



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

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FOR RELEASE October 26, 1971

## OWENS DISCUSSES "SECONDARY DISTRIBUTION" PROBLEMS

Commissioner Hugh F. Owens told a meeting of the Mid-Atlantic District of the Investment Bankers Association in Hot Spring, Va. on Friday that self-underwriting must be examined in the light of the benefits it will confer on the public and the industry, not benefits in terms of private gains for individuals within that industry. Owens warned that in a self-underwriting which includes insider stock, certain of the personnel acting as sales agents may be selling their own stock or that of their co-workers or supervisors. "This last is a subtle point," he said, "but I think it important to realize that the safeguards we plan to erect against the conflicts in self-underwriting may not be as adequate to deal with conflicts created by an even more direct personal involvement in the offering -- the personal involvement that comes from an ownership of the item being sold or from being supervised by or working along side an individual who is in such an ownership status. The pressures on a registered representative in such a situation to make a sale may well be greater than those felt by one simply selling the securities of his broker-dealer employer. The problem is particularly acute in a first-time offering where there is no active, independent market to judge the merits of the securities being distributed. As far as our being a regulator of this business is concerned, I will just say that in taking the liberal steps of recognizing the needs of broker-dealers to go public and self-underwrite, I am intent on doing my part to ensure that such steps do not result in abuses injurious to the public."

## DECISION IN ADMINISTRATIVE PROCEEDING

MIDLAND SECURITIES CORP. REVOKED, R. H. COYLE BARRED. The SEC has revoked the broker-dealer registration of Midland Securities Corp., of New York City, and barred its president, Richard H. Coyle, from further association with a broker or dealer. The action was based on findings that the Midland firm, aided and abetted by Coyle, violated the Commission's financial reporting requirements and failed and refused to produce for examination by Commission representatives the books and records required to be maintained by registered broker-dealers. The firm and Coyle failed to file answers to the order for proceedings, which alleged those violations, and were deemed to have defaulted. (Rel. 34-9373)

## COMMISSION ANNOUNCEMENT

BASIC SCIENCES, INC. REGISTRATION STATEMENT QUESTIONED. The SEC has ordered an administrative proceeding pursuant to Section 8(d) of the Securities Act of 1933 with respect to Basic Sciences, Inc. of Bethel, Conn. The Commission's Division of Corporation Finance alleges that the registration statement filed by Basic Sciences, which became effective on April 12, 1971, is misleading because it fails to state that Victor Securities Corporation, New York, N. Y. was the underwriter of the public offering.

## INVESTMENT COMPANY ACT RELEASE

WESTMINSTER FUND. The SEC has issued a notice under the Investment Company Act giving interested persons until November 12 to request a hearing upon an application of Westminister Fund, Inc., Elizabeth, N.J. mutual fund, for an order declaring that it has ceased to be an investment company. In May 1971 an agreement and plan of reorganization was consummated which plan provided that Westminister would transfer its assets and liabilities to Anchor Growth Fund, Inc. in exchange for shares of Anchor which would be distributed to Westminister's shareholders in exchange for their holdings in Westminister. As of September 8, 53 former shareholders had not yet exchanged their shares. (Release IC-6786)

## SECURITIES ACT REGISTRATIONS

FORD MOTOR CREDIT COMPANY. The American Rd., Dearborn, Mich. 48121, filed a registration statement on October 15 seeking registration of \$100 million of debentures, due 1991 and \$100 million of convertible subordinated debentures due 1996 (convertible into common stock of Ford Motor Corp) to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York. A wholly-owned subsidiary of Ford Motor Company, the company provides wholesale financing to and purchases retail installment sales paper from franchised Ford vehicle dealers. Of the net proceeds of its financing, \$80 million will be used in November to prepay two \$40 million subordinated notes payable to the parent, due 1988 and 1994, respectively, and the balance will be used for general corporate purposes. (File 2-42132)

