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COMMISSION ANNOUNCEMENT

SEC RELEASES STUDY OF UNSAFE AND UNSOUND INDUSTRY PRACTICES. The Securities and Exchange Commission today submitted to the Congress its Study of Unsafe and Unsound Practices, chronicling the problems faced by the securities industry in recent years and recommending major legislative revisions aimed at avoiding their recurrence.

In a letter of transmittal to the Congress accompanying the report, Chairman William J. Casey cited fourteen of the unsafe and unsound practices which plagued the industry and called for a number of measures he said would "furnish needed protection for investors as well as maintain a strong and viable securities industry."

Casey attributed the crisis to a "general euphoria in the industry during which expansion of sales efforts and overhead had not been properly supported by more capital and stronger back office effort. A veritable explosion in trading volume clogged an inadequate machinery for the control and delivery of securities and payment of funds," and the problem was compounded by inadequate recordkeeping.

The "unsafe and unsound practices" which Casey cited included inadequacy and impermanence of capital, inadequacy of restrictions over the use of cash and securities held for customers, inadequacy of early warning signals to foretell financial and operational difficulties, and a lack of currency in financial records.

Casey also cited twenty-one major corrective measures taken by the Commission and the industry to bring order out of chaos, including revisions of the net capital rules, proposed rules to protect customers' free credit balances and securities left with brokers, increases in inspections by the self-regulatory organizations and the Commission, and tighter requirements for entry into the business. Two statistical improvements--a reduction in New York Stock Exchange fails from a high of \$4.1 billion at the end of 1968 to about \$1.0 billion at November 1971, and a subsidence of complaints to the Commission involving broker-dealers from a monthly average of 1,500 at the end of 1970 to around 500 at present--indicate a significant advance in operational performance over the past year, he stated.

"While we believe that corrective actions we have already taken and proposed represent significant improvements in the manner in which broker-dealers conduct their business," Casey continued, "the Commission also believes that additional statutory authority is needed to prevent a recurrence of the problems described by our Study."

To insure against future breakdowns, Casey said a modernized nationwide securities transfer system is needed and called on Congress to extend the Commission's present authority over clearance, settlement, and record-keeping, to cover all security depository and transfer functions.

"The Commission, in seeking this authority," Casey remarked, "is not desirous of expanding its jurisdiction to conflict with that of Federal or State bank-regulating agencies. Economic regulatory authority is not being sought. Rather, the Commission is merely desirous of having all necessary authority to oversee the development of a unified securities processing system and the establishment of the performance standards and access practices necessary for the development and proper functioning of such a system."

In addition, Casey called for an extension of Commission authority over the self-regulatory organizations. First, the Commission seeks power over self-regulatory rule-making: a requirement of advance approval for all proposed rules and amendments in the case of stock exchanges and direct power to alter or supplement all rules of the self-regulatory bodies. Second, the Commission desires authority to enforce the rules of the self-regulatory organizations against offending members in the event the organization fails to enforce its own rules. Lastly, the Commission seeks additional power to review disciplinary proceedings conducted by the self-regulatory bodies and the penalties assessed at these proceedings.

The ultimate objective of all these changes, Casey concluded, "is to serve and protect the investor of this country." The Commission believes that "the measures already taken, those about to be taken, and those recommended (in the Study) will contribute to the achievement" of investor protection and fair, honest and efficient capital markets.

Copies of the Study are available for examination only at the Commission's Public Reference Room and Library, and at the SEC Regional offices.

Details as to the printing of the Study and its availability for general distribution will be announced in a future News Digest.

RULES AND RULE PROPOSALS

ADOPTION OF AMENDMENTS TO THE COMMISSION'S HYPOTHECATION RULES. The Commission announced today that it has amended paragraph (d) of Rules 8c-1 and 15c2-1 under the Securities Exchange Act of 1934 to include in their exemptive reach the liens and claims of clearing corporations, or similar departments or associations, of registered national securities associations. Presently, the limited exemption provided for in paragraph (d) of these rules only applies to the liens or claims of a clearing corporation, or similar department of a national securities exchange. The National Association of Securities Dealers, Inc., a registered national securities association, is now in the process of furnishing clearing and settlement facilities through its wholly owned subsidiary, the National Clearing Corporation, in order to provide the broker-dealer community with additional and expanded facilities for the improvement of operations and the reduction of the back office paperwork.

