



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
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## NEW RULES AND RULE PROPOSALS

SEC PROPOSES NEW RULES ON FIRMS AND INDIVIDUALS WHO HAVE BEEN EXPELLED, BARRED OR SUSPENDED FROM THE NASD OR AN EXCHANGE. The Commission has announced a proposal to adopt Rule 15b8-2 under the Securities Exchange Act of 1934 which would provide that firms which have been expelled or suspended from a registered national securities association or exchange and individuals who have been barred or suspended from association with any member of such an association or exchange would be unqualified to engage in securities activities pursuant to Section 15(b)(8) of the Act. The proposed rule also prescribes procedures for obtaining from the Commission, upon an appropriate showing, relief from such disqualifications. (Release 34-9290)

## DECISION IN ADMINISTRATIVE PROCEEDING

C. D. MAHONEY AND COMPANY, INC. AND PRESIDENT SUSPENDED. The SEC today announced the issuance of an order, effective August 23, 1971, suspending the broker-dealer registration of C. D. Mahoney and Company, Inc. of Minneapolis for 60 days, and suspending Joseph C. Mahoney, its president, from association with any broker or dealer for 30 days. The Commission's order also censured the firm and Mahoney, and provided that Mahoney may not act as officer or director or in any supervisory capacity with any broker-dealer for a period of one year and until the Commission's consent is obtained on a showing by him of training or such other qualification as it determines necessary.

The sanctions imposed by the Commission were based on its findings that respondents violated antifraud provisions by failing to disclose to customers that their securities were pledged as collateral for loans to the firm and used to cover the firm's short positions with other broker-dealers, did business with a net capital deficiency, failed to comply with the hypothecation, recordkeeping and reporting provisions of the securities laws, and failed to exercise reasonable supervision over persons under their control to prevent certain of those violations.

The commission's order was issued pursuant to an offer of settlement in which respondents, without admitting or denying the allegations in the Commission's order for proceedings, consented to the above findings and the indicated sanctions. As part of their offer, respondents represented that the firm will apply for withdrawal of its broker-dealer registration immediately following its suspension period. (Rel. 34-9294)

## COMMISSION ANNOUNCEMENTS

SEC ORDER CITES PAUL EDWARD KILGORE. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Paul Edward Kilgore d/b/a Executive Club Securities of Anaheim, Calif. The proceedings are based upon allegations of the Commission's staff that during the period from about November 27, 1970 to date hereof, Kilgore violated the anti-fraud, financial reporting and SECO provisions of the Federal securities laws. Further Kilgore refused to make his books and records available to the Commission's staff for inspection.

A hearing will be scheduled by further order to take evidence on the staff allegations and afford the respondent an opportunity to offer any defense 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.

CEM-COTE, INC. REG A EXEMPTION SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration with respect to a proposed public offering of securities by Cem-Cote, Inc. of Las Vegas, Nev. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Cem-Cote was incorporated to manufacture Cem-Cote, said to be an entirely new product --, "a surfacing coating substance, which will add new beauty and longer life to wall surfaces with decorative concrete facing for exterior and interior walls."

In its suspension order the Commission asserts that it has reasonable cause to believe that Cem-Cote: (1) made extravagant claims for its product which have not been adequately substantiated by testing, (2) failed to advise prospective stockholders of possible infringement of the trademark of Sherwin-Williams "Kem-Tone" and "Kem-Glo," (3) failed to state that officers and directors will receive commissions for selling the company's stock, and (4) made other material omissions of fact.

## COURT ENFORCEMENT ACTIONS

COMPLAINT CITES CENTAUR MINI DEVICES, INC. The SEC today announced the filing of a complaint in Federal court in Washington, D. C. seeking an order directing Centaur Mini Devices, Inc. to file its delinquent annual report and enjoining it from violating the reporting requirements of the Federal securities laws. The complaint alleges that Centaur Mini Devices, Inc. has failed to file an annual report for its fiscal year ended October 31, 1970. (LR-5139)

OVER

JANRU OPTIONS CORP. ENJOINED. The SEC New York Regional Office announced August 11 that the Federal Court in New York had permanently enjoined Janru Options Corp. (Janru), New York, and its principal Donald G. Rush, Bayside, New York, from violations of the antifraud, net capital, bookkeeping and financial reporting provisions of the Federal securities laws. The defendants consented to the court order without admitting or denying the allegations. Steven Hill of New York City was appointed receiver for Janru. (LR-5136)

