

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-108)

FOR RELEASE June 4, 1970

COMMISSION ANNOUNCEMENTS

OWENS ENTERS NEW TERM. Commissioner Hugh F. Owens on June 5, 1970, enters upon his second five-year term as a Member of the Securities and Exchange Commission. He was initially appointed to the Commission in March 1964, for the balance of a term expiring June 5, 1965, being reappointed in May 1965.

A native of Oklahoma, Commissioner Owens received an A.B. degree from the University of Illinois in 1931 and his law degree from the University of Oklahoma in 1934. Prior to joining the Commission in 1964 he had served as Administrator of the Oklahoma Securities Commission for over four years; previously, he had engaged in the practice of law for some twenty-five years, principally in Oklahoma City.

INSTITUTIONAL TRADING REPORTED. The SEC today reported that four leading institutional investor groups -- private noninsured pension funds, open-end investment companies, life insurance companies, and property and liability insurance companies -- purchased on a net basis \$2.3 billion of common stock in 1970's first quarter. While this sum is below the record high of the fourth quarter 1969, first quarter net acquisitions were \$500 million larger than during the comparable quarter of 1969 and almost equal to the 1969 quarterly average. Gross purchases were \$10.4 billion and sales amounted to \$8.1 billion. For further details, see Stat. Release No. 2447.

DECISION IN ADMINISTRATIVE PROCEEDING

EXAMINER REVOKES SAMUEL B. FRANKLIN & CO., INC. SEC Hearing Examiner Samuel Binder has filed an initial decision in administrative proceedings under the Securities Exchange Act involving the Los Angeles broker-dealer firm of Samuel B. Franklin & Company, Inc. The decision, which is subject to review by the Commission either on its own motion or on petition of a party, orders revocation of the firm's broker-dealer registration and its expulsion from the NASD; and bars from association with any broker-dealer Samuel B. Franklin, president, Richard J. Franklin, vice president and trader for the firm, and Jack J. Apple, Bruce D. Livingston and Delmar Gladstone, registered representatives employed the firm.

The Examiner held that Samuel B. Franklin & Co., Inc., Samuel B. Franklin and Richard J. Franklin its officers violated the registration provisions under the Securities Act and violated the anti-manipulative provisions of Section 10(b) of the Exchange Act and Rule 10b-6 thereunder in the distribution of Kramer-American common stock in 1963 and 1964. In addition the Examiner held that the respondents between about July 1965 and April 1967 took excessive mark-ups and mark-downs in effecting transactions for customers in securities of 13 companies, namely, the common stocks of Continental Food Markets of California, Inc., formerly Piggly Wiggly of California, Landsverk Electrometer, Inc., Squire for Men, American Tin, California Girl, Chemical Milling, Construction Design, Controlled Products, Device Seals, Ideal Brushes, Sunset Industries, Tabach and Nova Tech. The Examiner held that the respondents, in making representations as to the prices of securities purchased from and sold to customers, impliedly represented that such prices were reasonably related to those prevailing in the open market and that the respondents in purchasing and selling securities at prices not reasonably related to current market prices therefor, breached such implied representation and thus defrauded the customers.

HOLDING COMPANY ACT RELEASE

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16748) authorizing The Columbia Gas System, Inc., New York, to issue and sell up to \$140,000,000 of short-term notes to banks and/or commercial paper to dealers in commercial paper. The company will make the net proceeds available to its subsidiaries for construction, for the purchase of underground storage gas during the summer months and for other short-term seasonal requirements; up to \$80,000,000 will be used for the latter two purposes and will be repaid by the subsidiaries from cash generated during the winter months. Construction expenditures of the subsidiaries are estimated at \$205,600,000 during 1970.

INVESTMENT COMPANY ACT RELEASE

CONTINENTAL ASSURANCE COMPANY RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6067) exempting Continental Assurance Company, Chicago, and the Continental Assurance Company Separate Account (B) from provisions of Section 22(d) of the Act so as to provide that, when an annuitant shifts his investment in whole or in part from a fixed annuity to a variable annuity, no sales or other charge will be made thereon.

COURT ENFORCEMENT ACTION

MART INDUSTRIES ENJOINED. The U. S. District Court (SDNY) on May 28 entered an order permanently enjoining violations of the Securities Act registration requirements by Mart Industries, Inc. (LR-4619). Mart consented to the injunction but without admitting the violations alleged, which involved the spin-off by another corporation of shares of Mart common without SEC registration.

