

# 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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## COMMISSION ANNOUNCEMENT

**PURCHASE ORDERS FOR INSTITUTIONAL INVESTOR STUDY REPORT.** Purchase orders for the Institutional Investor Study Report, filed by the Commission with Congress on March 10, 1971, must be placed with Mr. Ralph Goerner, Government Printing Office, Box 1533, Washington, D. C. 20013 (Phone 202-541-3763). The Commission cannot accept orders for the Report. The full Report is expected to be available within two weeks. Printed as House Document No. 92-64, the full Report with supplements is priced at \$20.65. The Summary Volume is 70 cents, and other volumes are priced as follows:

Volume I (Chapters I, II, III): 70 cents  
Volume II (Chapters IV, V, VI): \$3.25  
Volume III (Chapters VII, VIII, IX): \$2.25  
Volume IV (Chapters X, XI, XII, XIII): \$3.75  
Volume V (Chapters XIV, XV): \$2.25  
Supplementary Volume I (NBER Report): \$1.75  
Supplementary Volume II (Documentation of Questionnaires): \$6.00

All questions regarding publication and delivery should be referred to the Government Printing Office.

**CANADIAN JAVELIN TRADING SUSPENDED.** The SEC today ordered the temporary suspension under the Securities Exchange Act of 1934 of both exchange and over-the-counter trading in the securities of Canadian Javelin Limited for ten days beginning on March 17, 1971. Canadian Javelin Limited is a Canadian corporation with headquarters in St. John's, Newfoundland, Canada. The common stock of this issuer is listed on the American Stock Exchange. The suspension was ordered because of the unavailability of adequate and accurate information concerning the extent, quality and commercial feasibility of mineral deposits which may be within a mining concession in the Republic of Panama owned by Pavonia, S. A., a Panamanian corporation. (Release 34-9111)

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

**EXAMINER REVOKES CONRAD & CO., BARS CONRAD.** SEC Hearing Examiner Sidney Ullman has filed an initial decision in administrative proceedings under the Securities Exchange Act in which he ordered the revocation of the broker-dealer registration of Conrad & Company, Inc., of Hyattsville, Md. and its expulsion from membership in the National Association of Securities Dealers and the Philadelphia-Baltimore-Washington Stock Exchange, and barred its president Thomas D. Conrad, Jr., from being associated with a broker or dealer. In addition, he ordered that Margaret J. Conrad, executive vice president, be suspended from association with a broker or dealer for a period of one year from the effective date of the decision, and ordered that Roland L. Gonzales, registered representative with the firm be barred from association with a broker or dealer, provided that after one year from the effective date of the decision he is permitted to apply to the Commission for an order permitting him to become associated with a broker-dealer upon a satisfactory showing that he will be properly supervised. The Examiner's decision is subject to review by the Commission on its own motion or on petition of a party.

The Examiner found that Thomas D. Conrad violated the registration and anti-fraud provisions of the Federal securities laws in the offer, sale and delivery in 1969 of securities of Svanholm Research Laboratory, a sole-proprietorship incorporated in the District of Columbia. In addition, the Examiner found that Conrad violated the record-keeping and financial reporting as well as the net capital provisions of the Acts and the rules of the Commission, and Regulation T of the Federal Reserve System. He also failed reasonably to supervise persons under his supervision with a view to preventing violations of the securities laws by such persons.

The Hearing Examiner found that Margaret Conrad, Dr. Conrad's wife, also failed reasonably to supervise persons under her supervision with a view to preventing violations of the securities laws by such persons.

With respect to Roland L. Gonzales, the Hearing Examiner found that Gonzales violated the anti-fraud provisions of the Federal securities laws by converting to his own use funds belonging to registrant and to its customers and by failing to disclose to the customers such use of the funds. Gonzales had repaid such funds prior to his leaving the employ of Conrad & Company in January 1969.

