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COMMISSION ANNOUNCEMENT

SALES OF UNREGISTERED SECURITIES BY BROKER-DEALERS. The Director of the Division of Trading and Markets has issued a release reaffirming certain basic standards of conduct required of registered broker-dealers in meeting their responsibilities in connection with sales of significant amounts of unregistered securities.

In this release he points out that a number of instances have recently come to the attention of the Division of Trading and Markets in which brokerage firms, including members of national securities exchanges, have failed to meet applicable standards of conduct in investigating whether sales of securities would result in registration or anti-fraud violations of the Federal securities laws. Frequently the securities of a little-known issuer, or one concerning which reliable information is not readily available, have been sold to the public on the over-the-counter market.

The release describes various matters that should be inquired into and states that while the amount of inquiry called for necessarily varies with the circumstances of particular cases, all registered broker-dealers should establish minimum standard procedures to prevent and detect violations of the Federal securities laws and to ensure that the firm meets its continuing responsibility to know both its customers and the securities being sold. There should be written supervisory procedures that cover sales as well as purchases. These must be made known to salesmen and be sufficient to reveal promptly to supervisory officials transactions which may, when examined individually or in the aggregate, indicate that sales in a security should be halted immediately pending further inquiry. (Release 33-5168)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

H. E. SIMPSON SECURITIES, PRINCIPAL CENSURED. The SEC has issued an order censuring H. E. Simpson Securities, Inc., New York broker-dealer, and James C. W. Simpson, its president and sole stockholder, for violations of the registration provisions of the Securities Act of 1933. The order was issued pursuant to an offer of settlement in which the respondents, without admitting or denying the allegations, consented to the findings and sanctions.

According to the decision, the respondents sold 16,000 shares of unregistered common stock of Mastercraft Electronics Corp. in May and June 1968. Respondents asserted that they had received representations from the transfer agent and Mastercraft's counsel that the various certificates were freely transferable. In their offer of settlement, they represented that the firm would maintain certain additional procedures to prevent its involvement in any other distribution of unregistered securities. (Release 34-9233)

DATACON INTERNATIONAL, INC. REGULATION A EXEMPTION PERMANENTLY SUSPENDED. The Commission has permanently suspended the Regulation A exemption of Datacon International, Inc., a Delaware corporation doing business in Lansing, Ill., with respect to an offer to rescind the sale of 58,933 shares of its \$1 par value common stock which may have been distributed in violation of the registration provisions of the Securities Act of 1933. The Commission found that Datacon had not complied with the terms and conditions of Regulation A by including in its amended offering circular financial statements which were materially deficient and more than 6 months old, and by failing to cooperate with the Commission. The findings were based on the allegations in the order temporarily suspending Datacon's Regulation A exemption and upon its default in failing to file an answer to the allegations in the order. (Release 33-5167)

CORRECTION RE JULY 2 N/D SUMMARY OF KIVITZ SUSPENSION. Insert after "statement and" on line 6 of paragraph 2, "Kivitz who".

COURT ENFORCEMENT ACTIONS

GRAND JURY INDICTS SERVICE SECURITIES, OTHERS. The SEC New York Regional Office announced on June 29 a Federal Grand Jury in New York returned a 23-count indictment against the following for conspiracy to violate, and violation of the anti-fraud provisions of the Federal securities laws, and Federal Mail Fraud Statute in connection with the 1969 underwriting, purchases and sale of stock of Data Industries Corporation of Texas, Incorporated. M. Perry Grant, Ronald Alpert, Charles D. Karp, and Leon Nasser, all of New York and Service Securities, Inc., a brokerage firm owned and operated by Grant in New York. (LR-5072)

STERIOUS PERMANENTLY ENJOINED. The SEC announced that on June 28, a Federal court in Philadelphia, permanently enjoined John Sterious from violating, among others, the registration and anti-fraud provisions of the Federal securities laws. The defendant consented to the entry of the order. (LR-5073)

BARNES, RYDER, WADDLES & CO., OTHERS ENJOINED. The SEC Fort Worth Regional Office announced that on June 25 a Federal court in Wichita permanently enjoined the following from violating the anti-fraud and record-keeping provisions of the Federal securities laws: Barnes, Ryder, Waddles & Co., Inc., David W. Barnes, Bobby E. Ryder, and University Equity Corp., all of Wichita, and George M. Waddles, Patrick M. Knowles, Wilbur L. Knowles, Knowles Investment Co., Inc., and Winter Enterprises, all of Kansas. The defendants consented to the order. The court also appointed Thomas R. Brunner of Wichita Receiver for Barnes, Ryder and Waddles & Co., Inc. and Universal Equity Corporation, until such time as the Securities Investor Protection Corporation may determine that the defendants have failed or are in danger of failing to appear before the Court for the appointment of a Trustee. (LR-5074) OVER

