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COMMISSION ANNOUNCEMENT

SEC SEEKS ADDITIONAL REGULATORY AUTHORITY OVER PROCESSING OF SECURITIES TRANSACTIONS. The Securities and Commission yesterday submitted to the Congress recommendations for legislation giving it additional authority over the handling, processing and settlement of securities transactions, particularly as those functions may be performed by securities depositories, clearing agencies, transfer agents, registrars and brokers and dealers. In addition the proposed bill confers upon the Commission the power to determine the form and format of the stock certificate.

The Commission has concluded that increased regulation by the Federal government of the transaction handling process is necessary to insure that standardization and automation within the limits of technological feasibility can be accomplished as rapidly as possible and to oversee the development of a non-discriminatory nationwide approach to the processing of securities transactions which will serve the needs of industry participants and the investment public. In detail, the four areas in which the Commission seeks authority to set standards and procedures regarding depository, clearing agency and transfer agent functions are: (1) performance standards, particularly with regard to accuracy and prompt handling and settlement of transactions, (2) operational compatibility, with the objective of a national approach to integrated systems where each participant in the securities process would to the extent practicable interface with other participants, (3) reasonable non-discriminatory access to securities depositories and clearing agencies, and (4) standards as to safety of cash and securities in the custody of these entities.

To the extent transfer functions are performed by national banks, banks insured by the FDIC or banks which are members of the Federal Reserve System, the appropriate regulatory agency for enforcement of compliance by such banks or subsidiaries of such banks with the provisions of the Act and the rules for performance and procedures as established by the Commission would be the Comptroller of Currency, the FDIC and the Board of Governors of the Federal Reserve System respectively. The Commission would have responsibility for enforcement of compliance with regard to all other persons performing transfer functions and all persons performing depository and clearance functions. Insofar as banks may be subject to the Act regarding their activities in the processing of securities transactions, the Act requires consultation and cooperation between the Federal banking agencies, the Commission and State banking authorities. The Act further confers upon the Commission authority to promulgate rules and regulations regarding the handling and settlement of securities transactions by broker-dealers. This authority is deemed necessary for the implementation of a total systems approach to the handling and settlement of securities transactions.

CASEY SAYS SEC SEEKS ORDERLY ADJUSTMENT OF COMMISSION RATES. SEC Chairman William J. Casey told a hearing of the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs relative to Senate Bill 3169 yesterday that the best method to achieve an orderly transition to competitive commission rates is through the flexibility of the administrative process and not by tying the hands of the Commission by legislating a rigid deadline for lowering the breakpoint on negotiated rates to the \$100,000 level. "An orderly manner," he said, "would seem to require a step-by-step basis with experience as a guide and with reasonable time to monitor the impact of the reductions."

"An additional reason why I see no present need for a statutory deadline," Casey added, "is the simple fact that the industry and the Commission have been moving and are likely to continue to move towards the proposed statutory breakpoint at a gradual pace rather than with alacrity but one which would achieve that breakpoint at a time not significantly different from that indicated by the proposed statutory deadline, assuming the industry is adjusting satisfactorily." "As you know, the original \$500,000 breakpoint was implemented in April 1971. Another breakpoint reduction to the \$300,000 level is scheduled to take effect in April 1972, and we have suggested that the exchanges position themselves so that further reductions may be implemented with a minimum of delay." Casey also told the hearing that the Commission is concerned that the provisions of the bill dealing with "unbundling" of commission charges would tend to put the Commission into the rate making business in the fullest public utility sense. "Requiring the Commission to review rates on a firm-by-firm basis is unworkable," Casey said, "Our experience indicates that it would be practically impossible to determine rates in this way for an industry so complex and diversified." "It will also be difficult to establish and enforce exact standards of unfair discrimination, uninformed investing, and brokers' financial responsibility as required by the bill."

OVER

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

REED SECURITIES COMPANY AND PRESIDENT SUSPENDED. The SEC has suspended the broker-dealer registration of Reed Securities Company of Kansas City, Missouri, for 60 days, and suspended John J. Reed, its president, from association with any broker or dealer for 30 days. The Commission's order provided that the firm may effect liquidating transactions during the 60-day suspension period upon the conclusion of which its registration will be withdrawn. After his 30-day suspension expires, Reed may be associated with a broker-dealer in a non-supervisory capacity upon a showing that he will be adequately supervised.

