



Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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

A Daily Summary of
S.E.C. Activities

(Issue No. 71-228)

FOR RELEASE November 29, 1971

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

ELLIOT SPITZ BARRED. The SEC has entered an order barring Elliot Spitz of New York, from being associated with a broker-dealer. The action was based on findings that Spitz had made false and misleading statements in the offer and sale of common stock of Computer Field Express, Inc. concerning, among other things, the nature and prospects of the stock and the issuer and a scheme to control the market in the stock.

The Commission's findings and order were issued pursuant to Spitz's consent, which was submitted without admitting or denying the allegations made with respect to him. (Rel. 34-9392)

KEENER SECURITIES AND PRESIDENT CENSURED AND SUSPENDED. The SEC has censured and suspended for 10 business days Keener Securities, Inc., of Ferndale, Mich., and its president, John W. Keener. The suspensions begin on November 29, 1971. The action was based on findings that the firm, aided and abetted by Keener, violated the regulations regarding the use of customers' free credit balances and the recordkeeping and reporting requirements, and that the firm and Keener failed to exercise reasonable supervision with a view to preventing such violations.

The Commission's action was taken pursuant to an offer of settlement in which, without admitting or denying the charges, the respondents consented to the above findings and the indicated sanctions, and represented that they would promptly file future reports, make and keep current all records and send to customers notices of free credit balances as required by the regulations. (Rel. 34-9393)

ROLANDI SECURITIES CORP. REVOKED, OFFICERS BARRED. In a decision announced today, the SEC revoked the broker-dealer registration of Rolandi Securities Corporation of San Francisco, and barred Frederick Sereno Rolandi, Jr., its president, and Richard Hopkins Haley, vice-president, from being associated with any broker or dealer. Registrant, Rolandi and Haley did not respond to the charges against them and were deemed in default, and findings were made on the basis of those charges.

According to the Commission's decision, the firm, aided and abetted by its officers, engaged in business without complying with the qualification and fee requirements imposed by the Commission on broker-dealers which are not members of a registered securities association, and failed to file required financial reports with the Commission for the year 1970. (Rel. 34-9394) (7/8/71)

NEW RULES AND RULE PROPOSALS

PROPOSED AMENDMENTS TO FORM S-16. The SEC has invited comments on certain proposed amendments to Form S-16 which is a short form for the registration of securities under the Securities Act of 1933. In addition to clarifying the instructions as to the use of the form, the amended instructions would permit use of the form for certain listed securities sold in the so-called "third market" and certain over-the-counter securities quoted on NASDAQ, the quotation system of the National Association of Securities Dealers, Inc. The form could also be used for certain closed end management investment companies which are either listed or quoted on NASDAQ. The items of the form would be amended to clarify and amplify somewhat the disclosure required in the prospectus. Comments are to be submitted on or before January 3, 1972. (Rel. 33-5212)

COURT ENFORCEMENTS ACTIONS

A. TORTORELLO AND J. E. DENNETT FOUND GUILTY. The SEC and the New York Joint Strike Force on Organized Crime today announced that a Federal jury found Arthur Tortorello, of Brooklyn, N. Y., and John E. Dennett of Salt Lake City, Utah, guilty on an indictment charging violations of, among other things, the registration and antifraud provisions of the Federal securities laws in connection with transactions in the stock of Underwriters Investment Company. The other six defendants, namely, Arnold McKinney and Milton Peters of Dallas, Fred Hesse, Louis Kaye and Jerry Fields of New York, and Edward Zuber of Detroit, entered pleas of guilty prior to trial. (LR-5230)

FIRST UNITED INVESTMENT COMPANY, OTHERS ENJOINED. The SEC Denver Regional Office announced November 22 that the Federal court in Denver had permanently enjoined First United Investment Company (FUIC), formerly known as First United Trust Company (FUTC), Deposit Guaranty Insurance Corporation (DGIC), David Eugene Duncan and James Denver Wilson a/k/a James D. Wilson, J. D. Wilson, Denver Wilson and J. D. Wilson, Sr., from violations of the registration and antifraud provisions of the Federal securities laws in the offer or sale of the notes of FUIC and FUTC or of certificates of guarantee issued by DGIC or any other securities. The defendants consented to the court order without admitting the allegations. (LR-5231)

