



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
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FOR RELEASE October 4, 1971

DECISION IN ADMINISTRATIVE PROCEEDING

HANCOCK SECURITIES CORP. REVOKED; MORTIMER TOVER BARRED. The SEC has issued an order revoking the broker-dealer registration of Hancock Securities Corporation, New York City, and barring Mortimer Tover, its president and sole owner, from association with any broker, dealer, registered investment company or registered investment adviser, provided that he may apply to the Commission for permission to be associated with a broker-dealer after one year (it being understood that the Commission is not bound to grant any such application).

According to the Commission's decision, the respondents violated antifraud and anti-manipulative provisions of the securities laws in 1960-1965 in connection with the offer, purchase and sale of common stock of Medallion Pictures Corporation. It was found that respondents made and caused others to make various misrepresentations in connection with transactions in Medallion stock; manipulated the market for such stock by arrangements with other broker-dealers and by creating actual and apparent active trading in and raising the price of such stock, for the purpose of inducing its purchase by others; and preferred registrant's interests over those of its customers by effecting sell orders for registrant's account while it held such orders for customers.

The order was issued pursuant to an offer of settlement in which respondents, without admitting or denying the allegations in the order for proceedings, consented to the indicated findings and sanctions. (Rel. 34-9349)

COMMISSION ANNOUNCEMENTS

INVESTMENT LAND CO. REG A EXEMPTION SUSPENDED. The SEC has issued an order temporarily suspending from registration a Regulation A exemption with respect to a proposed offering of 150,000 units consisting of stock and warrants of Investment Land Company, Inc., of Denver. The offering commenced on May 27, 1971. In the order the Commission asserts that it has reasonable cause to believe that the terms and conditions of Regulation A were not complied with in that, among other things, forms required to be filed fail to disclose certain material information concerning use to which proceeds would be applied, the issuer's business and the proposed assets the issuer intended to acquire from an affiliate. In addition the offering circular contains false and misleading statements respecting, among other things, failure to disclose certain facts concerning Highland Acres Ltd., including failure to disclose that the issuer's business is to develop and subdivide its properties although categorically stated in the circular that the issuer "does not contemplate development or subdivision of any property which it may acquire."

SCOTT PAPER COMPANY. The SEC has issued a notice giving interested persons until October 22 to request a hearing on application of Scott Paper Company for a finding that the trusteeship of Mortgage Guaranty Trust Company of New York under an indenture heretofore qualified under the Act, and a new indenture 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 for the protection of investors to disqualify Mortgage Guaranty from acting as Trustee under both indentures.

INVESTMENT COMPANY ACT RELEASE

NATIONAL INVESTORS CORPORATION. The SEC has issued an order under the Investment Company Act upon an application of National Investors Corporation, New York mutual fund, exempting from certain provisions of the Act a transaction in which the Fund's redeemable securities will be issued at net asset value without a sales charge in exchange for the assets of Rogers Investment Company. (IC-6755)

SECURITIES ACT REGISTRATIONS

TELCO MARKETING SERVICES, INC., 625 N. Michigan Ave., Chicago, Ill. 60611, filed a registration statement on September 28 seeking registration of 368,292 shares of common stock, of which 350,000 are to be offered for public sale by the company and 18,292 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$18 per share maximum) through underwriters headed by Faulkner, Dawkins & Sullivan Securities Inc., One New York Plaza, New York, N. Y. 10004. The company leases medical and scientific equipment principally to hospitals and clinical laboratories. Net proceeds of its stock sale will be used principally for operating expenses and the purchase of new equipment for lease and other corporate purposes. (File 2-41908)

FALLS LAND AND DEVELOPMENT CORPORATION, 3624 Menaul Blvd., N. E., Albuquerque, New Mexico 87110, filed a registration statement on September 28 seeking registration of 400,000 shares of common stock, of which 360,000 are to be offered for public sale by the company and 40,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$9.50 per share maximum) through underwriters headed by Rowles, Winston & Co., Inc., 200 Houston Natural Gas Bldg., Houston, Tex. 77002. The company is a residential and recreational community developer. Of the net proceeds of its stock sale, \$925,000 will be used to pay bank indebtedness and the balance for working capital and other corporate purposes. (File 2-41910)

OVER

RESEARCH FUELS, INCORPORATED, 149 North Willis, Abilene, Tex. 79604, filed a registration statement on September 28 seeking registration of 400,000 shares of common stock, to be offered for public sale (* at \$5 per share maximum). No underwriting is involved. The company is principally engaged in retail marketing of gasoline at discount prices. Of the net proceeds of its stock sale, \$150,625 will be used for repayment of short-term indebtedness incurred in connection with the acquisition of certain retail gasoline service stations and the balance for working capital and other corporate purposes. (File 2-41911)

