



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

Washington, D.C. 20549

(Prepared by the SEC Office of Public Information)

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FOR RELEASE September 20, 1972

## SEC TO SEEK MORE SMALL INVESTOR AID

SEC Chairman William J. Casey said Monday that the Commission is giving high priority to determining what can be done to assure that those members of the investing public who prefer to invest directly rather than through investment companies get the benefit of research and professional judgment.

Speaking before the Economic Club of Detroit, Casey said: "With the present capabilities of the computer, there should be no reason why individualized advisory services can't be developed for people with relatively small amounts to invest. These services could provide continuous account supervision and follow-up for significant numbers of direct investors and establish important new trends for the securities industry. Our present view is that these services could dramatically reduce the disparity between research information and investment management available to institutions and that available to individuals - and, to the extent that these services close this gap -- they should be encouraged."

Casey also said that he had directed the SEC's newly-created Division of Investment Company Regulation "to develop a clear policy and guidelines on methods of providing investment management services for individual investors which will also assure necessary investor protections while also, to the extent possible, encouraging development of innovative money management services for individual investors."

## COMMISSION ANNOUNCEMENT

SEC REOPENS "HOT ISSUES" HEARINGS. On September 20, 1972 at 3:00 p.m. in Room 776 of the Commission's office in Washington, D. C., the Commission will reopen its hearings in the "Public Investigation of the Hot Issues Securities Markets." Scheduled to testify on September 20 is a former member of the management of Metropolitan Quarterback, Inc., formerly of Princeton, N. J. On September 21 a representative of the firm of Grimm & Davis, Inc. of New York which underwrote a 1968 offering of Metropolitan Quarterback, Inc. common stock will testify. Also on September 21 a representative of Brimberg & Co. of New York which held an investment in Metropolitan Quarterback, Inc. at the time of the public offering will testify. On September 25 at 11:00 a.m. one of the founders of Metropolitan Quarterback, Inc. will testify.

## DECISION IN ADMINISTRATIVE PROCEEDING

LEWIS SCALA SUSPENDED AND REGISTRATION REVOKED. The SEC has issued an order revoking the broker-dealer registration of Lewis Scala, doing business as L. M. Scala Co., Great Neck, N. Y., and suspending Scala from association with any broker-dealer or registered investment company or adviser for a period of two months. After the suspension Scala may become associated in a supervised employee capacity and after a further period of one year may with Commission permission hold a supervisory or proprietary position.

The order was based on findings that Scala had violated the Commission's net capital and record-keeping requirements. Scala had submitted an offer of settlement in which, without admitting or denying the charges, consented to the findings and sanction. (Rel. 34-9768)

## NEW RULES AND RULE PROPOSALS

REGULATION S-X AMENDMENT ADOPTED. The Commission today announced the adoption of an amendment to Regulation S-X that effects a general revision of Article 9 which pertains to the form and content of financial statements of bank holding companies and banks. Highlights of the revisions are given in the adopting release. (Rel. 33-5301)

## COURT ENFORCEMENT ACTIONS

CONTINENTAL TOBACCO CO. ENJOINED. The SEC Atlanta Regional Office announced September 13 that pursuant to a mandate of the Fifth Circuit Court of Appeals, the Federal district court in Miami entered an order permanently enjoining Continental Tobacco Co. of South Carolina, Inc. from violating the securities registration provisions of the Federal securities laws in the offer and sale of debenture bonds, warrants and common stock of Continental. (LR-5530)

COMPLAINT CITES KOHLWELL SERVICE, OTHERS. On September 14, 1972, the SEC Washington Regional Office announced the filing of a complaint in the Federal court of Alexandria, Va., seeking a preliminary and permanent injunction against Kohl Well Service, Inc., CMD Oil Co., C & C Oil Co., MDM Oil Co. of Pennsylvania, all of Tionesta, Pa., Marlin Duane Carey of Scottsdale, Ariz. and Newmanville, Pa., Charles E. Coulon, Jr. of West Hickory, Pa., and Carmelo Tomasallo (a/k/a Salvatore Tomasallo) of Wheaton, Md. The Commission's