OVER

INVESTMENT COMPANY ACT RELEASES

AMERICAN DUALVEST FUND. The SEC has issued a notice giving interested persons until December 13 to request a hearing upon an application of American Dualvest Fund Incorporated, New York closed-end, management investment company for an order amending the Commission's prior order of March 22, 1967, and under certain specified circumstances, exempting the Fund from the prohibition on the declaration and payment of a dividend or other distribution by the Fund upon its capital shares as provided in the Act. In connection with the Fund's retention of Weiss, Peck & Greer as investment adviser, Weiss paid the Fund some \$702,000. The Fund has outstanding, in equal number, two classes of stock designated income shares and capital shares. The income shares are senior securities within the meaning of the Act and entitle their holders to all net income of the Fund except income from capital gains. Fund states that in connection with the Weiss transaction, its board of directors determined that the payments to be received from Weiss should relate to all of Fund's assets and to the interest of all the shareholders of such assets. Fund's board and shareholders approved an amendment to its Certificate of Incorporation providing any payment received by Fund in connection with the retention of an investment adviser and which related to all of its assets would be allocated among the holders of capital shares and income shares. (Rel. IC-6836)

HORNBLOWER & WEEKS. The SEC has issued a notice giving interested persons until December 14 to request a hearing upon an application of Hornblower & Weeks - Hemphill, Noyes, New York, for an order exempting certain transactions from certain provisions of the Act to the extent that they adopt Section 16(b) of the Securities Exchange Act of 1934 in connection with a proposed public offering of 4,000,000 shares of common stock of Chase Convertible Fund of Boston, Inc., a closed-end management investment company, for which Hornblower and W. E. Hutton & Co. will serve as the prospective representatives of a group of underwriters. (Rel. IC-6844)

LASALLE STREET CAPITAL CORP. The SEC has issued a notice giving interested persons until December 14 to request a hearing upon an application of LaSalle Street Capital Corporation, Chicago closed-end, non-diversified, management investment company, for an order declaring that LaSalle has ceased to be an investment company as defined in the Act. LaSalle, licensed as a small business investment company, was merged on November 1, 1971, into Atlanta/LaSalle Corporation, a closed-end, non-diversified management investment company. Atlanta/LaSalle transferred the small business activities formerly carried on by LaSalle to its subsidiary, LSC Corporation, also a closed-end, non-diversified, management investment company and licensed as a small business investment company. The certificate of incorporation of LSC was amended on November 1, 1971, to change its name to LaSalle Street Capital Corporation. (Rel. IC-6845)

HOLDING COMPANY ACT RELEASES

MASSACHUSETTS ELECTRIC. The SEC has issued an order authorizing Massachusetts Electric Company, Westborough subsidiary of New England Electric System, to issue and sell 150,000 shares of cumulative preferred stock (\$100 par), at competitive bidding. Net proceeds will be applied to the payment of outstanding short-term notes (estimated at \$9 million) evidencing borrowings made for capitalizable construction expenditures or to reimburse its treasury therefor. (Rel. 35-17365)

MICHIGAN WISCONSIN PIPE LINE. The SEC has issued an order authorizing Michigan Wisconsin Pipe Line Company, subsidiary of American Natural Gas Company, to issue and sell \$40 million of first mortgage pipe line bonds, due 1991, at competitive bidding, and to issue and sell, at \$100 per share, 100,000 shares of common stock to the parent. Net proceeds of its financing will be used to retire \$50 million of borrowings estimated to be outstanding under lines of credit with banks at the time of the bond sale, such borrowings incurred principally for interim financing of 1971 construction, estimated at \$56 million. (Rel. 35-17373)

WEST PENN RAILWAYS. The SEC has issued a notice giving interested persons until December 17 to request a hearing upon a proposal of West Penn Railways Company, wholly-owned inactive subsidiary of Allegheny Power System, Inc., to dissolve and to distribute to Allegheny all of its assets (consisting solely of cash and treasury bills aggregating \$372,372), subject to all of its liabilities which aggregate \$241,917 and which Allegheny will assume. (Rel. 35-17374)