ROBERT O. STANCLIFF SENTENCED. The SEC Seattle Regional Office announced August 16 that the Federal Court in Portland, Oregon, had sentenced Robert O. Stancliff, of Prairie City, Oregon, to 60 days imprisonment on his plea of guilty to criminal contempt to an injunction decree, enjoining Stancliff from violations of the registration and antifraud provisions of the Federal securities laws in connection with the sale of common stock and evidences of indebtedness, the proceeds of which were used for the development of a perpetual motion and power converter machine. (LR-5138)

#### INVESTMENT COMPANY ACT RELEASES

NML VARIABLE ACCOUNT. The SEC has issued a notice under the Investment Company Act giving interested persons until September 6 to request a hearing upon an application of The Northwestern Mutual Life Insurance Company and NML Variable Annuity Account B, Milwaukee, for exemption from certain provisions of the Act, so as to permit Northwestern Mutual to charge a reduced sales charge (or no sales charge) under certain circumstances. Account B was established by Northwestern Mutual in connection with the sale of certain variable annuity contracts. 1/ (Release IC-6686)

BROAD STREET INVESTING CORP. The SEC has issued an exemption order under the Investment Company Act permitting Broad St. Investing Corp., New York, to issue its shares at net asset value, without a sales charge, in exchange for the assets of Rose, Inc. (Release IC-6687)

ABLE ASSOCIATES FUND. The SEC has issued an order under the Holding Company Act upon an application of Able Associates Fund, Manhasset Hills, N.Y., exempting certain proposed transactions from certain provisions of the Act in connection with the exchange of certain partnership interests for interests in the Fund. (Release IC-6688)

SMC INVESTMENT CORP. The SEC has issued a notice under the Investment Company Act giving interested persons until September 7 to request a hearing upon an application of SMC Investment Corporation, Los Angeles closed-end, diversified investment company, and Gould Investors Trust, Massachusetts business trust, exempting from certain provisions of the Act the acquisition by Gould from SMC of 100,000 shares of beneficial interest of Gould (representing 7.6% of its outstanding shares) and warrants for the purchase of 100,000 shares of beneficial interest of Gould at an exercise price of \$25 per share through June 30, 1976 for \$500,000 and warrants for the purchase of 100,000 shares of beneficial interest of Gould at an exercise price of \$10 per share through 1976. Because of the intercompany affiliation, Commission approval of the transaction is required. 1/ (Release IC-6689)

#### HOLDING COMPANY ACT RELEASES

DELMARVA POWER. The SEC has issued an order under the Holding Company Act authorizing Delmarva Power & Light Company, Wilmington, Del. holding company, to issue and sell 200,000 shares of cumulative preferred stock (\$100 par) at competitive bidding. Net proceeds of its stock sale will be used by Delmarva and its subsidiaries to finance, in part, the cost of their 1971 construction program, estimated at \$114,229,000, and to pay all or a portion of unsecured short-term loans incurred prior to the stock sale. (Release 35-17239)

SOUTHERN COMPANY. The SEC has issued a notice under the Holding Company Act giving interested persons until September 9 to request a hearing upon an application of Southern Services, Inc., Atlanta subsidiary of The Southern Company, to increase from \$5 million to \$11 million the maximum amount of unsecured notes and capital stock it may issue and sell to the parent during the period ending June 30, 1973. 1/ (Release 35-17240)

A separate notice was issued giving interested persons until September 10 to request a hearing upon an application of Southern Services, Inc., to issue and sell up to \$7 million of unsecured promissory notes to a bank, which Southern proposes to guarantee as to principal and interest. Net proceeds will be used in connection with investments in data processing and computer facilities, the cost for which is estimated at \$11 million through December 1972. 1/ (Release 35-17241)

#### SECURITIES ACT REGISTRATIONS

CREDIT INSURERS OF AMERICA, INC., Gulf Bldg., Suite 606, 95 Merrick Way, Coral Gables, Fla. 33134, filed a registration statement on August 16 seeking registration of 220,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made through underwriters headed by Raymond, James & Associates, Inc., 6090 Central Avenue, St. Petersburg, Fla. The company is engaged principally in serving commercial banks and federally chartered savings and loan associations by arranging and servicing mobile home loans for such institutions and acting as agent for credit life and mobile home insurance companies. Net proceeds will be used for general corporate purposes (including possible establishment of a life insurance company). (File 2-41482)

