

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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## NEW RULES AND RULE PROPOSALS

**RULE CALLS FOR REPORTS BY EX-MEMBER FIRMS.** The SEC today announced the adoption of amendments to its Rules 15c3-1 and 17a-5 under the Securities Exchange Act (Release 34-9033) calling for the prompt filing of a financial report by any broker-dealer firm which ceases to be a member in good standing of the American, Boston, Midwest, New York, Pacific Coast and Philadelphia-Baltimore-Washington Stock Exchanges.

Under Commission rules, a member in good standing of one or more of such exchanges is exempted from the Commission's net capital rules; instead, it is subject to the exchange's capital rules. Any firm which ceases to be a member in good standing of such exchanges would thereby become subject to the Commission's net capital rule. Under the amended rules, the firm in question will be required to file with the Commission within 48 hours after it ceases to be a member of any such exchange, a copy of its trial balance and computations of aggregate indebtedness and net capital. The report would include the dollar amount of loans secured by customers' securities, analyzed to show the sources of all securities used as collateral for these loans and the aggregate amount of customers' debit balances as of the date of such event. In addition, the exchange will be required to make a brief report informing the Commission of the change of membership status of any such firm and the existence of any actual or potential problems known to the exchange. The purpose of the rule is to enable the Commission to obtain current information on the financial status of the firm, particularly whether it is in financial difficulties and whether it is in compliance with the rules for the prevention of improper use of customers' securities as collateral.

## DECISION IN ADMINISTRATIVE PROCEEDING

**HALLS & CO. SUSPENDED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-9034) in which it ordered a 60-day suspension, effective December 2, of the broker-dealer registration of Halls & Co., Inc., of Cleveland, for violations of antifraud provisions of the Federal securities laws in connection with the offer, sale and purchase of promissory notes executed by Halls & Co., and various common stocks and bonds. Withdrawal of the firm's registration upon expiration of the period of suspension was authorized by the Commission. James R. Halls, Jr., president of the firm, was suspended from association with any broker-dealer for the same period and barred from assuming any supervisory position with any broker-dealer, except that after one year he may assume such a position upon a showing of adequate training therefor; and James S. Bishop, a former registered representative of Halls & Co., was barred from association with any broker-dealer, except that after one year he may apply for permission to become associated with a broker-dealer in a non-supervisory capacity, subject to a showing of adequate supervision. In offers of settlement submitted by the respondents, which the Commission accepted, they consented to Commission findings of the misconduct charged, without admitting or denying the allegations against them, and to imposition of the indicated sanctions.

According to the Commission's decision, during the period April 1967 to November 1969 the respondents, after causing a customer to repose his full trust and confidence in Bishop, induced him to engage in securities transactions which were excessive in size and frequency in light of the character of the customer's account; sold shares of various common stocks and bonds to a customer at prices which were unfair and not reasonably related to the current market price of the securities; and exposed customers' funds and securities to risk by failing to properly segregate customers' fully paid for securities and by causing and allowing the commingling and hypothecation of such securities.

In addition, the respondents induced a customer to make a loan of securities to Halls & Co. pursuant to a subordination agreement, and in connection therewith sold promissory notes of Halls & Co. to the customer, and made false and misleading representations to the customer concerning the nature of the subordination agreement, the fact that the securities so loaned could be used as capital of the firm, and that the firm was then in a precarious financial condition. Moreover, Halls & Co. and Halls failed reasonably to supervise with a view to preventing the violations.

