

# 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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## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

**JAS INVESTORS CENSURED; REGISTRATION WITHDRAWN.** The SEC today announced a decision under the Securities Exchange Act (Release 34-9086) in which it censured JAS Investors Brokerage Corp., Brooklyn, N.Y., and Samuel Berman and Jerome Joseph Gilman, its president and secretary-treasurer, respectively. The Commission further ordered that Berman and Gilman may not become principals of a registered broker-dealer without prior approval of the Commission and permitted withdrawal of the firm's broker-dealer registration.

According to the Commission's decision, the firm, which became registered as a broker-dealer in May 1969, failed to file with the Commission its first report of financial condition within the time prescribed. The decision was based on an offer of settlement in which respondents consented to the finding of violation and to the imposition of the indicated sanctions. In support of the offer, the firm represented that it had never effected transactions for any member of the public and traded only for its own account, and in a notice of withdrawal from registration filed by it, stated that it does not owe any money or securities to any customer, broker or dealer and that there are no unsatisfied judgments or liens against it.

**A. J. GARY & CO. CENSURED; REGISTRATION WITHDRAWN.** The SEC today announced a decision under the Securities Exchange Act (Release 34-9087) in which it censured A. J. Gary & Co., Inc., New York registered broker-dealer, and Melvyn Haber and Arthur Schifrin, president and vice-president, respectively, for failure to file a financial report as required by the Exchange Act; and provided that the registration as a broker and dealer of A. J. Gary & Co. be withdrawn and that Haber and Schifrin be precluded from re-entering the securities business as a principal of a broker or dealer without the prior approval of the Commission.

The decision was based on an offer of settlement in which respondents waived a hearing and consented to the imposition of the indicated sanctions. In support of the offer, respondents represented that since the effective date of the firm's registration in June 1969, it had maintained minimum net capital as required, had not incurred any liabilities or indebtedness, and had been completely inactive.

## COMMISSION ANNOUNCEMENT

**KINGS RIVER MINERAL OFFERING SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Kings River Mineral Company, Salt Lake City, Utah. Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$500,000 (\$300,000 at the time the offering was proposed.) In a notification filed on May 6, 1970 Kings River proposed the public offering of 7,000,000 common shares at \$.03 per share.

The Commission asserts in its suspension order that it has "reasonable cause to believe" that the terms and conditions of Regulation A have not been complied with, and that the offering circular was false and misleading in that there was, among other things, a failure to disclose (1) that the issuer intended to allocate a substantial portion of the proceeds other than as stated in the offering circular, (2) that an affiliate and control person of the issuer was the subject of a court injunction proceeding instituted by the Commission, (3) that insiders purchased in excess of 2,000,000 shares in order to facilitate the offering and create a false impression that there was a genuine public interest in the securities offered, and (4) that 2,150,000 shares of the issuers stock deposited pursuant to an agreement had in fact been assigned to another party in breach of the provisions of that agreement.

The order provides an opportunity for hearing upon request on the question whether the suspension should be vacated or made permanent.

## COURT ENFORCEMENT ACTIONS

**RESCH-CASSIN, NAGLER-WEISSMAN ENJOINED.** The SEC New York Regional Office announced February 17 (LR-4910) that the Federal court in New York decided to enter an order preliminarily enjoining Resch-Cassin & Co., Inc., New York broker-dealer from violating the bookkeeping, net capital, and anti-fraud and anti-manipulative provisions of the Federal securities laws in the offer and sale of stock of Africa, U.S.A. Inc.; the court will also appoint a receiver for Resch-Cassin.

The court further decided to preliminarily enjoin Nagler-Weissman & Co., Inc., New York, broker-dealer and its principals, Robert L. Nagler and Adolph Weissman from violating the bookkeeping and net capital provisions of the Exchange Act; in addition, Nagler-Weissman, Nagler and Weissman will be enjoined from violating the anti-fraud provisions of the Federal securities laws involving failure to disclose the existence of the aforementioned violations to customers of the firm. Nagler-Weissman filed a petition under Chapter XI of the Bankruptcy Act on December 18, 1970.

Africa, U.S.A. Inc., consented to a permanent injunction enjoining further violations of the Federal securities laws in the offer and sale of Africa stock.

