



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

Washington, D.C. 20549

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FOR RELEASE June 21, 1972

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## COMMISSION ANNOUNCEMENTS

SEC CITES DU-TEL INVESTMENT CO., INC. AND GASTON R. DESAUTELS. The Securities & Exchange Commission has ordered public proceedings, under the Securities Exchange Act of 1934, against Du-Tel Investment Co., Inc., and Gaston R. Desautels.

During the period August 31, 1971 to February 16, 1972, Du-Tel operated with a net capital deficiency and effected numerous transactions in violation of the broker-dealer net capital requirements and record-keeping sections of the Act and applicable rules thereunder.

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

SEC CITES ARNOLD, WILKENS & CO., ELEVEN OTHERS. The SEC has amended its order for public administrative proceedings dated January 5, 1972 in the matter of Arnold Wilkens & Co. and eleven others. The Commission amended its order to charge that Henry Fricke and Harvey Printz, respondents in the original order, had violated the registration, anti-fraud, and record keeping provisions of the Federal securities laws in connection with the offer and sale of securities of Uranium Explorations Corp. and Devillers Nuclear Corp. The amended order charged (1) that Fricke and Printz, singly and with others, offered and sold securities of both such companies when no registration statement was in effect, and (2) that Fricke and Printz, singly and with others, created and put into effect a plan of distribution whereby a substantial amount of shares of such companies, supposedly intended for public distribution, were placed in nominee, fictitious, and profit sharing accounts for the benefit of Printz, Fricke, and others. The Commission's order also charged that Printz and Fricke caused false entries to be made in the books of Security Options, a broker-dealer whose registration was revoked April 21, 1972, to conceal the purchase and sale of a substantial portion of shares of the above mentioned companies' securities' offerings.

A hearing will be set forth by further order of the Commission to determine whether the allegations are true and to afford respondents an opportunity to establish any defenses thereto, and to effect such remedial action, if any, as appropriate in the public interest.

SEC ENFORCEMENT SESSIONS ATTRACT RECORD ATTENDANCE. The Commission's Fifth Annual Enforcement School aimed at sharpening investigative and enforcement skills of government securities regulatory agencies attracted a record attendance including representatives of Canada, Panama and Mexico.

The proceedings which began Monday June 19 and are scheduled to conclude on Friday, June 23 are being conducted by the Commission's Division of Trading and Markets under the direction of Ira Pearce, Special Counsel to the Division.

Over 150 persons including enforcement personnel of the SEC, federal and state regulatory bodies as well as foreign officials have registered for the one-week, five-day program which features lectures and discussion groups with emphasis on the practical, including tips on investigative and trial techniques.

The program which evolved over the years is a compact course designed to provide an understanding of how the securities markets operate, explain the rules applicable thereto and suggest desirable investigative procedures. In addition, it is structured to indicate how the various available enforcement remedies might best be utilized, and to provide guidance in connection with trial matters. Procedures and techniques which have been found helpful in the past and are believed likely to be of assistance in the future in overcoming problems that are likely to be encountered are described and demonstrated.

Discussion topics reflect the entire spectrum of SEC interests including current problems of broker-dealer firms, function of the markets, organized crime, market surveillance, back office problems, conduct of investigations, interrogation of witnesses and choice of enforcement remedies.

Senior staff officers of the Commission who are participating in the program include Irving M. Pollack, Director, Division of Trading and Markets, Associate Directors Stanley Sporkin and Sheldon Rappaport, Assistant Director, Calvin Huge, Chief Counsel, Ezra Weiss, Alex Brown, Director of Broker-Dealer Investigations, and Kevin Duffy, Administrator of the New York Regional Office of the SEC.

