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A Daily Summary of
S.E.C. Activities

(Issue No. 71-240)

FOR RELEASE December 15, 1971

DECISION IN ADMINISTRATIVE PROCEEDING

L. A. FRANCES REVOKED, A FRANK SIDOTI AND LAWRENCE MARTIRE BARRED. The SEC has issued an order revoking the broker-dealer registration of L. A. Frances, Ltd., New York City, and barring A. Frank Sidoti, the firm's general manager, and Lawrence Martire, its president and sole stockholder, from association with any broker or dealer. The order was issued pursuant to an offer of settlement in which the respondents, without admitting or denying alleged violations, consented to those sanctions and to certain findings. As part of their offer, the respondents agreed to withdraw petitions for review pending in the Court of Appeals for the Second Circuit with respect to an order issued by the Commission on June 22, 1971 imposing certain sanctions on them (those sanctions, which had been stayed pending determination of the appeal, are merged into those imposed by the instant order). In addition, the firm and Sidoti agreed to consent to entry of a permanent injunction, without admitting or denying the allegations of the complaint, in an action which the Commission had instituted in the U.S. District Court for the Southern District of New York against them and others charging violations of the registration provisions of the Securities Act.

According to the Commission's decision, the Frances firm and Sidoti violated registration provisions of the Securities Act in connection with a distribution of common stock of Mastercraft Electronics Corp., and the firm, aided and abetted by the individual respondents, violated various provisions of the Securities Exchange Act and rules thereunder by improperly extending and arranging for the extension of credit to customers and failing to comply with net capital requirements and accurately to make and keep questionnaires or applications for employment of each "associated person." In addition, the firm and Martire failed to exercise reasonable supervision over Sidoti. (Rel. 34-9384)

COMMISSION ANNOUNCEMENTS

FINANCIAL REPORT FOR U. S. MANUFACTURING CORPORATIONS. U. S. manufacturing corporations reported sales of \$185.6 billion in the third quarter of 1971 and before-tax profits of \$12.8 billion, according to the Quarterly Financial Report made public jointly by the SEC and the Federal Trade Commission. The sales total is 5 percent above the third quarter of 1970 and earnings before taxes are 9 percent higher. Profits after taxes totaled \$7.5 billion in the July-September quarter, an 8 percent gain over the year earlier quarter. Sales and pre-tax earnings declined from the second to the third quarter of this year, 3 percent and 12 percent, respectively, due primarily to seasonal patterns in the durable goods industries. When seasonal influences are taken into consideration, the overall sales and earnings results appear to show little change from the second quarter. (For further details, see Stat. Release No. 2562)

SEC ORDER CITES WILLIAM MITCHELL DOLIN. The Commission has ordered administrative proceedings under the Securities Exchange Act involving William Mitchell Dolin of Shaker Heights, Ohio who has been employed as a registered representative with several securities brokerage firms. The proceedings are based on allegations of the Commission's staff from about April 1969 to December 1969, Dolin violated the Federal securities laws by the sale and delivery of the securities of the following companies, in the absence of a registration statement with the SEC as to such securities: Daypac Industries, Inc., The Laand Corporation, and New Issue Digest, Inc. In addition, he effected transactions in securities of these companies by means of false and misleading statements, concerning among other things, (1) his interest in and compensation and commissions received in connection with such transactions, (2) the risk assumed by the investor in connection with the transactions, and (3) his official relationship with one of the issuing companies, Daypac.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission.

SEC RELEASES STAFF REPORT ON RULE 394. The Commission announced yesterday that it had decided to release to the public the Staff Report on Rule 394 of the New York Stock Exchange, which was prepared for the Commission's use in 1965. That report was based on an extensive investigation by the Commission's staff of the rules, regulations and practices of national securities exchanges relating to off-board transactions by their member firms (both as agents and as principals) in securities admitted to trading on such exchanges. The investigation eventually led the Commission to request the New York Stock Exchange to modify its Rule 394; the Exchange there- after amended Rule 394 to its present form.

