

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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COMMISSION ANNOUNCEMENT

COUNSEL'S FINANCIAL INTERESTS SHOULD BE DISCLOSED. The SEC today announced the issuance of a guide to the preparation of Securities Act registration statements which calls for the disclosure of financial interests of counsel for the issuer, underwriters or selling security holders. Where counsel is named in the prospectus as having passed upon legal matters in connection with the registration or offering of securities, disclosure should be made of such information so that potential investors "may judge for themselves the independence and objectivity of such counsel." The guide calls for disclosure of any interest in the issuer presently held or to be acquired in connection with the registration or offering, including security holdings or acquisitions, or the holding or acquisition of options, warrants or rights to purchase securities; but no such disclosure is required if the aggregate amount of the interest owned, received and to be received does not exceed \$30,000 to all members of or attorneys employed by the firm and not more than \$10,000 for any one of such individuals. Where the activities of counsel in organizing, managing or promoting the venture are such as to constitute counsel a "promoter", "finder" or "executive officer," disclosure thereof should be made notwithstanding the absence of an official title. (For further details, see Release 33-5094).

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SANCTIONS IMPOSED ON FORMER McDONNELL EMPLOYEES. The SEC today announced a decision under the Securities Exchange Act (Release 34-9001) in which it imposed sanctions on seven former employees of McDonnell & Company, former New York securities firm, for violations of the federal securities laws (McDonnell's registration was revoked in April 1970).

Russell J. Hibbetts, Oakhurst, N. J., Richard J. Stout, West Palm Beach, Fla., and Franklin M. Froelich, Elberon, N. J., salesmen in McDonnell's Asbury Park office, were suspended from association with any broker-dealer for a period of five, three and three months, respectively, for violations of the anti-fraud provisions of the securities laws in connection with the offer and sale of common stock of Norsul Oil and Mining, Ltd. in January 1969. Clinton G. Hough, Asbury Park, N. J. former manager of the Asbury Park office was suspended for a period of 15 business days for failure to exercise proper supervision. All consented to the sanctions without admitting the allegations.

James Ivey, Grafton, Wisc., and John D. Duffy, Mt. Holly, N. J. former salesmen in McDonnell's New York office were suspended from association with any broker or dealer for periods of 90 days and 6 months, respectively, for violating the anti-fraud provisions of the securities laws in connection with the offer and sale of common stock of Waltham Industries during the period August 1968 and May 1969. Cedric C. Shearer, Jr., New York, former McDonnell regional sales manager, was censured for failing reasonably to supervise the branch manager and salesmen in complying with the Federal securities laws with a view of preventing or promptly terminating sales of Waltham stock in connection with which anti-fraud provisions were violated. Ivey and Duffy, consented to the Commission's action without admitting the allegations.

The several respondents consented to the imposition of the sanctions without admitting the violations. The suspensions of Hibbetts, Stout, Ivey and Duffy are effective October 20 and the suspensions of Hough and Froelich on October 26.

SIMULATED MATERIALS SUSPENSION PERMANENT. The SEC today announced a decision under the Securities Act (Release 33-5095) making permanent a prior order temporarily suspending a Regulation A exemption from registration with respect to a public offering of stock by Simulated Materials, Inc., of Merrimac, Mass. According to the Commission's decision the use of the offering circular by Simulated operated as a fraud upon purchasers of the securities by reason of untrue and misleading statements in that, among other things, it failed to state that a purchase order described therein was a contingent order and that products shipped pursuant to the purchase orders had been returned to the company as unacceptable; and that Simulated had falsely stated that if \$300,000 was not deposited in escrow by March 30, 1970, the full purchase price would be returned to investors and the offering terminated. In the offer and sale of Simulated stock, false and misleading statements were made concerning the profits to be derived from the sales of the issuer's product, the production capacity of the issuer, marketing arrangements made with leading casket companies, and the market in the issuer's stock after the completion of the offering.

OVER

SECURITIES ACT REGISTRATIONS

AGWAY PROPOSES OFFERING. Agway Inc., 333 Butternut Dr., De Witt, N. Y., filed a registration statement (File 2-38615) with the SEC on October 16 seeking registration of \$12,000,000 of 7% subordinated debentures, due 1995, \$4,000,000 of 6½% subordinated debentures, due 1987, \$7,000,000 of 6% subordinated debentures, due 1979, 15,000 shares of 6% cumulative preferred stock (\$100 par) and 4,000 shares of membership common stock (\$25 par). The 7% debentures are to be offered for sale at 100% of principal amount only to members of the company and the membership common stock at \$25 per share only to persons entitled to membership in the company (farmers and cooperative organizations of farms who desire to do business with the company). The 6½% and 6% debentures are to be offered for public sale at 100% of principal amount and the preferred stock at \$100 per share. No underwriting is involved.

