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FOR RELEASE June 14, 1971

COMMISSION ANNOUNCEMENTS

STOCK CERTIFICATE MEETING SET FOR JUNE 29. The Commission has announced the formation of an industry advisory committee to meet in conference at the Commission on June 29, 1971 at 10:00 a.m. The committee will discuss the various proposals which have been advanced for dealing with the stock certificate and explore their respective strengths and weaknesses. The committee will be composed of representatives of the securities industry, the banking industry, the government and others.

LOV'N LEATHER REG A EXEMPTION SUSPENDED. The Commission issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock by Lov'N Leather, Inc., of San Diego, Calif. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

In a notification filed June 22, 1970 Lov'N Leather proposed a public offering of 5,000 shares of common stock for \$1 per share; authorization to commence the offering was granted on October 13, 1970 and it was completed October 21, 1970.

In its suspension order, the Commission asserts that it has "reason to believe" that the notification and offering circular contained false and misleading statements in that it (1) failed to name John L. Stone, Jack Glatfelter, Albert Tuey and Walter Kenrick, who purchased the entire 5,000 shares being offered, as underwriters of the offering, (2) failed to name the states in which the offering is intended to be made and (3) failed to mention the issuer's intent to increase the number of shares outstanding as a result of a 500-for-1 stock split. In addition, the terms and conditions of Regulation A were not complied with in that (1) the company failed to state the method by which the shares were to be offered, and (2) the report of Form 2-A is false and misleading with respect to the completion date of the offering, the true offering price to the public, and the proceeds accruing to the underwriters. (Release 33-5159)

SEC ORDER CITES FILTROL CORPORATION. The SEC has ordered administrative proceedings involving Filtrol Corporation, Los Angeles, Calif.

The proceedings are based on staff allegations that Filtrol has failed to comply with Section 13 of the Securities Exchange Act of 1934 in that it has filed reports containing materially misleading statements and omitting material information required to be stated therein, or necessary to make the statements therein not misleading as more specifically set forth in a Statement of Matters prepared by the Division of Corporation Finance.

The Commission's order provides for a public hearing to be held at 9:30 A.M. on June 30, 1971 at the Los Angeles branch of the Commission at 312 North Spring St., Los Angeles, to determine whether the allegations set forth in the Division Statement of Matters are true and to afford Filtrol an opportunity to establish any defenses to the allegations as set forth. (Release 34-9211)

RULES AND RULE PROPOSALS

RULE ALLOWS WAIVER OF RIGHT TO REDEEM IN KIND. The SEC today announced the adoption of Rule 18f-1 and Form N-18F-1 under the Investment Company Act of 1940, effective today, to permit registered open-end investment companies which have the right to redeem in kind to elect to make only cash redemptions under certain circumstances.

The securities administrators of several states of the United States, as well as those of certain foreign countries are requiring, or considering requiring, as a condition to doing business in their respective jurisdictions, that open-end investment companies which have the right to redeem in kind file an undertaking that, as to residents within their respective jurisdictions, redemptions will be effected in cash only, or that redemptions in kind will not be effected unless specific approval therefor is first obtained from the securities administrator. Such requirements would involve priorities as to distribution of assets and thus give rise to prohibited senior securities within the meaning of Section 18 of the Act.

The Commission believes that under certain circumstances it is desirable for open-end investment companies to have available the flexibility afforded by the ability to redeem in kind. However, redemptions in kind are extremely rare. In order to avoid needless conflicts with state and foreign regulatory authorities, and to enable registered open-end investment companies to continue to make securities available to citizens and residents of foreign jurisdictions, the Commission has adopted a rule which will allow any registered open-end fund to waive the right to redeem in kind, subject to certain limitations.

Pending distribution of the completed release text to the appropriate mailing lists by the Commission, the Investment Company Institute has undertaken to distribute copies to its membership. The release will also appear in the Federal Register within the next few days. (Release IC-6561)

OVER

GUIDELINES FOR MUTUAL FUND CONTRACTUAL PLANS PROSPECTUSES. The SEC issued guidelines for additional disclosures to be made in prospectuses for mutual fund shares sold by means of "contractual" plans, to reflect the new refund and notice rights given to investors under the Investment Company Amendments Act of 1970, effective June 14, 1971.

