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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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FOR RELEASE January 4, 1972

COMMISSION ANNOUNCEMENT

ORDER CITES ELITE INVESTMENTS, OTHERS. The Commission issued an order for public proceedings under the Securities Exchange Act with respect to Elite Investments, Inc., of Beverly Hills, Cal., and Arnold Poliskin, an incorporator of the firm also of Beverly Hills, Richard Thomas Gomez, former director and president of Elite, and Jerold Zukor also former director and secretary-treasurer. Elite was registered as a broker-dealer from April 11, 1971 to November 12, 1971 when its withdrawal from registration became effective.

The order is based on allegations of the Commission's staff that during a period from February to November 1971 respondents filed Form BD, application as broker-dealer with the Commission, which contained inaccurate statements including, among other things, that (a) no person other than those named in the application directly or indirectly exercised a controlling influence over the management policies of Elite, when in fact Poliskin who was not so named, did directly exercise such a controlling influence, (b) no person other than those named in the application wholly or partially financed Elite's most recent Form BD, Poliskin, who is not so named, held an ownership interest in Elite; in addition respondents filed with the Commission false and misleading statements as part of its application for registration with respect to, among other things, cash in Fidelity Bank was falsely reported at \$35,032.82 and \$29,058.82 on February 4, and 28, 1971 respectively but did not reflect a debt owing by registrant to Fidelity in amount of \$25,000 on an outstanding loan collateralized by 8,600 shares of Pacific Coast Medical Enterprises.

A hearing will be set forth by further order of the Commission to determine whether the allegations are true and to afford respondents opportunity to establish any defenses thereto, and to effect such remedial action, if any, as appropriate in the public interest.

SUSPENSION OF STEPHEN GOLDBERG POSTPONED. The SEC has issued an order postponing the suspension of Stephen Goldberg from being associated with a broker or dealer for a period of 45 days so as to commence with the opening of business on January 3, 1972. The original order of suspension was scheduled to commence on December 27, 1971. (Rel. 34-9430A)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM ET AL. The Commission issued an order authorizing the issuance and sale of unsecured short term promissory notes, to banks, dealers in commercial paper and/or to New England Electric System or Massachusetts Gas Company by New England Electric and certain of its subsidiary companies from time to time through December 31, 1972. The aggregate amounts to be outstanding at any one time are not to exceed \$33 million and \$15 million respectively in the case of New England and Mass Gas. The proceeds of the proposed borrowings are to be used by each borrowing company to pay its then outstanding notes payable to banks, dealers in commercial paper etc. and to provide new money for capital expenditures or reimburse its treasury therefor, and for other corporate purposes. (Rel. 35-17418)

THE COLUMBIA GAS SYSTEM INC. The Commission issued an order authorizing the issuance and sale by The Columbia Gas System Inc. of New York to seven banks, of \$100 million of its unsecured promissory notes, of which \$50 million will mature on May 25, 1972 and \$50 million on January 25, 1973. Columbia will apply the proceeds of these bank borrowings to repay previously authorized bank borrowings of \$100 million which become due Feb., 25, 1972. The company contemplates that the funds required to retire its proposed notes and to finance its 1972 construction program, estimated at \$253,482,000 will be obtained from the sale of securities during 1972. (Rel. 35-17420)

WESTERN MASSACHUSETTS ELECTRIC COMPANY. The Commission issued an order authorizing issuance and sales of notes by Western Massachusetts Electric Company to banks and dealers in commercial paper from time to time but not later than June 30, 1973 in an amount not to exceed \$45,600,000. The company intends to utilize the proceeds of the sale of its notes for construction expenditures estimated at \$38,100,000 for 1972 and \$28,500,000 for 1973. (Rel. 35-17414)

EASTERN UTILITIES ASSOCIATES. The Commission issued an order authorizing the issuance and sale of notes by Eastern Utilities Associates of Boston, and four of its subsidiaries, not to exceed an aggregate of \$65.9 million. The proceeds from the proposed notes and advances will be used to meet cash requirements for construction to provide funds for compensating balances with lending banks through January 2, 1973 and to pay outstanding short-term loans at or prior to maturity. (Rel. 35-17415)

INVESTMENT COMPANY ACT RELEASES

OVER

E. I. DUPONT DE NEMOURS AND COMPANY. The Commission issued an order granting an application by E. I. DuPont De Nemours and Company of Wilmington exempting from the provisions of Sections 6(c), 17(a) and 17(d) of the Investment Company Act, a transaction whereby certain subsidiaries and affiliates of applicant propose to become participants in (1) a transaction involving mining ventures, principally in Mexico, and (2) future joint mining ventures. The transactions involve Christians Securities Company, a registered closed-end investment company which owns 28.4% of the outstanding common stock of Applicant DuPont Canada, a Canadian corporation, Ducanex Resources, Limited, and Lacanex Mining Company. Under Section 2(a) (9) of the Act, Applicant, DuPont of Canada, and Ducanex are all presumed to be controlled by Christians; under Section 2(a) (3) of the Act, Applicant, DOC and Ducanex are also affiliated persons of Christians, and Lacanex is an affiliated person of Ducanex. DOC, Ducanex, and Lacanex are among those parties directly participating in the proposed mining ventures. (Rel. IC-6923)