OVER

SECURITIES ACT REGISTRATIONS

COMPAC CORPORATION, 420 Frelinghuysen Ave., Newark, N. J. 07114, filed a registration statement on Dec. 17 seeking registration of 300,000 shares of common stock, to be offered for public sale (* at \$10 per share maximum) through underwriters headed by Estabrook & Co., Inc., 80 Pine St., New York, N. Y. 10005. The company engages in the manufacture and sale of vapor barriers, packaging tapes and pressure-sensitive adhesive products which use chemical coatings manufactured by the company. Of the net proceeds of its stock sale and of a long-term bank loan, \$1,848,400 will be used to prepay a secured 5-year loan, due 1975, and \$1,559,893 to retire indebtedness under its secured revolving line of credit and the balance for working capital and other corporate purposes. (File 2-42622)

BERG ENTERPRISES, INC., 12 Center St., Metuchen, N. J. 08840, filed a registration statement on Dec. 17 seeking registration of 343,000 shares of common stock, of which 175,000 are to be offered for public sale by the company and 168,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$12.25 per share maximum) through underwriters headed by CBWL-Hayden, Stone Inc. The company is principally engaged in real estate brokerage and mortgage banking in New Jersey. Of the net proceeds of its stock sale, \$750,000 will be used for start-up costs of 11 real estate brokerage offices newly opened or to be opened in New Jersey and Florida and the balance for working capital and other corporate purposes. (File 2-42623)

DELTA AIR LINES, INC., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320, filed a registration statement on December 21 seeking registration of 668,515 shares of common stock, issued or to be issued in connection with the merger of Northeast Airlines, Inc., into Delta. These shares may be offered for sale from time to time by the recipient(s) or holder(s) thereof at prices current at the time of sale (* \$47.875 per share maximum). (File 2-42640)

PERDUE HOUSING INDUSTRIES, INC., 1775 K St., N. W., Washington, D. C. 20006, filed a registration statement on December 21 seeking registration of 90,739 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 (* \$10.25 per share maximum). The company is engaged in the construction and sales of custom designed and standard plan homes. (File 2-42641)

NORTON SIMON, INC., 277 Park Ave., New York, N. Y. 10017, filed a registration statement on December 21 seeking registration of 200,000 outstanding shares of common stock and 114,525 outstanding shares of Series A convertible preferred stock (\$5 par). These securities may be offered for sale from time to time by the holders thereof (* at \$62.875 per common and \$64.125 per preferred share maximum). (File 2-42642)

SUAVE SHOE CORPORATION, 14100 N. W. 60th Ave., Miami Lakes, Fla. 33014, filed a registration statement on December 21 seeking registration of \$6,000,000 of convertible subordinated debentures, due 1997, and 451,906 shares of common stock. The debentures are to be offered for public sale at 100% of principal amount and the shares (being outstanding shares) by the holders thereof (* at \$18 per share maximum). The offering is to be made through Reynolds Securities Inc., 120 Broadway, New York, N. Y. 10005. The company is engaged in the shoe manufacturing and import business. Of the net proceeds of its debenture sale, \$2,500,000 will be used to repay short-term indebtedness to banks, and the balance for working capital and other corporate purposes. (File 2-42643)

AIR CUSHION VEHICLES, INC., Route 154, Poestenkill, N. Y. 12014, filed a registration statement on Dec. 21 seeking registration of 325,000 shares of common stock, to be offered for public sale (* at \$10 per share maximum). The names of the underwriters are to be specified later. The company is engaged in the design, development, manufacture and sale of air cushion vehicles and other recreational vehicles and accessories and supplies for these vehicles. Of the net proceeds of its stock sale, \$750,000 will be used in connection with marketing activities and the balance for working capital and other corporate purpose. (File 2-42645)

INSTITUTIONAL INVESTORS TRUST, One Boston Place, Boston, Mass. 02108, filed a registration statement on December 21 seeking registration of 1,000,000 shares of beneficial interest and \$30 million of subordinated debentures, due 1992. The debentures are to be offered for public sale by the Trust and the shares (being outstanding shares) by the holders thereof (* at \$20 per share maximum). The offering is to be made through underwriters headed by Bache & Co., Inc., 100 Gold St., New York, N. Y. The Trust was organized in 1970 by DLJ Real Estate, Inc., and TRW, Inc., on behalf of various trusts for its employees. It was formed to make a broad range of mortgage and real estate equity investments in order to provide interest and rental income and, when possible capital appreciation. Institutional Property Advisors, Inc. is investment advisor. (File 2-42646)

