

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

RECEIVED

JUN 16 1971

LIBRARY



Washington, D.C. 20549

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

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 71-116)

FOR RELEASE June 16, 1971COMMISSION ANNOUNCEMENT

**COMMISSIONER SMITH ANNOUNCES RESIGNATION.** Commissioner Richard B. Smith announced that he had submitted for acceptance by the President his resignation from the Securities and Exchange Commission in order to return to private practice of law.

Commissioner Smith took office as a member of the Commission on May 1, 1967. His present term expires June 5, 1972. Commissioner Smith stated that he had planned generally to leave the Commission upon completion of the Institutional Investor Study and the implementation of a number of recommendations of the Wheat Report relating to fuller disclosure, an area of special interest to him. He decided to stay on until the arrival of Chairman Casey in order not to create two simultaneous vacancies on the Commission, and then planned his departure to coincide with the ending of his children's school terms. He will become a partner of the New York firm of Davis, Polk and Wardwell in August.

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

**RICE BARRED.** The SEC has issued an order barring Paul L. Rice, of Oklahoma City, Oklahoma, from association with any broker or dealer. The Commission found that during 1968 and 1969 Rice, a former registered representative, willfully violated and willfully aided and abetted violations of the registration provisions of the Securities Act and antifraud provisions of the Securities Act and the Securities Exchange Act in the sale of shares of United Australian Oil, Inc. and other companies. The findings were based upon the allegations in the order instituting the proceedings and upon Rice's default in failing to appear at hearings held in the proceedings notwithstanding the fact that he had been given notice and repeated opportunity to appear and to be represented by counsel. (Release 34-9206).

**HEARING EXAMINER SUSPENDS ARTHUR LIPPER CORPORATION, LIPPER III.** Chief Hearing Examiner Warren E. Blair has filed an initial decision in administrative proceedings under the Securities Exchange Act involving Arthur Lipper Corporation of New York City, and its president Arthur Lipper III. The decision, which is subject to review by the Commission either on its own motion or on petition of a party, suspends the broker-dealer firm from effecting transactions in over-the-counter markets for 12 months, and suspends Lipper III from association with a broker-dealer for a similar period.

The Examiner found that the respondents violated the anti-fraud provisions of the Securities Exchange Act by entering into arrangements with an officer of IOS, Ltd., who was also an officer of certain IOS related investment companies and their management companies, whereby respondents would "give-up" 50% of the commissions which were paid by the IOS related funds on their over-the-counter portfolio transactions, and thereafter transmitting "give-ups" amounting to \$1,450,000 to an IOS subsidiary which performed no service for the IOS related funds.

SECURITIES ACT REGISTRATIONS

**OSMONICS TO SELL STOCK.** Osmonics, Inc., 2641 Louisiana Ave. South, Minneapolis, Minn. 55426, filed a registration statement on June 8 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made by G. K. Scott & Co., Inc., 54 Wall St., New York.

Organized in June 1969, the company is engaged in the manufacture and marketing of equipment and systems used in water purification, pollution control and industrial processing. Of the net proceeds of its stock sale, \$100,000 will be used to purchase inventory of materials and components and the balance for working capital and other corporate purposes. The company has outstanding 275,000 common shares (with a 23¢ per share net tangible book value), of which D. Dean Spatz, president and board chairman, and Ruth C. Spatz own 50% and Ralph E. Crump, vice president, and Marjorie L. Crump 40.9%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.78 in per share book value from the offering price. (File 2-40687)

**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:

Dictaphone Corporation, Rye, N. Y. (File 2-40693) - 150,000 shares  
Cyclops Corporation, Pittsburgh, Pa. (File 2-40695) - 22,266 shares  
Jonathan Logan, Inc., North Bergen, N. J. (File 2-40697) - 1,187,500 shares

**AMERICAN TELECOMMUNICATIONS FILES FOR OFFERING AND SECONDARY.** American Telecommunications Corporation, 4276 Baldwin Ave., El Monte, Calif. 91734, filed a registration statement on June 8 seeking registration of 240,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 120,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*\* at \$12 per share maximum) through underwriters headed by Bateman Eichler, Hill Richards, Inc., 460 S. Spring St., Los Angeles, Calif. 90013.