## COMMISSION ANNOUNCEMENT

**TRADING TO RESUME IN PICTURE ISLAND COMPUTER SHARES.** The SEC today announced (Release 34-9035) that its suspension of over-the-counter trading in the common stock of Picture Island Computer Corp., of North Miami, Fla., will terminate at the close of business on December 4. The suspension was first announced on October 23. Concurrently, the Commission filed an action in Federal court in Dallas, seeking to enjoin the company and others from violations of the Securities Act registration and anti-fraud provisions in connection with the offer and sale of company stock. The complaint alleged among other things that some 23,000,000 shares were purportedly issued for investment (and without prior registration) and that many of such shares may have been sold to public investors in violation of the Securities Act registration provisions; also, that false and misleading information has been disseminated about the company, its operations and financial condition. Shareholders, prospective purchasers and broker-dealers are cautioned to exercise great care in connection with any future transactions in the shares.

OVER

**TRADING SUSPENSION CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period December 2-11, 1970, inclusive.

#### HOLDING COMPANY ACT RELEASES

**QUINNEHTUK RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16918) authorizing Northeast Utilities, Hartford, Conn., and its subsidiary, The Quinnehtuk Company, to sell a hydroelectric generating plant (the "Station") owned by Quinnehtuk and located on the Chicopee River, in Chicopee, Mass., at competitive bidding. The Station has a depreciated book value of \$160,116.

**CENTRAL AND SOUTH WEST SEEKS ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16920) giving interested persons until December 17 to request a hearing upon an application of Central and South West Corporation ("Central"), Wilmington, Del., holding company, to issue and sell up to \$50,000,000 of unsecured notes to banks and to dealers in commercial paper. Net proceeds will be added to Central's treasury funds and together with other cash resources will be advanced to subsidiaries from time to time in the following maximum amounts (except that the aggregate of such advances will not exceed \$55,000,000 at any one time outstanding): Central Power and Light Company (\$25,000,000), Public Service Company of Oklahoma (\$25,000,000), Southwestern Electric Power Company (\$25,000,000) and West Texas Utilities Company (\$15,000,000). The subsidiaries will use the advances to finance part of the costs of their 1971 construction programs, which are estimated at \$55,000,000 for CP&L, \$26,000,000 for Public Service, \$42,000,000 for Southwestern and \$9,000,000 for West Texas.

#### INVESTMENT COMPANY ACT RELEASES

**ADVANCED ANALYSIS FUND SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6262) giving interested persons until December 21 to request a hearing upon an application of Advanced Analysis Fund, Inc., Kansas City, Mo. mutual fund, for an order declaring that it has ceased to be an investment company. The Fund registered under the Act in January 1968 but no registration under the Securities Act of 1933 was filed. The Fund states that no public offering or sale of its securities has been or is intended to be made and that it has no shareholders.

**METROPOLITAN CAPITAL CORP. RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6263) exempting Metropolitan Capital Corporation, Alexandria, Va., from all provisions of the Act. Metropolitan was organized in May 1970 by Value Engineering Company, and has applied to the Small Business Administration ("SBA") for a license to operate as a small business investment company. Value Engineering, which owns all of Metropolitan's outstanding stock, is engaged in various businesses unrelated to that of an investment company. The exemption is granted provided Metropolitan shall not issue any securities (other than short-term paper) except to its parent or the SBA.

**CALVIN BULLOCK FUNDS SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6265) scheduling a hearing for January 18, 1971, upon applications filed by Calvin Bullock, Ltd., of New York, and four mutual funds for which it serves as investment adviser and underwriter: Bullock Fund, Ltd., Canadian Fund, Inc., Dividend Shares, Inc., and Nation-wide Securities Co., Inc. The application presents the question whether an exemption from Section 22(c) of the Act and Rule 22c-1 thereunder is necessary for certain Periodic Accumulation Plans and Custodial Accounts for Self-Employed Individuals Retirement ("Keogh") Plans; if so, the application seeks an order exempting the applicants and any dealer through whom shares are sold under the plans from the provisions of Section 22(c) and Rule 22c-1. Rule 22c-1 provides that a redeemable security of a registered investment company must be sold at a price based on the current net asset value of such security (computed on each day during which the NYSE is open for trading, not less frequently than once daily as of the time of the close of trading on such exchange), which is next computed after receipt of an order to purchase such security. The applicants seek an exemption if and to the extent necessary to permit a continuance of the current practice of maintaining the Plans under which Morgan Guaranty Trust Co., Applicants' transfer agent and agent under Applicants' Plans, now invests monthly amounts received from the participants in the Plans and, commencing November 30, 1970, will invest weekly amounts received from participants in Periodic Accumulation Plans.