**LEADER SECURITIES REGISTRATION WITHDRAWN.** The SEC today announced the acceptance of an offer of settlement in which Leader Securities Company, Inc., Great Neck, N. Y., withdrew its registration as a broker-dealer, and Bruce Gene Leader and Simon Kaplan, president and secretary-treasurer respectively, agreed that they shall not acquire a proprietary interest in any registered broker or dealer, without the prior written consent of the Commission, for failure to comply with the financial reporting requirements of the Securities Exchange Act of 1934. The offer was effective March 15, 1971. (Release 34-9103)

OVER

COURT ENFORCEMENT ACTION

**STAN INGRAM & ASSOCIATES ENJOINED.** The SEC Los Angeles Regional Office today announced that the Federal court in Los Angeles permanently enjoined Stanford M. Ingram and Marianne E. Ingram, a partnership doing business as Stan Ingram & Associates, from violating the anti-fraud, net capital and record-keeping provisions of the Federal securities laws, and appointed Harold L. Orchid as Temporary Receiver of the assets of Associates pending application by the Securities Investor Protection Corporation for appointment of a trustee under the SIPC Act of 1970. The defendants consented to the order without admitting the allegations. (LR-4938)

HOLDING COMPANY ACT RELEASES

**WASHINGTON GAS LIGHT RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act directing Washington Gas Light Company of Washington and its subsidiary Shenandoah Gas Company to take appropriate action to effect the elimination of the publicly-held shares of common stock of Shenandoah, and approving a plan filed to eliminate such publicly held interest. Shenandoah has outstanding 339,325 shares of common stock of which Washington owns 337,146 and the balance of 2,179 (0.6%) is held by 26 public holders. Under the plan, the public holders of Shenandoah's common stock will be entitled to \$6.50 for each share, or a total of \$14,163.50.

The plan is subject to the entry of an order by an appropriate Federal court approving and enforcing the plan, and both companies have requested the Commission to apply for such order the plan to become effective thirty days from the effective date set by such court. On and after the effective date, the public holders of shares of Shenandoah stock will cease to have any rights as shareholders of such company and upon the surrender of their stock certificates, will be entitled to receive only the sum of \$6.50 for each share. (Release 35-17053)

**POTOMAC EDISON SEEKS ORDER.** The SEC has issued an order under the Holding Company Act giving interested persons until April 6 to request a hearing upon an application of The Potomac Edison Company, Hagerstown, Md. subsidiary of Allegheny Power System, Inc., to issue and sell, at competitive bidding, \$20 million of first mortgage and collateral trust bonds, due 2001, and 50,000 shares of \$100 par cumulative preferred stock, Series F. Net proceeds of its financing will be used for the construction program of Potomac Edison and its subsidiaries (including payment of \$21,500,000 of short-term bank loans incurred therefor). Construction expenditures are estimated at \$53 million for 1971 and \$50 million for 1972. (Release 35-17054)

SECURITIES ACT REGISTRATIONS

**\*NATIONAL HOMES TO SELL DEBENTURES.** National Homes Corporation, Earl Ave., at Wallace St., Lafayette, Ind. 47905, filed a registration statement with the SEC on March 12 seeking registration of \$25 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005. Of the net proceeds of its debenture sale, some \$2,288,000 will be used to retire 6% notes maturing in 1972 and to repay short-term bank borrowings, and the balance will be used for other corporate purposes. (File 2-39626)

**\*TEXAS ELECTRIC TO SELL BONDS.** Texas Electric Service Company, Electric Bldg., Seventh and Lamar Sts., Ft. Worth, Tex. 76102, filed a registration statement with the SEC on March 12 seeking registration of \$25 million of first mortgage bonds, due 2001, to be offered for public sale at competitive bidding. An electric utility subsidiary of Texas Utilities Company, the company will use the net proceeds of its bond sale and from the sale of 1,000,000 shares of common stock to the parent for \$15,000,000, together with funds from operations, to meet expenditures for its construction program and other corporate purposes. Construction expenditures are estimated at \$63,100,000 in 1971 and \$69,400,000 in 1972. (File 2-39627)

**\*UNION ELECTRIC TO SELL STOCK.** Union Electric Company, One Memorial Dr., St. Louis, Mo. 63166, filed a registration statement with the SEC on March 12 seeking registration of 425,000 shares of cumulative preferred stock, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. (\*\*\$95 per share maximum)

