



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

Washington, D.C. 20549

(Prepared by the SEC Office of Public Information)

(Issue No. 72-122)

FOR RELEASE June 26, 1972

## COMMISSION ANNOUNCEMENT

**LEVITZ HEARING POSTPONED.** The scheduled hearing for June 26 in the Levitz Furniture matter has been again postponed by an order of the Chief Hearing Examiner until July 5 in order to give the Commission Division of Corporation Finance further opportunity to consider an offer of settlement submitted by Levitz Furniture Company.

## COURT ENFORCEMENT ACTIONS

**LOMBARDOZZI, ZACHARIAS AND THREE OTHERS FOUND GUILTY IN PICTURE ISLAND FRAUD.** The Commission announced that on June 9, 1972 John J. Lombardozzi, Leslie I. Zacharias, Hilmer B. Sandine, Samuel Benton and William F. Hamilton were convicted in the Southern District of New York of stock fraud, mail fraud and conspiracy in connection with transactions in the securities of Picture Island Computer Corporation. (LR-5434)

**SEVEN ENJOINED.** The SEC announced June 21 that the Federal court in New York City had permanently enjoined the following from violations of the antifraud provisions of the Federal securities laws: John P. Galanis, James F. Khawly, Charles J. Fischer, Morton S. Kaplan, Nationwide Marketing Associates, Inc., Microthermal Applications, Inc., and Louis G. Zachary. In addition, defendants Galanis, Kaplan, Fischer and Microthermal Applications, Inc., have been enjoined from violations of the reporting requirements and defendant Galanis has been enjoined from violations of the provisions which prohibit unauthorized joint transactions with registered investment companies and receipt of unauthorized compensation by persons affiliated with such companies, breach of fiduciary duty and gross abuse of trust by such persons in the management of such companies and embezzlement from such companies. (LR-5439)

**HENRY C. SCHMIDT ENJOINED.** The SEC New York Regional Office announced June 22 that the Federal court in New York City had permanently enjoined by default Henry C. Schmidt, of New York City, individually and doing business as Green Shield Securities, from violations of the broker-dealer registration provisions of the Federal securities laws. (LR-5440)

## HOLDING COMPANY ACT RELEASES

**COLUMBIA GAS SYSTEM, INC.** The SEC has entered an order releasing jurisdiction and authorizing The Columbia Gas System, Inc., a registered holding company, to consummate certain financing transactions with its wholly-owned subsidiary companies, Columbia Gas of West Virginia, Inc., Columbia Gas of Ohio, Inc., and The Ohio Valley Gas Company. The subject transactions (as to which the record has now been completed) involve the sale of installment notes by Columbia of Ohio, and the sale of common stock by Ohio Valley and Columbia of West Virginia. All such sales will be to the parent company, which is also to make a cash capital contribution to the West Virginia subsidiary. (Rel. 35-17618)

**NORTHEAST UTILITIES.** The SEC has issued a supplemental order releasing jurisdiction heretofore reserved by the Commission over fees, expenses, and all other remunerations incurred by Northeast Utilities, a registered holding company, and The Connecticut Light and Power Company and The Hartford Electric Light Company, public-utility subsidiaries, in connection with the elimination of the publicly-held minority interests in CL&P and HELCO. (Rel. 35-17619)

## INVESTMENT COMPANY ACT RELEASES

**CONNECTICUT GENERAL LIFE INSURANCE COMPANY.** The SEC has issued an order exempting Connecticut General Life Insurance Company, CG Variable Annuity Account I, CG Variable Annuity Account II, and CG Equity Sales Company from Section 22(d) of the Act to the extent necessary to permit the application of amounts payable under insurance contracts issued by CG Life to the purchase at a reduced sales load of single payment individual variable annuity contracts participating in CG Variable Annuity Account I or CG Variable Annuity Account II. (Rel. IC-7238)

**NEW YORK LIFE FUND, INC.** The SEC has issued an order modifying a previous order issued on April 30, 1971, to permit the Fund's investment adviser, directors, and independent public accountant to serve the Fund in their respective capacities, without approval of shareholders of the Fund, until the first meeting of shareholders following the effective date (June 9, 1972) of a post-effective amendment to the Fund's registration statement, provided that such meeting shall take place within one year after such effective date. (Rel. IC-7234)

**INDUSTRY CAPITAL CORPORATION.** The SEC has issued a notice giving interested persons until July 28 to request a hearing upon a proposal to declare that Industry Capital Corporation, of Chicago, has ceased to be an investment company. The Commission's records disclose that Industry Capital Corp. never commenced doing business and that on September 23, 1963, it was dissolved pursuant to stockholder approval. (Rel. IC-7239)

OVER

W, S&W SPECIAL FUND, INC. The SEC has issued a notice giving interested persons until July 15 to request a hearing on an application of W, S&W Special Fund, Inc., New York mutual fund, for an order declaring that the Fund has ceased to be an investment company as defined in the Act. The Fund represents that all of its liabilities have been paid or assumed by the W, S&W Fund, Inc.; that it has been dissolved under the laws of the State of New York; and there are no security holders of the fund who have not surrendered their holdings in exchange for common stock of W, S&W Fund, Inc., pursuant to a sales agreement approved by the Fund's shareholders on February 24, 1971. (Rel. IC-7242)

