

# 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 RULES PROPOSALS

**COMMISSION AMENDS RULE.** The SEC has amended Rule 2(e) of its Rules of Practice, to provide for the suspension from appearing or practicing before it of any attorney, accountant, engineer or other professional or expert who by name (1) has been permanently enjoined by any court of competent jurisdiction by reason of his misconduct in an action brought by the Commission from violating or aiding and abetting the violation of any provision of the federal securities laws or the rules and regulations adopted by the Commission thereunder, or (2) has been found by any court of competent jurisdiction in an action brought by the Commission to which he is a party, or by this Commission in any administrative proceeding to which such person is a party, to have violated or to have aided and abetted the violation of any such provision, rule or regulation, unless the violation was expressly found not to have been willful.

Under the amendment a permanent injunction against securities-laws violations or a finding of securities-laws violations will provide a basis upon which the Commission may initiate proceedings to censure or temporarily or permanently disqualify an attorney, accountant, engineer or other professional or expert from appearing and practicing before the Commission. For this purpose no distinction will be made between injunctions and findings which have been contested and those which have been entered upon consent. Consequently, it will be incumbent upon any person who may be affected by the amended Rule who does not wish to waive a hearing on the question of misconduct to avail himself of the opportunity for hearing provided in the action or proceeding in which a securities-laws injunction has been sought or in which securities-laws violations have for other purposes been alleged; the Commission will afford a hearing only to consider mitigating or other factors why neither censure nor temporary or permanent disqualification should be imposed.

The Rule applies only to attorneys, accountants, engineers and other professionals or experts who are "by name" enjoined or the subject of a finding and not to partnerships (or corporations) of which they might be members, although a firm may itself be enjoined "by name" and thus come within the terms of the Rule.1/(Release 33-5147)

**STAFF INTERPRETIVE POSITION RE SECTION 36(a) OF THE INV. COMPANY ACT.** The SEC today called attention to a staff interpretive position that serious questions were raised whether the directors of an investment company would violate their fiduciary obligations to shareholders under Section 36(a) of the Investment Company Act of 1940, as amended, if the directors agreed to keep a registration statement under the Securities Act of 1933 continuously in effect for the sole purpose of permitting a sales load to be charged on reinvestments of income dividends in shares of the investment company. No registration statement would be required under these circumstances if no sales load were charged.1/(Release IC-6480)

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

**EXEMPTION APPLICATION BY IVY FUND AND ADVISER DENIED.** The SEC today announced the issuance of a decision under the Investment Company Act denying an application by Ivy Fund, Inc., a registered open-end investment company, and Studley, Shupert & Co., Inc. of Boston, its investment adviser, with respect to a proposed grant by the fund of a license to use the word "Ivy" in a proposed new name for the adviser and in the names of other investment companies advised by it. The application sought an exemption from the Act's prohibition against purchases of property from a registered investment company by an affiliate. The denial was based on the Commission's finding that applicants had failed to prove that the consideration of \$2,000 proposed to be paid by the adviser for the license was reasonable and fair.

The Commission noted that while the fund's board of directors had discussed various relevant factors, it acted without the benefit of independent expert assistance, and had not made any effort to place dollar values on any of such factors. The Commission stated that although there was no specific precedent available to the board which could serve as a basis for comparison, it seemed likely that guidance could have been obtained from a consideration of analogous situations. Moreover, the Commission held, "without such guidance the various uncertainties as to the use which Adviser would make of the license, particularly the extent to which it could make use of the "Ivy" name in connection with other investment companies, precluded a reasonable determination by the board of directors of an appropriate consideration for all such uses. Such uncertainties could have been narrowed by appropriate limitations in the licensing agreement or a formula provision for additional payments." (Release IC-6509)

