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NEWS DIGEST

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

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RICHARD BUCK FIRM CENSURED; FIVE INDIVIDUALS BARRED. In a decision announced today (Release 34-8482), the Commission found that five persons formerly associated with Richard J. Buck & Co., a New York broker-dealer firm, had engaged in fraudulent transactions in stock of U. S. Sonics Corporation. The Commission barred them from further association with any securities firm, censured the Buck firm for its failure to discharge its obligations to supervise the activities of those individuals in such a manner as to prevent their unlawful conduct, and permitted withdrawal of the firm's broker-dealer registration. Prior to the initial decision of the Hearing Examiner in these proceedings, the Buck firm sold its tangible assets to another firm and ceased doing business.

Two of the individuals, Arthur Gladstone and Charles Arthur Fehr, were co-managers of the firm's Forest Hills, N. Y., branch office. As to Fehr, the Commission's bar order was subject to the provision that, after 60 days, he may become associated with another firm in a non-supervisory capacity upon a showing that he is adequately supervised. The third respondent, Mortimer W. Hanly, was manager of the firm's Hempstead, N. Y., office; and the other two respondents, Frederick C. Stutzmann, Jr. and Steve Charles Paras, were salesmen in the Hempstead office.

According to the Commission's decision, Gladstone and Paras, while employed by another securities firm in 1962, and all the individual respondents while employed by the Buck firm offered and sold Sonics stock in 1963 by means of fraudulent representations or predictions concerning that company's earnings, products, patents and contracts, the future market price of the stock, and possible mergers and acquisitions. "Essentially," the Commission observed, "the fraud in this case consisted of the optimistic representations . . without disclosure of known or reasonably ascertainable adverse information which rendered them materially misleading." The lesser sanction against Fehr was based upon "the limited nature" of his violations.

SOUTHERN CO. RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16259) authorizing The Southern Company, Atlanta holding company, to seek stockholder approval of a proposal for the amendment of the company's charter to eliminate a restriction which prohibits its issuance of debt securities in excess of 10% of its outstanding capital stock, plus paid-in and earned surplus, unless authorized by the affirmative vote of shareholders. Such restriction is said to be unnecessary in view of the Commission's jurisdiction over the issuance of debt securities by holding companies.

MINNESOTA MUTUAL LIFE SEEKS ORDER. Minnesota Mutual Life Insurance Company and the Minnesota Mutual Variable Fund D, of St. Paul, Minn., have applied to the SEC for an exemption from certain provisions of the Investment Company Act; and the Commission has issued an order (Release IC-5575) giving interested persons until January 22 to request a hearing thereon. The Insurance Company established Fund D as a separate account to offer individual or group variable annuity contracts in connection with pension or profit-sharing plans meeting the requirements of Section 401(a) of the Internal Revenue Code of 1954, as amended, including plans established by persons entitled to the benefits of the Self-Employed Individuals Tax Retirement Act of 1962, as amended, and annuity purchase plans adopted by public school systems and certain tax-exempt organizations pursuant to Section 403(b) of the Code.

ELECTRONICS CAPITAL SEEKS ORDER. Electronics Capital Corporation ("ECC"), New York closed-end investment company, has applied to the SEC for an exemption order under the Investment Company Act with respect to the proposed exchange of its stock for stock of Capital Bancorporation ("Capital"); and the Commission has issued an order (Release IC-5576) giving interested persons until January 21 to request a hearing thereon. According to the application, Joseph E. Cole, board chairman of ECC, owns 145,500 shares (6.9%) of ECC's outstanding common stock; he also is board chairman of Capital and owns 110,660 shares (29.6%) of its outstanding common shares. Taft, a director of ECC, owns 342 shares of Capital common and is a director of a subsidiary of that company. ECC has made a general offer to all shareholders of Capital to exchange its shares for outstanding shares of Capital common, at a ratio of 1.3 shares of ECC common for each share of Capital common. The exchange offer is contingent upon its acceptance by holders of at least 80% of the outstanding shares of Capital common. By reason of their relationship to ECC, Cole and Taft may not accept the exchange offerunless the Commission grants the requested exemption.

FIVE TRADING SUSPENSIONS CONTINUED. The SEC has ordered the further suspension of exchange and/or over-the-counter trading in the securities of Texas Uranium Corporation for the ten-day period January 4-13, 1969, inclusive, in the securities of BSF Company and Mountain States Development Company for the ten-day period January 5-14, 1969, inclusive, and in the securities of Comstock-Keystone Mining Company (now known as Memory Magnetics International) and Mooney Aircraft, Inc. for the ten-day period January 6-15, 1969, inclusive.