## COURT ENFORCEMENT ACTION

ARTHUR C. BAKER ENJOINED. The Los Angeles Regional Office announced the entry of an order of the Federal Court in Los Angeles, California, on June 1, permanently enjoining Arthur C. Baker of Los Angeles from violating the registration provisions of the Securities Act in connection with Paramount General Corporation stock. Fraud charges in the Complaint were dismissed as to Baker. (LR-5433)

REALTY EQUITIES ENJOINED. The SEC announced June 19 that the United States District court for the District of Columbia entered a final judgment on June 15, ordering Realty Equities Corporation of New York (REC) to file its 10-K annual report for its fiscal year ended March 31, 1972 by July 20, 1972 and permanently enjoining REC from further violations of Section 13(a) of the Securities Exchange Act of 1934, as amended. (LR-5432)

OVER

HOLDING COMPANY ACT RELEASE

WESTERN MASSACHUSETTS ELECTRIC COMPANY. The SEC has issued an order authorizing Western Massachusetts Electric Company, West Springfield, Mass. subsidiary of Northeast Utilities, to issue and sell at competitive bidding \$30,000,000 principal amount of first mortgage bonds due 2002. Proceeds from the proposed transaction will be used to repay an equal amount of short-term borrowings incurred in financing in part WMECO's construction program which is estimated at \$45,000,000 in 1972. (Rel. 35-17616)

INVESTMENT COMPANY ACT RELEASE

WOOD, STRUTHERS & WINTHROP, INC. The SEC has issued an order granting an application filed by Wood, Struthers & Winthrop, Inc. ("Wood, Struthers") for exemption from the provisions of the Act which prohibit Wood, Struthers from acting as investment adviser and principal underwriter for certain registered investment companies by reason of an injunction entered against Eliot J. Robinson, a vice president of Wood, Struthers and sales manager of its Boston office. (Rel. IC-7233)

SECURITIES ACT REGISTRATIONS

MARY MOPPET'S DAY CARE SCHOOLS, INC., 7120 E. Oak St., Scottsdale, Ariz. 85257, filed a registration statement on June 15 seeking registration of 120,000 shares of common stock, to be offered for public sale at \$5.25 per share through underwriters headed by Continental Securities Co., 425 Farm Credit Bldg., Omaha, Nebr. 68102 and Durum Securities Corp., 609 Fifth Ave., New York 10017. The company is engaged in the business of establishing and operating day care centers for children from infancy to age 6. Of the net proceeds of its stock sale, \$240,000 will be used for initial equipment and start-up expenses of 20 new company owned schools, and the balance for other corporate purposes. (File 2-44648)

BOURNE VILLAGE HEIGHTS INCORPORATED, Rotary Circle, Bourne, Mass. 02532, filed a registration statement on June 15 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share by Scott, Gorman, O'Donnell & Co., Inc., 1271 Avenue of the Americas, New York 10020. The company is engaged in the operation of a motel including restaurant and bar facilities. Of the net proceeds of its stock sale, \$150,000 will be used for the initial down payment to finance the construction, furnishing and operation of additional facilities, and the balance for working capital and general corporate purposes. (File 2-44650)

AVTEK CORP., 434 Industrial Bank Bldg., Providence, R. I. 02903, filed a registration statement on June 15 seeking registration of 600,000 shares of common stock, of which 450,000 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 \$19 per share maximum) through underwriters headed by duPont Glore Forgan Inc., One Wall St., New York 10005. The company is engaged in the manufacture of recreational vehicles and mobile homes. Of the net proceeds of its stock sale, \$3,823,000 will be used to repay outstanding indebtedness incurred by the company in connection with certain acquisitions, and the balance for working capital and other corporate purposes. (File 2-44651)

BEVERAGE MANAGEMENT, INC., 250 E. Broad St., Columbus, Ohio 43215, filed a registration statement on June 15 seeking registration of 350,000 shares of common stock, of which 224,000 are to be offered for public sale by the company and 120,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$20 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, New York 10006. The company bottles and markets Seven-up and other soft drinks. Of the net proceeds of its stock sale, \$1,000,000 will be used to purchase and distribute additional coin-operated beverage vending machines and fountain dispensers, and the balance for working capital and other corporate purposes. (File 2-44653)

REX FINANCIAL CORPORATION, 616 Palisade Ave., Englewood Cliffs, N. J. 07632, filed a registration statement on June 14 seeking registration of (a) \$10 million of senior notes, due 1980, of Rex Financial and (b) \$10 million of subordinated sinking fund debentures, due 1992, of Rex Financial with warrants to purchase 220,000 shares of common stock of Rex-Noreco, Inc. The notes are to be offered for public sale at 100% of principal amount and the debentures and warrants in units, each consisting of a \$1,000 debenture and warrants to purchase 22 shares of Rex-Noreco, and at \$1,000 per unit; both notes and debentures are unconditionally guaranteed by Rex-Noreco. The offering is to be made through underwriters headed by Thomson & McKinnon Auchincloss, Inc. A wholly-owned subsidiary of Rex-Noreco, the company is engaged in the business of making loans to mobile home dealers and purchasers. Net proceeds will be used principally to furnish additional inventory financing and retail financing for qualified mobile home dealers serviced by Rex-Noreco. (File 2-44637)