**STOP ORDER ISSUED AS TO BLIMPIE CORP. OF AMERICA REGISTRATION STATEMENT.** The SEC today announced the issuance of a "stop order" suspending the effectiveness of a registration statement filed by Blimpie Corporation of America, of Jersey City, N. J., because of the company's failure to cooperate in an examination ordered by the Commission as to the accuracy and adequacy of the registration statement. The statement, which had been filed in February 1968 and thereafter amended, had not become effective. According to the decision, the four persons listed in the registration statement as the company's officers, directors and

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sole stockholders refused, on grounds of privilege, to testify during the examination with respect to relevant matters, and such refusal constituted a failure by the company to cooperate in the examination. The company failed to appear at hearings convened to consider whether the staff allegations of failure to cooperate were true and whether a stop order should issue, and it was therefore deemed in default. (Release 33-5146)

#### SECURITIES ACT REGISTRATIONS

**BATTANI FILES FOR OFFERING AND SECONDARY.** Battani, Ltd., 44 West 18th St., New York, filed a registration statement with the SEC on April 30 seeking registration of 170,000 shares of common stock, of which 140,000 are to be offered for public sale by the company and 30,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Cannon, Jerold & Co., Inc., 77 Water St., New York 10005.

The company is engaged in manufacturing and selling ladies' boots and other footwear and related items, belt and handbags. Of the net proceeds of its stock sale, \$400,000 will be used to repay loans and the balance for working capital and other corporate purposes. The company has outstanding 505,000 common shares (with a \$2.28 per share book value), of which Murray (board chairman) and Ray Simon (secretary) together own 76% and management officials as a group 100%. Murray and Ray Simon propose to sell 30,000 shares. (File 2-40245)

**HELIX MARKETING FILES FOR OFFERING AND SECONDARY.** Helix Marketing Corporation, 264 W. 35th St., New York 10001, filed a registration statement with the SEC on April 30 seeking registration of 200,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Seiden & de Cuevas Inc., 110 Wall St., New York 10005.

The company was organized in December 1969 to acquire and manage Gramont Company, Inc., which is engaged in selling apparel and other products to direct sales personnel for door to door resale. Net proceeds will be used for working capital and other corporate purposes. In addition to preferred stock, the company has outstanding 150,000 common shares, of which William T. Confort, Jr., board chairman, owns 55.6%. William Michaelson is president. The Hanover Insurance Company proposes to sell 31,250 of 75,000 shares issuable upon conversion of second series preferred held and two others the remaining shares being registered. (File 2-40248)

**PEOPLES CORP. TO SELL STOCK.** Peoples Corporation, 1605 Laskin Rd., Virginia Beach, Va. 23451, filed a registration statement with the SEC on April 30 seeking registration of 220,000 shares of common stock. Of these shares 20,000 are to be offered for subscription by stockholders, at the rate of one share for each five shares held and at \$10 per share. Any unsubscribed shares and the remaining 200,000 shares are to be offered for public sale at \$14 per share. No underwriting is involved.

Organized in April 1969, the company is a one-bank holding company; Peoples Bank of Virginia Beach is its banking subsidiary. Net proceeds of its stock sale will be used for construction of an office building (estimated to cost \$1.7 million) and for other corporate purposes. The company has outstanding 100,000 common shares. J. Frank Malbon is board chairman and Rhee W. Adams is president. (File 2-40249)

**OIL-DRI CORP. TO SELL STOCK.** Oil-Dri Corporation of America, 520 North Michigan Ave., Chicago 60611, filed a registration statement with the SEC on April 30 seeking registration of 120,000 shares of common stock, to be offered for public sale by William Blair & Co., 135 S. LaSalle St., Chicago 60603.

