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FOR RELEASE August 4, 1971

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

HERMAN F. BAERWALD SUSPENDED. The Commission has suspended Herman F. Baerwald of New York City from association with any broker-dealer for 90 days beginning August 9, 1971, and ordered that without prior Commission approval he may thereafter be associated with a broker-dealer only in a supervised capacity upon a showing that he will be adequately supervised. Baerwald was a general partner of Baerwald & DeBoer, a registered broker-dealer, from May 1966 to September 1969, and a limited partner from September 1969 to December 1969.

The suspension was based on findings that Baerwald failed reasonably to supervise persons under his supervision at Baerwald & DeBoer during the period September 1967 to September 1969 with a view to preventing violations of various provisions of the securities laws, including the registration, antifraud, reporting and record-keeping requirements.

The Commission's order was issued pursuant to an offer of settlement in which Baerwald, without admitting the allegations in the Commission's order for proceedings or any violations, consented to a finding of failure of supervision and to the suspension. In support of his offer of settlement, Baerwald, among other things, represented that he had no direct experience in the securities business before joining the registrant firm, and that others had principal supervisory responsibility. (Release 34-9272)

BAERWALD & DEBOER REVOKED. The Commission has revoked the broker-dealer registration of Baerwald & DeBoer, of New York City, which is being liquidated by a liquidator appointed by the New York Stock Exchange.

The revocation was based on findings that Baerwald & DeBoer violated provisions of the securities laws during various periods from September 1967 to February 1970. Among other things, the firm was found to have willfully violated antifraud provisions of the Securities Act and the Exchange Act in connection with unregistered shares of stock of National Home Products, Inc. (formerly Power-Pak Industries, Inc.), converting \$331,000 in funds belonging to NHP, falsely confirming that it held \$250,000 in U. S. Treasury bills for the account of NHP, and filing reports and proxy statements with the commission containing false information. Antifraud violations were also found in connection with an unregistered distribution of the securities of Booksheld of America in which Baerwald & DeBoer among other things controlled and manipulated the market, supply and price, purchased them for customers without their consent and for accounts in which the firm had a beneficial interest, and induced customers to purchase on the basis of inside information; and in connection with the sale of certain stolen Leasco warrants and with transactions in customers' accounts.

The Commission's order was issued pursuant to a consent filed by the firm, through its liquidator, in which, without admitting or denying the allegations in the Commission's order for proceedings or admitting any violations, it consented to findings of violations as charged and to revocation of its registration. (Release 34-9273)

COMMISSION ANNOUNCEMENTS

EXAMINER'S SUSPENSION OF FLOYD M. DAVIS BECOMES FINAL. The SEC today announced that a Hearing Examiner's initial decision involving Floyd M. Davis, of Chamblee, Ga., has become the final decision of the Commission, the respondent having failed to petition the Commission for review thereof. Accordingly, the suspension of Davis for one year from association with any broker or dealer ordered by the Examiner becomes effective August 9, 1971. The suspension was based upon findings by the Examiner that Davis had violated the antifraud provisions of the securities laws in connection with the offer and sale of bonds of Florida Colonial Manor Retirement Home issued by the Florida Conference of the Pentecostal Holiness Church, Inc. (See News Digest of July 6, 1971)

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Ecological Science Corporation for the further four-day period August 3-6, 1971, inclusive.

TRADING SUSPENSION OF ECOLOGICAL SCIENCE LIFTED. The Commission today announced that its suspension of exchange and over-the-counter trading in the securities of Ecological Science Corporation will terminate at the close of business on August 6, 1971. On May 20, 1971 the American Stock Exchange halted trading in the securities of ECO pending receipt of requested information. On May 21, ECO requested that the AMEX continue its halt until it was able to publish definitive results of its 1970 operations. On May 25, the Commission suspended trading on the basis of facts coming to its attention which indicated that information presently public concerning ECO and its financial condition may be inaccurate. The Commission staff has been advised by the AMEX that the AMEX trading halt will continue. (Release 34-9274)

OVER

COURT ENFORCEMENT ACTIONS

**KRUMM SENTENCED IN NEW YORK.** The SEC New York Regional Office announced that on May 5, 1971 Ernest R. Krumm of New York pleaded guilty to a criminal information charging a non-knowing violation of the anti-fraud provisions of the Federal securities laws in transactions of common stock of Commercial Finance Corp., N.J. On June 16, the Federal district court in New York fined the defendant \$1000. (LR-5112)

