



Washington, D.C. 20549

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

(In ordering full text of Releases from SEC Publications Unit cite number)

A Daily Summary of  
S.E.C. Activities

(Issue No. 71-235)

FOR RELEASE December 8, 1971

## COMMISSION ANNOUNCEMENTS

**ASSOCIATED MOBILE SCHOOLS REG A EXEMPTION SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Associated Mobile Schools and Modern Training Centers, Inc., of Southboro, Mass. The order provides an opportunity for hearing upon request, on the question whether the suspension should be vacated or made permanent.

Regulation A provides a conditional exemption from registration with respect to public offerings of securities not exceeding \$500,000 in amount. Pursuant to a notification filed on February 18, 1970, and later amended, Associated offered and sold 100,000 shares of common stock at \$1 per share. According to the order, the Commission's staff has reason to believe that the notification and offering circular contained false and misleading information with respect to, among other things, the company's opening and operating a speed reading training school in the Boston area and a mobile training school as well as beginning to develop a franchise system if the offering was successful and that upon closing the offering Harold Wolcott, president, would be paid a salary of \$10,000 a year plus 4% of gross cash revenue with an option to buy common stock, and failure to disclose that the issuer was entirely dependent upon the services of Harold Wolcott, and his absence would have a serious effect upon the intended business and that the underwriter, First New York Equities Co., did not intend to make a bona fide public offering of the 100,000 shares and would dominate and control the market for Associated shares. By reason thereof, it is alleged, that the offering and sale of Associated stock violated the Securities Act registration and anti-fraud provisions.

**E.M.A. TRAINING REG A EXEMPTION SUSPENDED.** The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed offering of 250,000 shares of stock (at \$2 per share) of E.M.A. Training, Inc., of Huntington, New York. The company filed a notification with the Commission on September 27, 1971.

In its suspension order the Commission asserts that, it "has reason to believe" that the notification and offering circular contain false and misleading statements in that, among other things, the certified financial statements included in the circular contain serious misleading misrepresentations relative to the working capital position of the issuer, in particular two balance sheet items are incorrectly classified, information set forth in the "Dilution" section of the circular contains a material misrepresentation regarding stockholder's contributions, and that the circular contains a material omission in that it does not adequately alert potential investors to the fact that the issuer's business had historically sustained substantial losses.

In addition, the offering circular contains material omissions relating to the business background and criminal background of one Ramon D'Onofrio principal shareholder of E.M.A. and a person in a position to control the affairs of the issuer.

## COURT ENFORCEMENT ACTIONS

**COMPLAINT CITES LUM'S, INC., DESERT PALACE, 15 OTHERS.** The Commission on Monday announced the filing of a complaint in the Federal District Court of New York to enjoin Lum's, Inc.; Desert Palace, Inc., and Desert Palace a Limited Partnership doing business as Caesars Palace; Nathan Jacobson, Edward Jacobson, Jay J. Sarno, Stanley Mallin, Victor J. Rogers, Sol J. Rogers, Nathan J. Rogers, Ben J. Rogers, Jerome Zarowitz, William J. Weinberger, Harry Wald, Daniel Stein and Albert Faccinto from engaging in violations of Sections 10(b) and 14(a) of the Securities Exchange Act of 1934 (Exchange Act) and Rules 10b-5 and 14a-9 thereunder. Lum's is a Florida corporation with its executive offices located at 8515 Biscayne Blvd., Miami. The common stock of Lum's is listed on the New York Stock Exchange. Lum's principal business is the operation of Caesars Palace hotel and casino located in Las Vegas, Nev.

The Commission's complaint charges the above named parties with, among other things, violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder in connection with registration statements filed by Lum's with the Commission and annual reports sent to shareholders. The complaint also charges the above named parties with violations of Section 14(a) of the Exchange Act and Rule 14a-9 thereunder in connection with the filing of a proxy with the Commission to solicit the shareholders' approval of the acquisition of Caesars Palace. The registration statements include a 1,000,000 share common stock offering to be issued to the former owners of Caesars Palace including some of the above parties, a registration statement covering \$22,300,000 of convertible debentures and three post effective amendments thereto, and a registration statement covering the issuance of approximately \$8,000,000 of Lum's common stock. These registrations were filed in connection with the acquisition of Caesars Palace hotel and casino by Lum's Inc. (LR-5238)