The company mines, processes and markets absorbent minerals. Net proceeds of its stock sale will be used to finance a new processing mill and for working capital and other corporate purposes. The company has outstanding 570,000 common shares. Jaffee family interests own 100%. Richard M. Jaffee is president. (File 2-40250) (\*\*The offering price is \$13 per share maximum)

**NEW ENGLAND TELEPHONE TO SELL DEBENTURES.** New England Telephone and Telegraph Company, 185 Franklin St., Boston, Mass. 02107, filed a registration statement with the SEC on April 30 seeking registration of \$200 million of debentures, due 2004, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Pl., New York 10005. A subsidiary of AT&T, the company will apply the net proceeds of its debenture sale toward repayment of advances from the parent and notes payable, expected to be about \$119 million and \$175 million, respectively, at the time the proceeds are received. Construction expenditures are estimated at \$415 million for 1971. (File 2-40251)

**\*ASHLAND OIL SHARES IN REGISTRATION.** Ashland Oil, Inc., 1409 Winchester Ave., Ashland, Ky. 41101, filed a registration statement with the SEC on April 30 seeking registration of 106,463 outstanding shares of common stock. Such shares were issued in connection with the acquisition by Ashland in 1970 of Falley Petroleum Company and Northwestern Refining Co. and may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\*\*\$26 per share maximum) (File 2-40252)

**ULTRA DYNAMICS SHARES IN REGISTRATION.** Ultra Dynamics Corporation, Two Wait St., Paterson, N. J. 07524, filed a registration statement with the SEC on April 30 seeking registration of 150,000 outstanding shares of common stock. Of these shares 26,500 are owned by a Small Business Investment Company and are being distributed by it to its shareholders. The remaining shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\*\*\$3 per share maximum). Also included in this statement are 60,000 outstanding warrants which were granted to nonaffiliated lenders. (File 2-40253)

**DONBAR DEVELOPMENT SHARES IN REGISTRATION.** Donbar Development Corp., 405 Lexington Ave., New York 10017, filed a registration statement with the SEC on April 30 seeking registration of 332,720 outstanding shares of common stock, of which 85,714 shares are to be distributed by the holder thereof (Westland Capital Corporation) pro rata to its stockholders. The remaining 247,006 shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\*\*\$19 per share maximum). The company is engaged in sub-licensing certain exclusive rights to patents relative to certain industrial equipment. (File 2-40254)

**FRANK B. HALL & CO. FILES FOR OFFERING AND SECONDARY.** Frank B. Hall & Co. Inc., 67 Wall St., New York 10005, filed a registration statement with the SEC on April 30 seeking registration of 315,783 shares of common stock, of which 100,000 are to be offered for public sale by the company and 215,783 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Allen & Company Inc., 30 Broad St., and American Securities Corp., 25 Broad St., both of New York.

The company is engaged in the general insurance brokerage and agency business. Net proceeds of its stock sale will be added to the company's general funds and will be used for working capital and other corporate purposes. The company has outstanding 2,461,472 common shares, of which International Utilities Corporation owns (directly or through subsidiaries) 775,000. James Stewart is board chairman and Melvin A. Holmes president. International Utilities and subsidiaries propose to sell 193,750 shares. (File 2-40255)

**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:  
Abbott Laboratories, North Chicago, Ill. (File 2-40246) - 307,040 shares and (File 2-40247) 60,000 shares  
AMP Incorporated, New York (File 2-40256) - 600,000 shares

#### MISCELLANEOUS

**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 May 11-20, 1971, inclusive.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act granting an application of the New York Stock Exchange to strike from listing and registration the common stock of Transatron Electronic Corporation, effective at the opening of business on May 10, 1971. According to the application, information believed to be reliable indicates that the company fails to meet the Exchange's standards for continued listing with respect to earnings and net tangible assets. (Release 34-9170)

