



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

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(Prepared by the SEC Office of Public Information)

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FOR RELEASE August 30, 1972

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

ELLIS, STEWART & CO., INC. AND STEPHEN BRIAN ELLIS DOING BUSINESS AS KEY INDUSTRIES SANCTIONED. The SEC has issued an order prohibiting Stephen Brian Ellis, of Encino, Calif. from associating with any broker or dealer and from engaging in the securities business without the Commission's consent and withdrawing his registration as a broker-dealer and that of Ellis, Stewart & Co., Inc. ("Esco"), formerly of Los Angeles.

According to the decision, Esco violated and Ellis aided and abetted violations of the antifraud provisions of the Securities Exchange Act of 1934 in that from December 1968 to February 1969 Esco effected transactions with its customers and other broker-dealers without disclosing to them that it was insolvent and unable to meet its current liabilities. During the period from about April 1968 to February 1969 Esco, aided and abetted by Ellis, wilfully violated the net capital and recordkeeping provisions of the Exchange Act.

The order was issued pursuant to an offer of settlement in which respondents consented to the above findings and sanctions without admitting or denying the allegations in the order for proceedings and represented that to the best of Ellis' knowledge all of Esco's customers, other than broker-dealers, had been repaid in full. (Rel. 34-9738)

NASD SANCTIONS AGAINST PAUL F. NEWTON & CO. AND PRINCIPALS SET ASIDE. In a decision announced today in proceedings for review of disciplinary action taken by the NASD, the SEC set aside the sanctions imposed by the NASD on Paul F. Newton & Company of Houston, an NASD member broker-dealer firm, and Paul F. Newton, Richard D. Frederking, and Benjamin C. Sargent, Jr., registered principals of the firm. The sanctions had been imposed on the basis of the NASD's findings that the firm had failed to comply with the Commission's net capital rule as of December 31, 1969 and January 31, 1970. The Commission found, however, that as of the first date, the firm was a member in good standing of the Philadelphia-Baltimore-Washington Stock Exchange and therefore exempt from the Commission's rule, and that, even though the Exchange suspended the firm on January 21, 1970, there was no violation as of the second date since by then the firm had ceased operations, and a net capital violation entails the effecting of securities transactions with inadequate net capital. (Rel. 34-9739)

MICK, STACK & SMARTT SUSPENDED. The Commission has issued an order suspending the broker-dealer registration of Mick, Stack & Smartt Investment Co., Inc. of Wichita, Kansas for a period of 21 days. Kenneth L. Mick, Richard D. Stack and Daniel K. Smartt, officers of the firm, were suspended for a like period from associating with any broker-dealer. During the period of the suspensions the respondents may engage in limited activities with respect to the firm's existing customers, may effect transactions in certain securities in which the firm is a market maker and may continue to participate in the underwriting of the securities of Lawlor Industries, Inc. The suspensions commenced on August 29, 1972.

According to the decision the firm distributed a brochure which, while purporting to describe the firm's operational policies, misrepresented the firm's policy regarding commissions charged in principal transactions and failed to reveal that the firm had serious recordkeeping deficiencies. In addition it was found that the respondents had violated the credit provisions of Regulation T of the Board of Governors of the Federal Reserve System, had failed to properly maintain books and records and had failed to timely file a report of the firm's financial condition.

The Commission's action was taken pursuant to an offer of settlement in which the respondents, without admitting or denying the allegations in the order for proceedings, consented to the findings and sanction. (Rel. 34-9751)

COMMISSION ANNOUNCEMENT

SEC CITES GOFFE-CARKENER-BLACKFORD SECURITIES CORP. The Commission today announced that it has instituted public administrative proceedings under the Securities Exchange Act of 1934 against the brokerage firm of Goffe-Carkener-Blackford Securities Corp., and its president Aaron Vincent Blackford. The firm is located in Kansas City, Mo. In the order for proceedings the Commission's staff alleged that the respondents violated and aided and abetted violations of the net capital, bookkeeping, reporting and broker-dealer registration provisions of the Securities Exchange Act of 1934. One of the allegations cited the transfer of assets from the brokerage firm to a commodities firm controlled by the individual respondent, without any return consideration accruing to the brokerage firm.

A hearing will be scheduled by further order to take evidence on the staff charges 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 is necessary or appropriate in the public interest.