The company is an agricultural cooperative engaged in product manufacturing, processing and distribution, wholesale purchasing and the marketing of commodities for its farmer members and other patrons. Of the net proceeds of its financing \$4,000,000 will be used for the redemption of outstanding securities, \$3,300,000 to reduce long-term indebtedness, \$7,000,000 for possible acquisitions, \$1,000,000 to retire a portion of short-term bank debt, \$2,400,000 to finance a portion of current working capital needs, and \$6,859,000 for replacement and additions to property, plant and equipment; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 107,961 common shares. Harold G. Soper is board chairman and Jonathan Davis president.

VESTART PROPOSES OFFERING. Vestart, Inc. (the "general partner"), 14701 Detroit Ave., Lakewood, Ohio 44107, filed a registration statement (File 2-38619) with the SEC on October 19 seeking registration of \$5,000,000 of partnership interests in the Vestart Art Investment Program (the "Partnership"), to be offered for subscription in minimum amounts of \$1,000. The offering is to be made on a best efforts basis by Baystate Securities, Inc., and selected NASD members; the underwriting terms are to be supplied by amendment. The company has agreed to pay Baystate Securities \$10,000 for expenses. The Partnership is to be organized to acquire high-priced, fine art works for resale at a profit and as investments for appreciation. Gerard N. Altieri is board chairman and chief executive officer and A. John Riccio president.

IRI PROPERTIES PROPOSES OFFERING. IRI Properties Corp. (the "general partner"), 295 Madison Ave., New York, N. Y. 10017, filed a registration statement (File 2-38623) with the SEC on October 19 seeking registration of \$10,000,000 of limited partnership interests in American Property Investors (the "Partnership") to be offered for public sale in \$2,500 units. The offering is to be made on a best efforts basis by Kelly & Morey, Inc., a wholly-owned subsidiary of Integrated Resources, Inc., which will receive a \$212.50 per share selling commission. The Partnership is to be organized for the purpose of engaging in the business of investing in real estate; a minimum of 90% of such investments will be in income-producing improved real property. The general partner is a 98% owned subsidiary of Integrated Resources, Inc. Joel M. Pashcow is president of the general partner. Selig A. Zises and Jay H. Zises, officers of the parent company, own an aggregate of 25% of its outstanding common stock.

QUALIDEX FUND PROPOSES OFFERING. Qualidex Fund, Inc., 3151 3rd Ave., North, St. Petersburg, Fla. 33713, filed a registration statement (File 2-38624) with the SEC on October 19 seeking registration of 10,000 shares of common stock, to be offered for public sale at net asset value (\$100 per share maximum*) during the charter period (the first 90 days of the offering). A minimum purchase of 50 shares is required. Subsequent to the charter period, shares are to be offered at net asset value plus a 3.9% sales charge. The Fund was organized as an open-end, diversified investment company whose investment objective is to approximate the performance of the Dow Jones Industrial Stock Average by investing primarily in stocks comprising the Average. Qualidex, Inc. will serve as investment adviser and distributor of Fund shares. Philip G. Hunt is president of the Fund.

LIBERTY HOMES FILES FOR SECONDARY. Liberty Homes, Inc., P. O. Box 608, Syracuse, Ind. 46567, filed a registration statement (File 2-38625) with the SEC on October 20 seeking registration of 684,873 outstanding shares of common stock. These shares are to be offered for public sale by the holders thereof through underwriters headed by Dean Witter & Co. Incorporated, 33 North Dearborn St., Chicago, Ill. 60602. The offering price (\$20 per share maximum*) and underwriting terms are to be supplied by amendment. According to the prospectus, one of the purposes of the stock sale is to provide a public market for the company's common stock.

The company is engaged in the design, manufacture and distribution of mobile homes which are sold exclusively on a wholesale basis. In addition to indebtedness, it has outstanding 3,000,000 common shares, of which Edward J. Hussey, president, owns 85.8%. He proposes to sell 515,125 of 2,575,627 shares held and eight others (including six officers) the remaining shares being registered.

