



Washington, D.C. 20549

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

(Prepared by the SEC Office of Public Information)

(Issue No. 72-113)

FOR RELEASE June 14, 1972

## NEW RULES AND RULE PROPOSALS

**AMEND NET CAPITAL RULE.** The SEC today announced the amendment of Rule 15c3-1 ("the net capital rule") under the Securities Exchange Act of 1934. As amended, that rule imposes a maximum net capital ratio of eight-to-one for the first twelve months of the existence of any broker-dealer who became registered after August 13, 1971. In addition, such broker-dealers would be required to have and maintain net capital of not less than \$25,000 on and after August 30, 1972. Broker-dealers who became registered before August 13, 1971 must have minimum net capital at \$15,000 and \$25,000 within 12 and 24 months, respectively, after July 31, 1972. However, those broker-dealers who promptly transmit all funds and deliver all securities received in connection with their activities as broker-dealer, and do not otherwise hold funds or securities for customers, or owe funds or securities to customers, need only maintain minimum net capital of \$5,000. The amendment does not change the requirement of a minimum net capital of \$2,500 for those broker-dealers who were entitled to that (owed minimum) under the present rule. Further, the exemption from the net capital rule for members of certain national securities exchanges has been conditioned upon such exchanges having rules providing for minimum ratios and net capital at least equal to the minimums required by Rule 15c3-1. The exchanges have until September 29, 1972 to bring their requirements into conformance with Rule 15c3-1 in these respects.

The effective date of the amendment to Rule 15c3-1 is July 31, 1972. (Rel. 34-9633)

**PROPOSAL WOULD EASE RESTRICTIONS ON CLEARING ARRANGEMENTS.** The SEC has proposed to amend Rule 17a-3(b) under the Securities Exchange Act of 1934 to permit broker-dealers to enter into certain clearing arrangements. That provision presently permits members of national securities exchanges to clear transactions for other members, but does not permit broker-dealers who are not members of national securities exchanges to do so. The effect of the proposed amendment would be to relieve this existing restriction for over-the-counter broker-dealers provided that the clearing broker-dealer has and maintains net capital of not less than \$25,000 and is otherwise in compliance with the net capital rule to which he is subject. The proposed amendment would also impose similar net capital requirements upon members of exchanges. The amendment would also permit an exchange member or other broker-dealer to clear his transactions through a bank if the books and records relative to the broker-dealer's transactions are maintained and preserved in Rules 17a-3 and 17a-4 under the Exchange Act, and the bank files an undertaking with the Commission that such books and records will be available for Commission examination.

The period for comments regarding this proposal expires on July 17, 1972. During the time the proposal is out for comments, the Commission will permit any broker-dealer to enter into clearing arrangements as permitted by the proposal on the condition that the clearing broker-dealer or the bank, as the case may be, complies with the provisions of the proposed amendment. (Rel. 34-9634)

## COMMISSION ANNOUNCEMENT

**SEC AMENDS CITATION OF GEORGE VAN AKEN AND CHARLES ERB.** The SEC has ordered an amendment to the pending public proceedings under the Securities Exchange Act of 1934 involving George Van Aken, and Charles Erb.

The amendment is based on allegations that Van Aken violated the Commission's anti-fraud provisions in connection with the offer and sale of the common stock of Health Evaluation Systems and of Bio-Derivatives Corp. It is alleged that in connection with offerings of these securities Van Aken and the broker-dealer for which he worked withheld from the public shares which were purportedly part of a public offering. Further that Van Aken placed these shares in accounts in which he had a financial interest and that he used nominee and foreign bank accounts to hide the ownership and the profits made with regard to these shares. Van Aken is also charged with violating the Commission's registration provisions in connection with these offerings.

Charles Erb is charged with failing to reasonably supervise with a view to preventing these violations.

## COURT ENFORCEMENT ACTION

**ROBERT L. FORD, McDONALD INVESTMENT CO. ENJOINED.** The SEC Seattle Regional Office announced on June 8 that the Federal court in Spokane, Washington, has issued orders of permanent injunction enjoining Robert L. Ford, of Spokane, Washington, from further violations of the registration, antifraud, and unregistered broker-dealer provisions of the Federal securities laws, and enjoining McDonald Investment Co., a Minnesota corporation, and H. J. (Jim) McDonald, of Rush City, Minnesota, from the registration provisions in connection with the offer and sale of any securities of any issuer, including, but not limited to, investment contracts referred to by defendants as "First Mortgage Contracts." The defendants consented to the entry of these orders of permanent injunction. (LR-5429)

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BASKIN-ROBBINS ICE CREAM COMPANY, 1201 South Victory Blvd., Burbank, Calif. 91502, filed a registration statement on June 6 seeking registration of 425,000 outstanding shares of common stock, to be offered for public sale by the holder thereof, United Brands Company (owner of all the outstanding common stock of Baskin-Robbins). The offering is to be made (\* at \$17.50 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Paine Webber Jackson & Curtis Inc., 140 Broadway, both of New York City. The company manufactures and sells, and licenses others to manufacture and sell, ice cream products which are retailed in franchised ice cream stores. (File 2-44544)