KING RESOURCES FILES FOR SECONDARY. King Resources Company, Security Life Bldg., Denver, Colo. 80202, filed a registration statement (File 2-31174) with the SEC on December 27 seeking registration of 16,000 outstanding shares of common stock (issued upon conversion of a $1,000,000 promissory note). These shares may be offered for public sale from time to time by F. O. F. Proprietary Funds Ltd., a Canadian corporation for which the company acts as investment adviser, at prices current at the time of sale ($81 per share maximum*).

OVER

Organized under Maine law in 1967 as successor to a Nevada corporation organized in 1960, the company is engaged in the acquisition, exploration, development and operation of oil, gas and mineral properties for its own account and for the accounts of others. In addition to indebtedness, the company has outstanding 5,734,042 common shares, of which John M. King, board chairman, owns 19.95%. A. Rowland Boucher is president.

UNIVERSAL VIDEO INDUSTRIES PROPOSES OFFERING. Universal Video Industries, Inc., 356 West 44th St., New York 10036, filed a registration statement (File 2-31175) with the SEC on December 27 seeking registration of 150,000 shares of common stock, to be offered for public sale by Shaskan & Co., Inc., 67 Broad St., New York 10004. The offering price ($10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter $15,000 for expenses and to sell it, for $150, five-year warrants to purchase 15,000 common shares, exercisable after one year at the public offering price.

The company was organized under New York law in December 1968 for the purpose of acquiring ABC Camera Corporation, ABC Stage City, Inc. and Universal Video Tape Corporation. Through ABC Camera and ABC Stage City, the company is engaged in the business of renting motion picture equipment and sound stages to producers of television commercials, television programs and full-length feature films. Through its newly formed subsidiary, Universal Video, the company plans to engage in the business of renting color broadcast video tape equipment to producers for the video tape recording and production of television commercials and programs. Of the net proceeds of its stock sale, $201,800 will be applied to the repayment of loans, $250,000 to provide Universal with its initial operating capital, $200,000 to increase Camera's inventory of motion picture equipment; the balance will be added to working capital for general corporate purposes, including prepayment of a portion of the $250,000 balance of the purchase price of color broadcast video tape equipment being acquired by Universal, acquisition of the leasee's interest in the sound stage facility operated by the company at 3 West 61st St., construction of a 299 seat "off-Broadway" theater at the company's 66 East 4th St. premises, and acquisition of other companies. In addition to indebtedness, the company has outstanding 250,000 common shares (with a 15¢ per share book value), of which Burton Grodin, president and board chairman, owns 96%.

BAYSTATE CORP. TO SELL DEBENTURES. Baystate Corporation, 77 Franklin St., Boston, Mass. 02110, filed a registration statement (File 2-31176) with the SEC on December 27 seeking registration of $15,000,000 of convertible debentures, due 1994, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a bank holding company with a majority interest in the capital stock of each of 11 banks in Massachusetts. Net proceeds of its debenture sale will be used to enable the company to add to the capital funds of the constitutent banks over the next few years as the need may develop; to the extent proceeds are not used for that purpose, they will be used for general corporate purposes. In addition to preferred stock, the company has outstanding 3,108,213 common shares. Philip Eiseman is board chairman and Richard Wengren president.

CARTER & CHURCHILL TO SELL STOCK. Carter & Churchill Company, Inc., 1 Profile Plaza, West Lebanon, N. H. 03784, filed a registration statement (File 2-31177) with the SEC on December 27 seeking registration of 100,000 shares of common stock, to be offered for public sale at $5.75 per share. The offering is to be made on a "best efforts" basis by John, Edward & Co., Inc., Commerce Bldg., Hanover St., Lebanon, N. H. 03766, which will receive a 46¢ per share commission plus $6,000 for expenses (provided a minimum of 50,000 shares are sold).

Organized under Maryland law in December 1968, the company merged with its predecessor Carter & Churchill Company (formed in 1963). It is engaged in the design, manufacture and sale of a diversified line of ski clothing for men, women and children. Of the net proceeds of its stock sale, $54,000 will be used to retire a bank loan incurred to pay off a portion of notes due to a former officer-stockholder, $116,000 to retire bank loans incurred by B. F. Moore Corp., a wholly-owned subsidiary, to provide working capital, and an unspecified amount to retire short-term bank loans incurred by the predecessor in connection with its investment in B. F. Moore Corp., the construction of its manufacturing facility in West Lebanon, N. H. and the financing of inventories and accounts receivable. In addition to indebtedness, the company has outstanding 400,000 common shares (with a 99¢ per share book value), of which Frederick T. Bedford III, president and board chairman, owns 30.6% and management officials as a group 100%.

