



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 71-197)

FOR RELEASE October 13, 1971

## DECISION IN ADMINISTRATIVE PROCEEDINGS

SHAW, HOOKER & CO. TRADING DEPARTMENT SUSPENDED, ARTHUR GAMBARASI CENSURED. The SEC has issued an order suspending the trading department and dealer activities of Shaw, Hooker & Co., a registered broker-dealer, of San Francisco, California, for 21 days beginning October 18, 1971, except that it may sell shares of registered mutual funds to retail customers. The SEC order also censured Arthur Gambarasi, the firm's managing partner.

The order was based on findings that during the period May to November 1968 Shaw, Hooker and Gambarasi sold unregistered shares of the stock of Dumont Corporation and made untrue and misleading statements concerning, among other things, the financial condition, operations and management of Dumont, the investigation conducted by respondents into Dumont, the value of and revenues resulting from contracts between Dumont and certain other companies, and the present and prospective value of Dumont securities. The Commission also found that respondents while participating in the distribution of Dumont stock, bid for and purchased such securities for accounts in which they had a beneficial interest.

The Commission's action was taken pursuant to an offer of settlement filed by the respondents in which, without admitting the charges, they consented to the above findings and the indicated sanctions. (Rel. 34-9368)

## COMMISSION ANNOUNCEMENT

TRADING SUSPENDED IN LEISURE LIVING COMMUNITIES SECURITIES. The SEC today ordered the suspension of trading on the Philadelphia-Baltimore-Washington Stock Exchange and over-the-counter trading in the securities of Leisure Living Communities, Inc., of Fitchburg, Mass. Trading in the company's securities had previously been suspended on October 5, 1971 by the PBW and this suspension is presently in effect. The suspension by the Commission is for the 10-day calendar period commencing October 12, 1971. The Commission announced that it took this action because the company's annual report on Form 10-K, which is presently on file with the Commission, may be materially false and misleading and because the company has failed to file with the Commission its quarterly reports on Form 10-Q for the quarters ended March 31, 1971 and June 30, 1971. (Rel. 34-9371)

## INVESTMENT COMPANY ACT RELEASES

FIRST INVESTORS CORPORATION. The Commission issued a notice under the Investment Company Act giving interested persons until October 28 to request a hearing upon application of First Investors Corporation of New York for an order pursuant to certain provisions of the Investment Company Act to permit an offer to exchange Wellington Trust Plans for First Investor Trust Plans, and granting exemption from certain provisions of the Act respecting transactions affecting the company and Wellington. 1/(Release IC-6763)

INVESTORS DIVERSIFIED SERVICES, INC. The Commission issued a notice under the Investment Company Act giving interested persons until October 27 to request a hearing on application of Investors Diversified Services, Inc., and Investors Syndicate of America, of Minneapolis, for an order permitting a transaction wherein IDS proposes to dispose of Investors Syndicate Credit Corporation, a wholly-owned subsidiary of ISA in order to conserve capital and concentrate its efforts in less money sensitive investments. ISCC will be partially liquidated to IDS and all of the capital stock of ISCC will be sold to First Bank System, Inc. 1/(Release IC-6764)

CENTRAL INVESTMENT CORPORATION, DENVER. The Commission issued an order conditionally exempting from certain provisions of the Investment Company Act, Central Investment Corporation of Denver (formerly Dillion Central Inc.). The conditions relate to the issuance of securities other than short term paper, the filing with the Commission of certain data required by annual report form N-5R and the filing with the Commission after the close of each fiscal year of a balance sheet, statement of income and other data. (Release IC-6765)

INVESTORS SYNDICATE OF AMERICA. The Commission issued an order granting exemption from certain provisions of the Investment Company Act with respect to certain transactions involving Investors Syndicate of America, Inc., the IDS Mortgage Corporation, Investors Syndicate Title and Guaranty Company and Investors Syndicate Development Corporation, all of Minneapolis. (Release IC-6766)

PITWAY CORPORATION. The Commission issued an order exempting from certain provisions of the Investment Company Act a proposed transaction involving Pittway Corporation which is controlled by Standard Shares, and Metropolitan Nuns Island Partnership, pursuant to application filed earlier and announced by the Commission on September 16, 1971. (Release IC-6767)

