

## SECURITIES AND EXCHANGE COMMISSION

U.S. SECURITIES &amp; EXCHANGE COMMISSION

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## NEWS DIGEST



Washington, D.C. 20549

A brief summary of financial proposals filed with and actions by the S.E.C.

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(Issue No. 71-59)

FOR RELEASE March 25, 1971COMMISSION ANNOUNCEMENT

SEC ENTERS HOUSTON FOUNDATION, AMERICAN ASSOCIATED PROCEEDINGS. The SEC has entered the proceedings under Chapter X of the Bankruptcy Act for the reorganization of Houston Educational Foundation, Inc., a non-profit, educational and religious corporation which owns and operates the Strake Jesuit College Preparatory School in Houston. The court has named Henry Oliver as trustee. According to a schedule filed with its petition, Houston's assets amount to \$13,568,991, while its liabilities total \$8,611,125. While there is no stock outstanding, Houston's \$3.1 million of 7-1/4% unsecured bonds are held by 584 persons.

The SEC has also entered proceedings under Chapter X with respect to American Associated Systems, Inc., of Lexington, Ky. The court has appointed Richard P. Moloney as trustee. According to its petition, American, which holds and manages real estate, has assets and liabilities of \$1.72 million and \$1.85 respectively. It has 1,841,072 shares of stock outstanding and there were as of December 1, 1969 over 1,300 holders of its stock. (Release CR-303)

DECISION IN ADMINISTRATIVE PROCEEDING

CONTINENTAL SECURITIES REVOKED, BALL BARRED. The SEC today announced a decision in which it ordered that the registration as a broker and dealer of Continental Securities, Inc., Des Moines, Iowa, be revoked, and that James E. Ball, III, its president, be barred from association with any broker or dealer for violations of the net capital and record keeping requirements of the Federal securities laws.

According to the decision, from September 1969 to December 1970, registrant engaged in the securities business when it did not have and did not maintain net capital of not less than \$5,000 and failed to make and keep current records of computations of its net capital as of trial balance dates. Ball failed reasonably to supervise persons under his supervision with a view to preventing such violations.

Solely for the purpose of these proceedings and without admitting or denying the allegations of willfulness, respondents consented to the entry of an order finding willful violations and a failure to supervise and imposition of sanctions as described above. (Release 34-9116)

COURT ENFORCEMENT ACTIONS

KABBOORD ENJOINED. The SEC today announced that on February 24 that the Federal court in New York permanently enjoined John J. Kabboord of Cocoa Beach, Fla. from violating the registration and anti-fraud provisions of the Federal securities laws in the sale of stock of Ocean Data Industries, Inc., Space Data Industries, Inc., Geonics, Inc., and Oretex, Inc. The defendant consented to the entry of the injunction without admitting or denying the allegations contained in the complaint. (LR-4943)

ORIN R. DUDLEY ENJOINED. The SEC New York Regional Office today announced that the Federal court in New York on March 5 preliminarily enjoined Orin R. Dudley individually, and doing business as Orin R. Dudley Co., New York broker-dealer from violating the bookkeeping and net capital provisions of the Federal securities laws, and appointed J. Lincoln Morris, Esq., of New York, receiver for the assets of Dudley and Dudley Co. (LR-4944)

INVESTMENT COMPANY ACT RELEASES

DUPONT SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 15 to request a hearing upon an application of E. I. du Pont de Nemours and Company, Wilmington, Del., for an exemption order permitting the proposed grant of an exclusive license under a U. S. Patent Application (and foreign counterparts) to Digilab, Inc., a wholly-owned subsidiary of Block Engineering Inc., so that Digilab can make and sell optical thickness gauges, used in measurement of film thickness. Christiana Securities, a registered closed-end investment company, owns some 28.5% of the outstanding common stock of duPont, which in turn owns some 33% of the outstanding common stock of Block. Under the provisions of the Act, duPont, Block and Digilab are presumed to be controlled by Christiana and affiliated persons of Christiana. Under the provisions of the Act, it is unlawful for any affiliated person of a registered investment company, or an affiliated person of such person, to purchase any security or other property from such company, or from any company controlled by such company. (Release IC-6403)

WALTHAM RESOURCES HEARING SCHEDULED. The SEC has issued an order under the Investment Company Act scheduling a hearing for April 20, upon an application of Waltham Resources Corp. ("Waltham"), New York, for an order declaring that it is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding or trading in securities, either directly or through majority-owned subsidiaries or through controlled companies conducting similar types of businesses. According to the application, virtually all of Waltham's assets consist of 700,000 shares (about 31%) of the outstanding common stock of Waltham Industries Corp. ("Industries"), which is engaged in manufacturing various timing devices and, through wholly-owned subsidiaries, in the manufacture of high-precision metal parts, web-offset presses and other types of equipment. Since virtually all of Waltham's assets consist of investment securities, it appears to

fall within the definition of an investment company under the Act. However, Waltham represents that "from its inception it was intended to be and held itself as a holding company devoted to the management of Industries." (Release IC-6404)