INTERCRAFT INDUSTRIES CORPORATION, 1840 N. Clybourn Ave., Chicago, Ill. 60614, filed a registration statement on December 22 seeking registration of 226,134 shares of common stock, of which 100,000 are to be offered for public sale by the company and 126,134 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$27.25 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. The company manufactures and markets photograph and general purpose frames and framed art reproductions. Net proceeds of its stock sale will be used primarily to repay short-term bank loans incurred for working capital purposes and the balance for working capital purposes. (File 2-42647)

MR. STEAK, INC., 5100 Race Court, Denver, Colo. 80216, filed a registration statement on December 22 seeking registration of 218,421 shares of common stock, of which 16,276 are to be distributed by the company to its employees and 202,145 are outstanding shares. These shares may be offered for sale from time to time by the holders or recipients thereof at prices current at the time of sale (* \$4 per share maximum). The company is engaged in owning, operating, and franchising a chain of restaurants under the name "Mr. Steak." (File 2-42648)

AUTEX, INC., 55 William St., Wellesley, Mass. 02181, filed a registration statement on December 22 seeking registration of 269,234 shares of common stock, of which 160,000 are to be offered for public sale by the company and 10,719 (being outstanding shares) by the holders thereof and 98,515 are to be sold upon the exercise of warrants. These shares are to be offered for sale (* at \$18 per share maximum) through underwriters headed by F. S. Smithers & Co., Inc., 45 Wall Street, New York, N. Y. 10005. The company operates the Autex Block Information System, a computer system for the processing of data relating to the trading of blocks of securities (File 2-42649)

PACEMASTER, INC., 801 East Baker St., P. O. Box 729, Plant City, Fla. 33566, filed a registration statement on December 22 seeking registration of 130,000 shares of common stock, to be offered for public sale (* at \$5 per share maximum) through First Equity Corporation of Florida, 100 W. Kennedy Blvd., Tampa, Fla. 33601. The company sells motor fuels and related items and operates a chain of 23 convenience food stores. Of the net proceeds of its stock sale, \$100,000 will be used to acquire, under leases, four new convenience stores in Florida and the balance for working capital and other corporate purposes. (File 2-42650)

ADRS FOR KUMAGAI GUMI CO. FILED. Chemical Bank, 770 Broadway, New York, N. Y. 10003, filed a registration statement on December 21 seeking registration of 100,000 American Depository Receipts for dollar validated common stock of Kumagai Gumi Co., Ltd. (File 2-42651)

FIRST UNITED FINANCIAL CORPORATION, 3150 Republic Blvd. North, Toledo, Ohio 43615, filed a registration statement on December 22 seeking registration of 200,000 shares of common stock, to be offered for public sale (* at \$16.50 per share maximum) through underwriters headed by Manley, Bennett, McDonald & Co., 1100 Buhl Bldg., Detroit, Mich. 48226. A bank holding company, the company through subsidiaries engages in mortgage and commercial banking. Net proceeds of its stock sale will be used to repay indebtedness and for working capital and other corporate purposes. (File 2-42652)

FIRST NATIONAL BOSTON CORPORATION, 100 Federal St., Boston, Mass. 02110, filed a registration statement on December 22 seeking registration of \$100 million of notes, due 1979, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005. The company is a bank holding company. Net proceeds will be used for general corporate purposes. (File 2-42653)

TIDWELL INDUSTRIES, INC., Route 5, Haleyville, Ala. 35565, filed a registration statement on December 22 seeking registration of 464,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 64,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$14 per share maximum) through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York, N. Y. 10004. The company is engaged in the design, manufacture and sale of mobile homes. Of the net proceeds of its stock sale, \$2,025,000 will be used for the construction or purchase of manufacturing facilities and the balance for working capital and other corporate purposes. (File 2-42654)

SCHLANG & CO., INC., 1412 Broadway, New York, N. Y. 10018, filed a registration statement on December 22 seeking registration of 175,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$10 per share maximum) through underwriters headed by Moore & Schley, Cameron & Co., Two Broadway, New York, N. Y. 10004. The company is primarily engaged in the design and sale of medium to higher-priced fabrics for the home sewing market. Of the net proceeds of its stock sale, \$500,000 will be used to retire unsecured bank borrowings and the balance for working capital and other corporate purposes. (File 2-42655)

ANDERSON 2000 INC., 2000 Sullivan Rd., College Park, Ga. 30337, filed a registration statement on December 22 seeking registration of 250,000 shares of common stock, of which 135,000 are to offer for public sale by the company and 115,000 (being outstanding shares) by the holders thereof (* at \$5 per share maximum). No underwriting is involved. The company is engaged in the manufacture and distribution of air pollution samplers and biological samplers and monitoring devices used in monitoring and sampling organic and inorganic matter in the air. Net proceeds will be used for working capital and other corporate purposes. (File 2-42656)

