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NEEDHAM BECOMES SEC MEMBER. James J. Needham, of New York, today took the oath of office and entered on duty as a Member of the SEC. He succeeds to the vacancy created by the resignation of former Chairman Manuel F. Cohen, for an unexpired term ending June 5, 1973.

Commissioner Needham received his B.B.A. in 1951 from St. John's University. During 1944-46, he was in the Naval V-5 Program at Cornell University. A certified public accountant, Mr. Needham since October 1967 has been associated with A. M. Pullen & Company, an accounting firm of Greensboro, N. Car., serving as partner in charge of its New York Office. Previously, he was associated for two years with Raymond T. Hyer & Company and for several years prior thereto with Price, Waterhouse & Co.

Commissioner Needham has been active in various professional and business organizations, including the American Institute of Certified Public Accountants (he served as a member of its council and on two committees), the New York State Society of Certified Public Accountants (including service as treasurer and as a member of its board of directors and executive committee), the New York Chamber of Commerce, the Accountants Club of America, and the Catholic Accountants' Guild of the Diocese of Rockville Center (past president). He also has participated actively in various community affairs, including the Central School District No. 4 (former treasurer) and the Bishop's Committee of the Laity, both in Plainview, New York, where he maintained his residence.

Born in Woodhaven, N. Y., on August 18, 1926, Commissioner Needham is married to the former Dolores Anne Habick of Brooklyn, N. Y., and they have five children.

SANCTIONS IMPOSED ON ROBERTS SCOTT, OTHERS. The SEC today announced a decision under the Securities Exchange Act (Release 34-8647) suspending the over-the-counter department of Roberts, Scott & Co., Inc., of San Diego, Calif. for 10 business days, and the over-the-counter activities of its Laguna Beach, Calif., branch office, San Diego main office (ground floor) and Los Angeles branch office for 30, 15 and 15 calendar days, respectively. These suspensions, which become effective July 21, are subject to limited exceptions with respect to certain unsolicited transactions for existing customers and in other respects specified in the Commission's order. The Commission also suspended Jack Alexander, the firm's vice-president, from association with a broker-dealer for 60 calendar days beginning July 14, and censured Charles R. Scott, its president. The Commission's order was based on offers of settlement submitted by the respondents, who consented to the sanctions imposed and to Commission findings of the misconduct charged without admitting the allegations against them.

In a related action, the United States District Court for the Southern District of New York, with the consent of the Roberts Scott firm (which neither admitted nor denied the allegations of the complaint), entered an order permanently enjoining the firm from violating registration and anti-fraud provisions of the securities acts in connection with the offer or sale of North American Research and Development Corp. common stock (LR-4367).

According to the Commission's decision, the firm sold North American stock in violation of registration and anti-fraud provisions of the Federal securities laws, violated requirements regarding the extension of credit, and through Alexander participated in unlawful distributions of unregistered shares of Liquidonics Industries, Inc. and Odell, Inc. All respondents also failed reasonably to exercise supervision to prevent the violations.

In support of their settlement offers, the respondents stated, among other things, that all customers who had purchased North American stock had accepted the firm's rescission offer, and they cited various steps which had been taken to prevent a recurrence of the violations charged.

GREENWOOD MANAGEMENT OFFERING SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public stock offering by Greenwood Management Corporation, of Salt Lake City, Utah. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding $300,000 in amount. In its notification, filed in December 1968, Greenwood Management proposed the public offering of 300,000 common shares at 10¢ per share; the offering was commenced in February 1969. In its suspension order, the Commission asserts, among other things, that the company's offering circular fails to make proper disclosure of its assets and liabilities as well as the intended uses to which the proceeds of the stock offering were to be applied, and failed to disclose certain material transactions with promoters and affiliates and that an affiliated company was engaged in an offering of its own securities.

INDICTMENT RETURNED IN LEEDS SHOES CASE. The SEC announced July 10 (LR-4368) that a Federal grand jury in Tampa, Fla. had returned an indictment arising out of the Commission's investigation of Leeds Shoes, Inc. Frank Garcia, former president, and Walter S. Endsley and Robert A. McCormick, CPAs, were charged with making untrue statements in the Securities Act registration statement filed by Leeds Shoes and with conspiracy to violate the Federal securities laws and the mail fraud statute. Endsley and McCormick were also charged with obstruction of justice.