OVER

SECURITIES ACT REGISTRATIONS

ITT CONTINENTAL BAKING TO SELL DEBENTURES. ITT Continental Baking Company, Halstead Ave., Rye, N. Y. 10580, filed a registration statement (File 2-37520) with the SEC on May 28 seeking registration of \$40,000,000 of senior sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., and Lazard Freres & Co., 44 Wall St., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the baking and distribution at wholesale of bread, snack cake and other bakery products. It also manufactures and sells at wholesale frozen meat, fruit and cream pies, frozen dinners and casseroles and frozen baked goods. Net proceeds of its debenture sale will be added to the company's general funds and used to repay outstanding short-term borrowings (\$17,400,000 at May 22) and to finance a continuing capital expenditure program. The short-term borrowings were incurred principally to finance expenditures for construction and improvement of production and distribution facilities and to repay a term loan. In addition to indebtedness, the company has outstanding 10 shares, all owned by International Telephone and Telegraph Corporation. R. Newton Laughlin is board chairman and M. Cabell Woodward, Jr. president.

WELLINGTON COMPUTER SYSTEMS FILES FOR SECONDARY. Wellington Computer Systems Incorporated, 405 Lexington Ave., New York 10017, filed a registration statement (File 2-37523) with the SEC on May 28 seeking registration of 51,500 outstanding shares of common stock. These shares may be offered for sale from time to time by the present holders thereof at prices current at the time of sale (\$15 per share maximum*).

Organized in May 1968, the company is primarily engaged in a wide range of data processing and related computer "software" services for users of electronic data processing equipment. In addition to indebtedness, it has outstanding 1,160,131 common shares. Allen & Company Incorporated may sell all of 10,000 shares held and 15 others the remaining shares being registered.

PACSETER MANAGEMENT SYSTEMS FILES FOR OFFERING AND SECONDARY. Pacsetter Management Systems, Inc., 251 W. DeKalb Pike, King of Prussia, Pa. 19406, filed a registration statement (File 2-37524) with the SEC on May 28 seeking registration of 92,000 shares of common stock, of which 80,000 are to be offered for public sale by the company and 12,000 (being outstanding shares) by the holders thereof. The offering is to be made on a best efforts basis through M.B.A. Securities Corp., Jenkintown, Pa.; the offering price (\$5 per share maximum*) and underwriting terms are to be supplied by amendment. The company has agreed to pay the underwriter \$12,500 for expenses and to sell it up to 3,000 shares at 1¢ per share.

Organized in June 1969, the company's only business consists of one drive-in restaurant in Manheim Township, Pa. It intends to develop a chain of restaurants featuring pies and pie shops and (through its subsidiary) to license Mr. Swiss restaurants in Pennsylvania under franchise agreements with Mr. Swiss of America, Inc. Net proceeds of its sale of additional stock will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 375,000 common shares (with a 17¢ per share net tangible book value), of which Frank A. Garofolo, president, owns 40% and management officials as a group 52.5%. Purchasers of the shares being registered will acquire a 9.6% stock interest in the company for their investment of \$460,000*; present stockholders will then own 90.4%, for which the company received, in cash and other consideration, \$362,000 or 96¢ per share. Garofolo proposes to sell 8,000 shares and A. Charles Artinian, vice president, 4,000.

RELiance OIL PROPOSES OFFERING. Reliance Oil Corporation (the "general partner"), 2120 Angus Road, Charlottesville, Va., filed a registration statement (File 2-37525) with the SEC on May 28 seeking registration of \$500,000 of participating interests in its 1970 Oil and Gas Program Number 2 (the "Partnership"), to be offered for public sale at \$2,500 per interest. The offering is to be made by Reliance Sales Corporation, a wholly-owned subsidiary of the general partner, and participating broker-dealers, who will receive a 7.5% selling commission. The objective of the Partnership is to drill or participate in a minimum of ten wells for oil and gas in six states or elsewhere in the United States. The general partner has outstanding 400,964 common shares, of which James E. Carson, president, owns 75.4%.

BANKAMERICA REALTY INVESTORS PROPOSES OFFERING. BankAmerica Realty Investors ("Trust"), Bank of America Center, 555 California St., San Francisco, Calif. 94120, filed a registration statement (File 2-37526) with the SEC on May 28 seeking registration of 4,500,000 shares of beneficial interest and \$45,000,000 of convertible subordinated debentures, due 1990, to be offered for public sale in units, each consisting of 30 shares and a \$300 debenture, and at \$900 per unit. The offering is to be made through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005, and Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Calif. 94106; the underwriting terms are to be supplied by amendment.

The Trust was established to provide investors with a professionally managed, diversified portfolio of real estate investments selected to produce current income, both fixed and variable, and opportunities for capital appreciation. A major portion of the Trust's portfolio is expected to consist of equity investments in, and loans secured by mortgages on, property located in California and other western states. It intends to qualify as a real estate investment trust under the Internal Revenue Code. BankAmerica Realty Services, Inc., will serve as investment advisor. Milton J. Brock, Jr. and four others are Trustees. C. J. Medberry is board chairman and Alvin C. Rice president of the advisor.

