

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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COMMISSION ANNOUNCEMENT

SEC CITES PLANT INDUSTRIES, INC. The SEC on Friday announced the filing of a complaint on April 2, 1971 in New York seeking to enjoin defendants Plant Industries, Inc., whose common stock is traded on the American Stock Exchange, and Hyman Katz, president and board chairman of the company, from further violations of the anti-fraud provisions of the Federal securities laws. (Release 34-9134)

NEW RULES AND RULES PROPOSALS

PROPOSAL WOULD INCREASE ANNUAL CHARGES OF NON-MEMBER BD's. The SEC has announced a proposal to amend Form SECO-4 of Rule 15b9-2 under the Securities Exchange Act of 1934 to set fees for the fiscal year 1971 for registered broker-dealers who are not members of the National Association of Securities Dealers, Inc. Each fiscal year the fees are set forth on Form SECO-4 for that particular year. This year's assessment, to be set forth on Form SECO-4, will remain the same and would thus include a base fee of \$100, a fee of \$5 for each associated person, a \$30 fee for each office. It is proposed, however, that the maximum amount payable by a firm in annual charges be raised from \$25,000 to \$50,000 to create a more equitable distribution of the assessment burden, to raise additional funds to meet increased administrative costs and to maintain comparability with the dues structure of the National Association of Securities, Inc.

The Commission proposes to adopt the foregoing amendment to be effective on June 1, 1971. All interested persons may submit their comments to the Commission at its office in Washington, D. C. 20549 no later than April 16, 1971. Copies of the Form SECO-4 as proposed to be amended have been filed with the Office of the Federal Register, and additional copies are available on request from the Commission at the above address. (Release 34-9131)

17a-10 PLAN AMENDMENTS EFFECTIVE. The SEC today announced that it has declared effective amendments filed by the National Association of Securities Dealers, Inc. to its Rule 17a-10 plan which was declared effective by the Commission on April 30, 1970. The effect of one of the changes to that plan is to make it clear that all NASD members will continue indefinitely to file an annual income and expense report with the NASD. In addition, another amendment deletes a provision as to the deadline date for filing which was only applicable to the 1969 annual income and expense reports and is now obsolete. A copy of the amendments is available for inspection at the SEC, 500 North Capitol Street, Washington, D. C. 20549. (Release 34-9130)

COURT ENFORCEMENT ACTIONS

GEYSER MINERALS, MINERAL AGGREGATES ENJOINED. The SEC Denver Regional Office today announced that on March 23 the Federal court in Denver, permanently enjoined Geysler Minerals Corporation, Mineral Aggregates Corporation, and C. George Swallow from violating the registration and anti-fraud provisions of the Federal securities laws in connection with the offer and sale of securities of Geysler, Aggregates and Swallow. (Release LR-4954)

INDICTMENTS RETURNED IN MELROSE PARK CHURCH PROCEEDINGS. The SEC Fort Worth Regional Office today announced that on March 25 a 10 count indictment was returned in Federal court in Houston, Texas charging the following with violating the registration and anti-fraud provisions of the Federal securities laws in the sale of securities of Melrose Park Baptist Church of Houston, Texas, as well as the mail fraud and conspiracy statutes: Charles Henry Palmer, also known as Dr. C. H. Palmer, Douglas Jack White, also known as Jack Douglas White and Jack White, Joseph Edward Melody, Wallace Truet Sisk, all of Houston and Leland Vernon Maples of Dallas. (LR-4955)

COMPLAINT CITES DECADE MANAGEMENT CORP., OTHERS. The SEC San Francisco Regional Office today announced the filing of a complaint in Federal court in Los Angeles on March 26 seeking to enjoin various violations of the Federal securities laws, including those of the Investment Company Act of 1940 by the following: Decade Management Corporation, Capital Services Corporation, Financial Security Group-1962, Financial Security Group-1963, Financia Security Group 1964 and Financial Security Group 1965, James I. Coger, Merrill O. Mooney, and George F. Slabodnik, all of Las Vegas, Nev. Decade Management, which is the investment adviser and principal underwriter of Decade Fund - 1967 a registered investment company occasionally referred to as Endeavor Fund, the four investment partnerships and Mooney were previously located in Downey, Calif. (LR-4956)

SIPC ENTERS ORIN R. DUDLEY PROCEEDINGS. The SEC New York Regional Office today announced that the Federal court in New York on March 29 appointed J. Lincoln Morris, Esq., trustee for the assets of Orin R. Dudley individually and doing business as Orin R. Dudley Co., New York broker-dealer, pursuant to the provisions of the Securities Investor Protection Act of 1970 upon the application of the Securities Investor Protection Corporation which has accepted jurisdiction in the matter. (LR-4957)

