that NSMC amend and correct reports previously filed with the Commission for the years 1968, 1969 and 1970. The Judgment grants to the Commission substantially all of the relief against NSMC which it requested in its complaint. (LR-5478)

INVESTMENT COMPANY ACT RELEASES

HOME LIFE SEPARATE ACCOUNT C AND D. The SEC today issued two notices of the filing of applications of Home Life Insurance Company, Home Life Separate Account C and Home Life Separate Account D, all of New York City, for "start-up" exemptions from Sections 22(d), 26(a) and 27(c)(2) for the foregoing variable annuity separate accounts. Amounts credited to each account will be invested in shares of Home Life Equity Fund, Inc. Interested persons are given until August 21 to comment. (Rel. IC-7291 and IC-7292)

ROBBINSDALE FEDERATION INVESTMENT FUND. The SEC has issued an order setting a hearing to be held at 10:00 a.m. on September 6, 1972 in the Commission's headquarters offices in Washington, D.C., upon an application filed on behalf of Robbinsdale Federation Investment Fund, a proposed employees' securities company, for an order under Section 6(b) exempting the fund from all provisions of the Act or, in the alternative, from Sections 5(b)(1), 7, 8, 14, 20, 24 and 30. Eligible investors in the fund will be the approximate 900 teachers who are members of the Robbinsdale (Minnesota) Federation of Teachers. The fund's promoters are also teachers and Federation members. (Rel. IC-7293)

BAKER FENTRESS & COMPANY. The SEC has issued a notice giving interested persons until August 21 to request a hearing upon an application of Baker, Fentress & Company of Chicago exempting it from certain provisions of Section 17 of the Act and Rule 17f-3 thereunder so as to allow it to maintain four separate petty cash accounts not to exceed \$1,000 each. (Rel. IC-7294)

W, S & W SPECIAL FUND, INC. The SEC has issued an order pursuant to Section 8(f) of the Act declaring that the Fund has ceased to be an investment company as defined in the Act. (Rel. IC-7295)

TRUST INDENTURE ACT RELEASE

ASHLAND OIL. The SEC has issued a notice giving interested persons until August 9 to request a hearing upon an application of Ashland Oil, Inc., for a finding that the trusteeship of First National City Bank under three existing indentures and under a new indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify First National City Bank from acting as trustee under any of the four indentures. First National City Bank acts as trustee under three indentures qualified under the Act (a) dated February 15, 1970 under which \$75 million of 8.8% sinking fund debentures, due 2000, were issued, (b) dated August 1, 1967 under which \$57,271,000 of 6.15% of sinking fund debentures, due 1992, were issued, and (c) dated April 1, 1962 under which \$20,412,000 of 4½% sinking fund debentures, due 1987, were issued. The company also wishes to appoint First National City as trustee under a new indenture dated June 15, 1972, not qualified under the Act, under which Ashland Oil Finance, N.V., a wholly-owned subsidiary, has issued \$25 million of 8% guaranteed debentures, due 1987.

SECURITIES ACT REGISTRATIONS

AU/AG CORPORATION, One Embarcadero Center, San Francisco, Calif. 94111, filed a registration statement on July 24 seeking registration of 1,000,000 shares of common stock, to be offered for public sale (\* at \$25 per share maximum) through underwriters headed by Birr, Wilson & Co., Inc., 155 Sansome St., San Francisco, Calif. 94104. A new non-diversified closed-end investment company, the company was organized to provide US citizens with an opportunity to invest, through the purchase of the company's shares, in a professionally managed portfolio. The company's primary investment objective is capital appreciation. (File 2-45100)

TELEPROMPTER CORPORATION, 50 West 44th St., New York 10036, filed a registration statement on July 25 seeking registration of 287,092 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 (\* \$36 per share maximum). The company is principally engaged in the cable television business. (File 2-45109)

THE J. M. SMUCKER COMPANY, Strawberry Lane, Orrville, Ohio 44667, filed a registration statement on July 25 seeking registration of 15,000 outstanding shares of common stock, which may be offered for sale from time to time by the holder thereof (Murray Houston, president of Houston Foods, Inc. (Ltd), a wholly-owned subsidiary of the company). (File 2-45110)

APPLIED HEALTH SERVICES, INC., 117 East 24th St., New York, N. Y., filed a registration statement on July 21 seeking registration of 244,000 shares of common stock, of which 220,000 are outstanding shares and 24,000 are issuable upon exercise of an option. The shares may be offered for sale by the holders or recipients thereof at prices current at the time of sale (\* \$6.38 per share maximum). (File 2-45099)