**PRUDENTIAL INVESTMENT, TORELLI ENJOINED.** The SEC Denver Regional Office announced that on July 22, the Federal district court in Denver permanently enjoined Prudential Investment Corporation and Nicholas M. Torelli both of North Miami Beach, Fla., from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of J B & T Co., and S & M Industries. The defendants consented to the order without admitting or denying the allegations in the complaint. (LR-5113)

**SENTENCE COMMENCED IN SOUTH DAKOTA CASE.** The SEC Denver Regional Office announced that Barney Bruce Martin, formerly of Rapid City, S.D. recently commenced serving a three year sentence on one count of securities fraud. Martin was convicted in Stanley County, Fort Pierre, S.D. and Denver Regional Office staff assisted state officials in prosecution of the matter. (LR-5114)

**ANDERSON INDICTED IN BOISE.** The SEC Seattle Regional Office announced that on July 21 a Federal Grand Jury at Boise, Idaho, returned a 23 count indictment charging Roy L. Anderson, president of Hunter, Anderson Co., a registered broker-dealer of Couer d'Alene, Idaho with violating the anti-fraud provisions of the Federal securities laws, the mail fraud statute, and the False Statements Statute, in the affairs of Hunter, Anderson & Co. (LR-5115)

**PLEAD GUILTY IN MELROSE PARK CHURCH CASE.** The SEC Fort Worth Regional Office announced that on July 26, Charles Henry Palmer, former pastor of Melrose Park Baptist Church, pleaded guilty in Federal Court in Houston, to one count of an indictment charging him with conspiracy to violate the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of 8% First Mortgage Bonds of Melrose Park Baptist Church. (LR-5116)

**STIEL SENTENCED IN NORTH CAROLINA.** The SEC Atlanta Regional Office announced that a Superior Court in Transylvania County, North Carolina sentenced Albert Harold Stiel of Lenoir City, Tenn. to one year in prison on a conviction of violating the registration provisions of the state securities laws in the offer and sale of stock of Diversified Insurance Services of North Carolina, Inc. Sentence was suspended on condition that Stiel make restitution to investors within a two year period. (LR-5117)

**THIRTEEN CITED IN N.Y. COMPLAINT.** The SEC New York Regional Office announced that a complaint was filed in Federal district court in New York, seeking to enjoin the following from violating the registration and antifraud provisions of the Federal securities laws in the offer and sale of securities of Satellite Systems Corporation, and its predecessor, Prudential Industries, Inc., Marlin Investment Co., and Aetna Properties, Inc., as well as the securities of Syncom Corp. and its predecessor, Tex-AmCorp: Century Investment Transfer Corp., New York, Medwin, also known as Maurice Benjamin, New York, Robert Slatko, New York, Robert Benjamin, New York, Bachelor Investments Ltd., New York, Satellite Systems Corp., New York, Kenneth W. Bratcher, New York, G. Ernest Caldwell, Houston, Marlin Investment Co., Houston, Aetna Properties, Inc., Houston, C. B. Beal & Co., Ltd., New York, Allen Kern, Westport, Conn. and Bertram Aber, Westport, Conn. In addition, the Commission's complaint also charges the defendants Century, Benjamin, Slatko, Robert Benjamin and Bachelor with violations of the broker-dealer registration provisions of Section 15(a) of the Exchange Act. (LR-5118)

**SEC COMPLAINT CITES SYNERGISTICS.** The SEC Boston Regional Office announced the filing of a complaint in the Federal district court in Boston seeking a preliminary and permanent injunction enjoining Synergistics, Inc., East Natick, Mass., Richard J. McDermott of Wayland, Mass., a promoter and former director of the company; Barry M. Levin, Wayland, Mass., a promoter, former president, clerk and counsel of the company; William M. Tetrick, Wellesley, Mass., president and chairman of the board of Synergistics, Nathan H. Davis, Boston, Mass., a former consultant to American Transmission and Communications Corporation, a subsidiary of Synergistics and a stockholder of Synergistics and Earle Groper of 272 Baldpate Hill Road, Newton, Mass., a director, from further violations of the registration and antifraud provisions of the Securities Act of 1933.