**JOHN HANCOCK VARIABLE ACCOUNT RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act exempting John Hancock Mutual Life Insurance Company and John Hancock Variable Account A, Boston mutual fund, from certain provisions of the Act in connection with certain individual variable annuity contracts to be issued and sold by Insurance Company with respect to Account A. (Release IC-6406)

**RANDHURST & OMEGA FUNDS SEEK ORDER.** The SEC has issued an order under the Investment Company Act giving interested persons until April 20 to request a hearing upon an application of Randhurst Fund, Incorporated and Omega Fund, Incorporated, both Medinah, Ill. mutual funds, for an order declaring that they have ceased to be investment companies. Omega was merged into Randhurst in February 1969 with Randhurst being the surviving corporation. In July 1970, Randhurst shareholders voted to dissolve the corporation and approved a plan for distribution of its assets upon dissolution. (Release IC-6408)

**AMERICANA FUND SEEKS ORDER.** The SEC has issued an order giving interested persons until April 20 to request a hearing upon its proposal to issue an order revoking the registrations of The Americana Fund and Americana Investment Plans, of New York. Americana and Plans filed notifications of registration in July and November 1963, respectively, but have never filed registration statements. It appears that they have ceased to exist. (Release IC-6409)

**ORDER RE SCIENCE CAPITAL FUND.** The SEC has issued an order under the Investment Company Act upon an application of Science Capital Fund, Inc., New York, declaring that it has ceased to be an investment company. (Release IC-6410)

#### HOLDING COMPANY ACT RELEASE

**FIRST PENNSYLVANIA BANKING SEEKS ORDER.** The SEC has issued an order under the Holding Company Act giving interested persons until April 15 to request a hearing upon an application of The First Pennsylvania Banking and Trust Company of Philadelphia, and Marine Midland Bank-New York, of New York, for an order declaring that neither will become an electric utility company within the meaning of the Act as a result of Marine Midland's succeeding to the trusteeship under a trust agreement in connection with the purchase of four barge-mounted power plants for use by Consolidated Edison Company of New York, Inc., an electric utility company, for a 25-year period. Marine Midland would hold the Trust Estate for the benefit of First Penn and certain institutional investors. (Release 35-17065)

#### SECURITIES ACT REGISTRATIONS

**NUVEEN BOND FUND PROPOSES OFFERING.** Nuveen Tax-Exempt Bond Fund, Series 36, 209 South LaSalle St., Chicago, Ill. 60604, filed a registration statement with the SEC on March 19 seeking registration of \$33 million of units. The Fund is one of a series of investment companies created under an indenture and agreement between John Nuveen & Co. (Inc.), the sponsor, and United States Trust Company of New York, the trustee. The Fund 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 taxes under existing law. (File 2-39706)

**NORTHERN ILLINOIS GAS TO SELL STOCK.** Northern Illinois Gas Company, East-West Tollway at Route 59, Aurora, Ill. 60507, filed a registration statement with the SEC on March 19 seeking registration of 900,000 shares of common stock, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its stock sale to increase working capital available for construction expenditures. Construction expenditures are estimated at \$55 million for 1971 and \$331 million for the five-year period 1971-1975. (File 2-39705)

**\*TERRY STEAM TURBINE FILES FOR OFFERING AND SECONDARY.** The Terry Steam Turbine Company, Lambert Rd., Windsor, Conn., filed a registration statement with the SEC on March 19 seeking registration of 110,000 shares of common stock, of which 80,000 are to be offered for public sale by the company and 30,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Putnam, Coffin, Doolittle, Newburger, Division of Advest Co., Six Central Row, Hartford, Conn. 06103. Net proceeds of its sale of additional stock will be used to reduce short-term bank loans (\$3,050,000 at March 10). In addition to indebtedness, the company has outstanding 750,000 common shares, of which A. Lindsay Thomson, president, owns 11.6%. He proposes to sell 22,500 of 76,347 shares held, and one other the remaining shares being registered. (File 2-39707)

**\*BROWN SHOE TO SELL NOTES.** Brown Shoe Company, Inc., 8400 Maryland Ave., St. Louis, Mo. 63105, filed a registration statement with the SEC on March 19 seeking registration of \$30 million of notes, due 1978, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York. Net proceeds of its financing will be applied to retire the company's short-term indebtedness incurred for working capital purposes. (File 2-39708)