#### COURT ENFORCEMENT ACTIONS

**OLIVER & TAITCH ENJOINED.** The SEC Seattle Regional Office announced November 24 (LR-4830) that the Federal court in Spokane, Wash., had permanently enjoined violations of the registration provisions of the Securities Act by Harwood J. Tibbits, president of Spokane National Mines, Inc., Robert L. Oliver and Jack A. Taitch, all of Spokane, in connection with the offer and sale of stock of Spokane National Mines. The defendants consented to the injunction without admitting or denying the violations. Spokane National Mines previously consented to an injunction and to the appointment of a receiver.

**COMPLAINT NAMES SHEA & STEVENS.** The SEC on November 16 (LR-4831) announced the filing of a complaint in Federal court in Boston, seeking to enjoin Henry J. Shea and Herbert D. Stevens, directors of the Arlington National Bank, Arlington, Mass., from violating the anti-fraud provisions of the Securities Exchange Act in connection with their transactions in the Bank's stock.

**R G BAKER NAMED IN SEC SUIT.** The SEC today announced that it had amended its complaint charging violations of the registration and antifraud provisions of the Federal securities laws by Control Metals Corporation and eighteen other defendants in the offer and sale of Control Metals stock, to include Robert G. Baker, of Washington, D. C., as an additional defendant.

**INDIANAPOLIS JURY CONVICTS THREE.** The SEC Chicago Regional Office announced November 25 (LR-4833) that a Federal court jury in Indianapolis had returned a verdict of guilty against Jack Aldridge, Samuel P. Good, Jr., and James J. Perrault, on charges of violating the Securities Act antifraud provisions in the offer and sale of securities of American National Trust and Republic National Trust.

#### SECURITIES ACT REGISTRATIONS

**WESTWELLS TO SELL STOCK.** Westwells, Inc., 11 Commerce St., Newark, N. J. 07102, filed a registration statement (File 2-38898) with the SEC on November 25 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on a "150,000 shares, all or none basis" by First Harvard Co., 217 Broadway, New York, N. Y. 10007, which will receive a 30¢ per share selling commission and up to \$20,000 for expenses. The company has agreed to sell the underwriter, for \$300, 3½-year warrants to purchase 30,000 shares, exercisable after 18 months at \$3.30 per share.

Organized in 1969, the company is engaged in the exploration for and the development and sale of natural resources, primarily gas and oil. It has acquired or developed producing gas and oil wells in West Virginia and Ohio, as well as acreage for future development. A portion of the net proceeds of its stock sale (\$100,000) will be used for further investment in existing properties; of the balance, 80% will be used for the drilling and completion of wells on new properties to be acquired and the remainder for working capital. The company has outstanding 820,000 common shares, of which Herbert J. Pfeiffer, president, owns 10%, Stewart L. Krug, a director, 23% and management officials as a group 49%. Purchasers of the shares being registered will have paid \$900,000 for a 27% stock interest in the company (they will have sustained a dilution of \$2.32 in per share book value from the offering price); while present shareholders will have paid an aggregate of \$317,512 for 73%.

**COLLEGE PLUMBING SUPPLIES FILES FOR SECONDARY.** College Plumbing Supplies Limited, 9 Tippet Rd., Downsview, Ont., Can., filed a registration statement (File 2-38900) with the SEC on November 25 seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale by the holder thereof at \$4 (Canadian) per share. The offering is to be made by Rosmar Corporation Limited, 100 Adelaide St. West, Toronto, Ont., Can., which will receive a 72¢ per share commission.