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VARIABLE ANNUITY RULES ADOPTED. The SEC today announced the adoption of new rules under the Investment Company Act which provide conditional exemptions from certain provisions of the Act for certain registered separate accounts of insurance companies proposing to sell variable annuities. The rules as adopted (Release IC-5738) reflect certain minor changes from those originally proposed by the Commission on January 24 (Release IC-5586). The rules, designated 14a-2, 15a-3, 16a-1, 32a-2, 22e-1, 27a-1, 27a-2, 27a-3, 27c-1 and 0-1(e), eliminate the need for the filing of certain individual exemption applications. They also provide exemptions (under specified conditions) from provisions of the Act relating to the initial $100,000 minimum net worth requirements; initial shareholder approval of the advisory agreement; initial election of directors and selection of independent public accountants; shareholders' right of redemption during the annuity payout period; the 9% sales load limitation (provision is made for bringing the sales load limit within the 9% limit within 12 years or less); the prohibition on more than one proportionate reduction of sales load (provision is made for more than one reduction); and for certain variable annuities receiving special tax treatment, the prohibition of payments under $20 and $10 for initial and subsequent payments respectively. The new rules also define "separate account" and establish certain conditions for the availability of these exemptions.

MONONGAHELA RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16423) authorizing Monongahela Power Company, Fairmont, W. Va., subsidiary of Allegheny Power System, Inc., to sell to Virginia Electric and Power Company, non-affiliated electric utility company, 5.72 miles of 500 kv transmission line, including related equipment and rights of way, at the original cost thereof, which at March 31 amounted to $671,180.

ATLANTIC CAPITAL SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5739) giving interested persons until July 30 to request a hearing upon an application of Atlantic Capital Corporation, New York non-diversified, closed-end management investment company, for an order declaring that it has ceased to be an investment company as defined in the Act. Organized in 1960, Atlantic was licensed in 1961 to operate as a small business investment company under provisions of the Small Business Investment Act. In June 1966, Atlantic registered as an investment company and also registered 200,000 shares of common stock (later reduced to 100,000 shares) under the Securities Act. In July 1967, it surrendered its small business investment company license. In March 1968, Atlantic's Securities Act registration statement was withdrawn upon its representation that it no longer intended to make a public offering of its shares. Atlantic represents that its only shareholders are 17 individuals and a brokerage firm, Spear, Leeds & Kellogg of New York City, which owns 76.59% of its outstanding voting securities, and that it no longer intends to operate as a small business investment company and does not intend to make a public offering of its securities.

AMERICAN ELECTRIC POWER FILES OFFERING PROPOSAL. American Electric Power Company, Inc. ("AEP"), 2 Broadway, New York 10004, filed a registration statement (File 2-33901) with the SEC on July 3 seeking registration of 2,540,097 shares of common stock (see SEC News Digest of June 26). An electric utility holding company, AEP proposes to use the net proceeds of its stock sale, together with other available funds, to pay off at maturity from time to time, and to retire, such of its unsecured short term debt as may be outstanding at the time of the stock sale. The proceeds from the sale of such debt were used by the company to make cash capital contributions aggregating $68,000,000 to three subsidiaries, open account advances to another in the amount of $6,300,000 and for other corporate purposes.

AMERICAN ELECTRIC POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16426) authorizing American Electric Power Company, Inc. ("AEP") to issue and sell, through an underwritten public offering, the 2,540,097 common shares referred to above. The Commission also granted AEP's request for exemption from its competitive bidding rule so that the company may enter into negotiations with investment bankers, under circumstances where competitive conditions are maintained, to establish the terms and conditions under which the additional common stock is to be issued and sold. The Commission reserved jurisdiction over the terms of the stock offering, including the terms of the underwriting.