OVER

COURT ENFORCEMENT ACTIONS

LAKE HAVASU ESTATES ENJOINED. The SEC Chicago Regional Office announced that on August 16 the Federal Court at Minneapolis, Minn., entered a final judgment of permanent injunction against Lake Havasu Estate, an Arizona corporation of Phoenix, Ariz., enjoining it from further violations of the registration provisions of the Federal securities laws in the offer and sale of any securities, including, but not limited to, investment contracts, also sometimes referred to as agreements for deed or contracts for deed. The defendant consented to the order without admitting or denying the allegations of the Commission's complaint. (LR-5510)

WM. J. LYSEN INDICTED. The SEC Chicago Regional Office announced that on August 23 a Federal Grand Jury in Chicago, Ill., returned a 22-count indictment against William J. Lysen, charging violations of the mail fraud statute and sale of stolen securities. (LR-5511)

HOLDING COMPANY ACT RELEASE

MICHIGAN CONSOLIDATED GAS CO. The SEC has issued an order authorizing Michigan Consolidated Gas Company, Detroit subsidiary of American Natural Gas Company, to issue and sell up to \$30 million of promissory notes to a group of six banks and a trust department of a bank. The proceeds will be applied by Michigan Consolidated to partially finance its 1972 construction program (estimated at \$72,000,000). (Rel. 35-17677)

SECURITIES ACT REGISTRATIONS

CULLINANE CORPORATION., One Boston Place, Boston, Mass. 02108, filed a registration statement on August 24 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$6 per share by Butler Capital Corp. The company is engaged in the design, development and marketing of computer programs. Net proceeds will be used for working capital and other corporate purposes. (File 2-45473)

HOWARD JOHNSON COMPANY, One Howard Johnson Plaza, Boston, Mass. 02125, filed a registration statement on August 24 seeking registration of 1,150,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (*at \$26.25 per share maximum) through underwriters headed by Blyth Eastman Dillon & Co. Inc. The company is engaged in the food service and lodging service business. (File 2-45474)

MUTUAL BENEFIT VARIABLE CONTRACT ACCOUNT--3, 520 Broad St., Newark, N. J. 07101, filed a registration statement on August 24 seeking registration of \$20 million of units of interests under Variable Annuity Contracts. The contracts provide retirement and other benefits for persons covered under plans qualified for Federal income tax advantages under Section 401 or 403 of the Internal Revenue Code and for persons desiring such benefits which do not qualify for tax advantages. (File 2-45475)

HYDRON EUROPE INC., 375 Park Ave., New York 10022, filed a registration statement on August 24 seeking registration of 750,000 shares of common stock. It is proposed to offer these shares in exchange for the common stock and Class B capital stock of National Patent Development Corporation, at the rate of one share for each ten National Patent shares held and (*at \$8 per share maximum). Unsubscribed shares are to be offered for public sale by Allen & Co. Inc., 30 Broad St., New York 10004. Hydron Europe (84% owned by National Patent) was organized in 1970 to engage in research, development and marketing in Western Europe of a hydrophilic polymer, known as Hydron polymer, a plastic which is capable of absorbing and encapsulating liquids which is soft and flexible when moist and rigid when dry. (File 2-45476)

MEADOWBROOK, INC., 15670 W. Ten Mile Road, Southfield, Mich. 48075, filed a registration statement on August 24 seeking registration of 200,000 shares of common stock, of which 143,000 are to be offered for public sale by the company and 57,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by Watling, Lerchen & Co., Ford Bldg., Detroit, Mich. 48226. The company is engaged in the general insurance agency and brokerage business. Of the net proceeds of its stock sale, \$320,000 will be applied to the partial repayment of the company's indebtedness to banks, and the balance will be used for working capital and other corporate purposes. (File 2-45477)

AMERICAN MOTORS CORPORATION, 14250 Plymouth Road, Detroit, Mich. 48232, filed a registration statement on August 24 seeking registration of 3,333,333 shares of capital stock, issuable upon conversion of 6% convertible bonds, due 1992, which bonds were issued by the company's wholly-owned subsidiary, American Motors Overseas Corporation N.V. The company is engaged in the manufacture and sale of automotive products. (File 2-45478)

