



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities.

Washington, D.C. 20549

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

(Issue No. 71-246)

FOR RELEASE December 23, 1971

DECISION IN ADMINISTRATIVE PROCEEDING

PERFORMANCE SYSTEMS INC. REGISTRATION STATEMENT SUSPENDED AND WITHDRAWN: 1968 REPORT CORRECTED. The SEC today issued a Findings, Opinion and Order in which it suspended the effectiveness of a registration statement filed in May 1969, by Performance Systems, Inc., of Nashville, Tennessee, covering a proposed public offering of debentures and common stock. The statement had not become effective and no securities have been sold under it, and the Commission permitted it to be withdrawn. In the same action, the Commission discontinued proceedings with respect to PSI's 1968 Annual Report, as to which the company has filed corrective amendments.

The Commission found that the financial statements in the registration statement and 1968 Annual Report overstated net income and retained earnings with respect to a series of transactions involving sales of roast beef and chicken fast food franchises to seven newly-formed companies for cash and installment notes. PSI included as revenues \$3,190,000 of initial franchise fees, including \$2,378,500 of notes at their full face amount. It was found that there was no reasonable basis for estimating the degree of collectibility of the notes received by PSI since the franchisee companies did not have sufficient capital or financing to develop the franchises and pay the notes, some were in default on the construction schedule of the franchised units, and PSI's limited experience in chicken and roast beef franchise operations had been unprofitable.

The opinion noted that partly as a result of the questions raised by the practices of PSI and other franchisors in accounting for initial franchise fees, generally accepted accounting principles were revised in that initial franchise fee revenue could not be recognized earlier than approximately the time the franchised operating unit had been completed and the franchisee had started operations. PSI's corrective amendments restated the financial statements on the unit opening basis, which eliminated the initial franchise fee revenue in question and changed PSI's reported 1968 net income of \$3,156,691, or 67¢ per share of common stock, to a loss of \$1,269,000, or 27¢ per share. In 1969, when some of the units began to open, PSI set up a provision for uncollectible accounts with respect to almost all of the franchise sales.

The Commission also found that PSI's filings had not disclosed the John Jay Hooker, Jr. and Henry Hooker, PSI's chairman and vice-chairman, had guaranteed loans obtained by officers of two of the franchisees, the newly-formed and inadequately capitalized character of the franchisees, and unprofitable chicken franchise operations in 1968 and the first quarter of 1969.

The Commission's findings and order were entered pursuant to an offer of settlement in which PSI did not admit or deny the allegations of deficiencies and agreed to mail a copy of the Commission's Findings to its shareholders. (Rel. 34-9425)

GOLDBERG, HO, WEINBERGER SANCTIONED. The SEC has issued an order suspending Stephen Goldberg, Peter Ping Kin Ho and Simon Weinberger, registered representatives of a broker-dealer, from association with any broker or dealer for a period of 45 days, effective December 27, 1971. The order further provides that they may not thereafter re-enter the securities business unless appropriately supervised or accept a supervisory position without prior Commission approval. According to the decision, the respondents violated antifraud provisions of the securities acts in connection with securities offerings by Firelite Industries, Ltd. and Pollution Research & Control Corp., for which their employer was the designated underwriter. With respect to the Firelite offering, although they represented that they would use their best efforts to sell the issue, they did not solicit customers to purchase the securities and instead mailed confirmations to trade customers of Firelite, who were not customers of the broker-dealer and had not placed orders for or given indications of interest in such securities. With respect to the Pollution offering, they made misrepresentations concerning the fact that another broker-dealer acted as underwriter. In addition, the respondents were found to have aided and abetted violations of the record-keeping provisions.

The order was issued pursuant to offers of settlement in which the respondents, without admitting the allegations in the order for proceedings, consented to the indicated findings and sanctions. (Rel. 34-9430)

INVESTMENT COMPANY ACT RELEASES

DUPONT & CO. The SEC has issued a notice giving interested persons until December 28 to request a hearing upon an application of E. I. duPont de Nemours and Company (duPont), Wilmington, Del., for an order granting exemption with respect to a transaction whereby certain subsidiaries and affiliates of duPont propose to become participants in (1) a transaction involving mining ventures, principally in Mexico, and (2) future joint mining ventures. (Rel. IC-6900)