ION EQUIPMENT CORPORATION, 1805 Walsh Ave., Santa Clara, Calif. 95050, filed a registration statement on September 28 seeking registration of 200,000 shares of common stock, to be offered for public sale (* at \$5 per share maximum) by Kohlmeier & Co., 147 Carondelet St., New Orleans, La. 70130. The company designs, manufactures and sells vacuum systems and related components and accessories. Of the net proceeds of its stock sale, \$200,000 will be used to repay short-term bank indebtedness and the balance for working capital and other corporate purposes. (File 2-41912)

JOHN ROBERTS, INCORPORATED, P. O. Box 2905, Austin, Tex. 78767, filed a registration statement on September 28 seeking registration of 190,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 70,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$14 per share maximum) through underwriters headed by Eppler, Guerin & Turner, Inc., 3900 First National Bank Bldg., Dallas, Tex. 75202. The company is primarily engaged in the manufacture and marketing of school rings; it also manufactures other school products. Of the net proceeds of its stock sale, \$600,000 will be used to repay a portion of a \$2,600,000 bank debt incurred to finance acquisition of Eisenstadt Manufacturing Company and the balance for working capital and other corporate purposes. (File 2-41914)

PORTLAND GENERAL ELECTRIC COMPANY, 621 S. W. Alder St., Portland, Ore., 97205, filed a registration statement on September 28 seeking registration of \$20 million of first mortgage bonds, due 2001, and 1,000,000 shares of common stock, to be offered for public sale (* at \$21.50 per share maximum) through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York, N. Y. 10005. Net proceeds of its securities sale will be used to reimburse in part the company's general funds for past construction expenditures and for other corporate purposes. Construction expenditures are estimated at \$45,500,000 for 1971. (File 2-41915)

INDIANAPOLIS POWER & LIGHT COMPANY, 25 Monument Circle, P. O. Box 1595, Indianapolis, Ind. 46206, filed a registration statement on September 28 seeking registration of 600,000 shares of common stock, to be offered for public sale (* at \$25 per share maximum) through underwriters headed by Lehman Brothers Inc., One William St., New York 10004. Net proceeds of its stock sale will be used to retire a portion of the company's short-term notes (expected to aggregate \$24 million at the time of the sale) issued for temporary financing of construction and other current expenditures. Construction expenditures are estimated at \$46 million in 1971 and \$225,300,000 for the period 1971-1975. (File 2-41916)

NATIONAL FABRICS, INC., 3650 North Federal Highway, Lighthouse Point, Fla. 33064, filed a registration statement on September 28 seeking registration of 220,000 shares of common stock, to be offered for public sale (* at \$8 per share maximum) through underwriters headed by The Robinson-Humphrey Company, Inc., Two Peachtree St., N.W., Atlanta, Ga. 30303. The company operates a chain of retail stores which sell fabrics and related patterns and notions to the home sewing market. Of the net proceeds of its stock sale, \$900,000 will be used to repay short-term bank loans and the balance for working capital and other corporate purposes. (File 2-41917)

CIMARRON CORPORATION OF AMERICA (CCA), 707 Hathaway Dr., Colorado Springs, Colo. 80915, filed a registration statement on September 28 seeking registration of 607,570 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of Cimarron Corporation (Cimarron) and for any and all other property, at the rate of (a) one CCA share for each Cimarron share, and (b) CCA shares in certain specified ratios for other Cimarron property tendered. CCA was organized for the purpose of making the exchange offer. Cimarron is engaged in the acquisition of land and water rights, land development and construction and management of real estate. (File 2-41918)

NATIONAL MEDICAL CARE, INC., 77 Pond Ave., Brookline, Mass. 02146, filed a registration statement on September 28 seeking registration of 600,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$15 per share maximum) through underwriters headed by R. W. Pressprich & Co. Inc., 80 Pine St., New York, N. Y. 10005. The company operates 19 medical care centers. Of the net proceeds of its stock sale, \$1.5 million will be used to repay short-term bank indebtedness incurred to finance the completion of certain of its artificial kidney and mental health centers and the balance for working capital and other corporate purposes. (File 2-41919)

FIFTH AVENUE CARDS, INC., 18 West 34th St., New York, N. Y. 10017, filed a registration statement on September 28 seeking registration of 275,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 75,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$10 per share maximum) through underwriters headed by Moore & Schley, Cameron & Co., Two Broadway, New York, N. Y. 10004. The company is engaged in the ownership, operation and sale and related licensing of retail greeting card stores. Net proceeds of its stock sale will be added to the company's working capital and used primarily to finance its 25 projected store openings through 1973. (File 2-41920)

