

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

brief summary of financial proposals filed with and actions by the S.E.C.



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DECISION IN ADMINISTRATIVE PROCEEDING

VOLANTE, BEHAR REGISTRATION REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8932) in which it revoked the broker-dealer registration of Volante, Behar (formerly Volante, Behar and Sperling), of New York City, and barred Guido Volante, a partner with a majority interest in the firm, from further association with a securities firm, subject to the understanding that under certain conditions he may reapply after one year to reenter the securities business in a supervised capacity. The action was based upon an offer of settlement submitted by the firm and Volante following an appeal by staff counsel from the initial decision of an SEC Hearing Examiner which provided for lesser sanctions. As part of the offer, Volante also agreed to the entry of permanent injunctions against him (LR-4669) in two proceedings (in SEC v. North American Research and Development Corp., et al) in which preliminary injunctions have been entered. The Examiner's decision also provided for a ten-day suspension of Jacques Behar, also a partner; Behar did not appeal the decision and the Commission ordered the ten-day suspension to commence July 27.

According to the Commission's decision, Volante violated the registration and anti-fraud provisions of the Federal securities laws in 1967 while associated with the firm of Dunhill Securities Corporation in the offer and sale of stock of NARD. Dunhill salesmen made misrepresentations and omitted to state material facts concerning NARD's assets and financial condition and a prospective rise in the price of NARD stock; and Volante failed to carry out his obligation as an officer of Dunhill in charge of its trading activities, to see to it that Dunhill's customers were not defrauded. The Commission also ruled that Volante in 1968 aided and abetted violations of the Commission's record-keeping requirements by Dunhill, and that between July and November 1968 he and Behar engaged in the conduct of a securities business in violation of the broker-dealer registration requirements of the Exchange Act.

COMMISSION ANNOUNCEMENT

SEC JOINS DOLLY MADISON CASE. The SEC has filed notice of appearance in the Chapter X proceedings for the reorganization of Dolly Madison Industries, Inc., ("DMI"), pending in Federal court in Philadelphia. Judge John B. Hannum named Munro Corbin as trustee. DMI's principal business is manufacturing furniture. It also makes ice cream and operates various businesses in the Bahamas. DMI's petition states that on June 22, 1970, some of its bank creditors demanded payment of loans totaling \$7.5 million, which DMI was unable to pay. According to its petition, DMI's assets (consisting in the main of accounts receivable, inventories, plant and equipment) amounted to about \$77 million on May 2, 1970, and liabilities on that date were approximately \$57 million. DMI has 1,744,632 shares of \$1 par value common stock and 214,654 shares of \$50 par value convertible preferred stock outstanding, held by approximately 4,000 shareholders. (CR-297)

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16782) giving interested persons until August 6 to request a hearing upon an application of American Electric Power Company, Inc., New York holding company, to increase from \$110,000,000 to \$130,000,000 the amount of short-term notes it proposes to issue to banks and commercial paper to a dealer in commercial paper, and to make capital contributions to its subsidiaries.

BLACKSTONE VALLEY ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16783) giving interested persons until August 7 to request a hearing upon an application of Blackstone Valley Electric Company, Lincoln, R. I. subsidiary of Eastern Utilities Associates ("EUA"), to issue and sell \$7,500,000 of first mortgage and collateral trust bonds, due 1973, at competitive bidding. The company will use the net proceeds to prepay (in whole or in part) short-term notes to banks and/or to EUA (\$7,600,000 at April 30), which were issued to provide funds for the purchase of securities of Montaup Electric Company, another EUA subsidiary, and for construction.

INVESTMENT COMPANY ACT RELEASES

INVESTORS CONTRACTS SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6119) giving interested persons until August 5 to request a hearing upon an application of Investors Contracts, Inc., St. Louis mutual fund, for an order declaring that it has ceased to be an investment company as defined in the Act. The Fund states that its total assets as of April 24, 1970, were approximately \$112,000, that its outstanding securities (other than short-term paper) are owned by 22 persons, none of whom is a company, and that it is not making and does not presently propose to make a public offering of its securities.