GUARDIAN VARIABLE ACCOUNTS. The SEC has issued notices giving interested persons until January 6 to request a hearing upon applications of The Guardian Insurance & Annuity Company, Inc., a stock life insurance company, The Guardian Variable Account 1 (Rel. IC-6904), The Guardian Variable Account 2 (Rel. IC-6905) and Gilcoa Associates, Inc., New York, N. Y., for orders exempting applicants from, among other things, certain of the custodian provisions of the Act. Account 1 was established by Guardian Insurance in connection with the proposed sale of three types of individual variable annuity contracts which are qualified for special tax treatment under Sections 401 or 403 (b) of the Internal Revenue Code and Account 2 was established in connection with the proposed sale of such contracts which are not qualified for special tax treatment under those sections of the Internal Revenue Code. OVER

NORTHERN STATES POWER COMPANY, 414 Nicollet Mall, Minneapolis, Minn. 55401, filed a registration statement on December 16 seeking registration of \$50 million of first mortgage bonds, due 2002, to be offered for public sale at competitive bidding. Net proceeds will be used to prepay some of the outstanding short-term borrowings of the company, estimated at \$50 million at the date of the bond issuance; any balance will be used for construction expenditures, estimated at \$190 million in 1972 and \$927 million in the four-year period 1973-1976. (File 2-42598)

CALIFORNIA COMPUTER PRODUCTS, INC., 2411 W. La Palma Ave., Anaheim, Calif. 92801, filed a registration statement on December 16 seeking registration of \$10 million of convertible subordinated debentures, due 1992, to be offered for public sale through underwriters headed by A. G. Becker & Co. Inc., 1901 Building, Century City, and Mitchum Jones & Templeton Inc., 510 South Spring St., both of Los Angeles, Calif. The company develops, manufactures, sells, leases and services a variety of computer peripheral equipment. Net proceeds of its debenture sale will be used to reduce short-term bank debt incurred to augment working capital. (File 2-42600)

PIC 'n' SAVE CORPORATION, 4701 South Santa Fe Ave., Los Angeles, Calif. 90058, filed a registration statement on December 16 seeking registration of 250,000 shares of common stock, of which 167,000 are to be offered for public sale by the company and 83,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$12 per share maximum) through underwriters headed by DuPont Glore Forgan Inc., 833 Wilshire Blvd., Los Angeles, Calif. 90017. The company operates a chain of 27 retail stores located in Southern California which specialize in the sale of new "close-out" merchandise. Net proceeds of its stock sale will be used for the purchase of inventory and fixtures for new stores, equipping a new warehouse and office facility and working capital and other corporate purposes. (File 2-42601)

CARBON FUEL COMPANY, 1310 Kanawha Valley Bldg., Charleston, W. V. 25301, filed a registration statement on December 16 seeking registration of 800,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 500,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$20 per share maximum) through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N. Y. 10005. The company is principally engaged in the mining, preparation and sale of coal and metallurgical coal. (File 2-42602)

ENVIRO-GRO, INC., 80 Broadhollow Rd., Melville, L. I., N. Y., filed a registration statement on Dec. 16 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share through underwriters headed by A. J. Carno Co., Inc., 42 Broadway, New York, N. Y. 10004. The company was organized in March primarily to cultivate and market containerized plants on a wholesale and retail basis. Of the net proceeds of its stock sale, \$125,000 will be used to purchase initial plant stock and the balance for working capital and other corporate purposes. (File 2-42603)

THE CHARTER COMPANY, 47 W. Forsyth St., Jacksonville, Fla. 32202, filed a registration statement on December 16 seeking registration of 67,525 shares of common stock and 194,434 common stock purchase warrants. These securities may be offered for sale from time to time at prices current at the time of sale (* \$27.75 per share maximum). The company is engaged primarily in refining and marketing petroleum and related products and in related activities. (File 2-42604)

UNIVERSAL VOLTRONICS CORP., 27 Radio Circle Dr., Mount Kisco, N. Y. 10549, filed a registration statement on December 16 seeking registration of 137,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 87,000 (being outstanding shares) by the holders thereof (* at \$10 per share maximum). No underwriting is involved. The company manufactures and sells high voltage power supplies and equipment. Net proceeds of its stock sale will be used for general working capital purposes. (File 2-42605)

SCAN SYSTEMS, INC., 1625 North Atlantic Ave., Cocoa Beach, Fla. 32931, filed a registration statement on December 16 seeking registration of 400,000 shares of common stock, to be offered for public sale at \$1 per share by Kureen & Cooper, Inc., 26 Broadway, New York, N. Y. The company was organized to design, develop and sell an automated baggage handling and sortation system for use by the airline industry. Of the net proceeds of its stock sale, \$100,000 will be used for the development of a Telescan baggage handling and sortation system and the balance for working capital and other corporate purposes. (File 2-42607)