**COMPLAINT CITES RODNEY B. PRICE & CO.** The SEC Atlanta Regional Office announced the filing of a complaint in Federal District Court in Atlanta seeking preliminary and permanent injunctions against Rodney B. Price & Co., Inc., an Atlanta broker-dealer, from violating the financial responsibility provisions of the Federal securities laws, including the net capital rules. The complaint further alleges that Rodney B. Price & Co. Inc., is unable to meet its obligations as they mature and is insolvent within the meaning of Section 1(19) of the Bankruptcy Act. (LR-5239)

OVER

**RAFFER SENTENCED IN NEW YORK.** The SEC New York Regional Office announced that the Federal District Court in New York on November 11 sentenced Bennett J. Raffer, also known as J. Bennett Raffer of Fort Lee, N. J. on each of five counts charging conspiracy, fraud in the sale of securities, sale of unregistered securities, mail fraud and perjury, with sentence on each count to run concurrently. The defendant was fined, on his plea of guilty, a sum of \$10,000 on the conspiracy count, \$5,000 each on the securities fraud and sale of unregistered securities counts, \$1,000 on the mail fraud count, and \$2,000 on the perjury count for a total fine of \$23,000. He was also sentenced to a term of 15 months imprisonment.

The court also sentenced Milton Raffer, father of Bennett J. Raffer, to one year imprisonment on each of 42 counts charging conspiracy, fraud in the sale of securities, sale of unregistered securities, mail fraud and perjury. He was fined \$10,000 on the conspiracy count and \$5,000 each on one count of fraud and one count of selling unregistered securities. (LR-5240)

**PETROLEUM RESOURCES, OTHERS, ENJOINED.** The SEC San Francisco Regional Office announced that the Federal District Court in San Francisco entered consent decrees permanently enjoining Petroleum Resources Fund, Inc., Wichita, Kan., Summit Corporation, Walnut Creek, Calif., Thunderbird Drilling, Inc., Wichita, Floyd K. Rubendall, Walnut Creek, President of Petroleum Resources and Summit, and Charles W. Aikens, Jr., President of Thunderbird, from violating sections of the Federal securities laws, which, among other acts, prohibit the making of untrue or misleading statement of material facts or omitting to disclose material facts in the offer and sale of securities of Petroleum Resources Fund, Inc. The defendants consented to the decree without admitting the allegations made. (LR-5241)

#### INVESTMENT COMPANY ACT RELEASES

**HEARING SCHEDULED ON THE CARTER GROUP APPLICATION.** The Commission has issued an order setting January 24, 1972 as the date for a hearing in Washington on application of The Carter Group of New York for an order exempting a proposed transaction from the provisions of Section 17(d) of the Investment Company Act.

Applicant which filed an application pursuant to Section 3(b)(2) of the Act for an order declaring that it is not an investment company within the meaning of the Act, has been temporarily exempted from Section 7 of the Act pending resolution of the question of its status.

Applicant and its wholly owned subsidiaries own 25% of the common stock of Utilities and Industries Corp., a New York Corporation (U&I) which has also filed an application pursuant to Section 3(b)(2) of the Act for an order declaring that it is not an investment company within the meaning of the Act. Utilities and Industries Corporation, a Delaware corporation, was formed for the purpose of making an offer of exchange of its securities for the securities of Applicant and the securities of U&I. All of the directors of Utilities are also directors of either Applicant or U&I or both, and accordingly, Applicant, U&I and Utilities are affiliated persons of each other within the meaning of Section 2(a)(3) of the Act. The transaction involves the intention on the part of Applicant to accept the proposed offer of Exchange and pursuant thereto of its holdings in U&I for securities of Utilities. (Rel. IC-6864)

**NARRAGANSETT CAPITAL CORP.** The SEC has issued an exemption order upon an application of Narragansett Capital Corporation, Providence, R.I. closed-end, non-diversified management investment company, permitting All American Beverages, Inc., to acquire the assets, subject to substantially all liabilities, of Piedmont Bottling Company, Inc. Narragansett is the holder of 24.25% of the common stock of AAB, and 48% of the common stock of Piedmont, and if the acquisition transaction is consummated, will own 31.5% of the common stock of AAB. (Rel. IC-6868)

**DESIGN FUND.** The SEC has issued an order declaring that Design Fund, Inc., of Novato, Calif., has ceased to be an investment company as defined in the Act. (Rel. IC-6869)

**PROFESSIONAL RETIREMENT EQUITY FUND, INC.** The SEC has issued an order declaring that Professional Retirement Equity Fund, Inc., New York, has ceased to be an investment company as defined in the Act. (Rel. IC-6870)

