

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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FOR RELEASE December 30, 1969

HOWETT, OTHERS SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8785) suspending Howett, Inc., of Annapolis, Md., from engaging in a securities business for 10 business days, commencing with the opening of business January 5 (or from January 5 through January 16), for violations of the Federal securities laws. Suspended for a like period were Vernon F. Wetter, president of the firm, Ronald D. Carpenter, Sr., a registered representative, and Terry G. Vane, former registered representative. All consented to the ten-day suspension, but without admitting or denying the violations.

According to the Commission's decision, Howett and the individual respondents violated the registration and anti-fraud provisions of the Federal securities laws in the offer and sale between December 1, 1968, and January 24, 1969, of Class "A" common stock of Middle Atlantic Investment Company ("issuer") in that they (a) used a prospectus relating to issuer's securities which failed to meet the requirements of Section 10 of the Securities Act in that it contained a financial statement as of a date which was more than sixteen months prior to such use, without disclosing that deficiency; and (b) made false and misleading statements of material facts in the use of said prospectus, which stated that the issuer's deficit was approximately \$22,000.00 when, in fact, such deficit as at December, 1968, was approximately \$80,000.00.

In mitigation, Howett, Wetter and Carpenter asserted among other things that they believed that the issuer's prospectus was being properly used, that when they received actual notice to the contrary all sales of the issuer's stock were stopped, and that all money collected from subscribers beginning December 1, 1968 was refunded; and Vane asserted that he did not understand that the absence of a more recent financial statement required suspension of sales of the issuer's stock.

RUTBERG & CO. RECEIVES SANCTION. The SEC today announced a decision under the Securities Exchange Act (Release 34-8786) in which it suspended Rutberg & Company, Inc., of New York City, from trading in U. S. Government securities for three months, and suspended Sam J. Rutberg, its president, from association with any broker-dealer firm for six months, both effective January 1, 1970. The Commission found that they engaged in certain activities involving the purchase and sale of U. S. Treasury and federal agency securities which violated the anti-fraud provisions of the Federal securities laws; the Rutberg firm and Rutberg consented to the imposition of the indicated sanctions without admitting the violations. According to the Commission's decision, during the period December 1963 through November 1967, the two respondents and certain securities traders employed by other firms caused purchases and sales of government securities to be made to and from certain banks, brokers and dealers through secret accounts administered by Rutberg at Rutberg Co. for the benefit of such traders in order to obtain trading profits while concealing their beneficial interest in such transactions. Respondents received trading profits and commissions in connection with such transactions. In addition, respondents extended credit and conferred substantial benefits on traders who were directing business to and effecting transactions with respondents on behalf of their employers, and respondents also received commissions in connection with those transactions. Previously, on March 11, 1969, the two respondents consented to a Federal court order of injunction against effecting transactions in government securities in violation of the said antifraud provisions.

B/D FINANCIAL REPORT MODIFICATIONS PROPOSED. The SEC today announced a proposal to amend its Form X-17A-10 financial report form for broker-dealers and related instructions and invited the submission of views and comments thereon not later than January 21, 1970 (Release 34-8782). The amendments are mostly technical in nature and will not require the filing of additional financial information. They are designed primarily to aid in maintaining statistical continuity of the data to be compiled from the reports over a period of time and to clarify questions which have arisen regarding the reporting requirements.

PITTSBURGH, PBW EXCHANGES MERGE. The SEC has issued an order granting an application of the Pittsburgh Stock Exchange for withdrawal of its registration as a national securities exchange, by reason of its being merged into and absorbed by the Philadelphia-Baltimore-Washington Stock Exchange, and declaring acquisition by the Philadelphia-Baltimore-Washington Stock Exchange effective December 30, 1969. The order was conditioned upon the records of the Pittsburgh Stock Exchange being maintained in a conveniently accessible place for five years.

CENTRAL POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16569) authorizing Central Power and Light Company, Corpus Christi, Tex. subsidiary of Central and South West Corporation ("Central"), to issue and sell \$25,000,000 of first mortgage bonds, Series K, due 2000 at competitive bidding. Central Power will use the net proceeds of its bond sale to finance its construction program (including repayment or prepayment of borrowings from banks and from Central incurred therefor, which aggregated \$8,375,000 at September 30). Construction expenditures are estimated at \$46,000,000 for 1970.

