

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



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FOR RELEASE November 9, 1970

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

NADEL & CO. REVOKED, N. H. COHEN BARRED. The SEC today announced a decision under the Securities Exchange Act (Release 34-9018) in which it revoked the broker-dealer registration of Nadel & Company, New York City, and barred Nathan H. Cohen, Baltimore, from association with any broker or dealer because of violations of the Federal securities laws in transactions involving the securities of Computer Counseling, Inc., Creative Financing, Inc., and Private Placements, Inc. The decision was based upon the respondents' default by reason of their failure to answer the charges.

The Commission held that during a period in 1968 and 1969 Cohen violated the Securities Act registration requirement in the offer and sale of unregistered shares of common stock of Computer. Moreover, Nadel and Cohen manipulated the market for Computer stock and made false and misleading statements concerning (among other things) the financial condition and future earnings of Computer, a prospective rise in the price of its stock, and proposed mergers with other companies. In addition, Cohen failed to disclose that he controlled Creative and Private and had arranged or would arrange approximately \$300,000 of unsecured loans from the proceeds of the sale of their securities, to companies in which he was either a promoter, controlling person or had a substantial interest.

Cohen also violated the anti-fraud provisions of the securities laws in that, contrary to the representations in the offering circular that 100,000 shares of Computer stock would be offered to the public at \$2 per share without the use of an underwriter, he offered, sold and underwrote Computer shares of which a substantial number were withheld and purchased by him and affiliated persons at the offering price and thereafter sold at prices far above the offering price, with excessive and undisclosed profits being realized. Moreover, Cohen used a false and misleading offering circular to induce purchases of Computer stock; and Nadel, aided and abetted by Cohen violated other provisions of the laws by falsely reciting in Nadel's broker-dealer registration application that no persons other than those named in the application directly or indirectly financed its business when, in fact, approximately eight undisclosed persons, including Cohen, financed the capital contribution of a person listed as a limited partner of Nadel.

TRAINING WITH PROS SUSPENSION PERMANENT. The SEC today announced a decision under the Securities Act (Release 33-5105) in which it made permanent a prior order temporarily suspending a Regulation A exemption from registration with respect to a 1969 public offering of 42,000 common shares at \$7 per share by Training With the Pros, Inc. ("TWP"), of New York City. The company consented to the permanent suspension.

According to the Commission's decision, TWP's offering circular was false and misleading by reason of its failure to disclose the existence of \$30,000 loan made to TWP by R. Scott Barter, a principal shareholder, that \$30,000 out of the proceeds of the offering would be utilized to repay the loan. Moreover, a Form 2A report of sales and the use of the proceeds thereof failed to disclose the repayment of the \$30,000 to Barter out of the proceeds (as the company's president later conceded). In addition, certain officers, directors and the principal security holder of TWP failed to cooperate and give testimony in investigation by the Commission's staff. *lan*

COMMISSION ANNOUNCEMENT

TRACY BECOMES HEARING EXAMINER; ROWE PROMOTED. SEC Chairman Budge today announced the appointment of Ralph H. Tracy as an SEC Hearing Examiner, effective November 16. Richard H. Rowe will succeed him as Assistant Director, Division of Corporation Finance, in charge of the Branch of Administrative Proceedings and Investigations.

Mr. Tracy has served with the Commission as a staff attorney in the Division of Corporation Finance since October 1956, becoming Assistant Director in September 1969. He received his A.B. degree from the University of Michigan in 1935 and his law degree from Chicago-Kent College of Law in 1950. Prior to joining the Commission's staff he was employed for about ten years as a Special Agent and Trial Attorney with the Internal Revenue Service.

Mr. Rowe joined the staff of the Division of Corporation Finance in August 1964 following receipt of his law degree from Harvard Law School. In July 1966, after two years' service in the Branch of Administrative Proceedings and Investigations, he was reassigned to the position of Legal Assistant to a Commissioner. He resigned in August 1969 to accept a position in private industry; and in June 1970 he rejoined the Commission's staff in the Office of Chief Counsel, Division of Corporation Finance. He received his A.B. degree from Bates College in 1957.

