



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. 71-136)

FOR RELEASE July 15, 1971

COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN HOTEL, INC. The Commission on Tuesday ordered the temporary suspension of the over-the-counter trading in the securities of Hotel, Inc., Cleveland, for a ten-day period commencing 2:00 p.m., July 13, 1971. The suspension will terminate July 22, 1971. The suspension was ordered because of the inadequacy and inaccuracy of the publicly available information about Hotel. The latest published information disseminated by the company was as of December 31, 1969 and contained misleading and deceptive information concerning the profitability and assets of Hotel. Although the financial statements reported net operating income in the amount of \$265,959 for the year ended December 31, 1969, the staff has learned that Hotel may in fact have incurred a loss of nearly \$134,000. Of the \$844,294 reported as the net assets of Hotel in the December 31, 1969 balance sheet, \$300,000 represents a note receivable from one person who has denied under oath ever making such a note to Hotel or any of its predecessors; additionally, \$248,250 of the net assets represents purported accounts receivable from franchises sold although to date no monies have been received by Hotel, and questions exist as to the collectibility of this receivable. At this time the staff is unable to determine the legitimacy of the remainder of Hotel's reported assets. (Release 34-9248)

TRADING SUSPENDED IN EASTERN AND PACIFIC. The Commission on Tuesday ordered the temporary suspension of over-the-counter trading in the common stock of Eastern and Pacific Industries Corp. of Burlington, Wash., for a 10-day period beginning July 13, 1971 to terminate at the close of business July 22, 1971. The suspension was ordered because of the lack of current financial and other information about the company and its operations. Eastern has not filed with the Commission an annual report on Form 10-K for the fiscal year ended June 30, 1970, a semi-annual report on Form 9-K for the six-month period ended December 31, 1970 and the quarterly report on Form 10-Q for the three-month period ended March 31, 1971. Eastern's securities are listed for trading on the National Stock Exchange. The National Stock Exchange suspended trading in the securities on March 15, 1971. (Release 34-9249)

COMPLAINT CITES BARR FINANCIAL; TRADING SUSPENDED. The Commission on Tuesday, in conjunction with the filing of a complaint in the Federal District Court of Central California asking for injunctive relief against Barr Financial Ltd., and others, ordered the temporary suspension of over-the-counter trading in the common stock of Barr Financial, Ltd., a California corporation of Los Angeles, for the ten-day period beginning July 13, 1971 and terminating at the close of business on July 22, 1971.

In view of the lack of adequate or accurate information available concerning the operations and financial condition of Barr Financial, Ltd. the Commission ordered the suspension in order to allow the public investors time to assess the Commission's injunctive action and any response the defendants might make thereto. The Commission in its injunctive complaint alleges, among other things, the defendants participated in an unlawful distribution of unregistered securities of Barr Financial, Ltd. in connection with the company's acquisition of Seagull Enterprises and that Chess Wilburn, III, the company and others disseminated materially false and misleading information to the public in the form of press releases, public announcements, periodic stockholder newsletters and personal communications concerning the company's operations, financial condition, mergers and acquisitions. (Release 34-9251)

DIV. OF CORP REG OPPOSES EXEMPTION FOR NATIONAL UTILITIES. Hearings were concluded on July 13, 1971 on an application by National Utilities & Industries Corporation, of Elizabeth, N. J., for exemption from provisions of the Holding Company Act of 1935. National, a holding company organized in 1969, acquired ownership of all of the outstanding common stock of Elizabethtown Gas Company in an exchange of National stock for stock of the Gas Company. Among the subsidiary companies of National are National Computer Utility Company, National Exploration Company and National Energy Leasing Company. Elizabethtown Gas Company owns all of the outstanding common stock of E'Town Travel, Inc., a travel agency acquired on December 31, 1970. National in 1970 loaned \$1,500,000 to Executive Airlines, Inc., secured by five year convertible subordinated notes of Executive.

