

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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COMMISSION ANNOUNCEMENT

SEC ORDER CITES STEINDECKER, FRIEDMAN. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Steindecker, Friedman & Co. ("Steindecker"), of New York City. Also named as a respondent is Donald Erenberg, a general partner of Steindecker from August 1968 until January 1970.

The proceedings are based upon allegations of the Commission's staff that during the period from about August 1968 to July 1969 Steindecker and Erenberg offered and sold stock of Waltham Industries Corporation by means of various false and misleading representations and omissions of material fact in violation of the anti-fraud provisions of the Federal securities laws.

A hearing will be scheduled by further order to take evidence on the staff allegations and 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.

HOLDING COMPANY ACT RELEASES

TRANSOK PIPE LINE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16780) authorizing Transok Pipe Line Company, Tulsa subsidiary of Public Service Company of Oklahoma (in turn a subsidiary of Central and South West Corporation) to issue and sell from time to time up to \$12,000,000 of unsecured promissory notes to its parent. Transok will use the net proceeds to pay a portion of the cost of construction of certain gas facilities, primarily the construction of a 20-inch pipeline extending from the Southwest Ames Area gas field in Major County, northwest Oklahoma, to the Northeastern generating station of the parent in Rogers County, Okla., a distance of about 144 miles, and related gas gathering facilities.

MISSISSIPPI POWER SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release 35-16781) giving interested persons until July 27 to request a hearing upon an application of Mississippi Power & Light Company ("MP&L"), Jackson subsidiary of Middle South Utilities, Inc., and its wholly-owned subsidiary, Sunset Plaza Apartments, Inc., with respect to the proposed construction of a pilot project of 120 housing units for low and moderate income families in the inner-city area of Jackson. Sunset Plaza was organized for the purpose of constructing, owning and operating low and moderate income housing projects under the National Housing Act. MP&L proposes, through Sunset Plaza, to construct the pilot project and to equip each unit with utilities. Of the \$1,637,400 total estimated cost of the project, about 90% would be financed by a mortgage loan from Federal National Mortgage Association upon completion of construction. Sunset Plaza proposes to sell up to 5,000 shares of common stock to MP&L for up to \$200,000 to provide equity capital for the project and up to \$2,000,000 of promissory notes to MP&L to provide construction funds for the project and other expenses, which will be repaid by Sunset Plaza from the proceeds of the mortgage loan. If no hearing is requested, the matter will be considered by the Commission on the basis of the record and in light of the Commission's decision in Michigan Consolidated Homes Corporation.

COURT ENFORCEMENT ACTIONS

HUNTER-ANDERSON ENJOINED; RECEIVER APPOINTED. The SEC Seattle Regional Office announced July 6 (LR-4672) that Hunter, Anderson Co., of Boise, Idaho, consented to a court order of permanent injunction against violations of the record-keeping, net capital and anti-fraud provisions of the Securities Exchange Act and to the appointment of a receiver. Also enjoined was the firm's president, Roy L. Anderson.

RICHWOOD INDUSTRIES ENJOINED. The SEC Seattle Regional Office announced July 10 (LR-4673) that, without admitting or denying the violations alleged in a Commission complaint against them, Richwood Industries, Ltd., and Lawco Investments, Ltd (British Columbia corporations), Lewis Dillman and Frank J. Wald had consented to a Federal court order enjoining their sale of stock of Richwood Industries in violation of the Securities Act registration requirements.

J N SCOTT NAMED IN SEC ACTION. The SEC Fort Worth Regional Office announced July 10 (LR-4674) the filing of an application with the Federal court in Abilene, Texas, for an order directing J. N. Scott to appear and show cause why he should not be punished for criminal contempt of a prior court order enjoining violations of the registration and anti-fraud provisions of the Federal securities laws.