MELVILLE SHOE FILES FOR SECONDARY. Melville Shoe Corporation, 25 West 43rd St., New York 10036, filed a registration statement (File 2-33749) with the SEC on June 27 seeking registration of 20,086 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale ($55 per share maximum*).

The company is engaged in shoe retailing-manufacturing business; it operates 1,500 stores and leased departments in the United States, Puerto Rico and Canada. It has outstanding 5,597,266 common shares. The Stony Brook Community Fund proposes to sell 9,000 of 9,600 shares held and five others the remaining shares being registered.

MINBANCO PROPOSES OFFERING. Minbanco Corporation, 595 Madison Ave., New York 10022, filed a registration statement (File 2-33767) with the SEC on June 30 seeking registration of 150,000 shares of common stock, to be offered for public sale at $14 per share. The offering is to be made through company officials; participating NASD members will receive a 70¢ per share selling commission.

Organized in October 1966, the company is engaged in the business of financing the acquisition of interests in and the exploration of mineral properties, through partnerships with mining companies and others. Of the net proceeds of its stock sale, $280,000 will be spent in obtaining and testing the initial 250-ton bulk sample from its asbestos property and $350,000 to obtain and test a second bulk sample taken at a different level of the mineralized zone; the balance will be added to the company's general funds and will be used as working capital and for other corporate purposes. The company has outstanding 2,922,606 common shares (with

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an 86¢ per share book value), of which A. H. Lindley, president, owns 11.60% and management officials as a group 34.66%. Frank H. Crerie is board chairman. Purchasers of the shares being registered will acquire a 4.9% stock interest in the company for their investment of $2,100,000 (they will sustain an immediate dilution of $12.53 in per share book value from the offering price); company officials and affiliated persons will then own 53.3%, for which they paid $1,276,368, or 78¢ per share.

SOUTHWESTERN STATES GAS FILES FOR SECONDARY. Southwestern States Gas Company, 1011 Pennsylvania Ave., Hartshorne, Okla. 74547, filed a registration statement (File 2-33768) with the SEC on June 30 seeking registration of 48,000 outstanding shares of common stock, to be offered for public sale by the present holders thereof. The offering is to be made through underwriters headed by Midland Securities Company, Inc., 15 W. 10th St., Kansas City, Mo.; the offering price ($5 per share maximum*) and underwriting terms are to supplied by amendment.

The company owns and operates a gas transmission line in New Mexico. In addition to indebtedness, it has outstanding 493,800 common shares, of which John T. Swab, president and Robert J. Swab, vice president, own 14.2% each. Each proposes to sell 24,000 shares.

SPECIAL INDUSTRIES FILES FOR OFFERING AND SECONDARY. Special Industries, Inc., 340 Delancy St., Newark, N. J. 07105, filed a registration statement (File 2-33769) with the SEC on June 30 seeking registration of 135,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 35,000 (being outstanding shares) by the present holder thereof. The offering is to be made at $10 per share through Weis, Voisin, Cannon, Inc., 111 Broadway, New York, which will receive a 90¢ per share commission plus $30,000 for expenses. VCL Associates and certain of its partners, affiliates of the underwriter, purchased 10,000 shares at 10¢ per share from Samuel B. Freedman, president of the company.

The company is engaged in the business of processing and selling ferrous and non-ferrous scrap, the dismantling and demolition of abandoned plants, and in the recovery of precious and semi-precious metals through refining processes. Of the net proceeds of its sale of additional stock, $100,000 will be allocated to the purchase of capital equipment and capital improvements (including a road crane and tractors and trailers), $100,000 to the purchase and installation of equipment for the recovery of precious and semi-precious metals, and $535,000 to the payment of outstanding indebtedness (including elimination of an outstanding mortgage on land and buildings); the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 148,000 common shares (with a 97¢ per share book value), of which Samuel Freedman owns 67.6% and management officials as a group 87.2%. Purchasers of the shares being registered will acquire a 54.4% stock interest in the company for their investment of $1,350,000 (they will sustain an immediate dilution of $6.11 in per share book value from the offering price); the present stockholders will then own 45.6%, for which they paid $22,600 or 20¢ per share.

