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# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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A Daily Summary of  
S.E.C. Activities

(Issue No. 72-80)

FOR RELEASE April 27, 1972

## DECISION IN ADMINISTRATIVE PROCEEDINGS

SYDNOR-BARENT SCANNER REG A EXEMPTION SUSPENDED PERMANENTLY. SEC Hearing Examiner David J. Markun has filed an initial decision ordering that the temporary suspension of the Regulation A exemption of Sydnor-Barent Scanner Corp. be made permanent. The decision, which is subject to review by the Commission on its own motion or on petition of a party, is based upon findings that the Company's offering of securities in October, 1970, under Regulation A pursuant to Section 3(b) of the Securities Act violated the antifraud provisions of Section 17(a) of the Act in that the offering circular was materially misleading because it: (a) failed to set forth accurately and adequately the use to which proceeds of the offering would be allocated and what its principal product would be; (b) failed to disclose adequately that substantial amounts of the proceeds of the offering were to be allocated to two affiliates of the Issuer; and (c) failed to disclose the Issuer's prior efforts to market its intended principal product, the 416 flying-spot scanner.

## COURT ENFORCEMENT ACTION

MARROCCO & CO.; R. MARROCCO ENJOINED. The SEC Boston Regional Office and the Securities Investor Protection Corporation announced April 21 that the Federal court in Boston had permanently enjoined Marrocco & Co., Inc., Brookline, Mass. broker-dealer, and Ronald Marrocco, its president, from violations of the antifraud provisions of the Federal securities laws in connection with the solicitation and acceptance of brokers' and customers' orders when it was unwilling or unable to consummate such orders promptly. Michael M. Marx was appointed trustee for the liquidation of Marrocco & Co. The defendants consented to the court order without admitting or denying the allegations. (LR-5385)

## INVESTMENT COMPANY ACT RELEASES

PENN MUTUAL ACCOUNT II. The SEC has issued an order exempting The Penn Mutual Life Insurance Company and Penn Mutual Variable Annuity Account II, both of Philadelphia, Pa., from certain provisions of the Act to the extent necessary to permit among other things, dividends received under certain individual variable annuity contracts issued by Penn Mutual and amounts accumulated on a fixed basis contract to be transferred to Account II without the imposition of sales expenses, and amounts accumulated under Penn Mutual life insurance, endowment and fixed annuity contracts to be transferred to Account II for the purchase of Account II contracts with a deduction in sales and administrative expenses. (Rel. IC-7145)

PENN MUTUAL LIFE ACCOUNT II. The SEC has issued an exemption order permitting shares of Penn Mutual Equity Fund, Inc., Philadelphia, Pa., to be sold to Penn Mutual Variable Annuity Account II without an underwriting contract. (Rel. IC-7146)

NEUWIRTH FUNDS. The SEC had scheduled a hearing for April 27 on the application of Neuwirth Income Development Corporation, Neuwirth Fund, Inc., and Neuwirth Century Fund, Inc., all of Middletown, N.J., and Neuwirth Securities, Inc., of New York City, for exemption from certain provisions of the Act so as to permit an offer of exchange. The Funds have requested withdrawal of the application, and the proceeding on the application has been discontinued. (Rel. IC-7147)

NML VARIABLE ACCOUNT 2. The SEC has issued a notice giving interested persons until May 16 to request a hearing upon an application of The Northwestern Mutual Life Insurance Company and NML Variable Annuity Account 2, both of Milwaukee, Wisc. for an order exempting them from certain provisions of the Act. Account 2 was established by Northwestern Mutual Life to offer immediate non-tax qualified individual variable annuity contracts. (Rel. IC-7148)

451 FUND. The SEC has issued a notice giving interested persons until May 16 to request a hearing upon a proposal to declare that 451 Fund, Reading, Pa. mutual fund, has ceased to be an investment company. A registration statement filed by the Fund in 1964 never became effective and the Fund has never made a public offering. In May 1967, pursuant to a recommendation of a majority of the shareholders and unanimous resolution of the Fund's trustees, the Fund was liquidated. (Rel. IC-7150)

## SECURITIES ACT REGISTRATIONS

BIOMEDICAL COMPUTER SERVICES, INC., 7450 France Ave. South, Minneapolis, Minn. 55435, filed a registration statement on April 24 seeking registration of 500,000 shares of common stock, to be offered for public sale (\* at \$10 per share maximum). No underwriting is involved. The company is engaged in the development of computer based systems which are intended to provide health care facilities with prompt communication of patient health information. Such systems are still in the developmental stage. Of the net proceeds of its stock sale, \$146,300 will be used to pay indebtedness to Control Data Corporation and the balance for working capital and other corporate purposes. (File 2-43941)

