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# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

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FOR RELEASE October 29, 1971

## NEW RULES AND RULE PROPOSALS

PROPOSAL TO AMEND RULE 8b-12 UNDER THE INVESTMENT COMPANY ACT OF 1940. The Commission has announced a proposal to amend Rule 8b-12 under the Investment Company Act of 1940 to require that notes to financial statements in registration statements and reports of registered investment companies be in 10-point rather than 8-point type. The amended rule would conform the type-size requirement to that presently existing under the Securities Act of 1933 and the Securities Exchange Act of 1934. Interested persons may comment in writing on or before November 30, 1971. (Rel. IC-6785)

## COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES MARROCCO & CO. The SEC Boston Regional Office on October 21 announced the filing of a complaint in the Federal Court in Massachusetts, seeking to enjoin Marrocco & Co., Inc., Brookline, Mass. broker-dealer, and Ronald Marrocco, its president, from violations of the antifraud provisions of the Federal securities laws in that Marrocco & Co., aided and abetted by Ronald Marrocco, solicited and accepted brokers' and customers' orders at a time when it was unwilling or unable to consummate such orders promptly. In addition appointment of a temporary receiver for the company was requested pending determination of whether or not there is proper basis to invoke the SIPCA. (LR- 5195)

NINE NAMED IN COMPLAINT. The SEC Seattle Regional Office announced October 21 the filing of a complaint in the Federal Court in Spokane, Washington, seeking to enjoin the following from violations of the registration and antifraud provisions of the Federal securities laws in connection with the offer and sale of investment contracts evidenced by a package of instruments collectively called "first mortgage contracts" consisting of a purchase money note, a realty mortgage relating to parcels of unimproved land which the defendant land developers purportedly intend to develop, an assignment of the mortgage to the investor and an agreement for the collection of the payments from the land purchaser on behalf of the investors: Robert L. Ford of Spokane, Wash., H.J. (Jim) McDonald, of Rush City, Minnesota, McDonald Investment Co., a Minnesota Corp., James H. Cornwall of Phoenix, Arizona, Great Southwest Land and Cattle Corp., an Arizona Corp., Anthony G. (Tony) Oddo of Phoenix, Arizona, Alpha Investments, Inc. an Arizona Corp., Jacob Hood of Phoenix, Ariz., and Western Land Sales Co., Inc., an Arizona Corp. (LR-5196)

COMPLAINT CITES CENTRAL AMERICAN DRILLING, OTHERS. The SEC Chicago Regional Office announced on October 22 the filing of a complaint in the Federal Court in Detroit seeking to enjoin Farn H. Salmon, of Hillsdale, Mich., Jack L. Weston and Farn H. Weston, both of Flint, Mich., all individually and d/b/a Central American Drilling Company, from violations of the registration provisions of the Federal securities laws in connection with the offer and sale of fractional undivided interests in oil and gas leasehold located in Michigan, Indiana and Tennessee. (LR-5197)

## INVESTMENT COMPANY ACT RELEASES

INVESTORS DIVERSIFIED SERVICES. The SEC has issued a notice giving interested persons until November 17 to request a hearing upon an application of Investors Diversified Services, Inc. (IDS), IDS Progressive Fund, Inc. (Progressive), IDS New Dimensions Fund, Inc. (Dimensions) and Investors Selective Fund, Inc., for an order permitting shareholders of Selective to exchange their shares for shares of Progressive and Dimensions. 1/ (Release IC-6790)

DOMINION PLANS. The SEC issued an order terminating the registration of The Dominion Plan-Series S and The Dominion Plan-Series TS, Baltimore, Md., as unit investment trusts. (Release IC-6791)

## HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY. The SEC has issued a notice giving interested persons until November 24 to request a hearing upon an application of The Southern Company, Atlanta, Ga. holding company, to issue and sell \$135 million of common stock at competitive bidding. Net proceeds, together with other funds, will be invested by the company in its subsidiaries in the aggregate amount of \$152 million (\$68.5 million had been invested at September 30) and will be used to pay all outstanding promissory notes, estimated at \$52 million at the time of the stock sale, which notes were issued for the purpose of making such investments and for other corporate purposes. 1/ (Release 35-17330)