PRINTOGS FILES FOR OFFERING AND SECONDARY. Printogs Ltd., 76-01 Woodhaven Blvd., Glendale, N. Y., filed a registration statement (File 2-31178) with the SEC on December 27 seeking registration of 225,000 shares of common stock, of which 75,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Halle & Stieglitz, 52 Wall St., and Suez American Corporation, 55 Broad St., both of New York. The offering price ($12 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell to Suez American 5,000 common shares at $2 per share, which Suez American has agreed not to offer or sell publicly prior to March 1970.

The company was organized under Delaware law in August 1968 for the purpose of continuing in one venture the business and management of Bejan Sportmodes, Ltd., Screen Fashions, Inc., and Screen Fashions Sales Corp.; the company has or will acquire all the outstanding shares of such companies. The company is or will be a manufacturer of ladies' sportswear engaged primarily in designing, knitting, cutting, sewing and screen printing, using dyes and pigments, of stretch pants and knitted pant-tops for "junior" and "misses" sizes for private label companies. The company has outstanding 750,000 common shares, of which Sol Pacht, board chairman, and Harold Pacht, president, own 17.9% each. Sol and Harold Pacht propose to sell 35,833 shares each of 134,583 shares held each, and four others the remaining shares being registered.

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MANAGEMENT RECRUITERS INC. FILES FOR OFFERING AND SECONDARY. Management Recruiters International, Inc., 1001 Euclid Ave., Cleveland, Ohio 44115, filed a registration statement (File 2-31179) with the SEC on December 27 seeking registration of 200,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by D. H. Blair Securities Corporation, 66 Beaver St., New York 10004; the offering price ($7.50 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriters $20,000 for expenses; and it has sold 15,000 shares to Blair Securities, for $10,350, which are not transferable for two years.

The company engages in the business of securing employment for personnel in professional, management and other salaried positions and recruiting potential personnel for employer clients through twenty company-owned and seventy-nine franchised offices located in various cities throughout the United States and two franchised Canadian offices. The net proceeds of its sale of additional stock will be used for the continued expansion of the company's business and for general corporate purposes. The company now has outstanding 700,000 common shares, of which Elton D. Marcus, president and board chairman, owns 70% and Alan R. Schonberg, executive vice president, 27%. Marcus proposes to sell 84,000 of 504,000 shares held, and Schonberg 16,000 of 196,000.

EDUCATION INDUSTRIES FILES FOR OFFERING AND SECONDARY. Education Industries, Inc., 700 Eight Ave., New York 10036, filed a registration statement (File 2-31180) with the SEC on December 27 seeking registration of 257,500 shares of common stock, of which 112,500 are to be offered for public sale by the company and 145,000 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Pressman, Frohlich & Frost Inc., 140 Broadway, New York 10005; the offering price ($10 per share maximum*) and underwriting terms are to be supplied by amendment. The company and selling stockholders have agreed to pay the Pressman firm $20,000 for expenses; and they have agreed to sell that firm (on a pro rata basis, 43.7% from the company and 56.3% from the selling stockholders) five-year warrants to purchase 25,750 shares of common stock. On a 45.1%-54.9% pro rata basis, the company and one of the selling stockholders will pay Alan Eckstein as a finder's fee, $25,000 and 2,500 common shares.

The company was organized under Delaware law in November pursuant to an agreement among the former stockholders of certain corporations which are now wholly-owned subsidiaries of the company. Its activities consist of conducting classes in weight reduction and rapid reading and in franchising others to conduct rapid reading courses. Of the net proceeds of its sale of additional stock, the company will use $399,735 as payment in full of the cash consideration required to be paid to certain shareholders who were formerly shareholders of The Reading Development Center, Inc.; the balance will be used for working capital, including the promotion and sale of "The Read-Ability System" and the development of other self-improvement courses. Of the 887,500 outstanding shares, 91% is owned by Ruth Jaroslow, secretary-treasurer and wife of Fred Jaroslow, president and board chairman. She proposes to sell 140,000 shares and two others the balance of the shares being registered.