OVER

LINCOLN NATIONAL SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6120) giving interested persons until August 5 to request a hearing upon an application of Lincoln National Corporation, Passaic, N. J., for an order declaring that it has ceased to be an investment company. Pursuant to a Plan of Complete Liquidation and Dissolution approved by shareholders in June 1969, Lincoln National ceased to do business as of June 5, 1969 and in October 1969 distributed its net assets, in kind, proportionately to all shareholders.

COURT ENFORCEMENT ACTION

COMPLAINT NAMES COMMONWEALTH SECURITY INVESTORS, DANIEL BOONE CHICKEN. The SEC Chicago Regional Office announced July 13 (LR-4682) the filing of a complaint with the Federal court in Lexington, Ky., seeking to enjoin violations of various provisions of the Federal securities laws by the following: Commonwealth Security Investors, Inc. (CSI), a registered investment company, Daniel Boone Fried Chicken, Inc. (DBFC), Albert B. Chandler, Sr., Leonard K. Nave, J. Daniel Chandler, James R. Spence, Albert B. Chandler, Jr., and Murray A. Morguelan, all of Kentucky. The complaint also seeks an order directing DBFC to comply with the registration requirements of Section 12(g) of the Exchange Act and CSI to comply with the periodic reporting requirements of the Investment Company Act; and it seeks the appointment of a receiver for both companies.

SECURITIES ACT REGISTRATIONS

PUBLIC SERVICE OF COLORADO PROPOSES OFFERINGS. Public Service Company of Colorado, 550 15th St., Denver, Colo., filed two registration statements with the SEC on July 16: (File 2-37967) seeking registration of \$35,000,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding and (File 2-37968) seeking registration of 1,000,000 shares of common stock, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., and The First Boston Corp., 20 Exchange Pl., both of New York 10005. The offering price (\$19.125 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in the latter statement are 100,000 shares which the company is offering to all regular full-time employees (including officers) of the company and certain subsidiaries.

A public utility, the company will add the net proceeds of these offerings to its general funds for application towards the reduction of some \$45,244,500 of outstanding short-term loans incurred for construction needs, and for further construction purposes. Construction expenditures are estimated at \$80,000,000 for 1970 and \$228,000,000 for the three-year period 1970-72.

NORTHERN ILLINOIS GAS TO SELL BONDS. Northern Illinois Gas Company, East-West Tollway at Route 59, P. O. Box 190, Aurora, Ill. 60507, filed a registration statement (File 2-37969) with the SEC on July 16 seeking registration of \$35,000,000 of first mortgage bonds, to be offered for public sale at competitive bidding. The maturity date, interest rate, offering price and underwriting terms are to be supplied by amendment. A gas utility, the company will ^{use} the net proceeds of its bond sale to repay outstanding short-term loans and to increase working capital available for construction expenditures. Construction expenditures are estimated at \$61,000,000 for 1970 and \$308,000,000 for the five-year period 1970-1974.

TIBURON VINTNERS TO SELL STOCK. Tiburon Vintners, Inc., 72 Main St., Tiburon, Calif. 94920, filed a registration statement (File 2-37970) with the SEC on July 16 seeking registration of 150,000 shares of common stock, to be offered for public sale through underwriters headed by Birr, Wilson & Co., Inc., 155 Sansome St., San Francisco, Calif. 94104. The offering price (\$10 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell Birr, Wilson, for \$75, five-year options to purchase 7,500 shares, exercisable after one year at 120% of the offering price.

Organized in June 1964, the company is engaged in the production and sale of wines, principally premium quality varietal table wines. Part of the net proceeds of its stock sale will be used to reduce short-term bank debt and the balance will be added to the company's working capital and will be available for acquisition of additional vineyard properties and other corporate purposes. In addition to indebtedness, the company has outstanding 327,540 common shares (with a \$1.73 per share net tangible book value), of which Rodney D. Strong, board chairman, owns 18.3%, Peter S. Friedman, president, 10.7% and management officials as a group 62.4%.

MISCELLANEOUS

VOLUNTARY PURCHASING GROUPS SEEKS ORDER. Voluntary Purchasing Groups, Inc., Bonham, Texas, has applied to the SEC for exemption from the registration provisions of Section 12(g) of the Securities Exchange Act of 1934; and the Commission has issued an order giving interested persons until August 5, 1970, to request a hearing thereon. The granting of the requested exemption also would exempt the company from the reporting and proxy provisions of the Act; and it would exempt so-called "insiders" from the reporting and related provisions of Section 16 of the Act.