The public is cautioned that the opinions expressed by the authors of the Report do not necessarily express views that the Commission has held in the past or may hold at present, and that the Commission does not vouch for the accuracy of any factual assertions or conclusions that the report may contain. It should also be noted in this regard that the data contained in the report is now more than six years old; the relevance, if any, of the factual information contained in the report to present conditions should be given the most careful consideration.

The Report may be examined at, and copies may be obtained from the Public Reference Section, Securities and Exchange Commission, 500 North Capitol Street, Washington, D. C. 20549.

OVER

NEW RULES AND RULE PROPOSALS

AMENDMENT TO C.F.R. PROPOSED REGARDING PUBLIC AVAILABILITY OF MATERIALS FILED PURSUANT TO PROXY RULE 14a-8(d) and STAFF COMMENTS THEREON. The Commission has released for public comment a proposed amendment to the Code of Federal Regulations (C.F.R.) which would make available to the public all materials filed pursuant to proxy rule 14a-8(d) and any written comments thereon by the Commission's staff. Rule 14a-8(d) provides that whenever the management of a company intends to omit a security holder's proposal from its proxy material, it shall file with the Commission "a copy of the proposal and any statement in support thereof as received from the security holder, together with a statement of the reasons why the management deems such omission to be proper in the particular case, and, where such reasons are based on matters of law, a supporting opinion of counsel." All interested persons are invited to submit their views on the proposed amendment to Neal S. McCoy, Chief Counsel, Division of Corporation Finance, Securities and Exchange Commission, Washington, D. C. 20549, on or before January 21, 1972. (Rel. 34-9423)

COURT ENFORCEMENT ACTIONS

SEC CITES DEVELOPMENT CORP. The SEC Seattle Regional Office announced December 8 the filing of a complaint in the Federal court in Seattle seeking to enjoin violations of the registration and antifraud provisions of the Federal securities laws in the offer and sale of securities issued by Development Corporation and Distributing Company of America (DEVCO) (certificates of interest or participations in profit sharing agreements and investment contracts) by the following: DEVCO (a Utah corporation), Richard A. Anderson, La Donna Anderson, Stanley Morrell, Wesley Ashton, Phillip R. Parkinson, Robert Weise, and Marc Parkinson of Salt Lake City, Utah; Irving Aptaker of Dallas; William Hoelzle of Seattle; Patrick Vider of Denver and Salt Lake City; John South of Dallas, and Merrill Morrell of Great Falls, Mont. (LR-5248)

COMPLAINT CITES TWELVE. The SEC New York Regional Office announced the filing of a complaint on December 7 in the Federal court in New York seeking to enjoin violations of the registration provisions of the Federal securities laws by Industrial Gear Manufacturing Company of Chicago, Ill. and violations of the registration and antifraud provisions of the Federal securities laws by the following: Pied Piper of Chicago; George C. Bergleitner, Jr. of New York; Fred A. Coda of Chicago; G. L. Equities Corporation of New York; Michael Harvey of New York; George Lerner of Glen Cove, New York; Joel Lerner of Brooklyn, N. Y.; Pilgrim Securities Corporation of Monsey, N. Y.; Frank John Serrano of Brooklyn, N. Y., Stephen A. Weiss, Congers N.Y. and * The complaint alleged, among other things, the use of substantial, undisclosed pay-offs to certain brokers in order to help sell a public offering of Pied Piper Yacht Charters Corporation common stock. Among other things, the Commission seeks return of \$140,000 received by Pied Piper pursuant to its public offering and disgorgement of some \$64,409 in profits and commissions made by the various defendants and other monies in order to make restitution and the appointment of an independent trustee to take possession of these funds and to make restitution. (LR-5249) * George C. Bergleitner, Jr. of New York.