EDUPUTOR LIMITED, Bolam House, George St., P. O. Box N8312, Nassau, N. P., Bahamas, filed a registration statement on July 24 seeking registration of 180,000 shares of capital stock to be offered for public sale (\* at \$9.50 per share maximum) by Cohen, Goren Equities, Inc., 127 John St., New York, N. Y. 10038. A Bahamian corporation organized in January, the company is engaged in the development and marketing of a table-model language laboratory and teaching machine. Net proceeds will be used to repay promissory notes and for working capital and other corporate purposes. (File 2-45102)

DIONICS, INC., 65 Rushmore St., Westbury, N. Y. 11590, filed a registration statement on July 24 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$4 per share by Hoppin, Watson Inc., 1 State St. Plaza, and New York Investing Corporation, 10 East 40th St., both of New York City. The company designs, manufactures and sells micro-electronic products, including components for circuit manufacturers and integrated circuits. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-45103)

AMERICAN FUNERAL HOMES, INC. Box 848, 613 2nd Ave., S.E., Cedar Rapids, Iowa 52406, filed a registration statement on July 24 seeking registration of 250,000 shares of common stock and \$3,250,000 of guarantees of promissory notes, which may be issued by the company from time to time in connection with the acquisition of other businesses and properties. The company is engaged in owning, operating and managing nine funeral homes. (File 2-45104)

In a separate statement, the company seeks registration of 200,000 shares of common stock, to be offered for public sale (\* at \$7 per share maximum) through underwriters headed by John G. Kinnard and Co., Inc., 740 Northstar Center, Minneapolis, Minn. 55402. Of the net proceeds of its stock sale, \$200,000 will be used to repay a part of bank indebtedness incurred in connection with the acquisition of Turner Mortuaries and the balance will be used in connection with additional acquisitions and for other corporate purposes. (File 2-45105)

THE INTERNATIONAL FRUIT PRODUCTS COMPANY, 820 State Ave., Cincinnati, Ohio 45204, filed a registration statement on July 24 seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holder thereof (Prospectus, STI, which owns 96% of the company's outstanding common shares). The offering is to be made at \$6 per share by Chartered New England Corporation, 90 Broad St., New York City. The company is engaged in the production and distribution of preserved (candied) fruits and peels and maraschino cherries. (File 2-45107)

STATHAM INSTRUMENTS, INC., 2230 Statham Blvd., Oxnard, Calif. 93030, filed a registration statement on July 25 seeking registration of 250,000 shares of common stock, of which 160,000 are to be offered for public sale by the company and 90,000 (being outstanding shares) by the holder thereof. The offering is to be made (\* at \$22.625 per share maximum) through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005. The company develops, makes and sells precision measuring instruments for medical, aerospace and industrial applications. Of the net proceeds of its stock sale, \$3 million will be applied to repayment of secured bank loans and the balance to purchase real property for future expansion. (File 2-45108)

#### MISCELLANEOUS

UNLISTED TRADING PRIVILEGES SOUGHT. The SEC has issued notices giving interested persons until August 6 to request a hearing upon an application of the Midwest Stock Exchange for unlisted trading privileges in the common stocks of University Computing Company and Warner Communications Inc. (Rel. 34-9700)

UNLISTED TRADING GRANTED. The SEC has issued an order granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks of the following companies: Anthony Industries, Inc., Charter Co., Continental Illinois Corp., Harrah's, Vanguard International, Inc., Virginia Commonwealth Bankshares, Inc., and Wachovia Corp. (Rel. 34-9700)

SECURITIES ACT REGISTRATIONS. Effective July 26: Allied Control Company, Inc., 2-44925; Ampal-American Israel Corp., 2-44354 (Sept. 4); Avon Products, Inc., 2-44910; Baskin-Robbins Ice Cream Co., 2-44544 (Oct. 24); The Berkline Corp., 2-44443 (Oct. 24); Central Soya Company, Inc., 2-44300; Citizens Financial Corp., 2-44777; Rochester Instrument Systems, Inc., 2-44475; Rosemount, Inc., 2-44407; Jim Walter Investors, 2-43740 (Oct. 24); Western Union Corp., 2-44967; Zurn Industries, Inc., 2-44631.

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.

---oooOooo---

ONLY the SEC News Digest is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. All other referenced material must be ordered from the Securities and Exchange Commission Washington, D. C. 20549. In ordering full text of Releases from SEC Publications Unit cite number.