OVER

FORD MOTOR COMPANY, The American Rd., Dearborn, Mich. 48121, filed a registration statement on October 15 seeking registration of such indeterminate number of shares of common stock as may be deliverable upon conversion of \$100 million principal amount of the convertible subordinated debentures which Ford Motor Credit Co. seeks to register (See File 2-42132). (File 2-42133)

BOULDER PROPERTIES (the Partnership), 55 W. 42nd St., New York 10036, filed a registration statement on October 15 seeking registration of \$6 million of limited partnership interests, to be offered for public sale at \$1,000 per interest on a best effort basis by Butcher & Sherrerd, 1500 Walnut St., Philadelphia, Pa. 19102. The Partnership intends to own and operate properties primarily through joint ventures. Antaeus Development Company, Inc., a wholly-owned subsidiary of Antaeus Resources Corp. and Nickerson, Waterman & Associates, Inc., are the general partners. (File 2-42134)

GEORGIA POWER COMPANY, 270 Peachtree St., N.W., Atlanta, Ga. 30303, filed a registration statement on October 18 seeking registration of \$95 million of first mortgage bonds, to be offered for public sale at competitive bidding. A wholly-owned subsidiary of The Southern Company, Georgia Power will use the net proceeds of its bond sale, together with other funds, to finance its 1971 construction expenditures of \$381,901,000 and to retire \$7,870,000 of previously outstanding bonds for sinking fund purposes. (File 2-42135)

MCKEON CONSTRUCTION, 555 Capitol Mall, Sacramento, Calif. 95814, filed a registration statement on Oct. 18 seeking registration of \$10 million of convertible subordinated debentures, due 1996, and 350,000 shares of common stock. The debentures and 175,000 shares are to be offered for public sale by the company (\*at \$30 per share maximum) and the remaining 175,000 shares (being outstanding shares) by a holder thereof (George R. McKeon board chairman and owner of 69% of the outstanding common stock) through underwriters headed by Thomson & McKinnon Auchincloss, Inc., Two Broadway, New York 10004. The company is engaged in the planning, constructing and marketing of "quad-plex" and "Townhome" developments in California and Nevada. Of the net proceeds of its stock sale, some \$8 million will be used to reduce bank loans incurred for land acquisition and construction and the balance for working capital and other corporate purposes. (File 2-42138)

S&S CORPORATION, Claypool Hill, Tazewell County, Va. 24641, filed a registration statement on October 18 seeking registration of 225,000 shares of common stock, of which 100,000 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 \$ 7.50 per share maximum) through underwriters headed by Wheat & Co., Inc., 801 E. Main St., Richmond, Va. 23211. The company designs and manufactures underground haulage equipment for use primarily in the underground mining of coal. Of the net proceeds of its stock sale, some \$350,000 will be used for expansion of manufacturing facilities and the balance for working capital and other corporate purposes. (File 2-42139)

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, 1087 Elm St., Manchester, N.H. 03105, filed a registration statement on October 18 seeking registration of 400,000 shares of common stock, to be offered for public sale (\*at \$25 per share maximum) through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Place, and Blyth & Co., 14 Wall St., both of New York 10005. Net proceeds of its stock sale will be used to reduce short-term borrowings, incurred in connection with the company's construction program, which borrowings are expected to amount to \$26,850,000 on the date of the stock sale. Construction expenditures are estimated at \$141 million for the years 1971 through 1973. (File 2-42144)

CONTINENTAL TELEPHONE COMPANY OF CALIFORNIA, 1350 Norris Rd., Bakersfield, Calif. 93308, filed a registration statement on October 19 seeking registration of \$12 million of first mortgage bonds, Series I due 1996, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be used to discharge or reduce the company's short-term bank loans (aggregating some \$12 million at the time the proceeds are received and incurred to finance temporarily a portion of its construction program). Construction expenditures are estimated at \$29,300,000 for 1972. (File 2-42145)

