



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

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## COMMISSION ANNOUNCEMENTS

COMMISSION TO ANNOUNCE REGULATORY PROCEEDING WITH RESPECT TO MEMBERSHIP ON EXCHANGES FOR NONPUBLIC PURPOSES. The SEC on July 28 released the following statement concerning membership on registered securities exchanges for nonpublic purposes:

On May 26, 1972, the Commission requested the nation's registered securities exchanges to adopt, modify or supplement their rules, in the public interest, for the protection of investors and to insure the fair administration of the exchanges, by requiring all exchange members to have the primary purpose of conducting a public securities business on these exchanges. The Commission requested this change in rules, among other things, as part of its efforts to evolve a unified central market structure.

Since May 26 -- the date of the Commission's request -- the Commission has had a number of informal discussions with representatives of the nation's securities exchanges concerning the Commission's request that the exchanges alter, modify or supplement their rules. As a result of these conversations, it appears unlikely that the exchanges will adopt or modify their rules by July 31, 1972, as originally requested by the Commission, and it appears to the Commission that a number of issues, worthy of comment by persons interested in the future structure of the securities market, have been raised. Accordingly, the Commission will announce shortly the institution of an appropriate regulatory proceeding, pursuant to authority vested in the Commission under the Securities Exchange Act of 1934, for the purpose of assisting the Commission in its efforts to resolve the policy questions raised by membership on exchanges for nonpublic purposes. (See 34-5716)

TRADING BAN IN ILLUSTRATED WORLD ENCYCLOPEDIA LIFTED. The SEC on July 28 announced that the suspension of exchange and over-the-counter trading in the common stock of Illustrated World Encyclopedia, Inc. (IWE), a New York corporation with its principal offices in Beverly Hills, California, terminated at midnight on July 28, 1972. However, the halt in trading entered by the American Stock Exchange against IWE on April 24, 1972 will continue.

The Commission originally suspended trading in IWE and Crescent General Corporation (Crescent General) on July 14, 1972 for a ten-day period through July 23, 1972. Such suspension was continued on July 23, 1972. Both the original Commission suspension and the extension were ordered by the Commission because of questions raised concerning certain transactions between IWE, its subsidiaries, affiliates and management and because of the staff's inquiry into various aspects of these transactions and related matters which caused the Commission concern. The trading suspension entered by the Commission for Crescent General is to continue. (Rel. 34-9704)

AUTEK CONTROL SYSTEMS, INC., REGULATION A EXEMPTION PERMANENTLY SUSPENDED. Hearing Examiner Ralph Hunter Tracy has filed an initial decision which makes permanent a prior order temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to an offering of 100,000 shares of common stock by Autek Control Systems, Inc., of Miami, Florida. The Examiner found that Autek failed to comply with the terms and conditions of Regulation A in that, among other things, it failed to file a revised offering circular, failed to file a report on the offering on Form 2A and failed to cooperate with the Commission. The Examiner found, also, that the Regulation A exemption was unavailable because the underwriter's broker-dealer registration had been revoked in separate proceedings in 1971. The decision is subject to review by the Commission on its own motion or on petition of the parties.

## DECISION IN ADMINISTRATIVE PROCEEDING

NASD ACTION AGAINST FIRST PHILADELPHIA CORP. AND PRESIDENT AFFIRMED. The SEC has issued a decision sustaining the \$2,500 fine imposed by the NASD on First Philadelphia Corporation, a New York City broker-dealer, and Alvin Abrams, its president, for violating the NASD's Rules of Fair Practice by failing to maintain various books and records.

The Commission rejected the argument of the firm and Abrams that any fine in excess of \$1,000 was invalid because only a single duty to maintain records had been breached and \$1,000 was the maximum fine authorized for each violation by the NASD's Rules then in effect. The Commission held that "each failure to make or keep current a particular record constitutes a separate violation for which the maximum fine is permissible." It further held that the \$2,500 fine was not excessive in light of the firm's previous record-keeping deficiencies. (Rel. 34-9686)

OVER

INVESTMENT COMPANY ACT RELEASE

AMERICAN AFFILIATES, INC. The SEC issued a notice giving interested persons until August 23 to request a hearing upon an application of American Affiliates, Inc. of South Bend, Indiana, for an order declaring that it is primarily engaged in a business or businesses other than that of investing, owning, holding or trading in securities. (Rel. IC-7302)

