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COMMISSION ANNOUNCEMENTS

HUMES, HUNT ASSUME NEW FUNCTIONS. Chairman William J. Casey today announced the appointment of Theodore L. Humes as Deputy Director of Public Information of the SEC. Mr. Humes had been serving as Associate Secretary of the Commission and the position reflects a realignment of functions involving the creation of a new department designed to improve the news dissemination and public information aspect of the Commission's programs. Mr. Humes joined the Commission in March 1970 as an assistant to former Chairman Hamer Budge, and was named Associate Secretary in August 1970. A native of Pittsburgh, Mr. Humes received his undergraduate degree in Economics from the University of Pittsburgh, and his J.D. in 1953 from the George Washington University School of Law. He is a member of the District of Columbia and American Bar Associations, and belongs to the Sigma Delta Chi journalist society as well as the Public Relations Society of America.

Chairman Casey also announced the appointment of Ronald F. Hunt as Secretary of the SEC to fill the vacancy created by the retirement last February of Orval L. DuBois. Mr. Hunt originally joined the Commission's staff in August 1968 as a staff attorney in one of the operating branches of the Division of Corporation Finance, where he served in progressively more responsible positions. He was selected as Legal Assistant to former Chairman Hamer Budge in April 1970 and has continued to serve in that position under Chairman Casey. Mr. Hunt, 28, is a native of Lawndale, N. C. He received his Bachelor of Arts degree in 1966 from the University of North Carolina at Chapel Hill and his J.D. degree in 1968 from the University's School of Law, where he was named to membership in the Order of the Coif. Mr. Hunt is a member of the North Carolina and American Bar Associations.

DOLPHIN'S LOCKER, INC. REGULATION A EXEMPTION SUSPENDED. The Commission has issued an order temporarily suspending the Regulation A exemption from registration with respect to a proposed public offering of securities by Dolphin's Locker, Inc. of Hialeah, Florida.

The Commission has reason to believe that the offering circular failed to meet the reporting and disclosure requirements necessary to comply with the Securities Act of 1933, in that: (1) the issuer failed to disclose accurately the transaction by which the business and its assets were acquired and the original cash cost, (2) the issuer made misleading statements with respect to underwriting arrangements, and (3) the issuer failed to disclose full information concerning its operations and financial condition.

GROVE STUDIO, INC. REGULATION A EXEMPTION PERMANENTLY SUSPENDED. The Commission has issued an order permanently suspending the Regulation A exemption from registration with respect to a proposed public offering of securities by Grove Studio, Inc. of Miami, Florida.

The order alleged that: (1) as provided in Rule 252(d) of the Securities Act of 1933, no exemption was available to Grove Studio, Inc. in that Joseph Garofalo, a principal security holder of the company, was subject to a permanent injunction for violating the anti-fraud and net capital provisions of the Securities Exchange Act of 1934 while doing business as Josephson Company, (2) prior to the clearance of the Regulation A filing, Josephson Company had sold \$21,600 of common stock of the issuer causing the offering to exceed the ceiling of \$50,000 imposed by Rule 257, and (3) the issuer's notification contained untrue statements and omitted certain material facts relating to the underwriting and the operations of the business of the issuer.

NEHAMA-DATA REGULATION A SUSPENSION PERMANENT. The Commission issued an order permanently suspending a Regulation A exemption from registration with respect to an offering of 113,000 shares of common stock by the Nehama-Data Corporation of Portsmouth, N.H. The issue was underwritten by John, Edwards & Company, Inc., and sold by May 6, 1970; Nehama filed a petition in bankruptcy on August 13, 1970.

According to the Commission's temporary order of suspension issued on May 11, 1971, it alleged, among other things, that the Underwriter as agent for Nehama, had offered and sold Nehama stock on the basis of false and misleading statements, asserting that the price of its shares would double within six months, that the stock would be good for a quick rise and that Nehama would show unlimited earnings. The order also alleged that Nehama, through its underwriter had also violated the terms and conditions of the Regulation A exemption.

PHYSICS TECHNOLOGY REGULATION A SUSPENDED. The Commission ordered the permanent suspension of a Regulation A exemption for Physics Technology Laboratories, Inc., of La Mesa, Calif. The company has been engaged in the development and production of a barbed wire type of metal tape and filed a Notification on January 29, 1971. On June 3, 1971 the Commission issued an order of temporary suspension alleging, among other things, that (1) the terms and conditions of Regulation A had not been complied with in that the securities included in the filing had been offered to the public before ten days had elapsed after the filing of an amendment to the Notification, (2) the offering was made or would have been made in violation of the securities acts by Financial Services, Inc., underwriter of Physics, in that false and misleading information had been given in the offer of the securities.