LEISURE LIFE, INCORPORATED, 330 Exchange Alley, New Orleans, La., filed a registration statement on December 16 seeking registration of \$10,000,000 of units of participation in Leisure Properties, Ltd. (a series of Partnerships), to be offered for public sale at \$5,000 per unit. No underwriting is involved. The Partnerships will engage in the acquisition, development, management and sale of improved and unimproved real estate, with emphasis on recreational and leisure oriented projects. (File 2-42608)

PETRO-LEWIS CORPORATION, Denver Club Bldg., Suite 1224, Denver, Colo. 80202, filed a registration statement on December 16 seeking registration of 300,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$17.17 per share maximum) through underwriters headed by Ladenburg, Thalmann & Co., 25 Broad St., New York, N. Y. 10004. The company is engaged in exploring, developing and operating oil and gas properties for itself and for the accounts of others. Of the net proceeds of its stock sale, \$750,000 will be used to retire a 6-3/4% bank loan and the balance for working capital and other corporate purposes. (File 2-42609)

COLLINS & AIKMAN CORPORATION, 210 Madison Ave., New York, N. Y. 10016, filed a registration statement on December 16 seeking registration of 387,854 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$26.50 per share maximum). (File 2-42611)

KAWECKI BERYLCO INDUSTRIES, INC., Tuckerton Road, Muhlenburg Township, Pa. 19603, filed a registration statement on December 16 seeking registration of 78,700 outstanding shares of common stock, which may be offered for sale from time to time by the holder thereof at prices current at the time of sale (* \$11 per share maximum). (File 2-42612)

ADRS FOR SOUTHVAAL HOLDINGS LIMITED FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y. 10015, filed a registration statement on December 16 seeking registration of 100,000 American Depositary Receipts for ordinary registered shares of Southvaal Holdings Limited (a South African corporation). (File 2-42613)

FACESETTER BUILDING SYSTEMS, INC., 4343 South 96th St., Omaha, Neb. 68127, filed a registration statement on December 17 seeking registration of 250,000 outstanding shares of common stock, to be offered for public sale (* at \$13.20 per share maximum) through underwriters headed by First Mid America Inc., 1001 "O" St., Lincoln, Neb. 68508. The company is engaged in direct retail marketing and producing and custom residential improvement products. (File 2-42614)

RUCKER PHARMACAL COMPANY, INC., 6540 Line Ave., Shreveport, La. 71106, filed a registration statement on December 17 seeking registration of 270,000 shares of common stock, of which 52,163 are to be offered for public sale by the company and 217,837 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$15 per share maximum) through underwriters headed by duPont Glore Forgan Inc., 135 South LaSalle St., Chicago, Ill. Also included in this statement is a rescission offer relating to 74,348 shares of common stock which have been sold since November 1, 1968 without registration under the Securities Act of 1933. The company offers to rescind each sale of common stock by the company since November 1, 1968, and to return all funds paid by each purchaser with 6% per annum interest. The company is engaged in the development, manufacture and sale of ethical pharmaceuticals. Of the net proceeds of its stock sale, \$435,000 will be used to finance an addition to the company's warehouse and manufacturing facilities and the balance for working capital and other corporate purposes. (File 2-42615)

GENERAL TELEPHONE COMPANY OF ILLINOIS, 1312 East Empire St., Bloomington, Ill. 61701, filed a registration statement on December 17 seeking registration of \$20 million of first mortgage bonds, due 2002, to be offered for public sale at competitive bidding. A subsidiary of General Telephone & Electronics Corporation, the company will apply the net proceeds of its bond sale, together with the proceeds of the proposed sale of 320,000 shares of common stock to the parent at \$25 per share, toward the payment of short-term loans owing to banks and commercial paper (estimated not to exceed \$28 million at the time of such application), obtained for the purpose of financing the company's construction program. The balance will be used for future construction purposes. (File 2-42616)

CAROLINA POWER & LIGHT COMPANY, 336 Fayetteville St., Raleigh, N. C. 27602, filed a registration statement on December 17 seeking registration of 2,000,000 shares of common stock, to be offered for public sale (* at \$25 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York, N. Y. 10005. Net proceeds of its stock sale will be applied to the reduction of short-term loans (estimated at \$93 million at the time of the stock sale) incurred for corporate purposes, primarily for the construction of additional electric plant facilities. Construction expenditures are estimated at \$974,906,000 for the three-year period 1972 through 1974. (File 2-42617)