AMERICAN FINANCIAL LEASING & SERVICES CO., One East Fourth St., Cincinnati, Ohio 45202, filed a registration statement on August 24 seeking registration of \$7,500,000 of subordinated debentures, due 1987, to be offered for public sale at 100% of principal amount. No underwriting is involved. The company is engaged in the leasing of commercial and industrial equipment. Net proceeds of its financing will be used to acquire equipment for lease. (File 2-45479)

ILLINOIS TOOL WORKS, INC., 8501 W. Higgins Rd., Chicago, Ill. 60631, filed a registration statement on August 24 seeking registration of 11,000 outstanding shares of common stock, which are to be offered for public sale by the holder thereof (the Fred H. Hookham Estate) from time to time at prices current at the time of sale (* \$62.75 per share maximum). (File 2-45480)

SUPERVISED INVESTORS CONVERTIBLE FUND, INC., 120 S. LaSalle, Chicago, Ill. 60603, filed a registration statement on August 11 seeking registration of 50,000 shares of common stock, to be offered for public sale at \$10 per share. A closed-end diversified management investment company, the Fund will invest primarily in securities which are convertible or have equity features. Its investment objective is to provide income and the potential for capital appreciation. Supervised Investors Services, Inc. will serve as investment adviser. (File 2-45481)

SMITH KLINE & FRENCH LABORATORIES, 1500 Spring Garden St., Philadelphia, Pa. 19101, filed a registration statement on August 24 seeking registration of 734,429 outstanding shares of common stock, to be offered for public sale by the holder thereof (the Francis Boyer Estate). The offering is to be made (*at \$63.25 per share maximum) through underwriters headed by Smith, Barney & Co. Inc., 1345 Avenue of the Americas, New York 10005. The company is engaged primarily in research for and the development, manufacture and marketing of ethical pharmaceutical preparations, proprietary drug products and other products used in human health care. (File 2-45483)

HALLIBURTON COMPANY, 3211 Southland Center, Dallas, Tex. 75201, filed a registration statement on August 25 seeking registration of \$70 million of convertible subordinated debentures, due 1997, to be offered for public sale through underwriters headed by Lehman Brothers Inc., One William St., New York 10004. The company is engaged in rendering oil field, engineering, construction and other services to the petroleum industry, and in performing industrial and civil engineering and construction services. Of the net proceeds of its debenture sale, \$18.5 million will be used to retire outstanding domestic bank borrowings and the balance for working capital and other corporate purposes. (File 2-45484)

MISCELLANEOUS

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act of 1934 giving interested persons until September 10 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the following companies: Boston Stock Exchange - Campbell Red Lake Mines Limited (Capital Stock), Cutler-Hammer, Incorporated, Dentsply International, Inc., Eaton Corp., Echlin Manufacturing Co., Eckerd (Jack) Corp., Faberge, Inc., Franklin Mint, Inc. (The), Giant Stores Corp., Horizon Corporation, Howmet Corporation, Johnson & Johnson, Mammoth Mart, Inc., Miles Laboratories, Incorporated, MGIC Investment Corporation, Walgreen Company. Midwest Stock Exchange - Levitz Furniture Corporation. Philadelphia-Baltimore-Washington Stock Exchange - Allegheny Airlines, Inc. (Warrants Expiring April 1979), American Israel Paper Mills, Ltd. American Shares (each representing 10 Ser. B Ordinary Shares or 10 Ordinary Shares), Bancal Tri-State Corporation, Security Mortgage Investors ("New" shares of beneficial interest). (Rel. 34-9752)

OVER-THE-COUNTER REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

NO.	O- REGISTRANT	LOCATION
6338	Henry S. Miller Realty Trust*	Dallas, TX
6370	Autotrol Corporation*	Glendale, WI
6373	LVO Cable, Inc.*	Tulsa, OK
6374	Bravo Knits, Inc.	New York, NY
6375	American Health Foods, Inc.	Los Angeles, CA
6379	Decision Data Computer Corp.	Horsham, PA
6380	Brentwood Originals, Inc.*	Torrance, CA

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the several items of the form was included in the August 3 News Digest.

