



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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FOR RELEASE October 7, 1971

COMMISSION ANNOUNCEMENTS

SEC ORDER CITES NAFTALIN AND COMPANY. The Commission ordered public proceedings under the Securities Exchange Act against Naftalin and Company, Inc., (Registrant) registered broker-dealer, and its president Neil T. Naftalin, of Minneapolis. The Commission's Division of Trading and Markets alleges that during a period in 1969 respondents failed to make and keep current books and records, because among other things, Naftalin Co. did not post to, or reflect in, its books and records, certain sell orders which it was effecting, and that respondents failed to inform those with whom it was doing business that they were placing orders for the sale of securities by registrant which the registrant did not own, and which registrant could not in fact, deliver, and also failed to inform those with whom registrant was doing business that it was in fact insolvent and unable to meet liabilities as they accrued.

A hearing will be scheduled by further order to afford respondents an opportunity to refute the staff's allegations and to establish any defenses, and to determine, what, if any, remedial action is appropriate in the public interest.

TRADING AND MARKETS ANNOUNCE CHANGES. Michael Saperstein has been appointed Associate Director for Policy matters in the Division of Trading and Markets. In his new position, Mr. Saperstein will act as an adviser on all major policy making matters.

Mr. Saperstein who was born on March 14, 1941, received his A.B. from Colgate University in 1962 and a J.D. from Fordham Law School in 1965. After serving as an Assistant Corporation Counsel and as a trial attorney in the Real Estate Tax Review Department, City of New York, for three years, Mr. Saperstein joined the Commission's staff in 1969 as a trial attorney in the Division of Corporate Regulation. In March 1970, he was reassigned to the Office of Chief Counsel, Division of Trading and Markets and in August 1970 he was promoted to the position of Assistant Chief Counsel where he had primary responsibility for rendering interpretative advice on matters involving the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, and the rules thereof.

Martin Moskowitz has been appointed to the position of Assistant Director, Division of Trading and Markets. In his new position, Mr. Moskowitz will have general responsibility for the regulation of the securities exchanges and the over-the-counter markets.

Mr. Moskowitz who was born in New York City on July 12, 1929, earned his A.B. from New York University in 1950 and his LLB from Harvard Law School in 1953. After four years of active duty with the U.S. Navy, Mr. Moskowitz joined the Commission's staff in January 1957 as an attorney adviser in the Division of Trading Exchanges. In 1961, he was appointed to the staff of the Commission's Special Study of Securities Markets, and upon completion of the Study, he returned to the Division of Trading and Markets in 1963. Mr. Moskowitz's most recent position was as a Special Counsel with primary staff responsibility for regulatory matters involving the over-the-counter markets and oversight of the National Association of Securities Dealers, Inc.

Nicholas Wolfson has been appointed to the position of Special Counsel to Sheldon Rappaport, the Associate Director for Markets & Regulation. Mr. Wolfson was born in New York City on February 29, 1932, earned his A.B. from Columbia University in 1953 and his J.D. from Harvard Law School in 1956. After two years of active duty with the U.S. Army, Mr. Wolfson, joined the staff of the Commission as an attorney in the Division of Corporate Finance. He resigned from the staff in 1960 to engage in the private practice of law. In 1967 Mr. Wolfson returned to the Commission's staff as an attorney in the Division of Trading and Markets where his most recent assignment was as an Assistant Director with primary staff responsibility for exchange regulation. He is also a member of the part-time faculty of the American University Law School.

In his new position as Special Counsel, Mr. Wolfson will develop and coordinate major programs in a wide-variety of significant subject matters involving the Commission's oversight responsibilities of the over-the-counter and exchange markets.

HEARING SCHEDULED ON BRIAN-LLOYD REGISTRATION. The Commission issued an order which scheduled a hearing on October 18, at 10:00 A.M. at the Commission's main office in connection with a registration statement filed by Brian-Lloyd Co., Inc., of New York. The statement filed on September 29, 1969 covered 100,000 shares of common stock.

The Division of Corporation Finance has ascertained information which tends to show and alleges, that the statement contains false and misleading information with respect to, among other things, registrant's statement of income, statement of financial condition, and that the registration statement failed to disclose that the company transacted a material amount of business on a "guaranteed sale" basis and that it failed to disclose that for several months prior to February 20, 1970 the effective date of the statement, the company experienced substantial returns of its merchandise.

The hearings have been established to determine whether a stop order should be issued with respect to the registration statement which was declared effective on February 20, 1970.