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complaint charges violations by the defendants of the registration provisions and anti-fraud provisions of the Federal securities laws in connection with the offer and sale of over \$1,300,000 of unregistered fractional undivided working interests in the form of oil and gas leases located in and around Warren County, Pa. The complaint also alleges that the defendants Carey and Coulon converted over \$400,000 of investors' funds to their own benefit and use. (LR-5532)

#### HOLDING COMPANY ACT RELEASE

COLUMBIA GAS SYSTEM. The SEC has issued a notice giving interested persons until October 6, 1972 to request a hearing upon a declaration of Columbia Gas System, Inc. (Columbia) registered holding company, and its gas utility subsidiary, Columbia Gas of West Virginia, requesting authorization for a surety bond, in principal amount of \$2,000,000, given by Columbia in conjunction with an interim rate increase being collected subject to refund by the subsidiary. (Rel. 35-17699)

#### INVESTMENT COMPANY ACT RELEASES

VOLT INFORMATION SCIENCES, INC. The SEC has issued an order exempting from certain provisions of the Act the proposed purchase by Volt Information Sciences, Inc. (a) from Legal List Investments, Inc. of 342,350 shares of Volt Information Sciences, Inc. common stock for an aggregate price of \$342,350, and (b) from Enterprise Fund, Inc. of (i) 150,000 shares of Volt Information Sciences, Inc. common stock for an aggregate price of \$150,000 and (ii) 50,000 shares of Class A Convertible Preferred Stock of Volt Information Sciences, Inc. for an aggregate price of \$1,046,300. (Rel. IC-7358)

PITTSBURGH COKE & CHEMICAL. The SEC has issued a notice giving interested persons until October 13 to request a hearing upon an application of Pittsburgh Coke & Chemical Company and The Nelville Island Company, both of Wilmington, Del., for an order declaring that they have ceased to be investment companies as defined in the Act. (Rel. IC-7361)

BLYTH & CO.; PAINE, WEBBER, JACKSON & CURTIS, INC. The SEC has issued a notice giving interested persons until October 13 to request a hearing on an application filed by the above firms for exemption from the provisions of Section 30(f) in connection with the proposed public offering of shares of INA Income and Convertible Fund, a registered closed-end investment company. (Rel. IC-7363)

INVESTORS DIVERSIFIED SERVICES, INC. The SEC has issued a notice giving interested persons until October 13 to request a hearing on an application filed by Investors Diversified Services, Inc. (IDS) and six mutual funds for which IDS acts as principal underwriter. The purpose of the application is to permit investors who redeem shares of any of the funds a one-time privilege to reinstate their account within a 15 day period by repurchasing shares at net asset value without a sales load in the fund redeemed. (Rel. IC-7364)

#### TRUST INDENTURE ACT RELEASE

EL PASO NATURAL GAS COMPANY filed an application under the Trust Indenture Act of 1939 for a finding by the Commission that the Trusteeship of First National City Bank (the Bank) is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Bank from acting as trustee under three indentures of the El Paso Natural Gas Company dated as of August 1, 1968, June 1, 1970 and June 1, 1972, none of which has been qualified under the Act. The Bank also acts as trustee for the company's presently outstanding \$29,494,100 5-1/4% convertible debentures due September 1, 1977 qualified under the Act. In addition the Bank also acts as trustee under three indentures of the company dated as of May 1, 1958, May 1, 1959 and April 1, 1964, none of which has been qualified under the Act. Interested persons may, not later than October 10, 1972, request in writing that a hearing be held on such matter.

#### SECURITIES ACT REGISTRATIONS

TANNETICS, INC., 4201 Bell St., Erie, Pa. 16510, filed a registration statement on September 14 seeking registration of 350,000 shares of common stock, to be offered for public sale (\*at \$11 per share maximum) through underwriters headed by Parker/Hunter Inc., Union Trust Bldg., Pittsburgh, Pa. 15219. The company manufactures and markets commercial beverage refrigeration and dispensing equipment, gaskets for use by the petroleum and chemical industries and low pressure brass valves for use in residential construction. Of the net proceeds of its stock sale, \$1,500,000 will be used for prepayment of the current portion of a bank loan utilized in making acquisitions and the balance for working capital and other corporate purposes. (File 2-45715)