SECURITIES ACT REGISTRATIONS

HI-PLAINS CATTLE FUND, INC. (the general partner), Box 29A, Route 2, Friona, Tex. 79035, filed a registration statement on July 25 seeking registration of \$5 million of limited partnership interests in a series of limited partnerships, to be offered for public sale in minimum amounts of \$5,000 through selected NASD members. The Partnerships are to be organized for the purpose of engaging in purchasing, feeding and marketing cattle. (File 2-45116)

THE LTV CORPORATION, 1600 Pacific Ave., P.O. Box 5003, Dallas, Tex. 75222, filed a registration statement on July 25 seeking registration of 2,000,000 shares of common stock purchase warrants, expiring 1978. It is proposed to offer such warrants in exchange for presently outstanding warrants of Wilson & Co., Inc., an LTV subsidiary, expiring 1978, at the rate of one new warrant for each outstanding Wilson warrant. LTV is engaged through subsidiaries primarily in the steel and ferrous metal products, meat and foods and aerospace businesses. (File 2-45123)

UNDER SEA INDUSTRIES, INC., 3105 E. Harcourt, Compton, Calif. 90221, filed a registration statement on July 26 seeking registration of 150,000 shares of common stock, to be offered for public sale (\*at \$11 per share maximum) through underwriters headed by Birr, Wilson & Co., Inc., 155 Sansome St., San Francisco, Calif. 94104. The company designs and sells aquatic sport diving equipment manufactured by itself and others. Of the net proceeds of its stock sale, \$500,000 will be used to repay short-term bank borrowings, and the balance for working capital and other corporate purposes. (File 2-45125)

PAY 'N PAK STORES, INC., 1209 S. Central Ave., Kent, Wash. 98031, filed a registration statement on July 26 seeking registration of 203,750 shares of common stock, of which 200,000 are to be offered for public sale by the company and 3,750 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$26 per share maximum) through underwriters headed by duPont Glove Forgan Inc., 555 California St., San Francisco, Calif. 94104. The company is engaged in the retail sale of complete lines of quality home improvement products. Of the net proceeds of its stock sale, \$3,400,000 will be used to reduce the company's short-term bank debt, and the balance for other corporate purposes. (File 2-45127)

MAGNESS 1972 DRILLING FUND, LTD. (the Partnership), 3535 Northwest 58th St., Oklahoma City, Okla. 73112, filed a registration statement on July 26 seeking of \$5,000,000 of limited partnership interests, to be offered for public sale in minimum amounts of \$10,000 by selected NASD members. The Partnership is engaged in the exploration for oil and gas. Magness Petroleum Company is the general partner. (File 2-45129)

MEGADATA COMPUTER AND COMMUNICATIONS CORPORATION, 10 Evergreen Place, Deer Park, N. Y. 11729, filed a registration statement on July 26 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share by Abbott L. Glasser & Co., Inc., 120 Broadway, New York 10005. The company is engaged in the manufacture and sale of data display equipment and related products in the computer peripheral field. Net proceeds will be used for working capital and other corporate purposes. (File 2-45130)

PERIPHERAL EQUIPMENT CORP., 215 Little Falls Rd., Fairfield, N. J. 07006, filed a registration statement on July 26 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share by G. L. Equities Corp., 79 Wall St., New York 10005. The company intends to conduct the business of manufacturing and distributing a line of devices having to do with computers and motors. Net proceeds will be used for working capital and other corporate purposes. (File 2-45131)

PREDICTOR MANAGEMENT CORPORATION, 45 S. Main St., West Hartford, Conn. 06107, filed a registration statement on July 26 seeking registration of 75,000 shares of common stock, to be offered for public sale at \$7 per share. No underwriting is involved. The company through a subsidiary is engaged in business as an investment adviser. Of the net proceeds of its stock sale, \$155,000 will be used to increase advertising for its advisory services and the balance for working capital and other corporate purposes. (File 2-45132)

CONTINUED

REBCO WEST, INC., 1456 Chico Ave., South El Monte, Calif. 91733, filed a registration statement on July 26 seeking registration of 200,000 shares of common stock, to be offered for public sale (\*at \$5 per share maximum) through underwriters headed by J. D. Winer & Co., Inc., 5 Hanover Square, New York 10004. The company designs, assembles, and sells a broad variety of specialized architectural and hardware components used in commercial building construction. Of the net proceeds of its stock sale, \$300,000 will be utilized for the acquisition, development and establishment of new product lines, and the balance for working capital and other corporate purposes. (File 2-45124)