At the conclusion of the hearing, the Division of Corporate Regulation of the SEC announced that it will oppose granting of an exemption to National. National and the Division have waived an initial decision by the Hearing Examiner. National is to file its initial brief with the Commission by September 12, 1971. The Division's Reply Brief is to be filed by November 13, 1971. National will then have until December 12, 1971 to file a reply to the Division's brief.

COURT ENFORCEMENT ACTIONS

COURT RULES CUSTOMERS OF BOSTON BROKER NEED SIPIC COVERAGE. The SEC Boston Regional Office announced that on July 1, a Federal district court in Manchester, N. H. signed an order which adjudged that the customers of John, Edward and Company, Inc., of Lebanon, N. H., are in need of the protection afforded by the Securities Investor Protection Act of 1970. In its order, the Court appointed George L. Manias, as trustee for the liquidation of the business of the firm, and also appointed Charles H. Morin, of Boston as attorney for the trustee. (LR-5089)

OVER

GRAND JURY INDICTS MOORE AND DUERMEIER. The SEC Chicago Regional Office announced that on July 6, a Federal Grand Jury in Chicago returned a fourteen count indictment against Vaughn V. Moore and Duane Duermeier, for violating the anti-fraud provisions of the Federal securities laws, violations of the mail fraud statute and conspiracy to violate the anti-fraud provisions of the securities laws. (LR-5090)

DECADE MANAGEMENT, OTHERS, PERMANENTLY ENJOINED. The SEC San Francisco Regional Office announced that on July 6, the Federal district court in San Francisco entered a final judgment of permanent injunction against the following, enjoining violations of the registration provisions of the Federal securities laws: Decade Management Corporation, Capital Services Corporation, Financial Security Group - 1962, Financial Security Group 1963, Financial Security Group 1964, Financial Security Group 1965, and Merrill O. Mooney. All defendants consented to the order without admitting or denying the allegations in the complaint. (LR-5091)

MANDEL FOUND NOT GUILTY IN NEW YORK. On July 9, 1971, after a three-day trial, a jury in the U. S. District Court for the Southern District of New York found Sol C. Mandel of Miami, Fla. not guilty on the only remaining count of an indictment pending against him which charged him with violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10-b5 thereunder. (LR-5092)

NEW RULES AND RULES PROPOSALS

REVISION OF INVESTMENT COMPANY ACT REPORT FORM. The SEC today adopted revisions of its Form N-1R for annual reports of most management investment companies and withdrew its proposed amendment to Rule 30a-1, which would have reduced the time for filing such reports from 120 to 90 days. The new and revised items of Form N-1R require more explicit information with respect to the registration of investment company shares: the processing of orders for sales, redemptions and repurchases of such shares; and investment company portfolio transactions generally and in "restricted securities". Information relating to the status of shareholders accounts and the processing of shareholder inquiries is also required. The opinion of the Independent Public Accountant filed with the annual report on Form N-1R is required to include comments upon any material inadequacies in the accounting system and the system of internal control of the investment company and any corrective action taken or proposed. The revisions are effective for all fiscal years ending on or after December 31, 1971. Copies of the complete Form N-1R and attachments, as revised, will be printed and mailed to all registered investment companies, and made available to other persons upon request, following Commission action on a pending proposal (IC-6522, May 14, 1971) for certain additional revisions to the Form. (Release IC-6620)

SECURITIES ACT REGISTRATIONS

COMMONWEALTH EDISON TO SELL BONDS. Commonwealth Edison Co., One First National Plaza, P.O. Box 767, Chicago, Ill. 60690, filed a registration statement on June 30 seeking registration of \$100 million of first mortgage bonds, Series 23, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be added to the company's working capital for application toward repayment of its short-term commercial paper notes (\$41 million at June 28) issued and to be issued primarily for interim financing of its construction program. Construction expenditures are estimated at \$590 million for 1971 and \$2.5 billion for the five-year period 1971-75. (File 2-41056)

***CHRYSLER FINANCIAL TO SELL NOTES.** Chrysler Financial Corp., 16250 Northland Dr., Southfield, Mich. 48705, filed a registration statement on June 30 seeking registration of \$100 million of notes, due 1976, to be offered for public sale through underwriters headed by the First Boston Corp., 20 Exchange Pl., and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., both of New York 10005.