**GEICO PROPOSES RIGHTS OFFERING.** Government Employees Insurance Company, 5260 Western Ave., Chevy Chase, Md. 20015, filed a registration statement with the SEC on March 19 seeking registration of 557,524 shares of common stock with warrants to purchase 557,524 shares of common stock. It is proposed to offer these securities in units, each consisting of one share and one warrant, for subscription by common stockholders (\*\*at \$62.50 per unit maximum). Unsubscribed units may be offered for sale through underwriters headed by Johnston, Lemon & Co., 900 Southern Bldg., Washington, D. C. 20005, and Eastman Dillon, Union Securities & Co. Inc., One Chase Manhattan Plaza, New York, N. Y. 10005.

The company is a multiple line property and casualty insurer, engaged principally in writing automobile insurance. Net proceeds of its stock sale will be used for general corporate purposes. The company has outstanding 7,805,332 common shares, of which management official as a group own 15%. Leo Goodwin, Sr., is founder chairman, David Lloyd Kreeger, board chairman and Norman L. Gidden president. (File 2-39709)

**ADA 1971-B OIL & GAS PROGRAM PROPOSES OFFERING.** ADA 1971-B Oil & Gas Program (the "Partnership"), Adams Petroleum Center, 6910 Fannin, Houston, Tex. 77025, filed a registration statement with the SEC on March 22 seeking registration of \$9 million of limited partnership interests, to be offered for public sale at \$7500 per unit. The offering is to be made on a best efforts basis by Ada Securities Corporation, an affiliate of the Partnership. The Partnership proposes to engage worldwide in exploring for and producing oil and gas. Ada Oil Exploration Corporation, a wholly-owned subsidiary of Ada Oil Company, will serve as general partner. K. S. Adams, Jr., is board chairman, John P. Collins, vice chairman and George C. Hardin, Jr., president of the general partner. (File 2-39710)

**GUARDIAN ENTERPRISES TO SELL STOCK.** Guardian Enterprises, Inc., c/o Mercury Intelligence Service, Inc., 160-16 Jamaica Ave., Jamaica, N. Y., filed a registration statement with the SEC on March 19 seeking registration of 85,000 shares of common stock, to be offered for public sale at \$7 per share. The offering is to be made on a best efforts basis by M. P. Brown & Co., Inc.

Organized in January, the company has had no operations to date. It has agreed to purchase all of the stock of Mercury Intelligence Service, Inc., and Mercury Patrol Service, Inc., and will, thereafter, engage in providing security services to various institutions and businesses. Of the net proceeds of its stock sale, \$95,000 will be used as the initial partial payment for the purchase of the outstanding stock of Intelligence and Patrol, and the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 123,500 common shares (with a 15¢ per share net tangible book value), of which Philip Levy, president, owns 22.8% and management officials as a group 61.7%. Purchasers of the shares being registered will acquire a 41% stock interest in the company for their investment of \$595,000; present shareholders will then own 59%, for which they paid \$18,525. (File 2-39711)

**\*NORTHWEST BANCORPORATION TO SELL DEBENTURES.** Northwest Bancorporation, 1200 Northwestern Bank Bldg., Minneapolis, Minn., filed a registration statement with the SEC on March 22 seeking registration of \$30 million of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, and Blyth & Co., Inc., 14 Wall St., both of New York 10005. Net proceeds of its debenture sale will be used primarily to provide additional capital funds to affiliated banks and companies, and the balance will be added to the company's general funds and will be available to finance anticipated growth of affiliated banks and for other corporate purposes. (File 2-39712)

**WHEATHEART CATTLE PROPOSES OFFERING.** Wheatheart Cattle Company (the general partner), 315 South Main St., Perryton, Tex. 79070, filed a registration statement with the SEC on March 22 seeking registration of \$10 million of pre-organization subscriptions in limited partnerships to engage in cattle feeding programs, to be offered for public sale in minimum amounts of \$5000. Selected NASD members may participate in the sale of such interests. Each partnership will engage in the purchasing, grazing, feeding and marketing of cattle. Word B. Sherrill, Jr., is president of the general partner. The general partner is a wholly-owned subsidiary of Wheatheart Feeders, Inc. (File 2-39713)

**\*ALLEGHENY LUDLUM INDUSTRIES FILES FOR SECONDARY.** Allegheny Ludlum Industries, Inc., 2000 Oliver Bldg., Pittsburgh, Pa. 15222, filed a registration statement with the SEC on March 22 seeking registration of 335,000 outstanding shares of \$3 convertible preferred stock (\$1 par), to be offered for public sale by the holder thereof. The offering is to be made (\*\*at \$45 per share maximum) through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York 10005.