OVER

COURT ENFORCEMENT ACTIONS

SENTINEL AIRLINES, OTHERS ENJOINED. The SEC Fort Worth Regional Office announced that a Federal Court in Dallas entered orders permanently enjoining Sentinel Airlines, Inc., James G. McCollom, and Alex Alexander, all of Dallas, and James W. Marchbanks of Fort Worth, from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Sentinel. The defendants consented to the orders without admitting the allegations. (LR-5181)

J.W. BREWER CHARGED WITH CONTEMPT. The SEC Fort Worth Regional Office announced that on August 25, an information was filed in Federal court in Kansas City, Mo., charging James W. Brewer of London, England, with criminal contempt of an October 18, 1968 order permanently enjoining him from violating the registration provisions of the Federal securities laws among other things, in the offer and sale of securities of Continental Investment Corporation of Arizona. (LR-5182)

INVESTMENT COMPANY ACT RELEASES

SHAREHOLDERS INVESTMENT PROGRAMS. The SEC has issued an order under the Investment Company Act declaring that Shareholders Investment Programs for the Accumulation of Shares of Enterprise Fund, Inc., Los Angeles, has ceased to be an investment company as defined in the Act. (Release IC-6759)

HOLDING COMPANY ACT RELEASES

JERSEY CENTRAL POWER. The SEC has issued an order under the Holding Company Act authorizing an extension of the period of time from September 11, 1970 to December 31, 1972 in which Jersey Central Power & Light Company, Morristown, N.J., Metropolitan Edison Company, Berks County, Pa., and Pennsylvania Electric Company, Johnstown, Pa., all subsidiaries of General Public Utilities Corporation, may engage in certain intrasystem transactions regarding their joint ownership of Three Mile Island nuclear generating station now under construction. (Release 35-17300)

DELMARVA POWER. The SEC has issued a notice under the Holding Company Act giving interested persons until November 2 to request a hearing upon an application of Delmarva Power & Light Company, Wilmington, Del., holding company, to issue and sell \$35 million of first mortgage and collateral trust bonds, due 2001, at competitive bidding. Net proceeds will be applied toward the cost of its own construction program and that of its two subsidiaries including the retirement of short-term notes and commercial paper issued prior to such sale. Construction expenditures for the last four months of 1971 and for 1972 are estimated at \$170,983,000. 1/ (Release 35-17301)

SECURITIES ACT REGISTRATIONS

AMERICAN MEDICROP, INC., Barclay Bldg., Bala Cynwyd, Pa. 19004, filed a registration statement on Sept. 29 seeking registration of 1,600,000 shares of common stock, to be offered for public sale (*at \$22 per share maximum) through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York 10005. The company is engaged primarily in operating general, acute care community hospitals. Of the net proceeds of its stock sale, \$15 million will be used to repay a bank loan, \$16 million to redeem the company's 12% subordinated debentures, due 1981 and the balance for general corporate purposes. (File 2-41970)

PATRICK OIL AND GAS CORP. (general partner), 744 West Michigan Ave., Jackson, Mich. 49021, filed a registration statement on September 28 seeking registration of \$12 million of limited partnership interests in its 1972 Drilling Program (a series of limited partnerships), to be offered for public sale at \$25,000 per unit. Patrick Programs, Inc., will serve as dealer-manager on a best efforts basis, selected NASD members may participate in the offering. (File 2-41979)

PRC 1972 Oil & GAS PROGRAM, LTD. (the Partnership), First National Bank Bldg., Stillwater, Okla., filed a registration statement on September 30 seeking registration of \$2 million of participations, to be offered for public sale in minimum amounts of \$10,000. No underwriting is involved, selected NASD members may participate in the offering. The partnership was formed to engage in an oil and gas exploration program. Petroleum Reserve Corp. is the general partner. (File 2-41980)

PACIFIC GAS AND ELECTRIC COMPANY, 245 Market St., San Francisco, Calif. 94106, filed a registration statement on September 30 seeking registration of \$125 million of first and refunding mortgage bonds, Series XX, due 2003, to be offered for public sale at competitive bidding. Net proceeds will be applied toward the cost of additions to the company's utility plant. Construction expenditures are estimated at \$467 million for 1971 and \$2,389 million for 1972-1975. (File 2-41981)

ILLINOIS POWER COMPANY, 500 South 27th St., Decatur, Ill. 62525, filed two registration statement on September 30 seeking registration of (a) \$35 million of first mortgage bonds, due 2001 (File 2-41982) and (b) 860,000 shares of common stock (File 2-41983). The offerings are to be made through underwriters headed by The First Boston Corporation, 20 Exchange Place, and Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., both of New York. Net proceeds of the offerings will be applied either to repayment of outstanding short-term bank loans or commercial paper, or to new construction, or both. If only one of the sales is consummated, proceeds thereof will be applied to payment of bank loans or commercial paper. Construction expenditures are estimated at \$119 million for 1971 and \$140 million for 1972. (File 2-41982 and 2-41983)

