



Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

(Prepared by the SEC Office of Public Information)

A Daily Summary of
S.E.C. Activities

(Issue No. 72-205)

FOR RELEASE October 27, 1972

SEC ADVISORY COMMITTEE ON INVESTMENT MANAGEMENT SERVICES SEEKS PUBLIC COMMENTS. At the request of the Advisory Committee on Investment Management Services for Individual Investors, which was established on October 12, 1972 (Securities Act Release No. 5321), the Commission is publishing the following memorandum:

"The Securities and Exchange Commission has appointed the undersigned as members of an Advisory Committee on Investment Management Services for Individual Investors. Besides conferring with the Commission and its staff, the Committee is seeking the comments and suggestions of the Bar and other interested persons. Since the Committee must conclude its business by January 6, 1972, it is essential that all comments and suggestions be received not later than November 22, 1972.

As indicated by Chairman Casey in the Commission's release of October 12, 1972, the Committee's general purpose is to assist the Commission in developing clearer policies and guidelines in the area of investment management services for individual investors. More specifically, the Committee will:

1. Advise the Commission on how various types of investment management services are set up and operated including those offered by broker-dealers, as well as by investment advisers.
2. Advise the Commission on (a) the extent to which the various types of services afford investors individual investment advice (i.e., "investment supervisory services," as defined in Section 202(a)(13) of the Investment Advisers Act of 1940); and (b) the criteria which should be used to determine whether individual investment advice is given.
3. Advise the Commission on the extent to which any conflicts of interest or other actual or potential abuses are presented by investment management services, including any problems that may arise in connection with advertising or suitability.
4. Determine whether any problems relating to broker-dealer and investment adviser regulation are presented by these services.
5. Review and evaluate Commission and staff positions on investment management services in light of information obtained by the Committee.
6. Advise the Commission as to what types of investment management services should and should not be subject to the Investment Company Act of 1940 and to recommend appropriate criteria or guidelines on which to base a determination in this regard.
7. Recommend with respect to those services for which regulation under the Investment Company Act is not deemed necessary, appropriate interpretations, rules, regulations, disclosures, guidelines or legislation under the Advisers Act or the Exchange Act or otherwise that may be necessary to protect investors.

All persons and organizations are invited to submit their comments and suggestions to the Committee. All submissions must be in writing (with 10 copies) so that they can be considered expeditiously by all members of the Committee. Please do not discuss named cases or individuals, since the Committee is not an ombudsman to represent a person or corporation with a pending matter or a past grievance.

Specific circumstances in terms of ABC Corporation, or Mr. X and Mr. Y are welcomed. Suggestions, comments or criticisms of a general nature are only as valid as the underlying facts; so specific (although anonymous) sets of precise facts are sought, together with your conclusion or recommendation based thereon.

The written material should be forwarded to the Advisory Committee on Investment Management Services for Individual Investors, c/o Securities and Exchange Commission, Washington, DC 20549, Attention: Alan Rosenblat, Chief Counsel, Division of Investment Company Regulation. All submissions will be available for public inspection. We welcome and will appreciate all comments and suggestions."

OVER

GREATER DISCLOSURE WILL AID INDIVIDUAL INVESTOR, SAYS CASEY

SEC Chairman William J. Casey told the 1972 Annual Report Awards meeting sponsored by Financial World in New York on Wednesday that while the quality and depth of reporting in annual reports has improved considerably in recent years, the SEC would like to see some of the clarity of presentation find its way into more disclosure documents filed with the Commission such as the prospectus. "We would like to see the kind of readable, concise and specific language that many companies use to describe their operations and their prospects in the annual report take the place of the legalese, the mumbo-jumbo and the boiler plate often used in the prospectus," he said.

"One of the biggest problems we see in the annual report," said Casey, "is imbalanced presentation, most often in the statement by the president or chief executive. A simple example might be where the company's financial statement reports record sales but little or no growth in earnings. In the statement at the front of the report, management decides to put emphasis on the record sales results, while providing a rather cursory explanation of why this growth in sales failed to produce any comparable movement in earnings. When the company makes a decision to arbitrarily build up some aspects of its financial results and to minimize others of equal or perhaps greater significance, it takes great chances with its credibility. Sooner or later, the analyst ignores the company's characterization of its results because he knows it will be arbitrary and unrepresentative. Instead, he resorts exclusively to the numbers in the report for information. Sooner or later, more and more stockholders begin to find unpleasant surprises in the financials or in the footnotes that were not adequately covered in management's presentation. When these things happen, credibility is eroded and confidence in management is diminished. Clearly, it is in a corporation's own best interests to provide users of its annual report with a concise, comprehensive and representative picture of operating results in its summary statement."