The company is engaged in the retail and wholesale automotive financing business. Net proceeds of its financing will be added to the company's general funds and initially applied to the reduction of its short term borrowings. (File 2-41057)

***SERVICEMASTER INDUSTRIES SECURITIES IN REGISTRATION.** Servicemaster Industries, Inc., 2300 Warrenville Rd., Downers Grove, Ill. 60515, filed a registration statement on June 30 seeking registration of the following outstanding securities: \$1 million of 6½% convertible subordinated debentures, due 1987, 50,000 common stock purchase warrants and 18,998 shares of common stock. These securities may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** the common stock at \$35 per share and the debentures at 160% of principal amount maximum). The St. Paul Companies, Inc. may sell \$100,000 of debentures and 5,000 warrants and a large number of others the remaining securities being registered. The company sells services and products for the cleaning and maintenance of, and security for, the structures and furnishings of hospitals and other buildings. (File 2-41059)

***RYAN HOMES SHARES IN REGISTRATION.** Ryan Homes, Inc., 100 North Wren Dr., Pittsburgh, Pa. 15243, filed a registration statement on June 30 seeking registration of 30,000 shares of common stock reserved for issuance pursuant to the company's restricted stock purchase plan. (File 2-41062)

In a separate registration statement, the company seeks registration of 30,000 outstanding shares of common stock. Pittsburgh National Bank, as trustee for various trust accounts may offer the shares for sale from time to time at prices current at the time of sale (** \$75-1/8 per share maximum). The company is principally engaged in building single family homes. (File 2-41063)

***REPUBLIC RESOURCES PROPOSES RIGHTS OFFERING.** Republic Resources and Development Corp. (a Philippine corp.), 1906 M. Adriatico St., Malate, Manila, Philippines, filed a registration statement on June 30 seeking registration of 352,715 unit shares of common stock (each unit representing 200 shares). Of these unit shares 66,100 are to be offered for subscription by the company's U. S. shareholders, at the rate of one new unit share for each two unit shares held on July 31, 1969, the remaining shares are to be offered for public sale by the company at a higher price. (** \$4.8 per unit share maximum). No underwriting is involved.

The company is engaged in the exploration for oil in the Philippines. Net proceeds of its stock sale will be used for working capital and general corporate purposes. (File 2-41074)

***INTERNATIONAL BANK PROPOSES OFFERING.** International Bank, 1701 Pennsylvania Ave., N.W., Washington, D. C. 20006, filed a registration statement on June 30 seeking registration of \$15 million of convertible subordinated debentures, to be offered for public sale through underwriters to be specified later.

The company is engaged in banking, venture capital, life insurance, fire and casualty insurance and industrial operations. Of the net proceeds of its financing and the private placement of \$10 million of secured notes, the company will use \$10,254,355 to pay short-term indebtedness and the balance to pay other debt and for general corporate purposes. (File 2-41075)

***TELEPROMPTER SHARES IN REGISTRATION.** Teleprompter Corp., 50 W. 44th St., New York 10036, filed a registration statement on June 30 seeking registration of 310,993 outstanding shares of common stock. These may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$77.25 per share maximum). The company is engaged principally in the cable television business. Jack Kent Cooke may sell 83,000 of 463,964 shares held and a large number of others the remaining shares being registered. (a substantial number of which shares were acquired in connection with acquisitions by the company). (File 2-41077)

