



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

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COMMISSION ANNOUNCEMENT

SEC COMPLETES OPERATIONS TEAM. Executive Director A. Jones Yorke today announced the appointment of John R. Youngs and L. Roger Smith as Securities Industry Operations Officers in the Commission's Division of Trading and Markets. Their appointments complete the staffing of a small expert group which will examine and appraise existing brokerage operational activities and related areas within the securities industry.

Mr. Yorke said that the group was established as the result of the Commission's Study of Unsafe and Unsound Practices which was submitted to the Congress in December of 1971. One of the elements which contributed to the industry's crisis of 1968-70 the report stated was an inadequate machinery for the control and delivery of securities and payment of funds.

One of the key recommendations of the report involved the necessity of establishing a modernized, nationwide securities processing and ownership transfer system which would not only serve to protect the investor but also would reduce costs of executing transactions. The SEC group, Mr. Yorke stated, will also examine model systems to assure that needed efficiencies for improving operational activities are feasible and look to eventual immobilization and/or elimination of the stock certificate.

Prior to joining the Commission on June 18, Mr. Youngs was a management consultant specializing in broker-dealer operations. Before that he was Vice President, Operations for the A. C. Israel Commodity Corporation, and First Vice President for Operation at Shearson Hammill.

Mr. Smith reported to the Commission on June 1. He had been consultant specializing in brokerage operations, including evaluation of business opportunities and investments for a number of brokerage firms. Before that he was Director for Application Planning for the New York Stock Exchange where he was involved in directing the design of plans for exchange automation.

They join Charles J. Doerrler, Jr. who was appointed to the specialized staff group last April. Mr. Doerrler came to the Commission from the W. E. Hutton Company where he had been Vice President for Operations.

SEC CITES WHITE & CO. The Commission has entered a second amending order in its pending administrative proceeding against White & Company of St. Louis, and others.

The Commission in its second amending order, alleged that the U. S. District Court for the Eastern District of Missouri had preliminarily enjoined White & Company and Edward A. White from violations of anti-fraud, net capital, and record keeping violations of the Federal securities laws, and had determined that customers of White & Company needed the protection of the Securities Investor Protection Act and had appointed a trustee to liquidate White & Company.

The Commission also alleged that the U. S. District Court for the Southern District of New York had permanently enjoined Ivan Ezrine from violating the registration and anti-fraud provisions of the Federal Securities laws and that Ezrine had been indicted on several provisions of the Federal securities laws in the Southern District of New York, and had plead guilty to the count of conspiracy to violate Regulation T on May 15, 1972 for which a one year suspended sentence was imposed by the Court.

The Commission further alleged that White & Company, Edward White and Julian White willfully violated the record keeping and supervisory provisions of the Securities Exchange Act of 1934 during the period August 1, 1971 to March 22, 1972.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto for the purpose of determining whether the allegations are true, and if so whether any action of a remedial nature should be ordered by the Commission.

DECISION IN ADMINISTRATIVE PROCEEDING

ANDREW B. ROSS BARRED. The SEC has sanctioned Andrew B. Ross, formerly vice president of Sutz & Ross, Inc., a broker-dealer in New York City whose registration was revoked, with its consent, in October 1971. (See News Digest of October 6, 1971). Ross was barred from association with any broker, dealer, investment company or registered investment adviser, on the basis of findings that during the period April-December 1969 he aided and abetted violations by the firm of various provisions of the Securities Exchange Act. It was found, among other things, that the firm had engaged in business while insolvent and in violation of the Commission's net capital requirements, that it had failed promptly to deliver securities and monies to customers, and that it had violated record-keeping, reporting and filing requirements. Ross, without admitting or denying the charges, consented to the findings and to the bar. (Rel. 34-9675)

OVER

JAMES E. CASEY BARRED. The SEC has issued an order barring James E. Casey, of Atlanta, from association with any broker or dealer. According to the Commission's decision, Casey, while employed as a securities salesman in 1969, sold unregistered stock of Glas-Foam Corporation ("GFC") and, in the offer and sale of that stock, made untrue and misleading statements concerning the financial condition, operations and prospects of GFC, the financial information available concerning the company, a prospective rise in the market price of GFC stock, the source of the stock being offered and sold, and his own transactions in GFC securities.