The sanctions were based on findings of violations by respondents of the hypothecation, recordkeeping and financial reporting provisions of the Securities Exchange Act and of a failure to exercise reasonable supervision over other persons with a view to preventing the violations by such other persons.

The Commission's action was taken 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. (Rel. 34-9532)

FILOR, BULLARD & SMYTH; PHILIPS, APPEL & WALDEN, INC.; AND VARIOUS INDIVIDUALS SANCTIONED. The SEC has suspended, with certain exceptions, the over-the-counter activities of the main office of Filor, Bullard & Smyth, and the 469 - 7th Avenue branch office of Philips, Appel & Walden, Inc., New York City, for 10 days; has suspended Bernard Cohen and Marvin Schenck, who was associated with Philips, from association with any broker-dealer for 15 and 10 days respectively, and George Venezia for 15 days; and has censured Milton Wertheimer, who was also associated with Philips. The suspensions begin March 27. According to the decisions, Filor, Philips, Cohen and Venezia violated the registration provisions of the Securities Act in connection with transactions in the stock of A. K. Electric Corp., and Filor, Philips, Schenck and Wertheimer failed to supervise with a view to preventing violations. The remedial action was taken pursuant to offers of settlement in which Filor without admitting and the other respondents without admitting or denying the charges, consented to the indicated findings and sanctions. (Rel. 34-9533 - 34-9534)

FILTROL CORP. ORDERED TO CORRECT ANNUAL REPORTS. The SEC has announced a decision under the Securities Exchange Act of 1934 ordering Filtrol Corporation, of Los Angeles, to file correcting amendments to its annual reports on Form 10-K for the fiscal years ended December 31, 1966 through 1970 and to notify each of its stockholders that he may obtain without charge copies of the amended reports. Commission's action was taken pursuant to an offer of settlement in which Filtrol, without admitting or denying staff allegations that those reports were materially misleading with respect to the value of certain municipal bonds owned by the company, consented to findings that the reports failed to comply with applicable requirements and agreed to take the actions ordered by the Commission.

According to the Commission's decision, the annual reports included among Filtrol's assets a large amount of municipal bonds, in part under current assets as "short-term securities (at cost plus accrued interest, which approximates market)" and in part as "other investments (at cost)," but failed to disclose the inability of a brokerage firm, whose agreement with Filtrol to repurchase certain bonds at Filtrol's cost was the principal basis for their inclusion among current assets, to meet its repurchase obligations. Further, no disclosure was made, among other things, regarding a transaction in which Filtrol's board chairman caused the company to purchase from the brokerage firm bonds which were delinquent as to interest payments, on the same day and at the same price at which he had sold them to that firm pursuant to its repurchase agreements, and regarding delinquencies and defaults as to certain bonds which made them publicly saleable only at prices below cost. (Rel. 34-9536)

INVESTMENT COMPANY ACT RELEASES

UNITED CONTINENTAL GROWTH EXCHANGE PROGRAMS. The SEC has issued an order declaring that United Continental Growth Exchange Programs, Kansas City, Mo., has ceased to be an investment company as defined in the Act. (Rel. IC-7073)

BOSTON FINANCIAL REHABILITATION PARTNERSHIPS. The SEC has issued an order upon an application of Boston Financial Rehabilitation Partnerships-I and Boston Financial Technology Group, Inc., both of Boston, exempting them from all provisions of the Act. (Rel. IC-7074)

FIFTH AVENUE COACH LINES. The SEC has issued an order upon an application of Fifth Avenue Coach Lines, Inc., and Gray Line Corporation, both of New York, N.Y., exempting from certain provisions of the Act certain transactions incident to an agreement dated January 3, 1972 between Fifth and Gray Line, which agreement is designed to settle certain claims between them and exempting from the stockholder voting requirements of the Act certain proposed steps to accomplish the liquidation and dissolution of Gray Line pursuant to a plan of liquidation thereby causing Gray Line to cease to be an investment company. (Rel. IC-7076)

An order has also been issued releasing jurisdiction with respect to the disposition of the proceeds of the sale by Fifth and Gray Line of 23,360 shares of common stock of Gateway National Bank of Chicago to Charles H. G. Kimball and Donald H. Brown. (Rel. IC-7081)

NEW AMERICA HOUSING PARTNERSHIPS. The SEC has issued an order upon an application of New America Housing Partnerships (Series I) and New America Capital Corp., both of New York, N.Y., exempting them from all provisions of the Act. (Rel. IC-7075)