OVER

TOMLINSON OIL CO., INC. (general partner), 200 West Douglas, Wichita, Kansas 67202, filed a registration statement on April 24 seeking registration of \$10 million of partnership interests in Tomlinson Drilling Program--1972 (a series of Partnerships), to be offered for public sale at \$1,000 per unit. No underwriting is involved. The Partnerships will be formed for the purpose of drilling for and producing oil and gas. (File 2-43943)

PENNSYLVANIA ELECTRIC COMPANY, 1001 Broad St., Johnstown, Pa. 15907, filed a registration statement on April 24 seeking registration of 250,000 shares of Series I cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. A subsidiary of General Public Utilities Corporation, the company will use the net proceeds to pay a portion of its short-term bank loans (estimated at \$33 million at the date of the stock sale), proceeds of which have been used for construction purposes. Construction expenditures are estimated at \$105 million for 1972, \$114 million for 1973 and \$103 million for 1974. (File 2-43944)

EQUITY FUNDING CORPORATION OF AMERICA (EFCA), 1900 Avenue of the Stars, Los Angeles, Calif. 90067, filed a registration statement on April 24 seeking registration of \$175 million of Programs for the Acquisition of Mutual Fund Shares and Insurance. The Programs offer shares of Equity Growth Fund of America, Inc., Oppenheimer Fund, Inc., and Keystone Custodian Fund Series S-3. Policies available in the life insurance programs are written by Equity Funding Life Insurance Company and Bankers National Life Insurance Company, both wholly-owned subsidiaries of EFCA. (File 2-43945)

MEDICAL MORTGAGE INVESTORS ("MMI, Name to be changed to Security Mortgage Investors, "SMI"), 28 State St., Boston, Mass. 02109, filed a registration statement on April 20 seeking registration of \$20 million of 6% subordinated debentures, due 1982, and warrants to purchase shares of beneficial interest. It is proposed to offer these securities for subscription by holders of shares of beneficial interest in units, each consisting of \$100 debenture and an unspecified number of warrants, and at a rate to be specified later. The offering is to be made at \$100 per unit. Also included in this statement are 300,000 outstanding warrants to purchase shares of beneficial interest, \$5,883,000 of outstanding 5-7/8% convertible subordinated debentures, due 1984, 1,155,000 outstanding shares of beneficial interest and 1,922,393 shares issuable upon exercise of warrants being registered and upon exercise of 622,393 warrants to be distributed to shareholders contemporaneously with the acquisition by MMI of substantially all of the assets and liabilities of Security Mortgage Investors. These latter securities may be offered for sale from time to time by the holders or recipients thereof at prices current at the time of sale (\* \$22 per share maximum). On May 2, SMI and MMI propose to consummate an agreement under which MMI will acquire substantially all the assets and liabilities of former SMI and will change its name to Security Mortgage Investors. SMI invested primarily in mortgage notes on private homes and MMI invests primarily in mortgage notes on health care facilities. Net proceeds will be used for general corporate purposes. (File 2-43903)

PROVINCE OF ONTARIO (U. S. Agent: R. H. Stapleford, 680 Fifth Ave., Suite 1302-3, New York, N.Y. 10019), filed a registration statement on April 25 seeking registration of \$100 million of debentures, due 2002, to be offered for public sale through underwriters headed by Salomon Brothers, One New York Plaza, and Wood Gundy Inc., 100 Wall St., both of New York City. Net proceeds will be advanced by the Province to the Hydro-Electric Power Commission of Ontario pursuant to a request from the Commission for an advance of moneys for the purposes of the Commission. (File 2-43946)

THE TANNER COMPANIES, 2606 South 40th St., Phoenix, Ariz. 85034, filed a registration statement on April 25 seeking registration of 1,000,000 shares of common stock, of which 525,000 are to be offered for public sale by the company and 475,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$17.50 per share maximum) through underwriters headed by Dean Witter & Co. Inc., 800 Wilshire Blvd., Los Angeles, Calif. 90017. The company is primarily engaged in the production and sale of construction materials and preformed products in the building of highways and streets. Of the net proceeds of its stock sale, \$3 million will be used for repayment of indebtedness incurred in connection with an acquisition and the balance for working capital and other corporate purposes. (File 2-43948)

