



Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

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

(Issue No. 71-154)

FOR RELEASE August 10, 1971

COMMISSION ANNOUNCEMENT

COVERAGE OF FIXED CHARGES. The SEC today issued a release concerning certain disclosures relating to debt securities. The complete text of the release follows:

Certain registration forms under the Securities Act of 1933 require, where debt securities are to be registered, a statement of the ratio of earnings to fixed charges. Certain registration and report forms under the Securities Exchange Act of 1934 permit the showing of such ratio. Registration statements have been filed recently with the Commission wherein the ratio of earnings to fixed charges was computed on the basis of the revenues and expenses set forth in financial statements which did not reflect the revenues and expenses of a substantial portion of the enterprise carried on by the registrant. For example, some issuers operate large affiliated credit companies or supplier companies which themselves are obligated for substantial amounts of fixed charges by reason of debt, leases or other contractual obligations. In addition, the registrant may have guaranteed the debt of a supplier company which is not a subsidiary of the registrant or may have entered into contracts with such supplier which provide for payments designed to service debt of the supplier. The fixed charges of such related companies are frequently not taken into account in computing the ratio of earnings to fixed charges for the registrant (or registrant and consolidated subsidiaries) and, therefore, such ratio standing by itself may be misleading where consideration of the revenues and expenses of the total enterprise would produce a materially different result. It is the position of the Commission that, in such instances, the ratio of earnings to fixed charges for the registrant must be accompanied by effective disclosure of the significance of fixed charges of other companies included in the enterprise whether or not the revenues and expenses of such companies are set forth in the financial statements of the registrant. Such disclosure usually should be accomplished by presenting the ratio of earnings to fixed charges for the total enterprise in equivalent prominence with the ratio for the registrant or registrant and consolidated subsidiaries. (Rel. 33-5176)

COURT ENFORCEMENT ACTIONS

THREE SENTENCED. The SEC Fort Worth Regional Office announced August 2 that the Federal Court in Texas, on July 23, 1971, sentenced John B. Walling and Lyal W. McKnight, both of Fort Worth, and Glenn V. Paden, Sr., of Cleburne, Texas, to two years imprisonment and \$7,500 fine each. The sentences were suspended and each was placed on two years probation. No date has been set for sentencing of Horace D. Taylor, of Clarksville, Tenn. (LR-5125)

SIPIC COVERAGE INVOKED RE SECURITY PLANNERS, COLONIAL INVESTMENT. The SEC Boston Regional Office announced August 4 the filing of applications with the Federal Court in Massachusetts seeking orders adjudicating that customers of Security Planners Ltd., Inc., Boston, and Karle R. Berglund, d/b/a Colonial Investment Securities, Worcester, are in need of protection under the Securities Investor Protection Corporation Act of 1970. The applications also seek to have Gordon A. Martin, Jr. and William Foehl, receivers for Colonial Investment and Security Planners, respectively, to be appointed trustees under the Act. (LR-5126)

INVESTMENT COMPANY ACT RELEASES

PAINE WEBBER. The SEC has issued an order under the Investment Company Act granting confidential treatment to the profit and loss statement of Paine, Webber, Jackson & Curtis Incorporated, New York, the sponsor of Paine Webber Municipal Bond Fund, First Series, Paine Webber Municipal Bond Fund, Second Series and Subsequent Funds. (Release IC-6665)

PAINE WEBBER FUND. The SEC has issued an order under the Investment Company Act upon application of Paine Webber Municipal Bond Fund, Second Series, New York unit investment trust, and its sponsor, Paine, Webber, Jackson & Curtis Incorporated, New York, for exemption of the Fund from \$100,000 net worth provisions of the Act. (Release IC-6666)

OVER

INVESTORS COUNSEL/CAPITAL SPONSORS. The SEC has issued an order under the Investment Company Act exempting Investors Counsel, Inc., and Capital Sponsors, Inc., of Houston, Texas, investment adviser and underwriter, respectively of Capital Shares, Inc., Capital Investors Growth Fund, Inc. and Capamerica Fund, Inc. (the "Funds"), all mutual funds, from provisions of the Act which would preclude Investors Counsel from serving as investment adviser and Sponsors from serving as underwriters of the Funds. (Rel. IC-6667)