IVY FUND. The SEC has issued an order upon an application of Ivy Fund, Inc., and Robert D. Patterson, both of Boston, declaring that Patterson shall not be deemed an "interested person" of the Fund, or the adviser and principal underwriter of the Fund as defined in the Act solely by reason of his status as shareholder, director and officer of Foursquare Corporation. (Rel. IC-7079)

HOLDING COMPANY ACT RELEASES

OHIO POWER. The SEC has issued an order authorizing Ohio Power Company, Canton subsidiary of American Electric Power Company, Inc., to issue and sell \$25 million of first mortgage bonds and 350,000 shares of cumulative preferred stock (\$100 par) at competitive bidding. Net proceeds will be applied to the payment of unsecured short-term notes payable to banks and commercial paper (estimated at \$100 million at the time of the securities sale) incurred for construction purposes. Construction expenditures are estimated at \$200 million for 1972, exclusive of costs to be incurred in connection with the General James M. Gavin Plant, to be transferred to a subsidiary. (Rel. 35-17505)

CENTRAL INDIANA GAS. The SEC has issued a notice giving interested persons until April 20 to request a hearing upon a proposal of Central Indiana Gas Company Inc., Muncie Ind., subsidiary of American Natural Gas Co., to issue and sell \$8 million of first mortgage bonds, due 1997, at competitive bidding. Net proceeds will be used to repay bank loan notes outstanding (\$7.5 million due June 1972) and for other corporate purposes. (Rel. 35-17506)

SECURITIES ACT REGISTRATIONS

GENERAL FELT INDUSTRIES, INC., (a subsidiary of Omega-Alpha, Inc. (O-A)), Park 80 Plaza, West One, Saddle Brook, New Jersey 07662, filed a registration statement on March 20 seeking registration of up to \$7,500,000 of 9% convertible subordinated debentures, due 1982, and up to 1,125,000 shares of common stock. It is proposed to offer these securities for subscription by certain holders of O-A common stock in units, each consisting of \$100 of debentures and 15 common shares, and at the rate of one unit for each 300 O-A shares held and at \$120 per unit. Also included in this statement are an additional 19,000 units, of which 4,500 are to be offered to key employees and 15,000 which were issued to certain O-A stockholders in April 1972 in temporary form. General Felt is primarily engaged in the development, production and sale of carpet underlay, indoor/outdoor carpet and tufted carpet. Of the net proceeds of its securities sale, \$5 million will be used to retire outstanding bank indebtedness incurred for working capital and the balance added to the company's working capital and used for general corporate purposes. (File 2-43432)

COCA-COLA BOTTLING CO. OF MID-CAROLINAS, 829 S. Summitt Ave., Charlotte, N.C. 28208, filed a registration statement on March 20 seeking registration of 350,000 shares of common stock, of which 100,000 will be offered for public sale by the company and 250,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$25 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005, and Interstate Securities Corp., 221 S. Tryon St., Charlotte, N.C. 28202. The company is principally engaged in the bottling and marketing of soft drinks and in the automatic merchandising of food, beverages and tobacco. Net proceeds, together with internally generated funds, will be used for the construction of a proposed new production facility. (File 2-43431)

TOKHEIM CORPORATION, 1602 Wabash Ave., Ft. Wayne, Ind. 46801, filed a registration statement on March 20 seeking registration of 32,916 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 (*\$33.75 per share maximum). (File 2-43435)

CAROLINA POWER & LIGHT COMPANY, 336 Fayetteville St., Raleigh, N.C. 27602, filed a registration statement on March 21 seeking registration of \$100 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 loans (expected to total \$122 million at the time of the bond sale) incurred for corporate purposes, primarily for the construction of additional plant facilities. Construction expenditures are estimated at \$312,359,000 for 1972 and \$974,906,000 for the three-year period 1972-1974. (File 2-43439)

WALTER E. HELLER & COMPANY, 105 W. Adams St., Chicago, Ill. 60690, filed a registration statement on March 21 seeking registration of \$40 million of senior debentures, due 1992, to be offered for public sale through underwriters headed by Salomon Brothers, One New York Plaza, and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., both of New York, N.Y. The company is engaged principally in furnishing financing services to business and industry and to a lesser degree in making personal installment loans. Net proceeds of its financing will be applied to repayment of \$40 million of long-term debt incurred in the ordinary course of the company's financing activities. (File 2-43436)