The company is a producer of a broad line of specialty steels and alloys. The United Corporation propose: to sell 335,000 of 666,328 \$3 preferred shares held (approximately 33%); such shares were acquired pursuant to the merger of True Temper Corporation into Allegheny Ludlum. (File 2-39715)

**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:

Lone Star Gas Company, Dallas, Tex. (File 2-39704) - approximately 78,646 shares  
The General Tire & Rubber Company, Akron, Ohio (File 2-39714) - 68,000 shares

#### MISCELLANEOUS

**UNLISTED TRADING GRANTED.** The SEC has issued orders under the Securities Exchange Act granting applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies:

Midwest Stock Exchange - Saxon Industries, Inc.

Pacific Coast Stock Exchange - Saxon Industries, Inc.

Philadelphia-Baltimore-Washington Stock Exchange - Banister Continental Corporation, Missouri Public Service Company, National Health Enterprises, Inc., United States Smelting Refining & Mining Company Warrants (expiring January 15, 1979) (Release 34-9110)

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the March 11 News Digest.

8K Reports for Jan 71

Century Convalescent Centers, Inc (2,12)	0-5014-2	Captain International Industries Ltd Dec 70 (1,7,13)	1-6596-2
Wilson & Co., Inc Dec 70 (13)	1-5433-2	Consumers Water Co (2,13)	0-493-2
ABG Industries, Inc (1,2,3,13)	0-3881-2	Duplan Corp (11,13)	1-441-2
Connecticut Natural Gas Corporation (7)	0-327-2	Houston First Financial Group, Inc (2)	0-4768-2
Peter Eckrich and Sons, Inc (12)	0-4353-2	Mohawk Airlines Inc (6,12)	1-4198-2
Scienscope, Inc (6,13)	0-4717-2	Hycel, Inc (2,13)	0-4462-2
Alison Mortgage Investment Trust (7,12,13)	1-6363-2	North American Computer & Communications Co (1,2,3,7,11,13)	2-31813-2
American Greeting Corp Feb 71 (4,7,11,13)	0-1502-2	DSI Systems, Inc (1,2,7,13)	2-31302-2
Custer Channel Wing Corp Dec 70 (11)	0-4647-2	Diversified Realty Inc (7)	0-2860-2
Eagle General Corp Feb 71 (11)	1-23989-2	Standard Brands Paint Co (11,12)	1-4505-2
Lee-Gunn Oil Corporation (13)	2-31603-2	Black & Decker Mfg. Co (4,11,13)	1-1553-2
International Patents & Development Corp (2,4,7,11,13)	2-30850-2	American Realty Trust Dec 70 (13)	1-5954-2
Sept 70 (1)	2-30850-2	The American Plan Corporation Feb 71 (12,13)	0-4699-2
Marinduque Mining & Industrial Corp (6K) Dec 70	1-5534-2	L. I. Ridgeway Enterprises, Inc (8)	0-1869-2
Herff Jones Co Dec 70 (4,11,13)	0-1882-2		
Ocean Science and Engineering, Inc Feb 71 (12)	0-4611-2		
National Exhibition Company Feb 71 (11,12,13)	0-2971-2		

**SECURITIES ACT REGISTRATIONS.** Effective March 23: Medichek, Inc., 2-38054 (90 days).

Effective March 24: Bermuda International Marine, Ltd., 2-39196 (90 days); Boatmen's, Inc., 2-39017 (90 days); Browning-Ferris Industries, Inc., 2-39062 (90 days); Columbia Life Insurance Co., 2-35669 (90 days); Dayco Corp., 2-39485; General Foods Corp., 2-39579; General Precision Corp., 2-37534 (90 days); The Interpublic Group of Companies, Inc., 2-39423; Kraftco Corp., 2-39553; New Jersey Bell Telephone Co., 2-39564; Province of Newfoundland (Canada), 2-39555; Public Service Electric and Gas Co., 2-39549; Jim Walter Corp., 2-39491.

Withdrawn March 17: Alscope Consolidated, Ltd., 2-34874. Withdrawn March 19: Jim Walter Corp., 2-37260; Data Communications Services Inc., 2-34905; Chilton Corp., 2-36656; Protel Products Inc., 2-36755.

Withdrawn March 22: Agricultural Computing Co., 2-32297; DCA Educational Products, Inc., 2-34653; Harries Electronics Corp., 2-33876. Withdrawn March 23: Key Developments, Inc., 2-38007.

Withdrawn March 24: Artronic Information Systems, Inc., 2-35927; Lola Company Ltd. Partnership, 2-38402; Path Computer Equipment, Inc., 2-36335.

**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.

\* 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.

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