HOLDING COMPANY ACT RELEASE

ALLEGHENY POWER SYSTEM RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16894) authorizing Allegheny Power System, Inc., New York holding company, to issue and sell 1,800,000 shares of common stock at competitive bidding. Allegheny will use \$24,003,850 of the net proceeds (expected to total \$36,000,000) to acquire common stock of subsidiaries as follows: 160,077 shares of Monongahela Power Company for \$8,003,850, 400,000 shares of The Potomac Edison Company for \$8,000,000, and 400,000 shares of West Penn Power Company for \$8,000,000; the balance will be used to repay bank borrowings OVER

by Allegheny, the proceeds of which were used to invest in the common stock of the subsidiaries. The subsidiaries will use the net proceeds of their stock sales, together with other corporate funds, to finance their construction programs. Construction expenditures for 1971 are estimated at \$51,096,000 for Monongahela, \$57,270,000 for Potomac and \$92,766,000 for West Penn.

INVESTMENT COMPANY ACT RELEASES

NOTICE RE SCHOLARSHIP BONDS. The SEC has issued an order under the Investment Company Act (Release IC-6232) giving interested persons until November 27 to request a hearing upon its proposal to issue an order declaring that Scholarship Bonds of Louisiana, Inc., Houma La., has ceased to be an investment company. In June 1968, Scholarship filed a Notification of Registration; subsequently, it informed the Commission that it does not intend to engage in any business in the future and that it has been dissolved and liquidated.

INSTITUTIONAL MULTI-MANAGEMENT SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6233) giving interested persons until November 27 to request a hearing upon an application of Institutional Multi-Management Fund, of Los Angeles, for an order declaring that it has ceased to be an investment company as defined in the Act. Institutional represents that subsequent to registering as an investment company in April 1970, it abandoned its proposed public offering and is presently in the process of being dissolved.

NOTICE RE FLORIDA BANCNGROWTH. The SEC has issued an order (Release IC-6234) giving interested persons until November 27 to request a hearing upon its proposal to issue an order declaring that Florida Bancgrowth, Inc. (Boca Raton), has ceased to be an investment company. In December 1967, Florida bancgrowth merged into Castleton Industries, Inc., which is primarily engaged through wholly-owned subsidiaries in manufacturing textiles and precision gears, food processing and land investments and Bancgrowth no longer exists as a corporate entity.

COURT ENFORCEMENT ACTION

UNDERWRITERS INVESTMENT, OTHERS ENJOINED. The SEC Fort Worth Regional Office announced November 3 (LR-4802) that the Federal court in Fort Worth had issued an order of permanent injunction by default against Underwriters Investment Company, Drexel Industries, Inc., and Milton H. Peters, all of Dallas, enjoining them from further violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Underwriters Investment Company and Drexel Industries, Inc.

SECURITIES ACT REGISTRATIONS

MONTGOMERY WARD CREDIT CORP. TO SELL DEBENTURES. Montgomery Ward Credit Corporation, Edgemart Bldg., 4 Denny Road, Wilmington, Del. 19809, filed a registration statement (File 2-38746) with the SEC on November 5 seeking registration of \$60,000,000 of debentures, due 1990, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., and Kidder, Peabody & Co. Inc., 20 Exchange Pl., both of New York. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the financing of deferred payment accounts of Montgomery Ward & Co. Inc., which is engaged primarily in retail merchandising. In addition to indebtedness, the company has outstanding 250,000 common shares, all of which are owned by the parent. Harold E. Sortor is president.

MAMMOTH MART FILES FOR OFFERING AND SECONDARY. Mammoth Mart, Inc., 321 Manley St., West Bridgewater, Mass. 02379, filed a registration statement (File 2-38747) with the SEC on November 5 seeking registration of 218,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 68,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006; the offering price (\$24.125 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the operation of 40 self-service discount department stores located in New England, Maryland and North Carolina. Part of the net proceeds of its sale of additional stock, together with cash generated internally, will be used to provide funds for the capital requirements of new stores to be opened in 1970 and 1971; the balance will be available for additional new stores, for acquisitions and for other corporate purposes. Three additional discount department stores and two juvenile merchandise stores are scheduled to open in November 1970 and it is estimated that six to eight discount department stores and two juvenile merchandise stores will be opened during 1971. In addition to indebtedness, the company has outstanding 2,152,256 common shares, of which Max Coffman, board chairman and president, owns 24%. He proposes to sell 50,000 of 524,986 shares held, Henry Gornstein, vice chairman, 7,000 of 106,002, Trusts for the issue of Coffman and Gornstein 3,000 each of 66,586 and 19,813, respectively, and the Max and Ann Coffman Foundation 5,000 of 6,700.