Casey said that the "hot issues" hearings conducted by the SEC has revealed that an unreadable prospectus is a danger to investors because in too many instances it presents meaningless information under the guise of disclosure.

COURT ENFORCEMENT ACTIONS

SIX ENJOINED IN PHILADELPHIA. The SEC Washington Regional Office announced on October 20 the filing of a complaint in the Federal court in Pennsylvania seeking to enjoin the following from violations of the hypothecation, net capital, bookkeeping and financial reporting provisions of the Federal securities laws: Albert & Maguire Securities Co., Inc., a Philadelphia, Pa. broker-dealer, Robert M. Maguire, Andrew Horvat, Jr., Melvin M. Browndorf, Bertram J. Burak, and Jaetano Peraisi, officers of the firm. Albert & Maguire, Horvat and Browndorf consented to the court order without admitting or denying the allegations. Donald M. Collins was appointed as trustee for liquidation of the business of Albert & Maguire. (LR-5575)

J. B. LORE & LCM CORP. ENJOINED. The SEC Chicago Regional Office announced that on October 13 the Federal court in Columbus, Ohio, had permanently enjoined James B. Lore and LCM Corporation, both of Columbus, from violations of the antifraud provisions of the Federal securities laws in connection with the offer, sale and purchase of promissory notes of various issuers. The defendants consented to the court order without admitting or denying the allegations. (LR-5576)

COMPLAINT CITES INVESTORS ASSOCIATES OF AMERICA, INC., OTHERS. The SEC announced on October 26 the filing of a complaint in the U.S. District Court in the Western District of Tennessee, seeking to enjoin Investors Associates of America, Inc., Investors Associates of America, an Arizona Partnership, Investors Associates of Mississippi, Inc., Clarence H. Hamilton, Jerry R. Hamilton, Bill H. Harper, Edward J. Blumenfeld, Jackson Municipals, Inc., and Cecil Lamberson from violations of the anti-fraud provisions of the Federal securities laws. The Commission's complaint alleges that the defendants engaged in a scheme to sell municipal bonds by means of fraudulent representations and omissions of material facts and high pressure, "boiler room" techniques at prices which were excessive and not reasonably related to the current market price. (LR-5583)

COMPLAINT FILED AGAINST CHARLES A. MORRIS & ASSOCIATES, OTHERS. The SEC announced on October 26 the filing of a complaint in the Western District of Tennessee, against Charles A. Morris & Associates, Inc. formerly known as Morris-Darley and Associates, Inc. and Tax Free Bonds, Inc., Charles A. Morris, Michael Patrick McTighe, Claude Dean Dillard, Edward Disbrow Morris, Ray Thomas Bauman, Charles T. Chicorelli, Jim Walker Cunningham, Jr., Ted L. Cutshaw, Ronald Lee Epperson, John William Ferrell, Gary Crizer Hottum, Steven Adams Lancaster, Roy G. Lovelace, Robert J. Phillips, Malcolm E. Ratliff, Roger Charles Russell, Donald Bryan Smith, and Roy Langston White. It is alleged in the Commission's complaint that the defendants employed "boiler room" sales techniques and, among other things, conducted high pressure sales campaigns through the concentrated use of long distance telephone calls to individuals whose names were obtained from various sources such as telephone books; employed salesmen with little or no experience or training; and urged customers to make quick investment decisions based on misrepresentations and omissions of material facts concerning, among other things: (a) the current market price of the securities offered, (b) the financial condition of the issuer of the securities offered, (c) the source and available supply of such securities, (d) the speculative nature of such securities, (e) the likelihood of default on payment of interest and principal of bonds offered, and (f) the availability of securities at "bargain" prices. The complaint further alleges that the defendants have been buying from and selling to customers, municipal bonds at prices not reasonably related to the current market price for such securities. (LR-5584)

INVESTMENT COMPANY ACT RELEASE

OLD LINE LIFE INSURANCE COMPANY. The SEC has issued a notice giving interested persons until November 13, 1972, to request a hearing on an application filed by Old Line Life Insurance Company of America, Life Insurance Investors, Inc. ("Fund"), a registered investment company, and certain affiliated persons of Fund for an order exempting from certain provisions of the Act the proposed merger of Old Line Life Insurance Company of America and NOL Life Insurance Company of America, a wholly-owned subsidiary of USLIFE Corporation, through the conversion of all the outstanding capital stock of Old Line Life Insurance Company of America into common stock of USLIFE Corporation and for an order permitting certain persons to participate with Fund in such merger. (Rel. IC- 7456)