SEEMAN BROTHERS FILES FOR SECONDARY. Seeman Brothers, Inc., Seabrook, N. J. 08302, filed a registration statement (File 2-37529) with the SEC on May 28 seeking registration of 165,624 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$4.375 per share maximum*). The company produces and markets frozen food products. In addition to indebtedness, it has outstanding 2,145,832 common shares, of which Murry P. Berger, president, owns 14.9%. Jerre L. Pearson is board chairman. Berger may sell 80,125 of 319,602 shares held, Pearson 18,966 of 48,152 and several others the remaining shares being registered.

HOME-STAKE 1970 PROGRAM PROPOSES OFFERING. Home-Stake 1970 Program Operating Corporation (the "Operator"), Piltower Bldg., Tulsa, Okla. 74103, filed a registration statement (File 2-37530) with the SEC on May 28 seeking registration of \$18,280,000 of units of participation in its 1970 Program, to be offered for public sale at \$20,000 per unit. No underwriting is involved; participating NASD members will receive up to a 6% selling commission. The Program will be organized to engage in oil and gas exploration. All of the outstanding capital stock of the Operator is owned by Home-Stake Production Company, whose stock is 21% owned by company officials. All directors and officers of the Operators are also directors and officers of its parent. Robert S. Trippet is president of the Operator and the parent.

ASTROSYSTEMS PROPOSES EXCHANGE OFFER. AstroSystems Inc., 6 Nevada Dr., Lake Success, N. Y. 11040, filed a registration statement (File 2-37531) with the SEC on June 1 seeking registration of 375,000 shares of common stock. It is proposed to offer 30,029 of such shares in exchange for all the outstanding common stock of Linear Motion Technology, Inc. ("LMT"), at the rate of one share for each 17.778 LMT shares held. Effectiveness of the exchange offer is contingent upon acceptance of holders of at least 426,667 LMT shares. If the exchange offer is consummated and the average annual earnings of LMT for the period March 1, 1970 to August 31, 1973 exceed \$60,000 before taxes, the company will issue additional shares pro rata to the participating LMT stockholders, up to 344,971 additional shares. Rudolf Zeidler, president of LMT, has indicated that he will tender his 332,800 LMT shares.

AstroSystems is engaged in the design and manufacture of complex electronic equipment, principally computer data converters and high precision manual and automatic test equipment. LMT is engaged in the development and manufacture of electronic measurement and automation equipment. In addition to indebtedness, AstroSystems has outstanding 1,016,500 common shares, of which Seymour Barth, president, owns 27.8% and management officials as a group 55.8%.

VINDALE FILES FOR OFFERING AND SECONDARY. Vindale Corporation, 4999 Northcutt Place, Dayton, Ohio 45414, filed a registration statement (File 2-37533) with the SEC on June 1 seeking registration of 250,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holder thereof. The offering is to be made through underwriters headed by Goodbody & Co., 55 Broad St., New York 10004; the offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment.

The company designs, manufactures and sells mobile homes and sectional houses. Net proceeds of the company's sale of additional stock will be used to construct and equip a new plant in Ada, Okla., to provide for related start-up costs and working capital for said plant, to finance expansion of the Brookville, Ohio mobile home plant in order to begin production of sectional houses at that plant and for working capital and other corporate purposes. The company has outstanding 633,600 common shares, of which Paul S. Riedel, president, owns 86.2%; he proposes to sell 100,000 of 546,064 shares held.

GENERAL PRECISION TO SELL STOCK. General Precision Corporation, P. O. Box 66, McLennan Dr., Oakville, Conn. 06779, filed a registration statement (File 2-37534) with the SEC on June 1 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made on an "all or none, best efforts" basis by Kelly, Andrews & Bradley, Inc., 111 John St., New York 10038, which will receive a 60¢ per share selling commission plus \$15,000 for expenses. The company has agreed to sell the underwriter, at 1¢ per warrant, five-year warrants to purchase up to 10,000 shares, exercisable after one year at from \$6.60 to \$8.40 per share.

The company was organized in May 1967 to engage primarily in sub-contract manufacturing of custom order, precision machined parts, components and assemblies for diverse commercial and government uses. It recently entered into an exclusive agreement to manufacture and sell firearms and will direct a substantial effort towards that end. Of the net proceeds of its stock sale, \$150,000 will be used to purchase two drill machines, \$70,000 to purchase equipment for manufacturing firearms and \$85,000 for research and development of new firearms; the balance will be added to the company's working capital and used for general corporate purposes. The company has outstanding 281,015 common shares (with an 11¢ per share net tangible book value deficit), of which Joseph D. Ubaldi, president, and Charles F. Ubaldi, secretary-treasurer, own 39.8% each. Purchasers of the shares being registered will acquire a 26% stock interest in the company for their investment of \$600,000 (they will sustain an immediate dilution of \$4.81 in per share book value from the offering price); present shareholders will then own 74%, for which they paid \$83,226 or 30¢ per share.