The company was organized in September 1967 and is engaged in the business of manufacturing, packaging, processing and distributing agricultural chemicals, including a line of farm chemicals and a line of lawn and garden supplies. Sales of the products by the corporation are made exclusively to stockholders of the corporation, and at the end of the year all net profits of the company are rebated to the stockholder-patrons in the form of patronage refunds. The articles of incorporation provide that no dividends may ever be paid with respect to the stock, and the patronage refunds are paid solely on the basis of purchases. The stock is not traded. The company's by-laws provide that a stockholder may not transfer his stock without first offering the stock to the corporation. Any transfer to a successor in interest must be approved by the Board of Directors.

CONTINUED

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 June 2 News Digest.

8K Reports for Apr. 70

The Citadel Life Insurance Co. of New York (11,13)	2-21214-2	Geoscience Instruments Corp. Mar. 70 (3)	0-3761-2
Clear Creek Corp. (6)	0-1379-2	Montana Corp. Mar. 70 (12,13)	0-1008-2
Collins & Aikman Corp. (4,7,13)	1-205-2	Sumitomo Chemical Co. Ltd. 6K for July 69 thru Dec.69	1-5000-2
Keuffel & Esser Co. (11)	0-2117-2	Texaco Canada Ltd. (11)	2-7347-2
Jos. Schlitz Brewing Co. (4,11)	1-5431-2	Southern Pacific Co. (12)	1-6147-2
Western Mortgage Investors Mar. 70 (12)	1-5349-2	Southern Pacific Transportation Co. (12)	1-6146-2
Rudd-Melikian Inc. (11)	0-1993-2	Dennison Mfg. Co. (11)	1-4643-2
Sigma Instruments Inc (11)	1-5130-2	Kentucky Utilities Co. (11)	1-3464-2
American Hoist & Derrick Co. Mar. 70 (11,13)	1-5027-2	Pioneer Western Co. Nov. 69 (12)	0-3031-2
Investors Equity of the West Inc. Mar. 70 (1,13)	0-2213-2	Bankers Trust New York Corp. Mar. 70 (11)	1-5920-2
Maremont Corp. Mar. 70(12, 13)	1-4232-2	The Cobbs Co. Inc(12,13)	0-4078-2
Pacific Petroleum Ltd. (11,13)	1-3577-2	First Union National Bancorp. Inc.(4,11,13)	0-3554-2
Richardson Co. (4,13)	1-5669-2	Nachman Corp. Apr. 70 (7,13)	1-1492-2
American Medicorp Inc. Mar. (2,7,13)	0-4657-2	Stratoflex Inc Feb. 70 (12)	0-2750-2
American Re-Insurance Co. (11)2-19516-2		CTC Computer Corp.(2,3) Feb70	0-4000-1
First Holding Co. Inc. Mar. 70 & Apr. 70 (2)	0-3692-2	The Chesapeake Life Ins. Co. (11)	2-22205-2
Lawter Chemicals Inc. Mar 70 (7)	0-2539-2	Missouri Power & Light Co. (11)	0-1013-2
Marine Midland Banks Inc. Apr. 70 (11)	1-2940-2	Rosenau Brothers Inc. (11,13)	1-4688-2
Publicker Ind. Inc (11)	1-3315-2	Southern Film Extruders Inc (2)	0-4693-2
Graniteville Co.(11,12,13)	1-4630-2	Tenneco Corp.(11)	1-5398-2
Law Research Service Inc. Mar. 70 (3)	0-3301-2	Aquasonics Inc. (11)	2-32464-2
Ogden Corp. May 69(11,13)	1-3122-2	Crane Co.(8,11,13)	1-1657-2
The Rainier Co. Inc. (11,13)	0-648-2	Northeastern Bankshares Association (2,7,12)	2-34668-2
California Real Estate Invst. Trust Mar. 70(2,7,13)	0-3232-2	Old Fort Ind. Inc (11)	0-3100-2
Dominion Bankshares Corp. (2,7,11)	0-2980-2	Pope & Talbot Inc.(4,7,11) Mar 69	0-928-2
		Aztex Oil & Gas Co.(11,12)	0-502-2
		Giant Yellowknife Ltd.(11)	1-4350-2
		Philadelphia Suburban Corp. Jan 70 (7,13)	0-3823-2
Cleveland Cliffs Iron Co. (11)	1-3443-2		
Old National Ins. Co. Mar. 70 (1,13)	2-12395-2		
Pitney-Bowes Inc. (11,13)	1-3579-2		
Tyler Corp. 69 (7)	1-5409-2		