ENJOIN BARON & CO., AND R. G. BARON. The SEC New York Regional Office announced that on December 1 Baron & Co., Inc., a registered broker-dealer of New York, and Robin Glen Baron, the firm's principal, consented to the entry of an order of the Federal district court in Newark permanently enjoining them from violating the net capital and anti-fraud provisions of the Federal securities laws, and to the entry of an order adjudging that the customers of Baron & Co. are in need of the protection afforded by the Securities Investor Protection Act of 1970. The court appointed Mark F. Hughes, Esq. of Newark as Trustee for the liquidation of the business of Baron & Co., Inc. (LR-5250)

ENJOIN MAXWELL BENTLEY; DISMISS COMPLAINT AS TO W. D. NEBEKER, JR. The SEC Denver Regional Office announced that the U. S. District Court for Utah on November 30 permanently enjoined Maxwell Bentley of Salt Lake City from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Mountain States Development Company. The court on December 3 denied a permanent injunction against W. D. Nebeker, Jr., and dismissed the Commission's complaint against him which was filed on April 1, 1969 in connection with transactions involving securities of Mountain States Development Company. (LR-5251)

COMPLAINT CITES KINDER KOLLEGE. The SEC Fort Worth Regional Office announced that a complaint had been filed on December 7 in Federal court in Dallas against Kinder Kollege Educational Systems, Inc., and Charles M. Powell, Jr., both of Dallas, and William F. Wisniewski of Niagara Falls, N. Y. alleging violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Kinder Kollege, and investment contracts evidenced by "exclusive state licensing agreements" issued by Kinder Kollege, and the making of false and misleading statements by Powell and Wisniewski in the offer and sales of securities of Kinder Kollege. (LR-5252)

REINSTATE INJUNCTION AGAINST C. H. WAGNER & CO. The SEC Seattle Regional Office announced that on November 30, a Federal court in Portland, Oreg. reinstated a decree of preliminary injunction originally issued in September 1971, but which had expired on November 22, 1971 against C. H. Wagner & Co., Inc. a registered broker-dealer, and two affiliated companies, Wagner Funding Corp. and the Wagner Corporation. All three companies are Massachusetts firms headquartered in Boston. Also enjoined were Clarence H. Wagner, Robert H. Treyz, and Ben O. Taylor manager of the Portland office of Wagner. The reinstated decree enjoined further violations of the registration provisions of the Federal securities laws in the offer and sale of any securities, including, but not limited to, certificates of deposit, letter of credit of banks etc. (LR-5253)

INVESTMENT COMPANY ACT RELEASE

SECURITY BENEFIT LIFE INSURANCE CO. The SEC has issued a notice giving interested persons until January 3 to request a hearing upon an application of Security Benefit Life Insurance Company (SBL), a mutual life insurance company, and SBL Variable Annuity Account (VAA), a unit investment trust, for an order permitting more frequent exchanges of Series E variable contracts for Series I variable contracts and exempting applicants from certain provisions of the Act. VAA was established by SBL in November 1968 in connection with the sale to individuals and to groups of tax qualified variable annuity contracts designed to provide retirement annuity benefits. (Rel. IC-6888)

HOLDING COMPANY ACT RELEASES

WESTERN MASSACHUSETTS ELECTRIC COMPANY. The SEC has issued an order giving interested persons until December 27 to request a hearing upon an application of Western Massachusetts Electric Company, West Springfield subsidiary of Northeast Utilities, to issue and sell up to \$45,600,000 of short term notes (including commercial paper). Such notes include \$18,750,000 of notes previously authorized by the Commission. Net proceeds of its financing will be used for construction expenditures estimated at \$38,100,000 for 1972 and \$28,500,000 for 1973. (Rel. 35-17390)

MAINE YANKEE ATOMIC POWER. The SEC has issued an order authorizing Maine Yankee Atomic Power Company, Augusta, Me. subsidiary of both Northeast Utilities and New England Electric System; New England Power Company (NEPCO), Western Massachusetts Electric Company (WMECO), The Connecticut Light & Power Company (CL&P), and The Hartford Electric Light Company (Hartford), four NEES subsidiaries, Montaup Electric Company (Montaup), a subsidiary of Eastern Utilities Associates, and Maine Public Service (MPS), and Bangor Hydro-Electric Company (Bangor), exempt holding companies (referred to collectively as "sponsors"). Maine Yankee proposes to issue and sell to its sponsors \$5,600,000 of capital notes according to their respective stock percentages: NEPCO, 20%, CL&P 8%, Bangor 7%, MPS 5%, Hartford 4%, Montaup 4% and WMECO 3%. (Rel. 35-17393)