Casey consented to the findings against him and to the bar order. (Rel. 34-9676)

CASTALITE CORP. REG. A EXEMPTION SUSPENDED PERMANENTLY. The Commission has made permanent a prior order temporarily suspending a Regulation A exemption from registration with respect to a public offering of 320,000 shares of common stock of The Castalite Corporation, of Denver, Colorado.

The temporary suspension order had alleged that the notification and offering circular contained misleading and untrue statements with respect to competition with a proposed product of the company, the capability of a machine proposed to be purchased with part of the proceeds of the offering to produce a certain product, proposed litigation, consideration paid or to be paid for a proposed product and production facilities, and the background of the company's principal promoter. The order further alleged that, by reason of the above, the offering would be in violation of antifraud provisions of the Securities Act.

The issuer did not file an answer to the allegations of the temporary order and no hearing was requested. (Rel. 33-5280)

SUSPENSION OF AZTEC REGULATION A EXEMPTION MADE PERMANENT. The Commission has made permanent a prior temporary suspension of a Regulation A exemption from registration with respect to a public offering of common stock of Aztec Exploration and Development Company, Inc., Phoenix, Arizona, at \$1 per share. The temporary suspension order had alleged that the company's offering circular contained misleading and untrue statements with respect to the company's proposed and actual method of exploration, and its use of the proceeds of the offering.

No hearing was requested by the issuer, or ordered by the Commission, and the temporary suspension was made permanent pursuant to the Regulation. (Rel. 33-5281)

INVESTMENT COMPANY ACT RELEASE

PDI FUND, INC. The SEC has issued a notice giving interested persons until August 14 to request a hearing upon a proposal to issue an order declaring that PDI Fund, Inc., a Delaware open-end, diversified management investment company, has ceased to be an investment company. PDI's shareholders approved a resolution authorizing the exchange of its assets for shares of the Guardian Park Ave. Fund, Inc. on a relative net asset basis. (Rel. IC-7282)

HOLYOKE SHARES, INC. The SEC has issued an order declaring that Holyoke Shares, Inc., has ceased to be an investment company. (Rel. IC-7283)

HOLDING COMPANY ACT RELEASE

DELMARVA POWER & LIGHT COMPANY. The SEC has issued an order authorizing Delmarva Power & Light Company, a registered holding company, to issue and sell at competitive bidding \$30,000,000 of first mortgage and collateral trust bonds maturing in not less than 5 or more than 30 years from date of issue. Proceeds from the proposed sale of bonds will be applied toward the cost in 1972 of Delmarva's own construction program and that of its subsidiary companies (estimated to aggregate approximately \$120,000,000 in 1972) including the retirement of short-term notes and commercial paper issued prior to such sale. (Rel. 35-17651)

OHIO EDISON COMPANY. The SEC has issued an order authorizing Ohio Edison Company, Akron holding company, to issue and sell \$60,000,000 of bonds at competitive bidding and to issue \$423,000 of bonds for sinking fund purposes. Net proceeds will be used for construction purposes or improvement of service, or for repayment of unsecured short-term debt (estimated at \$32 million). Construction expenditures are estimated at \$125,288,000 for 1972. (Rel. 35-17562)

SECURITIES ACT REGISTRATIONS

BROWNING-FERRIS INDUSTRIES, INC., 1603 Fannin Bank Bldg., Houston, Tex. 77025, filed a registration statement on July 19 seeking registration of 900,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (* at \$32.50 per share maximum) through underwriters headed by E. F. Hutton & Co. Inc. The company is primarily engaged in providing solid waste management services, and in processing and recovery of salvageable materials, principally secondary paper fiber. (File 2-45068)

UNITED TELEPHONE COMPANY OF OHIO, 665 Lexington Ave., P. O. Box 1555, Mansfield, Ohio 44907, filed a registration statement on July 19 seeking registration of \$30 million of first mortgage bonds, Series X, due 2002, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc. A wholly-owned subsidiary of United Telecommunications, Inc., the company is engaged principally in furnishing telephone communication services. Net proceeds of its bond sale will be applied to the repayment of bank borrowings (expected to approximate \$28 million by August 1) and the balance will be used for other corporate purposes. (File 2-45070)

