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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

(Prepared by the SEC Office of Public Information)

FOR RELEASE October 4, 1972

(Issue No. 72-190)

DECISION IN ADMINISTRATIVE PROCEEDINGS

BARRY L. KESSLER ENJOINED AND RESIGNATION FROM PRACTICE ACCEPTED. The Commission announced that on September 14, 1972, the United States District Court for the Northeastern District of Ohio entered a judgment of permanent injunction against Barry L. Kessler, a Columbus, Ohio accountant, enjoining him from fraudulent conduct in connection with the purchase or sale of securities. Kessler consented to the injunction without admitting or denying the allegations in the Commission's complaint (S.E.C. v. American Agronomics Corp., et al.) which charged that he violated antifraud provisions of the securities laws by recommending to his clients and others the purchase of orange grove investment contracts of American Agronomics Corp. without disclosing that he was paid a substantial fee for each sale consummated. (LR-5539)

The Commission also announced that it had accepted Kessler's resignation from practice before it as an accountant. Kessler agreed that if he subsequently applies for readmission to such practice, the above allegations shall, for purposes of any such application only, be deemed proven. (Rel. Acct.-129)

COMMISSION ANNOUNCEMENT

HERBERT J. BIERSACH SUSPENDED. The SEC has issued an order suspending Herbert J. Biersach, of St. Paul, Minnesota, from association with any broker-dealer for 15 business days effective October 10, 1972. According to the Commission's decision, Biersach, who during the relevant period was manager of the Minneapolis branch office of a registered broker-dealer, sold unregistered stock of S & M Industries, Inc. (formerly S & M Supply Co.) and failed to exercise reasonable supervision over a person under his control with a view to preventing similar sales.

The Commission's order was based on an offer of settlement in which Biersach, without admitting or denying the charges against him, consented to the above findings and the indicated sanction. (Rel. 34-9787)

CEM-COTE, INC. REGULATION A SUSPENSION VACATED. The SEC has vacated a prior order which temporarily suspended a Regulation A exemption from registration under the Securities Act with respect to a proposed offering of stock of CEM-COTE, Inc., of Las Vegas, Nevada, subject to certain conditions and undertakings by the company.

The suspension order, entered in August 1971, had alleged that the notification and offering circular covering the proposed offering omitted material facts concerning among other things the commissions and other advantages that officers and directors would receive under the offering, the use of proceeds, the issuer's name and product, and the location and description of any plant. The issuer in an offer of settlement requesting the vacation of the order undertook to withdraw its filings and not to refile for ninety days, to modify any refiling so as to cure the omissions recited in the order and to withdraw from the offering all shares other than 225,900 shares of preferred common stock, and to change the name of the company. (Release No. 33-5308)

COURT ENFORCEMENT ACTION

NORTHWEST PACIFIC ENTERPRISES INC., OTHERS ENJOINED. The SEC Seattle Regional Office announced that on September 21, the Federal court in Tacoma, Washington preliminarily enjoined Northwest Pacific Enterprises, Inc., a Utah corporation with offices in Seattle, Washington, J. Cameron Cutler, Northwest's former president, Richard Matuszewski, of Seattle, and Francis C. Lund and Robert M. Bryson, both of Salt Lake City, Utah, from further violations of the registration and anti-fraud provisions of the Federal securities laws. Breinholt, Daines & Okuda, a Salt Lake City, Utah CPA firm, and Tubber T. Okuda, a partner in that firm were also enjoined from further violations of the anti-fraud provisions of the securities laws. (LR-5552)

NORTHEAST UTILITIES. The SEC has issued an order authorizing Northeast Utilities, West Springfield Mass. holding company, to issue and sell 4,000,000 shares of common stock at competitive bidding. The proceeds (estimated to aggregate \$60,000,000) will be used to make capital contributions to two subsidiary companies and to reduce short-term borrowings incurred by Northeast in earlier investments in its subsidiaries. (Rel. 35-17714)

INVESTMENT COMPANY ACT RELEASES

CHAMPION FUND, INC. The SEC has issued an order declaring that Champion Fund, Inc., San Francisco, California, has ceased to be an investment company. (Rel. IC-7398)

THE POTOMAC PLAN. The SEC has issued an order declaring that the Potomac Plan, Washington, D.C., has ceased to be an investment company. (Rel. IC-7399)