LESSTUDS CORP., OTHERS NAMED IN SEC ACTION. The SEC New York Regional Office announced July 10 (LR-4675) the filing of a complaint in Federal court in New York, seeking to enjoin violations of the Securities Act registration provisions by the following in the offer and sale of stock of LesStuds Corporation: LesStuds Corporation (aka Trans Southern Holding Corp.) of Mobile, Ala.; Gary Alpert, former president of LesStuds, of New York City; Atomic Fuel and Extraction Corp., of Ogden, Utah; John Badger, Clark Grimshaw and Edward Hartey,

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officers and directors of Atomic, J. H. Rapp Co., a registered broker-dealer and Robert Rapp, former secretary-treasurer of Rapp Co., both of Kenilworth, N. J.; Leslie T. Zacharias, also known as Les Zacharias of Miami Beach, Fla.; and John Elwood Dennett of Salt Lake City, Utah. The Commission also seeks to enjoin violations of the anti-fraud provisions of the Act by defendants LesStuds, Alpert, Rapp Co. and Rapp.

JEROME DEUTSCH CONVICTED. The SEC New York Regional Office announced July 10 (LR-4676) that a Federal court jury in New York City had convicted Jerome Deutsch, former officer of Realty Equities Corporation, for aiding and abetting violations of the "kickback" provisions of the Investment Company Act. Previously, Frank D. Mills had entered a guilty plea to such violation.

BAUER INTERNATIONAL ENJOINED. The SEC New York Regional Office announced July 10 (LR-4677) that John P. Bauer and Bauer International Corp. had consented to a court order of permanent injunction against violating the "wash sale" and anti-manipulative provisions of the Securities Exchange Act in connection with transactions in stock of Alan Wood Steel Co.

SECURITIES ACT REGISTRATIONS

MEDICAL ANALYTICS TO SELL STOCK. Medical Analytics, Inc., 500 E. 85th St., New York 10028, filed a registration statement (File 2-37920) with the SEC on July 2 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through Smith, Jackson & 17 Battery Pl., New York, which will receive a 50¢ per share commission plus \$48,000 for expenses. The underwriter also will be entitled to purchase, for \$20, five-year warrants for the purchase of 20,000 shares, exercisable initially (after one year) at \$5.35 per share.

The company was organized in January; it provides clinical laboratory testing services for physicians, other laboratories, nursing homes, industrial concerns and other organizations, to aid physicians and other licensed practitioners in medical diagnoses and the treatment of patients. These activities are conducted through subsidiaries in New Jersey (Medical Analytics of New Jersey, Inc.), in New York City (Metropolitan Medical Analytics, Inc.) and in Chicago (Illinois Medical Analytics, Inc.). The net proceeds of its stock sale will be used for the payment of notes and certain other loans; the balance of about \$539,000 will be added to the company's general funds and applied, among other things, to the establishment of centralized laboratory facilities in certain areas and the purchase or lease and installation of automated testing equipment. In addition to \$652,000 of 7% notes payable to former owners of laboratories, the company has outstanding 300,000 common shares (with a 4¢ per share book value), of which Lawrence F. Gallin, president and board chairman acquired 148,400 for \$1,484 and William L. Levits, executive vice president, 60,000 for \$600.

MARTIN OIL & GAS PROPOSES OFFERING. Malette Martin dba Martin Oil and Gas Company (the "general partner"), 4705 North 32nd Place, Phoenix, Ariz. 85018, filed a registration statement (File 2-37921) with the SEC on July 6 seeking registration of \$3,000,000 of participations in Martin Oil and Gas 1970-71 Drilling Program (the "Partnership"), to be offered for public sale at \$5,000 per unit. No underwriting is involved; participating NASD members will receive up to a 5% selling commission (or up to 7%, if such NASD member sells units aggregating \$100,000 or more). The Partnership is being organized to engage primarily in the exploration for oil and gas and related activities.

ADR'S FOR PEKO-WALLSEND FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y., filed a registration statement (File 2-37927) with the SEC on July 6 seeking registration of 100,000 American Depository Receipts for Ordinary Shares of Peko-Wallsend Ltd. (an Australian company).

