



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

Washington, D.C. 20549

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FOR RELEASE May 15, 1972

## COMMISSION ANNOUNCEMENT

FILING FOR REGISTRATION OF OPTIONS EXCHANGE IS BEGUN. The Chicago Board Options Exchange, Incorporated has submitted an initial package of materials to the Commission as part of an application for Registration as a National Securities Exchange pursuant to Section 6 of the Securities Exchange Act of 1934. No formal action can or will be taken by the Commission pursuant to Section 6(e) until a final and complete application for registration with all exhibits has been filed. In the cover letter of the first package of materials the Exchange stated:

"... The Exchange intends to limit its operations initially to call options in respect of approximately twenty underlying stocks. It intends to increase the number of underlying stocks gradually and to extend operations to other types of options as experience is gained and the market and its regulatory arrangements are tested."

"... the Exchange is filing the application at this time accompanied by only a portion of its proposed Rules and other required exhibits. Supplemental filings, which we intend to make on approximately a monthly schedule, will supply data presently omitted from the Form 1 plus the remaining Rules and other exhibits not furnished at this time."

All interested persons may submit their views and comments on the above proposals in writing to the Securities and Exchange Commission, Washington, D. C. 20549. All communications with respect to the proposed registration should refer to File No. 10-54-1 and all such communications will be available for public inspection. As supplementary material or amendments are submitted by the Exchange, they will be included in the Commission's public file.

MINUTES OF ADVISORS MEETINGS TO BE MADE PUBLIC. Chairman William J. Casey announced May 12 that copies of the minutes of the meetings of the Industry Advisory Committees appointed to make recommendations with respect to the Commission's implementation of its Policy Statement on the Future Structure of the Securities Markets would be made available in a public file at the Public Reference Room at the Commission within a reasonable time following each meeting. These committees, studying the problems of market disclosure, the central market system and block trading, were announced by Chairman Casey on March 29, 1972.

TRADING BAN ON UNIVERSAL AIRLINES LIFTED. The SEC announced that the suspension of trading in the common stock of Universal Airlines Company, Oakland, California will be terminated by the Commission on May 13, 1972. The suspension, which was requested by the company, was ordered by the Commission in order to permit dissemination of information concerning adverse corporate developments.

On May 4, 1972, Universal announced that they suspended operations as a charter carrier. On May 9, 1972, Universal announced that its operating subsidiary, Universal Airlines, Inc., filed for protection under Chapter 11 of the Bankruptcy Act. (Rel. 34-9603)

## COURT ENFORCEMENT ACTION

VERNON BROWN SENTENCED. The SEC Chicago Regional Office announced May 11 that the Federal court in Detroit had sentenced Vernon Brown, of North Miami, Florida, to six months in prison for criminal contempt in connection with violations of the registration and antifraud provisions of the Federal securities laws in the offer and sale of various unregistered securities. Brown withdrew an earlier plea of not guilty and entered instead a plea of "no contest" to the charge. (LR-5393)

## HOLDING COMPANY ACT RELEASE

CONSOLIDATED NATURAL GAS. The SEC has issued a notice giving interested persons until June 9 to request a hearing upon a proposal of Consolidated Natural Gas Company, New York, and six subsidiaries. Consolidated proposes to make from time to time during 1972 up to \$50 million of long-term loans to the subsidiaries to be evidenced by long-term notes of the subsidiaries; proceeds are to be used by the subsidiaries for the purpose of financing capital expenditures. Consolidated also proposes to issue and sell up to \$55 million of short-term notes to banks and to advance on open account such proceeds to its subsidiaries for gas storage inventories. In addition, three of the subsidiaries propose to issue and sell capital stock to Consolidated, as follows: Consolidated Gas Supply Corporation, 60,000 shares for \$6 million; The Peoples Natural Gas Company, 22,000 shares for \$2.2 million; and Consolidated System LNG Company, 10,000 shares for \$1 million. The subsidiaries will use the net proceeds for capital expenditures. (Rel. 35-17572)