SAVIN BUSINESS MACHINES CORPORATION, Valhalla, N.Y. 10595, filed a registration statement on August 17 seeking registration of 536,532 shares of common stock, of which 525,000 are to be offered for public sale by the company and 11,532 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$26.50 per share maximum) through underwriters headed by Dean Witter & Co., Inc., 14 Wall St., and New York Hanseatic Corp., 60 Broad St., both of New York. The company sells and services electrostatic copiers and supplies. Of the net proceeds of its stock sale, \$4,720,000 will be used to pay short-term indebtedness incurred for working capital and other corporate purposes, and the balance for working capital and general corporate purposes. (File 2-41484)

TEJAS GAS CORP., 719 Upper North Broadway, Corpus Christi, Tex. 78403, filed a registration statement on August 17 seeking registration of 270,515 shares of common stock and warrants to purchase 250,000 shares of common stock. Of these securities 250,000 shares and the warrants are to be offered for public sale by the company in units, each consisting of one share and one warrant (\* and at \$6.50 maximum) per unit and the remaining shares (being outstanding shares) by the holders thereof all through underwriters headed by Brown, Allen & Co., 600 Empire Life Bldg., Dallas, Tex. The company is engaged in gathering and sale of natural gas and liquid hydrocarbons, gas and oil production and pipeline construction. Net proceeds of its stock sale will be used primarily to retire debt incurred in connection with the company's expansion and acquisition program. (File 2-41485)

PRIMARY MEDICAL COMMUNICATIONS, INC., 122 East 42nd St., New York 10017, filed a registration statement on August 17 seeking registration of 400,000 shares of common stock, to be offered for public sale (\*at \$10 per share maximum). The offering is to be made through underwriters headed by R.G. Dickinson & Co., 910 Grand Ave., Des Moines, Iowa 50309. The company was organized in January to provide the medical community with medical education programs using various audio-visual mediums, consisting primarily of audio visual cassettes and CATV. Of the net proceeds of its stock sale, \$850,000 will be used for development of a proprietary CATV system. (File 2-41486)

SAN DIEGO GAS & ELECTRIC COMPANY, 101 Ash St., San Diego, Calif. 92101, filed a registration statement on August 18 seeking registration of \$45 million of first mortgage bonds, Series L, due 2001, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be applied to the retirement of a portion of outstanding short-term notes expected to amount to some \$50.6 million when such proceeds are received and which were issued in connection with financing of additions to the company's utility properties. Construction expenditures are estimated at \$98.7 million for 1971. (File 2-41487)

EASTERN UTILITIES ASSOCIATES, 225 Franklin St., Boston, Mass. 02110, filed a registration statement on August 18 seeking registration of 214,227 shares of common stock. It is proposed to offer these shares for subscription by common stockholders, at the rate of one share for each 12 shares held on September 23 (\* and at \$21 per share maximum). Any unsubscribed shares may be offered for public sale at competitive bidding. Net proceeds of its stock sale will be applied, first, to the prepayment of the first annual installment (\$3.4 million annual installments) on a \$17 million five-year loan and/or to the prepayment in part of the second such installment and/or to the prepayment in part of short-term bank borrowings. Proceeds of such borrowings were used for construction purposes. Construction expenditures are estimated at \$12.6 million for 1971. (File 2-41488)

ACMAT CORP., 111 Prestige Park Rd., East Hartford, Conn. 06108, filed a registration statement on August 18 seeking registration of 271,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 121,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$13 per share maximum) through underwriters headed by Putnam, Coffin, Doolittle, Newburger Division of Avest Co., Six Central Row, Hartford, Conn. 06103. The company is an interior contractor for commercial, industrial and institutional buildings. Net proceeds of its stock sale will be added to the company's working capital to finance its growth. (File 2-41489)

LINCOLN PROPERTY PARTNERS (the Partnership), 310 N. San Vicente Blvd., Los Angeles, Calif. 90048, filed a registration statement on August 18 seeking registration of \$4,995,000 of limited partnership interests, to be offered for public sale at \$5,000 per unit. The offering is to be made through Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005. The partnership, comprised of 12 individuals and Crow-Pogue Capital Corp. as general partners and an initial limited partner, will develop, construct and operate garden apartment projects for its own account. (File 2-41490)

COMBINED PROPERTIES CORP., 1025 Vermont Ave., N.W., Washington, D.C. 20005, filed a registration statement on August 18 seeking registration of 750,000 shares of common stock, to be offered for public sale (\*and \$20 per share maximum) through underwriters headed by Legg, Mason & Co., Inc., 22 Light St., Baltimore, Md. 21203. The company is engaged principally in the development, construction and operation of shopping centers and comparable single-store facilities. Of the net proceeds of its stock sale, some \$7.7 million will be used to pay the remaining cost of the development and construction of two new shopping centers and two additions to existing shopping centers owned by the company and the balance for working capital and other corporate purposes. (File 2-41492)