OVER

JERSEY CENTRAL POWER & LIGHT. The SEC has issued an order authorizing Jersey Central Power & Light Co., Morristown subsidiary of General Public Utilities Corp., to issue and sell 250,000 shares of cumulative preferred stock (\$100 par) at competitive bidding. Net proceeds of its stock sale will be used to repay a portion of the company's short-term bank borrowings, incurred or to be incurred for construction purposes and expected to aggregate \$35 million at the time of the stock sale and for other corporate purposes. (Release 35-17331)

In a separate order, the SEC authorized Jersey Central to issue and sell \$25 million of first mortgage bonds, due 2001, at competitive bidding. Net proceeds of its bond sale will be used to pay, in full, the company's short-term bank notes outstanding at the date of the bond sale, expected to aggregate \$10 million, and for construction purposes. Proceeds of such notes have been or will be used for construction purposes. Construction expenditures are estimated at \$140,900,000 for 1971. (Release 35-17332)

ALLEGHENY POWER SYSTEM. The SEC has issued a notice giving interested persons until November 19 to request a hearing upon an application of Allegheny Power System, Inc., New York holding company and its wholly-owned subsidiaries, Monongahela Power Company, The Potomac Edison Company and West Penn Power Company. Allegheny proposes to issue and sell 2,200,000 shares of common stock at competitive bidding. Net proceeds will be used to acquire additional shares of common stock of the subsidiaries, as follows: 400,000 Monongahela shares for \$20 million; 1,000,000 Potomac shares for \$20 million and 500,000 West Penn shares for \$10 million. Net proceeds will be used by the subsidiaries, together with other corporate funds, to finance their construction programs. Construction expenditures for 1972 are estimated at \$56 million for Monongahela, \$51 million for Potomac and \$78 million for West Penn. 1/ (Release 35-17333)

METROPOLITAN EDISON. The SEC has issued a notice giving interested persons until November 16 to request a hearing upon an application of Metropolitan Edison Company, wholly-owned subsidiary of General Public Utilities Corp., to increase from 400,000 to 1,400,000 the number of cumulative preferred shares (\$100 par) it is authorized to issue under its corporate charter. The company will submit the proposed charter amendment for stockholder approval at a special meeting to be held on December 10, 1971, and proposes to solicit proxies for the granting of such consent. 1/ (Release 35-17334)

AMERICAN ELECTRIC POWER COMPANY. The SEC has issued an order terminating the proceeding with respect to the application of American Electric Power Company, Inc., New York, to issue and sell \$100 million of debentures, due 1986, at competitive bidding. On October 26, AEP withdrew its application. (Release 35-17335)

#### TRUST INDENTURES ACT RELEASES

SCOTT PAPER COMPANY. The Commission issued an order under the Trust Indenture Act on an application of Scott Paper Company, finding that the trusteeship of Morgan Guaranty Trust Company of New York under an indenture heretofore qualified under the Act, and a new indenture not qualified under the Act, 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 Morgan from acting as Trustee under either of such indentures.

OWENS-CORNING FIBERGLAS CORP. The Commission issued an order giving interested persons until November 17 to request a hearing on an application of Owens-Corning Fiberglas Corp. for a finding that the trusteeship of Morgan Guaranty and Trust Company of New York under an indenture heretofore qualified under the Trust Indenture Act and a new indenture not qualified under the Act, 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 Morgan from acting as Trustee under both indentures. 1/

#### SECURITIES ACT REGISTRATIONS

RYAN MORTGAGE INVESTORS, 301 East 5th, Fort Worth, Tex. 76102, filed a registration statement on October 18 seeking registration of 550,000 shares of beneficial interest with warrants to purchase 550,000 shares, to be offered for public sale in units, each consisting of one share and one warrant, and at \$15 per unit. The offering is to be made through underwriters headed by Eppler, Guerin & Turner, Inc., 3900 First National Bank Bldg., Dallas, Tex. 75202. The Trust will invest primarily in a portfolio of first mortgage construction and land development loans. Ryan Advisers, Inc., is investment adviser (File 2-42137)

AMERICAN HERITAGE LIFE INVESTMENT CORPORATION, 11 East Forsyth St., Jacksonville, Fla. 32202, filed a registration statement on October 19 seeking registration of 96,335 shares of common stock, which were issued or are issuable pursuant to the company's stock option and related plans. (File 2-42148)