OVER

**BECK, INVESTORS INSTITUTE ENJOINED.** The SEC Port Worth Regional Office announced February 17 that the Federal court in Tulsa had permanently enjoined George W. Beck III, and Investors Institute, Inc., of Miami, Okla. from engaging in business as an investment adviser when not registered with the SEC as required by the Investment Advisers Act. The order was entered after hearing.

#### SECURITIES ACT REGISTRATIONS

**RELIABLE INVESTORS TO SELL STOCK.** Reliable Investors Corporation, 2725 West Broadway, Madison, Wis. 53713, filed a registration statement (File 2-39430) with the SEC on February 18 seeking registration of 125,000 shares of common stock, to be offered for public sale at \$11.50 per share. The offering is to be made by McCormick & Co., Incorporated, Two First National Plaza, Chicago, Ill. 60670, which will receive a \$1 per share commission.

Organized in March 1970, the company acquired all of the outstanding common stock of P.S.C., Inc., an accounts receivable management service, and 93.4% of the outstanding common stock of Reliable Life and Casualty Company ("Reliable Insurance"), a Wisconsin life and accident and health insurance company. Of the net proceeds of its stock sale, \$300,000 will be invested in P.S.C. (such investment to be used by P.S.C. primarily to purchase accounts receivable); \$250,000 will be invested in Reliable Insurance (which, will, in turn, be invested by that subsidiary); and the balance will be retained by the company for its general corporate purposes, including possible acquisitions and additional investments in the subsidiaries. The company has outstanding 308,611 common shares, of which George Stewart, board chairman and president, owns 45.3% and management officials as a group 59.3%.

**SEA WORLD FILES FOR OFFERING AND SECONDARY.** Sea World, Inc., 1720 South Shores Rd., San Diego, Calif. 92109, filed a registration statement (File 2-39431) with the SEC on February 18 seeking registration of 400,000 shares of common stock, of which 230,488 are to be offered for public sale by the company and 169,512 (being outstanding shares) by a holder thereof. The offering is to be made through underwriters headed by E. F. Hutton & Company, Inc., 623 South Spring St., Los Angeles, Calif. 90014; the offering price (\$34 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in providing entertainment, recreation and educational services to the leisure time market; its principal activity is the operation of two marine parks, Sea World of San Diego and Sea World of Ohio. Of the net proceeds of its sale of additional stock, \$1,500,000 will be used to reduce a \$3,000,000 bank loan made in December 1970, proceeds of which were used to complete the company's equity obligation under the Magic Mountain joint venture agreement (the purpose of the venture is to develop and operate a major, outdoor amusement ride park near Los Angeles), and the balance will be used for the acquisition of property, master planning, architectural and engineering fees and construction costs of the proposed Sea World of Florida and for other corporate purposes. In addition to indebtedness, the company has outstanding 851,350 common shares, of which Boston Capital Corporation owns 169,512 shares (19%) and management officials as a group 130,497 shares. George D. Millay is president. Boston Capital Corp. proposes to sell all of its holdings.

**GENERAL ELECTRIC TO SELL DEBENTURES.** General Electric Company, 1 River Rd., Schenectady, N.Y. 12305, filed a registration statement (File 2-39432) with the SEC on February 18 seeking registration of \$200,000,000 of debentures, due 1996, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Incorporated, Two Wall St., New York, N. Y. 10005, and Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in developing, manufacturing and marketing a wide variety of products used in the generation, transmission, distribution, control and utilization of electricity and related technologies. Net proceeds of its debenture sale will be added to the company's general funds and will be used to reduce domestic short-term borrowings which aggregated about \$485 million at January 31, 1971 (such borrowings were incurred primarily to finance increased working capital requirements and a continuing high level of expenditures for plant and equipment). In addition to indebtedness, the company has outstanding 92,185,068 common shares. Fred J. Borch is board chairman and chief executive officer.