THE FLYING TIGER CORPORATION, 7401 World Way West, International Airport, Los Angeles, Calif. 90009, filed a registration statement on August 18 seeking registration of 20,550 outstanding warrants to purchase 21,577 shares of common stock. These warrants, or the underlying shares, may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\*\$29.52 per share maximum). (File 2-41493)

CENTRAL ILLINOIS LIGHT COMPANY, 300 Liberty St., Peoria, Ill. 61602, filed a registration statement on August 19 seeking registration of \$30 million of first mortgage bonds, due 2001, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be used to repay a part of notes payable (estimated at \$20 million at the time of the bond sale) and to increase working capital available for construction expenditures. Construction expenditures are estimated at \$86,558,000 for 1971 and 1972. (File 2-41494)

CHICAGO CITY BANCORPORATION, INC., 815 W. 63rd St., Chicago, Ill. 60621, filed a registration statement on August 19 seeking registration of 53,000 outstanding shares of common stock. Of these shares, 30,000 are owned by Mayflower Investors, Inc., which proposes to offer them for sale to its stockholders, of record on August 19, 1971, at the rate of one share for each 36 Mayflower shares held, and at \$30 per share. In the event Mayflower stockholders oversubscribe for the 30,000 shares, certain additional selling shareholders have agreed to offer up to 23,000 shares of Mayflower stockholders. Bancorporation is a bank holding company engaged in the general banking business through a subsidiary. (File 2-41495)

DIGITAL COMPUTER CONTROLS, INC., 12 Industrial Road, Fairfield, N.J. 07006, filed a registration statement on August 19 seeking registration of 450,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$30 per share maximum) through underwriters headed by S. D. Fuller & Co., Inc., 26 Broadway, New York 10004. The company is primarily engaged in designing, manufacturing and selling small digital computers. Of the net proceeds of its stock sale, \$1.5 million will be used to increase inventories of raw materials, work in process and finished goods, \$1.5 million to expand its R&D program and the balance for working capital and other corporate purposes. (File 2-41496)

LAWSON PRODUCTS, INC., 7711 North Merrimac Ave., Niles, Ill. 60648, filed a registration statement on August 19 seeking registration of 165,000 outstanding shares of common stock, to be offered for public sale by the holders thereof (\*at \$22.50 per share maximum) through underwriters headed by Bacon, Whipple & Co., 135 South LaSalle St., Chicago, Ill. 60603. The company is a distributor of parts and supplies for the maintenance of over-the-road and off-the-road equipment, in-plant facilities and passenger cars. (File 2-41497)

WESTERN REALTY PARTNERS (the Partnership), 1888 Century Park East, Los Angeles, Calif. 90067, filed a registration statement on August 19 seeking registration of \$3 million of limited partnership interests, to be offered for public sale at \$1,000 per unit. The offering is to be made by Thomas & McKinnon Auchincloss, Inc. The Partnership intends to invest in and operate residential apartment projects. Shareholders Realty Corporation is the general partner. (File 2-41498)

MGIC INVESTMENT CORPORATION, 111 East Wisconsin Ave., Milwaukee, Wis. 53201, filed a registration statement on August 18 seeking registration of 7,504 outstanding shares of common stock, which may be offered for sale from time to time by the holder thereof at prices current at the time of sale (\*\$75 per share maximum). (File 2-41499)

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:

The Felsway Corp., Totowa, N.J. (File 2-41483) - 25,000 shares  
F.W. Means & Co., Chicago, Ill. (File 2-41491) - 100,000 shares

SECURITIES ACT REGISTRATIONS. Effective August 19: Champion Spark Plug Co., 2-41274; Charter Funding Corp., 2-40868; Delmarva Power & Light Co., 2-41241; First Florida Bancorporation 2-40475; First Pennsylvania Mortgage Trust, 2-41227; Globe Security Systems, Inc., 2-41255; Leisure Technology Corp., 2-40995; NMS Industries, Inc., 2-36266 (90 days); The Pacific Telephone and Telegraph Co., 2-41315; Payco American Corp., 2-41058; Pickwick International, Inc., 2-41244; Santa Fe Downs, Inc. 2-39484 (90 days); Trans-Caribbean Resorts, Inc., 2-40713 (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 issuer.

\* As estimated for purpose of computing the registration fee.

1/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.

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