BROTHER INTERNATIONAL CORPORATION, 680 Fifth Avenue, New York, N. Y. 10019, filed a registration statement on September 28 seeking registration of 285,000 shares of common stock, of which 185,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$10 per share maximum) through underwriters headed by Van Alstyne, Noel & Co., Four Albany St., New York, N. Y. 10006. The company is the exclusive distributor in the United States of sewing machines, typewriters, knitting machines and other products manufactured by Brother Industries, Inc., a Japanese manufacturer. Net proceeds will be used to increase working capital and for other corporate purposes. (File 2-41921)

ALZA CORPORATION, 950 Page Mill Rd., Palo Alto, Calif. 94304, filed a registration statement on September 28 seeking registration of 1,337,774 shares of common stock. These shares have been issued or are issuable upon exercise of warrants and/or are outstanding shares which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$25 per share maximum). The company is principally engaged in research and development relating to therapeutic systems. (File 2-41913)

MOUNTAIN BANKS, LTD., P. O. Box 1712, Colorado Springs, Colo. 80901, filed a registration statement on September 28 seeking registration of 1,202,850 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of the following banks and of Rocky Mountain Financial Services, Inc., at certain specified exchange rates: Cherry Creek National Bank, South Denver National Bank, Exchange National Bank of Colorado Springs, First National Bank of Pueblo and Rocky Mountain Financial Services, Inc. Mountain Banks was organized in 1971 for the purpose of acquiring banks and other corporations. (File 2-41922)

THE FIRESTONE TIRE & RUBBER COMPANY, 1200 Firestone Parkway, Akron Ohio 44317, filed a registration statement on September 28 seeking registration of \$100 million of sinking fund debentures, due 2001, to be offered for public sale through underwriters headed by Drexel Firestone Inc. The company is engaged in manufacturing tires and other rubber and automotive products. Net proceeds of its financing will be used for general corporate purposes, including capital expenditures. (File 2-41923)

THE SOUTHLAND CORPORATION, 2828 N. Haskell Ave., Dallas, Tex. 75204, filed a registration statement on September 24 seeking registration of 744,419 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (*at \$31-5/8 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., and Goldman, Sachs & Co., 55 Broad St., both of New York. The company operates and franchises self-service convenience retail food stores, as well as operating other retail food stores and manufacturing fine chocolates and engaging in fleet leasing. (File 2-41867)

OLD TOWN CORPORATION, 750 Pacific St., Brooklyn, N. Y. 11238, filed a registration statement on September 28 seeking registration of 99,818 shares of common stock, of which 63,818 are outstanding shares which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (*\$11 per share maximum) and the remaining 36,000 are shares issued or issuable pursuant to employee stock options. (File 2-41924)

ATLANTIC BANCORPORATION, 121 Hogan St., Jacksonville, Fla. 32202, filed a registration statement on September 28 seeking registration of 135,000 shares of common stock. It is proposed to offer these shares in exchange for all the 60,000 outstanding shares of capital stock of The First State Bank and Trust Company, Eustis, Fla., at the rate of 2.25 shares for each First State share. Bancorporation is a bank holding company, which controls 17 banks. (File 2-41925)

LEONARD SILVER INTERNATIONAL, INC., 132 Library St., Chelsea, Mass. 02150, filed a registration statement on September 28 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$6.50 per share through underwriters headed by D. H. Blair Securities Corporation, 437 Madison Ave., New York. The company is engaged in the wholesale distribution of giftware and related consumer products, most of which are imported. Of the net proceeds of its stock sale, \$172,937 will be used to pay the first two installments on an 8% note payable to a principal shareholder and the balance for working capital and other corporate purposes. (File 2-41926)

TOSCANY IMPORTS LTD., 245 Fifth Ave., New York 10016, filed a registration statement on September 28 seeking registration of 200,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by Halle & Stieglitz, Inc., 52 Wall St., New York 10005. The company is engaged in selling a broad line of giftware, substantially all of which is imported. Net proceeds of its stock sale will be used to reduce bank borrowings which were incurred for working capital purposes. (File 2-41927)

ENVIRONMENTAL ENTERPRISES, INC., 103 Fairway Terrace, Morristown, N.J. 08057, filed a registration statement on September 28 seeking registration of 100,000 shares of common stock, to be offered for public sale (*at \$6.50 per share maximum). No underwriter has been named. The company is engaged in the manufacture and sale of a wide range of waste reduction and removal products. Of the net proceeds of its stock sale, \$200,000 will be applied to the repayment of bank loans, proceeds of which were used for working capital and the balance for working capital and other corporate purposes. (File 2-41928)

