

# sec news digest

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## DECISIONS IN ADMINISTRATIVE PROCEEDING

BARCLAY SECURITIES REVOKED. The SEC has revoked the broker-dealer registration of Barclay Securities, Inc., of New York, a firm now in bankruptcy. The action was based on findings that during May-August 1970 the firm had violated the net capital provisions of the securities laws. The firm, through its bankruptcy receiver, consented to the findings and sanction without admitting or denying the charges. (Rel. 34-10478)

## COMMISSION ANNOUNCEMENTS

INITIAL DECISION REVOKES BROKER-DEALER REGISTRATION OF MIDWESTERN SECURITIES CORP. - Administrative Law Judge Sidney Ullman has filed an initial decision revoking the broker-dealer registration of Midwestern Securities Corporation, formerly of New York City and of Cleveland, Ohio, and expelling the firm from membership in the National Association of Securities Dealers. The decision also bars the president of the firm, Lloyd W. Sahley, and its chairman of the Board of Directors, Dr. Louis Goldblatt, from association with any broker or dealer, except that after a period of six months Dr. Goldblatt may apply for permission to become so associated under adequate supervision.

The decision, which is subject to appeal to the Commission, was based upon findings that Midwestern, aided and abetted by Sahley and Dr. Goldblatt, wilfully violated and aided and abetted violations of the antifraud provisions of the securities acts in Midwestern's activities as underwriter of an "all or none" offering of stock by Transceiver Corporation of America in September 1969. It was also found that Midwestern and Sahley had violated other provisions of the Securities Acts, including rules relating to Transceiver's prospectus and Midwestern's reporting, bookkeeping, and net capital. A prior order of the Commission had disposed of the case by settlement against a former respondent, Exchange Bank & Trust Co., of Dallas, Texas.

## COURT ENFORCEMENT ACTIONS

C. ARNHOLT SMITH, TOFT RESIGN IN SETTLEMENT OF WESTGATE-CALIFORNIA CASE. The SEC announced the entry of various orders by the Federal district court in the Southern District of California enjoining by consent the various defendants in the Westgate-California case from violations of the registration, antifraud and reporting requirements of the Federal securities laws. The orders also provided for a new Court appointed board of directors for Westgate, the resignation of C. Arnholt Smith and Philip A. Toft as officers and directors of the company and as officers and directors of any other public company in which they held a position, and the filing by Westgate of all reports and amendments to previously filed reports as required by the federal securities laws. (LR-6142)

COMPLAINT NAMES TOPPER CORP., OTHERS. The Commission filed a complaint in the United States District Court for New York seeking permanent injunctions against Topper Corporation and four other defendants. Topper was formerly a leading manufacturer of promotional toys with headquarters in Elizabeth, New Jersey. Also named as defendants were three former officers: Henry Orenstein, president and chief executive officer, Jack J. Rose, senior vice president for finance, and Frederick C. Pierce, vice president for sales; and Hayden Stone Inc. (formerly known as CBWL-Hayden, Stone Inc.), Topper's investment banker. The complaint charged violations of the antifraud, registration and corporate reporting provisions, in filing with the Commission, reports, and press releases in 1971. The complaint alleged that these documents, which included a registration statement covering a public offering of Topper common stock made on April 29, 1971 and a memorandum used as a selling document in a private placement of Topper debentures on September 28, 1971, were false and misleading. According to the complaint, Topper did not properly account for, in its financial statements for the year ended December 31, 1970 and the quarter ended March 31, 1971, and did not disclose a number of unusual sales terms offered to customers in 1970 and 1971, which included the right to return unsold merchandise for other merchandise and storage of merchandise in public warehouses at no cost or risk of loss to the customers. Hayden Stone Inc. has consented to entry of a permanent injunction, enjoining the firm from violating the aforementioned antifraud provisions in public offerings and private placements where the firm has a management role. (LR-6145)

## INVESTMENT COMPANY ACT RELEASES

CRESCENT GENERAL CORPORATION. A notice has been issued giving interested persons until December 7 to request a hearing on an application of Crescent General Corporation for an order temporarily exempting it from certain provisions of the Act pending the disposition by the Commission of an application previously filed by Crescent for an order declaring that it is engaged in a business other than the investment company business or in the alternative, that it be exempted from all the provisions of the Act pursuant to Section 6(c). (IC-8078)

## HOLDING COMPANY ACT RELEASES

WEST PENN POWER COMPANY. An order has been issued authorizing West Penn Power Company, subsidiary of Allegheny Power System, Inc., and Allegheny Pittsburgh Coal Company, wholly-owned subsidiary company of West Penn, for West Penn to lend \$2,700,000 to Allegheny Pittsburgh to pay a bank loan and to make open account advances to Allegheny Pittsburgh. (Rel. 35-18161)

WEST PENN POWER COMPANY. An order has been issued authorizing West Penn Power Company, subsidiary of Allegheny Power System Inc., to sell 100,000 shares of preferred stock at competitive bidding. (Rel. 35-18162)