In a separate statement, the company seeks registration of \$50 million of first mortgage bonds, due 2001, to be offered for public sale at competitive bidding. A public utility, the company will apply the net proceeds of its financing to the refunding of \$90 million of first mortgage bonds, 3-3/8%, due 1971, and the balance of proceeds of the bond sale to retire in part short-term bank borrowings and commercial paper notes, expected to aggregate some \$45 million on April 29, incurred to meet, in part, the cost of continuing additions to property and plant in 1971. Construction expenditures are estimated at \$162 million for 1971 and \$151 million for 1972. (File 2-39630)

**ROCKLAND ELECTRIC TO SELL BONDS.** Rockland Electric Company, 103 E. Main St., Ramsey, N. J. 07446, filed a registration statement with the SEC on March 12 seeking registration of \$6 million of first mortgage bonds, Series E, due 2001, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York 10005. An electric utility subsidiary of Orange and Rockland Utilities, Inc., the company will use the net proceeds of its bond sale to reduce outstanding bank loans (\$5,650,000 at February 28) incurred in connection with its construction program. Construction expenditures for the period 1971 through 1973 are estimated at \$17,620,000. (File 2-39629)

**\*MICHIGAN GAS UTILITIES PROPOSES RIGHTS OFFERING.** Michigan Gas Utilities Company, 6 S. Monroe St., Monroe, Mich. 48161, filed a registration statement with the SEC on March 12 seeking registration of 111,925 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of record on April 14, 1971, at the rate of one share for each ten shares held. Unsubscribed shares are to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005. (\*\*\$16 per share maximum) Net proceeds of the company's stock sale will be used for repayment in part of outstanding short-term bank indebtedness incurred to finance past construction expenditures, which indebtedness is expected to aggregate \$7,400,000 at the expiration date. Construction expenditures are estimated at \$4,100,000 for 1971. (File 2-39631)

**\*SUNAMERICA PROPOSES EXCHANGE OFFER.** SunAmerica Corporation, 1015 Euclid Ave., Cleveland, Ohio 44115, filed a registration statement with the SEC on March 12 seeking registration of \$2,568,300 of 9 1/2% notes, due 1991. It is proposed to offer these notes in exchange for the 6% cumulative preferred shares, Class AA (\$100 par) of The Sun Finance & Loan Company, at the rate of \$100 of notes for each share of Sun Finance preferred.

SunAmerica is primarily engaged through Sun Finance (all of whose common stock it owns) and its subsidiaries in direct lending to consumers on secured and unsecured notes, sales financing, and writing credit-related insurance. Its long-term objective is to make Sun Finance a wholly-owned subsidiary. Sun America has outstanding 474,564 common shares, of which Jack W. Lampl, Jr., president, owns 32%, his wife 24% and management officials as a group 36%. (File 2-39632)

**\*WHITTAKER CORP. SHARES IN REGISTRATION.** Whittaker Corporation, 10880 Wilshire Blvd., Los Angeles, Calif. 90024, filed a registration statement with the SEC on March 15 seeking registration of 3,302,692 shares of common stock, 328,144 common stock purchase warrants, expiring 1979, and 521,739 common stock purchase warrants, expiring 1977. Such securities have been issued or are reserved for issuance in connection with certain acquisitions, upon the exercise of warrants distributed to common stockholders or issued pursuant to the company's stock plan or are outstanding securities. The company has outstanding 18,585,014 common shares. William R. Whittaker, board chairman, may sell 200,000 of 1,226,718 shares held. (File 2-39634)

**\*BRANIFF AIRWAYS FILES FOR SECONDARY.** Braniff Airways, Incorporated, Braniff Airways Bldg., Exchange Park, Dallas, Tex. 75235, filed a registration statement with the SEC on March 15 seeking registration of 4,500,000 outstanding shares of Special Stock, Class A (convertible into common stock on a share-for-share basis), to be offered for public sale by the holders thereof. The offering is to be made through underwriters headed by Lehman Brothers, Inc., One William St., and Goldman, Sachs & Co., 55 Broad St., both of New York 10004. (\*\*\$11 3/8 per share maximum) Ling Temco-Vought, Inc., which owns 90.6% of the Class A stock and 56.8% of the total voting power of the company, proposes to sell the shares being registered. After the sale, LTV will own 52% of the Class A stock and 32.6% of the voting power of the company. According to the statement, pursuant to a court judgment of June 1970 requiring divestment of all its interest in Braniff, LTV has indicated that it intends to divest all its interest in Braniff and that it is contemplating disposing of the remainder of its holdings of the Class A stock by way of either an exchange offer to holders of certain long-term debt or a further public offering or a combination thereof. (File 2-39636)