**SYSTEMATICS FUND.** The SEC has issued an order declaring that Systematics Fund, Chicago, has ceased to be an investment as defined in the Act. (Rel. IC-6871)

**CONTINENTAL BANK GROWTH FUND.** The SEC has issued an order declaring that Continental Bank Growth Fund, Chicago, has ceased to be an investment company as defined in the Act. (Rel. IC-6872)

**CONTINENTAL BANK SECURITY FUND.** The SEC has issued an order declaring that Continental Bank Security Fund, Chicago, has ceased to be an investment company as defined in the Act. (Rel. IC-6873)

**THE FORTY FUND.** The SEC has issued an order declaring that The Forty Fund, Inc., Denver, Colo. has ceased to be an investment company as defined in the Act. (Rel. IC-6874)

**UNITED BANK FUND.** The SEC has issued an order declaring that United Bank Fund, Denver, Colo., has ceased to be an investment company as defined in the Act. (Rel. IC-6875)

#### SECURITIES ACT REGISTRATIONS

**ASTRONICS CORPORATION.** 300 French Rd., Buffalo, N. Y. 14227, filed a registration statement on November 30 seeking registration of 436,120 shares of common stock, of which 300,000 are to be offered for public sale by the company and 115,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$6.50 per share maximum) through underwriters headed by S. D. Lunt & Co., 120 Broadway,

CONTINUED

New York, N. Y. 10005. The company is engaged in the research and development of a form of light known as electroluminescence and in the development, design and limited manufacture of electroluminescence for specific applications and for testing and evaluation by potential customers. Of the net proceeds of its stock sale, \$500,000 will be used to finance research and development and the balance for working capital and other corporate purposes. (File 2-42491)

LOCTITE CORPORATION, 705 N. Mountain Rd., Newington, Conn. 06111, filed a registration statement on December 1 seeking registration of 315,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (\*at \$33 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York. The company is principally engaged in the development, manufacture and sale of chemical sealants and adhesives for industrial use. (File 2-42492)

FABRICS NATIONAL, INC., 3333 Berlin Turnpike, Newington, Conn. 06111, filed a registration statement on November 30 seeking registration of 15,000 shares of common stock issuable pursuant to the company's Incentive Stock Option Plan for Employees. (File 2-42494)

GREAT BASINS PETROLEUM CO., 1011 Gateway West--Century City, Los Angeles, Calif. 90067, filed a registration statement on December 1 seeking registration of 1,708,808 shares of common stock. Of these shares, it is proposed to offer up to 1,205,243 shares in exchange for limited partnership and joint venture interests. The remaining 503,565 are outstanding shares which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\*\$2.25 per share maximum). The company is engaged in exploring for oil, gas and hard minerals. (File 2-42496)

THE ACCUMULATION FUNDS, INCORPORATED, 245 Park Ave., New York 10017, filed a registration statement on December 1 seeking registration of \$10 million of common stock, to be offered for sale at net asset value without a sales charge. Fund shares are to be sold only to insurance companies, to separate accounts of insurance companies and to the trustees or other managers of any pension, profit-sharing or similar plans. The principal investment objective of the Fund is long-term growth of capital. NARE Life Management Company, Inc., is investment adviser. (File 2-42498)

SOUTHEASTERN MICHIGAN HOLDING COMPANY, 16333 Trenton Rd., Southgate, Mich. 48195, filed a registration statement on December 1 seeking registration of 630,000 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding common stock of Security Bank and Trust Company, on a share-for-share basis. (File 2-42499)

HOSPITAL CORPORATION OF AMERICA, 242 25th Ave., North, Nashville, Tenn. 37203, filed a registration statement on December 3 seeking registration of 25,000 shares of common stock, which are part of 50,000 shares to be issued in connection with the company's acquisition of all the outstanding capital stock of McMinville Hospital, Inc. The recipients may offer such shares for sale from time to time at prices current at the time of sale (\*\$40 per share maximum). (File 2-42500) 42500

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:  
 Colorado National Bankshares, Inc., Denver, Colo. (File 2-42488) - 107,000 shares  
 Fabrics National, Inc., Newington, Conn. (File 2-42495) - 40,000 shares  
 Roselon Industries, Inc., Philadelphia, Pa. (File 2-42497) - 75,000 shares

#### 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 estimated given on request.

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. The captions of the items are as follows:

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Legal Proceedings.
- Item 4. Changes in Securities.
- Item 5. Changes in Security for Registered Securities.
- Item 6. Defaults upon Senior Securities.
- Item 7. Increase in Amount of Securities Outstanding.
- Item 8. Decrease in Amount of Securities Outstanding.
- Item 9. Options to Purchase Securities.
- Item 10. Revaluation of Assets or Restatement of Capital Share Account.
- Item 11. Submission of Matters to a Vote of Security Holders.
- Item 12. Other Materially Important Events.
- Item 13. Financial Statements and Exhibits.