OVER

SIPC ENTERS CARLTON PROCEEDINGS. The SEC New York Regional Office today announced that on March 29 the Federal court in New York issued an Order to Show Cause submitted by the Securities Investor Protection Corporation (SIPC) ordering Howard Carlton, Inc., registered broker-dealer of New York, to show cause why the court should not enter an order adjudicating that the customers of Carlton are in need of protection afforded by the Securities Investor Protection Act of 1970 and the appointment of a trustee for the business and property of Carlton. (LR-4958)

INVESTMENT COMPANY ACT RELEASES

ARKANSAS FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 21 to request a hearing upon an application of The Texas-Arkansas Fund, Inc., sponsor of The Arkansas Fund, Dallas (the Fund), for an order declaring that the Fund has ceased to be an investment company as defined in the Act. Subsequent to the registration of Fund under the Act in 1940, for convenience of administration and management functions, it merged (in February 1941) with The Texas Fund, also a unit investment trust, and the surviving fund became the Texas-Arkansas Fund. Texas-Arkansas Fund represents that Fund's legal existence ceased at the time of the merger; however, its registration was never terminated. In April 1949, the sponsor advised all certificate holders of Fund that Fund was being liquidated and called for surrender of all outstanding certificates in accordance with the terms thereof. Recently, Fund's assets in possession of the sponsor totaled \$810 and 23 certificates remain outstanding. (Release IC-6432)

BROAD STREET INVESTING CORP. SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 21 to request a hearing upon an application of Broad Street Investing Corporation, New York mutual fund, for an order exempting from certain provisions of the Act the proposed acquisition of substantially all of the assets of Watson-Flagg Machine Company. Broad Street proposes to issue its shares at net asset value for Watson-Flagg's assets, which were valued at \$4,454,824 on February 26, 1971. The Broad Street shares will be distributed to Watson-Flagg shareholders upon its liquidation. (Release IC-6433)

HUBSHMAN FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 23 to request a hearing upon an application of The Hubshman Fund, Inc., New York mutual fund, Hubshman Management Corporation, its investment adviser, and Louis Hubshman, Jr. (president and board chairman of the Fund and adviser), for an order exempting from certain provisions of the Act the sale of certain office furniture owned jointly by the fund and the adviser to Louis Hubshman, for \$1,098. Applicants have obtained an appraisal which indicates that the resale value of the furniture is between 35% to 50% of its purchase price. According to the application, they advertised daily in the New York Times from January 6-19, 1971, and Mr. Hubshman's offer exceeded the other offers received both in total and on a per item basis. (Release IC-6434)

PITWAY SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 23 to request a hearing upon an application of Pittway Corporation, Metropolitan Nuns' Island Partnership ("Metropolitan"), a limited partnership, ^{Bergard Weissbourd and Alan Levinson, all of} Northbrook, Ill., permitting them to engage in certain real estate transactions. Standard Shares, a closed-end, non-diversified management company, owns over 38% of the outstanding common stock of Pittway, which is engaged primarily in aerosol and other packaging, the manufacture of aerosol valves and burglar and fire alarms and publishing of trade magazines. In 1968, Pittway acquired a 10% limited partnership interest in Metropolitan Structures ("Structures"), a partnership engaged in the development of real estate in Chicago, whose general partners include Weissbourd and Levinson. Structures, the general partner of Metropolitan, owns a 54.8% interest in Metropolitan. Pittway acquired a 50% equity interest in a joint venture with Metropolitan for the development of residential property on Nuns' Island, adjacent to Montreal, and invested \$3,114,000 Canadian ("C\$") and is committed to invest an additional C\$1,386,000. Metropolitan, through a separate partnership, Metropolitan Nuns' Island No. 8, is now constructing on Nuns' Island a five-story office building (Canada Starch Building). Pittway and five additional investors propose to advance up to C\$1,500,000 to the new partnership for the construction of the Canada Starch Building (including repayment of existing temporary loans from Metropolitan) with a right to obtain an equity interest therein. Metropolitan will be the limited partner and own 90% of the equity interest; Weissbourd and Levinson will be the general partners and each own 5% as nominees of Metropolitan. (Release IC-6436)

FUND OF LETTERS SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 22 to request a hearing upon an application of Fund of Letters, Inc., Los Angeles closed-end, diversified, management investment company, exempting from certain provisions of the Act the exchange by the Fund of 523,034 common shares of Haven Industries, Inc. (owned by the Fund) with Haven for 152,548 shares of The Service Group, Inc. common stock (owned by Haven). The Fund owns 800,000 shares (7%) of the outstanding voting common stock of Haven. Haven owns 12% of the outstanding voting securities of Service Group. (Release IC-6437)

