



Washington, D.C. 20549

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 72-48)

FOR RELEASE March 14, 1972

## COMMISSION ANNOUNCEMENT

SEC ASKS EXCHANGES FOR INSTITUTIONAL MEMBERSHIP COMMENTS. The following is a letter sent to the presidents of all exchanges on which trading occurs in securities that are listed on the primary exchanges:

"Thank you for your letter advising us of your intentions with respect to the rule changes regarding institutional membership on which we wrote you on February 15, 1972. We are proceeding to draft our version of the rules which would be appropriate to carry out the purposes of the Commission's Policy Statement of February 2. While we are working on this, we would welcome any and all data, views and drafts of rules which you would like to have us consider.

"In the responses we receive from the various exchanges in response to our letter of February 15, there were some interesting suggestions which may constitute an improvement in the criteria indicated in our policy statement for determining whether an institutionally-affiliated broker has the primary purpose of serving the public. For example, it was suggested that there be a two-fold test requirement -- one dealing with the portion of the brokerage firm's business done with non-affiliated customers, and the other dealing with the portion of the institution's executions assigned to the affiliated broker. We are open to this kind of possible improvement in the criteria we have previously suggested and we would welcome any data on specific recommendations which would help us to determine the desirability of this second test and the appropriate limitations on the portion of an institution's portfolio transactions which could be handled by an affiliated broker.

"We are particularly anxious to have your thinking on the steps to be taken now and the rules and policing which would be necessary to assure that the criteria established are not circumvented by reciprocal arrangements.

"We would also like to get your views as to how your existing anti-rebate provisions can be more effectively applied and enforced or how they might be revised to curb the rebative brokerage activities found undesirable in our market structure policy statement.

"We have set for ourselves a deadline of April 15 for Commission preparation of appropriate uniform rules in this area; we would appreciate any comments you have prior to that time."

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

J. IRVING WEISS AND ABRAHAM B. WEISS BARRED. The SEC has barred J. Irving Weiss and Abraham B. Weiss, of New York, from association with a broker, dealer or investment adviser. The action was based on findings that those respondents, among other things, had violated or aided in the violation of the registration, antifraud, net capital and recordkeeping provisions of the Securities and Investment Advisers Acts, and had failed reasonably to supervise others subject to their supervision with a view to preventing the violations by such other persons.

The respondents failed to file answers to the order for proceedings and were deemed to have defaulted. The indicated findings were based on the charges against them set forth in the order for proceedings. (Rel.34-9518)

HENRY SCHUMER BARRED. The SEC has barred Henry Schumer of New York, from being associated with a broker or dealer. The action was based on findings that Schumer had made false and misleading statements in the offer and sale of common stock of Computer Field Express, Inc., concerning, among other things, the nature and prospects of the stock and the issuer and a scheme to control the market in the stock.

Schumer failed to appear at the hearings of which he had been duly notified and was deemed to be in default. The stated findings were based on the allegations as to him set forth in the order for proceedings. (Rel.34-9521)

SANCTIONS IMPOSED ON MARSH, MEAD, HILL & ASSOCIATES, HILLMEAD INVESTMENT CORP., AND PRINCIPALS. The SEC has issued an order imposing certain sanctions on Marsh, Mead, Hill & Associates, Inc. ("Associates"), a registered broker-dealer, Hillmead Investment Corp., a registered broker-dealer and investment adviser, both of Washington, D. C., and Prosper N. Hill and David L. Mead, who were the principal officers and stockholders of both firms. Associates was suspended for 90 days from acting as a broker-dealer or investment adviser, and a notice of withdrawal of its broker-dealer registration previously filed is to become effective on the last day of that period. Hillmead was suspended for 120 days from acting as a broker-dealer or investment adviser, subject to limited exceptions with respect to unsolicited transactions. Hill was barred from being associated with a broker-dealer or investment adviser, but after two years he may apply for re-entry into the securities business in a supervised capacity. Mead was suspended from association with a broker-dealer or investment adviser for 120 days. Thereafter he may become so associated in a supervised capacity upon a showing of adequate supervision. The sanctions will commence on March 13, 1972.