OVER

HOLDING COMPANY ACT RELEASES

GEORGIA POWER COMPANY. The Commission has issued a notice under the Holding Company Act giving interested persons until November 3 to request a hearing on application of Georgia Power Company to issue and sell at competitive bidding \$95 million of first mortgage bonds. The proceeds from the sale will be used to finance in part, Georgia's 1971 construction program (estimated at \$363,933,000) to repay short term notes and for other corporate purposes. 1/ (Release 35-17306)

LOUISIANA POWER & LIGHT. The Commission issued an order authorizing Louisiana Power & Light Company, a subsidiary of Middle South, to issue and sell to Middle South 1,852,000 additional shares of Louisiana common stock for \$10,000,000. Louisiana will use the net proceeds for its current construction program estimated at \$90,100,000 for 1971, repayment of short term promissory notes and other stated purposes. (Rel. 35-17304)

INDIANA & MICHIGAN ELECTRIC COMPANY. The Commission issued a notice under the Holding Company Act giving interested persons until October 29 to request a hearing upon an application of Indiana & Michigan Electric Company to issue and sell at competitive bidding 350,000 shares of its cumulative preferred stock, proceeds to be applied toward payment, at maturity, of its commercial paper issued incident to its construction program which is estimated at \$60 million for the last quarter of 1971 and the year 1972. 1/ (Rel. 35-17305)

NEW ENGLAND ELECTRIC SYSTEM. The Commission issued an order under the Holding Company Act giving interested persons until October 28 to request a hearing on application of New England Electric system and certain of its subsidiaries, to increase the amounts of previously authorized borrowings through the issuance and sale of notes to banks to an aggregate of \$40,040,000. (Release 35-17308)

COURT ENFORCEMENT ACTIONS

RETURN INDICTMENT IN SECURITIES THEFT. The SEC Atlanta regional office announced that a Fulton County (Georgia) Superior Court grand jury returned an indictment against Mary Lou Engelhart of Atlanta charging three counts of theft of securities and money from the brokerage firm of Rankin and Company. (LR-5183)

RIVIANA FOODS INC., 272 Allen Parkway, Houston, Tex. 77019, filed a registration statement on October 4 seeking registration of 600,000 shares of common stock, of which 395,000 are to be offered for public sale by the company and 205,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$32.50 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10038. The company is engaged in the manufacture and distribution of a variety of food products. Of the net proceeds of its stock sale, \$4 million will be used to repay in full a term loan and the remainder to reduce domestic short-term borrowings, which aggregated \$10 million at August 1 and were incurred to finance capital expenditures, working capital requirements and acquisitions. (File 2-42020)

WESTERN PACIFIC INDUSTRIES, INC., 526 Mission St., San Francisco, Calif. 94105, filed a registration statement on October 4 seeking registration of 1,500,000 shares of common stock and 1,500,000 common stock purchase warrants, to be offered for public sale in units, each consisting of three shares and three warrants (\*and at \$66 per unit maximum). The offering is to be made through underwriters headed by Dean, Witter & Co., 14 Wall St., and Bear, Stearns & Co., One Wall St., both of New York, 10005. The company was organized by the management of The Western Pacific Railroad Company for the purpose of becoming the parent of Railroad. Net proceeds of its stock sale will be used to reimburse Railroad for advances made to the company in connection with the exchange offer and this offering and/or to repay bank loans incurred in connection therewith and the balance for working capital purposes. (File 2-42021)

CUNNINGHAM ART PRODUCTS, INC., 1585 Stoneridge Dr., Stone Mountain, Ga., filed a registration statement on October 4 seeking registration of 312,500 shares of common stock, to be offered for public sale through underwriters headed by duPont Glore Forgan, Inc., 45 Wall St., and New York Securities Co., Inc., One Whitehall Street, both of New York. A wholly-owned subsidiary of Equity National Industries, Inc., the company designs manufactures, imports and distributes a broad line of arts and crafts merchandise. Net proceeds will be applied to repay the company's indebtedness to its parent for advances made for working capital purposes and the balance will be added to the company's working capital and used for general corporate purposes. (File 2-42022)

MCNEIL PACIFIC INVESTORS FUND 1972 (the partnership), 2200 Sand Hill Rd., Menlo Park, Calif. 94025, filed a registration statement on October 4 seeking registration of \$15 million of limited partnership interests, to be offered for public sale at \$1,000 per unit. The offering is to be made through Pacific Investments Corp., (an affiliate of the general partner) and selected NASD Members. The partnership was organized to engage in investing principally in real estate and real estate related financing activities. Robert A. McNeil and Pacific Investors Corp. are the general partners. (File 2-42023)