EASTERN AIR LINES, INC., 10 Rockefeller Plaza, New York, N.Y. 10020, filed a registration statement on April 25 seeking registration of 2,000,000 shares of common stock, to be offered for public sale (\* at \$28 per share maximum) through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005, and Smith, Barney, & Co. Inc., 20 Broad St., New York 10005. The company is a certificated air carrier. Net proceeds will be used for general corporate purposes, including the acquisition of aircraft. (File 2-43949)

BATH INDUSTRIES, INC., 2100 North Mayfair Rd., Milwaukee, Wisc. 53226, filed a registration statement on April 25 seeking registration of 203,167 shares of common stock issuable upon exercise of outstanding warrants. (File 2-43950)

WESTERN INVESTMENT REAL ESTATE TRUST, 465 California St., San Francisco, Calif., filed a registration statement on April 25 seeking registration of 320,000 shares of beneficial interest. It is proposed to offer these shares for subscription by holders of shares of beneficial interest of record on April 21, 1972, on a share-for-share basis, and a \$11.25 per share. Any unsubscribed shares are to be offered for public sale at \$12.50 per share. No underwriting is involved. The Trust is engaged in the acquisition of real property primarily in the Western United States; to date, all properties acquired have been in California. (File 2-43951)

MISCELLANEOUS

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the March 2 News Digest.

8K Reports for Oct 71

Atek Inds Inc (12) 2-39162-2

8K Reports for Jan 72

Continental Airlines Inc  
Feb 72 (7) 1-3661-2  
Natl Realty Investors  
Dec 71 (2) 1-4912-2  
Magnavox Co (10) 1-781-2  
Management Data Corp  
(12,13) 1-5820-2

8K Reports for Feb 72

Conten Inc (7,14)	0-3592-2	AAR Corp (7,9,13,14)	1-6263-2
Gillette Co (14)	1-922-2	Alco Standard Corp (7,8,13)	1-5964-2
Ala Great Southern RR Co (11,14)	1-745-2	Cincinnati Bell Inc (13)	1-1253-2
Arkansas Best Corp (2,10,14)	1-5888-2	Distillers Corp-Seagrams Ltd Dec 71 (7,14)	1-2275-2
Computer Prods Inc (13)	0-4466-2	Big Horn-Powder River Corp (2,7,9,13,14)	0-2337-2
Davis Food Service Inc (8)	1-6809-2	American Nat'l Holding Co (2,7,10,14)	0-6027-2
Abkco Inds Inc (3)	0-5402-2	Bank Securities Inc (7)	2-36862-2
Dana Corp Dec 71 (13,14)	1-1063-2	Boston Edison Co (13,14)	1-2301-2
Des Moines Cable Television Inc Feb 72 (2,14)	2-39347-2	Alphatype Corp (13)	0-5982-2
Farrington Mfg Co (2,14)	0-1530-2	American Nuclear Corp (2,13,14)	0-1764-2
Federated Media Inc (7,13,14)	2-42553-2	Bird & Son Inc (2,7,14)	0-828-2
American Life Underwriters Inc Dec 71 (6)	0-1024-2	Drexel Inds Inc (1,2,4,7,8,9,13,14)	0-2824-2
Atico Mortgage Investors (3,4,7,14,11,8)	1-6350-2	Crowell Collier & MacMillian Inc (3)	1-2330-2
Citizens Holding Co (2)	0-2675-2	Extek Microsystems Inc (1,2,7,9,13,14)	0-5874-2
Globe Union Inc (4,7,13)	1-3328-2	Flintkote Co (3)	1-2560-2
Aero Systems Inc (7,14)	0-3177-2	Cooky's Steak Pubs Inc (13)	0-4343-2
American Recreation Group Inc (13)	1-6698-2	Central Banking System Inc Mar 72 (13)	0-3652-2
Bankamerica Realty Investors Oct 71 (2,14)	0-5305-2	Digital Applications Inc (1,2,3,7,13,14)	0-3256-2
Bell & Howell Co (8)	1-3246-2	F E I Corp (1,13,14)	0-5209-2
Burton-Hawks Inc (13)	0-5781-2	Burdy Corp (7)	1-4406-2
Cox Broadcasting Corp (13)	1-4933-2	Continental Food Markets of Calif Inc (13)	0-1941-2
First Security Nat'l Corp (2,11,14)	0-4635-2	Fairfield Gen'l Corp (1)	0-5978-2
Automated Procedures Corp (7)	1-4579-2	Children's World Inc (1,2,7,9,11,14)	0-5843-2
Budd Co (13,14)	1-2127-2	Leaseway Transportation Corp (7)	1-5234-2
Killearn Properties Inc (7,13)	1-6762-2	Hewlett-Packard Co (11,13)	1-4423-2
Mem Co Inc Dec 71 (7,9)	1-5292-2		
Generics Corp of America (12,13)	0-5465-2		
Hall-Mark Electronics Corp (3)	0-5786-2		