THE CINCINNATI GAS & ELECTRIC COMPANY, P. O. Box 960, Cincinnati, Ohio 45201, filed a registration statement on March 21 seeking registration of 400,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale (*at \$100 per share maximum) through underwriters headed by Morgan Stanley & Co., 140 Broadway, and W. E. Hutton & Co., 14 Wall St., both of New York 10005. Net proceeds of its stock sale will be used to repay a portion of the company's short-term indebtedness (estimated at \$16.5 million at April 19) incurred in connection with its construction program, for additional construction and for other corporate purposes. Construction expenditures are estimated at \$131 million for 1972 and \$736 million for the five years 1972-1976. (File 2-43437)

AMERICAN INCOME FUND, LTD. (the Partnership), 450 Kennecott Bldg., Salt Lake City, Utah 84111, filed a registration statement on March 20 seeking registration of \$5,000,000 of partnership interests, to be offered for public sale at \$1,000 per unit. No underwriting is involved. The Partnership will invest principally in improved real estate and, to a lesser extent, in unimproved real estate, short-term first mortgage construction loans and other real estate related financing activities. American Land Fund, Inc., wholly-owned subsidiary of American Resources Management Corporation, is the general partner. (File 2-43438)

REPUBLIC DEVELOPMENT CORPORATION, 14201 W. Eight Mile Rd., Detroit, Mich. 48235, filed a registration statement on March 21 seeking registration of 400,000 outstanding shares of common stock to be offered for public sale by the holders thereof. The offering is to be made (*at \$21 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004 and Manley, Bennett, McDonald & Co., 1100 Buhl Bldg., Detroit, Mich. 48226. The company is primarily engaged in residential development principally in the Detroit and Lansing, Mich. metropolitan areas. (File 2-43440)

SELF SERVICE RESTAURANTS, INC., 4820 Bradley Drive., New Orleans, La. 70121, filed a registration statement on March 21 seeking registration of 193,369 shares of common stock, of which 50,000 are to be offered for public sale by the company and 143,369 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$55 per share maximum) through underwriters headed by Allen & Co. Inc., 30 Broad St., New York 10004. The company is a franchised operator of "Burger King" restaurants offering a limited number of food items on a fast service basis. Net proceeds of its stock sale will be added to working capital for use in the expansion of the company's activities, including the purchase of additional real estate for restaurant sites and the construction of new restaurants. (File 2-43441)

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:

Survival Technology, Inc., Bethesda, Md. (File 2-43424) - 100,000 shares
 Mobile Home Industries, Inc., Tallahassee, Fla. (File 2-43425) - 80,000 shares
 Interco Incorporated, St. Louis, Mo. (File 2-43433) - 215,000 shares
 Big Three Industries, Inc., Houston, Tex. (File 2-43434) - 125,000 shares
 Arthur D. Little, Inc., Acorn Park, Cambridge, Mass. (File 2-43430) - 17,000 shares

SECURITIES ACT REGISTRATIONS. Effective March 20: Dearborn-Storm Corp., 2-43299.
 Effective March 21: Atlantic City Electric Co., 2-43137; Ambassador Group, Inc., 2-42434 (90 days); American Express Credit Corp., 2-43170 (90 days); Appalachian Resources Co., 2-41316 (40 days); Belden & Blake & Co. Ltd. Partnership No. 48, 2-43140; Charter Medical Corp., 2-43088; Central Telephone & Utilities Corp., 2-43174; Forest Oil Corp., 2-43006; Indiana Group, Inc., 2-43165 (90 days); Interco Inc., 2-43127; La-Z-Boy Chair Co., 2-43206; Mitchum, Jones & Templeton, Inc., 2-41846 (Jun 19); North American Mortgage Investors, 2-43116; Ohio Power Co., 2-43193; Pacific Northwest Development Corp., 2-42200 (90 days); Peek 'N Peak Recreation, Inc., 2-41881 (90 days); Prudent Real Estate Trust, 2-42593; Shirley of Atlanta, Inc., 2-43123 (90 days); Sullair Corp., 2-43142 (90 days); Tucson Gas & Electric Co., 2-43166; Union Electric Co., 2-43111; United Mexican States, 2-43211; United States Leasing Corp., 2-43185; Unity Buying Service Co., Inc., 2-43016 (90 days); Wheelabrator-Frye Inc., 2-43241.

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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