The company is engaged in the independent wholesale distribution of plumbing supplies and equipment; it also carries a line of heating supplies. Pursuant to an agreement of March 1969 between Crawford Allied Industries Limited ("Crawford") and Irving Erenberg, general manager of College Plumbing, Crawford purchased from Erenberg all of the issued shares of College Plumbing for \$900,000, \$400,000 of which was paid through issuance of a 7½% debenture, secured in part by a pledge of the College Plumbing shares owned by Crawford. College Plumbing now has outstanding 600,000 common shares, of which Crawford owns 69.3%; Crawford proposes to sell 100,000 of 416,000 shares held. It intends to apply the proceeds of this offering to payment of the \$280,000 balance of the debenture and to secure release of the shares. Officials of College Plumbing own 42% of the outstanding stock of Crawford. Harry Lerman is president of College Plumbing and an executive of Crawford.

**ASSOCIATES CORP. PROPOSES FINANCING.** Associates Corporation of North America, One Gulf & Western Plaza, New York, N. Y. 10023, filed a registration statement (File 2-38901) with the SEC on November 25 seeking registration of \$35,000,000 of senior notes, due 1977, and \$25,000,000 of senior debentures, due 1990, to be offered for public sale through underwriters headed by Lehman Brothers Incorporated, One William St., New York, N. Y. 10004, and Salomon Brothers. The interest rates, offering prices and underwriting terms are to be supplied by amendment.

A wholly-owned subsidiary of Gulf & Western Industries, Inc., the company (successor to Associates Investment Company) is engaged through subsidiaries in financing sales of consumer and industrial products, in wholesale financing, in making personal installment loans, in industrial and commercial financing, in commercial banking and in writing insurance. Net proceeds of its financing will be added to the company's general funds and initially applied to the reduction of short-term notes. In addition to indebtedness, the company has outstanding 250 common shares. O. C. Carmichael, Jr., is board chairman and J. D. Barnette president.

**LOEW'S SHARES IN REGISTRATION.** Loew's Corporation, 666 Fifth Ave., New York, N. Y. 10019, filed a registration statement (File 2-38902) with the SEC on November 25 seeking registration of 7,467,579 shares of common stock. Of these shares, 6,478,289 are issuable upon exercise of warrants to purchase shares of common stock of Loew's Theatres, Inc. ("Loew's"), a wholly-owned subsidiary, 172,509 are issuable upon exercise of Lorillard Corporation substitute stock options (options issued by Loew's in November 1968 in substitution of certain options of Lorillard granted pursuant to stock option plans and which were outstanding when Lorillard became a wholly-owned subsidiary of Loew's), 808,905 are issuable upon exercise of stock options granted and which may be granted under the company's Key Employees' Qualified Stock Option Plan, and 7,876 are issuable upon conversion of Loew's 5½% convertible subordinated debentures, due 1993.

The company is a holding company, which owns all the outstanding stock of Loew's. Through subsidiaries, it is principally engaged in hotel operations, theatre operations and production and sale of manufactured products, principally cigarettes. In addition to indebtedness, it has outstanding 14,447,161 common shares, of which Laurence A. Tisch, board chairman, and Preston R. Tisch, president, together own 31.91%.

**NORTEK LAND PROGRAM PROPOSES OFFERING.** Nortek Land Program/1971 (the "Partnership"), 436 Hospital Trust Bldg., Providence, R.I. 02903, filed a registration statement (File 2-38903) with the SEC on November 25 seeking registration of \$20,000,000 of limited partnership interests, to be offered for public sale at \$1,000 per interest (with a minimum purchase of \$2,000). No underwriting is involved; participating NASD members will receive a 7% selling commission and Thomson & McKinnon Auchincloss Inc., 2 Broadway, New York, N. Y. 10004, as subscription agent, will receive a 1% commission on all interests sold. The Partnership was organized by Nortek, Inc. to engage in the purchase of undeveloped real estate and the development and sale thereof. Nortek Land Fund Limited ("Nortek Limited"), a wholly-owned subsidiary of Nortek, will direct the affairs of the Partnership. Nortek and Nortek Limited are the general partners. Ralph R. Papitto, board chairman and president of Nortek, owns 15.9% of its outstanding common stock.