LONG ISLAND LIGHTING TO SELL PREFERRED STOCK. Long Island Lighting Company, 250 Old Country Rd., Mineola, N. Y. 11501, filed a registration statement (File 2-38750) with the SEC on November 5 seeking registration of 250,000 shares of \$100 par preferred stock, Series J, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., and Lehman Brothers, Inc., One William St., both of New York. The dividend rate, offering price (\$100 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will apply the net proceeds of its stock sale to construction of utility plant and towards repayment of outstanding indebtedness incurred to construct utility plant. Construction expenditures for the period October 1, 1970 through 1971 are estimated at \$175,000,000.

CONTINUED

ASSOCIATED MORTGAGE INVESTORS SHARES IN REGISTRATION. Associated Mortgage Investors (the "Trust"), 250 Boylston St., Boston, Mass. 02116, filed a registration statement (File 2-38751) with the SEC on November 5 seeking registration of 18,000 shares of beneficial interest issuable upon exercise of outstanding warrants. These shares may be offered for sale from time to time by the recipient thereof at prices current at the time of sale (\$30 per share maximum*).

The Trust is a real estate investment trust investing in a portfolio of construction and development first mortgage loans and other real estate interests. In addition to indebtedness, it has outstanding 945,088 shares of beneficial interest. Richard S. Willis is managing trustee. Hill Samuel & Co. Limited may sell the shares being registered; the warrants were acquired by Hill Samuel in connection with its loan of \$3,000,000 to the Trust on November 2.

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:

Amarex, Inc., Oklahoma City, Okla. 73106 (File 2-38741) - 135,000 shares
The Bank of New York Company, Inc., New York 10005 (File 2-38748) - 300,000 shares
H. B. Fuller Company, St. Paul, Minn. 55108 (File 2-38754) - 30,441 shares

COMMISSION ANNOUNCEMENT

GLOBUS INTERNATIONAL TRADING SUSPENDED. The SEC today ordered the temporary suspension under the Securities Exchange Act of 1934 of over-the-counter trading in the securities of Globus International, Ltd. ("Globus"), a Delaware corporation with offices at 1825 Connecticut Ave., N. W., Washington, D. C. for the ten-day period of November 9, 1970 through November 18, 1970. The trading suspension was ordered because of inadequate public information as to the manner in which an offering of securities of Globus was sold and the market activity in Globus stock.

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 November 5 News Digest.

Comptran Computer Corp Aug. 1970 (2,13)	0-4097-2	Baruch Foster Corp Aug. 1970 (12)	1-1464-2
Computer Services Corp Aug. 1970 (2,11,13)	0-3166-2	Hammermill Paper Co Aug. 1970 (12)	1-3100-2
Courtesy Products Corp Aug. 1970 (11,13)	0-1495-2	Natl. Devel. Corp Aug. 1970 (1,13)	0-968-2
Farmland Ind., Inc Aug. 1970 (8,13)	2-7250-2		
First Western Financial Corp Aug. 1970 (12)	2-2904-2	PKL Co's, Inc Dec. 1969(12)	1-4997-2
LaFayette Fds., Inc Aug. 1970 (7)	2-28620-2		
Niagara Frontier Services, Inc Aug. 1970 (8,12)	1-5915-2	Alza Corp Aug. 1970 (7,13)	1-6247-2
		American Science & Engineering Inc Aug. 1970 (2,7,13)	0-3381-2
Fairfield Tech. Corp Aug. 1970 (12)	0-3045-2	Charter Bankshares, Inc Aug. 1970 (2,7,13)	0-4600-2
Natl. Data Communications, Inc Aug. 1970 (13)	0-4386-2	Cole Drug Co Sept. 1970 (2,13)	1-6048-2
		Gem Intl., Inc Aug. 1970 (2,13)	0-2385-2
Belvac Intl. Ind., Inc July 1970 (11,12,13)	2-33153-2	Helme Products, Inc Aug. 1970 (4,7,13)	1-5390-2
Bishop Ind., Inc Aug. 1970(6,12)	0-5162-2	Hetra Computer & Communications Ind., Inc Aug. 1970 (1)	2-31992-2
Early & Daniel Co Aug. 1970 (2)	1-548-2	Lawrence Gas Co Aug. 1970 (3)	2-13696-2
Gramatan Real Estate Invst. Tr. Aug. 1970 (12)	0-5120-2	Leasing Consultants Inc Aug. 1970 (3,12,13)	0-3482-2
Mid-Continent Tel. Corp Aug. 1970 (7,13)	1-4996-2	Mass. Electric Co Aug. 1970 (11,13)	2-8019-2
North American Car Corp Aug. 1970 (1,3,12)	1-4977-2	Mechanical Enterprises, Inc Aug. 1970 (11)	2-31548-2
		Monarch Electronics Intl., Inc Aug. 1970 (12)	1-5497-2