PUERTO RICO INTERNATIONAL AIRLINES, INC., San Juan International Airport, Isla Verde, Puerto Rico 00913, filed a registration statement on September 28 seeking registration of 270,000 shares of common stock, of which 90,000 are to be offered for public sale by the company and 180,000 (being outstanding shares) by the holder thereof (The Union Corporation, which owns all the company's 910,000 outstanding shares). The offering is to be made (*at \$12 per share maximum) through underwriters headed by G. A. Saxton & Co., Inc., 100 Wall St., New York 10005. (File 2-41929)

HOSPITAL CORPORATION OF AMERICA, 242 25th Ave., North, Nashville, Tenn. 37203, filed a registration statement on September 28 seeking registration of 310,000 shares of common stock, to be issued by the company in connection with its acquisition of all the outstanding capital stock of Los Robles Hospital and three affiliated corporations. Of these shares, 152,500 are to be offered for sale from time to time by the recipients thereof at prices current at the time of sale (*\$40.50 per share maximum). (File 2-41930)

COASTAL STATES GAS PRODUCING COMPANY, 200 Petroleum Tower, Corpus Christi, Tex. 78403, filed a registration statement on September 28 seeking registration of \$50 million of first mortgage bonds, Series E due 1991, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005. The company is primarily engaged in gathering, processing and producing natural gas and liquid hydrocarbons. Of the net proceeds of its bond sale, some \$47 million will be applied to the retirement of outstanding bank debt and the balance used for general corporate purposes. (File 2-41931)

COASTAL STATES LIFE INSURANCE COMPANY, 1459 Peachtree St., Atlanta, Ga. 30309, filed a registration statement on September 28 seeking registration of 750,000 shares of common stock, to be offered for public sale (*at \$10.8125 per share maximum) through underwriters headed by Dominick & Dominick Inc., 14 Wall St., New York 10005. The company through subsidiaries conducts a general life insurance and accident and health insurance business. Net proceeds will be added to the company's general funds and used for general corporate purposes. (File 2-41932)

TRANSGRAPHICS, INC., 475 Tenth Ave., New York 10018, filed a registration statement on September 28 seeking registration of 200,000 shares of common stock. Such shares are to be distributed by Trans-Industries, Inc. (holder of 20% of Trans Graphics common stock) to Trans-Industries stockholders. Trans Graphics is engaged through subsidiaries in the production of multi-color lithographed offset material. (File 2-41933)

LANCASTER COLONY CORPORATION, 37 West Broad St., Columbus, Ohio 43215, filed a registration statement on September 28 seeking registration of 340,000 shares of common stock, of which 175,000 are to be offered for public sale by the company and 165,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$26 per share maximum) through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Pl., New York 10005. The company manufactures and sells a broad range of houseware and industrial products. Net proceeds of its stock sale will be used to pay off that portion of the company's short-term bank loans incurred in connection with the initial payment of \$4,525,000 for the Loma Housewares Division of Vistron Corporation. (File 2-41934)

PURITAN FASHIONS CORPORATION, 1400 Broadway, New York 10018, filed a registration statement on September 28 seeking registration of 170,000 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (*\$15.75 per share maximum). (File 2-41935)

CFU INTERNATIONAL, INC., 853 Broadway, New York 10003, filed a registration statement on September 28 seeking registration of 135,000 shares of common stock, to be offered for public sale (*at \$6 per share maximum) through Gotham Securities Corp., 565 Fifth Ave., New York 10017, and R. A. Wolk & Co., Inc., 405 Lexington Ave., New York 10017. The company intends to use its Totaltran computer program services to attempt to establish an international business in the marketing of computer software packages and related products and services. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-41936)

SECURITIES ACT REGISTRATIONS Effective September 28: Massachusetts Financial Development Fund, Inc., 2-40912. Effective September 29: Florida Power Corp., 2-41661; General Signal Corp., 2-41383; Municipal Investment Trust Fund, Series 1M, 2-41613; Morse Shoe, Inc., 2-41747; The Ohio Bell Telephone Co., 2-41723 and 2-41724; J. C. Penney Co., Inc., 2-41755; Peoples Corp., 2-40249 (90 days); U.S. Natural Resources, Inc., 2-40052. Effective September 30: Anchorage Carolina Corp., 2-41087 (90 days); Colonial Stores Inc., 2-41739; Computer Sciences Corp., 2-40749; Drexel Bond-Debenture Trading Fund, 2-40822; FNB Development Corp., 2-41458; Gable Industries, Inc., 2-41007; Gilbert Flexi-Van Corp., 2-41326; Major Electronics Corp., 2-40920 (90 days); Medtronic, Inc., 2-41569; Pacific Power & Light Co., 2-41716; Pat Fashions Industries, Inc., 2-40595; Payco American Corp., 2-41058; Philipsborn, Inc., 2-41195 (90 days); Paul Revere Investors, Inc., 2-40470, Todhunter International, Inc., 2-41009.

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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