American Intl. Pictures, Inc Apr. 1970 (12,13)	2-33282-2	Intl. Book Corp April 1970 (2,13)	0-2099-2
Comprehensive Designers, Inc Apr. 1970 (2,13)	1-5519-2	Intl. Mining Corp April 1970 (12)	1-2761-2
Imperial Oil Ltd Apr. 1970(11,13)	2-9259-2	Modular Concepts, Inc March 1970 (8)	2-33686-2
Inland Containers Corp Feb. 1970(8)	0-1001-2	Natl. Devel. Corp March 1970 (1,2,8)	0-968-2
Leasepac Corp Apr. 1970(12,13)	0-4081-2	Pacific Scientific Co April 1970 (11,13)	0-4583-2
Magnolia Chemical Co Inc March 1970 (11,13)	0-4728-2	San Diego Gas & Elec. Co March 1970(13)	1-3779-2
Precision Polymers, Inc April 1970(12)	1-6008-2	Water Treatment Corp April 1970 (11)	0-1735-2
Jos. Schlitz Brewing Co April 1970 (4,11)	1-5431-2		
Transcontinental Oil Corp Sept. 1969(7)	0-3822-2	Diners Club, Inc April 1970 (12,13)	1-3994-2
Wagner Mining Equipment, Inc March 1970(7,13)	2-36383-2	Diversified Products Corp April 1970 (9,11,13)	0-3167-2
Warner & Swasey Co April 1970 (4,11,13)	1-4787-2	Wisconsin Southern Gas Co Inc April 1970 (11)	0-374-2
Appalachian Power Co April 1970 (11)	1-3457-2	Giant Portland Cement Co April 1970 (12)	1-4323-2
Family Life Insur. Co Apr. 1970 (11)	2-23350-2	Morse Electro Prod. Corp April 1970 (7)	1-4414-2
Foto Mem, Inc April 1970 (7)	0-3879-2	Pittston Co April 1970 (7,13)	1-304-2
Kaiser Steel Corp March 1970 (7,8,13)	0-433-2	Texas Gas Transmission Corp Apr. 1970 (4,7,13)	1-4169-2
Omni Industries Corp April 1970 (9,11)	2-30366-2		
Railweight Inc March 1970 (1,2,7,13)	0-1440-2	ADA Financial Service Corp April 1970 (11,13)	2-32349-2
Sears Ind., Inc April 1970 (11,12,13)	1-574-2	Consumers Power Co April 1970 (3)	1-5611-2
Society Corp April 1970(11,13)	0-850-2	Control Industries Corp April 1970 (9,13)	0-4344-2
U. S. Tobacco Co April 1970)8,11)	1-764-2	Joseph Dixon Crucible Co April 1970 (11,13)	0-856-2
		Edgewater Corp April 1970 (11)	0-890-2
Caldwell Computer Corp April 1970 (1,2,7,12,13)	0-3983-2	Medford Corp April 1970 (7,11)	0-365-2
Outboard Marine Corp April 1970 (12,13)	1-2883-2	Scotts's Inn Management Co Feb. 1970 (2,4,7,13)	0-3174-2
		United Aircraft Products, Inc April 1970 (11,13)	1-3094-2

SECURITIES ACT REGISTRATIONS. Effective July 16: Beneficial Standard Mortgage Investors, 2-36941 (Oct 14); Denny's Restaurants, Inc., 2-37365 (Aug 25); Engineered Properties, Inc., 2-35712 (90 days); Inland Steel Co., 2-37862; The Plessey Co. Ltd., 2-37741 (40 days) and 2-37941; Puget Sound Power & Light Co., 2-37645; Ryder Systems, Inc., 2-37625.

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.

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