CONTINUED

RK PETROLEUM CORP. (the general partner), 201 West Fourth St., Mt. Carmel, Ill. 62863, filed a registration statement on September 30 seeking registration of \$4 million of participations, in two limited partnerships to be offered for public sale at \$5,000 per unit. The offering is to be made through selected NASD members. The partnerships are to be organized to invest in oil and gas properties. (File 2-41984)

DIGITAL EQUIPMENT CORPORATION, 146 Main St., Maynard, Mass. 01754, filed a registration statement on September 30 seeking registration of 300,000 shares of common stock, reserved for issuance pursuant to the company's 1968 Restricted Stock Purchase Plan. (File 2-41985)

HOSPITAL CORPORATION OF AMERICA, 242 25th Ave., North, Nashville, Tenn. 37203, filed a registration statement on September 30 seeking registration of 250,000 shares of common stock which shares are reserved for issuance pursuant to the company's stock option or related plans. (File 2-41986)

ROCKY MOUNTAIN INDUSTRIES, INC., 4253 N. Scottsdale Rd., Scottsdale, Ariz. 85251, filed a registration statement on September 30 seeking registration of \$750,000 of 8% convertible subordinated debentures, due 1982, and an unspecified number of shares and warrants, to be offered for public sale in units, each consisting of a \$500 debenture and common stock and warrants, and at \$700 per unit. The offering is to be made through underwriters headed by New York Investing Corp., 10 E. 40th St., and Hutchins Mixter and Parkinson, Inc., 24 Broadway both of New York. Also included in the statement are 25,000 outstanding shares of common stock, which may be offered for sale from time to time by the holder thereof (Scientific Resources Corp.) at prices current at the time of sale (*\$5 per share maximum). The company was organized in July for the purpose of engaging in the land business of land development. Of the net proceeds of its stock sale, \$200,000 will be used to acquire additional real estate for development and resale and the balance for working capital and other corporate purposes. (File 2-41988)

UGI CORPORATION, 1401 Arch St., Philadelphia, Pa. 19105, filed two registration statements on Sept. 30 seeking registration of (a) \$12 million of first mortgage bonds, due 1996 (File 2-41990) and (b) 373,641 shares of common stock (File 2-41991). The bonds are to be offered for public sale and the stock for subscription by common stockholders of record October 27, at the rate of one share for each ten shares held (*and at \$22 per share maximum); the offerings are to be made through underwriters headed by The First Boston Corp., 20 Exchange Place and Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., New York 10005. Net proceeds of the offerings will be used to reduce bank and other short-term debt outstanding (\$24,100,000 at August 31) incurred primarily for its utility construction program. (File 2-41990 and File 2-41991)

MGF OIL CORPORATION (the general partner), 1126 Vaughn Bldg., Midland, Tex. 79701, filed a registration statement on September 30 seeking registration of \$4 million of preformation limited partnership interests in limited partnerships, to be offered for public sale at \$5000 per unit. The offering is to be made primarily by MGF Securities Corporation, a wholly-owned subsidiary of MGF Oil. The partnership is to be formed to engage in oil and gas exploration. (File 2-41989)

HOSPITAL AFFILIATES, INC., Doctors Pavilion, 1916 Patterson St., Nashville, Tenn. 37203, filed a registration statement on September 30 seeking registration of 217,412 shares of common stock, to be issued upon exercise of stock purchase rights of the company's outstanding 4% subordinated income notes with rights to purchase stock, due 1992, that were originally issued in connection with the company's acquisition of Health Care, Inc. (File 2-41992)

MISCELLANEOUS

TRADING SUSPENSION 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 October 6-15, 1971, inclusive.

SECURITIES ACT REGISTRATIONS. Effective October 5: American Marine, Ltd., 2-40716 (90 days); Armac Enterprises, Inc., 2-40526; Earth Resources Company, 2-39473 (40 days); First Home Investment Corp. of Kansas, Inc., 2-41540, Gulf Power Co., 2-41771; Ohio Power Co., 2-41745; Permaneer Corp., 2-40776; SCA Services, Inc., 2-40991 (90 days); Seaboard Coast Line Industries, Inc., 2-41719, The Taylor Wine Co., Inc., 2-41668; Tenneco, Inc., 2-41722; Tilar Industries, Inc., 2-41032 (90 days); Willcox & Gibbs, Inc., 2-40349.

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 issuer.

* As estimated for purpose 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.

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