OVER

INVESTMENT COMPANY ACT RELEASE

ISRAEL CORP. The SEC has issued an order declaring that The Israel Corporation Ltd., Tel Aviv, is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding or trading in securities either directly or through majority-owned subsidiaries or through controlled companies conducting similar types of businesses. (Rel. IC-7174)

SECURITIES ACT REGISTRATIONS

MUNICIPAL INVESTMENT TRUST FUND, FIFTH MONTHLY PAYMENT SERIES filed a registration statement on May 10 seeking registration of \$94,500,000 of units. The Fund was created by a trust agreement under which Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bache & Co. Incorporated and Walston & Co., Inc. act as sponsors, United States Trust Company of New York acts as trustee and Standard & Poor's Corporation acts as evaluator. The objectives of the Fund are tax exempt income and conservation of capital through an investment in the tax exempt bond portfolio of interest-bearing obligations rated "BBB" or better by Standard & Poor's Corporation or "Baa" or better by Moody's Investors Service issued by or on behalf of states, counties, territories or municipalities of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law. (File 2-44185)

ALCON LABORATORIES, INC., 6201 South Freeway, P. O. Box 1959, Fort Worth, Tex. 76101, filed a registration statement on May 10 seeking registration of 115,527 shares of common stock issued or to be issued in connection with the company's proposed acquisition of Owen Laboratories, Inc. Such shares may be offered for sale or pledged from time to time by the holders thereof at prices current at the time of sale (\* \$60 per share maximum). Alcon is primarily engaged in the manufacture and marketing of ethical drugs for diseases of the eye. (File 2-44186)

POP WINES, INC., 3001 Red Hill Ave., Costa Mesa, Calif. 92626, filed a registration statement on May 10 seeking registration of 250,000 shares of common stock, to be offered for public sale (\* at \$8 per share maximum) through underwriters headed by J. H. Kern & Co., 40 Wall St., New York 10005. Recently organized, the company proposes to produce and market various California wines. Of the net proceeds, \$600,000 will be used to repay a second mortgage note issued in connection with an acquisition and for working capital, and the balance for working capital and other corporate purposes. (File 2-44187)

GLADDING CORPORATION, South Otselic, N. Y. 13155, filed a registration statement on May 10 seeking registration of 500,000 shares of common stock, to be offered for public sale (\* at \$15 per share maximum) through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Calif. 94106. The company is principally engaged in the manufacture and sale of a broad range of recreational products. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-44190)

MEDSERCO, INCORPORATED, Pierre Laclede Center, 7733 Forsyth, St. Louis, Mo. 63105, filed a registration statement on May 11 seeking registration of 135,000 shares of common stock, to be offered for public sale at \$7.50 per share by Flaks, Zaslow & Co., Inc., 40 Exchange Pl., New York 10005. The company provides a coordinated and integrated package of management services to individuals delivering health care services. Of the net proceeds of its stock sale, \$350,000 will be used to finance expansion, and the balance for working capital and other corporate purposes. (File 2-44191)

ALLIED PRODUCTS CORPORATION, 208 S. LaSalle St., Chicago, Ill. 60604, filed a registration statement on May 11 seeking registration of 38,624 outstanding shares of common stock, which were acquired in 1968 in connection with the acquisition of Coz Chemical Corporation. Allied is a diversified industrial company which manufactures and distributes products ranging from epoxy molding powder to automotive metal stampings. (File 2-44193)

MODERN MERCHANDISING, INC., 3109 Hennepin Ave. So., Minneapolis, Minn. 55408, filed a registration statement on May 11 seeking registration of 450,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$35 per share maximum) through underwriters headed by Dain, Kalman & Quail Inc., 100 Dain Tower, Minneapolis, Minn. 55402, and Moore & Schley, Cameron & Co., 2 Broadway, New York. The company is principally engaged in selling general merchandise through catalog showrooms and in the business of publishing merchandise catalogs. (File 2-44194)