Since the printing of this release and the distribution to the Commission's mailing list may be delayed, the Investment Company Institute and the Association of Mutual Fund Plan Sponsors will distribute copies of this release to their members. 1/ (Release IC-6568)

DECISIONS IN ADMINISTRATIVE PROCEEDING

JOHN A. DAWSON CO. REGISTRATION REVOKED; DAWSON, CARLSON SUSPENDED. The Commission has issued an order revoking the broker-dealer registration of John A. Dawson & Company, of Chicago, and suspending John A. Dawson and Charles C. Carlson, a general partner and registered representative, respectively, from being associated with a broker or dealer for a period of nine months. The sanctions take effect on June 30. The Commission's order further provides that after the nine-month period, Dawson and Carlson may each be associated with a broker-dealer in a non-supervisory capacity upon an appropriate showing that he will be adequately supervised.

According to the Commission's decision, between January 1968 and January 1969 respondents violated the registration provisions of the Securities Act of 1933 in the offer and sale of about 4.8 million shares of common stock of United Australian Oil, Inc., for about \$1.3 million, and the firm and Dawson failed reasonably to supervise persons under their supervision with a view to preventing such violations. Respondents consented to the findings and sanctions, without admitting or denying the charges. (Release 34-9198)

ZEEMAN BARRED. The SEC has issued an order barring John Zeeman, New York City, from being associated with a broker or dealer. The order was based on findings that during the period March 1965-April 1966, Zeeman violated or aided and abetted violations of registration, antifraud and reporting provisions of the securities acts in connection with transactions in securities of National Home Products, Inc., of which he was then president and board chairman. According to the decision, Zeeman, together with another person, caused National to issue common stock, bonds and warrants to them, most of which they then distributed to the public although the securities were unregistered; and while engaged in their selling activities, they falsely represented at shareholder meetings and in reports filed with the Commission that such securities had not been sold, had been purchased for investment and were restricted for 3 years.

Zeeman consented to findings of the above violations and to the bar order, without admitting or denying the allegations in the order for proceedings. (Release 34-9205)

L. J. BERMAN & CO. REVOKED; BERMAN SUSPENDED. The SEC has issued an order revoking the broker-dealer registration of L. J. Berman & Co., Inc., of Canoga Park, Cal., suspending Loren J. Berman (also known as Larry Berman), its president and controlling stockholder, from being associated with a broker or dealer for the balance of calendar year 1971, and prohibiting him from thereafter being so associated as a principal without the prior consent of the Commission. According to the decision, the firm failed to pay to the Commission an initial fee and an annual fee required to be paid by broker-dealers who are not members of the National Association of Securities Dealers, Inc., and failed to file a required report of financial condition for 1969.

The respondents consented to the findings and sanction in an offer of settlement without admitting the charges. (Release 34-9199)

FIRST GENERAL CORP. REVOKED. The SEC has issued an order revoking the broker-dealer registration of First General Corporation, of Tulsa, Okla., for violations of antifraud and recordkeeping provisions of the Securities Exchange Act of 1934. The firm consented to the findings of violations and to the sanction in an offer of settlement without admitting or denying the charges.

According to the decision, during the period July 1969-April 1970, the firm placed artificially created quotations for its own common stock and the common stocks of Viclad Industries and Vista Petroleum Corporation in the daily quotation sheets, disposed of such securities on behalf of favored customers who wished to liquidate their positions and recommended the purchase of the securities to other customers without disclosing material information concerning, among other things, the speculative and unseasoned nature of the securities and the facts that the firm had no meaningful information concerning the business operations and financial condition of Viclad and Vista and that the market price of registrant's stock was not independently determined. The firm was found to have made additional misrepresentations in connection with the offering of its common stock. It was also found that during the period March 1970-January 1971 the firm failed to prepare and maintain a trial balance or a computation of aggregate indebtedness and net capital within the required period and failed to maintain required position records. (Release 34-9200)

COURT ENFORCEMENT ACTIONS

INTERNATIONAL FUNDING SECURITIES ENJOINED; RECEIVER APPOINTED. The SEC San Francisco Regional Office announced that on June 4 the Federal District court in Los Angeles permanently enjoined International Funding Securities Incorporated from violating the anti-fraud and net-capital provisions of the federal securities laws, and appointed Sheldon M. Jaffe as receiver until such time as the Securities Investor Protection Corporation might determine that the defendants have failed or are in danger of failing to meet their obligations and apply to the Court for the appointment of a trustee under the Act. (LR-5033)