Organized in 1967, the company is engaged in the design, production and distribution of telephone-related consumer products sold primarily to telephone companies. Of the net proceeds of its stock sale, \$295,178 will be used to retire long-term obligations and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 852,000 common shares (with a 43¢ per share net tangible book value), of which Henry Marcheschi, president, and James H. Langworth, vice president, own 29% each. Each proposes to sell 60,000 shares. (File 2-40690)

**ARLEN PROPERTY INVESTORS PROPOSES OFFERING.** Arlen Property Investors (the Trust), 60 East 56th St., New York 10022, filed a registration statement on June 8 seeking registration of 1,000,000 shares of beneficial interest, to be offered for public sale (\*\* at \$16 per share). The offering is to be made through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York 10005.

The Trust was established by Arlen Realty & Development Corp. to engage principally in investing in income producing equity interests in real properties, primarily shopping centers and free standing commercial units. Simultaneously with the consummation of the sale of the shares, the Trust intends to acquire, principally from Arlen Realty & Development, certain real property interests. Arthur G. Cohen is Chairman of the Trust and board chairman of Arlen Realty & Development and Marshall Rose is president of both. (File 2-40691)

**\*FEDERATED DEPT. STORES SHARES IN REGISTRATION.** Federated Department Stores, Inc., 222 W. 7th St., Cincinnati, Ohio 45202, filed a registration statement on June 8 seeking registration of 148,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale. Such shares were issued in connection with the company's acquisition of all the outstanding shares of Ralphs Industries, operator of supermarkets and related food processing facilities. (File 2-40692)

**\*TESORO PETROLEUM FILES FOR OFFERING AND SECONDARY.** Tesoro Petroleum Corporation, 8520 Crownhill Blvd., San Antonio, Tex. 78209, filed a registration statement on June 8 seeking registration of 1,000,000 shares of common stock with 500,000 common stock purchase warrants to be offered for public sale in units, each consisting of one share and one-half warrant (\*\* and at \$40 per unit maximum). Part of the shares and all of the warrants are to be offered for sale by the company and the remaining shares (being outstanding shares) by the holders thereof.

The company is an integrated natural resource company. Of the net proceeds of its stock sale, some \$18.5 million will be used to repay bank borrowings and other indebtedness incurred principally in connection with the purchase of equipment, the construction of facilities, the acquisition of companies and for working capital and the balance for other corporate purposes. (File 2-40694)

**\*NALCO CHEMICAL FILES FOR SECONDARY.** Nalco Chemical Company, 180 N. Michigan Ave., Chicago, Ill. 60601, filed a registration statement on June 9 seeking registration of 446,000 outstanding shares of common stock. These shares are to be offered for public sale (\*\* \$53 per share maximum) by the holder thereof (Alcoa Foundation Trust). The offering is to be made by Blunt Ellis & Simmons Inc.

The company produces and sells chemicals and furnishes related technology. In addition to indebtedness, it has outstanding 9,945,520 common shares, of which Alcoa Foundation Trust owns 1,446,000. (File 2-40696)

**\*MOGUL CORP. FILES FOR OFFERING AND SECONDARY.** The Mogul Corporation, Chagrin Falls, Ohio 44022, filed a registration statement on June 9 seeking registration of 250,000 shares of common stock, of which 125,000 are to be offered for public sale by the company and 125,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*\* at \$33 per share maximum) through underwriters headed by Kuhn, Loeb & Co. and McDonald & Co.

The company is engaged in the formulation and sale of water treatment chemicals and related equipment and services and the production and sale of biomedical products. Of the net proceeds of its stock sale, \$985,000 will be used to pay in full short-term bank borrowings used for working capital and the balance will be used for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 240,588 common shares, of which C. C. Tippit, president, owns 29.4%. He proposes to sell 110,000 of 365,000 shares held and Margaret Tippit 15,000 of 72,200. (File 2-40699)

#### **MISCELLANEOUS**

**TRADING SUSPENSION CONTINUED.** The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of FAS International, Inc., for the further ten-day period June 16-25, 1971, inclusive.

**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. Photocopies thereof 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. An index of the captions of the several items of the form was included in the June 3 News Digest.