MARY KAY COSMETICS SHARES IN REGISTRATION. Mary Kay Cosmetics, Inc., 8900 Carpenter Freeway, Dallas, Tex. 75247, filed a registration statement (File 2-37535) with the SEC on June 1 seeking registration of 125,000 shares of common stock. These shares are issuable upon exercise of employee stock options and sales director's stock options granted or to be granted under the company's stock option plans.

NORTEK FILES FOR SECONDARY. Nortek, Inc., 436 Hospital Trust Bldg., Providence, R. I. 02903, filed a registration statement (File 2-37537) with the SEC on June 1 seeking registration of 65,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$9.375 per share maximum*). The company has outstanding 1,837,996 common shares. John H. Abrams may sell 11,142 of 32,908 shares held and six others the remaining shares being registered.

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:

OVER

LTV Electrosystems, Inc., Dallas, Tex. 75222 (File 2-37522) - 200,000 shares
 Talcott National Corporation, New York 10019 (File 2-37527) - 100,000 shares
 Riviana Foods Inc., Houston, Tex. 77019 (File 2-37528) - 218,020 shares
 Associated Dry Goods Corporation, New York 10016 (File 2-37532) - 120,000 shares
 Morteck, Inc., Providence, R. I. (File 2-37536) - 280,000 shares

MISCELLANEOUS

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period June 5-14, 1970, inclusive.

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 "***"):

File No.	O-Registrants	Location	File No.	O-Registrants	Location
			4861	Life of Kentucky Financial Corp	Louisville, Ky.
4864	American Agency Financial Corporation	Atlanta, Ga.	4632	Madjac Data Co Inc**	Jackson Heights, NY
4624	American Kosher Provisions Inc	Brooklyn, NY	4852	Major Oil Corp	Salt Lake City, Utah
4843	Associated Companies Inc	Anderson, Ind.	4797	Medical Computer Systems Inc**	Dallas, Tex.
4857	Basic Metals Inc	Salt Lake City, Utah	4863	Mischer Corp	Houston, Tex.
4645	Colonial Penn Group Inc	New York, NY	4842	Nor-Flo Industries Inc	Cleveland, Ohio
4846	Consolidated Silver Corp	Wallace, Idaho	4854	National Student Marketing Corp	NY, NY
4633	DBA Systems Inc**	Melbourne, Fla.	4862	Newport Chemical Industries Inc	Fall River, Mass.
4848	Detroit Gray Iron & Steel Foundries Inc	Detroit, Mich	4845	Pan American Bancshares Inc	Miami, Fla.
4828	Diamond State Securities Corp	Washington, Del.	4631	Prel Corp**	Orangeburg, NY
4642	Donovan Companies Inc	St Paul, Minn.	4827	Provident National Corp	Phila., Pa.
4859	Duquesne Natural Gas Co	Houston, Tex.	4648	Scottex Corp	Brooklyn, NY
4847	Founders Financial Corp	Tampa, Fla.	4641	Sheroc Corp	St. Paul, Minn.
4873	Kate Greenaway Ind., Inc**	New York, NY	4636	Wallace Leisure Products Inc	Phila., Pa.
4849	H T Products Corp	New York, NY	4643	Roy F Weston, Inc**	West Chester, Pa.
4830	Hooker American Inc	N. Hollywood, Cal.	4844	World Wide Meats Inc	Denison, Iowa
4858	Independence National Corp	Columbus, Ohio			

SECURITIES ACT REGISTRATIONS. Effective June 2: S & S Productions, Inc., 2-37307 (90 days).
Effective June 3: American Sterilizer Co., 2-37356; Analog Devices, Inc., 2-37391; The Bank of Yokohama Ltd., 2-35891; The William J. Burns International Detective Agency, Inc., 2-37258; Daniel Starch & Staff, Inc., 2-37078; Great Western Land and Cattle Co., 2-35417 (90 days); Institutional Equity Corp., 2-34729 (90 days); NCNB Corp., 2-37419; Piedmont Natural Gas Co. Inc., 2-37374 (40 days); Tampa Electric Co., 2-37343; Topper Corp., 2-36322 (90 days); United Continental Growth Fund, Inc., 2-36007 and United Continental Income Fund, Inc., 2-36008.

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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