The complaint alleges, among other things, that the defendants sold and delivered after sale Synergistics no par value common stock to the public without a registration for that stock being filed or in effect with the SEC and made false and misleading statements in the offer and sale of securities of Synergistics. (LR-5119)

HOLDING COMPANY ACT RELEASES

**COLUMBIA GAS SYSTEM.** The SEC has issued an order under the Holding Company Act authorizing the Columbia Gas System, Inc., Wilmington, Del., to issue and sell \$200 million of notes to six banks. Columbia, through its non-utility subsidiary, Columbia Gas Transmission Corp., ("Transmission"), has agreed to advance part of the capital required by BP Oil Corp., an indirect wholly-owned subsidiary of the Standard Oil Company of Ohio, to finance further development of oil and gas properties at Prudhoe Bay, Alaska. Net proceeds of Columbia's financing will be provided Transmission, which in turn, will advance such funds to BP. BP will then deliver to Transmission an amount of crude oil which, when sold, will generate proceeds of \$200 million plus interest and other related costs. (Release 35-17213)

CONTINUED

COMMISSION ORDERS HEARING ON PACIFIC LIGHTING CORPORATION'S EXEMPTION FROM HOLDING COMPANY ACT.

The Commission today ordered that a hearing be held on September 15, 1971, regarding possible modification or revocation of its order dated January 13, 1936, granting Pacific Lighting Corp., Los Angeles, Calif., an exemption from the Public Utility Holding Company Act of 1935.

Pacific is solely a holding company. Its gas distribution subsidiary company, Southern California Gas Company, serves over 3.1 million customers. Commencing in 1969, Pacific embarked upon an extensive program of diversification into non-utility activities. Subsidiary companies of Pacific are engaged in, among other areas, real estate development in Hawaii, California, and Texas; in real estate management and consulting services in agriculture, in equipment leasing activities, in the production of recreational vehicles, in vehicle emissions control, and in resource exploration. In its Notice and Order for Hearing, the Commission stated: "The Division of Corporate Regulation has advised that a question exists as to whether the diversification of Pacific into non-utility activities unrelated to the gas distribution operations of Southern California Gas Company constitutes a change of circumstances from those existing at the time of the issuance of the 1936 exemption order such that continuation of Pacific's exemption from the Act is detrimental to the public interest or the interest of investors or consumers, ..." Persons seeking to be heard in connection with this proceeding or to intervene therein were given until September 10, 1971, to file an application with the Secretary of the Commission. 1/ (Release 35-17217)

SECURITIES ACT REGISTRATIONS

STEAK AND ALE RESTAURANTS OF AMERICA, INC., 3505 Turtle Creek Blvd., Dallas, Tex., 75219, filed a registration statement on July 29 seeking registration of 350,000 shares of common stock, of which 317,000 are to be offered for public sale by the company and 33,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*\*at \$18 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York. The company is engaged in the development and operations of restaurants under the names "Steak and Ale" and "Jolly Ox". Net proceeds of its stock sale will be used to repay outstanding bank debt, which totaled \$3,483,000 at June 30 and for other corporate purposes. (File 2-41314)

THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, a subsidiary of AT&T, 140 New Montgomery St., San Francisco, Calif. 95105, filed a registration statement on July 29 seeking registration of 17,455,550 shares of common stock. It is proposed to offer these shares of subscription by common and preferred stockholders of record on August 27, 1971 (at a rate and price to be specified later). Net proceeds of its stock sale will be used to reduce advances from the parent or notes payable or both, which were obtained or incurred for general corporate purposes. (File 2-41315)

A.R.C. INDUSTRIES, INCORPORATED, 526 Main St., Mount Hope, West Virginia 25880, filed a registration statement on July 29 seeking registration of 175,000 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 (\*\*\$4.07 per share maximum). The company is engaged in the mining and sale of bituminous coal. (File 2-41316)

CREATIVE FOODS CORP., 701 Palisade Ave., Englewood Cliffs, New Jersey 07632, filed a registration statement on July 29 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$7 per share maximum by M. S. Malner & Co., Inc., 80 Wall St., New York 10005. The company was organized in March 1969 to establish a nationwide network of distributors to provide fresh frozen portion control meats to national restaurant and food service chains. Of the net proceeds of its stock sale, \$700,000 will be used for the anticipated opening of 20 retail stores and the balance for working capital and other corporate purposes. (File 2-41317)

AEROSONIC CORPORATION, 1212 N. Hercules Ave., Clearwater, Fla. 33918, filed a registration statement on July 29 seeking registration of 207,957 outstanding shares of common stock and 200,000 outstanding shares of Class A non-voting preferred stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\*\*\$4.40 per common and \$2 per preferred share maximum). The company is engaged in the manufacture of aircraft instruments. (File 2-41318)