CONTINUED

STEER FEEDERS, INC., 208 Bank of the Southwest Bldg., Amarillo, Tex. 79109, filed a registration statement on July 19 seeking registration of \$1,211,616 of pre-organization partnership units, in Beef Feeders Program No. 1 (the Partnership), to be offered for public sale at \$400 per unit. The Partnership will be formed to purchase the Feed Lot from Arkansas Valley and lease it back to Arkansas Valley; the Partnership will engage in purchasing cattle, feeding primarily in the Feed Lot and marketing the finished cattle. Russell O. Ellsaesser and Steer Feeders, Inc. are the general partners. (File 2-45072)

DIGITAL COMMUNICATIONS, INC., 1301 Third St., South, St., Petersburg, Fla. 33701, filed a registration statement on July 19 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share by First Philadelphia Corp., 80 Wall St., New York 10005. The company is engaged in research, development, design and limited manufacture of specialized electronic communications equipment principally for the CATV and Master Antenna Television fields. Of the net proceeds of its stock sale, \$220,000 will be used for manufacturing facilities, equipment and related items and the balance for working capital and other corporate purposes. (File 2-45073)

DEQUIRE DISCOUNT CENTERS, INC., 309 Benjamin Fox Pavilion, Jenkintown, Pa. 19103, filed a registration statement on July 19 seeking registration of 200,000 shares of common stock and warrants to purchase 100,000 shares, to be offered for public sale in units, each consisting of two shares and one warrant. The offering is to be made at \$6.50 per unit by Custodian Brokerage Security Corp., 79 Wall St., New York City. The company operates self-service, cash and carry retail discount stores in Montreal, Canada. Of the net proceeds of its stock sale, \$100,000 will be used for leasing, equipping and furnishing additional stores all to be located in the Province of Quebec, Canada and the balance for working capital and other corporate purposes. (File 2-45074)

AMERICAN MEDICAL INTERNATIONAL, INC., 660 South Bonnie Brae St., Los Angeles, Calif., filed a registration statement on July 20 seeking registration of 617,839 shares of common stock, of which 531,914 are reserved for issuance upon conversion of \$25 million of 5½% guaranteed convertible bonds issued by American Medical International N.V., a wholly-owned Netherlands Antilles subsidiary of the company, and 85,925 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 (* \$44 per share maximum). The company operates medical laboratories, furnishes inhalation therapy equipment and services and other ancillary services to hospitals and produces patient-counseling motion pictures. (File 2-45075)

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:

- Apco Oil Corporation, Oklahoma City, Okla. (File 2-45069) - 50,000 shares
- Honeywell Inc., Minneapolis, Minn. (File 2-45071) - 350,000 shares
- Waste Management, Inc., Oak Brook, Ill. (File 2-45076) - 220,000 shares
- Bank Building & Equipment Corporation of America, St. Louis, Mo. (File 2-45077) - 50,000 shares

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of (a) exchange and over-the-counter trading in the common stock of Ecological Science Corporation for the further ten-day period July 22-31, inclusive, (b) over-the-counter trading in the securities of Continental Vending Machine Corporation and Inter-Island Mortgage Corporation for the further ten-day period July 24 through August 2, inclusive, and (c) exchange and over-the-counter trading in the common stock of Canadian Javelin Ltd., and over-the-counter trading in the common stock of Meridian Fast Food Services, Inc. for the further ten-day period July 25 through August 3, inclusive.

SECURITIES ACT REGISTRATIONS. Effective July 20: Cambridge Memories, Inc., 2-44342 (Oct 18); Cubic Corporation, 2-44973; Delmarva Power & Light Company, 2-44794; Ecodyne Corporation, 2-44506 (Oct 19); Hariyn Products, Inc., 2-44076 (Oct 18); Institutional Investors Trust, 2-42646 (Oct 18); Jetlands Corp., 2-44414 (90 days); Kolpak Industries, Inc., 2-42476 (90 days); Pacific Resources, Inc., 2-44601; Pan American Bancshares, Inc., 2-44141; Truck-O-Matic, Inc., 2-43633 (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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