TRUSTEE FOR INGRAM & ASSOC. APPOINTED. The SEC San Francisco Regional Office announced that a Federal District court on June 8 entered an order appointing a trustee of Stan Ingram & Associates a broker-dealer with offices in Santa Ana, California, upon application of the Securities Investor Protection Corporation pursuant to a complaint filed by the SEC on February 22, 1971. (LR-5034)

TRANS-GULF, OTHERS ENJOINED IN SHREVEPORT. The Fort Worth SEC Regional Office announced that on June 8 the Federal District court in Shreveport permanently enjoined Trans-Gulf Petroleum Corporation, of Bossier City, La., Hugh M. Sneed, William J. Sneed, Clarence Leslie Apple and Eugene Ducharme all of Shreveport, from violating the anti-fraud provisions of the federal securities acts, and enjoining Trans-Gulf and Hugh Sneed from further violations of the registration provisions of the federal securities laws in the offer and sale of fractional undivided interests in oil and gas leases in Louisiana. (LR-5035)

INVESTMENT COMPANY ACT RELEASES

FUND OF AMERICA FOR EQUITY INCOME, INC. The Commission issued an order declaring that Fund of America For Equity Income, Inc., New York, has ceased to be an investment company as defined in the Investment Company Act of 1940. (Release IC-6564)

THE INVERNESS FUND. The Commission has issued an order declaring that the Inverness Fund, Inc., New York, has ceased to be an investment company as defined by the Investment Company Act of 1940. (Release IC-6565)

REMSEN FUND. The Commission has issued an order giving interested persons until July 12 to request a hearing on application of the Remsen Fund, New York, non-diversified management investment company, for an order declaring that it has ceased to be an investment company. Applicant states that it has abandoned any intention of offering its securities or to engage in investing and reinvesting in securities. 1/(Rel. IC-6566)

HOLLYWOOD SECURITIES CORPORATION. The Commission has issued an order giving interested persons until July 7 to request a hearing on application of Hollywood Securities Corporation, Hollywood, Fla., for an order declaring that it has ceased to be an investment company as defined in the Investment Company Act of 1940. Applicant is a dissolved Florida Corporation formerly known as Kudane Press, Inc., and on May 11, 1970 sold all of its assets pursuant to a plan of liquidation adopted by its stockholders on April 8, 1970. It has had no assets since March 1, 1971, has no known liabilities and does not intend to engage in business as an investment company or otherwise. 1/ (Release IC-6567)

SECURITIES ACT REGISTRATIONS

***SCOTT & FETZER SHARES IN REGISTRATION.** The Scott & Fetzer Company, 14701 Detroit Ave., Lakewood, Ohio 44107, filed a registration statement on June 4 seeking registration of 100,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$25.25 per share maximum). Neil W. McDaniel and Leon J. Paul may sell 50,000 shares each of 102,607 shares held by each. (File 2-40672)

***WISCONSIN POWER AND LIGHT TO SELL STOCK.** Wisconsin Power and Light Company, 122 W. Washington Ave., Madison, Wisc. 53701, filed a registration statement on June 4 seeking registration of 150,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale (** at \$101 per share maximum). The offering is to be made through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005 and Robert W. Baird & Co., Inc., 731 N. Water St., Milwaukee, Wisc. 53201. Net proceeds of its stock sale will be used, together with some \$7,400,000 of the proceeds of the proposed sale of Series O first mortgage bonds on or about July 7, at competitive bidding, to retire and refund at maturity \$22,271,000 of first mortgage bonds, Series A, 3-1/4% due Aug. 1971. Construction expenditures are estimated at \$55,600,000 for 1971. (File 2-40673)

KANSAI ELECTRIC POWER PROPOSES RIGHTS OFFERING. The Kansai Electric Power, Co., Inc. (a Japanese Corp.), 437 Madison Ave., New York 10022, filed a registration statement on May 4 seeking registration of 2,000,000 shares of common stock. It is proposed to offer these shares for subscription by common stockholders, at the rate of one new share for each four shares held of record 3:00 p.m. June 21 (Japan time), and by holders of American Depositary Receipts of record June 18, with respect of the shares of common stock underlying the ADRs (each representing ten underlying common shares) (** and at \$1.11 per share maximum). First National City Bank is the depository. The shares are part of 71,875,000 shares being offered to shareholders in Japan and elsewhere.