COROMETRICS MEDICAL SYSTEMS, INC., 473 Washington Ave., North Haven, Conn. 06473, filed a registration statement on May 10 seeking registration of 10,000 shares of common stock, to be offered for public sale by the company (\* at \$38.50 per share maximum) and 25,000 shares of common stock issuable pursuant to the company's stock option plans. The company is engaged principally in developing, producing and marketing medical electronic instruments for use in connection with pregnancies. Net proceeds will be used to repay short-term bank notes and for working capital and general corporate purposes. (File 2-44189)

OCEAN FINES CONDOMINIUMS, INC. (the Developer), Borderlinks Dr., at Ocean Parkway, Ocean City, Md. 21842, filed a registration statement on May 11 seeking registration of \$3,240,000 of condominium units in Borderlinks I Condominiums, located near the Ocean City, Maryland resort area, to be offered for public sale at from \$44,830 to \$55,165 per unit. (File 2-44192)

PHILADELPHIA ELECTRIC COMPANY, 2301 Market St., Philadelphia, Pa. 19101, filed a registration statement on May 11 seeking registration of \$100 million of first and refunding mortgage bonds, due 1998, to be offered for public sale at competitive bidding. Net proceeds will be used to partially repay short-term debt incurred for construction purposes (estimated at \$453 million for 1972). (File 2-44195)

BUD ANGLE, INC., 639 S. Sanborn Rd., Salinas, Calif. 93901, filed a registration statement on May 11 seeking registration of 550,000 shares of common stock, of which 50,000 are being offered for public sale by the company and 500,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$14 per share maximum) through underwriters headed by duPont Glore Forgan, Inc., Bank of America Center, San Francisco, Calif. 94104. The company is a producer of premium quality lettuce and celery. Of the net proceeds of its stock sale, \$455,000 will be applied toward acquisition of leasehold and fee interests in three farms, and the balance for working capital and general corporate purposes. (File 2-44196)

COMMONWEALTH TELEPHONE COMPANY, 100 Lake St., Dallas, Pa. 18612, filed a registration statement on May 11 seeking registration of 100,000 shares of common stock, to be offered for public sale (\*at \$27 per share maximum) through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York 10005. Net proceeds will be applied to the reduction of short-term bank loans. Construction expenditures for 1972 are estimated at \$9,650,000. (File 2-44198)

WESTERN MASSACHUSETTS ELECTRIC COMPANY, 174 Brush Hill Ave., West Springfield, Mass. 01089, filed a registration statement on May 11 seeking registration of \$30 million of first mortgage bonds, Series J, due 2002, to be offered for public sale at competitive bidding. A wholly-owned subsidiary of Northeast Utilities, the company will use the net proceeds to repay short-term borrowings (estimated at \$30 million) incurred to finance the company's construction program. Construction expenditures are estimated at \$45 million for 1972. (File 2-44200)

#### MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation and in the securities of Inter-Island Mortgage Corporation for the further ten-day period May 15-24, 1972, inclusive.

SECURITIES ACT REGISTRATIONS. Effective May 10. R. B. Jones Corporation, 2-42967.  
Effective May 11. Amerada Hess Corp., 2-44179; Baker, Fentress & Co., 2-43063; Centennial Corp., 2-43490, (90 days); Chesebrough-Pond's Inc., 2-43774; Eastern Air Lines, Inc., 2-43949; Filigree Foods, Inc., 2-43699; Fleetwood Enterprises, Inc., 2-43910; Fruehauf Finance Co., 2-43157; General Development Corp., 2-44137; The Gibson-Homans Co., 2-43487 (90 days); D. H. Holmes Co., 2-43758; The Procter & Gamble Co., 2-43958; Rite Aid Corp., 2-43855; Security Mortgage Investors, 2-43903; Squibb Corp., 2-44058; Standun Inc., 2-43790; State Automotive Distributors, Inc., 2-43417 (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 purposes of computing the registration fee.

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