FLEETWOOD ENTERPRISES, INC., 3125 Myers St., Riverside, Calif. 92503, filed a registration statement on October 4 seeking registration of 669,144 shares of common stock, of which 600,000 are to be offered for public sale by the company and 69,144 (being outstanding shares by the holders thereof. The offering is to be made (\*at \$35 per share maximum) through underwriters headed by Kidder, Peabody & Co., Inc., 20 Exchange Pl., New York. The company is engaged primarily in the design, manufacture and sale of mobile homes and recreational vehicles. Of the net proceeds of its stock sale, some \$10 million will be used for site acquisition, constructing and equipping new manufacturing facilities and the balance for working capital and other corporate purposes (File 2-42024)

PIER I IMPORTS, INC., 2520 West Freeway, Fort Worth, Tex., filed a reg. statement on Oct. 1 seeking registration of 21,001 outstanding shares of common stock, which may be offered for public sale from time to time by the holders thereof at prices current at the time of sale (\*\$36.625 per share maximum). (File 2-42027)

SONEX, INC., 2337 Philmont Ave., Huntingdon Valley, Pa. 19106, filed a registration statement on Oct. 4 seeking registration of 150,000 shares of common stock, to be offered for public sale (\*at \$8 per share maximum) through underwriters headed by S.D. Lunt & Co., 120 Broadway, New York 10005. Also included in this statement are 83,750 outstanding shares of common stock which may be offered for sale from time to time by the holders thereof. The company designs, manufactures and sells electronic products and systems for data transmission and telemetry. Of the net proceeds of its stock sale, \$340,000 will be used to purchase two additional marketline computer centers and the balance for working capital and other corporate purposes. (File 2-42028)

MUNICIPAL INVESTMENT TRUST FUND, SERIES 1N, filed a registration statement on October 4 seeking registration of \$55,125,000 of units. The Fund was created by a trust agreement under which Merrill Lynch, Pierce, Fenner & Smith, Inc., Bache & Co., Inc., and Walston & Co., Inc., act as sponsors, United States Trust Co., of New York as trustee and Standard & Poor's Corporation as evaluator. The Fund's objectives are tax exempt income and conservation of capital through a diversified investment in revenue and general municipal bonds rated "BBB" or better by Standard & Poor's Corporation, or "Baa" or better by Moody's Investors Service. (File 2-42029)

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:

National Semiconductor Corp., Santa Clara, Calif. (File 2-42011) - 100,000 shares  
 Resorts International, Inc., New York (File 2-42014) - 275,000 shares  
 Allright Auto Parks, Inc., Houston, Tex. (File 2-42018) - 50,000 shares  
 Texas Industries, Inc., Dallas, Tex. (File 2-42025) - 290,492 shares  
 Open Road Industries, Inc., Redondo Beach, Calif. (File 2-42026) - 160,000 shares  
 Lincoln First Banks, Inc., Rochester, N.Y. (File 2-42030) - 10,523 participating interests

#### MISCELLANEOUS

DELISTINGS GRANTED. The SEC has issued orders under the Securities Exchange Act granting applications of (a) the Detroit Stock Exchange to strike from listing and registration the common stocks of Cliffs-St. Clair Corporation (formerly Detroit Steel Corp.) and MWA Corporation (formerly Mid West Abrasive Co.) and (b) the New York Stock Exchange to strike from listing and registration the common stock of Technical Materiel Corporation, all effective at the opening of business on October 11, 1971. Cliffs-St. Clair and MWA requested delisting from the Detroit Exchange because of inactivity of trading on the Exchange. Information believed to be reliable indicates that Technical Materiel fails to meet the NYSE's standards for continued listing with respect to earnings and net tangible assets. (Rel. 34-9365)

SECURITIES ACT REGISTRATIONS. Effective October 8: Allegheny Airlines, Inc., 2-41995; Bobbie Brooks Inc., 2-41689; California Financial Corp., 2-40784; California Power & Light Co., 2-41738; Cone Mills Corp., 2-41628; Eagle Growth Shares, Inc., 2-34540; FSC Apartments, Inc., 2-39366 (90 days); First National Charter Corp., 2-41269; Lexton-Ancira, Inc., 2-40905 (90 days); Olson Farms, Inc., 2-36514; Prudential Funds, Inc., 2-40482; Standard Oil Co. (Ind.), 2-41794;

Effective October 7: Nuveen Tax-Exempt Bond Fund, Series 38, 2-41600.

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.

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.

GPO 912-604

===0000000===