OVER

COMPASS FUNDS RECEIVE ORDER. The SEC has issued an order under the Investment Company Act (Release IC-5940) exempting Compass Growth Fund, Inc., and Compass Income Fund, Inc., New York mutual funds, and the four principal distributors of their shares from the "pricing" provisions of Section 22(d) of the Act so as to permit the sale of the Funds' shares without a sales charge to officers, directors and bona fide full-time employees and full-time sales representatives and to any trust, pension, profit-sharing or other benefit plan for such persons. The shares are offered to the public at net asset value per share plus a sales charge.

GOLD-PAK MEAT FILES FOR OFFERING AND SECONDARY. Gold-Pak Meat Co., Inc., 3163 East Vernon Ave., Los Angeles, Calif., filed a registration statement (File 2-35721) with the SEC on December 22 seeking registration of 210,000 shares of common stock, of which 178,000 are to be offered for public sale by the company and 32,000 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Mitchum, Jones & Templeton, Inc., 510 S. Spring St., Los Angeles, Calif. 90013; the offering price (\$12.50 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to sell the Mitchum firm, for \$75, five-year warrants to purchase 7,500 shares.

The company is an integrated producer and processor of beef products. Of the net proceeds of its sale of additional stock, \$1,750,000 will be used to reduce short term debt incurred for working capital purposes and the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 735,520 common shares, of which Irving I. Gronsky, board chairman and president, owns 97.4%; he proposes to sell 32,000 of 716,451 shares held.

STANDARD OIL (OHIO) TO SELL DEBENTURES. The Standard Oil Company (OHIO), Midland Bldg., Cleveland, Ohio, filed a registration statement (File 2-35722) with the SEC on December 22 seeking registration of \$150,000,000 of debentures, due 2000, to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged in all phases of the petroleum business, including exploration for and production of crude oil and natural gas and the manufacture, transportation and marketing of petroleum products. Part of the net proceeds of its debenture sale will be applied to payment of short-term indebtedness estimated at \$60,000,000; the balance will be added to the company's general funds and will be available for capital expenditures and other corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 13,394,250 common shares and 425,344 special common shares (\$1000 par). A. W. Whitehouse, Jr. is president and C. E. Spahr board chairman.

FURN-A-KIT TO SELL STOCK. Furn-A Kit, Inc., 1308 Edward L. Grant Highway, Bronx, N. Y., filed a registration statement (File 2-35723) with the SEC on December 22 seeking registration of 120,000 shares of common stock, to be offered for public sale on a best efforts basis through Buckingham Securities, Inc., 21 West St., New York 10006. The offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$20,000 for expenses and to sell it, for one mil per warrant, four-year warrants to purchase one share for each ten shares sold. The company has also agreed to sell Reuben J. Aronson, counsel for the company, like warrants to purchase 3,000 shares.

The company manufactures prefabricated precision "do-it-yourself" furniture kits of cabinet woods for residential and commercial interiors. Of the net proceeds of its stock sale, \$150,000 will be used for obtaining additional or larger plant facilities and the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 359,900 common shares (with an 8c per share book value) of which Mark J. Furst, board chairman and president, owns 72%, Robert Fellner, vice president, 18% and Herbert S. Furst, director, 10%.

WINCHESTER NORTH TO SELL DEBENTURES. Winchester North, Inc., Northway Mall, Pittsburgh, Pa. 15237, filed a registration statement (File 2-35724) with the SEC on December 22 seeking registration of \$7,500,000 of 8.4% convertible subordinated debentures due 1994, to be offered for public sale at 100% of principal amount. The offering is to be made on a best efforts basis through Winchester Securities Corporation, Northway Mall, Pittsburgh, Pa. 15237, which will receive a 10% selling commission.

The company was organized in July 1968 for the purpose of buying, selling, leasing, developing and managing real estate. It acquired and owns 31 acres or more of undeveloped land in McCandless Township, Pa. Net proceeds of its debenture sale will be used in connection with the development of the McCandless property. The company has outstanding 300,000 common shares, of which management officials as a group own 19.03%. George R. Rutledge is president.