Mystic Valley Gas Co Aug. 1970 (3)	2-10637-2	Metcom, Inc Aug. 1970 (7,13)	0-1598-2
National Environment Corp Aug. 1970 (2,3,6,8,12,13)	0-1330-2	NVF Co Aug. 1970 (11,13)	1-3290-2
New England Power Co Aug. 1970 (3)	0-1229-2	New York State Electric & Gas Corp Aug. 1970 (7,12,13)	1-3103-2
North Shore Gas Co(Mass) Aug. 1970 (3)	2-12013-2	American Smelting & Refining Co Aug. 1970 (8,13)	1-164-2
American Agronomics Corp Aug. 1970 (7)	1-6442-2	Glen Explorations, Inc Aug. 1970 (9,12,13)	1-5789-2
American Snacks, Inc Aug. 1970 (8)	0-3665-2	Ingersoll Rand Co Aug. 1970 (7,13)	1-985-2
Dublin Engineering Co Aug. 1970 (9,13)	2-30717-2	Lucky Breweries, Inc Aug. 1970 (3,12)	0-1395-2
First At Orlando Corp Aug. 1970 (3)	0-3734-2	Davos, Inc Aug. 1970 (11,12,13)	0-4018-2
Hart Schaffner & Marx Aug. 1970 (4,7,8,13)	1-3236-2	Fortune Natl. Life Insur. Co Aug. 1970 (1,11,12,13)	2-29498-2
Logistics Ind., Inc Aug. 1970 (12)	1-4930-2	Merck & Co Inc Aug. 1970 (8)	1-3305-2
Medtronic Inc Aug. 1970 (11)	0-2228-2	Natural Gas Pipeline Co of America Aug. 1970 (12)	0-4167-2
Moxon, Inc Aug. 1970 (2,13)	0-3848-2	Continental Materials Corp Aug. 1970 (13)	1-3834-2
Burgess Ind., Inc Aug. 1970 (2,13)	1-6341-2	Corvair Furniture Mfg. Co Aug. 1970 (7,11)	2-35599-2
Consumers Power Co Aug. 1970 (3)	1-5611-2	ISI Corp Aug. 1970 (12)	0-1843-2
Four Seasons Nursing Ctrs. of America, Inc July 1970 (3,13)	1-5765-2	Iowa Southern Utilities Co Aug. 1970 (13)	0-849-2
ICV, Inc Aug. 1970 (7)	0-4422-2	Kenton Corp Amdt. #1 to 8K for Nov. 1969(13)	1-5909-2
Koppers Co Inc Aug. 1970 (8)	1-3224-2	Leslie Fay Inc Aug. 1970 (11,13)	1-4700-2
McLean Trucking Co Aug. 1970 (12)	1-4093-2	Calif. Health Care, Inc Aug. 1970 (11,13)	1-6440-2
National Securities Inc Aug. 1970 (6)	0-1105-2	Jewel Co's, Inc Aug. 1970 (4,7,13)	1-385-2
Economy Finance Corp Aug. 1970 (7,8,13)	0-2352-2		

CORRECTION RE CAL TICA. The registration statement (File 2-27995) filed by Cal Tica, Inc. was "withdrawn October 20," not "effective October 20" as reported in the November 5 News Digest.

SECURITIES ACT REGISTRATIONS. Effective November 6: Alvarado Cattle Fund, Inc., 2-37294 (90 days); American Cement Corp., 2-37057 (40 days); City National Bank Corp., 2-37370; First & Merchants Corp., 2-38514; First at Orlando Corp., 2-38500 (40 days); Intersearch Technology, Inc., 2-35507 (90 days); LVO Corp., 2-38661; Magness 1970 Year End Program, Ltd., 2-37900 (90 days); Massachusetts Income Development Fund, Inc., 2-38613; Missouri Bancshares, Inc., 2-38354 (90 days); Molecular Energy Corp., 2-37253 (90 days); Pollution Control Consultants, Inc., 2-35404 (90 days); Zinsco Electrical Products, 2-37811 (Feb 4). Withdrawn November 5: Atlantic Department Stores Inc., 2-37247; Chef's International Gourmet Shops Inc., 2-35834; Gibraltar Century Fund, Inc., 2-30841; International Proteins Corp., 2-36718. Withdrawn November 6: Molecular Energy Corp., 2-33684; Paris Enterprises, Inc., 2-34883.

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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