MARSHALL FOODS, INC., Marshall, Minn. 56258, filed a registration statement on December 22 seeking registration of 308,000 shares of common stock, of which 180,000 are to be offered for public sale by the company and 128,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$19 per share maximum) through underwriters headed by Bache & Co., 100 Gold St., New York, N. Y. 10038. The company is engaged in diversified businesses, primarily agriculturally oriented, including the production of eggs and egg products, wholesale distribution of food and certain non-food merchandise, beef packing and raising turkeys and mink. Of the net proceeds of its stock sale, \$1,500,000 will be used to repay short-term bank borrowings and the balance for working capital and other corporate purposes. (File 2-42657)

MISCELLANEOUS

DELISTING SOUGHT. The SEC has issued a notice giving interested persons until January 10 to request a hearing upon an application of Royal Atlas Corporation to withdraw its common stock from listing and registration on the National Stock Exchange. The company's board of directors has determined that the interests of the company's shareholders can best be served by being in the NASDAQ quotation system. The Exchange disagrees with the company's reasons for filing such delisting application. (Rel. 34-9433)

DELISTING GRANTED. The SEC has issued an order granting an application of the American Stock Exchange to strike from listing and registration the common stock of Allison Steel Manufacturing Company, effective at the opening of business on December 27, 1971. Only some 83,142 common shares remain publicly held as a result of an offer by Marathon Manufacturing Company on November 5, 1971, which offer expires on December 27, 1971. Marathon common stock is listed and registered on the American Stock Exchange. (Rel. 34-9433)

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. Photocopies thereof 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. An index of the captions of the several items of the form was included in the December 8 News Digest.

8K Reports for Oct 1971

A J Inds Inc (12,13)	1-5672-2	Patagonia Corp (12)	1-6664-2
Hyde Athletic Inds Nov 71(13)	0-5083-2	Rex Precision Products Inc Sept 71 (2,13)	0-5413-2
Invst Corp Of America Sept 71 (7)	0-1642-2	The Winde Group Inc (13) Sept 71 (11,13)	2-33706-2 2-33706-2
John R Thompson Co (2,3,4,10,11,13)	1-6390-2		
Artek Systems Corp (11,13)	2-33473-2	Belair Financial Corp (3,14)	0-5428-2
High Voltage Engineering Corp (8)	1-4737-2	Barnett Banks Of Fla Inc Nov 71 (12,14)	0-2466-2
Santa Fe Pipeline Co (13,14)	1-6540-2	Canadian Delhi Oil Ltd Apr 71 (11,12,13)	0-2638-2
Tidal Marine Int'l Corp Sept 71 (7,8,12,13)	0-5660-2	Sullivan Cty Harness Racing Assoc Inc (13,14)	0-749-2
Commerce Bancshares Inc (4,13)	0-2989-2	Cannon Mills Co Nov 71 (12)	0-758-2
Thermo-Kinetic Corp Jun 71 (8)	0-5316-2	The Dyna-Jet Corp Nov 71 (1,2,4,7,11,12,13,14)	2-34077-2
Aug 71 (2,3,7,9,13,14)	0-5316-2		
Computer Circuits Corp (11,12,13)	0-5301-2	Amarex Inc (8,12)	0-5335-2
Envirotech Corp (3,13)	2-40777-2		
Murphy Oil Corp (3)	1-4857-2		
Premier Corp (2,13)	2-38404-2		

Amended 8K Reports

All-State Properties Inc May 71 (12)	0-2438-2	American Regitel Corp #1 for Aug 71 (7)	0-5078-2
Bache & Co Inc Nov 71 (8)	0-5778-2	Tidal Marine Int'l Corp #1 for Apr 71 (7,13)	0-5660-2
Cinecom Corp (12)	1-5656-2	Waxman Inds Inc #1 for Jul 71 (2,14)	2-38882-2
The Cyclotron Corp (7) Jan 71 (7)	0-2554-2 0-2554-2		
Sept 71 (7)	0-2554-2		

SECURITIES ACT REGISTRATIONS. Effective December 27: Boothe Computer Corp., 2-41149; Chicago Bridge & Iron Co., 2-42563; Equimark Corp., 2-42428; Memorex Corp., 2-40727; Ogilvy & Mather International Inc., 2-42546; Trans Graphics Inc., 2-41933 (90 days); Western Orbis Co., 2-41906.

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.

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GPO 912-604