HOLDING COMPANY ACT RELEASE

ILLINOIS POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving Illinois Power Company, Central Illinois Public Service Company ("CIPS"), or holders of the preferred stock of CIPS until April 22 to object in writing to the release of jurisdiction heretofore reserved by the Commission and to the dismissal of the application of Illinois Power to acquire the common stock of CIPS. According to the application, in a joint press release of April 21, 1970, Illinois Power and CIPS announced "that the matter of corporate affiliation of the two companies which has been under consideration has been terminated." The Commission interpreted this announcement to mean that the condition that the gas properties of both companies be divested, set forth in the Commission order of January 2, 1970 (Release 35-16574), is not acceptable to the companies, presently and at least for some indeterminable period in the future. (Release 35-17080)

SECURITIES ACT REGISTRATIONS

*EXCHANGE OFFER OF INFORMATION INTL. PROPOSED. Information International, Inc., 12435 W. Olympic Blvd., Los Angeles, Calif. 90064, filed a registration statement with the SEC on March 29 seeking registration of 625,000 outstanding shares of common stock. Edward Fredkin, board chairman and holder of 48.1% of the company's outstanding common stock, proposes to offer to exchange these shares owned by him for cash and presently outstanding warrants (expiring January 1972, and to purchase stock at \$33 per share) in ratios to be specified later. Putnam, Coffin, Doolittle, Newburger Division of Advest Co., has agreed to head a group of dealers who will solicit acceptance of the exchange offer.

The company is engaged in developing, assembling and marketing a variety of computer-based electronic-optical systems. Net proceeds to Fredkin will be applied directly to repay his personal indebtedness to a bank incurred by him for reasons unrelated to the company or its business. (File 2-39804)

MADISON SQ. GARDEN SHARES IN REGISTRATION. Madison Square Garden Corporation, Two Pennsylvania Plaza, New York 10001, filed a registration statement with the SEC on March 29 seeking registration of 6,258,726 outstanding shares of common stock issued in connection with its acquisition of substantially all the assets of Transnation Development Corporation. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (**\$4.375 per share maximum).

Madison is engaged primarily in the ownership and operation of Madison Square Garden Center, in New York City. Gulf & Western Realty Corporation may sell 3,514,910 shares, Philip J. Levin 1,296,804, Janice H. Levin 1,334,262 and The Philip and Janice Levin Foundation 112,750. (File 2-39805)

*DOLLAR GENERAL FILES FOR OFFERING AND SECONDARY. Dollar General Corporation, 709 E. Main St., Scottsville, Ky. 42164, filed a registration statement with the SEC on March 30 seeking registration of 350,000 shares of common stock, of which 75,000 are to be offered for public sale by the company and 275,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 30 W. Monroe St., Chicago 60603, and J. C. Bradford & Co., Inc., J. C. Bradford Bldg., Nashville, Tenn. 37219.

The company is engaged in the general merchandise business. Net proceeds will be used to finance inventory. In addition to indebtedness, the company has outstanding 1,100,000 common shares, of which Cal Turner, president, owns 54.4%. He proposes to sell 268,000 shares and two others the remaining shares being registered. (File 2-39806)

PERTEC CORP. FILES FOR OFFERING AND SECONDARY. Pertec Corporation, 9600 Irondale Ave., Chatsworth, Calif. 91311, filed a registration statement with the SEC on March 30 seeking registration of 416,220 shares of common stock, of which 200,000 are to be offered for public sale by the company and 216,220 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by White, Weld & Co., 20 Broad St., New York 10005.

The company is engaged primarily in manufacturing and marketing of data systems. Of the net proceeds \$2,065,000 will be used to repay the company's short-term bank borrowings, and the balance will be added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 2,793,320 common shares, of which Harold A. Kurth, president, owns 16.5%, Donald F. Eldridge, board chairman, 12.5% and management officials as a group 52.5%. Management officials as a group propose to sell 98,000 of the outstanding shares being registered. (File 2-39807)

MARATHON MFG. PROPOSES EXCHANGE OFFER. Marathon Manufacturing Company, 801 Houston Natural Gas Bldg., Houston, Tex. 77002, filed a registration statement with the SEC on March 30 seeking registration of 90,334 shares of common stock. It is proposed to offer these shares in exchange for the common stock of R. G. LeTourneau, Inc., at the rate of one share for each two LeTourneau shares tendered.