INVESTMENT COMPANY ACT RELEASES

OXFORD FIXED INCOME FUND, INC. The Commission has issued an order giving interested persons until July 21 to request a hearing on application of Oxford Fixed Income Fund, Inc. a face-amount certificate company of Philadelphia, for an order declaring that it has ceased to be an investment company as defined in the Investment Company Act. Applicant has not filed a registration statement under the Securities Act of 1933 and represents it has not offered its securities to the public, has never commenced its proposed activity of investing in securities, has no public shareholders, and has never had any assets. 1/ (Rel. IC-6598)

KEYSTONE CUSTODIAN FUND SERIES K-1, B-4. The Commission has issued an order giving interested persons until July 15 to request a hearing on application of Keystone Custodian Fund, Series, K-1 and Series B-4 common law trusts and open-end diversified investment companies of Boston, for an order permitting a transaction involving GSC Development Corporation, a Texas corporation Junior Notes of Santiago Development Company, Waverly Homes, Inc., a subsidiary of GSC, and Mac Arthur & Main Development Company, Inc., and the Applicant. 1/ (Release IC-6605)

HOLDING COMPANY ACT RELEASE

CONSOLIDATED SYSTEM LNG COMPANY/NATURAL GAS COMPANY. The Commission issued an order giving interested persons until July 22 to request a hearing on application of Consolidated System LNG Company, and Consolidated Natural Gas Company relating to a program of Consolidated Natural Gas to seek new sources of gas supply to supplement its present sources by entering into two agreements involving the importation of liquefied natural gas in conjunction with Columbia LNG Corporation, a subsidiary of the Columbia Gas System. 1/ (Rel. 35-17182)

TRUST INDENTURE ACT RELEASE

PHILIP MORRIS INCORPORATED. The Commission issued an order giving interested persons until July 28 to request a hearing on application of Philip Morris, Incorporated for a finding by the Commission that the trusteeship of the First National City Bank under an indenture of June 1, 1959 as amended, which was heretofore qualified under the Act, and the trusteeship of the Bank under an indenture of June 1, 1971 which was not qualified under the Act, is not 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 of the indentures. 1/

SECURITIES ACT REGISTRATIONS

*ESSEX INTERNATIONAL SHARES IN REGISTRATION. Essex International, Inc., 1601 Wall St., Fort Wayne, Ind. 46804, filed a registration statement on June 24 seeking registration of 95,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holder thereof (Fort Wayne Tool, Die & Engineering Company) at prices current at the time of sale (** \$40 per share maximum). (File 2-40896)

EXECUTIVE FUNDING PROPOSES OFFERING. Executive Funding Corporation., 9777 Wilshire Blvd., Beverly Hills, Calif. 90212, filed a registration statement on June 24 seeking registration of \$1 million of Programs for the Acquisition of Mutual Fund Shares and Life Insurance. The mutual fund shares may be offered through the company's affiliate, Executive Security of California, Inc. Executive Security of California, Inc., non-exclusive general agency contacts two other affiliated companies, Executive Life Insurance Company and Executive Life Insurance Company of New York, the only insurance companies whose policies are currently offered in the program. (File 2-40897)

*GENERAL PORTLAND CEMENT PROPOSES OFFERING. General Portland Cement Company, 4400 Republic National Bank Tower, Dallas, Tex. 75201, filed a registration statement on June 24 seeking registration of \$22 million of sinking fund debentures, due 1996, and 565,000 shares of common stock. The debentures and 475,000 shares are to be offered for public sale by the company and 90,000 shares (being outstanding shares) by the holders thereof. The offering is to be made (** at \$35 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005.

The company is principally engaged in the production and sale of portland cement and various specialty cements. Net proceeds of its financing will be used to prepay the company's 4-3/4% bank loan (\$14 million), other indebtedness (\$10 million) and additional bank indebtedness (\$2 million) and the balance for working capital and other corporate purposes. Harry T. Mangurian, Jr. and Pierce Mangurian propose to sell 45,000 shares each of 220,844 and 220,744 shares held, respectively, and acquired in connection with the company's acquisition of Mangurian's Inc. (File 2-40898)

*3M SHARES IN REGISTRATION. Minnesota Mining and Manufacturing Company, 3M Center, St. Paul, Minn. 55101 filed a registration statement on June 24 seeking registration of 29,040 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$114.25 per share maximum). Such shares were issued in connection with the company's acquisition of Call's Police Signal Corp. (File 2-40901)

CONTINUED

SCHOLL FILES FOR SECONDARY. Scholl, Inc., 213 West Schiller St., Chicago, Ill 60610, filed a registration statement on June 25 seeking registration of 650,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (** at \$30 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York.