GRANITE STATE ELECTRIC. The SEC has issued an order authorizing Granite State Electric Company, subsidiary of New England Electric System (NEES), Westborough, Mass. to issue and sell, for \$500,000, 5,000 shares of common stock to NEES. Net proceeds of Granite's stock sale will be applied toward the payment of short-term notes, of which \$6,200,000 are outstanding. (Rel. 35-17394)

MISCELLANEOUS

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act of 1934 granting applications of (a) the Detroit Stock Exchange to strike from listing and registration the common stock of Bee-Mac, Inc., effective at the opening of business on December 10, 1971, (b) the National Stock Exchange to strike from listing and registration the common stock of Knickerbocker Insurance Company and (c) the New York Stock Exchange to strike from listing and registration the common stock and 5% convertible subordinated debentures, due 1989, of FAS International, Inc., both effective at the opening of business on December 13, 1971. Bee-Mac was suspended from trading on November 10, 1971 for failure to comply with the reporting requirements under its listing agreement with the Detroit Exchange and for non-payment of its annual listing maintenance fee. On November 23 1971, a state court order permitted the State Insurance Department to liquidate Knickerbocker, which company no longer meets the financial or operating criteria of the Exchange. Information supplied by FAS or obtained from other sources indicates that the company fails to meet the NYSE's standards for continued listing with respect to earnings and net tangible assets.

In addition, orders have been issued granting applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the names companies:
Cincinnati Stock Exchange - Borg-Warner Corp., Boston Edison Co., Carolina Power & Light Co., Consolidated Natural Gas Co., Continental Oil Co., FMC Corporation, General Public Utilities Corp., J. P. Morgan & Co., Niagara Mohawk Power Corp., Peoples Gas Co., Santa Fe Industries, Inc., Smith Kline & French Laboratories, Warner-Lambert Co.

Philadelphia-Baltimore-Washington Stock Exchange - Microdot, Inc. (Delaware) and granting an application of the Midwest Stock Exchange for unlisted trading privileges in the warrants to purchase common stock of the following companies: Midwest Stock Exchange - Atlas Corporation, Avco Corporation, Braniff Airways, Inc., Cities Service Co. (warrants to purchase Atlantic Richfield Co. common stock), Continental Telephone Corp., The Greyhound Corporation, Hilton Hotels Corp., Leasco Corp. (expiring 1978), Ling-Temco-Vought, Inc., National General Corp. (expiring 1974 and 1978), National Industries, Inc., Northwest Industries, Inc., Tenneco, Inc. (expiring 1975 and 1979), Textron, Inc., Tri-Continental Corp., United Brands Co., Whittaker Corp. and United States Smelting Refining & Mining Co. (Rel. 34-9424)

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 December 8 News Digest.