Panacolor FILES FOR SECONDARY. Panacolor, Inc., 100 East 42d St., New York 10017, filed a registration statement (File 2-31181) with the SEC on December 27 seeking registration of 485,485 shares of common stock. Of this stock, 227,232 shares are outstanding and may be sold by the holders thereof from time to time at prices prevailing at the time of sale ($18.88 per share maximum*); 258,233 shares are reserved for issuance upon exercise of options and warrants and conversions of preferred shares.

The company is engaged in the sale of an audio-visual unit called the Panacolor Magazine Projector and the preparation of the film in film cartridges displayed by the Projector. Production and sales have been minimal. In addition to indebtedness, preferred stock and warrants, the company has outstanding 1,672,861 common shares, of which management officials own 1.9%. Irwin Schloss is board chairman and Charles L. Greenebaum president. The selling stockholders include Axe Houghton Stock Fund Inc. (30,000 shares), Axe Science Corporation (60,000), James Gilligan (20,803) and North Rankin Nickel Mines Ltd. (28,540).

GRO-PLANT INDUSTRIES FILES FOR OFFERING AND SECONDARY. Gro-Plant Industries, Inc., 765 East Washington St., Monticello, Fla. 32344, filed a registration statement (File 2-31182) with the SEC on December 27 seeking registration of 200,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the present holder thereof. The offering is to be made by underwriters headed by Pierce, Wulbern, Murphey, Inc., 11 East Forsyth St., Jacksonville, Fla.; the offering price ($6 per share maximum*) and underwriting terms are to be supplied by amendment.

The company (formerly Simpson Nursery Company) is engaged in the business of growing, processing and selling deciduous nursery plants, watermelon seeds and evergreens; and it also sells pecan nuts. Of the net proceeds of its sale of additional stock, plus $250,000 to be loaned to the company by Alvin L. Dickerson, Jr., president and selling stockholder, about $575,000 will be used to satisfy a bank loan for the purpose of prepaying an obligation to the predecessor partnership arising out of the purchase of the business in 1963; the balance will be added to working capital and used in the company's business. The company now has outstanding 340,000 common shares, all owned by Dickerson. He proposes to loan $250,000 to the company from the proceeds of his sale of 100,000 shares.

ASSOCIATED MADISON COS. FILES EXCHANGE AND OFFERING PROPOSAL. Associated Madison Companies, Inc., 850 Third Ave., New York 10022, filed a registration statement (File 2-31183) with the SEC on December 27 seeking registration of 1,400,000 shares of common stock. It is proposed to offer this stock in exchange for the outstanding stock of Madison Life Insurance Company on the basis of two shares of company stock for each share of Madison Life stock. The exchange offer will not become effective until at least 80% of the outstanding shares of Madison Life are deposited for exchange.

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In a separate statement (File 2-31184), Associated seeks registration of 350,000 shares of common stock, to be offered for public sale through underwriters headed by Allen & Co., Inc., 30 Broad St., New York 10004, and Kohlmeyer & Co., 147 Carondelet St., New Orleans, La. 70130. The offering price ($12 per share maximum*) and underwriting terms are to be supplied by amendment. Associated has agreed to sell the two underwriting firms five-year warrants to purchase 35,000 shares of its common stock, exercisable after one year at 125% of the offering price.

The company was organized for the purpose of acquiring the stock of Madison Life and becoming a holding company. The boards of directors of the two companies, which are substantially identical, believe that the new corporate format which will result will be in the best interest of Madison Life and its stockholders; stockholders of Madison Life will indirectly retain their stake in the insurance business but, at the same time, will be able to participate in any new opportunities that may be presented by the corporate organization of the holding company. The holding company has broad powers which would enable it to acquire or engage in, or to acquire or organize corporations engaged in, businesses which would not be available to Madison Life under the restrictive provisions of its charter and the New York insurance laws. The net proceeds of its cash sale of stock will be added to working capital and will be used for the acquisition of other corporations or businesses when favorable opportunities are presented in the future, to provide financing for the operations of subsidiaries, or for any other proper corporate purpose. The company has outstanding 70,000 common shares, sold at $5 per share to Harold Allen, a vice president and director of Associated; this provided the company with funds for its organization. Milton A. Schiff is president and board chairman of each company.

COMPUTER RESOURCES TO SELL STOCK. Computer Resources Corporation, 251 Danbury Rd., Wilton, Conn. 06850, filed a registration statement (File 2-31185) with the SEC on December 27 seeking registration of 150,000 shares of common stock, to be offered for public sale on a "best efforts" basis through underwriters headed by George Robinson & Co., 5 Hanover Square, New York 10005. The offering price ($6 per share maximum*) and underwriting terms are to be supplied by amendment. If all shares are sold, the principal underwriter will receive $10,000 for expenses; the company recently sold the said underwriter $15,000 of an issue of $31,500 of 6% convertible subordinated debentures due 1973, convertible at the rate of $1.05 per share into 14,285 common shares.