OVER

INSTITUTIONS MAKE RECORD SECOND QUARTER STOCK ACQUISITIONS. Record net acquisitions of common stock were made in the second quarter of 1971 by a group of four of the leading financial institutions according to estimates released today by the SEC. These institutional investors -- private noninsured pension funds, open-end investment companies, life insurance companies, and property and liability insurance companies -- bought on a net basis \$4.8 billion of common stock compared to \$4.1 billion in the first quarter of 1971 and \$1.8 billion in the second quarter of 1970. The second quarter of 1971 is the third consecutive period in which these four institutions set a new record for the accumulation of common stock. As in previous compilations, it was the private noninsured pension fund sector which accounted for the bulk of common stock net acquisitions by these institutions. (For further details, see Stat. Release No. 2543)

DECISION IN ADMINISTRATIVE PROCEEDING

BOHN-WILLIAMS SECURITIES CORP., BOHN AND WILLIAMS SANCTIONED. The SEC has issued an order revoking the broker-dealer registration of Bohn-Williams Securities Corporation (now known as Don Williams Securities Corporation), Spokane, Wash., expelling the firm and Donald J. Williams from membership in the Spokane Stock Exchange, and barring Ray G. Bohn and Williams, who were president and secretary-treasurer of the firm, from association with any broker-dealer. The Commission's action was based upon findings of violations of the registration, antifraud, recordkeeping and credit-extension provisions of the securities acts between May and October 1968, and the failure to exercise reasonable supervision to prevent such violations.

According to the decision, in August 1968 respondents sold unregistered stock of Champion Oil and Mining Company, a recently acquired corporate shell which had been formed in 1924. The Commission held that where, as here, control persons seek to dispose of a block of shares they have acquired in a shell, a "new offering" is involved which is expressly excluded from the exemption from registration provided by the "grandfather" clause of Section 3(a)(1) of the Securities Act of 1933 for securities sold or offered to the public prior to or shortly after passage of that Act. It observed that the technique used in this case fits in general the classic pattern of an unlawful distribution of unregistered securities of an essentially assetless corporation of which control has been acquired for a small sum.

The Commission further found that respondents dominated and controlled the market for and artificially raised the price of Champion stock, that there were instances in which the firm purchased Champion shares for Bohn and Williams at prices far below those at which it effected contemporaneous purchases as agent for customers, and that such transactions not only aided respondents' manipulative activities by removing from the market stock obtainable at lower prices but also produced substantial profits for Bohn and Williams by giving them the benefit of those prices in preference to customers.

The Commission also found that a false and misleading stockholder letter was used in connection with the sale of Champion securities which, among other things, recited that a mining program was being activated by means of acquisitions and projects which were being negotiated and for which certain contracts had been acquired without, however, disclosing the acquisition and operation problems Champion faced in view of its lack of cash resources. (Rel. 34-9327)

NEW RULES AND RULE PROPOSALS

PROPOSE NEW SEC FEE SCHEDULE. Over the past few years Congress has expressed concern that the Federal Government is not receiving sufficient returns for the services it renders. It has been suggested that agencies review their schedules of fees and charges with a view to making increases or adjustments to offset the increasing needs for direct appropriations for agency operating costs. In the hearings on independent offices appropriations before the Subcommittee of the Appropriations Committee, House of Representatives, it was also suggested that the Commission could become self-sustaining.

Accordingly the Commission has authorized publication of proposed fee schedules for certain filings and services under the Securities Act of 1933, the Securities Exchange Act of 1934, the Holding Company Act of 1935, the Investment Advisers Act of 1940 and the Investment Company Act of 1940. It is proposed to charge fees for certain filings and services under these Acts where no charges have previously been made, and there will be no refund of any fees. Rule 457 under the Securities Act of 1933 is proposed to be amended to provide that no refund of the Securities Act registration fee will be made once the registration statement has been filed.