CHARTER PROPERTIES, INC., 47 West Forsyth St., Jacksonville, Fla. 32202, filed a registration statement on December 17 seeking registration of 2,000,000 shares of common stock and 4,000,000 warrants, each warrant to purchase 1/2 share, to be offered for public sale in units, each consisting of one share and one warrant. The offering is to be made (* at \$15 per unit maximum) through underwriters headed by Faulkner, Dawkins & Sullivan Securities Inc., One New York Plaza, New York, N. Y. 10004. The company was organized recently to acquire a professionally selected and managed portfolio of real estate equity investments. Net proceeds will be used for general corporate purposes. (File 2-42618)

GENERAL ELECTRIC COMPANY, 1 River Road, Schenectady, N. Y. 12345, filed a registration statement on Dec. 17 seeking registration of \$125 million of debentures, due 1979, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Inc., 140 Broadway, New York, N. Y. 10005, and Goldman, Sachs & Co., 55 Broad St., New York, N. Y. Net proceeds of its debenture sale will be used to reduce domestic short-term borrowings which aggregated some \$485 million at the end of November 1971 and incurred primarily to finance increased working capital requirements and expenditures for plant and equipment. Construction expenditures are estimated at \$500 million for 1971. (File 2-42619)

PRUDENTIAL BUILDING MAINTENANCE CORP., 1430 Broadway, New York, N. Y. 10017, filed a registration statement on December 17 seeking registration of 533,684 outstanding shares of common stock, to be offered for public sale (* at \$26 per share maximum) through underwriters headed by Burnham and Company, 60 Broad St., New York, N. Y. 10004. The company provides a wide variety of cleaning, maintenance and other services for office buildings and other commercial facilities. (File 2-42621)

DEAN WITTER MASTER APPRECIATION PORTFOLIO PLAN (the Fund), 45 Montgomery St., San Francisco, Calif. 94104, filed a registration statement on December 15 seeking registration of 600 participating units, to be offered for public sale initially to a limited group of customers of Dean Witter & Co. Incorporated (Dean Witter). The offering is to be made (* at \$17,017.50 per unit maximum) with a minimum purchase of two units, by Dean Witter. The fund is a non-diversified, open-end investment company whose investment objective is capital appreciation. (File 2-42596)

FIRST NATIONAL FINANCIAL CORPORATION, 108 E. Michigan Ave., Kalamazoo, Mich. 49006, filed a registration statement on December 15 seeking registration of 1,610,605 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding capital stock of three banks, as follows: 2.5 shares for each of the 574,992 shares of The First National Bank and Trust Company of Michigan, Kalamazoo, Michigan; 6 shares for each of the 7,500 shares of Deerfield State Bank, of Deerfield, Mich.; and 4.1 shares for each of the 31,250 shares of Merchants & Miners Bank, Calumet, Mich. First National was organized in May for the purpose of becoming a bank holding company. (File 2-42597)

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:

Fisco, Inc., Philadelphia, Pa. (File 2-42606) - 90,000 shares
 Amerada Hess Corporation, New York, N. Y. (File 2-42610) - \$10,000,000 of interests in the Employees' Savings and Stock Bonus Plan
 WTC Air Freight, Los Angeles, Calif. (File 2-42620) - 168,950 shares

MISCELLANEOUS

TRADING BANS CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Ecological Science Corporation for the further ten-day period December 25, 1971 through January 3, 1972, inclusive, and the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation and the common stock of Coatings Unlimited, Inc., for the further ten-day period December 27, 1971 through January 5, 1972, inclusive.

SECURITIES ACT REGISTRATIONS. Effective December 17: Unexcelled, Inc., 2-33584.
Effective December 20: Monogram Industries, Inc., 2-42464; North Star Petroleum Program II A, 2-42298 (90 days); Southern California Mortgage & Loan Corp., 2-41621 (90 days); Spotts Florafax Corp., 2-39078 (90 days); The Woodmoor Corp., 2-42019;
Effective December 21: APL Corp., 2-42507; Executive Industries, Inc, 2-42304 (Mar 20); Federal Realty Investment Trust, 2-41071; First National Holding Corp., 2-42349; Globetrotter Communications, Inc, 2-40939 (Mar 21); International Funeral Services, Inc., 2-41680 and 2-41698; National Recreation Products, Inc., 2-41248 (90 days); Penn Corp., 2-42065 (90 days); Ryan Mortgage Investors, 2-42137 (Mar 20); Seligman & Associates, Inc., 2-42197 (Mar 21); T-Bar-M, Inc., 2-41475 (90 days); Western Financial Corp., 2-42345.

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.

---oooOooo---