SECURITIES ACT REGISTRATIONS

MERRILL BANKSHARES COMPANY, 2 Hammond St., Bangor, Me. 04401, filed a registration statement on October 13 seeking registration of 87,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of capital stock of Houlton Trust Company, at the rate of 4.35 shares for each Houlton share. Bankshares is engaged through subsidiaries in the general commercial banking business. (File 2-46036)

ADRs for GRAND METROPOLITAN HOTELS FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York 10015, filed a registration statement on October 13 seeking registration of 100,000 American Depositary Receipts for ordinary shares of Grand Metropolitan Hotels Limited, a British corporation. (File 2-46038)

INNOVATIVE COMMUNICATIONS INCORPORATED, 221 Park Ave. South, New York 10003, filed a registration statement on October 13 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$7.50 per share through underwriters headed by Ferkauf, Roggen Inc., 2 Pennsylvania Plaza, New York. The company was organized in March to acquire all the outstanding securities of Typographic Innovations, Inc., and is engaged in the sale of phototypesetting services, using electronic and computer-oriented typesetting equipment. Of the net proceeds of its stock sale, \$200,000 will be used for the purchase of additional phototypesetting and auxiliary equipment and the balance for working capital and other corporate purposes. (File 2-46040)

FIRST TENNESSEE NATIONAL CORPORATION, 165 Madison Ave., Memphis, Tenn. 38103, filed a registration statement on October 16 seeking registration of 250,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Crown Finance Corporation, at the rate of one share for each four Crown shares held. A bank holding company, First Tennessee owns four other commercial banks in Tennessee. (File 2-46043)

HUGHES TOOL COMPANY, 5425 Polk Ave., Houston, Tex. 77023, filed a registration statement on October 16 seeking registration of 5,000,000 outstanding shares of common stock, to be offered for public sale by the holder thereof (Summa Corporation, all of whose capital stock is owned by Howard R. Hughes). The offering is to be made (*at \$28 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, New York 10006. Hughes Tool (the company) was formed for the purpose of acquiring the business and assets of the Oil Tool Division of Summa Corporation, which company has been known until the date of this statement as Hughes Tool Company. There will be transferred to the company all assets used or connected with the operations and business of the Oil Tool Division, including the right to use the trade name "Hughes Tool Company." The company will issue 4,999,960 common shares to Summa Corporation in exchange for the assets of the Oil Tool Division. Upon completion of the offering, Summa Corporation will not own any common stock of and will have no financial interest in the company. (File 2-46042)

WISCONSIN POWER AND LIGHT COMPANY, 222 W. Washington Ave., Madison, Wis. 53701, filed a registration statement on October 16 seeking registration of 629,954 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of record on November 15, at the rate of one share for each ten shares (and * at \$21 per share maximum). The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York 10006, and Robert W. Baird & Co. Inc., 731 N. Water St., Milwaukee, Wis. 53201. Of the net proceeds of its stock sale, \$11,800,000 will be applied to payment of a portion of its short-term borrowings incurred for the financing of construction expenditures. Construction expenditures are estimated at \$43 million for 1972. (File 2-46044)

IOWA ELECTRIC LIGHT AND POWER COMPANY, Security Building, Cedar Rapids, Iowa 52401, filed a registration statement on October 16 seeking registration of 50,000 shares of cumulative preference stock (\$100 par) and 500,000 shares of common stock, to be offered for public sale at competitive bidding. Net proceeds will be applied to the company's construction program, which aggregates some \$77,200,000 for 1972 and \$65,500,000 for the years 1973-1974. (File 2-46045)

UMF SYSTEMS, INC., 5521 Grosvenor Blvd., Los Angeles, Calif. 90066, filed a registration statement on October 16 seeking registration of 350,000 shares of common stock, to be offered for public sale at \$7 per share through underwriters headed by Winkler, Cantor, Pomboy & Co., 485 Madison Ave., New York 10022. The company is primarily engaged in the engineering and marketing of systems and equipment relating to the use of ultra-high reduction microfiche and in related activities. Of the net proceeds of its stock sale, \$850,000 will be used for marketing expenditures and the balance for working capital and other corporate purposes. (File 2-46046)