ATLANTIC RICHFIELD COMPANY, 717 Fifth Ave., New York 10022, filed a registration statement on October 21 seeking registration of 2,553,647 shares of common stock owned by Cities Service Company. Cities Service proposes to offer these Atlantic Richfield shares to holders of its common stock in exchange for shares of Cities Service, at the rate of .7 Atlantic Richfield share for each Cities Service share. The First Boston Corp., 20 Exchange Place, and Loeb, Rhodes & Co., 42 Wall St., both of New York have agreed to manage a group of dealers who will solicit acceptances of the exchange offer. Atlantic Richfield is engaged in exploration for and production and sale of crude petroleum and natural gas. The exchange offer by Cities Service is made in accordance with a 1966 court order which, among other things, requires Cities Services to divest itself of all Atlantic Richfield stock. (File 2-42169)

ESTHER MILLER CREATIONS, INC., 36-46 33rd St., Long Island City, N.Y. 11106, filed a registration statement on October 22 seeking registration of \$400,000 of subordinated convertible debentures, due 1982, to be offered for public sale at 100% of principal amount by Mandelbaum Securities Corp., 1007 South End, Woodmere, N.Y. 11598. The company designs, manufactures and sells stuffed plush toys, pillows and other novelty items. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-42188)

SURG-O-FLEX OF AMERICA, INC., 1154 East Putnam Ave., Riverside, Conn. 06878, filed a registration statement on October 22 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share by Ginberg & Co., Inc., 50 Broadway, New York. The company is engaged in the sale and distribution of Surgifix bandaging products. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-42187)

CLARK EQUIPMENT COMPANY, 324 East Dewey Ave., Buchanan, Mich. 49107, filed a registration statement on October 22 seeking registration of 1,103,052 shares of common stock, of which 1,000,000 are to be offered for public sale by the company and 103,052 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$41 per share maximum) through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York. The company manufactures and distributes automotive parts and components, industrial trucks, construction machinery and truck trailers. Substantially all of the net proceeds of its stock sale will be applied to the reduction of the company's indebtedness under a domestic revolving credit agreement (totalling \$57 million at August 31). (File 2-42189)

PFIZER INC., 235 East 42nd St., New York 10017, filed a registration statement on October 22 seeking registration of 1,000,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (\*at \$38.75 per share maximum) through underwriters headed by Lazard Freres & Co., 44 Wall St., New York 10005. The company is a manufacturer and seller of pharmaceutical, agricultural, chemical, consumer and other products. (File 2-42190)

IOWA POWER AND LIGHT COMPANY, 823 Walnut St., Des Moines, Iowa 50303, filed a registration statement on October 26 seeking registration of \$15 million of first mortgage bonds, due 2001, and 450,000 shares of common stock, to be offered for public sale at competitive bidding. Net proceeds of the company's securities sale will be used toward payment of short-term loans (totaling \$28,500,000 at September 30) incurred by the company as temporary financing for its construction program. Construction expenditures are estimated at \$16 million for 1971. (File 2-42191)

MEDALLION LEISURE CORPORATION, 1107 Broadway, New York 10010, filed a registration statement on Oct. 26 seeking registration of 350,000 shares of common stock, to be offered for public sale (\*at \$12 per share maximum) through underwriters headed by Weis, Voisin & Co., Inc., 17 Battery Place North, New York 10004. Organized in August, the company will, through subsidiaries, engage in the manufacture and sale of swimming pools and related items, the sale of gift items and home accessories and the manufacture and sale of metal hardware components, shelving display cases and lighting displays. Of the net proceeds of its stock sale, some \$1,525,000 will be used in connection with the acquisition of Capitol Hardware Mfg. Co., Inc., and the balance for other corporate purposes. (File 2-42192)

HACH CHEMICAL COMPANY, 713 South Duff Ave., Ames, Iowa 50010, filed a registration statement on October 26 seeking registration of 100,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 50,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$31.50 per share maximum) through underwriters headed by Blunt Ellis & Simmons, Inc., 111 W. Monroe St., Chicago, Ill. The company is engaged in the manufacture and sale of instruments and portable test equipment for the analysis and testing of water and the formulation and sale of specialty chemical reagents for use with such equipment. Net proceeds of its stock sale will be used for plant expansion, production development, expansion of markets and possible acquisitions and other corporate purposes. (File 2-42193)

TEXFI INDUSTRIES, INC., 1046 East Wendover Ave., P.O. Box 20348, Greensboro, N.C. 27420, filed a registration statement on October 26 seeking registration of 37,500 outstanding shares of common stock owned by The Prudential Insurance Company, which may be offered for sale by Prudential from time to time at prices current at the time of sale (\*at \$45 per share maximum). The company is engaged principally in the design, production and sale of knitted apparel fabrics. (File 2-42194)