ADRs FOR MIKUNI COCA-COLA BOTTLING CO. First National City Bank, 111 Wall St., New York, N. Y. 10015, filed a registration statement on June 2 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Mikuni Coca-Cola Bottling Co., Ltd. (a Japanese corporation). (File 2-44545)

QUASAR MICROSYSTEMS, INC., 448 Suffolk Ave., Brentwood, N. Y. 11717, filed a registration statement on June 6 seeking registration of 22,500 outstanding shares of common stock and 10,000 outstanding common stock purchase warrants, to be offered for public sale by the holders thereof (\* at \$10 per share maximum). The company is engaged in the design, manufacture and sale of electronic time Standards, and various electronic and electro mechanical products. (File 2-44546)

COOPER LABORATORIES, INC., 546 Bedford Rd., Bedford Hills, N. Y. 10507, filed a registration statement on June 6 seeking registration of \$20 million of convertible subordinated debentures, due 1992, to be offered for public sale through underwriters headed by White, Weld & Co. Inc., 20 Broad St., and W. E. Hutton & Co., 14 Wall St., both of New York 10005. The company is engaged in the manufacture and sale of medical and dental products. Net proceeds will be used, together with other funds, to prepay \$19 million of long-term debt and \$1,256,250 of the company's 6% notes. (File 2-44553)

MARRIOTT CORPORATION, 5161 River Road, Washington, D. C. 20016, filed a registration statement on June 6 seeking registration of 250,982 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\* \$37 per share maximum). (File 2-44554)

NATIONAL TELEPHONE COMPANY, INC., 100 Prestige Park Rd., East Hartford, Conn. 06108, filed a registration statement on June 7 seeking registration of 100,000 shares of common stock, to be offered for public sale (\* at \$15 per share maximum) through underwriters headed by Charles Beck & Co., Inc., 51 E. 42nd St., New York 10017. Of the net proceeds of its stock sale, \$200,000 will be used for the purchase of additional inventory of interconnectable telephone equipment, cable and hardware, and the balance for working capital and other corporate purposes. (File 2-44557)

THE CONNECTICUT LIGHT AND POWER COMPANY, Selden St., Berlin, Conn. 06037, filed a registration statement on June 7 seeking registration of \$50 million of first and refunding mortgage bonds, series Y, due 2002, to be offered for public sale at competitive bidding. Net proceeds will be used to repay a portion of short-term borrowings incurred for construction expenditures (estimated at \$130 million for 1972). (File 2-44558)

**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:

The B. F. Goodrich Company, Akron, Ohio (File 2-44547) - 1,600,000 shares  
 Mesa Petroleum Co., Amarillo, Tex. (File 2-44548) - 13,245 shares  
 Shell Oil Company, Houston, Tex. (File 2-44549) - 200,000 shares  
 Tyson Foods, Inc., Springdale, Ark. (File 2-44550) - 100,000 shares  
 Quaker State Oil Refining Corporation, Oil City, Pa. (File 2-44551) - Up to 124,224 shares  
 The Superior Oil Company, Houston, Tex. - 7,461 shares; Canadian Superior Oil Ltd., - Calgary, Alta., Can. - 45,588 shares (File 2-44555)  
 Capital Reserve Corporation, Los Angeles, Calif. (File 2-44556) - 113,500 shares  
 Compusamp, Inc., New York, N. Y. (File 2-44560) - 125,000 shares  
 Computer Design Corporation, Los Angeles, Calif. (File 2-44564) - 192,000 shares  
 Katy Industries, Inc., Elgin, Ill. (File 2-44567) - 224,100 shares

C. R. BARD, INC., 731 Central Ave., Murray Hill, N. J. 07974, filed a registration statement on June 7 seeking registration of 425,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 175,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$37 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, New York 10006. The company is engaged in the design, manufacture, distribution and sale of specialized medical, surgical and patient care devices, mainly to the hospital and nursing home market. Part of its net proceeds will be used on new manufacturing and warehousing facilities and equipment (estimated at \$5 million for 1972) and the balance for other corporate purposes. (File 2-44559)

UNITED CONSOLIDATED INDUSTRIES, INC., 5619 Reisterstown Rd., Baltimore, Md. 21215, filed a registration statement on June 7 seeking registration of 310,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 60,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$9.875 per share maximum) through underwriters headed by Legg, Mason & Co., Inc., 22 Light St., Baltimore, Md. 21203. The company is engaged in distributing a full range of automotive replacement parts and certain automotive accessories and equipment. Of the net proceeds of its stock sale, \$630,000 will be used to prepay indebtedness, principally to banks, and the balance for other corporate purposes. (File 2-44561)

CENTRAL ILLINOIS LIGHT COMPANY, 300 Liberty St., Peoria, Ill. 61602, filed a registration statement on June 8 seeking registration of 170,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. Net proceeds will be used to repay a part of short-term notes payable and to increase working capital available for construction expenditures (estimated at \$111,860,000 for 1972-1973). (File 2-44562)