OVER

8K Reports For Oct 71

Int'l Textbook Co (12,13)	0-800-2	Antarenni Inds Inc (11)	1-6188-2
Lehigh Portland Cement Co (13,14)	1-31-2	Allied Nuclear Corp (11)	0-4881-2
Lennar Corp (7)	1-6643-2	Audio Dynamics Corp (11)	2-25346-2
Mass Mortgage & Realty Investors (7,12,13)	1-6516-2	Black & Decker Mfg Co (3)	1-1553-2
Clson Farms Inc (3)	0-1042-2	Carolina Tel & Tel Co (7,14)	1-6469-2
Overseas Natl Airways Inc (6)	0-3060-2	General United Group Inc (11,14)	0-2008-2
Rusco Inds Inc (1)	1-5087-2	Randolph Computer Corp (12,14)	0-3791-2
Illinois Power Co (7)	1-3004-2	Atlantic Information Systems Inc Sept 71 (1,9,13)	2-34322-2
Invst Funding Corp (12)	2-29615-2	Computer Credit Systems Inc (3,13)	2-33185-2
North American Resources Corp (3,9,10)	0-892-2	Libby McNeill & Libby (11)	1-1922-2
General Binding Corp (7)	0-2604-2	Venice Inds Inc (11,13)	1-5878-2
Great Markwestern Packing Co (6)	0-4467-2	Coleman Co Inc (3)	1-988-2
Ludlow Inds Inc (11,12,13)	0-257-2	Computer Technology Inc (12,13)	0-3510-2
Allied Research Associates Inc (2,7,9,13)	0-2545-2	Federal Mogul Corp (10)	1-1511-2
GAC Corp (12,13)	1-3453-2	General Host Corp (8)	1-1066-2
Western Pacific Inds Inc(7)	1-6683-2	Independence Natl Corp Aug 71 (12)	0-4858-2
Wynn Inds Inc (11)	0-5651-2	Investors Diversified Services Inc (3)	1-5226-2
Fluid Controls Inc (2,13)	0-2689-2	Pathfinder Mobilehome Inc (7)	0-4810-2
Perdue Housing Inds Inc (12)	0-5850-2	White Eagle Int'l Inc (11,13)	0-5794-2
Plantation Pipe Line Co (7,13)	1-3585-2	Allen Oil Co Sept 71 (11,13)	1-6151-2
American Quasar Petroleum Co (2,7,13)	0-5003-2	Books For Libraries Inc (12)	0-4834-2
Armin Poly Film Corp (7,9)	2-41604-2	Diversified Earth Sciences Inc (2,4,7,9,13)	0-3474-2
Boston Edison Co (12,13)	1-2301-2	Fieldcrest Mills Inc (2,13)	1-5137-2
Resort Of The World M V 6K for Nov 71	2-38264-2	Lehigh Press Inc (13)	1-4967-2
Simplex Inds Inc Aug 71 (2,7,14)	1-5710-2	Northern Indiana Public Service Co (13)	1-4125-2
Southwestern Elec Service Co (8)	0-72-2	Systems Engineering Laboratories Inc (11,12)	1-5635-2
TSI Inc (2,3,13,14)	0-2958-2	Utilities Leasing Corp Jan 71 (3,13)	0-4309-2
World Airways Inc Nov 71 (2,13)	1-5351-2	Mar 71 (12)	0-4309-2
Archer-Daniels Midland Co Nov 71 (11,12,13)	1-44-2	Jul 70 (12)	0-4309-2
Automatic Switch Co (2)	1-6385-2	Oct 70 (12)	0-4309-2
Beaver Mesa Exploration Co (2,13)	0-2939-2	Oct 71 (3,12,13)	0-4309-2
Birdsboro Corp(7,11,13)	0-4484-2	Nov 71 (6)	0-4309-2
Israel Discount Bank Ltd 6K for Nov 71	2-22195-2	Aero Mechanism Inc Nov 71 (11,13)	2-32394-2
Standard Security Life Ins Co Of NY (12,13)	2-14735-2	American Financial Corp (2,3,7,13)	0-839-2
		Atlantic Improvement Corp (11,12)	2-18817-2
		Delta Airlines Inc (3,11,14)	1-5424-2
		El Paso Elec Co Nov 71 (13)	0-296-2

SECURITIES ACT REGISTRATIONS. Effective December 9: General Foods Corp., 2-42529.
Effective December 10: Peachtree Doors, Inc., 2-42283 (90 days); Schick Investment Co., 2-41797.
Effective December 13: American Express Co., 2-40957; Associated Baby Services, Inc., 2-41172;
 Coit International, Inc., 2-42376; The Continental Gourmet Corp., 2-39912 (90 days); Eaton Corp., 2-42303;
 Fidelity American Bankshares, Inc., 2-41824 (40 days); Granite Management Services, Inc., 2-38923 (40 days)
 Inertial Motors Corp., 2-40133 (90 days); Keller Industries, Inc., 2-41362; Massachusetts Financial
 Development Fund, Inc., 2-42351; Panason Corp., 2-41031 & 2-41033; Ponderosa System, Inc., 2-42258;
 Westcoast Transmission Co. Ltd., 2-41751 (40 days); Howard B. Wolf, Inc., 2-42459.

NOTE TO DEALERS. The period of time dealers 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.

GPO 912-604

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