EASTERN BANCORPORATION TO SELL NOTES. Eastern Bancorporation, 1430 K St., N. W., Washington, D. C. 20015, filed a registration statement (File 2-37929) with the SEC on July 7 seeking registration of \$1,500,000 of first lien sinking fund notes, due 1980, and maturing at the option of the holder in 1975, to be offered for public sale at 100% of principal amount. The offering is to be made by The First Columbus Corporation, 58 East Gay St., Columbus, Ohio; the underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$5,000 for expenses and to sell it, for \$100, a five-year warrant to purchase 50,000 shares, exercisable at \$1 per share and, for \$50, an additional five-year warrant to purchase 25,000 shares if First Columbus underwrites all \$1,500,000 of notes.

The company owns approximately 70% of the outstanding capital stock of the State National Bank of Bethesda, Bethesda, Md. Of the net proceeds of its financing, \$1,215,606 will be used to reduce outstanding bank loans; the balance will be added to the company's general funds and used for general corporate purposes including expansion of the company's banking business or diversification into non-banking businesses. The company has outstanding 1,500,000 common shares, of which Capital Corporate Resources, Inc. and Aircraft Acceptance Corp. own 50% each. George Bickley, Jr. is board chairman and Arthur B. Spector president.

CONTINENTAL COFFEE FILES FOR OFFERING AND SECONDARY. Continental Coffee Company, 100 South Wacker Dr., Chicago, Ill. 60606, filed a registration statement (File 2-37930) with the SEC on July 7 seeking registration of 400,000 shares of common stock, of which 240,000 are to be offered for public sale by the company and 160,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York, N. Y. 10005; the offering price (\$11 per share maximum) and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are primarily engaged in marketing coffee and food products, both frozen and non-frozen, to some 50,000 customers in the "away-from-home" food service market. Of the net proceeds of its sale of additional stock, \$1,100,000 will be used to finance expansion of the company's

facilities in Detroit, Indianapolis and Moonachie, N. J.; the balance will be used to reduce short-term bank borrowings previously incurred to finance increases in accounts receivable and inventory which arose from increased sales and higher raw coffee prices. In addition to indebtedness and preferred stock, the company has outstanding 1,306,776 common shares, of which Alvin W. Cohn, board chairman, owns 32%, Robert H. Cohn, president, 29.29% and management officials as a group 75.75%. Alvin and Robert Cohn propose to sell 70,000 shares each of 418,227 and 382,753 shares held, respectively.

FUNDED INVESTORS PROPOSES OFFERING. Funded Investors, Inc., 555 Northgate Dr., San Rafael, Calif., filed a registration statement (File 2-37931) with the SEC on July 7 seeking registration of \$5,000,000 of Programs for the Acquisition of Mutual Fund Shares and Insurance. The shares of six Putnam mutual funds will be offered under the Programs. Insurance policies under the Programs are written by Western Travelers Life Insurance Company, of whose common stock some 58% is owned by Putnam Management Company, Inc. (investment adviser to the Putnam Group of Mutual Funds). The company is also a wholly-owned subsidiary of Putnam Management. Neil T. Ferguson is president of the company and a vice president of Putnam Management.

BAY APPRECIATION FUND PROPOSES OFFERING. Bay Appreciation Fund, 912A Union St., San Francisco, Calif. 94133, filed a registration statement (File 2-37932) with the SEC on July 6 seeking registration of 50,000 shares of capital stock, to be offered for public sale at net asset value plus an 8½% sales charge on purchases of less than \$10,000. The Fund is a diversified mutual fund, whose investment objective is growth of capital. BAF Management Corporation will serve as investment adviser and principal underwriter of the Fund. Michael Berger is president of the Fund and of BAF Management.

JERSEY JAYS SPORTS TO SELL STOCK. Jersey Jays Sports, Inc., 30 Journal Sq., Jersey City, N. J. 07306, filed a registration statement (File 2-37933) with the SEC on July 7 seeking registration of 198,000 shares of common stock, to be offered for public sale at \$2 per share. The offering is to be made on a best efforts basis by CKW Securities, Inc., 1084 Avenue C, Bayonne, N. J. 07002, which will receive a 20c per share selling commission plus up to \$15,000 for expenses. The company has agreed to sell the underwriter 10,000 shares at 1c per share or the book value reflected in the February 28 financial statement, whichever is greater. Also included in this statement is an offer to repurchase 77,220 common shares which the company issued during the period March through October 1969 for an aggregate consideration of \$88,200, at the original purchase price plus 6% interest from the date of sale.