ITTEX FUND. The SEC has issued a notice under the Investment Company Act giving interested persons until August 26 to request a hearing upon an application of ITTEX Fund, New York common law trust, for an order declaring that it has ceased to be an investment company. The Fund has no shareholders, is not engaged in any operations and does not contemplate the public offering of its securities. 1/ (Rel. IC-6669)

HOLDING COMPANY ACT RELEASES

PENNSYLVANIA ELECTRIC. The SEC has issued an order under the Holding Company Act authorizing Pennsylvania Electric Company (Penelec), Johnstown subsidiary of General Public Utilities Corporation (GPU), to amend its charter to increase from 435,000 to 1,435,000 the number of shares of authorized cumulative preferred stock and to solicit proxies of the holders of its outstanding common and preferred stock with respect thereto. GPU, holder of all Penelec's outstanding common stock, has advised that it intends to vote all the outstanding common stock in favor of the proposed increase. (Release 35-17220)

UNITED VIRGINIA BANK/STATE PLANTERS. The SEC has issued a notice under the Holding Company Act giving interested persons until September 7 to request a hearing upon an application of United Virginia Bank/State Planters, Richmond, Va. and The Planters National Bank and Trust Company, Rocky Mount, N.C., for an order declaring that neither will become an electric utility company within the meaning of the Act as a result of certain transactions involving the acquisition by the Bank of 28 combustion turbines and related facilities, which they propose to lease to Virginia Electric and Power Company under a 20-year lease. The Banks will obtain all funds required to pay for the installed cost of the equipment by issuing certificates of interest to VEL Equipment, Inc., a corporation organized for this purpose and all of whose capital stock will be owned by Goldman, Sachs & Co., New York broker-dealer, or one of its senior officers, in exchange for which they will assign to VEL their rights as lessor under the leases pursuant to a security agreement. 1/ (Release 35-17221)

SECURITIES ACT REGISTRATIONS

MID-CONTINENT TELEPHONE TO SELL STOCK. Mid-Continent Telephone Corporation, 100 Executive Parkway, Hudson, Ohio 44236, filed a registration statement on August 5 seeking registration of 700,000 shares of common stock, to be offered for public sale (*at \$21 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York, and The Ohio Company, 51 North High St., Columbus, Ohio 43215. An independent telephone holding company, the company will use the net proceeds of its stock sale to repay short-term indebtedness (aggregating \$18,762,000 at June 30) incurred in connection with acquisitions, investments in and advances to subsidiaries. Construction expenditures are estimated at \$41 million and \$43 million, respectively, for 1971 and 1972. (File 2-41391)

COMBUSTION EQUIPMENT ASSOCIATES, INC., 555 Madison Ave., New York 10022, filed a registration statement on August 5 seeking registration of 575,000 shares of common stock, of which 275,000 are to be offered for public sale by the company and 300,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$20 per share maximum) through underwriters headed by Eastman Dillon, Union Securities & Co., Inc., One Chase Manhattan Plaza, New York 10005. The company is engaged in designing, manufacturing and marketing pollution control and combustion systems and products. Net proceeds of its stock sale will be used to eliminate short-term borrowings from banks incurred primarily for working capital purposes, and for other corporate purposes. (File 2-41393)

UNIVEST CORPORATION, 647 West Virginia St., Milwaukee, Wis. 53204, filed a registration statement on August 5 seeking registration of 77,500 shares of common stock, of which 40,000 are to be offered for public sale by the company and 37,500 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$21.50 per share maximum) through underwriters headed by Loewi & Co., Inc., 225 East Mason St., Milwaukee, Wis. 53202. The company is engaged in manufacturing, bottling and distribution of soft drink beverages and the ownership of industrial real estate for lease to others. Net proceeds of its stock sale will be used for partial repayment of a long-term bank obligation incurred to finance a portion of the cost of acquiring its beverage operations and the balance for working capital purposes. (File 2-41394)

UNITED HOUSING PARTNERSHIP ASSOCIATES, (the partnership), 70 Federal St., Boston, Mass., filed a registration statement on August 5 seeking registration of \$5,000,000 of partnership units, to be offered for public sale at \$10,000 per unit. The offering is to be made by Paine, Webber, Jackson & Curtis, Inc., 140 Broadway, New York 10005; selected NASD members may participate in the offering. The partnership was organized to invest in governmentally assisted rehabilitated housing projects. Boston Financial Technology Group, Inc., is the general partner. (File 2-41396)