Marathon is engaged in basic industrial manufacturing. LeTourneau is engaged in the manufacture and sale of mobile offshore oil drilling platforms, and other mechanical equipment. In addition to indebtedness and preferred stock, Marathon has outstanding 2,320,000 common shares. Wayne D. Harbin is board chairman and president. (File 2-39808)

WYOMING BANCORPORATION PROPOSES OFFERINGS. Wyoming Bancorporation, Cheyenne National Bank Tower Bldg., Cheyenne, Wyo. 82001, filed a registration statement with the SEC on March 30 seeking registration of \$2 million of subordinated sinking fund debentures, due 1986, and 200,000 shares of common stock, to be offered for public sale (**at \$10 per share maximum) through underwriters headed by Bosworth, Sullivan & Company, Inc., 660 - 17th St., Denver, Colo. 80202. Also included in this statement are 8,240 shares of common stock. It is proposed to offer these shares in exchange for the remaining outstanding shares of common at the rate of 9 Bancorporation shares for each Cheyenne Natl. share and 5.5 Bancorporation shares for each East Cheyenne share. Bancorporation owns 94.3% and 89.2%, respectively, of the outstanding stock of the two banks.

Organized in August 1968, Bancorporation is a bank holding company, with a controlling interest in four banks. Net proceeds of its financing are to be used in connection with acquisitions and for other corporate purposes. It has outstanding 594,919 common shares, of which First Cheyenne Corporation owns 15.9%, Gatsons, Inc., 11.5% and management officials as a group 49.7%. A. H. Trautwein is board chairman, Carlin Smith, vice chairman and Paul L. Howes president. (File 2-39810)

WOODMOOR FILES FOR OFFERING AND SECONDARY. The Woodmoor Corporation, 1691 Woodmoor Dr., Monument, Colo. 80132, filed a registration statement with the SEC on March 30 seeking registration of 225,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the holder thereof. The offering is to be made (**at \$15 per share maximum) through underwriters headed by Bosworth, Sullivan & Company, Inc., 660 17th St., Denver, Colo. 80202.

The company is a residential and recreational community developer. Of the net proceeds of its sale of additional stock, \$635,000 will be used to repay a debt incurred in connection with development projects and 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 800,230 common shares, of which Steven N. Arnold, board chairman and president, owns 83.6%. He proposes to sell 25,000 shares. (File 2-39811)

SAN DIEGO-MAUI GROUP PROPOSES OFFERING. San Diego-Maui Group (a Partnership), P. O. Box 8, Lahaina, Maui, Hawaii, filed a registration statement with the SEC on March 30 seeking registration of management agreements with respect to \$2,976,000 of condominium apartment units (84 furnished units) in a 12-story resort hotel building. The units are to be constructed on leased land owned by Myron A. Resnick (one of the partners) on Kahana Beach in West Maui County, Hawaii, and are to be offered together with an arrangement whereby the units will be operated by Ramada Inns, Inc., as hotel accommodations when the condominium owners are not in residence, to be known as "Kahana Beach Apartment Hotel." (File 2-39813)

CASTER MOBILHOMES TO SELL STOCK. Caster Mobilhomes Corporation, 7150 Mission Gorge Rd., San Diego, Calif. 92120, filed a registration statement with the SEC on March 30 seeking registration of 200,000 shares of common stock, to be offered for public sale (**at \$10 per share maximum). No underwriting is involved.

Organized in November 1968, the company is engaged in developing, operating and selling mobile home communities. Net proceeds of its stock sale will be used to acquire properties to be developed as mobile home communities and for other corporate purposes. The company has outstanding 1,373,966 common shares (with a \$1 per share book value), of which Terrence R. Caster, president, owns 21.7%. Purchasers of the shares being registered will sustain an immediate dilution of **\$5.85 in per share book value from the offering price. (File 2-39814)

***NORTHERN STATES POWER TO SELL BONDS.** Northern States Power Company, 414 Nicollet Mall, Minneapolis, Minn. 55401, filed a registration statement with the SEC on March 30 seeking registration of \$50 million of first mortgage bonds, due 2001, to be offered for public sale at competitive bidding. The company will use the net proceeds to prepay part of the outstanding short-term borrowings (estimated at \$55 million at the date of the bond sale), incurred in connection with its construction program. Construction expenditures are estimated at \$197 million in 1971 and \$817 million in the four-year period 1972-1975. (File 2-39815)

SECURITIES ACT REGISTRATIONS. Effective April 1: Evans Products Co., 2-39452; LSL Corp., 2-37825 (90 days); Macks Stores, Inc., 2-39413 (90 days); Sterno Industries, Inc., 2-39617. **Effective April 2:** Cabot, Cabot & Forbes Land Trust, 2-39372 (90 days); Cambridge Royalty Co., 2-39142 (90 days); Huffington Exploration Corp., 2-38739 (90 days); Lone Star Gas Co., 2-39704; Merrill Bankshares Co., 2-38459 (90 days); United Gas, Inc., 2-39722. **Withdrawn March 29:** Computer Microtechnology, Inc., 2-39313; El Tiempo, Inc., 2-30143; Ship Tank Container Corp., 2-32862. **Withdrawn March 30:** L. A. Industries, Inc., 2-32516.

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.

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

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