OVER

According to the decision, the respondents at various times in 1966-70 violated the registration provisions of the Securities Act of 1933 in the offer and sale of various securities and violated antifraud provisions of the securities acts by, among other things, inducing customers to sell seasoned securities and borrow against life insurance policies and use the proceeds to purchase speculative securities, engaging in unauthorized transactions, making misrepresentations in connection with the offer and sale of certain securities, and causing the purchase without authorization of mutual fund shares in amounts below the "break point" at which a reduced sales load would be available. In addition, Hillmead and Hill engaged in manipulative activities in connection with Hillmead's participation in a distribution of certain securities. The Commission also found that respondents failed to accurately make and keep current records, and that Associates, aided and abetted by Hill and Mead, engaged in business as an investment adviser without being registered as such.

The Commission's order was issued pursuant to offers of settlement in which the respondents, without admitting or denying the allegations in the order for proceedings, consented to the findings and sanctions. (Rel.34-9523)

GENERAL INVESTORS PLANNING CENSURED, EDWARD LOCKNER SUSPENDED. The SEC has censured General Investors Planning, Inc., of Des Moines, Iowa, and suspended its president, Edward W. Lockner, from association with a broker or dealer for 30 days. The action was based on findings that the firm, aided by Lockner, engaged in business without the required capital, failed to amend its registration form to reflect the election of a director, and failed to exercise reasonable supervision over other persons with a view to preventing such violations.

Respondents, without admitting or denying the charges, consented to the above findings and sanctions. (Rel. 34-9526)

#### COURT ENFORCEMENT ACTION

SEYMOUR VIGMAN INDICTED. The SEC Atlanta Regional Office announced March 8 that the Federal court in Miami, Florida, had returned a fifteen count indictment against Seymour Vigman, of Newport Beach, Calif., a former Miami Beach stockbroker, in connection with alleged violations of the antifraud and registration provisions of the Federal securities laws in the offer and sale of securities of Aero Systems, Inc. (LR-5351)

#### INVESTMENT COMPANY ACT RELEASES

NEW ENGLAND LIFE VARIABLE FUNDS. The SEC has issued an order upon an application of New England Life Variable Annuity Fund I, New England Life Variable Annuity Fund II and NEL Equity Services Corporation, all of Boston, permitting an offer of exchange and exempting applicants from certain provisions of the Act. (Rel. IC-7055)

PAN AMERICAN SULPHUR. The SEC has issued an order declaring that Pan American Sulphur Company, Houston, Tex. closed-end management investment company, does not control Azufrera Panamericana, S. A. (Azufrera), any subsidiary of Azufrera, and Minera Santa Leticia, S.A. de C.V., all Mexican corporations, in which it has direct or indirect equity interests. (Rel. IC-7057)

AMERICAN-HAWAIIAN STEAMSHIP. The SEC has issued a notice giving interested persons until March 30 to request a hearing upon an application of American-Hawaiian Steamship Company, New York, N.Y. for an order declaring that it has ceased to be an investment company as defined in the Act. According to the application the firm is primarily engaged in the active conduct of a diversified real estate business and in manufacturing and substantially less than 40% of the value of its total assets are represented by investment securities. (Rel. IC-7058)

#### TRUST INDENTURE ACT RELEASE

DANA CORPORATION. The SEC has issued a notice giving interested persons until March 29 to request a hearing upon an application of Dana Corporation for a finding that the trusteeship of Manufacturers Hanover Trust Company under an indenture dated December 1, 1966, heretofore qualified under the Act, and a new indenture, which will not be qualified under the Act, 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 the Bank from acting as trustee under both indentures. At December 31, 1971, there were outstanding \$33,353,000 of 6% debentures, due 1991, under the 1966 indenture. Dana International Finance Company, a wholly-owned subsidiary of Dana, proposed to issue and sell outside the United States under the new indenture made among Dana, its subsidiary, and the Bank \$20 million of guaranteed sinking fund debentures, due 1987 (guaranteed by Dana).