OIL RESOURCES INCORPORATED, 210 Petroleum Bldg., Billings, Mont. 59101, filed a registration statement on October 16 seeking registration of 1,867,406 shares of common stock, 1,120,444 common stock purchase warrants and \$1,867,406 at 6% convertible subordinated debentures, due 1987. Such securities were issued in exchange for the properties, assets and business, subject to liabilities, of National Hospital Corp. (NHC) and are to be distributed for former stockholders of NHC, which company was liquidated and dissolved in February. Oil Resources is engaged in the exploration for oil, gas and minerals and related activities. (File 2-46052)

MIRACLE COMPANY, 135 W. 57th St., New York 10019, filed a registration statement on October 16 seeking registration of \$650,000 of pre-formation partnership interests, to be offered for public sale at \$13,000 per unit. The company is to be formed for the purpose of producing the dramatico-musical play entitled "What a Day for a Miracle," based on the novel entitled "Our Lives Have Just Begun," written by Henry Myers and the dramatic adaptation thereof by E. Y. Harburg and Henry Myers. Marshall Productions Incorporated is the general partner. (File 2-46053)

ADA OIL EXPLORATION CORPORATION, Adams Petroleum Center, 6910 Fannin, Houston, Tex. 77025, filed a registration statement on October 16 seeking registration of \$20 million of pre-formation partnership interests, to be offered for public sale at \$1,000 per unit. The offering is to be made on a best efforts basis by Ada Securities Corporation, an affiliate of Ada Oil. The Partnerships are to be formed for the purpose of purchasing and operating producing oil and gas properties. The company and K. S. Adams, Jr. will be the general partner. (File 2-46057)

FLORIDA POWER & LIGHT COMPANY, 4200 Flagler St., Miami, Fla. 33134, filed a registration statement on October 16 seeking registration of 600,000 shares of Series F cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. Net proceeds will be used to provide additional electric facilities and for other corporate purposes. Construction expenditures are estimated at \$1.2 billion for 1972-1974. (File 2-46058)

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:

Wm. E. Wright Co., West Warren, Mass. (File 2-46037) - 50,000 shares
 Campgrounds of America, Inc., Billings, Mont. (File 2-46039) - 37,500 shares
 J. C. Penney Company, Inc., New York, N. Y. (File 2-46041) - 73,000 shares
 Centennial Corporation, Grand Rapids, Mich. (File 2-46049) - 300,000 shares
 Victor Comptometer Corporation, Chicago, Ill. (File 2-46050) - 172,719 shares
 Weiman Co., Inc., Chicago, Ill. (File 2-46054) - 150,000 shares
 Barnett Banks of Florida, Inc., Jacksonville, Fla. (File 2-46055) - 40,000 shares
 Electro-Protective Corporation of America, Newark, N. J. (File 2-46056) - 77,000 shares

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in (a) the securities of Power Conversion, Inc. and Topper Corporation for the further ten-day period October 26 through November 4, inclusive, (b) the securities of Trans-East Air, Inc., First World Corporation, Accurate Calculator Corporation and Marketing Communications, Inc. for the further ten-day period October 27 through November 5, inclusive, (c) the securities of First Leisure Corporation and LDS Dental Supplies Inc., for the further ten-day period October 28 through November 6, inclusive and (d) the securities of Clinton Oil Company and Roosevelt Marina, Inc. for the further ten-day period October 29 through November 7, inclusive.

SECURITIES ACT REGISTRATIONS. Effective October 25: Airways Enterprises, Inc., 2-45164 (Dec 4); Caribbean Leisurewear, Inc., 2-45230; Dain, Kalman & Quail, Inc., 2-45422 (Jan 24); Elias Brothers Restaurants, Inc., 2-44701 (Jan 24); Florida Telephone Corp., 2-45708; Gilbert Flexi-Van Corp., 2-45806; Harte-Hanks Newspapers, Inc., 2-45796; Hilliard Oil & Gas, Inc., 2-45354 (90 days); Modular Ambulance Corp., 2-45088 (90 days); Molex Inc., 2-45659 (90 days); Northern Indiana Public Service Co., 2-45951; The Perkin Elmer Corp., 2-46007; Pfizer Inc., 2-45952; Portland General Electric Co., 2-45972; The Quaker Oats Co., 2-45958; Ralston Purina Co., 2-46017; Scotty's Home Builders Supply, Inc., 2-45763; Sportscoach Corp., 2-45293 (Jan 25); United Jersey Banks, 2-45397; United Missouri Bancshares, Inc., 2-45661.

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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