INTRAMERICAN DRILLING FUND PROPOSES OFFERING. Intramerican Drilling Fund 1971 Year End Program (the partnership), 30th Floor LTV Tower, Dallas, Tex. 75201, filed a registration statement on August 5 seeking registration of \$3 million of limited partnership interests, to be offered for public sale at \$5,000 per unit. The offering is to be made by Janney Montgomery Scott, Inc., as principal distributor, and by NASD dealers selected by it. The Fund will invest in oil and gas drilling projects. Intramerican Funds, Inc. and Charles R. Scoggins are the general partners. (File 2-41395)

FLOCK INDUSTRIES FILES FOR OFFERING AND SECONDARY. Flock Industries, Inc., 393 7th Ave., New York 10001, filed a registration statement on August 5 seeking registration of 247,500 shares of common stock, of which 75,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$24 per share maximum) through underwriters headed by Hallowell, Sulzberger, Jenks & Co., Philadelphia National Bank Bldg., Philadelphia, Pa. 19107. The company is engaged in the manufacture and sale of loose flock and flocked materials. Of the net proceeds of its stock sale, \$500,000, together with \$200,000 of the net proceeds of a public offering in October 1970, will be used for the design and construction of two new buildings near the Phillipsburg, N.J. plant and the balance for working capital and other corporate purposes. (File 2-41398)

METROPOLITAN EDISON TO SELL STOCK. Metropolitan Edison Company, 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. 19605, filed a registration statement on August 5 seeking registration of 160,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. Net proceeds will be used for the payment of a portion of the company's short-term bank loans outstanding at the time of the stock sale (\$44 million at June 30) incurred for construction purposes. Construction expenditures are estimated at \$107,800,000 for 1971, \$140,000,000 for 1972 and \$120,000,000 for 1973. (File 2-41397)

MISCELLANEOUS

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 August 3 News Digest.

8K Reports for Apr 1971

Celanese Corp (11,13)	1-1308-2	Canal Randolph Corp (7,13)	1-3945-2
Central Banking System Inc (12)	0-3652-2	Compumedic Controls Corp (7,13)	2-30896-2
EDP Technology Inc (1,2,7,12,13)	0-4165-2	First National Bancorporation Inc (3,13)	0-3695-2
Essex International Inc (11)	1-5013-2	Budd Co (3,4,11,13)	1-2127-2
Ford Motor Co (3)	1-3950-2	Cannon Mills Co (11,12)	0-758-2
C. I. T. Financial Corp (8,11,13)	1-1861-2	Eastern Industries Inc (11,13) May 71	0-2448-2
California Real Estate Invst Trust Mar 71 (7)	0-3232-2	Talley Industries Inc (3)	1-4778-2
Cavanaugh Communities Corp (3,7,12,13)	0-4868-2	Blackstone Valley Electric Co (11)	0-2602-2
Eagle Clothes Inc (12,13)	1-5151-2	California Health Care Inc (7)	0-3927-2
Eastern Gas & Fuel Associates (7,11,13)	1-2297-2	Clipay Corp (11)	1-3454-2
Foamat Foods Corp (7,13)	0-5369-2	Creative Merchandising Inc (12)	0-3754-2
Vulcan Corp (7,13)	1-5463-2	Drew National Corp (2,13)	1-6339-2
C Brewer & Co Ltd (11,13)	1-4519-2	EDO Corp (11,13)	1-3985-2
Brunswick Corp (2,11,13)	1-1043-2	Cenco Instruments Corp (4,7,13)	1-3730-2
Caterpillar Tractor Co (11,12,13)	1-768-2	Diodes Inc (8,12)	1-5740-2
Convenient Industries Of America Inc (12)	0-3976-2	Donaldson Lufkin & Jenrette Inc (11)	0-5573-2
Evans Products Co (12)	1-542-2	Dynasil Corp Of America (12)	2-35742-2
Soundesign Corp (2,12)	1-5850-2	Bath Industries Inc (11,13)	1-5458-2
Tolchin Instruments Inc (11,13)	1-5553-2	California Water Service Co (7,13)	0-464-2
Willcox & Gibbs Inc (11,13)	1-5731-2	CMI Corp (11,12,13)	1-5951-2
R G Barry Corp (11)	1-5824-2	Century Geophysical Corp (3,13)	1-4520-2
Beeline Fashions Inc (11)	0-2119-2	Crown Drug Co Jan 70 thru Apr 71 (1,3,6,9,13)	0-5473-2
Bethlehem Steel Corp (11)	1-1941-2	Tec Inc (2,13)	0-1668-2
Bibb Mfg Co (13)	0-307-2	Electroaerodynamics Inc (11)	0-5406-2
Blue Bell Inc (7)	1-5343-2	Tri-State Motor Transit Co (11)	1-5689-2
The Deltona Corp (7)	1-4719-2		
FMC Corp (11,12,13)	1-2376-2		
Bio-Medical Sciences Inc (7,13)	2-32533-2		
Bowmar Instrument Corp (4)	1-4817-2		
Burnup & Sims Inc (2,7,13)	0-3797-2		