JOAN FABRICS CORPORATION, 122 Western Ave., Lowell, Mass. 01853, filed a registration statement on September 14 seeking registration of 600,000 shares of common stock, of which 196,000 are to be offered for public sale by the company and 404,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$22 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, New York. The company manufactures fabrics for sale to the upholstered furniture industry. Of the net proceeds of its stock sale, \$1,350,000 will be used to reduce bank loans incurred in connection with recent expansion, \$1,000,000 to finance further expansion and the balance for working capital and other corporate purposes. (File 2-45716)

CARLSBERG DIVERSIFIED PROPERTIES, LTD.-'72 (the Partnership), 1801 Century Park West, Los Angeles, Calif. 90067, filed a registration statement on September 14 seeking registration of \$5 million of partnership interests, to be offered for public sale at \$500 per unit with a minimum investment of five units by Carlsberg Securities Corporation (an affiliate of the general partner) and other selected NASD members. The Partnership proposes to invest in income producing commercial industrial or residential properties. Carlsberg Resources Corporation is the general partner. (File 2-45717)

JORGES CARPET MILLS, INC., c/o P. O. Box 698, Rossville, Ga. 30741, filed a registration statement on September 14 seeking registration of 450,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$15 per share maximum) through underwriters headed by A. G. Edwards & Sons, Inc., One North Jefferson Ave., St. Louis, Mo. 63103. The company manufactures tufted broadloom carpeting from synthetic yarns. Of the net proceeds of its stock sale, \$2 million will be used to repay a portion of outstanding debt and the balance for working capital and other corporate purposes. (File 2-45718)

SOUTHEAST BANKING CORPORATION, 100 S. Biscayne Blvd., Miami, Fla. 33131, filed a registration statement on September 14 seeking registration of \$35 million of convertible subordinated debentures, due 1977, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Inc., 140 Broadway, New York 10005. A bank holding company, Southeast owns substantially all of the outstanding stock of 15 Florida banks. Of the net proceeds of its financing, \$20 million will be used to provide additional capital for subsidiaries and the balance for working capital and other corporate purposes. (File 2-45719)

OFFSHORE LOGISTICS, INC., 129 Demanade Blvd., Lafayette, La. 70501, filed a registration statement on September 14 seeking registration of 487,500 shares of common stock, of which 300,000 are to be offered for public sale by the company and 187,500 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$19-5/8 per share maximum) through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005, and Howard, Weil, Labouisse, Friedrichs Inc., 211 Carondelet St., New Orleans, La. 70130. The company owns and operates a fleet of 65 vessels that serve the offshore oil and gas industry. Of the net proceeds of its stock sale, \$3 million will be used to repay interim bank borrowings and the balance for working capital and other corporate purposes. (File 2-45720)

ULTRACOM, INC., M.R. No. 1 Richardson Rd., Lansdale, Pa. 19446, filed a registration statement on September 14 seeking registration of 300,000 shares of common stock, to be offered for public sale (\*at \$10 per share maximum) through underwriters headed by Suplee-Mosley Inc., 1700 Market St., Philadelphia, Pa. The company is primarily engaged in owning and operating community antenna television systems. Of the net proceeds of its stock sale, \$827,000 will be used to construct or modernize CATV systems and the balance for working capital and other corporate purposes. (File 2-45721)

GREAT AMERICAN CORPORATION, 2655 Plank Rd., Baton Rouge, La. 70821, filed a registration statement on September 15 seeking registration of 150,000 shares of common stock, to be offered for public sale (\*at \$22 per share maximum) through underwriters headed by Stephens Inc., 114 E. Capitol Ave., Little Rock, Ark. 72201. A one-bank holding company, Great American's principal asset is American Bank and Trust Company of Baton Rouge. Of the net proceeds of its stock sale, \$1 million will be used to repay short-term debt owed a non-affiliated bank and the balance to provide additional funds to its banking subsidiary. (File 2-45722)

BELDEN & BLAKE AND COMPANY LIMITED PARTNERSHIP NO. 53, 702 Tuscarawas St., West, Canton, Ohio 44702, filed a registration statement on September 14 seeking registration of \$600,000 of partnership interests, to be offered for public sale at \$3,000 per unit with a minimum subscription of two units. The Partnership was formed to engage in oil and gas drilling and exploration activities. Henry S. Belden III and Glenn A. Blake are the general partners. (File 2-45723)