**AMERICAN NUCLEAR FILES FOR SECONDARY.** American Nuclear Corporation, 410 Grand Ave., P. O. Box 1011, Laramie, Wyo. 82070, filed a registration statement (File 2-38905) with the SEC on November 25 seeking registration of 750,000 shares of common stock. Of these shares, 400,000 are outstanding shares and 350,000 are issuable upon conversion of \$700,000 of 6% subordinated debentures. The holders or recipients of such shares may offer them for sale from time to time at prices current at the time of sale (\$3 per share maximum\*).

The company is a 40% partner in Federal-American Partners, engaged in mining and milling of uranium ores in Wyoming and the production of uranium oxide in concentrates for sale to commercial purchasers. Substantially all of the company's income is derived from the Partnership. Any proceeds received from the conversion of debentures will be applied by the company to repayment of principal or interest on the debentures. In addition to indebtedness, the company has outstanding 2,549,031 common shares, of which Cotter Ferguson, president, owns 11.25%. Names of the selling stockholders and the number of shares to be sold are to be supplied by amendment.

**WESTCHESTER FILES FOR OFFERING AND SECONDARY.** Westchester Corporation, 926 North Wilcrest, Houston, Tex. 77024, filed a registration statement (File 2-38906) with the SEC on November 25 seeking registration of 340,000 shares of common stock, of which 270,000 are to be offered for public sale by the company and 70,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by A. G. Edwards & Sons, Inc., One North Jefferson Ave., St. Louis, Mo. 63103; the offering price (\$13 per share maximum\*) and underwriting terms are to be supplied by amendment. The company has granted the underwriter a five-year warrant to purchase 15,000 shares.

The company is primarily a developer of residential subdivisions in the metropolitan Houston area. Of the net proceeds of its sale of additional stock, \$1,400,000 will be used to repay indebtedness, \$750,000 for the construction of apartments, \$500,000 to finance construction of residences on developed homesites, and \$500,000 for development of acreage owned by the company; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,018,889 common shares, of which E. Glenn McMillan, board chairman and president, owns 56.82% and Adrian E. Kachel, executive vice president, 41.12%. McMillan and Kachel propose to sell 35,000 shares each of 579,000 and 419,000 shares held, respectively.

**PENNSYLVANIA ELECTRIC TO SELL DEBENTURES.** Pennsylvania Electric Company, 1001 Broad St., Johnstown, Pa. 15907, filed a registration statement (File 2-38907) with the SEC on November 25 seeking registration of \$30,000,000 of debentures, due 1996, to be offered for public sale at competitive bidding. A subsidiary of General Public Utilities Corporation, the company will apply the net proceeds of its debenture sale toward reduction of short-term bank loans (estimated at \$37,200,000 at the time of the debenture sale), proceeds of which have been or will be used for construction purposes or to reimburse the company's treasury therefor. Construction expenditures are estimated at \$86,600,000 for 1971.

**CALIFORNIA INT. FUND PROPOSES OFFERING.** California Intercontinental Fund, Inc., 15300 Ventura Blvd., Sherman Oaks, Calif. 91403, filed a registration statement (File 2-38909) with the SEC on November 24 seeking registration of 1,000,000 shares of capital stock. The shares are to be offered for public sale at \$5 per share, without a sales charge. A newly organized, diversified, open-end investment company of the management type, the Fund will primarily seek interest income with preservation of capital through investing in debt securities. California Intercontinental Management Co., Inc., of the Sherman Oaks address, will serve as investment adviser and business manager. Carl A. Daniels is the Fund's president.