FLEETWOOD ENTERPRISES FILES FOR OFFERING AND SECONDARY. Fleetwood Enterprises, Inc., 3125 Myers St., Riverside, Calif. 92503, filed a registration statement (File 2-35725) with the SEC on December 22 seeking registration of 314,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 114,000 (being outstanding shares) by the present holder thereof. The offering is to be made through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005; the offering price (\$32 per share maximum*) and underwriting terms are to be supplied by amendment.

The company through subsidiaries designs, manufactures and sells low and medium priced mobile homes under the names "Fleetwood," "Festival," "Broadmore" and "Barrington," medium and low priced travel trailers under the names "Terry" and "Prowler," and medium priced motor homes under the name "Pace-Arrow." Of the net proceeds of its sale of additional stock, \$1,400,000 will be used to retire short-term bank borrowings incurred to provide working funds and the balance will be used for expansion of existing facilities and construction of new facilities. The company has outstanding 2,836,000 common and 1,914,000 Class B common shares. John C. Crean, board chairman, and president, owns all of the Class B common stock and proposes to sell 114,000 shares (to be converted into an equal number of common shares).

INDUSTRIAL STOCK AVERAGE FUND PROPOSES OFFERING. Industrial Stock Average Fund, Inc., 140 Broadway, New York 10007, filed a registration statement (File 2-35727) with the SEC on December 22 seeking registration of 2,000,000 shares of common stock, to be offered for public sale at \$10 per share with no sales charge. The Fund is an open-end diversified investment company seeking income and capital growth through pro-rata investments in common stocks comprising the Dow-Jones Industrial Average. I.S.A. Management, Inc. ("ISA"), a wholly-owned subsidiary of Arthur Lipper Corporation ("ALC"), will furnish statistical and administrative services and act as distributor of Fund shares. Howard S. Klotz is president of the Fund and ISA and vice president of ALC.

TIDEWATER MARINE SERVICE FILES FOR OFFERING AND SECONDARY. Tidewater Marine Service, Inc., 3308 Tulane Ave., New Orleans, La. 70119, filed a registration statement (File 2-35728) with the SEC on December 22 seeking registration of 200,000 shares of common stock, of which 55,817 are to be offered for public sale by the company and 144,183 (being outstanding shares) by the present holders thereof. The offering is to be made through underwriters headed by Eastman Dillon, Union Securities & Co., 570 Broad St., Newark, N. J. 07102, and Reinholdt & Gardner, 506 Olive St., St. Louis, Mo. 63101; the offering price (\$25 per share maximum*) and underwriting terms are to be supplied by amendment.

The company through subsidiaries and affiliates is principally engaged in supplying marine equipment and services to major international oil companies, domestic oil companies, service and construction companies and other firms engaged in the exploration for, and development and production of, oil and gas and other minerals. Net proceeds of its sale of additional stock will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 3,786,840 common shares, of which management officials as a group own 15.3%. John P. Laborde is board chairman and president. Peter V. Guarisco (a director) and Victor Guarisco propose to sell 35,000 shares each of 167,778 and 78,750 shares held, respectively and 15 others (including two directors) the remaining shares being registered.

GREATER WASHINGTON INVESTORS RECEIVES CERTIFICATE. The SEC has issued an order under the Investment Company Act (Release IC-5944) certifying to the Secretary of the Treasury that Greater Washington Investors, Inc. and Greater Washington Industrial Investments, Inc., each a District of Columbia closed-end, non-diversified management investment company, are principally engaged in the furnishing of capital to other corporations which are principally engaged in the development or exploitation of inventions, technological improvements, new processes or products not previously generally available.

SALE OF A K ELECTRIC STOCK ENJOINED. The SEC New York Regional Office announced December 10 (LR-4513) that the U. S. District Court in New York had entered orders of preliminary injunction against the sale of stock of A. K. Electric Corp. by the following in violation of the Securities Act registration provisions: Harold Bass, Joseph Garahan, Alfred Dallago, Commercial Factors, Ltd., Commercial Factors, Inc., Continental Diversified Industries, Inc., Benjamin Johnson, John J. Carson and Norma Henkel. The orders also enjoined Bass and Dallago from violations of the Securities Act anti-fraud provisions. A court order of permanent injunction was issued against violations of the registration provisions by Max Bernstein.