8K Reports For May 72

Airco Inc (8)	1-111-2	South Carolina Elec & Gas Co	
Big Three Inds Inc (4,7)	1-5357-2	(11)	1-3375-2
CF Financial Corp (11)	0-4434-2	Southern RY Co (7,11,13)	1-743-2
Crowley Milner & Co (11)	1-1594-2	Video Systems Corp	
Schenuit Inds Inc (12)	1-5410-2	Feb 72 (3)	0-5289-2
		Mar 72 (3)	0-5289-2
Shaver Food Marts Inc (11)	0-1263-2		

8K Reports for May 72

All American Life & Financial Corp (11)	1-6534-2	Computer Communications, Inc May 1972 (7,9,11,13)	0-4029-2
Anheuser-Busch Inc (3)	1-3718-2	Computer Graphics, Inc May 1972 (2,13)	2-23885-2
Calif Water Service Co (8)	0-464-2	Consolidated Natural Gas Co May 1972 (11)	1-3196-2
Chicago Rivet & Machine Co (11)	0-1227-2	General Shale Corp May 1972 (14)	0-1139-2
Commerce Bancshares Inc (7)	0-2989-2	La Maur, Inc April 1971 (11)	1-4924-2
Farr Co (10)	0-4723-2	MGIC Invst. Corp April 1972 (4,7,11,13)	1-5724-2
Grumman Corp (11,14)	1-3024-2	Natl. Medical Enterprises, Inc May 1972 (3,13)	1-6584-2
St Joe Minerals Corp (2,11,13)	1-637-2	Niagara Frontier Services, In May 1972 (8)	1-5915-2
Air Products & Chemicals Inc (7,8,14)	1-4534-2	Ogilvy & Mather Intl., Inc May 1972 (11)	0-2629-2
Bancohio Corp (7,14)	1-6938-2	Pinkerton's, Inc May 197 2 (13)	0-3017-2
Building Systems Inc (2,14)	0-5810-2	Agway, Inc May 1972 (7)	2-22791-2
Chicago Bridge & Iron Co (10)	0-746-2	Air Cargo Equipment Corp May 1972 (3,11)	0-4655-2
Consolidated Packaging Corp (11)	1-1379-2	Aluminum Co oc Canada May 1972 (12,13)	1-3677-2
Service Merchandise Co Inc (2,7,11)	0-6269-2	Central Chemical Corp May 1972 (13)	2-7363-2
Southeast Banking Corp Apr 72 (11,13)	0-3061-2	Champion Parts Rebldrs. Inc May 1972 (13,14)	0-227-2
Southern Elec Generating Co (11)	2-14992-2	Chicago South Shore & South Bend RR May 1972 (12)	0-4364-2
Trans Graphics Inc Apr 72 (2,7,14)	2-41933-2	Combustion Equipment Assoc., Inc Amdt. for March 1972(2)	1-6252-2
Union Light Heat & Power Co (11)	2-7793-2	Comtel Corp May 1972 (8,10,14)	0-4923-2
Western Publishing Co Inc (13)	0-1113-2	Credithrift Financial Corp May 1972 (7,13)	1-6155-2
Jack Winter Inc (11,14)	0-838-2	Detsco, Inc May 1972 (9,14)	0-4023-2
Woods Corp (11,12,13)	1-5338-2	Home Oil Co Ltd May 1972 (11)	1-3927-2
AMF Corp May 1972 (2,7,13,14)	0-222-2		
American Express Co May 1972 (7)	0-783-2		
American Tel & Tel Co Amdt. #1 to 8K for Jan. 1972(7,14)	1-1105-2		
Automatic Drilling Machines May 1972 (7,9,12)	0-5602-2		
Comprehensive Designers, Inc May 1972 (3)	1-5519-2		

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Clinton Oil Company for the further ten-day period August 30 through September 8, inclusive.

SECURITIES ACT REGISTRATIONS.

Effective August 28: First Wisconsin Bankshares Corp., 2-45259; Gamble-Skogmo, Inc., 2-44645; General Telephone Co. of Ohio, 2-45172; Illinois Tool Works, Inc., 2-45480; Merlin Industries, Inc., 2-43496 (Nov 27); Metroflight Inc., 2-44051 (90 days); ADRs of Randfontein Estates Gold Mining Co. Witwatersrand, 2-45387; Ridgewood Industries, Inc., 2-44518 (90 days); Hart Schaffner & Marx, 2-44774; Schiller Industries, Inc., 2-45106.

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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