Copies of the reports 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.

8K Reports for Oct 1971

Delta Corp Of America (12,13)	1-6491-2	Alco Standard Corp (7,8) Control Data Corp (2,3,4,13)	1-5964-2 1-1969-2
Farmland Inds Inc (7,8)	2-7250-2	Leisure Dynamics Inc (11)	0-2608-2
Hazeltine Corp (12)	1-230-2	Pfizer Inc (3)	1-3619-2
Baltimore & Ohio RR Co (3)	1-923-2	Computest Corp (11,13)	1-5498-2
Bank Securities Inc (12)	2-36862-2	Crompton & Knowles Corp (4,11,13)	1-4663-2
Chesapeake & Ohio RY Co (3)	1-1261-2	Borg Warner Acceptance Corp (7,13)	1-6438-2
Unilever Ltd 6K Nov 71	1-4546-2	Servotronics Inc (3)	1-6126-2
Unilever N V 6K for Nov 71	1-4547-2	Eornelius Co (12)	0-2106-2
Unified Underwriters Inc (11,13)	0-1807-2	Columbia Pictures Inds Inc (7,12,13)	1-6240-2
Colgate Palmolive Co (12)	1-644-2	Computing & Software Inc (4,7,10,13)	1-5586-2
Howard Johnson Co (8)	1-4594-2	Curtiss Wright Corp (3,8)	1-134-2
Summit Group Inc (12)	2-36186-2	R I H T Corp (4,13)	0-4629-2
Delta Western Systems Inc (3)	2-32931-2	Allied Chemical Corp (8,13)	1-1269-2
Investors Reit One (7)	0-5263-2	Calif Computer Products Inc (3)	1-5012-2
Bowles Fluidics Corp (10)	2-37706-2	Bekland Resources Corp (8,12,13)	0-5629-2
Coldwell Banker & Co (11)	1-6629-2	Conel Corp (3)	0-4032-2
Weil-McLain Co Inc (4,7,8,13)	1-5484-2	CSI Computer Systems Inc (3)	0-5679-2
Allegheny Airlines Inc (2,7,12)	1-3631-2	Digital Equipment Corp (11)	1-5296-2
Federated Investors Inc (8,12)	0-3038-2	Southern Natural Gas Co (12,13)	1-2745-2
Fla Gas Co (3,10)	1-5623-2	Computerized Automotive Reporting Service Inc (12,13)	1-5758-2
Fla Gas Transmission Co (3)	2-26874-2	Continental Invst Corp (3)	1-6735-2
Kansas City Star Co (7,8)	2-26191-2	Crystal Tissue Co (4,13)	1-1017-2
Marion Laboratories Inc (11,13)	1-5829-2	Simplex Wire & Cable Co (2,4,7,8,13)	1-5268-2
Firestone Tire & Rubber Co (7,13)	1-484-2	Penn-Dixie Cement Corp (7,13)	1-884-2
Tyco Laboratories Inc (11,12,13)	1-5482-2	Best Products Co Inc (7,10,13)	0-5172-2
Diplomat Electronics Corp (3)	2-34543-2	Continental Air Lines Inc (7)	1-3661-2
Phila Elec Co (7,12)	1-1401-2	Shorebank Inc (7,13)	0-3818-2
I D Packing Co Inc (2,8,11,12,13)	0-2409-2	Charnita Inc Sept 71 (12,13)	0-4312-2
Pacific & Southern Broadcasting Co Inc (12,13)	0-3795-2		
Republic Powdered Metals Inc (11,13)	0-5132-2		
North American Life & Casualty Co (1)	2-21068-2		

SECURITIES ACT REGISTRATIONS. Effective December 2: The Ziegler Co., Inc., 2-41574 (90 days).  
Effective December 6: Alcon Laboratories, Inc., 2-42093; Ankony Cattle Systems-1971, 2-42038; G. Heileman  
 Brewing Co., Inc., 2-41902; Information Displays, Inc., 2-41558; The Manitowoc Co., Inc., 2-42381;  
 Mutual Oil of America, Inc., 2-34409 (90 days); Roselon Industries, Inc., 2-42497.

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.

G P O 912-604

---oooOooo---