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 (please give News Digest "Issue No." in ordering). 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 December 4 News Digest.

8K Reports for Nov. 69

Leasepac Corp. (11)	0-4081-2	Monarch Electronics	
Mill Factors Corp.		International Inc.	
(12,13)	1-4340-2	(11)	1-5497-2
Tiffany Ind. Inc.		Mystic Valley Gas Co.	
(2,7,13)	2-31129-2	(3)	2-10637-2
		North Shore Gas Co.	
Moviematic Ind. Corp.		(3)	2-12013-2
(12,13)	1-1739-2	Las Vegas Hacienda	
Portland Transit Co.		Inc. Dec 69 (12)	0-1625-2
(3)	0-2212-2	National Tape	
Lionel Corp. (9)	1-3197-2	Distributors Inc.	
		Sept 69 (2,7,13)	2-31045-2
Leeds Shoes Inc.		National Tape	
(2,7,)	0-2216-2	Distributors Inc	
Logicon Inc.(1,3)	2-29812-2	Aug 69(2,7,13)	2-31045-2
Wheelabrator Corp.		New Orleans Public	
(13)	1-2483-2	Service Inc.(11,13)	1-3259-2
		Milgo Electronic	
Lawrence Gas Co.		Corp. (7)	1-5045-2
(3)	2-13696-2	Lin Tso Corp.	
Marcor Inc. (13)	1-5877-2	Oct. 69 (12)	2-27957-2
Massachusetts Elect.			
Co. (3)	2-8019-2		

8K Reports for Nov. 69 (Con't)

Jefferson National Trust Jun & Dec 69 (7,13)	0-2862-2	Crane Co. (8)	1-1675-2
Northern Indiana Public Service Co (13)	1-4125	Management Recruiters International Inc. (11)	2-31179-2
Technical Tape Inc. (3)	1-148-2	Martin-Brower Corp. Oct 69 (13)	0-3394-2
Tenney Engineering Inc. Dec. 69 (3)	1-4142-2	Metro Inc. (11)	2-13132-2
Medalist Ind. Inc. Aug 69 (2,13)	0-883-2	Triangle -Pacific Forest Products Corp. (4,7,13)	1-5127-2
Metromedia Inc. (7,8)	1-4649-2	Kellogg Co. Oct 69 (13)	1-4171-2
National Data Corp. (7)	0-2966-2	Optics Technology Inc. (11,13)	0-3220-2
Nease Chemical Co. Inc. (2,13)	0-3070-2	Daniel Starch & Staff Inc. Amdt.#1 for June 69 (7)	2-30515-2
Bowser Delaware Corp. (12)	1-4867-2	Television MFGS of America Co. Amdt. #1 for Oct. 69 (13)	1-3715-2
Keene Corp. (7)	0-3587-2	Rudd-Melikian Inc. Amdt. #1 for Feb.69 (7)	0-1993-2
Liberty Loan Corp. (7,9,13)	1-5467-2	Yardney Electric Corp. Amdt #1 for oct. 69 (1)	0-1689-2
Movie Star Inc. (3,8)	1-4585-2		

CORRECTION RE NEES. The first sentence of the item involving New England Electric System appearing on page 1 of the SEC News Digest of December 24 should have read: "The SEC has issued an order under the Holding Company Act (Release 35-16564) giving interested persons until January 15 to request a hearing upon a proposal of New England Electric System ("NEES"), Boston holding company, for the divestment of its interests in its gas utility subsidiary companies, as required by a Commission order of 1964 and affirmed on appeal.

SECURITIES ACT REGISTRATIONS. Effective December 29: First Commonwealth Corp., 2-32401 (90 days); The Gerber Scientific Instrument Co., 2-35584; Indemar, Inc., 2-32233 (90 days); PDI Fund, Inc., 2-35048; Programmed Bookkeeping Systems, Inc., 2-33605 (Mar 30); Watkins-Johnson Co., 2-35630.

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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