WHEELING ELECTRIC CO. The SEC has issued a notice giving interested persons until December 16 to request a hearing upon an application of Wheeling Electric Company, Wheeling, W. Va. subsidiary of American Electric Power Company, Inc. to extend from December 31, 1971 to December 31, 1972 the period of time prior to which it may issue and sell notes to ten banks, and to increase from \$4,200,000 to \$4,600,000 the amount of notes. Net proceeds will be used to repay bank loans, proceeds of which were used for construction expenditures, for future construction expenditures (estimated at \$1,700,000 for 1972) and for other corporate purposes. (Rel. 35-17375)

TRUST INDENTURE ACT RELEASE

OWENS-CORNING FIBERGLAS. The SEC has issued an order under the Trust Indenture Act of 1939, granting an application of Owens-Corning Fiberglas Corporation for a determination that no material conflict of interest would arise if Morgan Guaranty Trust Company of New York, which now serves as trustee under an indenture dated February 1, 1969 qualified under the Act, were also to serve as trustee under a new indenture dated as of August 1, 1971.

CONTINUED

SECURITIES ACT REGISTRATIONS

ABOBE INVESTMENT CORPORATION (the general partner), 601 Wilkinson-Foster Bldg., Midland, Tex. 79701, filed a registration statement on November 23 seeking registration of \$5 million of partnership interests in Adobe Drilling Program - 1972, Ltd. (the Partnership), to be offered for public sale at \$5,000 per unit. No underwriting is involved; selected NASD members may participate. The Partnership is to be formed to acquire oil and gas interests and drill, equip and operate wells thereon. (File 2-42417)

ECKERD DRUGS, INC., 1111 Hawthorne Lane, Charlotte, N. C. 28205, filed a registration statement on November 23 seeking registration of 660,000 shares of common stock, of which 500,000 are to be offered for public sale by the company and 160,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$26 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 10005. The company operates a chain of 136 retail drug stores, a chain of eight retail dress shops and an office equipment sales and service business. Net proceeds of its stock sale will be used initially to repay, in part or in whole, short-term bank loans incurred for working capital and expansion (aggregating \$6,550,000 at November 16) and for working capital and other corporate purposes. (File 2-42419)

NORTH AMERICAN GROWTH FUND, INC., 3745 S. Poplar, Denver, Colo. 80237, filed a registration statement on November 22 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. The Fund will operate as a fully managed, open end, diversified investment company with no sales charge. Its primary investment objective is to furnish long-term growth of invested capital with income as a secondary objective. North American Financial Services, Inc. will serve as investment adviser. (File 2-42420)

KING JUICES, INC., 5218 Centre Ave., Pittsburgh, Pa. 15232, filed a registration statement on November 23 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share by Smith, Jackson & Co., Inc., 17 Battery Pl., North, New York. The company manufactures, and delivers several lines of fruit juices, and other beverages. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-42423)

NUVEEN TAX-EXEMPT BOND FUND, SERIES 40, 209 S. LaSalle St., Chicago, Ill. 60604, filed a registration statement on November 22 seeking registration of \$31,500,000 of units. The Fund is one of a series of investment companies created by John Nuveen & Co., Incorporated (the sponsor) pursuant to a trust agreement between the sponsor and 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 on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law. (File 2-42425)

MISCELLANEOUS

TRADING SUSPENSIONS 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 November 25 through December 4, 1971, inclusive, and of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period November 27 through December 6, 1971, inclusive.

AUTEK CORRECTION. The account of the action vacating the Regulation A suspension of Auttek Control Systems, Inc., contained in the Digest of November 24 should have stated that the permanent suspension order should not have been entered and a hearing should be held on the issues raised by the temporary suspension order in response thereto.

SECURITIES ACT REGISTRATIONS. Effective November 24: Comfaz Communications Industries, Inc., 2-39517 (90 days); Damon Corp., 2-39516 and 2-42201; The First Boston Corp., 2-40525; Fischer & Porter Co., 2-41760; Fleetwood Enterprises, Inc., 2-42024; International Multifoods Corp., 2-42365; Marion Laboratories, Inc., 2-42087; Massachusetts Electric Co., 2-42177; Michigan Wisconsin Pipe Line Co., 2-42256; Pacific Lighting Service Co., 2-42239; Philadelphia Electric Co., 2-42342; Thermo Electron Co., 2-42184; Valu Vend Credit Corp., 2-40668 (90 days); Wilson Certified Foods, Inc., 2-42300; Wilson-Sinclair Co., 2-42274.

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.

---ooo0ooo---

G P G 9 12 6 0 4