The company is primarily engaged in the business of acquiring and modifying computer programs and the selling, leasing or licensing of said programs for use in diverse areas of industry. Net proceeds of its stock sale will be used for additional staffing and expansion of the company's current sales force and for the opening of branch sales locations, for further modification and improvement of its existing program packages, for the acquisition and introduction new program packages, and for working capital and other general corporate purposes. In addition to indebtedness, the company has outstanding 369,500 common shares, of which Jerome Priest, president, owns 14% and management officials as a group 33.6%. The average cost to holders of the outstanding shares was about $.539; the September 30 book value thereof was $.22 per share.

G & W INDUSTRIES SHARES IN REGISTRATION. Gulf & Western Industries, Inc., 437 Madison Ave., New York 10022, filed a registration statement (File 2-31186) with the SEC on December 27 seeking registration of $11,336,000 of 5½% convertible subordinated debentures, due 1993, and warrants (expiring January 31, 1978) to purchase 609,360 shares of common stock at $55 per share. These securities may be offered for sale from time to time by the holders thereof at prices current at the time of sale.

INTERSTATE UNITED PROPOSES OFFERING. Interstate United Corporation, 120 S. Riverside Plaza, Chicago, Ill. 60606, filed a registration statement (File 2-31187) with the SEC on December 27 seeking registration of 806,326 common shares. Of this stock, 300,000 shares are to be purchased from the company by the underwriters (headed by Glore Forgan, Wm. R. Staats, Inc., 45 Wall St., New York 10005) for public offering. Debenture holders hold warrants to purchase an aggregate of 200,000 common shares at $20 per share; and the underwriters will purchase warrants for 160,000 shares at a price per share equal to the excess of the offering price (less underwriting discounts) over $20, and the underwriters will exercise these warrants (paying $20 per share to the company) and the 160,000 shares will be included in the proposed public offering. Also included in the statement are 346,326 of 524,159 shares held by 30 selling stockholders (of which Ronald Wolff, a director, proposes to sell 76,050 shares, Marco Wolff 42,992, Allstate Insurance Co. 64,950, and Cyril and Donn Chappelet 50,000 shares each). The offering price of the shares ($35 per share maximum*) and underwriting terms are to be supplied by amendment.

The company operates in 35 states, providing food service, manually and through vending machines, to business,industry and institutions and serving the general public through restaurants and commercial vending. Of the net proceeds of this financing, the company will use $3,120,598 for the repayment of interim bank loans and $1,453,973 for payment of conditional sales contracts; $500,000 is to be used for investment in kitchen fixtures and equipment under a lease, now being negotiated, for various restaurants and food service areas in The Sherman House (Chicago); the balance will be used in connection with the company's plans to expand restaurant operations, for possible acquisitions, and for general corporate purposes. In addition to indebtedness, the company has outstanding 2,277,080 common shares, of which management officials own 10.1%. Wagner Van Vlack is president.

HERITAGE NURSING FILES FOR OFFERING AND SECONDARY. Heritage Nursing Centers, Inc., 2800 Highway 694, New Brighton, Minn. 55112, filed a registration statement (File 2-31188) with the SEC on December 27 seeking registration of 375,000 shares of common stock, of which 312,500 are to be offered for public sale by the company and 62,500 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Clark, Dodge & Co., Inc., 61 Wall St., New York 10005; the offering price ($10 per share maximum*) and underwriting terms are to be supplied by amendment.

CONTINUED

The company and its subsidiaries operate five nursing homes and one retirement home which have a total of 600 beds. It also owns seven additional parcels of land to be used as sites for possible construction of other nursing or retirement homes. Net proceeds of its stock sale will be used for an expansion of a nursing home in Fort Lauderdale, Fla., currently in progress, and for the planned construction of two homes in the Minneapolis area expected to begin in 1969; $500,000 of the funds will be used to provide working capital for the construction subsidiary; and the balance, together with any necessary mortgage financing, will be used to finance expansion of presently owned facilities, acquisition of one or more construction sites, and construction or acquisition of additional facilities. In addition to indebtedness, the company has outstanding 1,165,244 common shares, of which M. Wayne Field, president and board chairman, owns 33.4%, Phyllis Field, 12.5%, and Donald S. Leaf (a director) and Helen Leaf 18%. M. Wayne Field proposes to sell 30,518 of 432,042 shares held; four others propose to sell the balance of the shares being registered.