**O/C REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*"):

File No.	O-Registrants	Location	File No.	O-Registrants	Location
5419	ABA Industries, Inc**	Pinellas Park, FL	5408	Fimaco Inc**	Philadelphia, PA
5496	All Penn Corp	Reading, PA	5494	First Commerce Corp	New Orleans, LA
5420	Allied Security Inc**	Pittsburgh, PA	5412	Geriatrics Inc**	Greeley, CO
5478	American Convalescent Centers of KY Inc	Owensboro, KY	5411	Herley Industries Inc**	Syosset, LI, NY
5442	Atlantic Technology Corp**	Somera Point, NJ	5457	Intercraft Industries Corp**	Chicago, IL
5405	Circle Seal Corp**	Anaheim, CA	5435	Intermedco Inc**	Houston, TX
5495	Citizens Bancorporation	Sheboygan, WI	5516	Larkin Bank	Elgin, IL
5504	Columbia Cellulose Co Ltd	Vancouver, BC, Canada	5433	Mini Mart Corp**	Hollywood, FL
5438	Comcorp Inc**	Cleveland, OH	5423	Mobile Home Dynamics Inc**	West Palm Beach, FL
5441	Mogen David Kosher Meat Products Corp**	Bronx, NY	5514	New England Merchants Co Inc	Boston, MA
5474	Dowdle Oil Corp	Midland, TX	5417	Oil Resources Inc**	Billings, MT
5425	Dynetics Corp	Philadelphia, PA	5434	Olson Laboratories Inc**	Dearborn, MI
5406	Electrogasdynamics Inc**	Hanover, NJ	5480	Pacific Resources Inc	Honolulu, HI
5485	Envirodyne, Inc	Los Angeles, CA	5432	Ranch House of America Inc**	Ft. Lauderdale, FL
5407	Extracorporeal Medical Specialties, Inc**	Mt. Laurel Township, NJ	5508	Regency National Ltd	Davenport, IA
			5413	Rex Precision Products Inc	Gardena, CA
			5517	Security First Real Estate Investment Trust	San Diego, CA
			5460	Stocker & Yale Inc**	Deverly, MA
			5524	Truck Terminal Motels of American Inc	Lebanon, PA

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**IMPORTANT NOTICE**

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed: Public Reference Section, Securities and Exchange Commission, Washington, D. C. 20549. The reproduction cost will approximate 12¢ per page, plus postage, for mailing within four days, to 25¢ per page, plus postage, for overnight mailing. Cost estimates given on request.

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed.

**Amdt 8K Reports**

Mohawk Airlines Inc Jan 71 (6,12) 1-4198-2	<b>Ferronics Incorporated</b> Jan 70 (7) 2-32686-2 March 70 (7) 2-32686-2 April 70 (7,8,9,12) 2-32686-2 May 70 (12)- 2-32686-2 June 70 (12) 2-32686-2 July 70 (12) 2-32686-2 Aug 70 (7,12) 2-32686-2 Sept 70 (12) 2-32686-2
Central Colorado Bancorp, Inc Jan 71 (2,7,11,12,13) 2-37766-2	<b>Humanics, Inc</b> Sept 70 0-4246-2
Africa U. S. A., Inc Feb 71 (3,.3) 2-37497-2	<b>Unisource Corp</b> #1 for Dec 70 0-4452-2
Bunker Ramo Corp Jan 71 (7) 1-4158-2	
Gasco, Inc April 71 (1) 0-1109-2	

**SECURITIES ACT REGISTRATIONS. Effective May 7:** Anheuser-Busch, Inc., 2-39730; The William J. Burns International Detective Agency, Inc., 2-40198; Cluett, Peabody & Co., Inc., 2-40136; Conrac Corp., 2-40125; The Dow Chemical Co., 2-40225 and 2-40226; Dun & Bradstreet, Inc., 2-39953; First Union, Inc., 2-39618; Gibraltar Financial Corp. of Calif., 2-39480; Graybol Oil Corp., 2-38762 (90 days); Lincoln First Banks Inc., 2-40066; Smith International, Inc., 2-40036; Technical Resources, Inc., 2-34531 (90 days); Westinghouse Electric Corp., 2-40073; Xerox Corp., 2-40119.

**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.

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