MASSMUTUAL CORPORATE INVESTORS, INC. The SEC has issued a notice giving interested persons until October 25 to request a hearing upon an application of MassMutual Corporate Investors, Inc., a closed-end investment company, and Massachusetts Mutual Life Insurance Company, its investment advisor, both of Springfield, Mass., for an Order permitting the Insurance Company to sell to the fund one-half of the \$2,000,000 of 7% 12-year convertible subordinated notes of Richard Abel and Company, Inc. which had been earlier purchased by the Insurance Company at direct placement with the intention of conveying one-half of its acquisition to the fund at the Insurance Company's acquisition cost together with accrued interest on the Notes to be transferred. (Rel. IC-7400)

BCC INDUSTRIES, INC. The SEC has issued a notice giving interested persons until October 20 to request a hearing upon an application of BCC Industries, Inc., Cleveland, Ohio, for an order declaring that it has ceased to be an investment company. (Rel. IC-7401)

SECURITIES ACT REGISTRATIONS

U.S. AUTOMOTIVE INDUSTRIES, INC., 98 Cutter Mill Road, Great Neck, N.Y. 11021, filed a registration statement on September 27 seeking registration of 250,000 shares of common stock and 125,000 callable common stock purchase warrants, to be offered for public sale in units, each consisting of two shares and one warrant. The offering is to be made at \$8.50 per unit through underwriters headed by Cotzin, Woolf & Co., 340 Main St., Worcester, Mass. 01608. The company is a wholesale dealer in foreign and domestic used automobiles. Net proceeds will be used for working capital and other corporate purposes. (File 2-45844)

THIRD NATIONAL CORPORATION, 201 Fourth Ave., North, Nashville, Tenn. 37219, filed a registration statement on September 27 seeking registration of 1,000,000 shares of common stock which may be issued from time to time in connection with the company's acquisition of banks and related businesses. Third National is a bank holding company, which owns all the outstanding stock of Third National Bank in Nashville. (File 2-45846)

HEAT SYSTEMS-ULTRASONICS, INC., 38 East Mall, Plainview, L.I., N.Y. 11803, filed a registration statement on September 27 seeking registration of 220,000 shares of common stock, to be offered for public sale at \$3 per share by Mayflower Securities Co., Inc., One State St. Plaza, New York 10004. The company is engaged in the design and manufacture of air-pollution devices known as scrubbers and the distribution of an ultrasonic disintegrator and homogenizer. Net proceeds will be used for working capital and other corporate purposes. (File 2-45836)

DUDDY'S, INC., 50 Terminal St., Charlestown (Boston), Mass. 02129, filed a registration statement on September 27 seeking registration of 300,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$12.50 per share maximum) through underwriters headed by F.S. Moseley & Co., 50 Congress St., Boston, Mass. 02109. The company markets tires manufactured by others and tire accessories. Net proceeds will be used primarily for the acquisition of additional tire inventories. (File 2-45843)

NATURAL RESOURCE MANAGEMENT CORPORATION, 3101 Washington Ave., Newport News, Va. 23607, filed a registration of \$1,300,000 of fractional undivided interests in oil and gas leases in The Putnam Prospect, to be offered for public sale in minimum amounts of \$10,000. No underwriting is involved. (File 2-45847)

BTA OIL PRODUCERS (the Partnership), 104 South Pecos, Midland, Texas 79701, filed a registration statement on September 27 seeking registration of \$2,750,000 of fractional undivided interests in oil and gas leases in 7206 JV-S Caprito Prospect, to be offered for public sale in minimum amounts of \$27,500. No underwriting is involved. The Partnership was formed to engage in oil and gas drilling. (File 2-45848)

501 DEVELOPMENT CORPORATION, 501 Fifth Ave., New York, N.Y. 10019, filed a registration statement on September 27 seeking registration of 175,000 shares of common stock, to be offered for public sale (*at \$8 per share maximum) through underwriters headed by Cotzin, Woolf & Co., 340 Main St., Worcester, Mass. Organized in 1970, the company intends to engage in the development, manufacture and marketing of a low cost fiberglass modular dwelling unit. Net proceeds will be used for working capital and other corporate purposes. (File 2-45849)

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:

Texfi Industries, Inc., Greensboro, N.C. (File 2-45832) - 125,000 shares
 Scottex Corporation, Brooklyn, N.Y. (File 2-45845) - 80,000 shares
 Sundstrand Corporation, Rockford, Ill. (File 2-45855) - 107,550 shares
 Western Orbis Company, Los Angeles, Calif. (File 2-45809) - 100,000 shares
 PNB Corporation, Philadelphia, Pa. (File 2-45811) - 30,000 shares
 Telesciences, Inc., Moorestown, N.J. (File 2-45814) - 35,000 shares
 Ozite Corporation, Libertyville, Ill. (File 2-45820) - 75,000 shares
 Alza Corporation, Palo Alto, Calif. (File 2-45826) - 250,600 shares
 United States Filter Corporation, N.Y., N.Y. (File 2-45835) - 367,350 shares

CENTRONICS DATA COMPUTER CORP., One Wall St., Hudson, N. H. 03051, filed a registration statement on September 27 seeking registration of 310,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (* at \$25 per share maximum) through underwriters headed by Walston & Co., Inc., 77 Water St., New York 10005. The company is principally engaged in the development, production and sale of serial matrix impact printers for use in computer systems. (File 2-45850)

PHONE-MATE, INC., 335 Maple Ave., Torrance, Calif. 90503, filed a registration statement on September 28 seeking registration of 246,500 shares of common stock, of which 200,000 are to be offered for public sale by the company and 46,500 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$10 per share maximum) through underwriters headed by Bateman, Eichler, Hill, Richards, Inc., 460 South Spring St., Los Angeles, Calif. 90013. The company manufactures and markets automatic telephone answering machines. Of the net proceeds, \$400,000 will be used to retire short-term indebtedness and the balance for working capital purposes. (File 2-45851)

NOLEX CORPORATION, 6600 Valley View St., Buena Park, Calif. 90620, filed a registration statement on September 28 seeking registration of 500,000 shares of common stock, to be offered for public sale at \$7 per share through underwriters headed by J. Shapiro Co., 1740 Midwest Plaza Bldg., Minneapolis, Minn. The company is engaged in distributing printing and industrial papers and plastic products and in developing packaging and paper products machinery. Of the net proceeds, \$480,000 will be used for further development of disposable, paper milk and beverage containers incorporating paper straws and the balance for working capital and other corporate purposes. (File 2-45852)

PACIFIC MIDLAND RESOURCES, INC., 2444 North Clark St., Chicago, Ill. 60614, filed a registration statement on September 28 seeking registration of 100,000 shares of common stock and an unspecified amount of debentures (estimated to be \$400,000 in principal amount). The stock is to be offered for public sale (* at \$4 per share maximum) and the debentures at 100% of principal amount through underwriters headed by Western Funding, Inc., 425 Nicollet Mall, Minneapolis, Minn. 55402. The company is engaged in the management, financing and sale of real estate properties and in related activities. Of the net proceeds of its financing, \$105,000 will be used to repay bank loans and the balance for working capital and other corporate purposes. (File 2-45853)

GENESYS SYSTEMS, INC., 1054 E. Meadow Circle, Palo Alto, Calif. 94303, filed a registration statement on September 28 seeking registration of 325,000 shares of common stock, to be offered for public sale (* at \$6 per share maximum) through underwriters headed by J. H. Kern & Co., 40 Wall St., New York 10005. The company is primarily engaged in the design and implementation of microwave television networks for use by universities and local governmental units and the design and manufacture of systems utilizing microwave energy in thermal processing applications. Of the net proceeds of its stock sale, \$300,000 will be used to prepay the company's 7½% subordinated promissory notes and the balance for working capital and other corporate purposes. (File 2-45854)

ADRS FOR AKAI ELECTRIC CO. Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y. 10015, filed a registration statement on September 27 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Akai Electric Co., Ltd., a Japanese corporation. (File 2-45856)

SECURITIES ACT REGISTRATIONS. Effective October 2: Comprehensive Communities Corp., 2-44665; Dresser Industries, Inc., 2-45742; Levin Computer Corp., 2-42076 (Dec 28); LTV Corp., 2-45123; Metropolitan Edison Co., 2-45447; Northeast Utilities, 2-45469; Prochemco Cattle Partners Ltd., 2-44314 (90 days); Texas Electric Service Co., 2-45665; Warner Communications Inc., 2-45634; U. S. Home Corp., 2-45572.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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