#### SECURITIES ACT REGISTRATIONS

GREAT WESTERN UNITED CORPORATION, Equitable Bldg., Denver, Colo. 80202, filed a registration statement on March 9 seeking registration of 37,200 outstanding shares of \$1.88 cumulative preferred stock, 288,248 outstanding shares of \$3 convertible serial preferred stock and 133,635 outstanding shares of common stock. These securities are to be offered for sale from time to time by the holders thereof at prices prevailing at the time (\*\$15.25 per \$1.88 preferred, \$24.50 per \$3 preferred, and \$11.625 per common share maximum). The company is engaged in the manufacture and sale of food products, principally beet sugar and by-products, land sales and community development, and the operation of, and licensing of others to operate, pizza parlor restaurants by Shakey's Incorporated. (File 2-43329)

KAMPGROUNDS OF AMERICA, INC., Mutual Benefit Life Bldg., Billings, Mont. 59103, filed a registration statement on March 9 seeking registration of 330,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 180,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$30 per share maximum) through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10005, and Dain, Kalman & Quail Inc. 110 South 6th St., Minneapolis, Minn. The company is engaged in the business of franchising and developing campgrounds and, through a subsidiary, in the business of manufacturing recreational vehicles. Of the net proceeds of its stock sale, \$4,000,000 will be invested in land, buildings and improvements for campgrounds, and the balance for working capital and general corporate purposes. (File 2-43331)

MARKETING OUTLOOKS, INC., 641 Lexington Ave., New York 10022, filed a registration statement on March 9 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$3 per share through underwriters headed by Grimm & Davis, Inc., 15 William St., New York 10005. The company proposes to create and sell Christmas Clubs and other savings clubs to banks and to create and sell pre-packaged advertising campaigns designed for smaller banks. Net proceeds will be used for working capital and general corporate purposes. (File 2-43332)

COCA-COLA BOTTLING COMPANY OF LOS ANGELES, 1334 S. Central Ave., Los Angeles, Calif. 90021, filed a registration statement on March 10 seeking registration of 150,000 shares of common stock, to be offered for public sale (\*at \$69 per share maximum) through underwriters headed by Blyth & Co., Inc., 629 S. Spring St., Los Angeles, Calif. 90014. The company is principally engaged in the processing and marketing of Coca-Cola and other soft drinks. Net proceeds from its stock sale will be used to repay bank borrowings of \$7,775,000 incurred in connection with the acquisition of Arrowhead Puritas Waters, Inc., and the balance for working capital. (File 2-43334)

MISSISSIPPI POWER & LIGHT COMPANY, P. O. Box 1640, Jackson, Miss. 39205, filed a registration statement on March 8 seeking registration of \$15 million of first mortgage bonds, due 2002, to be offered for public sale at competitive bidding. Net proceeds will be applied to the reduction of short term obligations (estimated at \$18,500,000) incurred to finance its construction program. Construction expenditures are estimated at \$44,978,000 for 1972. (File 2-43318)

MISSISSIPPI POWER COMPANY, 2992 West Beach, Gulfport, Miss. 39501, filed a registration statement on March 9 seeking registration of \$25 million of first mortgage bonds, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be used to finance its 1972 construction program (estimated at \$60,018,000). Construction expenditures are estimated at \$139,892,000 during 1972-1974. (File 2-43321)

E. F. HUTTON & COMPANY INC., One Battery Park Plaza, New York 10004, filed a registration statement on March 9 seeking registration of 1,000,000 shares of common stock, of which 500,000 are to be offered for public sale by the company and 500,000 (being outstanding shares) by the holders thereof (\*at \$27 per share maximum). No underwriting is involved. The company is an investment banking and brokerage firm. Net proceeds will be used to reduce short term bank loans incurred for working capital purposes and other corporate purposes. (File 2-43322)

CYCLOPS CORPORATION, 650 Washington Road, Pittsburgh, Pa. 15228, filed a registration statement on March 9 seeking registration of 197,631 outstanding shares of \$1.15 convertible preferred stock, Series B, issued in connection with the acquisition of Elwin G. Smith & Co., Inc., which may be offered for sale from time to time at prices prevailing at the time of sale (\*at \$17.12 per share maximum). Cyclops is engaged in the manufacture of steel and related products. (File 2-43323)

MCCULLOCH PROPERTIES CREDIT CORPORATION, 6740 East Camelback Rd., Scottsdale, Ariz. filed a registration statement on March 9 seeking registration of \$30 million of debentures, due 1979, to be offered for public sale through underwriters headed by Bache & Co. Inc., 100 Gold St., and Dominick & Dominick, Inc., 14 Wall St., both of New York. An indirect subsidiary of McCulloch Oil Corporation, the company provides financing principally through the acquisition of installment receivables arising from retail sales by McCulloch Oil of subdivided residential lots and commercial and industrial sites. Net proceeds of its debenture sale will be used to purchase a like amount of installment receivables currently owned by the McCulloch Oil. (File 2-43324)