EUREKA PRODUCTS COMPANY, 135 Jackson St., Newark, N.J. 07105, filed a registration statement on October 19 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on a best-efforts two-thirds or none basis by Scott, Gorman, O'Donnell & Co., Inc., 52 Broadway, New York. The company is engaged in designing, importing and assembling plastic filters and filtering material for use in tropical fish aquariums. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-42146)

KIDDIE PRODUCTS, INC., 542 East Squantum St., Squantum, Mass. 02171, filed a registration statement on October 19 seeking registration of 191,000 shares of common stock, of which 80,000 are to be offered for public sale by the company and 111,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$13.60 per share maximum) through underwriters headed by F.S. Moseley & Co., 50 Congress St., Boston, Mass. 02109. The company is engaged in the manufacture, packaging, distribution and sale of accessories and novelties for infants. Of the net proceeds of its stock sale, \$400,000 will be used to expand the company's line of imported products and inventory and the balance for working capital and other corporate purposes. (File 2-42149)

MUNICIPAL INVESTMENT TRUST FUND, SECOND NEW YORK SERIES, filed a registration statement of \$18,900,000 of units. The Fund was created by a trust agreement under which Merrill Lynch, Pierce, Fenner & Smith Inc., Bache & Co., Inc., and Walston & Co., Inc. act as sponsors, United States Trust Company of New York acts as trustee and Standard & Poor's Corporation acts as evaluator. The Fund consists of the diversified tax exempt bond portfolio of interest-bearing obligations issued by the State of New York, counties, municipalities, authorities or political subdivisions thereof, or of certain United States Territories or possessions, the interest on which, is in the opinion of recognized bond counsel exempt from all Federal, New York State and New York City income taxes under existing law. (File 2-42150)

**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:  
 ISC Industries, Inc., Kansas City, Mo. (File 2-42131) - 200,000 common shares, 10,000 shares no par junior convertible preferred shares and 2,000 6% cumulative convertible junior preferred (\$100 par)  
 The Clorox Co., Oakland, Calif. (File 2-42136) - 100,000 shares  
 New England Nuclear Corp., Boston, Mass. (File 2-42140) - 138,400 shares  
 United Jersey Banks, Hackensack, N.J. (File 2-42141) - 100,000 shares  
 Vail Associates, Inc., Vail, Colo. (File 2-42147) - 61,000 shares  
 Automatic Data Processing, Inc., Clifton, N.J. (File 2-42151) - 45,000 shares

**MISCELLANEOUS**

**THREE TRADING BANS CONTINUED.** The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Leisure Living Communities, Inc., for the further ten-day period October 22-31, inclusive; in the securities of FAS International, Inc. for the further ten-day period October 24 through November 2, inclusive; and in the securities of Ecological Science Corporation for the further ten-day period October 26 through November 4, 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 October 5 News Digest.