The company is engaged in the manufacture and distribution of Dr. Scholl's foot and leg care and related products. In addition to indebtedness it has outstanding 4,247,750 common shares, of which the Dr. William M. Scholl Estate owns 40.4% and the William M. Scholl Foundation 54.6%. The Scholl Foundation proposes to sell 320,500 of 2,319,379 shares held, and a large number of others the remaining shares being registered. (File 2-40902)

***TOLEDO EDISON TO SELL STOCK.** The Toledo Edison Company, 420 Madison Ave., Toledo, Ohio 43601, filed a registration statement on June 25 seeking registration of 100,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. Net proceeds of its stock sale will be added to the company's general funds and used for the repayment of a part of its short-term notes, aggregating \$11,800,000 at May 31, incurred in connection with the financing of its construction program. Construction expenditures are estimated at \$56 million for 1971 and \$79 million for 1972. (File 2-40903)

***HEUBLEIN FILES FOR SECONDARY.** Heublein, Inc., 330 New Park Ave., Hartford, Conn. 06101, filed a registration statement on June 25 seeking registration of 150,000 shares of common stock, to be offered for public sale by the holders and recipient thereof. The offering is to be made through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York.

The company is primarily engaged in the production, bottling and distribution of alcoholic beverages. John Y. Brown, Jr., proposes to sell 125,000 of 448,181 shares and Eleanor D. Brown 25,000 of 39,750 shares; such shares to be acquired upon the merger of Kentucky Fried Chicken Corporation into a wholly-owned subsidiary of Heublein. (File 2-40904)

LEXTON-ANCIRA PROPOSES OFFERING. Lexton-Ancira, Inc. (the general partner), 4901 Main, Kansas City, Mo. 64112, filed a registration statement on June 25 seeking registration of \$5 million of pre-formation limited partnership interests in Lexton-Ancira Real Estate Fund, Ltd. (the partnership), to be offered for public sale at \$500 per unit (with a minimum investment of ten units). The offering is to be made through M. H. Deckard & Co., Inc., which may arrange for selected NASD members to participate. The partnership will invest in income-producing real estate. Wade A. Myers, president of the general partner, owns 45.8% of its outstanding common stock. (File 2-40905)

***KAISER INDUSTRIES SHARES IN REGISTRATION.** Kaiser Industries Corp., 300 Lakeside Dr., Oakland, Calif. 94604, filed a registration statement on June 25 seeking registration of 250,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holder thereof at prices current at the time of sale (** \$11.375 per share maximum). Edgar F. Kaiser may sell 250,000 of 2,336,181 shares held. (File 2-40906)

MIDWESTERN FIDELITY TO SELL STOCK. Midwestern Fidelity Corporation, 6901 Wooster Pike, Cincinnati, Ohio 45227, filed a registration statement on June 25 seeking registration of 350,000 shares of common stock, to be offered for public sale (** at \$16 per share maximum). The offering is to be made through underwriters headed by duPont Glove Forgan, Inc.

The company is engaged through subsidiaries in the casualty insurance business, commercial banking and the savings and loan business. Of the net proceeds of the stock sale, part will be used to repay short-term bank borrowings of \$3.6 million incurred to purchase Keystone Savings Association and the balance for working capital and other corporate purposes. The company has outstanding 495,834 common shares, of which management officials as a group own 33.5%. Walter William Schneebeck is chairman and William H. Schneebeck president. (File 2-40907)

WAHL ASSOCIATES PROPOSE OFFERING. Wahl Associates, Inc., 29-2- 37th Ave., Long Island City, New York 11101, filed a registration statement on June 25 seeking registration of 100,000 shares of common stock, and 50,000 common stock purchase warrants to be offered for public sale in units consisting of 100 shares and 50 warrants (** and at a minimum offering price of \$7 per unit). The offering is to be made through underwriters headed by Leyner, Dreskin & Co., 26 Beaver St., New York 10004.

Wahl Associates is engaged in the design, manufacture and sale of display products used for point of purchase merchandising and sales promotion. The net proceeds will be applied to reduce the company's short-term bank debt, the payment of miscellaneous rents, salaries, and development expenses and for other specified corporate purposes. The company has outstanding 413,000 common shares, of which Michael Wahl, president, owns 35% and officers and directors as a group own 54%. (File 2-40910)

HOSPITAL INVESTORS PROPOSES OFFERING. Hospital Investors, 230 Peachtree St., N.E., Atlanta, Ga. 30303, filed a registration statement on June 25 seeking registration of 1,250,000 shares of beneficial interest, and warrants to purchase 1,250,000 shares, to be offered for public sale in units, each consisting of one share and one warrant, and at \$20 per unit. The offering is to be made through underwriters headed by Drexel Firestone, Inc., and Stone & Webster Securities Corp.