TWO HUTTON BRANCH OFFICES SUSPENDED. The SEC today announced the issuance of a decision under the Securities Exchange Act (Release 34-8487) suspending for four weeks and one week, respectively, the Beaumont and Houston Branch Offices of E. F. Hutton & Company, Inc., New York broker-dealer firm, from initiating or soliciting securities transactions (other than in bonds and mutual fund shares). The action was based upon the firm's failure to supervise certain employees in those branch offices in such manner as to have prevented the effectuation of a "conspiracy" on the part of certain employees (whose employment was terminated in August 1967) to violate the Exchange Act by unauthorized withdrawals from, and unauthorized trading in, customers accounts.

The Commission's action was based upon a stipulation and offer of settlement submitted by Hutton in which, without admitting the allegations of the Commission's order for proceedings, it consented to a finding of failure to supervise certain employees in the two branch offices and to the suspension of the two branch offices for the respective periods indicated. In support of its offer of settlement, Hutton cited, among other factors, that the alleged failure to supervise occurred only with respect to these two branch offices and only with regard to the fraudulent activity of one Jerry C. Stedman and other former employees who conspired with him; that the Hutton firm cooperated with and assisted the Commission's staff in its investigation of this matter; that the employment of the personnel in the Beaumont and Houston offices responsible for the alleged failure to supervise has been terminated; and that Hutton has taken appropriate steps to insure that no customer of Hutton suffers any loss as a result of the activities alleged.

Stedman was an account executive in Hutton's Beaumont office. He together with Geraldine Rushing, senior margin clerk in Houston, and Louis J. Frederick, cash desk clerk in Houston, pleaded guilty in the United District Court in Texas in September 1968 to Exchange Act violations and have been sentenced. Stedman in October pleaded guilty in the Texas State Court to embezzling funds from Hutton.

According to the Hutton stipulation, in the period preceding September 1967, Stedman, with the aid of other employees, used customers' accounts to trade in securities and commodities and to withdraw and deposit funds for his own benefit. He facilitated his cash manipulations by opening bank accounts in customers' names; and, by controlling such bank accounts and the customers' stock and commodity accounts, he was able to use the credit balances of other customers and develop a "float" or "check-kiting" scheme which generated funds for his securities and commodities trading. Ultimately there were involved the accounts of 41 Beaumont customers. The stipulation further recites that when the "float" became too large for Stedman and his co-conspirators to manage, the scheme collapsed, with a resulting loss to Hutton in excess of $550,000 plus expenses of over $463,000 incurred in investigation of the matter and in ensuring full restitution of all innocent customers injured as a result of Stedman's scheme.

COLLARD-WESTERN STATES FINANCIAL ENJOINED. The SEC Denver Regional Office announced December 27 (LR-4195) that the U. S. District Court in Salt Lake City had preliminarily enjoined violations of the registration and anti-fraud provisions of the Federal securities laws by Western States Financial Corporation and LeRoy Collard, of Salt Lake City, in connection with their offer and sale of stock of the said Financial Corp.

CORRECTION RE McCRORY CORP. FILING. The SEC News Digest of December 13 reported the filing of a registration statement by McCrory Corporation (File 2-31001) proposing the offer of $92,775,000 of 7½% sinking fund subordinated debentures, due 1994, to be offered in exchange for shares of common stock of McCrory and 5½% sinking fund subordinated debentures, due 1976, of McCrory presently outstanding. The item may have implied that McCrory seeks to acquire all 2,473,822 shares of its common stock outstanding in the hands of the public; the prospectus states that the company proposes to reacquire an additional 1,000,000 (and possibly 1,500,000) shares by means of this tender offer.

SECURITIES ACT REGISTRATION STATEMENTS. During the week ended December 26, 1968, 60 registration statements were filed, 57 became effective, 2 were withdrawn, and 1,008 were pending at the week-end.

SECURITIES ACT REGISTRATIONS. Effective January 2: King Resources Co., 2-31174 (40 days); Marriott Corp., 2-30787; Miles Laboratories, Inc., 2-30652 (Feb 11); Monmouth Real Estate Investment Trust, 2-29442; The Murray Ohio Manufacturing Co., 2-30789 (90 days); New York Testing Laboratories, Inc., 2-30013 (90 days); Northwestern Bell Telephone Co., 2-31026; Royal Resources Exploration, Inc., 2-28155.

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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