The company supplies electric service to the Osaka-Kyoto-Kobe area located in central Japan. Net proceeds of its stock sale in Japan and elsewhere will be applied to the financing of a portion of its construction program (including \$14,667,000 to repay short-term debt incurred to finance such construction). Construction expenditures are estimated at \$606,247,000 for the fiscal year ending March 31, 1972 and \$3,813,481,000 for the five-year period ending March 31, 1976. (File 2-40674)

***FIRST MORTGAGE INVESTORS FILES FOR OFFERING AND SECONDARY.** First Mortgage Investors (the Trust), 30 Federal St., Boston, Mass. 02110, filed a registration statement on May 4 seeking registration of \$25 million of senior debentures, Series A, due 1977, and 434,850 outstanding shares of beneficial interest. The debentures are to be offered for public sale by the company and the shares by the holders thereof through underwriters headed by Eastman Dillon, Union Securities & Co., Inc., One Chase Manhattan Plaza, and Paine, Webber, Jackson & Curtis, Inc., 140 Broadway, both of New York 10005.

The Trust invests primarily in short-term construction and development loans secured by first mortgages and in certain other types of first mortgage loans. First mortgage Advisory Corporation is investment adviser. The Trust has outstanding 5,524,857 shares of beneficial interest. Edmond F. Dagnino is chairman and Jack R. Courshon is managing trustee of the Trust. (File 2-40675)

***ACF INDUSTRIES PROPOSES OFFERING.** ACF Industries, Incorporated, 750 Third Ave., New York 10017, filed a registration statement on June 7 seeking registration of \$25 million of equipment trust certificates, Series A, due 1972 through 1986, to be offered for public sale at 100% of principal amount. The offering is to be made through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York 10005.

The company is engaged in leasing and manufacturing railroad freight cars, and manufacturing automotive fuel system components and valves and related products. Net proceeds of its financing will be used to reimburse its treasury for a portion of the cost of building the railroad freight cars subject to the equipment trust agreement under which the certificates will be issued. A portion of such treasury funds will be applied to repay certain short-term bank loans (aggregating \$20.5 million at June 1). (File 2-40676)

NUVEEN TAX-EXEMPT FUND PROPOSES OFFERING. John Nuveen & Co., Inc., 209 S. LaSalle St., Chicago, Ill. 60604, filed a registration statement on June 7 seeking registration of \$24,750,000 of units in Nuveen Tax-Exempt Bond Fund, Series 37. The Fund is one of a series of investment companies created by the Sponsor pursuant to a trust indenture and agreement between the Sponsor and the United States Trust Company of New York, the Trustee. It consists of a diversified portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest from which, in the opinion of counsel, is exempt from all Federal income tax. (File 2-40677)

STOCK PLANS. 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.

Sears, Roebuck & Co., Chicago, Ill. (File 2-40460) - 2,700,000 shares
 Tootsie Roll Industries, Inc., Chicago, Ill. (File 2-40465) - 89,726 shares
 Affiliated Bankshares of Colo., Boulder, Colo. (File 2-40467) - 50,000 shares
 Celanese Corp., New York (File 2-40471) - 25,000 shares
 Itek, Corp., Lexington, Mass. (File 2-40480) - 100,000 shares
 Servisco, Elizabeth, N.J. (File 2-40653) - 50,000 shares
 APECO Corporation, Evanston, Ill. (File 2-40678) - 300,000 shares
 Greyhound Computer Corporation, Chicago, Ill. (File 2-40679) - 300,000 shares

MISCELLANEOUS

TRADING BAN CONTINUED. The SEC issued an order on June 11 suspending exchange and over-the-counter trading in the securities of Ecological Science Corporation for the further ten-day period June 14-23, 1971, inclusive.

SECURITIES ACT REGISTRATIONS. Effective June 11: Applied Magnetics Corp., 2-39635; Austral Oil Co., Inc. 2-40149; The Coleman Co., Inc., 2-40521; Electronic Data Systems Corp., 2-40558; Gilbert Associates, Inc., 2-40009; Jones & Pellow Oil and Gas Program, 1971, 2-38793; The Marine Corp., 2-40026; NL Industries, Inc., 2-40507; Owens-Corning Fiberglas Corp., 2-40548; Rex-Noreco, Inc., 2-40386; Sybron Corp., 2-40340; Transcontinental Gas Pipe Line Corp., 2-40325.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.

1/ Pending distribution of this Release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.

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