All interested persons may submit data, views and comments in writing to the attention of A. Jones Yorke, Executive Director, Securities and Exchange Commission, Washington, D. C. 20549. (Rel. 33-5190)

RULE 15c2-11 ADOPTED. The Commission today announced the adoption, effective December 13, 1971, of Rule 15c2-11 under the Securities Exchange Act of 1934, which prohibits the initiation of resumption of quotations respecting a security by a broker or dealer who lacks specified information concerning the security and the issuer. The rule prohibits a broker or dealer from publishing or submitting to any quotation medium any quotation for any security unless (a) a registration statement has become effective with respect to that security within 90 days prior to the quotation, and unless the broker or dealer has in his records a copy of the prospectus, or (b) a notification under Regulation A has become effective with respect to such security within 40 days prior to the quotation, and unless the broker or dealer has in his records a copy of the offering circular, or (c) the issuer is required to file reports pursuant to Section 13 or 15(d) of the Act, or is the issuer of a security covered by Section 12(g)(2)(B) or (G) of the Act, the broker or dealer has a reasonable basis for believing that the issuer is current in filing the reports or statements required, and the broker or dealer has in his records a copy of the issuer's most recent annual report and any other reports

required to be filed at regular intervals which were filed after such annual report, or (d) the broker or dealer has in his records specified information, which he must make reasonably available to any person expressing an interest in entering into a transaction in that security with him, and which he has no reasonable basis for believing is not true and correct, and which was obtained by him from sources which he has a reasonable basis for believing are reliable.

The rule exempts from its provisions securities which are listed on an exchange and are traded on that exchange on the same day or the day before the submission or publication of the quotation. Also exempted are securities which have been the subject of both bid and ask quotations at least twelve days within the previous thirty days with no more than four business days in succession without such quotation. Finally, the Commission has general exemptive authority with respect to any quotation which is not a fraudulent, manipulative or deceptive practice comprehended within the purpose of the rule. (Rel. 34-9310)

INVESTMENT COMPANY ACT RELEASE

PAN AMERICAN SULPHUR. The SEC has issued an order under the Investment Company Act upon an application of Pan American Sulphur Company, Alexandria, Va., granting an extension of the period from sixty to eighty days within which a meeting of the holders of its outstanding voting securities must be held to elect directors of PASCO. (Release IC-6722)

NATIONAL INVESTORS CORP. The SEC has issued a notice under the Investment Company Act giving interested persons until September 29 to request a hearing upon a proposal of National Investors Corporation, New York mutual fund to acquire substantially all of the assets of Rogers Investment Company. National proposes to issue its shares at net asset value for Rogers' assets, which were valued at \$329,781 at July 13, 1971. Had the transaction been consummated on that date, Rogers would have received 39,166 shares of National stock. The shares of National are to be distributed to Rogers' shareholders on liquidation of Rogers. (Rel. IC-6723)

NORTHWESTERN MUTUAL LIFE. The SEC has issued an order under the Investment Company Act exempting The Northwestern Mutual Life Insurance Company and NML Variable Annuity Account B, Milwaukee, Wis., from certain provisions of the Act so as to permit a reduced deduction of 1% plus \$50 on amounts derived from insurance policies or fixed annuity contracts previously issued by Northwestern Mutual and exchanged for a proposed immediate variable annuity contract (which may be acquired by a single payment of \$2000 or more and under which the payments begin immediately) or on death benefits payable under such previously issued tax-qualified insurance policies or fixed annuity contracts which are settled under an "immediate contract." (Rel. IC-6724)

HOLDING COMPANY ACT RELEASE

SOUTHERN SERVICES. The SEC has issued an order under the Holding Company Act authorizing Southern Services, Inc., Atlanta subsidiary of The Southern Company, to increase from \$5 million to \$11 million the maximum principal amount of its unsecured notes and capital stock to be sold to the parent during the period ending June 30, 1973. (Release 35-17261)

SECURITIES ACT REGISTRATIONS

THE TAYLOR WINE COMPANY, INC., Hammondsport, N.Y. 14840, filed a registration statement on September 2 seeking registration of 816,512 shares of common stock. It is proposed to offer 362,812 of these shares for subscription by common stockholders of record October 5, 1971, at the rate of one new share for each 11 shares held. The remaining 453,700 are outstanding shares, to be offered for public sale by the holders thereof. The offering is to be made (*at \$42½ per share maximum) through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York 10005. The company is a leading domestic producer of premium still and sparkling wines. Net proceeds of its stock sale will be used to repay outstanding indebtedness under a revolving credit agreement (totaling \$8.3 million at June 30) and the balance for working capital and other corporate purposes. (File 2-41668)