Hospital Investors (the "trust") was established to invest in long term first mortgage loans on hospitals and other medical facilities. The Trust will invest at least two-thirds of the net proceeds of the sale in certain of the investments in Charter Medical Corp., and other hospitals. William A. Fickling, Jr. is board chairman and president. (File 2-40908)

PAL KNITS INC TO SELL STOCK. Pal Knits, Inc., 450 Seventh Ave., New York, filed a registration statement on June 25 seeking registration of 110,000 shares of common stock, to be offered for public sale at \$5 per share through underwriters headed by Smith, Jackson & Co., Inc., and Mayflower Securities Co., Inc.

The company is principally engaged in the manufacture of double-knit fabrics. Of the net proceeds from the sale of the stock \$290,000 will be used for the purchase of new equipment and the balance will be used for loan payment and for other specified purposes. The company has 300,000 outstanding shares of which David Graubard, president, and Ronald Ceisler, vice president, own 24% each and officers and directors as a group 80%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.84 per share book value from the offering price. (File 2-40911)

MASSACHUSETTS FINANCIAL DEVELOPMENT TO SELL STOCK. Massachusetts Financial Development, Fund, Inc., 200 Berkeley St., Boston, Mass 02116, filed a registration statement on June 25 seeking registration of 7,000,000 common shares, to be offered for public sale at \$15 per share through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York 10005.

Organized in June 1971, the Fund will operate as an open-end diversified investment company seeking to provide long-term growth of capital and future income. Massachusetts Financial Services of Boston is the Fund's investment adviser. Richard B. Bailey is president of the Fund and senior vice president of the Fund's adviser. (File 2-40912)

PAYCO AMERICAN FILES FOR SECONDARY. Payco American Corporation, 2401 North Mayfair Rd., Milwaukee, Wisconsin 53226, filed a registration statement on June 25 seeking registration of 105,050 outstanding shares of common stock to be offered for public sale by certain selling shareholders (** at \$15.875 per share maximum) through underwriters headed by Loewi & Co., Inc., 225 East Mason St., Milwaukee, 53202. In October 1969, the company succeeded to a collection agency business. It provides a nationwide collection service. It has outstanding 406,540 shares of common stock, of which Dennis Panches proposes to sell 25,000 of 125,039 owned, and Richard L. Horn and Leonard Horn, each proposes to sell 20,000 shares. (File 2-40913)

***IPCO HOSPITAL SUPPLY FILES FOR OFFERING AND SECONDARY.** Ipco Hospital Supply Corp., 161 Avenue of the Americas, New York 10013, filed a registration statement on June 25 seeking registration of 723,267 common shares, of which 400,000 to be offered for public sale by the company, and 323,267 (being outstanding shares) by the holders thereof. The offering is to be made (** \$20 per share maximum) through underwriters headed by Burnham and Company, 60 Broad St., New York, 10004.

The company is a hospital supply company in the field of medical-surgical, hospital and laboratory supplies. Of the net proceeds from the sale of the stock, an unspecified amount will be used to repay in part, an outstanding loan which was obtained for construction purposes, and the balance will be used for specified corporate purposes. Of the selling shareholders, Emil Prosen, and Dr. Elmer Jaffe proposes to sell 61,049 and 61,047, respectively, and Carlton Averitt proposes to sell 35,424, and others, the remaining shares to be sold. (File 2-40914)

***INSTRUMENT SYSTEMS CORPORATION FILES EXCHANGE PLAN.** Instrument Systems Corp., 410 Jericho Turnpike, Jericho, New York, 11753, filed a registration statement on June 25 seeking registration of \$25 million of convertible subordinated debentures, due 1991. It is proposed to offer these debentures in exchange for 6% convertible and identical amount of its subordinated debentures, due 1977. The company will exchange \$100,000 principal amount of 1977 debentures owned by it. The purpose of the offer is to give the company greater flexibility in its financial planning. F. Eberstadt & Co., Inc., has agreed to use its best efforts to make arrangements for soliciting Dealers to solicit acceptance of the exchange offer. (File 2-40915)

MISCELLANEOUS

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act giving interested persons until July 16 to request a hearing upon an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks or specified securities of the following companies: Forest Laboratories, Inc., Instrument Systems Corp., United States Filter Corp., Flying Tiger Corp. Warrants (Expiring 12/75) (Release 34-9241)

SECURITIES ACT REGISTRATIONS. Effective July 2: Alpha Capital Corp., 2-36853; Basic Earth Petroleum Co., 2-38466 (90 days), Cox Broadcasting Corp., 2-40865; LeGran Corp., 2-40106; Metrix Data Systems, Inc., 2-38251 (90 days); Welded Tube Co. of America. 2-40599.

NOTE TO DEALER. 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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.

1/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.