Amended 8K's

Cousins Properties Inc Amdt #1 for Mar 71 (7,13)	0-3576-2	Indiana Bell Telephone Co. Inc. Amdt #1 for Apr 71(11,13)	2-21428-2
Transocean Oil Inc Amdt #1 for Apr 70 (7)	0-3913-2	Smoke Watches Int'l Inc. Amdt #1 for Feb 71(3)	2-31984-2
Underwriters Natl Assurance Co Amdt #1 for Dec 70 (2)	2-31929-2	Accelerators, Inc. Amdt #1 for Nov 70(13)	0-4536-2
Beta Instrument Corp Amdt #1 for Mar 71 (8)	0-4832-2	Brown Shoe Co. Inc. Amdt #1 for Apr 71 (13)	1-2191-2
Pennsylvania Co Amdt # 1 for Oct 70 (6)	1-4954-2	FNB Development Corp Amdt #1 for Nov 70(13)	0-4664-2
The Polly Bergen Co Amdt #1 for Apr 71 (7)	1-4061-2	Western Resources Corp Amdt #1 for May 70 (7)	0-3664-2
Lionel Corp Amdt #1 for Apr 71 (4,7,8)	1-3197-2	Photo Motion Corp Amdt for Mar 69 (13)	0-4802-2
Food Resources Inc Amdt for June 69 (13)	0-4439-2	Amdt #1 for Apr 69 (13)	0-4802-2
Homasote Co Amdt #1 for Apr 71 (8,11)	1-3786-2	Pittsburgh & West Virginia RR Amdt for Feb 71 (12)	1-5447-2
Condecor Inc Amdt #1 for Mar 71 (13)	0-5373-2	RCA Corp Amdt #1 for Aug 70 (13)	1-978-2
Joslyn Mfg & Supply Co Amdt #2 for Mar 71 (7)	0-1252-2	Brooks International, Inc. Amdt #1 for Mar 71(1)	0-3983-2
Bellanca Aircraft Corp Sept 70(2,12,13)	0-4031-2	Colonial Foods, Inc. Amdt #1 for Mar 71(2-34744-2
U. S. Natural Resources Inc Nov 69 (13)	1-1537-2	Lawter Chemicals Inc. Amdt #1 for Mar 71(7)	0-2539-2
VTR Inc Mar 71 (3,13)	1-3393-2	Michael Baker Jr., Inc. Amdt #1 for Dec 70(13)	1-6627-2
Sunshine-Fifty Inc Amdt #1 for Aug 70 (12)	0-4318-2	Hargrom Services Corp Amdt #1 for Dec 70(13)	0-4228-2
Bush Universal Inc Amdt #2 for Nov 70 (13)	1-3047-2	Universal Container Corp Amdt #1 for Mar 71(13)	1-4277-2

MISCELLANEOUS

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act granting an application of the American Stock Exchange to strike from listing and registration the 6% convertible subordinated debentures, due 1982, of Volume Merchandise, Inc. Exchange records indicate that only \$332,000 principal amount of the debentures are outstanding (exclusive of management and concentrated holdings with an aggregate market value of approximately \$230,000), less than the Exchange's minimum requirement. The common stock remains listed and registered on the Exchange. (Release 34-9280)

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 August 9-18, 1971, inclusive.

SECURITIES ACT REGISTRATION. Effective August 6: Aerospace Corp., 2-39411; Central Tax Systems, Inc., 2-36482 (90 days); Daitch Crystal Dairies, Inc., 2-41218; Safeguard Industries, Inc., 2-40851; Tri-Continental Corp., 2-39771.

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.

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.

* As estimated for purposes of computing the registration fee.

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