CHAMPION, INC., 1355 W. Front St., Plainfield, N.J. 07603, filed a registration statement on March 9 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5.50 per share by Shoenberg, Hieber Inc., 120 Broadway, New York 10005. The company is engaged in the manufacture and sale, at wholesale and retail, of prefabricated, in-ground swimming pool kits. Of the net proceeds of the stock sale, \$200,000 will be used for the purchase of inventory and the balance for general corporate purposes. (File 2-43325)

RATNER CORPORATION, 730 - 13th St., San Diego, Calif. 92112, filed a registration statement on March 9 seeking registration of 380,000 outstanding shares of common stock, to be offered for public sale by the holders thereof (\*at \$21 per share maximum) through underwriters headed by Goldman, Sachs & Co., 600 S. Spring St., Los Angeles, Calif. The company is primarily engaged in the design, manufacture and sale of fashion oriented, medium-priced men's clothing. (File 2-43326)

ESSEX INTERNATIONAL, INC., 1601 Wall St., Fort Wayne, Ind. 46804, filed a registration statement on March 9 seeking registration of 50,000 outstanding shares of common stock, which may be offered for sale from time to time by the holder thereof Walter F. Profst, board chairman (\*at \$48.875 per share maximum). (File 2-43328)

U. S. STOCK TRANSFER CORP., 15 William St., New York, N.Y., filed a registration statement on March 9 seeking registration of 75,000 shares of common stock, to be offered for public sale at \$4 per share by Peripheral Systems, Inc., New York, N.Y. The company has not yet commenced operations; it proposes to operate as a stock certificate transfer agent, registrar and dividend paying agent. Net proceeds will be used for working capital and other corporate purposes. (File 2-43333)

ALLERGAN PHARMACEUTICALS, 2525 Dupont Dr., Irvine, Calif. 92664, filed a registration statement on March 10 seeking registration of 220,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 70,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$43 per share maximum) through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005. The company is engaged in the development, manufacture and sale of specialized ethical and proprietary pharmaceutical products. Of the net proceeds of its stock sale, \$3,345,000 will be used to repay long-term mortgage notes and the balance for working capital. (File 2-43335)

EQUITABLE LIFE INSURANCE COMPANY OF IOWA, 604 Locust St., Des Moines, Iowa 50306, filed a registration statement on March 10 seeking registration of 750,000 outstanding shares of common stock to be offered for public sale by the holders thereof. The offering is to be made (\*at \$24 per share maximum) through underwriters headed by Eastman Dillon, Union Securities & Co. Inc., One Chase Manhattan Plaza, New York 10005. The company is a legal reserve life insurance company and is presently licensed to transact business in 35 states and District of Columbia. (File 2-43336)

#### MISCELLANEOUS

UNLISTED TRADING GRANTED. The SEC has issued an order under the Securities Exchange Act granting an application of the Boston Stock Exchange for unlisted trading privileges in the common stocks of Gannett Co., Inc. and Medusa Portland Cement Company. (Rel. 34-9525)

DELISTING GRANTED. The SEC has issued an order granting an application of the American Stock Exchange to strike from listing and registration the common stock of Molybdenite Corporation of Canada, Ltd., effective at the opening of business on March 13, 1972. At September 30, 1971, the company had net tangible assets of \$505,477, less than the Exchange's requirement of \$3,000,000 and had net losses for three of its past four fiscal years ending September 30, 1971. On September 24, 1971, the company leased all of its mining properties and equipment at an annual rental of \$1. The lessee will bear operational and exploration costs in return for 75% of the profits, the remaining 25% profits scheduled to be received by the lessor. According to the application, the company has indicated that it could not reasonably anticipate the realization of any revenues pursuant to the lease other than from the sale of existing supplies. The Exchange suspended dealings in the company's common stock on January 21, 1972, pursuant to financial information concerning its inability to meet its current financial obligations. (Rel. 34-9525)

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Ecological Science Corporation and in the common stock of Applied Devices Corporation for the further ten-day period March 14-23, inclusive.

SECURITIES ACT REGISTRATIONS. Effective March 9: Wallace-Murray Corp., 2-43034.  
Effective March 10: Anchor Reserve Fund, Inc., 2-42829; Apeco Corp., 2-43182; Sunset Industries, Inc., 2-36629; Univeral Leaf Tobacco Co., Inc., 2-43015.

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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