DREYFUS INCOME FUND PROPOSES OFFERING. The Dreyfus Income Fund, Inc., 767 Fifth Avenue, New York 10022, filed a registration statement on July 1 seeking registration of 500,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum) with an 8.75% sales charge on purchase of less than \$25,000. The Fund is a diversified open-end investment company designed to seek the highest possible investment income consistent with the preservation of capital. The Dreyfus Corp. will serve as investment adviser, and the Drefus Sales Corp. wholly-owned subsidiary of the Dreyfus Corp., as exclusive underwriter. Howard Stein is board chairman of the Fund, the adviser and the distributor and Jerome S. Hardy is president of the Fund and the adviser. (File 2-41079)

COMMERCIAL STATE PROPOSES OFFERING. Commercial State Corp., 100 N. Jefferson Ave., St. Louis, Mo. 63103, filed a registration statement on June 30 seeking registration of \$480,000 (2000 units) of Programs of Insurance and Mutual Fund Shares. The business of the company is conducted through three subsidiaries: Commercial State Life Insurance Co., which merchandises life and accident and health insurance as a general agency; through Commercial State Equity Corp., which merchandises the sale of equity securities, and through Grand Lindell Corp., which manages the Foundation Stock Fund, Inc., whose shares are offered in the programs. Emil Green is president. (File 2-41078)

***BALLY MFG. FILES FOR OFFERING AND SECONDARY.** Bally Manufacturing Corp., 2640 Belmont Ave., Chicago, Ill. 60618, filed a registration statement on June 30 seeking registration of 261,250 shares of common stock, of which 208,000 are to be offered for public sale by the company and 42,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$26 per share maximum) through underwriters headed by Edwards & Hanly Securities, Inc., One Whitehall St., New York 10004.

The company is engaged in the design, manufacture and sale of coin-operated amusement and gambling devices. Of the net proceeds of its stock sale, \$2 million will be used to pay part of the purchase price of 361,688 shares of the company's common stock being purchased from Abe Green and family members, \$1.1 million to retire certain outstanding domestic short-term indebtedness and the balance for working capital and other corporate purposes. (File 2-41060)

***VALCAN SHARES IN REGISTRATION.** Vulcan, Inc., Avenue E, Latrobe, Pa. 15650, filed a registration statement on June 30 seeking registration of 111,982 shares of common stock issuable upon the exercise of outstanding warrants or options. The recipients of such shares may offer them for sale from time to time at prices current at the time of sale (** \$5.25 per share maximum). Pennsylvania Engineering Corp. may sell all of 65,447 shares to be received and 12 others the remaining shares being registered. (File 2-41064)

ECLIPSE SYSTEMS TO SELL STOCK. Eclipse Systems, Inc., 28 Kulick Rd., Fairfield, N.J. 07006, filed a registration statement on June 29 seeking registration of 200,000 shares of common stock, to be offered for sale at \$5 per share. The offering is to be made through underwriters headed by Lehman, Bartel & Co., Inc., 30 East 60th St., New York 10022.

The company is engaged in the research, development and manufacture of spray coating products and systems for a variety of labor-dependent manufacturing processes. Of the net proceeds of its stock sale, \$110,000 will be used for advertising and promotion and the balance for working capital and other corporate purposes. The company has outstanding 543,908 common shares (with a \$1.74 per share net tangible book value), all owned by Aerosystems Technology Corp. Charles J. Fletcher is board chairman and Arthur Brukhardt president. Purchasers of the shares being registered will sustain an immediate dilution of \$3.78 in per share book value from the offering price. (File 2-41065)

ROBERT E. MCKEE FILES FOR OFFERING AND SECONDARY. Robert E. McKee, Inc., 1918 Texas Ave., El Paso, Tex. 79901, filed a registration statement on June 30 seeking registration of 315,000 shares of common stock, of which 50,000 to be offered for public sale by the company and 250,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$17.50 per share maximum) through underwriters headed by Thomson & McKinnon Auchincloss Inc., 2 Broadway, New York 10004.