CALIFORNIA WESTERN STATES LIFE INSURANCE CO. The Commission issued an order giving interested persons until January 20, 1972 to request a hearing on application of California-Western States Life Insurance, Co. and Cal-Western Variable Fund C., for an order exempting them from the provisions of Section 27(c)(2) of the Investment Company Act, which prohibits a registered investment company or a depositor or underwriter for such company from selling periodic payment plan certificates unless the proceeds of all payments, other than sales load, are deposited with a bank having the qualifications prescribed and held by it as trustee or custodian under an indenture or agreement containing in substance, the provisions required by Sections 26(a)(2) and (3) for a unit investment trust. (Rel. IC-6924)

CONSULTANT'S MUTUAL INVESTMENTS, INC. The Commission issued an order giving interested persons until January 20, 1972 to request a hearing on application of Consultant's Mutual Investments, Inc., of Philadelphia for an order granting a temporary exemption from certain provisions of the Investment Company Act. To the extent that Sections 2(a)(4) and 15 of the Act may be construed to require that the contracts under which Burnham Corporation is to serve as Applicant's investment adviser and distributor must automatically terminate upon the incorporation of Burnham, Applicant seeks a temporary exemption from the provisions of those sections; such exemption to continue only until such time as the shareholders of the Fund may vote in the next meeting of shareholders, either annual or special, upon the continuation of the contracts. (Rel. IC-6925)

SHEARSON APPRECIATION FUND. The Commission issued an order giving interested persons until January 17, 1972 to request a hearing on application of The Shearson Appreciation Fund, Inc., and The Shearson Capital Fund, Inc., of New York, for an order providing that Harry W. Knight, a director of each of the Funds, shall not be deemed an "interested person" of the Funds, principal underwriter (or of the Funds) within the meaning of Section 2(a)(19) of the Investment Company Act solely by reason of his status as a director of INA Life Insurance Company of New York. INA has three wholly-owned subsidiary corporations which are registered broker-dealers under the Securities Exchange Act of 1934; Knight's connection with the three broker-dealers is through INA, which is a parent of the corporation of which he is an outside director and is also the parent of the broker-dealers. (Rel. IC-6927)

ISRAEL DEVELOPMENT CORPORATION. The Commission issued an order giving interested persons until Jan. 20 to request a hearing on application of Israel Development Corporation of New York for an order permitting joint participation by Israel and Ampal-American Israel Corporation in an exchange offer to be made in connection with the voluntary reorganization of Sefen Ltd., a corporation organized and existing under the laws of the State of Israel. It is proposed that Sefen be reorganized by forming a new company to be called Industries and Investments of Sefen Limited which will function as the parent and holding company for Sefen and various other proposed business ventures, such reorganization to be accomplished through the voluntary exchange of Sefen's voting securities, including the "B" shares held by Israel and Ampal on a one-for-one basis, for shares of Industries. (Rel. IC-6920)

IMPERIAL EQUITY CORPORATION. The SEC has issued an order declaring that Imperial Equity Corporation, Minneapolis, Minn., has ceased to be an investment company as defined in the Act. (Rel. IC-6921)

TRUST INDENTURE RELEASE

AMERICAN AIRLINES. The SEC has issued a notice giving interested persons until January 19, 1972, to request a hearing upon an application of American Airlines, Inc., for a finding that the trusteeships of Bankers Trust Company under two existing indentures of American not qualified under the Act, under one existing indenture so qualified and under a new indenture of American not to be so qualified is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Bankers Trust from acting as trustee under any of such indentures. Bankers Trust is presently acting as trustee under trust agreements dated October 20, 1967, September 15, 1969, and June 1, 1970 relating to the financing of various Boeing aircraft leased to American. American has financed the acquisition of two McDonnell Douglas aircraft by placing with one or more institutional investors some \$20 million of certificates which are expected to be issued pursuant to an indenture (1971 indenture) not to be qualified under the Act. American desires to appoint Bankers Trust to act as trustee under the 1971 indenture.

HAWAIIAN ELECTRIC. The SEC has issued an order under the Trust Indenture Act of 1939 on an application of Hawaiian Electric Company, Inc., finding that the trusteeship of Bishop Trust Company, Limited under an indenture of the company dated March 1, 1967, which was qualified under the Act and its trusteeship under a mortgage indenture, dated January 1, 1970, of Hilo Electric Light Company, Limited, a wholly-owned subsidiary of Hawaiian Electric, under which first mortgage bonds were issued and guaranteed by Hawaiian Electric and which indenture was not qualified under the Act, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Bishop from acting as trustee under both indentures.