**NATURAL GAS PIPELINE PROPOSES OFFERING.** Natural Gas Pipeline Company of America, 122 South Michigan Ave., Chicago, Ill. 60603, filed a registration statement (File 2-39433) with the SEC on February 18 seeking registration of \$40,000,000 of first mortgage pipeline bonds, due 1991, and \$40,000,000 of debentures, due 1977, to be offered for public sale through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York, N. Y. 10005, and Halsey, Stuart & Co. Inc., 123 S. LaSalle St., Chicago, Ill. 60690. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company owns and operates two pipelines which supply some 75% of the natural gas delivered annually in the Chicago metropolitan area for eventual distribution by various utilities and which also supply utilities distributing gas in other areas along its pipelines. Net proceeds of its financing will be used to repay all interim loans and to pay for a portion of fiscal 1971 construction expenditures and advances expected to be made to gas producers in connection with the company's gas exploration and development program. Interim loans were incurred to finance temporarily fiscal 1970 and 1971 construction expenditures and advances made to gas producers. In addition to indebtedness and preferred stock, the company has outstanding 2,944,580 common shares. Remick McDowell is board chairman and Orval C. Davis president.

**AN-SON FUNDS PROPOSES OFFERING.** An-Son Funds, Inc. (the general partner), 3814 North Santa Fe, Oklahoma City, Okla. 73118, filed a registration statement (File 2-39434) with the SEC on February 18 seeking registration of \$8,000,000 of partnership interests in An-Son Series B Fund (the "Partnership"), to be offered for public sale at \$5,000 per unit. No underwriting is involved; participating NASD members will receive a 6½% selling commission. The Partnership is to engage in a continuing program of drilling for oil and gas. The general partner is a wholly-owned subsidiary of An-Son Corporation. Carl B. Anderson, Sr., is board chairman and Carl B. Anderson, Jr., is president.

**LUBRIZOL FILES FOR SECONDARY.** The Lubrizol Corporation, 29400 Lakeland Blvd., Wickliffe, Ohio 44092, filed a registration statement (File 2-39436) with the SEC on February 19 seeking registration of 428,249 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by Morgan Stanley & Co. Incorporated, Two Wall St., New York, N. Y. 10005, and Prescott, Merrill, Turben & Co., 900 National City Bank Bldg., Cleveland, Ohio 44114; the offering price (\$80 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in developing, manufacturing and marketing chemical additives for the petroleum industry. In addition to indebtedness, it has outstanding 10,073,412 common shares. Ralph S. Tyler, Jr., is board chairman and M. Roger Clapp is president. Kelvia Smith family trusts propose to sell 112,000 of 469,220 shares held and 12 others the remaining shares being registered.

**LOUISIANA POWER & LIGHT PROPOSES OFFERING.** Louisiana Power & Light Company, 142 Delaronde St., New Orleans, La. 70114, filed a registration statement (File 2-39437) with the SEC on February 19 seeking registration of \$25,000,000 of first mortgage bonds, due 2001, and 100,000 shares of \$100 par cumulative preferred stock, to be offered for public sale at competitive bidding. A subsidiary of Middle South Utilities, Inc., the company will use the net proceeds of its financing, supplemented by funds on hand and to be generated internally, for the payment of short-term borrowings (estimated not to exceed \$25,000,000 at the time such proceeds are received) for the construction of new facilities, for the extension and improvement of present facilities and for other corporate purposes. Construction expenditures are estimated at \$88,600,000 for the year 1971.

**AMERICAN CAN TO SELL DEBENTURES.** American Can Company, American Lane, Greenwich, Conn., filed a registration statement (File 2-39438) with the SEC on February 19 seeking registration of \$75,000,000 of sinking fund debentures, due 2001, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Incorporated, Two Wall St., New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is organized internally under three lines of business consisting of container and packaging products, consumer and service industries, and venture businesses. Net proceeds of its debenture sale will be added to the company's general funds and will be available, together with internally generated funds, for general corporate purposes, including working capital and expenditures for the continuing plant improvement and expansion program. Initially a portion or all of such proceeds may be applied to the reduction of short-term borrowings. In addition to indebtedness and preferred stock, the company has outstanding 17,832,777 common shares. William F. May is board chairman and president.

**PHILADELPHIA ELECTRIC TO SELL STOCK.** Philadelphia Electric Company, 1000 Chestnut St., Philadelphia, Pa. 19105, filed a registration statement (File 2-39439) with the SEC on February 19 seeking registration of 500,000 shares of \$100 par preferred stock, to be offered for public sale through underwriters headed by Drexel Firestone Incorporated and The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005. The dividend rate, offering price (\$100 per share maximum\*) and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its stock sale to provide part of the permanent financing of its construction and expansion program, including partial repayment of short-term debt incurred for interim financing of that program. Construction expenditures are estimated at \$400 million in 1971.