BROWN'S LIMOUSINE SERVICE, INC., 161-15 Rockaway Blvd., Jamaica, N. Y. 11434, filed a registration statement on July 26 seeking registration of 250,000 shares of common stock, to be offered for public sale at \$3 per share by Scott, Gorman, O'Donnell & Co., Inc., Time and Life Bldg., Rockefeller Center, New York. The company furnishes ground transportation services for airline crews and passengers from locations in the New York City area to and from the airports. Of the net proceeds of its stock sale, \$250,000 will be used to construct and equip a maintenance and garage facility and the balance for working capital and other corporate purposes. (File 2-45133)

MICHIGAN FUND, TAX-EXEMPT MUNICIPAL INVESTMENT TRUST, FIRST SERIES, filed a registration statement on July 26 seeking registration of \$8,250,000 of units. The Fund is the first of a proposed series of similar but separate trusts, created under an indenture between E. F. Hutton & Company Inc., and Manley, Bennett, McDonald & Co., as sponsors, and United States Trust Company of New York, as trustee. The Fund is a diversified portfolio of interest-bearing municipal bonds, the interest on which is, in the opinion of recognized bond counsel, exempt from certain Michigan taxes and all Federal income tax. The bonds are obligations of the State of Michigan, counties, municipalities, authorities or political subdivisions thereof or of certain U.S. territories or possessions. (File 2-45134)

CRESTLINE FINANCIAL CORPORATION, 222 W. Baltimore, Jackson, Tenn. 38301, filed a registration statement on July 26 seeking registration of 339,683 shares of common stock, of which 250,000 are to be offered for public sale by the company and 89,683 (being outstanding shares) by the holders thereof. The offering is to be made at \$5 per share. No underwriting is involved. The company is primarily engaged in making direct installment loans in purchasing installment sales contracts and in writing related insurance policies. Net proceeds will be used for general corporate purposes. (File 2-45136)

SOUTHERN SCOTTISH INNS, INC., 2100 St. Charles Ave., New Orleans, La. 70140, filed a registration statement on July 26 seeking registration of 600,000 shares of common stock, to be offered for public sale (\*at \$8 per share) through underwriters headed by Adams & Peck, 120 Broadway, New York 10005. Organized in 1971, the company is engaged in the ownership and operation of budget motels under franchise agreements with Scottish Inns of America, Inc. Of the net proceeds of its stock sale, \$615,000 will be used to purchase 150-room units with related facilities and equipment and the balance for working capital and other corporate purposes. (File 2-45137)

MIRACLE RECREATION EQUIPMENT COMPANY, West Highway 6, Grinnel, Iowa 50112, filed a registration statement on July 26 seeking registration of 285,000 shares of common stock, of which 84,500 are to be offered for public sale by the company and 200,500 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$12 per share maximum) through underwriters headed by Piper, Jaffray & Hopwood Inc., 115 S. 7th St., Minneapolis, Minn. 55402, and First Mid America Inc., 100 Continental Bldg., Omaha, Neb. 68502. The company is engaged in the manufacture and sale of playground equipment, park service equipment and stadium seating products. Net proceeds will be used for construction and equipping of additions to its manufacturing plants (\$370,000) and to repay a portion of short-term bank indebtedness. (File 2-45138)

MISTA-MATIC CORPORATION, wholly-owned subsidiary of Delco Corporation, 534 Merrick Rd., Lynbrook, N. Y. 11563, filed a registration statement on July 26 seeking registration of 225,000 shares of common stock and warrants to purchase 225,000 shares of common stock, to be offered for subscription by holders of common stock of Delco, in units each consisting of one share and one warrant, and at the rate of one unit for each four shares held. The offering is to be made at \$4 per unit; unsubscribed units will be offered for public sale by Cannon, Jerold & Co., Inc., 77 Water St., New York 10005. The company is engaged in the limited manufacture and marketing of an automatic battery operated aerosol spray dispensing system together with related aerosol chemical specialty products. Of the net proceeds of its stock sale, \$270,000 will be used in partial payment of principal and interest on outstanding promissory notes and the balance for working capital and other corporate purposes. (File 2-45139)