The company was organized in February 1969 for the purpose of bringing a professional football team into existence in the Northern New Jersey area, to be known as the "Jersey Jays." Net proceeds of the company's stock sale will be added to its working capital and used for general corporate purposes. The company has outstanding 209,220 common shares (with a 36c per share book value deficit), of which William G. Hetherington, president, and three other officers own 13.4% each and management officials as a group 63.7%. Purchasers of the shares being registered will acquire a 47.5% stock interest in the company for their investment of \$396,000 (they will sustain an immediate dilution of \$1.44 in per share book value from the offering price); present shareholders will then own 50.1% for their investment of \$92,200.

NYLON ENGINEERING FILES FOR SECONDARY. Nylon Engineering, Inc., 735 Broadway St., Lowell, Mass. 01854, filed a registration statement (File 2-37934) with the SEC on July 8 seeking registration of 69,150 outstanding shares of common stock, to be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$6.875 per share maximum*).

Organized in 1966, the company is engaged in the production of nylon. In addition to indebtedness, it has outstanding 525,725 common shares. Landon T. Caryl may sell all of 10,000 shares held, Sheldon G. Adelson all of 7,000 and Morgan L. Caryl all of 875.

JC OIL PROPOSES OFFERING. JC Oil, Ltd. (the "Partnership"), 1722 Lenox Towers West, Atlanta, Ga. 30326, filed a registration statement (File 2-37935) with the SEC on July 8 seeking registration of \$1,000,000 of limited partnership interests, to be offered for public sale in minimum amounts of \$10,000. No underwriting is involved; participating NASD members will receive a 7½% selling commission. The Partnership will engage in the exploration for and the development of oil and gas properties. John H. Clifton will serve as general partner.

AUTOMATED INFORMATION SYSTEMS PROPOSES OFFERING. Automated Information Systems, Inc., 1064 River Road, Edgewater, N. J. 07020, filed a registration statement (File 2-37936) with the SEC on July 8 seeking registration of 250,000 shares of common stock and 125,000 common stock purchase warrants, to be offered for public sale in units, each consisting of two shares and one warrant, and at \$12 per unit. The offering is to be made through underwriters headed by Sherwood Securities Corp., 17 Battery Pl., New York, which will receive a \$1.20 per unit commission. The company has agreed to pay Sherwood Securities \$25,000 for expenses and to sell it, at 1c each, 7½-year warrants to purchase 20,000 shares, exercisable after 18 months at \$7 per share. It has also agreed to pay a finder's fee aggregating \$25,000 to two unaffiliated finders, MAH Associates (owned by Norbert A. Hochschartner and family) and S & H Business Consultants Inc. (owned by Harris Freedman), and to sell to such finders like warrants to purchase 5,000 shares.

The company was organized in October 1968 for the purpose of designing and developing an integrated business accounting system intended to meet the general needs of business and industrial firms. Of the net proceeds of its stock sale, \$530,000 will be devoted to "Ultimacc" (a mini-computer, peripheral equipment and program packages designed to serve various accounting, management information and bookkeeping functions), \$200,000 will be applied to the modification and development of new hardware features and interfaces to

accept additional peripheral equipment and the creation of additional special purpose business accounting program packages, \$225,000 to the development of additional special purpose computed systems and program packages using certain aspects of Ultimacc to serve other markets, and \$100,000 to additional research, development and marketing of the company's line of interfaces; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 522,945 common shares, of which Robert A. Weber, president and board chairman, owns 14.2% and management officials as a group 57%.

PERDUE HOUSING INDUSTRIES FILES FOR OFFERING AND SECONDARY. Perdue Housing Industries, Inc., 215 S. 1st, Chickasha, Okla. 73018, filed a registration statement (File 2-37937) with the SEC on July 8 seeking registration of 220,000 shares of Class A common stock, of which 200,000 are to be offered for public sale by the company and 20,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Parker, Bishop & Walsh, Inc., 640 National Foundation Center, 3545 N. W. 58th St., Oklahoma City, Okla.; the offering price (\$9.25 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to issue the underwriter five-year warrants to purchase 20,000 shares, exercisable after one year at from 107% to 128% of the offering price.