COMMERCIAL BANCORPORATION OF COLORADO, 220 Main St., Sterling, Colo. 80751, filed a registration statement on July 29 seeking registration of 100,000 shares of Class A common stock, to be offered for public sale at \$12 per share by Katz, Needleman & Co., Inc., 1776 K St., N.W., Washington, D.C., 20006. Subject to approval of the Federal Reserve Board and upon acquisition of some 94.78% of the capital stock of the Commercial Savings Bank of Sterling, Colorado, the company will become a bank holding company. Net proceeds will be used for general corporate purposes. (File 2-41319)

INTERNATIONAL INVESTMENTS & MANAGEMENT CORPORATION, (the General Partner), 2645 East Second Ave., Denver, Colo. 80206, filed a registration statement on July 29 seeking registration of \$2 million of pre-organization limited partnership interests in United American Real Estate Fund, Summer 1971, to be offered for public sale at \$1,000 per unit. No underwriting is involved. A series of four partnerships are to be formed for the purpose of acquiring real estate properties, principally in the Western states. (File 2-41320)

OCEANOGRAPHY MARICULTURE INDUSTRIES, INC., 301 Broadway, Riviera Beach, Fla. 33404, filed a registration statement on July 29 seeking registration of 180,000 outstanding shares of common stock which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\*\*\$11.625 per share maximum). Also included in this statement are 449,297 warrants to purchase common stock, which the company proposes to offer for subscription by its common stockholders, at the rate of one warrant for each four shares held and at \$5 per warrant. The company is engaged in research and development for the purpose of raising salt water fish for the commercial market. Net proceeds of its stock sale will be used for construction and other corporate purposes. (File 2-41321)

SITE-CON INDUSTRIES, INC., 724 North St., Greenwich, Conn. 06830, filed a registration statement on July 29 seeking registration of 150,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*\* at \$15 per share maximum) through underwriters headed by D. H. Blair Securities Corp., 66 Beaver St., New York 10004. The company is engaged in environmental utilities construction, site planning and constructing and installation and sale of mechanical pipe insulation. Net proceeds of its stock sale, together with proceeds of a proposed loan, will be used to repay outstanding bank borrowings incurred for working capital purposes (\$150,000) and for other corporate purposes. (File 2-41322)

BERNZOMATIC CORPORATION, 740 Driving Park Ave., Rochester, New York 14613, filed a registration statement on July 29 seeking registration of 400,000 shares of Class A common stock, to be offered for public sale (\*\*\$15 per share maximum) through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York 10005. The company engages in the manufacture and sale of a variety of products, including hand tools, outdoor appliances and safety devices. Of the net proceeds of its stock sale, \$2 million will be used to repurchase 20,000 shares of the company's outstanding 4% convertible preferred stock (\$100 par) and the balance for working capital and other corporate purposes. (File 2-41323)

GCL GRAPHIC COMMUNICATIONS LIMITED, 2025 Sheppard Avenue East, Willowdale 425, Ontario, Can., filed a registration statement on July 29 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share through underwriters headed by S. D. Fuller & Co., Incorporated, 26 Broadway, New York, N.Y. 10004. The company is engaged in leasing and sale in Canada of facsimile transceiver devices manufactured by Graphic Sciences, Inc. Of the net proceeds of its stock sale, \$640,000 will be used for the purchase of dex graphic transceivers for leasing in Canada and the balance for general working capital purposes. (File 2-41324)

#### MISCELLANEOUS

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act of 1934 granting applications of (a) the National Stock Exchange to strike from listing and registration the common stock of Nation-Wide Auto Auction, Ltd., and (b) the Salt Lake Stock Exchange to strike from listing and registration the common stock of Goodell Monorail Industries, Inc. (formerly Royston Coalition Mines, Ltd.) both effective at the opening of business August 2, 1971. The financial and/or operation conditions of Nation-Wide Auto Auction are such that the stock does not warrant continued listing on the National Exchange. Goodell Monorail fails to meet the requirements of the Salt Lake Exchange for continued listing. (Release 34-9258)

SECURITIES ACT REGISTRATION. Effective August 2: Ampel-American Israel Corp., 2-40422; Anglairs Breeding Herds, Ltd., 2-40420 (90 days); Data Access Systems, Inc., 2-39409 (90 days); First Financial Corp., 2-37622 (40 days); Inter-Ocean Corp., 2-39859 (90 days); Prochemco Cattle Ventures, Inc., 2-39542 (90 days); Pre Cast Concrete Co., Inc., 2-40492 (90 days); The Winter Park Telephone Co., 2-41114.

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.

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.

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