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:

- Philips Industries Inc., Dayton, Ohio 45431 (File 2-38616) - 646,000 shares
- Arcata National Corporation, Menlo Park, Calif. 94025 (File 2-38617) - 250,000 shares
- Gino's Inc., King of Prussia, Pa. (File 2-38618) - 50,000 shares
- Programmed Proprietary Systems, Inc., Mineola, N. Y. (File 2-38620) - 60,000 shares
- Leisure Dynamics, Inc., Minneapolis, Minn. 55435 (File 2-38621) - 115,000 shares
- Standard International Corporation, Andover, Mass. 01810 (File 2-38622) - 853,912 shares

CONTINUED

MISCELLANEOUS

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 October 5 News Digest.

8K Reports for Aug 70

Servair Inc. (11,13)	0-3853-2	Far West Financial Corp July 70	
Wagner Mining Equipment Inc. (12,13)	2-36383-2	(12)	1-4923-2
Wells Fargo & Co. (12)	1-6214-2	Penn Central Co. (3)	1-6134-2
Wisconsin Public Service Corp. (7,8,12,13)	1-3016-2	Pennsylvania Life Company (11,12,13)	0-3553-2
William Bond, Inc. July 70(12)	0-4367-2	Union Electric Co. (13)	1-2967-2
Earl Scheib, Inc. (11,12,13)	1-4822-2	Slater Electric Inc. (7,8)	0-2444-2
Trans Caribbean Airways, Inc. May 70 & Jun 70(12,13)	1-3922-2	Southwestern Research & Gen'l Invst Co. Jul 70(13)	0-3910-2
Weight Watchers International, Inc. (12)	0-3389-2	Southern Ry Co. (7,13)	1-743-2
Alpha Industries, Inc. July 70 (12,13)	1-5560-2	Buck Engineering Co., Inc. July 70 (4,7,13)	0-4815-2
Aquitaine Co. of Canada Ltd. July 70(12,13)	1-6050-2	California Medical Centers Jun & Jul 70(12)	0-3661-2
Diversified Realty Inc. July 70(7)	0-2864-2	California Shopping Centers, Inc. May 70(10,11,13)	0-4870-2
Seismic Computing Corp. (9,13)	0-3399-2	Deuterium Corporation (3) Jul 70	2-19075-2
Servo Corp of America Jul 70 (7,8,12)	1-3925-2	Pacific Tin Consolidated Corp(12)	1-228-2
UMC Industries, Inc. (12)	1-4202-2	Packaging Systems Corp (2,7,13)	2-31237-2
Racon Inc. (3)	0-2142-2	Computer=Optics, Inc. Apr 70(12,13)	0-4783-2
Twin Americas Agricultural & Industrial Developers, Inc. (7)	2-28917-2	Equitable Real Estate Invst. Trust July 70(3,13)	0-1605-2
Alcon Laboratories, Inc. July 70 (11,12,13)	0-1662-2	Fidelity Real Estate Invst Trust July 70(3,13)	0-1929-2
First Surety Corporation July 70(1)	0-1064-2	Florida-Vanderbilt Development Corp Jun 70(2,11,12,13)	0-4551-2
Parkway Distributors Inc. (11,12)	1-6282-2	Time Industries, Inc. (2,13)	2-34850-2
Showboat, Inc. (12)	0-3971-2	Western Pacific RR Co. (12,13)	1-681-2
The Ti Corp (of California)(9)	1-6182-2	Heritage Enterprises Inc(7)	2-32164-2
U. S. Industries, Inc. (7)	1-3772-2	National Shoes Inc Jun 70(11)	0-2197-2
F. W. Woolworth Co. (4,7,13)	1-238-2	Nationwide Industires Inc(12)	0-3626-2
Coro, Inc. Jan 70(4,10,13)	1-1609-2	North American Planning Corp(1, 2,7,8,13)	0-3859-2
Feb 70(1,2,7,11,13)	1-1609-2	Telecredit Inc(11,13)	0-3934-2
Surety Life Ins. Co. (9,12)	2-16075-2	General Mills Inc(7,13)	1-1185-2
Package Machinery Company (7,8,13)	0-577-2	Imoco-Gateway Corp(7,10,11,12)	1-5806-2
Berkshire Gas Co. Sept 69(11)	0-1867-2	Mercantile-Safe Deposit and Trust Co (1,2,11,14)	0-388-2
Puget Sound Power & Light Co.(7)	1-4393-2	Michigan General Corp(7,8,12,13)	1-6167-2
Sunnydale Farms, Inc. (2,13)	1-6045-2	Transmedia International Corp(2, 7,13)	2-32930-2
American Biomedical Corporation Jun 70(2,7,13)	0-4741-2	Institutional Investor Systems Inc (12)	2-33362-2
Public Service Co. of Indiana, Inc. (7)	1-3543-2	Niagara Mohawk Power Corp(7,13)	1-2967-2
Universal Major Industries Corp (11,13)	1-6224-2	Scottex Corp(7)	0-4648-2
Pantasote Company (9,13)	1-5339-2	Lionel Corp(4,7,8,13)	1-3197-2
Shell International Finance N.V. 6K for Aug 70	1-5503-2	King Resources Co(3,6,10,12,13)	0-3084-2
		Lectro Computer Leasing Corp(7, 13)	1-6266-2
		Orbanco Inc(12,13)	0-3907-2