FLAGSTAFF CORPORATION, 600 Madison Ave., New York 10022, filed a registration statement on July 26 seeking registration of 814,490 shares of common stock, of which 400,000 are to be offered for public sale by the company and 414,490 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$15 per share maximum) through underwriters headed by Wertheim & Co., Inc., 1 Chase Manhattan Plaza, New York 10005, and Kidder Peabody & Co. Inc., 20 Exchange Pl., both of New York 10005. The company is primarily engaged in the distribution of food products to institutional customers in the food service or food "away-from-home" market. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-45140)

REINELL INDUSTRIES, INC., 14219 35th Ave., N.E., Marysville, Wash. 98270, filed a registration statement on July 26 seeking registration of 175,000 shares of common stock, of which 75,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holder thereof, Frank B. Lynott, board chairman. The offering is to be made (\*at \$17 per share maximum) through underwriters headed by Mitchum, Jones & Templeton, Inc., 555 S. Flower St., Los Angeles, Calif. 90071 and Foster and Marshall Inc., 205 Columbia St., Seattle, Wash. 98104. The company manufactures fiberglass pleasure boats. Of the net proceeds of its stock sale, \$500,000 will be used to pay the remaining construction costs of new facilities, and the balance for working capital and other corporate purposes. (File 2-45141)

WYNN OIL COMPANY, 1151 W. 5th St., Azusa, Calif. 91702, filed a registration statement on July 26 seeking registration of 365,000 shares of common stock, of which 117,250 are to be offered for public sale by the company and 247,750 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$30 per share maximum) through underwriters headed by duPont Glore Forgan Inc., 833 Wilshire Blvd., and Shearson, Hammill & Co. Inc., 515 S. Flower St., both of Los Angeles, Calif. The company is primarily engaged in the production and sale of petrochemical special products, specialty-styled automotive wheels and accessories, and safety helmets. Of the net proceeds of its stock sale, \$500,000 will be used to repay short-term indebtedness, and the balance for working capital and other corporate purposes. (File 2-45143)

DREWRY PHOTOCOLOR CORPORATION, 211 S. Lake St., Burbank, Calif. 91502, filed a registration statement on July 27 seeking registration of 240,000 shares of common stock, of which 60,000 are to be offered for public sale by the company and 180,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$13.50 per share maximum) through underwriters headed by Bateman Eichler, Hill Richards Inc., 460 S. Spring St., Los Angeles, Calif. 90013. The company is engaged in processing a wide variety of color and black and white still films and movie films for the amateur photography market. Of the net proceeds of its stock sale, \$270,000 will be applied to purchase additional photographic processing equipment and modify existing equipment and facilities, and the balance for other corporate purposes. (File 2-45144)

#### MISCELLANEOUS

CORRECTION RE DELIVERY PERIOD FOR SWEDLOW INC. The SEC News Digest of June 5 incorrectly stated that the period of time dealers are required to use the prospectus in trading transactions involving securities of Swedlow Inc., 2-43684, as 90 days. Pursuant to Rule 174(b) of the General Rules and Regulations under the Securities Act of 1933, there is no such requirement.

TRADING SUSPENSION CONTINUED. The SEC has ordered the further suspension of exchange and over-the-counter trading in the common stock of Ecological Science Corporation for the further ten-day period August 1-10, inclusive.

SECURITIES ACT REGISTRATIONS. Effective July 27: Chanin Development Corp. & Wonder Modular Systems, Inc., 2-43500 (Oct 25).  
Effective July 28: Alvarado Cattle Fund, Inc., 2-42380 (90 days); Criterion Insurance Co., 2-44831 (40 days); The Dow Chemical Co., 2-44789 & 2-44901; Investors Funding Corp. of New York, 2-40444; Mylan Laboratories Inc., 2-41892 (90 days); Oxford Pendaflex Corp., 2-41450; Pope & Talbot, Inc., 2-44505; Reliance Oil Corp., 2-43743; The Stuart McGuire Co., Inc., 2-44325; Tomlinson Oil Co., Inc., 2-43943 (90 days); Tymshare, Inc., 2-44989; United National Corp., 2-44977; Vernitron Corp., 2-42771; Wangco Inc., 2-44724.

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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