The company is engaged in the construction of custom designed and standard plan homes. Of the net proceeds of its sale of additional stock, \$300,000 will be applied to reduction of outstanding bank borrowings, \$300,000 to the opening of additional Home Service Centers, \$250,000 to plant facilities needs (including the purchase of shop machinery and other capital equipment); \$250,000 will be reserved for future acquisitions and development of real estate and the balance will be added to the company's general funds and used for working capital purposes. In addition to indebtedness, the company has outstanding 141,264 Class A common shares and 150,000 Class B common shares (with a combined book value of \$1.32 per share); of the A shares, Life Corporation of America owns 48.4% and management officials as a group 25.5%; Trends Western, Inc. owns all of the B shares. Cecil V. Perdue, president and board chairman of the company, owns 19% of the outstanding capital stock of Trends Western and management officials as a group 96.02%; Trends Western, its subsidiaries and the company own 49.6% of the outstanding capital stock of Life Corporation of America, which proposes to sell 20,000 of 68,334 shares held.

STALLION FUND PROPOSES OFFERING. The Stallion Fund, Inc., The Benjamin Fox Pavilion, Suite 329A, Jenkintown, Pa. 19046, filed a registration statement (File 2-37939) with the SEC on July 8 seeking registration of 250,000 shares of common stock, to be offered for public sale at net asset value plus a sales charge of 8.75% on purchases of less than \$5,000 (\$10 per share maximum*). The Fund is a mutual fund with primary emphasis on capital appreciation possibilities. Fariston Management Corporation will serve as investment adviser. Howard E. Katz is president of the Fund.

NORTHERN INDIANA PUBLIC SERVICE TO SELL BONDS. Northern Indiana Public Service Company, 5265 Hohman Ave., Hammond, Ind. 46320, filed a registration statement (File 2-37940) with the SEC on July 9 seeking registration of \$35,000,000 of first mortgage bonds, Series R, to be offered for public sale at competitive bidding. A public utility, the company will add the net proceeds of its bond sale to its working capital for ultimate application to the cost of gross additions to its utility properties, including application toward prepayment of some \$26,000,000 of bank loans made to provide funds for the construction program. Construction expenditures are estimated at \$62,400,000 in 1970 and \$88,200,000 in 1971.

ADR'S FOR PLESSEY FILED. First National City Bank (as Depository), 111 Wall St., New York 10005, filed a registration statement (File 2-37941) with the SEC on July 9 seeking registration of 5,585,033 American Depository Receipts evidencing Dollar Ordinary Shares of The Plessey Company Limited.

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:

Brockway Glass Company, Inc., Brockway, Pa. 15824 (File 2-37922) - 100,000 shares
 The Black and Decker Manufacturing Company, Towson, Md. 21204 (File 2-37923) - 200,000 shares
 EG&G, Inc., Bedford, Mass. 01730 (File 2-37924) - 220,457 shares
 Federal Sign and Signal Corporation, Chicago, Ill. 60606 (File 2-37925) - 97,300 shares
 ESB Incorporated, Philadelphia, Pa. 19102 (File 2-37926) - 100,000 shares
 The Penton Publishing Company, Cleveland, Ohio 44113 (File 2-37928) - 50,000 shares
 CNA Financial Corporation, Chicago, Ill. 60604 (File 2-37938) - 540,136 shares

SECURITIES ACT REGISTRATIONS. Effective July 14: Adobe Corp., 2-35708 (90 days); American Financial Corp., 2-37509; Bankamerica Realty Investors, 2-37526 (Oct 13); Bayrock Growth Fund, Inc., 2-35826 & 2-36702; Budget Industries, Inc., 2-37165 (40 days); The Chubb Corp., 2-37713; The Garcia Corp., 2-37674; Holiday Inns, Inc., 2-37300; Medical Systems, Inc., 2-36027 (90 days); Province of Ontario (Canada), 2-37757.

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.