**\*HUNTINGTON BANCSHARES PROPOSES EXCHANGE OFFER.** Huntington Bancshares Incorporated, 17 South High St., Columbus, Ohio 43215, filed a registration statement with the SEC on March 15 seeking registration of 257,500 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of the following banks at the specified rates: 3.75 shares for each share of The Woodville State Bank, Woodville, Ohio, and 2.61339 shares for each share of The Portage National Bank, Kent, Ohio. (File 2-39637)

**\*UNITED ENERGY TO SELL STOCK.** United Energy Corporation, 1399 South Seventh East, Salt Lake City, Utah, filed a registration statement with the SEC on March 15 seeking registration of 850,000 shares of common stock, to be offered for public sale at 50¢ per share. The offering is to be made on a best efforts, 400,000 shares or none basis by Grimm & Davis, Inc., 54 Wall St., New York.

Organized in May 1969, the company holds certain unpatented mining claims which it proposes to explore. Net proceeds of its stock sale will be available for the company's working capital and general corporate purposes. The company has outstanding 1,375,600 common shares (with a \$.064 per share book value), of which Russell G. Holley, board chairman, owns 19%, Lamar H. Holley, president, 12% and management officials as a group 55%. Purchasers of the shares being registered will sustain an immediate dilution of 30¢ in per share book value from the offering price. (File 2-39639)

**\*BTA OIL PRODUCERS PROPOSES OFFERING.** BTA Oil Producers (a general partnership), 104 South Pecos, Midland, Tex. 79701, filed a registration statement with the SEC on March 15 seeking registration of \$656,000 of fractional undivided interests in oil and gas leases in 7104 JV-S, Goodwin Prospect, to be offered for public sale in minimum amounts of \$13,820. No underwriting is involved. Carlton Beal, Sr., Carlton Beal, Jr. and Barry Beal are partners of BTA. (File 2-39641)

**\*FIRST OF DENVER FUND PROPOSES OFFERING.** First of Denver Investment Fund, 621 17th St., Denver, Colo. 80202, filed a registration statement with the SEC on March 15 seeking registration of 50,000 units of participation, to be offered for public sale at net asset value (\*\*\$10 per unit maximum) with no sale charge. A minimum purchase of \$1000 is required. Organized by The First National Bank of Denver, the Fund is a diversified mutual fund, and the Bank will act as investment adviser and underwriter. The policy of the Fund is to invest principally in common stocks and convertible securities which, in the Bank's judgment offer an opportunity for long-term growth of capital and of income. The First National Bancorporation, Inc. owns a 99.69% interest in the Bank. (File 2-39642)

**\*AMERICAN STERILIZER FILES FOR OFFERING AND SECONDARY.** American Sterilizer Company, 2222 West Grandview Blvd., Erie, Pa., filed a registration statement with the SEC on March 15 seeking registration of 596,147 shares of common stock, of which 450,000 are to be offered for public sale by the company and 146,147 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York 10005. Net proceeds of its sale of additional stock will be used to repay interim notes, due 1972, and short-term and long-term bank loans issued, in part, to finance the acquisition of a subsidiary and in connection with the establishment of a plant facility of a subsidiary, and the balance will be added to the company's general funds and used for general corporate purposes. (File 2-39643)

**KALVEX/GRAPHIC-LEISURE PROPOSE RIGHTS OFFERING.** Graphic-Leisure, Inc., 425 Park Ave., New York 10022 (a wholly-owned subsidiary of Kalvex, Inc.), filed a registration statement with the SEC on March 15 seeking registration of \$1,500,000 of convertible subordinated debentures, due 1991, and 300,000 shares of common stock. It is proposed to offer these securities for subscription by common stockholders of Kalvex in units, each consisting of 20 shares (issued for the account of Kalvex) and a \$100 debenture (issued for the account of Graphic-Leisure), at the rate of one subscription right for each ten Kalvex shares held. Twenty rights are necessary to purchase one unit.