**LORD ABBETT BOND FUND FILES.** Lord Abbett Bond Fund, Inc., 63 Wall St., New York, N. Y. 10005, filed a registration statement (File 2-38910) with the SEC on November 25 seeking registration of 4,250,000 shares of common stock. Organized in November 1970, the Fund will operate as an open-end, diversified investment company; its investment objective is "to generate the highest possible return (income and capital appreciation) through an aggressively managed bond portfolio." Its shares are to be offered for public sale at \$12 per share through underwriters headed by Bache & Co., Inc., 36 Wall St., New York, N. Y. 10005, and two other firms; the underwriting discount is to be \$1.02 per share. Lord, Abbett & Co. will serve as investment adviser. Robert S. Driscoll, president of the Fund, is a partner of the adviser.

**SEDCO FILES FOR SECONDARY.** SEDCO, Inc., 4400 First National Bank Bldg., Dallas, Tex. 75202, filed a registration statement (File 2-38913) with the SEC on November 27 seeking registration of 175,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004; the offering price (\$20.75 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in contract drilling of oil and gas wells and construction of oil and gas pipelines. In addition to indebtedness, it has outstanding 8,899,210 common shares, of which W. P. Clements, Jr., board chairman and chief executive officer, owns 19.1%, Paul R. Turnbull, vice chairman, 10.6% and management officials as a group 45.7%. Harold J. Muckley, president of a subsidiary, proposes to sell 50,500 of 332,707 shares held, William H. Bruyere, executive vice president of a subsidiary, 26,582 of 177,214 and 18 others the remaining shares being registered.

**SOCIETY CORP. PROPOSES EXCHANGE OFFER.** Society Corporation, 127 Public Sq., Cleveland, Ohio 44114, filed a registration statement (File 2-38914) with the SEC on November 27 seeking registration of 80,000 shares of common stock. It is proposed to offer these shares in exchange for all of the outstanding shares of common stock of The Peoples Bank of Youngstown, Youngstown, Ohio, on a share-for-share basis. Effectiveness of the exchange offer is conditioned upon acceptance by holders of at least 80% of the outstanding Peoples Bank stock.

Society Corp. is a bank holding company, owning substantially all of the stock of eight Ohio banks. In addition to indebtedness, it has outstanding 1,439,897 common shares, of which management officials as a group own 7.6%. Walter F. Lineberger, Jr., is board chairman and J. Maurice Struchen president.

**CAPITAL INCOME PROPERTIES PROPOSES OFFERING.** Capital Income Properties (the "Partnership"), 1888 Century Park East, Los Angeles, Calif. 90067, filed a registration statement (File 2-38915) with the SEC on November 27 seeking registration of \$1,500,000 of limited partnership interests, to be offered for public sale at \$1,000 per interest (with purchases restricted to three units or more). No underwriting is involved; participating NASD members will receive a selling commission (the amount of which is to be supplied by amendment). The Partnership was formed to invest in and to operate income-producing real properties. Its investments will consist of multiple-unit residential rental properties located in Southern California. Shareholders Investment Properties, Inc., a wholly-owned subsidiary of Shareholders Capital Corporation, is the general partner. Robert J. Lowe is president of the general partner and president of the parent's Real Estate Group; all company officials are also employed by the parent or an affiliate.

**BROOKS INDUSTRIES FILES FOR SECONDARY.** Brooks Industries, Inc., 1880 Century Park East, Los Angeles, Calif. 90067, filed a registration statement (File 2-38916) with the SEC on November 27 seeking registration of 405,739 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 (\$1 per share maximum\*).