NATIONAL MEDICAL CARE, INC., 77 Pond Ave., Brookline, Mass. 02146, filed a registration statement on September 15 seeking registration of 655,000 shares of common stock, of which 260,000 are to be offered for public sale by the company, 375,800 (being outstanding shares) by the holders thereof and 19,200 (issuable upon exercise of warrants) by the recipients thereof. The offering is to be made (\*at \$27 per share maximum) through underwriters headed by Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York 10005. The company operates special-purpose medical centers which primarily provide out-patient health care. Net proceeds of its stock sale, together with other available funds, will be used to finance additional artificial kidney and mental health centers and for working capital. (File 2-45725)

TELTRONICS SERVICES, INC., 306 E. 39th St., New York 10016, filed a registration statement on September 15 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$10 per share through underwriters headed by Shaskan & Co., Inc., 67 Broad St., New York 10004. The company is engaged in selling, installing and servicing telephone equipment for interconnection into telephone lines leased from regulated telephone companies. Of the net proceeds of its stock sale, \$400,000 will be used for equipment, supplies and labor and the balance for working capital and other corporate purposes. (File 2-45727)

**NEVADA POWER COMPANY**, Fourth St. and Stewart Ave., Las Vegas, Nev. 89151, filed a registration statement on September 15 seeking registration of \$15 million of first mortgage bonds, Series L, due 2002, to be offered for public sale at competitive bidding. Net proceeds will be used to reduce short-term borrowings incurred for construction purposes (estimated to aggregate \$25 million at the time proceeds are received). Construction expenditures are estimated at \$33,900,000 for 1972 and \$136 million for the years 1972-74. (File 2-45728)

**THE ML GNMA INCOME FUND**, First Monthly Payment Series, filed a registration statement on September 15 seeking registration of \$39 million of units. The Fund was created by a trust agreement under which Merrill Lynch, Pierce, Fenner & Smith Inc. acts as sponsor, Chemical Bank acts as trustee, The National Shawmut Bank of Boston acts as co-trustee and Standard & Poor's Corporation acts as evaluator. The Fund will invest in mortgage-backed securities of the "modified pass-through" type fully guaranteed as to principal and interest by the Government National Mortgage Association, a wholly-owned corporate instrumentality of the Department of Housing and Urban Development. (File 2-45729)

**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:  
 Union Service Industries, Inc., Memphis, Tenn. (File 2-45724) - 43,469 shares  
 Savin Business Machines Corporation, Valhalla, N. Y. (File 2-45726) - 20,000 shares

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**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the several items of the form was included in the September 1 News Digest.

<u>Amended 8K Reports</u>		<u>Amended 8K Reports</u>	
Kirk Corporation #1 for Mar 72 (13)	0-4182-2	Phelps Dodge Corp. #1 for May 72 (13)	1-82-2
Imperial Corp of America, Inc May 1972 (7)	1-4215-2	Envirofood Inc #1 for May 72 (14)	0-2201-2
Luke Ind., Inc March 1972 (11)	0-2612-2	Magic Marker Corp. #1 for Apr. 72 (14)	1-442R-2
		Pioneer Nursing Centers, Inc. #1 for Nov. 71 (12)	0-5368-2
			<u>8K Reports For May 72</u>
Keuffel & Esser Co #1 for Apr 72 (11,14)	0-2117-2	Venture Resources Inc. (2,7)	0-1279-2
Ethan Allen, Inc. #2 for March 72 (7)	0-3969-2	Central Indiana Gas Co. Inc (7,8,11,13)	2-36735-2
		Nationwide Nursing Centers, Inc (3,14)	0-4370-2

**TRADING SUSPENSION CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the common stock of Ecological Science Corporation for the further ten-day period September 20-29, inclusive.

**SECURITIES ACT REGISTRATIONS.** Effective September 18: The Brooklyn Union Gas Co., 2-45177; General Telephone & Electronics Corp., 2-45417; Ralston Purina Co., 2-45608; Standard Brands Inc., 2-45305.

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

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