BK Reports for Feb 72

Hyatt Int'l Corp (12)	0-4189-2	United Security Life Co	
The UpJohn Co (3)	1-4147-2	Feb. 1972 (1)	0-3819-2
Alfred Hart Co (3)	1-5136-2		
G Heileman Brewing Co Inc		Fischer & Porter Co	
(7)	1-4738-2	Feb. 1972 (7)	1-4400-2
Information Inds Inc (13)	0-4123-2	Marhoefer Packing Co Inc	
Fla. Properties		Jan. 1972 (13)	1-5158-2
Feb. 1972 (13)	0-492-2		
C. I. Mortgage Group		Natl. Sugar Refining Co	
Jan. 1972 (11)	1-6577-2	Jan. 1972 ( 2,4)	0-5440-2
E. Z. Raintz Corp		The New Southland Natl.	
Jan. 1972 (13,14)	0-12-2	Insurance Co Jan. 1972 (12,4)	2-40019-2
Filter Dynamics Intl. Inc		Products & Research & Chemical	
Jan. 1972 (7,14)	1-5935-2	Corp (Jan. 1972 ( 11)	1-4852-2
		Sav-A Stop, Inc	
		Jan. 1972 ( 11,13,14)	1-5476-2
Dayton Malleable Iron Co			
Dec. 1972 (11)	0-947-2	Cummins Engine Co	
Palmer G. Lewis Co Inc		Feb. 1972 (13)	1-4949-2
Dec. 1971 (13)	0-3770-2		
Royal Ind., Inc		Compugraphic Corp	
Feb. 1972 ( 2,14)	1-5797-2	Dec. 1971 (12,14)	1-6758-2
		Monfort of Colorado Inc	
Great Royal Mgt. Co Inc		Jan. 1972 ( 2,4,14)	0-5322-2
Feb. 1972 (2,13)	0-2717-2	Charles Pindyck, Inc	
Site Con Ind., Inc		Jan. 1972 ( 2,3,13,14)	0-2870-2
March 1972 ( 2,8,14)	2-31240-2		
Diners Club, Inc		National Spinning Co	
Feb. 1972 (13)	0-5072-2	Jan. 1972 ( 4,7,14)	1-6452-2
Provincial House, Inc		Science Mgt. Corp	
Oct. 1971 (7)	0-5297-2	March 1972 (10)	1-6059-2
Wriking Food & Beverage Systems,		Cambridge Nuclear Corp	
Inc Feb. 1972 ( 3,14)	0-3869-2	March 1972 ( 3,6,11,14)	0-3275-2
		Capital Funding Corp	
Pacific American Ind., Inc		Jan. 1972 ( 13,14)	0-3773-2
Jan. 1972 ( 3,13,14)	0-3711-2	Gold Flatter Services, Inc	
Coburn Corp of America		Feb. 1972 ( 2,12,14)	0-4922-2
Dec. 1971 ) 8)	1-4730-2	Michigan Consol. Gas Co	
First Ala. Bancshrs, Inc		Feb. 1972 ( 11,14)	0-4874-2
Dec. 1971 ( 13,14)	2-38683-2	National Realty Invstns	
Transcontinental Motor		Feb. 1972 ( 13,14)	1-4912-2
Inns, Inc Oct. 1971 (11)	0-1925-2		
USP Real Estate Invst. Tr			
Feb. 1972 ( 2,7,14)	2-37029-2		

SECURITIES ACT REGISTRATIONS. Effective April 25: Central & South West Corp., 2-43778; Equity Funding Programs, Inc., 2-43694; Equity Funding Corp. of America, 2-43945; Holiday Inns, Inc., 2-43767; International Minerals & Chemical Corp., 2-42767; Island Gem Enterprises Ltd. N.V., 2-43092; Mitchell Energy & Development Corp., 2-43531; NLT Corp., 2-43541; Ryder System, Inc., 2-43746; The Travelers Corp., 2-43777.

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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ONLY the SEC News Digest is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. All other referenced material must be ordered from the Securities and Exchange Commission, Washington, D. C. 20549.