The company is a registered, closed-end management investment company engaged primarily in the design, manufacture and sale of boys and girls gym and exercise clothing and a line of children's western apparel. In addition to indebtedness, it has outstanding 1,178,532 common shares, of which Jack I. Salzberg owns 9.6% and management officials as a group 16.2%. Robert Q. Parsons is president. Samuel D. Salzberg, vice president, may sell 26,866 of 53,732 shares held, Peter Frank 22,567 of 90,270, Gladys Goldberg all of 64,479 and eleven others the remaining shares being registered.

**FIRST CONSOLIDATED TO SELL STOCK.** First Consolidated Corporation, 920 North Federal Highway, Pompano Beach, Fla. 33061, filed a registration statement (File 2-38917) with the SEC on November 27 seeking registration of 335,000 shares of Class A common stock, to be offered for public sale at \$3 per share. The offering is to be made on a best efforts basis by Kenneth B. Stucker Investment Securities, 9705 N. E. 2nd Ave., Miami Shore, Fla., which will receive an 18¢ per share selling commission. Also included in this statement are 60,000 shares of common stock reserved for issuance pursuant to the company's stock option plan for officers and employees.

Organized in September 1970, the company acquired as a wholly-owned subsidiary, Consolidated Securities Corp. ("Conseco"), a registered broker-dealer, which was organized in June 1958. The company proposes to engage, through subsidiaries, in a general stock brokerage business and to offer varied financial services to the investing public. Of the net proceeds of its stock sale, \$500,000 will be used as a capital contribution to Conseco to carry on its business as a brokerage firm, \$150,000 for the establishment of a mutual fund and \$200,000 for the construction of a new office building; the balance will be added to the company's working capital. The company has outstanding 432,000 Class A common shares (with a 69¢ per share book value), of which Nick P. Christos, board chairman and president, owns 37.1% and management officials as a group 59.3%.

**GRANITE MANAGEMENT SERVICES SHARES IN REGISTRATION.** Granite Management Services, Inc., 500 Old Country Road, Garden City, L. I., N. Y. 11530, filed a registration statement (File 2-38923) with the SEC on November 27 seeking registration of 103,087 outstanding shares of common stock. These shares were issued by the company in connection with the acquisition of certain businesses; they may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$9 per share maximum\*). Also included in this statement are 100,000 shares of common stock issuable to Hambros Bank Limited upon exercise of warrants, which were issued in connection with a loan agreement with the Bank.

The company is a diversified services organization; it is engaged in leasing of equipment, vehicles and IBM System/360 computers, in furnishing professional planning, architecture, design, supervision of construction and in providing other technical services. In addition to indebtedness, the company has outstanding 2,897,606 common shares, of which management officials as a group own 21%. Herbert Goodkind may sell 17,172 of 92,922 common shares held and 25 others the remaining shares being registered.

**ENERGY COMPOUNDS TO SELL STOCK.** Energy Compounds, Inc., 127-15 34th Ave., Corona, N. Y. 11368, filed a registration statement (File 2-38918) with the SEC on November 27 seeking registration of 108,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made on a best efforts, all or none basis by Kelly, Andrews and Bradley, Inc., 111 John St., New York, N. Y., which will receive a 40¢ per share selling commission plus \$14,000 for expenses. The company has agreed to sell the Kelly firm, for \$108, six-year warrants to purchase 10,800 shares, exercisable after one year at \$4.50 per share.

The company was organized in 1969 for the purpose of acquiring three New York companies engaged in the retail distribution of liquified petroleum gas and the rental and sale of LP-gas heating appliances. Of the net proceeds of its stock sale, \$130,000 will be used for the purchase of metal containers for propane gas distribution, with the balance to be used to buy additional equipment, to repay the balance of a bank obligation and for general corporate purposes. The company has outstanding 170,000 common shares (with a book value of 63¢ per share), of which Ernest Resnick, president, and Henry Isselbacher, vice president, own 46.6% each. Purchasers of the shares being registered will sustain an immediate dilution of \$2.42 in per share book value from the offering price.