Graphic-Leisure is engaged through subsidiaries in the production and distribution of motion pictures and in commercial printing and graphic arts. Of its 50% of the net proceeds of the offering (Kalvex will receive the remaining 50%), Graphic-Leisure will use some \$350,000 to retire bank loans and the balance for working capital and other corporate purposes. In addition to preferred stock, Graphic-Leisure has outstanding 1,200,000 common shares. Daniel Koral is president. (File 2-39644)

**REALPROP TO SELL STOCK.** Realprop Inc., 200 S. E. 6th St., Court House Sq. Bldg., Ft. Lauderdale, Fla. 33301, filed a registration statement with the SEC on March 15 seeking registration of 250,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made through underwriters headed by Frank and Drake, Inc., 80 Wall St., New York.

Organized in July 1969, the company proposes to engage in the manufacture, distribution and installing of factory-built residential and commercial structures. Of the net proceeds of its stock sale, \$225,000 will be used for factory equipment, and the balance for working capital and other corporate purposes. It has outstanding 420,000 common shares (with a 40¢ per share net tangible book value), of which John R. McEwen, president, owns 32.7% and management officials as a group 89.3%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.22 in per share book value from the offering price. (File 2-39645)

**\*BAKER OIL TOOLS SHARES IN REGISTRATION.** Baker Oil Tools, Inc., 7400 East Slauson Ave., Los Angeles, Calif. 90040, filed a registration statement with the SEC on March 16 seeking registration of 89,608 outstanding shares of common stock. These shares may be offered for sale (or pledged) from time to time by the holders thereof at prices current at the time of sale (\*\*\$38 per share maximum). (File 2-39649)

**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:

- Santa Fe Industries, Inc., Chicago, Ill. (File 2-39633) - 1,000,000 shares
- Applied Magnetics Corporation, Goleta, Calif. 93017 (File 2-39635) - 313,600 shares
- Chrysler Corporation, Highland Park, Mich. (File 2-39638) - 157,000 shares
- Butler Manufacturing Co., Kansas City, Mo. 64141 (File 2-39648) - 50,000 shares

#### MISCELLANEOUS

**DELISTINGS GRANTED.** The SEC has issued orders under the Securities Exchange Act granting applications of the New York Stock Exchange to strike from listing and registration, effective at the opening of business on March 15, 1971, thirty-seven small foreign bond issues involving five countries: Chile, Columbia, Italy, Peru and Uruguay. According to the Exchange's application, the principal amount of the publicly held bonds in each case is less than \$200,000, the minimum required for continued listing.

An order has also been issued granting an application of the American Stock Exchange to strike from listing and registration, effective March 15, 1971, the common stock, 5 1/2% convertible subordinated debentures, due 1987, and 5-7/8% convertible subordinated debentures, due 1988, of Computer Applications, Inc. According to the application, the company fails to meet the Exchange's standards for continued listing with respect to earnings and net tangible assets. On October 5, 1970, the company filed a voluntary bankruptcy petition under the Bankruptcy Act. (Release 34-9110)

**SECURITIES ACT REGISTRATIONS. Effective March 16:** Arizona Public Service Co., 2-39442; The Detroit Edison Co., 2-39460; Itel Corp., 2-39384; Magnetics International, Inc., 2-36787 (90 days); Patrician Paper Co., Inc., 2-37843 (40 days); Outdoor Sports Industries, Inc., 2-39115 (90 days); Telecor, Inc., 2-39400. **Withdrawn March 15:** Intersearch Technology, Inc., 2-35507; National Cable Communications Corp., 2-34809. **Withdrawn March 16:** Consolidated Software, Inc., 2-37287; Emerging Markets Inc., 2-37708; United Resources, Inc., 2-36004.

**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.

\* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

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