LAND CONSULTANTS TO SELL STOCK. Land Consultants of America, Inc., 15300 Ventura Blvd., Sherman Oaks, Calif. 91403, filed a registration statement (File 2-33770) with the SEC on June 30 seeking registration of 320,000 shares of common stock, to be offered for public sale at $8 per share. The offering is to be made through underwriters headed by Scheinman, Hochstin & Trotta, Inc., 111 Broadway, New York 10006, which will receive an 80¢ per share commission plus $25,000 for expenses. The Scheinman firm, certain of its officers and Richard Neuberger, an employee of that firm and one of the finders, have purchased a total of 27,000 shares at $1 per share (Neuberger purchased 3,000 of these shares). The Scheinman firm has agreed to pay Robert M. Nadler and Arnold M. Cook $7,000 each for their services as finders.

Organized on April 1, the company owns, directly or indirectly, all of the stock of ten California corporations. Through those subsidiaries, it is engaged in the continuing purchase and resale to investors of unimproved real property located in Antelope Valley, 40 miles from Los Angeles. Of the net proceeds of its stock sale, $400,000 will be used by the company as initial payments for land acquisition and improvements and $700,000 to retire its outstanding bank obligations; the balance will be added to the company's general funds and will be available for working capital. The company has outstanding 887,000 common shares (with a net tangible book value of $1.26 per share), of which Barry Marantz, president, owns 42% and management officials as a group 96%. Purchasers of the shares being registered will acquire a 27% stock interest in the company for their investment of $2,560,000; the present shareholders will then own 73%, for which they will have paid $278,129 in cash and contributed properties having an adjusted book value of $199,870.

MANOR NURSING CENTERS FILES FOR OFFERING AND SECONDARY. Manor Nursing Centers, Inc., 133 Country Road, Tenafly, N. J. 07670, filed a registration statement (File 2-33771) with the SEC on June 30 seeking registration of 450,000 shares of common stock, of which 350,000 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 Benjamin Werner Co., 19 Rector St., New York, on an all or none basis and at $10 per share; the underwriter will receive $1 per share commission plus $22,500 for expenses. The underwriter also will be entitled to purchase, for $450, five-year warrants for the purchase of 45,000 shares, exercisable after one year at $11 per share.

The company was organized in March to engage in the development, construction, management and operation of nursing centers providing extended care nursing, convalescent and rehabilitation facilities for in-patient adults. It has acquired, in exchange for 975,000 common shares, a company which owns a 64-bed nursing center in Tenafly. An additional 225,000 shares were issued to a group of nine subscribers for $11,250, and 51,000 shares to a group of eight persons in exchange for the cancellation of $253,203 of indebtedness assumed by the company in connection with the merger of the company which owned the Tenafly facility. The company intends to construct four additional nursing centers containing an aggregate of about 706 beds and a senior citizens complex containing about 150 apartments, and to enlarge the Tenafly center from 64 to 200 beds. Net proceeds of its stock sale, supplemented by mortgage financing, will be applied to this program. In addition to indebtedness, the company has outstanding 1,251,000 common shares (with a 21¢ per share book value), of which Ira Feinberg, president, owns 955,000 (76.3%) and management officials as a group 78.5%. Feinberg proposes to sell 65,000 shares and six others the balance of the shares being registered.

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CHICO'S PIZZA FRANCHISES TO SELL STOCK. Chico's Pizza Franchises, Inc., 1937 S.E. 82nd Ave., Portland, Oregon, filed a registration statement (File 2-33772) with the SEC on June 30 seeking registration of 130,000 shares of common stock, to be offered for public sale at $5.25 per share. The offering is to be made on a best efforts, all or none basis through Island Planning Corporation of America, 8 West 40th St., New York, which will receive a $.525 selling commission plus $15,000 for expenses. The underwriter will be entitled to purchase, for $13, five-year warrants for the purchase of 13,000 common shares, exercisable after one year at $5.78 per share.