SELIGMAN & ASSOCIATES, INC., 18530 W. Ten Mile Rd., Southfield, Mich. 48075, filed a registration statement on October 26 seeking registration of 500,000 shares of common stock, of which 125,000 are to be offered for public sale by the company and 375,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$26.50 per share maximum) through underwriters headed by CBWL-Hayden, Stone, Inc. 757 Fifth Ave. New York, New York 10022. The company builds and develops single family homes and multiple family housing for low and middle income families and engages in related activities. Net proceeds of its stock sale will be used in connection with land acquisition and other corporate purposes. (File 2-42197)

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.  
Thermo Electron Corp., Waltham, Mass. (File 2-42184) - 29,343 shares  
Revco D.S., Inc., Cleveland, Ohio (File 2-42195) - 95,370 shares  
Amfac, Inc., Honolulu, Hawaii (File 2-42196) - 33,291 shares

MISCELLANEOUS

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act giving interested persons until November 11 to request a hearing upon application of the following exchanges for unlisted trading privileges in the common stock or specified securities of the named companies: Philadelphia-Baltimore-Washington Stock Exchange: Equimark Corp.; Greyhound Corp. - Warrants (Expiring 1980); Redman Industries, Inc.; Ryder Systems, Inc.; Topper Corp.; Winnebago Industries, Inc.  
Midwest Stock Exchange: Chrysler Financial Corp. - Warrants to purchase common stock of Chrysler Corp.; Heublein, Inc. (Release 34-9379)

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*"):

NO.	O-REGISTRANT	LOCATION
0-5770	Tower Products, Inc**	Mundelein, Il
0-5771	Rex Plastics, Inc**	Thomasville, N.C.
0-5772	Institutional Invstrs. Systems, Inc	New York, N.Y.
0-5773	Santa Fe Downs, Inc	Santa Fe, New Mex.
0-5774	Inter-Island Mortgage Corp**	Jamaica, NY
0-5775	General Precision Corp**	Watertown, Ct
0-5779	Syntonic Technology, Inc**	Melbourne, Fla.
0-5780	Pertec Corp	Chatsworth, Ca
0-5783	Union Commerce Corp**	Wash. DC.
0-5784	National Beryllia Corp**	Haskell, NJ
0-5785	Beneficial Natl. Corp**	New York, NY
0-5786	Hall-Mark Electronics Corp**	Dallas, Tx
0-5787	Grime Busters, Inc**	Westfield, Ma.
0-5791	Endicott Johnson Corp**	Endicott, NY
0-5793	FWD Corp**	Clintonville, Wis.
0-5794	White Eagle Intl., Inc**	New York, NY
0-5829	Coit Intl., Inc**	Dallas, Tx
0-5835	Hydroplex Corp**	Stamford, Ct
0-5838	Great Southern Enterprises, Inc**	Atlanta, Ga
0-5839	Huttig Sash & Door Co**	St. Louis, Mo.
0-5843	Children's World, Inc**	Richardson, Tx.
0-5846	Roanna Togs, Inc**	New York, NY
0-5848	The Stuart McGuire Co Inc**	Salem, Va.

SECURITIES ACT REGISTRATIONS. Effective October 26: Electronic Assistance Corp., 2-39524.  
Effective October 27: Amiel's Enterprises, Inc., 2-40571 (90 days); Automatic Data Processing, Inc., 2-42151; Bio-Dynamics, Inc., 2-41705; CMI Investment Corp., 2-39950, The Cincinnati Gas & Electric Co., 2-41974; Computer Equipment Corp., 2-41047; Engelhard Minerals & Chemicals Corp., 2-41805; Firelite Industries, Inc., 2-40432 (90 days); Financial Corp. of Santa Barbara, 2-41536; Graphic Sciences, Inc., 2-41125; Harrah's, 2-41560 (90 days); Horizons Research Inc., 2-41341 (40 days); Merrill Lynch, Pierce Fenner & Smith, Inc., Bache & Co., Inc. and Walston & Co., Inc., - Series IN, File 2-42029; Milton Bradley Co., 2-41713; Rollins International, Inc., 2-39778; Texas International Petroleum Corp., 2-36892; Transcontinental Oil Programs, Inc., 2-41237 (90 days); UGI Corporation, 2-41990 and 2-41991; UMC Industries, Inc., 2-41223; Zenith National Insurance Corp., 2-41088 (90 days).

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses.

\* 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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