**OCEAN METRICS PROPOSES OFFERING.** Ocean Metrics, Inc., 387 Passaic Ave., Fairfield, N. J. 07006, filed a registration statement (File 2-38922) with the SEC on November 27 seeking registration of 150,000 shares of common stock, with warrants to purchase 75,000 shares. These securities are to be offered for public sale in units, each consisting of two shares and one warrant, and at \$10 per unit. The offering is to be made on a "best efforts, 35,000 units or none" basis, through underwriters headed by Lehman, Bartel & Company, Inc., 30 E. 60th St., New York, N. Y. 10022, which will receive a \$1 per unit selling commission plus \$25,000 for expenses. The company has agreed to sell to the underwriters, for \$120, six-year warrants, exercisable at \$5.50 per share after 13 months. Bernard J. Coven, secretary and general counsel of the company, will be entitled to purchase 3,000 warrants for \$30.

The company was organized in 1969 and is engaged in research and development of electro-optical instruments and devices to improve underwater vision. Of the net proceeds of its stock sale, \$170,000 will be used for product development of proposed instruments and systems, \$110,000 for leasehold improvements and acquisition of equipment and the balance for advertising and promotion and for other corporate purposes. The company has outstanding 200,000 common shares (with a 23¢ per share book value deficit), of which Bernard Lichtenstein, president, and Michael Kerpchar, vice president, own 46% each. Purchasers of the shares being registered will sustain an immediate dilution of \$3.44 in per share book value from the offering price.

**DANA CORP. SHARES IN REGISTRATION.** Dana Corporation, 4500 Dorr St., Toledo, Ohio, filed a registration statement (File 2-38921) with the SEC on November 27 seeking registration of 350,000 shares of common stock, to be offered under the company's Employees' Stock Purchase Plan.

**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:

- Super Food Services, Inc., Dayton, Ohio 45439 (File 2-38904) - 90,000 shares
- Toro Manufacturing Corporation, Minneapolis, Minn. 55420 (File 2-38908) - 30,000 shares
- Den-Tal-Ez, Inc., Des Moines, Iowa 50315 (File 2-38911) - 60,000 shares
- Oceanography Mariculture Industries, Inc., Riviera Beach, Fla. 33404 (File 2-38912) - 70,000 shares

#### MISCELLANEOUS

**CLARIFICATION RE GLOBUS INTERNATIONAL.** In the SEC News Digest of November 19, the Commission announced the temporary suspension of trading in common stock of Globus International, Ltd., and an injunctive action against it and others. The said company has no relationship or affiliation with Globus, Inc., a New York securities firm.

**SECURITIES ACT REGISTRATIONS.** Effective November 27: ISI Venture Fund, Inc., 2-35405  
Effective November 30: Aetna Life and Casualty Co., 2-37813 (40 days); Consolidated Natural Gas Co., 2-38770; International Health Sciences, Inc., 2-36910 (90 days); International Leisure Enterprises, Inc., 2-36669 (90 days); Korbblock Corp., 2-36367 (90 days); Rabco Enterprises, Inc., 2-36182 (90 days); Rich's, Inc., 2-38836.

Withdrawn November 24: Aerie Leasing Partnerships, 2-36365; Carpenter Development Inc., 2-35256; Chelsea House Educational Communication Inc., 2-34135; Kim Color Corp., 2-34495; Landa Industries, Inc., 2-32213; Robert E. McKee, Inc., 2-36110; Mesaba Service & Supply Co., 2-36390; Optiscope, Inc., 2-37455; Record Shack Corp., 2-34159; S & S Productions, Inc., 2-37307; Seilon Inc., 2-25515; Taubros Management Co., 2-36598; Texas Crude Oil, Inc., 2-36136. Withdrawn November 25: Mid-Continent Mining Corp., 2-32220; 7 Knights International, Inc., 2-35481. Withdrawn November 30: International Telecomputer Network Corp., 2-36220; Oceanography Development Corp., 2-37273.

**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.