AFFILIATED COMPUTER SYSTEMS, INC., 1171 Empire Central, Dallas, Tex. 75247, filed a registration statement on June 14 seeking registration of 500,000 shares of common stock, of which 136,000 are outstanding shares which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\* \$2.25 per share maximum) or in negotiated sales and 364,000 may be issued by the company in connection with possible acquisitions. The company is engaged in providing data processing services to industrial and governmental users and in the sale and licensing of its computer systems. Through a subsidiary, it also conducts a cattle feeding operation. (File 2-44649)

FONTAINE BROS., INC., 66 Industry Ave., Springfield, Mass. 01104, filed a registration statement on May 26 seeking registration of 653,112 outstanding shares of common stock, owned by Lifestyle Companies, Inc. Lifestyle proposes to offer to exchange the Fontaine shares for outstanding shares of Lifestyle common stock, at the rate of 2 Fontaine shares for two Lifestyle shares out of every five shares owned. Fontaine is engaged in building institutional, industrial and commercial properties, primarily in New England. (File 2-44401)

A.F., INC. (name to be changed upon effectiveness to American Affiliates, Inc.), Suite 2305, American National Bank Bldg., South Bend, Ind. 46601, filed a registration statement on June 16 seeking registration of 300,000 shares of common stock, to be offered for public sale (\* at \$12 per share maximum) through underwriters headed by Thomson & McKinnon Auchincloss Inc., Two Broadway, New York. A bank holding company, the company's business includes: sale at retail of new and used mobile homes; generating and servicing consumer installment contracts arising from retail sales; the sale of physical damage and credit life insurance and other related activities. Of the net proceeds of its stock sale, \$1,450,000 will be used to retire short-term notes to unaffiliated banks, and for other corporate purposes. (File 2-44663)

COMPREHENSIVE COMMUNITIES CORPORATION, 6060 Southwest 7th St., Margate, Fla. 33063, filed a registration statement on June 16 seeking registration of 500,000 shares of common stock, to be offered for public sale (\* at \$5 per share maximum) through underwriters headed by Lineberger, Lowe & Co., Inc., 76 Beaver St., New York 10005. The company is primarily engaged in the construction and sale of conventionally financed medium priced single family homes. Of the net proceeds of its stock sale, \$980,500 will be applied to the company's contractual obligation in connection with its purchase of land located in the City of Hollywood, Fla., and the balance for other corporate purposes. (File 2-44665)

#### MISCELLANEOUS

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the common stock of Clinton Oil Company for the further ten-day period June 21-30, 1972, inclusive.

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act of 1934 granting applications of (a) the Detroit Stock Exchange to strike from listing and registration the common stock of Michigan Gas Utilities Company because of limited activity and of (b) the Pacific Coast Stock Exchange to strike from listing and registration the common stock of North Canadian Oils Limited, both effective at the opening of business on June 19, 1972. Both delistings are at the request of the issuer. (Rel. 34-9647)

UNLISTED TRADING SOUGHT. The SEC has issued notices under the Securities Exchange Act of 1934 giving interested persons until July 6 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stock or specified securities of the named companies:  
Midwest Stock Exchange: Trans World Airlines, Inc. (Warrants to purchase common stock).  
Philadelphia-Baltimore-Washington Stock Exchange: Chicago Milwaukee Corporation, Commonwealth Edison Company, (Series B Purchase Warrants (Expiring April 1981)), Warner Communications Inc., Common Stock and 5¢ Series C Convertible Preferred Stock.

SECURITIES ACT REGISTRATIONS. Effective June 16: Premier Athletic Products Corp., 2-43071 (90 days); Effective June 19: American Union Life Insurance Co., 2-39856 (90 days); Computer Machinery Corp., 2-42754; NN Corporation, 2-44290; Western Massachusetts Electric Co., 2-44200.

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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