THE NARRAGANSETT ELECTRIC COMPANY. An order has been issued authorizing The Narragansett Electric Company, subsidiary of New England Electric System to sell 200,000 shares of common stock to New England. (Rel. 35-18163)

CONNECTICUT YANKEE ATOMIC POWER COMPANY. An order has been issued authorizing Connecticut Yankee Atomic Power Company, subsidiary of Northeast Utilities and New England Electric System, to issue its promissory note in an amount up to \$9 million to the Connecticut Development Authority under the terms of a loan agreement, to finance pollution control facilities at its Haddam, Connecticut, plant. The Authority will issue and sell its Pollution Bonds equal to \$9 million and advance the proceeds to Connecticut Yankee as funds for construction of the facilities. (Rel. 35-18164)

## SECURITIES ACT REGISTRATIONS FILED

(S-1) UNITED CAPITAL MORTGAGE COMPANY, 6900 Pannin St., Houston, Tex. 77025 - 1,469,000 shares of common stock. It is proposed to offer these shares for subscription by common stockholders at the rate of one share for each two shares held and at \$3 per share. Organized in October, the company proposes to engage in the mortgage banking business. (File 2-49433 - Oct. 26)

(S-14) ENVIRODYNE, INC., 1180 South Beverly Dr., Los Angeles, Cal. 90035 - 3,600 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Food Industries Research & Engineering, Inc. Envirodyne, through subsidiaries, provides environmental engineering services as well as manufactures and sells pollution measure devices, air purification systems, purified bulk water and water treatment devices. Food Industries provides professional engineering services to the perishable food industry. (File 2-49434 - Oct. 26)

(S-7) CORNING GLASS WORKS, Houghton Park, Corning, N.Y. 14830 - \$50 million of sinking fund debentures, due 1998, to be offered for sale through underwriters headed by Lazard Freres & Co. The company principally manufactures and sells products made from specialty glasses and related inorganic materials. (File 2-49435 - Oct. 26)

(S-1) AUTODYNAMICS, INC., 2 Barnard St., Marblehead, Mass. 01945 - 300,000 shares of common stock, to be offered for sale at \$5 per share by Gotham Securities Corp. The company manufactures and markets electrically powered vehicles, such as dune buggies and other specialty vehicles. (File 2-49436 - Oct. 26)

(S-16) I-T-E IMPERIAL CORPORATION, Spring House, Pa. 19477 - 25,000 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. (File 2-49437 - Oct. 26)

(S-7) IOWA ELECTRIC LIGHT AND POWER COMPANY, ie: Tower, Cedar Rapids, Iowa 52401 - 475,000 shares of common stock, to be offered for sale at competitive bidding. (File 2-49438 - Oct. 26)

(S-1) INDIAN HEAD BANKS INC., Indian Head National Bank Bldg., Nashua, New Hampshire 03060 - 80,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of capital stock of The Keene National Bank, at the rate of two shares for each Keene share. Indian Head is a bank holding company, which owns a majority of the outstanding stock of eight national banks in New Hampshire. (File 2-49439 - Oct. 26)

(S-7) COLUMBUS AND SOUTHERN OHIO ELECTRIC COMPANY, 215 North Front St., Columbus, Ohio 43215 - \$50 million of first mortgage bonds, due 1980, to be offered for sale at competitive bidding. (File 2-49440 - Oct. 26)

(S-1) WHITE CONSOLIDATED INDUSTRIES, INC., 11770 Berea Rd., Cleveland, Ohio 44111 - \$44 million of subordinated (non-convertible) debentures. It is proposed to offer these debentures in exchange for the outstanding 5-1/2% convertible subordinated debentures, due 1992. Hornblower & Weeks-Hemphill, Noyes, has agreed to arrange for dealers, including themselves, to solicit exchanges. The company manufactures and distributes consumer products, principally appliances and other durables, as well as products for industry and commerce. (File 2-49441 - Oct. 26)

(S-1) WALTER E. HELLER & CO., 105 West Adams St., Chicago, Ill. 60690 - \$50 million of senior notes due 1980 and \$25 million subordinated debentures due 1993, to be offered for sale through underwriters headed by Salomon Brothers. The company principally furnishes commercial financing to business and industry. (File 2-49442 - Oct. 26)

(S-11) BARNES MORTGAGE INVESTMENT TRUST, 100 Federal St., Boston, Mass. - 02110 - \$25 million of floating rate (8-12%) senior subordinated notes due 1980, to be offered for sale through underwriters headed by Drexel Burnham & Co. The Trust invests primarily in first mortgage construction and development loans. (File 2-49445 - Oct. 26)

(S-11) MIDLANTIC MORTGAGE INVESTORS (the Trust), 60 Park Pl., Newark, N.J. 07102 - 1,250,000 shares of beneficial interest, to be offered for sale at \$20 per share through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. The Trust intends to invest principally in short-term construction, land acquisition and development loans. Midlantic Advisors, Inc. is investment adviser. (File 2-49446 - Oct. 26)