LAND RESOURCES CORPORATION, 6503 Slater Rd., Chattanooga, Tenn. 37421, filed a registration statement on September 2 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$10 per share through Vaisman & Company, Inc., 59 Main St., Milburn, N.J. The company was organized in May for the purpose of acquiring, developing and/or reselling real property, both commercial and residential. Of the net proceeds of its stock sale, \$242,000 will be used to satisfy short-term obligations, the payment of which was assumed by the company upon the acquisition of real property, and the balance for working capital and other corporate purposes. (File 2-41669)

THE DORSEY CORPORATION, 400 West 45th St., Chattanooga, Tenn. 37410, filed a registration statement on September 2 seeking registration of 316,107 shares of common stock, of which 100,000 are to be offered for public sale by the company and 216,107 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$20 per share maximum) through underwriters headed by Hallgarten & Co., 44 Wall St., New York 10005. The company is engaged through subsidiaries in the manufacture and sale of a variety of glass containers and cargo trailers. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-41670)

MAGNETIC TAPE ENGINEERING CORPORATION, 8120 Webb Ave., North Hollywood, Calif. 91605, filed a registration statement on September 3 seeking registration of 150,000 shares of common stock, to be offered for public sale (*at \$9.50 per share maximum) through underwriters headed by Proctor, Cook & Co., Inc., 89 State St., Boston, Mass. 02109. The company is engaged in recording, re-recording and duplicating audio magnetic tape programs (instructional and musical) produced or owned by others into various tape configurations. Of the net proceeds of its stock sale, \$515,000 will be used by a wholly-owned subsidiary for development, production and marketing of audio magnetic tape programs and construction of voice recording and editing studios and the balance will be used by the company for working capital and other corporate purposes. (File 2-41675)

GENERAL MOTORS ACCEPTANCE CORPORATION, 767 Fifth Ave., New York, 10022, filed a registration statement on September 3 seeking registration of \$200 million of debentures, due 1994, to be offered for public sale through underwriters headed by Morgan Stanley & Co., Inc. The company is engaged in financing the distribution of new products manufactured by General Motors Corp. to dealers for resale, and financing such dealers' retail instalment sales of new products as well as used units of any make. Net proceeds will be used for general corporate purposes, including reduction of short-term borrowings. (File 2-41676)

REYNOLDS METALS COMPANY, 6601 Broad St. Rd., Richmond, Va. 23261, filed a registration statement on September 3 seeking registration of 91,797 shares of common stock, which have been or may be issued in connection with the acquisition of certain assets of Whittaker Corporation. Whittaker may offer such shares, in whole or in part, for sale from time to time at prices current at the time of sale (*\$22.25 per share maximum). (File 2-41677)

FIRST FIDELITY INVESTMENT TRUST (the Trust), 12th & Walnut St. Bldg., Kansas City, Mo. 64106 filed a registration statement on September 3 seeking registration of shares of beneficial interest, to be offered for public sale (*at \$15 per share maximum) through underwriters headed by H.O. Peet & Co., Inc., 23 W. 10th St., Kansas City, Mo. 64105. The Trust is an investor in developed real estate and owns a diversified portfolio of twelve income producing properties in five cities. First Fidelity Management Inc. is investment adviser. (File 2-41678)

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:

Aileen, Inc., New York (File 2-41646) - 57,900 shares

Savin Business Machines Corp., Valhalla, N.Y. (File 2-41663)-20,000 shares and (File 2-41664)-266,000 shares

R.H. Medical Services, Inc., Elkins Park, Pa. (File 2-41624) - 70,000 shares

Cone Mills Corporation, Greensboro, N.C. (File 2-41628) - 150,000 shares

Gulton Industries, Inc., Metuchen, N.J. (File 2-41655) - 346,815 shares

Bucyrus-Eric Company, South Milwaukee, Wis. (File 2-41656) - 47,992 shares

SECURITIES ACT REGISTRATIONS. Effective September 9: Avemco Corp., 2-40863; Chrysler Financial Corp., 2-41542; Continental Coffee Co., 2-41160; The Echlin Manufacturing Co., 2-41435; Frozen Food Express Industries, Inc., 2-40936 (90 days); Investment Corporation of America, Inc., 2-40490 (90 days); Palmetto Dunes Resort, Inc. 2-40093; Proler Steel Corp., 2-40782; Joseph E. Seagram & Sons, Inc., Distillers Corp.-Seagrams Ltd., 2-41579; Telephone and Data Systems, Inc., 2-40770; Tidewater Marine Service, Inc., 2-41202; Virginia Electric and Power Company, 2-41465.

Effective September 10: Halsey Drug Co., Inc., 2-35807 (90 days).

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 purpose of computing the registration fee.

1/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.

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