8K's for Sept 1971

Coap Systems Inc (7,9,11,13)	C-5097-2	American Zinc Co (3,12)	1-59-2
Fields Elastics & Chemicals Inc (11)	1-4675-2	H & R Block Inc (11,13)	1-6089-2
Insilco Corp (7,8,13)	1-3348-2	Calif Water Service Co (8,13)	0-464-2
Interlake Inc (4,7,8,12,13)	1-6345-2	Dana Corp (8,13)	1-1063-2
AWCO Financial Services Inc (8,12,13)	1-3440-2	Computer-Optics Inc (3,6)	0-4783-2
The American Plan Corp (12,13)	2-25183-2	Danmont Corp (3,11,13)	0-4596-2
The Bali Co (12)	1-5378-2	Farrington Mfg Co (2,12,13)	0-1530-2
Columbia Technical Corp (1,2,7,11,13)	1-5408-2		<u>Amended 8K's</u>
Federated Dept Stores Inc (13)	1-163-2	weiman Co Inc #1 For May 71 (2,13)	1-5953-2
Geriatrics Inc May 71 (7)	1-3096-2	Great Southwest Corp #1 for Aug 71 (3,6,13)	0-100-2
Jul 71 (7)	1-3096-2		
Frozen Food Express Inds Inc (7,13)	2-40936-2	American Micro Devices Inc #1 for Apr 71 (13)	2-18626-2
American Pacific Group Inc Aug 71 (2,7,13)	0-1428-2	Granger Associates #1 for Feb 71 (2,13)	1-5321-2
BI Mortgage Investors (4,7)	1-6578-2	Udyco Inds Inc #1 for Aug 71 (13)	0-2821-2
Borden Inc Jul 71 (7)	1-71-2	Winn's Stores Inc #1 for May 71 (7)	0-3699-2
Cook United Inc (7)	1-4959-2		
Cumis Ins Society Inc Aug 71 (11)	2-22616-2	Metallurgical Resources Inc #1 for Jun 71 (7,13)	0-1739-2
Delco Corp (2,7,12,13)	2-34971-2		
Detection Systems Inc Aug 71 (7,11,13)	2-31621-2	Hydro Nuclear Corp #2 For Apr 71 (9)	0-4395-2
Park Premier Mining Co (11)	1-1701-2		
First Chicago Corp (4,11)	1-6052-2	American Bioculture Inc #1 for Aug 71 (13)	0-3405-2
Harvey Aluminum Inc Aug 71 (13)	1-4507-2		
Commonwealth Natural Gas Corp (3,7,13)	0-266-2	Geriatrics Inc #2 for Apr 71 (7)	1-3096-2
Husky Exploration Ltd (4,8,13)	0-5502-2		

<u>Amended 8K's</u>		<u>Amended 8K's</u>	
Brown Foreman Distillers Corp #1 for Aug 71 (13)	1-123-2	Spectra-Physics Inc #1 for Jun 71 (7)	0-4307-2
Louisiana & Southern Life Ins Co #1 for Sept 71 (7,10,12,13)	2-22429-2	North Atlantic Marine Enterprises Inc #1 for Aug 71 (1,13)	2-13544-2
Avtek Corp #1 for Jul 71 (12,13)	2-37794-2	Terminal-Hudson Corp #1 for May 71 (13)	1-4394-2
Seaferro Inc #1 for Aug 71 (13)	2-32974-2	Robintech Inc #1 for Jun 71 (7)	1-4177-2
Marlennan Corp #1 for May 71 (13)	1-5998-2		
Atco Chemical Industrial Products Inc #1 for Aug 71 (3,13)	1-4099-2	Dimode Inds Inc #1 for Feb 71 (6,13)	0-4385-2
Oxford Bendaflex Corp #1 for Jun 71 (13)	0-5037-2	Quotamation Inc #1 for Mar 71 (2)	0-5077-2
Big Three Inds Inc #1 for Jun 71 (13)	1-5357-2	Itel Corp #1 for Apr 70 (1,7)	1-5989-2
First Bancshares Of Fla Inc #1 for Aug 71 (12,13)	0-5532-2	Air Michigan Inc #1 for Jun 71 (9)	0-4908-2
Federal Petroleum Inc #1 for May 71 (13)	1-6104-2	Great Midwest Corp #1 for Aug 71 (7,8)	0-5726-2
Great Realty Trust #1 for Mar 71 (13)	1-6710-2	Cinecom Corp #1 for Jul 71 (12,13)	1-5656-2
Western Research & Develmnt Inc #1 for May 71 (2,13)	0-5155-2		
Western Empire Financial Inc #1 for Aug 71 (9,11)	0-1525-2		

**SECURITIES ACT REGISTRATIONS.** Effective October 21: Colonial Convertible Fund Inc., 2-41251; Combustion Engineering Inc., 2-41744; Golconda Corp., 2-40712; Great American Mortgage Investors, 2-41658; Hospital Corp. of America, 2-40549 (90 days); International Harvester Credit Corp., 2-42041; Oppenheimer Time Fund, Inc., 2-39461; The Southland Corp., 2-41867; White Shield Exploration Corp., 2-40860.

**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 purpose 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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