8K Reports for Aug 70

Commonwealth Tel Co of Va May 70 (7)	0-2424-2	GFI-Computer Industries Inc(12, 13)	0-3323-2
H Miller and Sons Inc(1)	2-34504-2	Noel Industries Inc(2,13)	0-4411-2
Molecular Research Inc(7,13)	0-3540-2	General Computing Corp(1,3)	0-4665-2
Norlin Corp (6K)	1-6139-2	Investors Unlimited Inc(12,13)	0-2202-2
Pizza Inn Inc May 70(10,11,13)	0-4734-2	Roosevelt National Investment Co (2,13)	0-4362-2
Royal Castle System Inc(12,13)	0-2276-2	Texas Oil & Gas Corp(7)	1-4995-2
North Central Airlines Inc(7,13)	0-831-2	General Educational Services Corp (7)	0-3885-2
Sparti Drug Corp(2,8,11,13)	0-2313-2	Gourdine Systems Inc(12,13)	2-34217-2
Andersen - 2000 Inc Jul 70(11,13)	2-32531-2	Jersey Central Power and Light Co (10)	1-3141-2
Geon Industries Inc(7,13)	2-32201-2	Sheller-Globe Corp(9,13)	1-4172-2
Liberty Equities Corp(3,12,13)	0-2258-2	Bankers Trust Jul 70(13)	0-1610-2
National Western Life Insur Co (11,13)	2-17039-2	Greater Arizona Savings & Loan Assoc (11,12,13)	0-2840-2
General Development Corp(3,7)	1-4080-2	Hess's Inc(12,13)	0-3759-2
International Systems Associates Ltd Sept 70(11,13)	0-4973-2	I-T-E-Imperial Corp(12)	1-5679-2
Stanwick Corp(3)	1-6061-2	NB Corp(2,13)	0-4534-2
Superscope Inc Jul 70(9)	1-5307-2	Standard Pressed Steel Co(12)	1-4416-2
Williamette Industries Inc(4,12, 13)	0-3730-2	Roxbury Carpet Co Amdt #1 for May 70 (13)	0-3214-2
Commonwealth Gas Co Sept 69(12)	0-728-2	Scot's Inn Management Co Amdt #1 for Feb 70(2)	0-3174-2
General Cable Corp(12)	1-1094-2	Susquehanna Corp Amdt #1 for Jun 70 (13)	1-5515-2
General Motors Corp(3,8,12,13)	1-143-2	Trans East Air, Inc Amdt. #1 to 8K for June 1970 (13)	0-347-2
Harrell International Inc Jul 70 (2,13)	0-2661-2	Electronized Chemicals, Inc Amdt. #1 to 8K for Aug. 1969 (13)	0-1415-2
Metromedia Inc(8)	1-4649-2		
Missouri Fidelity Union Trust Life Insur Co (3,11,13)	2-18951-2		
Visual Art Industries Inc(11,12)	1-5791-2		
Mississippi River Corp(13)	1-3599-2		
Palomar Financial(1,2,13)	0-1873-2		
Great Southwest Corp(6,13)	0-100-2		
International Business Machines Corp (3)	1-2360-2		
Masco Corp(7,12,13)	1-5794-2		

SECURITIES ACT REGISTRATIONS. Effective October 20: The Detroit Edison Co., 2-38517; First Florida Bancorporation, 2-38435 (40 days); Greenman Bros. Inc., 2-38247 (40 days); The Hanna Mining Co., 2-38518; Intermedco Inc., 2-37254 (90 days); Kermit Bloomgarden Productions, Inc., 2-37598; Lloyd's Shopping Centers, Inc., 2-36675 (Jan 18); Michigan Wisconsin Pipe Line Co., 2-38447 (40 days); PEC Industries, Inc., 2-37835 (90 days); Pennco Enterprises, Inc., 2-36144 (90 days); The Singer Co., 2-38557; The Wickes Corp., 2-38424.

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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