8K Reports for March 71

Federal Petroleum Inc (7,10)	0-3514-2	Illinois Central Industries Inc (12)	1-4710-2	R. B. Jones Corporation (7,13)	0-37603-2
Illinois Bell Telephone Co. (11,13)	1-2222-2	Great Eastern Management Corp (7)	1-6387-2	Moxon, Inc (12,13)	0-3848-2
Investors Guaranty Life Insurance Co Jan 71 (13)	0-3520-2	Hamilton Watch Co (2,3,6,)	1-181-2	Olson Laboratories Inc (9,13)	0-5434-2
Keuffel & Esser Co (4,13)	0-2117-2	Logicon, Inc (10)	0-5036-2	Land Consultants of America Inc (3,13)	2-33770-2
Koracorp Industries, Inc Jan 71 (7,13)	1-6414-2	Metallurgical Resources, Inc (2)	0-1739-2	Leisure Group Inc (11,12,13)	0-3447-2
Lakehead Pipe Line Company, Inc (11,13)	2-26815-2	Columbia Pictures Industries, Inc (4,13)	1-6240-2	Chemtech Industries Inc (11)	2-29415-2
Leisure Dynamics, Inc (7,13)	0-2608-2	Diners Club Inc (6)	0-5072-2	Economy Finance Corp (7,8)	0-2352-2
Longchamps Inc (8)	0-3320-2	E. T. Barwick Industries, Inc (7,13)	1-6432-2	New York State Electric & Gas Corp (7,13, 12)	1-3103-2
Microdot, Inc (9)	1-4873-2	Health Industries, Inc (12,13)	1-1740-2	Ohio-Sealy Mattress Manufacturing Co (4,11,13)	0-5445-2
DEI Industries, Inc (12)	0-725-2	Massachusetts Electric Company (11)	1-6517-2	The Deltona Corp (7)	1-4719-2
The Delos International Group, Inc (12)	0-5187-2	Molecular Research Inc (7,13)	0-3540-2	E. I. Du Pont De Nemours & Co (13)	1-815-2
Dow Jones & Company, Inc (11)	0-246-2	Narragansett Elec Co (11,13)	0-898-2	Executive House, Inc (3,6)	0-1665-2
Eurofina, Ltd (2,7,12,13)	2-37037-2	New England Power Co (3,11)	1-6564-2	Florida Power & Light Co (12)	1-3545-2
Frontier Airlines, Inc (6)	1-4877-2	Columbia Precision Corporation (2,12,13)	0-5047-2	Gamble Skogmo Inc (7,8)	1-3478-2
Hotel Syracuse, Inc (12,13)	0-2541-2	Ford Motor Co (3)	1-3950-2	General Corporation of Ohio (9,12,13)	0-264-2
Ideal Basic Industries Inc (3,12,13)	1-4070-2	Gulf Life Holding Company (3)	1-6091-2	Interstate Brands Corporation (7,13)	1-4969-2
Jaeger Machine Co (12)	1-597-2	Hart Schaffner & Marx (7,8,)	1-3236-2	Jantzen Inc (12,13)	1-6218-2
Michigan General Corporation (7,8,12,13)	1-6167-2	Homa Oil & Gas Company (3)	0-2244-2	MCA Inc (7,8,13)	1-4243-2
Bellanca Aircraft Corporation (12)	0-4031-2	Investors Reit One (7,13)	0-5263-2	Medalist Industries Inc (7,8,12,13)	1-6322-2
Blue Chip Stamps (3,12)	0-3810-2			Muter Company (6,13)	1-3483-2
Elizabethtown Water Co (12)	0-628-2				

**SECURITIES ACT REGISTRATIONS.** Effective June 14: Akzona Inc., 2-40219. Effective June 15: Amerada Hess Corp., 2-40403; Block Drug Company, Inc., 2-40507 (90 days); Castle & Cooke, Inc., 2-40484; Cayman Exploration Corp. 1971 Drilling Program, 2-39502 (90 days); Continental Investment Corp., 2-39419; Equitable Gas Co., 2-40518; Damsen 1971 Exploration Fund, 2-39270 (90 days); Fab Industries, Inc., 2-40161; The Franklin Mint, Inc., 2-39960; Hydrometals, Inc., 2-39820; Kanab Services, Inc., 2-39527; Kaufman and Broad, Inc., 2-40138 and 2-40627; Kemperco, Inc., 2-40188; Marcor, Inc., 2-40613; The Marley Co., 2-40611; Minnesota Fabrics, Inc., 2-39731; Southwest Mortgage and Realty Investors, 2-40185 (90 days); United Jersey Banks, 2-39967; V. F. Corp., 2-40296; Viking General Corp., 2-39947; Volume Shoe Corp., 2-40222; Washington Homes, Inc., 2-40158; The Washington Post Co., 2-40389 (Sept. 14).

**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 details of the release.