The company is engaged in developing, operating and franchising restaurants which sell 22 varieties of pizza pies. Net proceeds of its stock sale will be used largely for working capital and primarily to open other company-owned pizza restaurants. The company has outstanding 275,000 common shares (with a book value of 45¢ per share), of which Gilbert G. Underwood, president, owns 47.3% and management officials as a group 94.6%. Purchasers of the shares being registered will acquire a 32% stock interest in the company for their investment of $682,500; they will sustain an immediate dilution of $3.61 in per share book value from the offering price.

LEHIGH VALLEY INDUSTRIES FILES FOR SECONDARY. Lehigh Valley Industries, Inc., 200 East 42d St., New York 10017, filed a registration statement (File 2-33773) with the SEC on June 30 seeking registration of 581,651 outstanding shares of common stock, to be offered for public sale by the present holders thereof through underwriters headed by R. W. Pressprich & Co., Inc., 80 Pine St., New York. The offering price ($12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company engages through subsidiaries in the manufacture and sale of metal and electrical products, women's shoes and shoe ornaments, and textiles and the creation of motivational marketing programs and sale of products incidental thereto. In addition to indebtedness and preferred stock, it has outstanding 7,020,016 shares (after giving effect to the conversion of $998,800 of debentures into 99,880 shares), of which The New England Industries, Inc., owns 22.2%. The prospectus lists ten selling stockholders; Harry N. Brodsky and others propose to sell 99,880 shares and George C. Hillfinger 92,834.

UNITED UTILITIES OF FLA. FILES FOR OFFERING AND SECONDARY. United Utilities Corp. of Florida, 5845 Margate Blvd., Margate, Fla. 33063, filed a registration statement (File 2-33774) with the SEC on June 30 seeking registration of 190,000 shares of common stock, of which 167,200 are to be offered for public sale by the company and 22,800 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Herold, Wilson & Gerald, 14 Wall St., New York; the offering price ($15 per share maximum*) and underwriting terms are to be supplied by amendment. The Herold firm will be entitled to purchase, for $190, five-year warrants for the purchase of 19,000 shares.

The company owns, operates and maintains two L-P (liquefied petroleum) underground gas distribution systems in the Fort Lauderdale area of Florida; it has acquired a 983-acre tract in Palm Beach County, near Boca Raton, and is developing the property into a mobile modular home country club community, known as Sandalfoot Cove. Net proceeds of its sale of additional stock will be devoted largely to the development of Sandalfoot Cove, the balance will be available for general corporate purposes, including possible future acquisitions in the water, sewer and gas utilities field, and in the mobile home industry. In addition to indebtedness, the company has outstanding 1,390,000 common shares, of which David G. Baird owns 15.59% and Alfred Strelsin 13.47%. Irving Fishman proposes to sell 10,300 of 21,671 shares held and Edward Lempka 12,600 of 16,579. Howard C. Osterman is board chairman and chief executive officer and William Roll is president.

TRADING IN R. HOE & CO. TO RESUME. The SEC today announced that its ban on trading in securities of R. Hoe & Co., Inc., would not be continued beyond July 11; however, the American Stock Exchange has advised that its trading halt in the securities will be continued indefinitely pending the outcome of Chapter X proceedings for the reorganization of the company. The Chapter X reorganization petition was filed in the Federal court in New York on July 9, and Judge Sylvester J. Ryan named John J. Galgay as trustee.(Rel.34-8648)

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 July 11-20, 1969, inclusive.

SECURITIES ACT REGISTRATIONS. Effective July 9: American International Pictures, Inc., 2-33282 (90 days) Baker Industries, Inc., 2-33578 (40 days); C. R. Bard, Inc., 2-33572 (40 days); California Shopping Centers, Inc., 2-32389 (40 days); Eastech, Inc., 2-32072 (90 days); Gladding Corp., 2-33129 (40 days); Gold Platter Services, Inc., 2-32728 (90 days); Guardsman Lease Plan Inc., 2-32107 (90 days); Marlennan Corp., 2-33563; Telemation, Inc., 2-32281 (90 days); Underwriters National Assurance Co., 2-33419; Vanguard Diversified Inc., 2-31709 (90 days); Willow Industries, Inc., 2-31502 (90 days).

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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