CONTINUED

SECURITIES ACT REGISTRATIONS

RIKER-MAXSON CORPORATION, 280 Park Ave., New York, N. Y. 10017, filed a registration statement on Dec. 22 seeking registration of \$7,500,000 of convertible subordinated debentures, due 1992, to be offered for public sale through underwriters headed by Bear, Stearns & Co., One Wall St., New York, N. Y. 10005. The company is engaged in the design, development, manufacture and sale of electronic and electrical components and related systems, and in certain areas of the communications industry. Of the net proceeds of its debenture sale, \$5 million will be applied as reduction of that amount of indebtedness to institutional lenders and the balance will be used for working capital and other corporate purposes. (File 2-42660)

SUN LIFE OF CANADA (U.S.) VARIABLE ACCOUNT A (File 2-42679) and VARIABLE ACCOUNT B (File 2-42680), 131 State St., Boston, Mass., filed registration statements seeking registration of \$5 million each of individual variable annuity contracts sold by Sun Life Assurance Company of Canada (U.S.). Account A contracts are designed for use in connection with retirement plans which meet the requirements of Sections 401, 403(a) or 403(b) of the Internal Revenue Code. (File 2-42679 and 2-42680)

MERIT ASSOCIATES, INC., 224 South St., Freehold, N. J. 07728, filed a registration statement on Dec. 23 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share by R. A. Wolk & Co., Inc. and Gotham Securities Corp., both of 605 Third Ave., New York, N. Y. 10016. The company was organized in December 1970 for the purpose of engaging in research, development and marketing of proprietary products and training aids related to sports and leisure fields. To date, the company's efforts have been in connection with a golf putter, which it has begun to market. Of the net proceeds of its stock sale, \$100,000 will be used for marketing and promotion of the putter and the balance for working capital and other corporate purposes. (File 2-42681)

IRWIN WEINBERG RARITIES, INC., 752 United Penn Bldg., Wilkes-Barre, Pa. 18701, filed a registration statement on December 27 seeking registration of 100,000 shares of common stock, to be offered for public sale (* at \$15 per share maximum) by Braun, Yampell & Hess, 25 Broad St., New York, N. Y. 10004. The company is engaged in the purchase and sale for appreciation of stamps. Of the net proceeds of its stock sale, \$700,000 will be used to retire outstanding bank loans and the balance for working capital and other corporate purposes. (File 2-42682)

UNITED MEDICAL SERVICES, INC., 3546 N. Jackson St., Atlanta, Ga. 30336, filed a registration statement on December 27 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$5 per share by Lehman, Bartel & Co., Inc., 30 East 60th St., New York, N. Y. 10022. The company was incorporated in June 1970 to own and operate a diversified management company in the health care field. Net proceeds from the stock sale will be used to establish multiphasic screening operations and for other stipulated corporate purposes. (File 2-42683)

CASCO NORTHERN CORPORATION, One Monument Sq., Portland, Me. 04111, filed a registration statement on December 27 seeking registration of 1,068,512 shares of common stock and 23,425 shares of \$7 cumulative convertible preference stock (\$80 stated value). Casco-Northern is offering three shares of its common stock in exchange for each of the 200,000 outstanding shares of Casco Bank and Trust Company--an aggregate maximum of 600,000 shares of common stock of Casco-Northern. Casco-Northern is also offering two shares of its common stock and one-tenth of one share of its preference stock in exchange for each of the 234,256 outstanding shares of capital stock of Northern National Bank, an aggregate maximum of 468,512 shares of common stock and 23,245 shares of preference stock of Casco-Northern. The offer is contingent on Casco-Northern acquiring at least 80% of the outstanding shares of both Banks. (File 2-42684)

MIDLAND GLASS COMPANY, Cliffwood Ave., Cliffwood, N. J. 07721, filed a registration statement on Dec. 27 seeking registration of 647,679 outstanding shares of common stock offered by selling shareholders through underwriters headed by Bear, Stearns & Co., One Wall St., New York, N. Y. 10005. The company is engaged in the manufacture and sale of non-returnable glass bottles for the beer and soft drink industries. Madison Fund, Inc. proposes to sell 250,000 shares, Paul Revere Life Insurance Company, 125,000 shares and others the remaining shares to be sold. (File 2-42685)

MISCELLANEOUS

TRADING BAN CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of Ecological Science Corporation for the further ten-day period January 4-13, 1972, inclusive.

SECURITIES ACT REGISTRATIONS. Effective December 30: Bell Telephone Co. of Pennsylvania, 2-42565 and 2-42566; The Cambridge Appreciation Fund, Inc., 2-35114; Continental Coffee Co., 2-42532; Daylin, Inc., 2-42451; Diamond Crystal Salt Co., 2-42325; Ion Equipment Corp., 2-41912 (90 days); Kaweck Berylco Industries, Inc., 2-42612; Kumagai Gumi Co., Ltd., 2-42651; Land/Vest Properties 1971 Ltd. Partnership, 2-41126; Michigan Tax Exempt Bond Fund Seventh Series, 2-42533; Oklahoma Gas and Electric Co., 2-42393; Northern Virginia Bankshares Inc., 2-41733 (90 days); Rexham Corp., 2-42518 (90 days); Santa Anita Consolidated, Inc., 2-41421; Texas Electric Service Co., 2-42552; Tejas Gas Corp., 2-41485 (90 days); Tri-Chem, Inc., 2-41885; Unimed, Inc., 2-42398; Warnaco Inc., 2-42674.

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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