FLORIDA COMMERCIAL BANKS, INC., 950 S.W. 57th Ave., Miami, Fla. 33144, filed a registration statement on June 8 seeking registration of 500,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holder thereof (Hoke T. Maroon, president and board chairman). The offering is to be made (\* at \$20.69 per share maximum) through underwriters headed by duPont Glore Forgan Inc., One Wall St., New York 10005. A bank holding company, the company owns more than 96% of the outstanding capital of five commercial banks. Of the net proceeds of its stock sale, \$3,990,000 will be used to provide capital for banks and the balance for other corporate purposes. (File 2-44565)

#### MISCELLANEOUS

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 June 8 News Digest.

<u>8K Reports</u>			
Calvert Exploration Co. for Feb 72 (3)	1-6684-2	Clear Creek Corp. for Mar '72 (6) Steak N Shake Inc. for Mar 72 (7,10)	0-1379-2 0-90-2
Cudahy Company for Feb 72 (1,4,14)	0-5732-2	GPI, Inc. for Mar 72(11)	1-6086-2
The Weatherhead Company for Mar 71 (8)	1-5831-2	Real Estate Participating In Israel, Ltd. 6K for Dec '71	2-35744-2
for Apr 71 (8)	1-5831-2	General Aircraft Corp. for Jan '72 (8,12)	0-2723-2
for May 71 (8)	1-5831-2	American Thread Co. for Mar '72 (8,13)	0-773-2
for Jul 71 (8)	1-5831-2	Reserve Oil & Gas Co. for Mar 72 (13,14)	1-3474-2
for Nov 71 (8)	1-5831-2	Aileen, Inc. for Mar 72 (7,14)	1-4734-2
for Dec 71 (8)	1-5831-2	D.L. Saslow Co., Inc. for May 71 (7)	2-39600-2
for Jan 72 (8)	1-5831-2	Columbia Broadcasting System, Inc. for Mar 72 (13)	1-2931-2
for Feb 72 (8)	1-5831-2	Federated Purchaser Inc. for Oct 71 (12,14)	1-4310-2
Nease Chemical Co., Inc. for Feb 72 (13)	0-3070-2	Stratton Group, Ltd. for Feb 72 (12)	1-4733-2
Toreador Royalty Corp. for March 1972 (12)	0-2517-2	Beverly Enterprises for Feb 72 (3)	1-5894-2
Worldwide Commerce, Inc. for Mar 72 (2,7,11,14)	2-30584-2	Data Access Systems Inc Aug 71 (11)	2-39409-2
Transairco, Inc. for Jul 71 (7)	1-3461-2	California Medical Centers Jan 72 (2,12,13)	0-3661-2

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		<u>Amended 8K Reports</u>
Philippine Long Distance Tel Co 6K for Mar 72	1-3006-2	
Data Lease Financial Corp Feb 72 (2,3,13)	0-4171-2	Manati Industries, Inc. Amdt #1 for Sept 71 (2,7,11,12,13) 0-3471-2
Pepsico Inc Feb 72 (13)	1-1183-2	Leisure Group, Inc. Amdt #1 for Dec 71 (12) 0-3447-2
The Cyclotron Corp Jan-72 (7)	0-2554-2	
Chesapeake & Potomac Tel Co Of MD #1 for Feb 72 (14)	1-6875-2	Gerard Industries Int'l Corp. Amdt #1 for Mar 71 (2,7,9,13) 1-5927-2 Amdt #1 for Oct 71 (1,2,7,9,14) 1-5927-2
Viewlex Inc #3 for Aug 71 (7,13)	1-4328-2	Cinecom Corp #1 For Feb 72 (9) 1-5656-2
Royal Inds Inc #1 for Feb 72 (14)	1-5797-2	Natl General Corp #1 for Feb 72 (13) 1-3675-2
Consolidated Leasing Corp Of America #1 for Jan 72 (3)	1-5201-2	
Earth Resources Co #1 for Feb 72 (7,14)	1-5984-2	
Victor Products Corp #1 for Jan 72 (7,8)	0-973-2	
Combined Media Inc #1 for Dec 71 (13)	2-31108-2	

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation and Inter-Island Mortgagee Corporation for the further ten-day period June 14-23, 1972, inclusive.

SECURITIES ACT REGISTRATIONS. Effective June 12: Clarke-Gravelly Corp., 2-44416; Columbia Gas Systems, Inc., 2-44205; Electronic Associates, Inc., 2-44261; Florida Power & Light Co., 2-44234; Presidio Oil Funds, Inc., 2-43091 (90 days); Public Service Company of New Mexico, 2-44425; Simmonds Precision Products, Inc., 2-43887; SunAmerica Corp., 2-44528; Tropix Togs, Inc., 2-44027 (90 days); Uris Buildings Corp., 2-44221; Jim Walter Corp., 2-44329.

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.

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

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