(S-1) AMDAHL CORPORATION, 1180 Kern Ave., Sunnyvale, Cal. 94086 - 600,000 shares of common stock to be offered to the public through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York, N.Y. 10006. The company has developed large scale computer systems, which it plans to manufacture and market. (File 2-49451 - Oct. 29)

(S-1) POLYDEX CHEMICALS LIMITED, 421 Comstock Rd., Scarborough, Ontario, Canada - 200,000 shares of common stock, to be offered by certain stockholders through underwriters headed by J. D. Winer & Co., Inc., First Hanover Sq., New York, N.Y. The company manufactures and sells Dextran (synthetic chemical compound) and derivatives. (File 2-49452 - Oct. 29)

(S-2) CVI LASER CORPORATION, 200 Dorado Pl., S.E., Albuquerque, New Mexico 87123 - 250,000 common stock and warrants to purchase 125,000 shares of common stock offered in units, to be offered by Doherty & Co., 209 Gold St., S.W., Albuquerque, New Mexico 87101. The company coats lenses, mirrors and similar optical materials to control high power laser beams. (File 2-49453 - Oct. 29)

(S-7) NEW ENGLAND POWER CO., 20 Turnpike Rd., Westborough, Mass. 01581 - \$40 million of first mortgage bonds, Series T, to be offered for sale at competitive bidding. (File 2-49454 - Oct. 29)

(S-11) THE HARTMAN SECOND FUND, LTD. (the Partnership), Travelers Tower, Southfield, Michigan 48076 - \$5 million of partnership units, to be offered for sale at \$500 per unit with a minimum investment of \$2,500 by Manley, Bennett, McDonald & Co. and selected NASD members. The partnership was formed to invest in improved real estate. The Hartman Group, Inc., Hartman Group Investment Managers, Inc. and Paul J. Dietz are the general partners. (File 2-49455 - Oct. 29)

(S-1) CENTRAL MORTGAGE BANCSHARES, INC., 116 North Holden St., Warrensburg, Mo. 64093 - 257,404 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of the following banks at the indicated ratios: 12.7428 shares for each Barton County State Bank share; 23.6029 shares for each Citizens Bank of Warrensburg share; 106.0923 shares for each Farmers Bank of Stover share; and 2.76 shares for each Jackson County State Bank share. Bancshares is engaged in the mortgage banking business. (File 2-49457 - Oct. 29)

(S-16) INLAND CONTAINER CORPORATION, 120 East Market St., Indianapolis, Ind. 46202 - 17,350 shares of common stock, which may be offered for sale by certain shareholders at prices current at the time of sale. (File 2-49458 - Oct. 29)

(S-16) In a separate statement, the company seeks registration of 20,000 shares of common stock, to be offered for sale by certain shareholders at prices current at the time of sale. (File 2-49459 - Oct. 29)

## MISCELLANEOUS

UNLISTED TRADING SOUGHT. Notices have been issued giving interested persons until November 23 to request a hearing on applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies:

Boston Stock Exchange: Leasco Corporation - \$2.60 cumulative preferred stock, Series C.

Detroit Stock Exchange. Bausch & Lomb, Inc.; Disney (Walt) Productions; Grant (W.T.) Company; Guardian Industries; Levitz Furniture Corp.; Pitney Bowes, Inc.; Ponderosa System, Inc.; Kamada Inns, Inc.; Winnebago Industries, Inc.

PBW Stock Exchange, Inc.: Den-Tal-Ec, Inc.; Dun & Bradstreet Companies, Inc. (Rel. 34-10492)

TRADING SUSPENSIONS CONTINUED. The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Equity Funding Corp., Giant Stores Corp. and Sanitas Service Corp., and over-the-counter trading in the securities of Industries International for the further ten-day period November 13-22, inclusive.

SECURITIES ACT REGISTRATIONS. Effective November 12: Davega Appliance Corp., 2-48696 (90 days); Duplex Products Inc., 2-48919; Great Northern Nekoosa Corp., 2-49241; Heath Tecna Corp., 2-49334; 2-49523; Joja Productions, 2-49041 (90 days); Monitor Labs, Inc., 2-49507; Ryder System, Inc., 2-49476; West Penn Power Co., 2-49236; Heublein, Inc., 2-49523. Effective November 13: Corning Glass Works, 2-49435; Loctite Corp., 2-49382; Province of Newfoundland (Canada), 2-49397.

## IMPORTANT NOTICE

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed Public Reference Section, Securities and Exchange Commission, Washington, D C 20549. The reproduction cost will approximate 12¢ per page, plus postage, for mailing within four days, to 25¢ per page, plus postage, for overnight mailing. Cost estimates given on request.

Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail, \$8.25 additional for foreign mailing, \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail, \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D C 20402