#### MISCELLANEOUS

**UNLISTED TRADING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-9090) granting an application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in the common stocks or specified securities of the following companies: Atlantic Richfield Company - Warrants (Expiring 9/1/72), Devon Apparel, Inc., Salem Corporation, Tropicana Products, Inc., Tyco Laboratories, Inc., Venice Industries, Inc., Viewlex, Inc.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-9090) granting an application of the American Stock Exchange to strike from listing and registration the 4% income bonds, Series A, due 1994 of American Steel & Pump Corporation. Pursuant to a purchase offer of the company dated November 27, 1970, only \$413,000 of the total \$1,936,000 principal amount of the Series A bonds remain outstanding and in the hands of the public with an aggregate market value of only \$176,160.

**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	
5324	All American Leverages Inc**	Springfield, OH	5322 Nonfort of Colorado Inc**Greeley, CO
5315	Balcock Industries, Inc**	Ithaca, NY	5310 National Color Laboratories Inc** Roselle, NJ
5305	Bankamerica Realty Investors**	San Francisco, CA	5367 Osrow Products Co Inc Glen Cove, NY
5301	Computer Circuits Corp**	Happauge, LI	5321 Our Own Hardware Co Mnpls, MN
5326	Computer Micrographics Inc**	Los Angeles, CA	5314 Perfection Enterprises Inc** Chicago, IL
5323	Funeral Homes of America Inc**	Dallas, TX	5302 Petcoa Industries Inc** Toledo, OH
5370	General Residential Corp	Santa Ana, CA	5378 George Risk Industries Inc Kimball, NB
5308	Mobile Home Communities	Denver, CO	5375 Taco Tico Inc Wichita, KS
			5320 Technology Systems Inc Cockeysville, MD
			5309 Ten-DA-Brand Frozen Foods Inc** Garfield, NJ
			5303 Tilco Inc** Wichita, KS
			5311 Tower Industries Inc** Compton, CA

**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 February 5 News Digest.

8K Reports for December 1970

		Amdt 8K Reports
Banner Industries, Inc.	(11,13)	1-4453-2
Southwestern Electric Service Co.	(11,13)	0-22-2
Dowzer Electric Inc	Jan 1971 (11)	0-3671-2
Servotronics, Inc	(7,13)	1-6126-2
Data Pacific Corporation	Jan 1971 (10,12,13)	0-4098-2
Chemex Industries, Inc	(11,13)	1-5993-2
Dimode Industries, Inc.	(12)	0-4385-2
Citizens and Southern Corporation	Oct 1970 (7,13)	0-4698-2
Davis Food Service, Inc	(8,13)	0-3380-2
Buell Industries, Inc	Jan 1971(11)	1-4619-2
		Community Psychiatric Centers #1 for Feb 1970 (13) 0-4458-2
		Integrated Resources Inc #2 for July 1970 (13) 0-4427-2 #1 for Nov 1970 (13) 0-4427-2
		Whittaker Corp. #1 for Aug 1970 (7) 1-5407-2
		Land Consultants of America Inc #2 for Sept 1970 (1,13) 2-3377-2
		McCarty Corp #2 for Oct 70 (7,8) 1-2759-2
		Grmont Drug & Chemical Co. Inc. Oct 68 (7,8,13) 0-2190-2
		Atchison Topeka & Santa Fe Ry Co #1 for Nov 1970 (2) 1-868-2
		Ramer Industries, Inc. #1 for Sept 1970 (7,12,13) 1-4646-2
		Sciencscope, Inc #1 for Sept 70 (7) 0-4717-2
		Input, Inc. #1 for Sept 70 (13) 2-29952-2

**SECURITIES ACT REGISTRATIONS. Effective February 22:** Consolidated Bankshares of Florida, Inc., 2-38690; International Chemical & Nuclear Corp., 2-39186; Iowa Public Service Co., 2-39307; Ladd Petroleum Corp., 2-39305.

\*As estimated for purposes of computing the registration fee.

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