The company is a general contractor engaged in construction for public and private clients. Of the net proceeds of its stock sale, some \$985,000 will be used for work relating to the development of a 105.8 acre tract in El Paso and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 998,126 common shares, of which management officials as a group own 35%. Charles David McKee is president, Robert E. McKee, Jr., vice president, proposes to sell all of 72,474 shares held and a large number of others including company officials the remaining shares being registered. (File 2-41066)

***PLANT INDUSTRIES SHARES IN REGISTRATION.** Plant Industries, Inc., 1235 South State College Blvd., Anaheim, Calif. 92806, filed a registration statement on June 30 seeking registration of 561,443 shares of outstanding or to be outstanding common stock. These shares may be offered for sale from time to time by the holders or recipients thereof at prices current at the time of sale (** \$13 per share maximum). Hyman Katz, president, may sell 200,000 of 422,002 shares held and a large number of others the remaining shares being registered. The company is principally engaged in the manufacture, sale and distribution of specialty food and packaging products. (File 2-41067)

***PULTE HOME FILES FOR OFFERING AND SECONDARY.** Pulte Home Corp., 23425 N.W. Highway., Southfield, Mich. filed a reg. statement on 6/30 seeking reg. of 600,000 shares of common stock, of which 500,001 are to be offered for public sale by the company and 99,999 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$15.125 per share maximum) through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006.

The company is primarily engaged in the construction and marketing of single family homes on land which it acquires, subdivides and develops. Of the net proceeds of its stock sale, \$2,011,032 will be used to repurchase at \$12.75 per share, 157,728 common shares issued in connection with a previous acquisition and the balance to repay a bank loan under its revolving credit agreement (\$4,800,000 at June 30), substantially all of which was incurred for working capital purposes; the balance will be added to the company's working capital. Lawton General Corp. and Meshulam Riklis proposes to sell 66,666 and 33,333 shares, respectively, (issuable upon conversion of Series A preferred shares). (File 2-41068)

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.

LTV Electrosystems, Inc., Dallas, Tex. (File 2-41053) - 244,956 shares
Inexco Oil Co., Houston, Tex. (File 2-41061) - 200,000 shares
Payco American Corp., Milwaukee, Wis. (File 2-41058) - 23,960 shares

MISCELLANEOUS

DELISTINGS GRANTED. The SEC has issued an order under the Securities Exchange Act granting applications of (a) the American Stock Exchange to strike from listing and registration the 6% convertible subordinated debentures, Series A (due 1975) of Applied Devices Corp. and the 5% convertible subordinated debentures (due 1987) of Diversified Industries, Inc., (b) the National Stock Exchange to strike from listing and registration the common stock and \$1.25 cumulative preferred stock (\$5 par) of Diversa, Inc., and (c) the New York Stock Exchange to strike from listing and registration the common stock of American Zinc Company, all effective at the opening of business on July 12, 1971. Records of the AMEX indicate that the outstanding debentures of Applied Devices and Diversified Industries each have an aggregate market value which is less than the Exchange's minimum requirement. In the case of the Diversa securities, the financial condition and/or operating results of the issuer, in the opinion of the National Exchange, do not warrant continuation of listing. In addition, Diversa filed under Chapter XI of the Bankruptcy Act in the U. S. District Court for the Northern District of Texas on March 31, 1971. According to the application, information furnished by American Zinc or other sources believed reliable by the NYSE indicate the company's net tangible assets available to the common stock of March 31, 1971 was \$1,364,000, that the company has suffered an average net loss of some \$1,676,000 for the past three fiscal years ended June 30, 1968, 1969, and 1970 with an estimated net loss for the nine months ended March 31, 1971 of over \$18 million, of which some \$14 million represented write-offs of discontinued operations; and that the aggregate market value of publicly held shares is only some \$2.7 million.

SECURITIES ACT REGISTRATION: Effective July 13: Lucky Stores, Inc., 2-40638.

* 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.

---oooOooo---

GPO 912-604