#### SECURITIES ACT REGISTRATIONS

PHILIP MORRIS INCORPORATED, 100 Park Ave., New York, N. Y. 10017, filed a registration statement on June 15 seeking registration of 265,162 outstanding shares of common stock owned by Cullman Bros, Inc. Cullman has entered into an agreement with Federal Street Fund, Inc., pursuant to which Federal is to acquire substantially all of the assets of Cullman, including the Philip Morris shares, in exchange for capital stock of Federal. Philip Morris is engaged in the manufacture and sale of cigarettes and beer. (File 2-44646)

CANADIAN-AMERICAN RESOURCES FUND, INC. (Can-Am), 2200 Continental National Bank Bldg., Fort Worth, Tex., filed a registration statement on June 16 seeking registration of \$15 million of pre-organizational subscriptions in limited partnerships, to be offered for public sale in minimum amounts of \$5,000. The offering is to be made primarily through Can-Am Securities, Inc., 2200 Continental National Bank Building, Fort Worth, Tex. 76102. The Partnerships are to be formed by Can-Am, as Managing General Partner, to engage in the drilling of oil and gas properties and in related mineral projects. Each Partnership may engage in such projects in joint venture with Quasar Petroleum Ltd. (the non-managing general partner), and American Quasar Petroleum Co. (File 2-44664)

GREAT BASINS PETROLEUM CO., 1011 Gateway West-Century City, Los Angeles, Calif. 90067, filed a registration statement on June 19 seeking registration of 552,412 outstanding shares of common stock, of which 549,912 had been issued in connection with the company's acquisition of the assets of Andrews Lumber Company and 2,500 to J. D. Winer in partial cancellation of the company's indebtedness to him. Such shares may be offered for sale from time to time at prices current at the time of sale (\* \$2.25 per share maximum). The company is engaged in oil and gas exploration and related activities. (File 2-44680)

HOSPITAL FINANCIAL CORPORATION, 301 E. Main St., Barrington, Ill. 60010, filed a registration statement on June 16 seeking registration of 250,000 shares of common stock, to be offered for public sale (\* at \$12.50 per share maximum) through William Blair & Co., 135 S. LaSalle St., Chicago, Ill. 60603. The company is primarily engaged in leasing medical, scientific and other equipment to hospitals, clinical laboratories and other health-care providers. Of the net proceeds of its stock sale, \$2,250,000 will be used to temporarily reduce the amounts borrowed from banks, and for working capital and other corporate purposes. (File 2-44661)

PIZZA HUT, INC., 10225 E. Kellogg, Wichita, Kansas 67207, filed a registration statement on June 16 seeking registration of 450,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$24.375 per share maximum) through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005. The company is principally engaged in the operation, development, franchising and servicing of a system of restaurants called "Pizza Huts." Net proceeds will be used for the acquisition of land and the construction of additional Pizza Huts. (File 2-44662)

LEAR MOTORS CORPORATION, 5980 Alpha Ave., Reno, Nevada 89510, filed a registration statement on June 15 seeking registration of 2,300,001 shares of common stock with warrants to purchase 766,667 shares of common stock, to be offered for public sale in units, each consisting of three shares and one warrant. The offering is to be made through underwriters headed by Putnam, Coffin, Doolittle, Newburger, Division of Advest Co., Six Central Row, Hartford, Conn. 06103. The company is engaged in the design and development of an external combustion engine for use in automobiles and for other applications. Of the net proceeds of its stock sale, \$2,900,000 will be used for capital equipment, \$2,000,000 for construction of new facilities and the balance for working capital and other corporate purposes. (File 2-44641)

NORTHWEST INDUSTRIES, INC., 400 W. Madison St., Chicago, Ill. 60606, filed a registration statement on June 15 seeking registration of 5,848 shares of Series A 5% convertible preferred stock (\$100 par), and 24,807 shares of common stock. It is proposed to exchange the preferred and common stock for outstanding shares of preferred and common stock of Northwest Chemco, Inc. (CNW, formerly Chicago and North Western Railway Company), other than those shares held by Northwest Industries, at the rate of one Series A preferred share for each share of preferred stock of CNW and three common shares for each common share of CNW. Industries owns over 99% of the outstanding shares of CNW. The company is engaged through subsidiaries in the manufacture and sale of wearing apparel, steel pipe and fluorescent lamp ballasts and chemical products and in importing and selling Cutty Sark scotch whiskey. (File 2-44644)

CONTINUED

MARIFARMS, INCORPORATED, 3830 Frankford Ave., Panama City, Fla. 32401, filed a registration statement on May 26 seeking registration of 30,000 shares of non-cumulative convertible preferred stock (\$10 stated value). It is proposed to offer these shares in exchange for units, each consisting of \$750 principal amount of 6% convertible debentures, due 1974, and 60 shares of common stock, and for additional 6% convertible debentures, due 1974, at the rate of 10 preferred shares for each unit and ten preferred shares for each \$1,000 of additional debentures. According to the statement, the exchange offer also constitutes a settlement offer as to certain claims that owners of the units and additional debentures may have against the company. The company is engaged in the hatching and cultivation of shrimp. (File 2-44411)

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.

8K Reports For Mar 72

|  |           |   |           |
|--|-----------|---|-----------|
| Federal Paper Board Co Inc<br>(13,14)          | 1-3838-2  | Savin Business Machines Corp<br>(13,14)             | 1-5795-2  |
| Frigitronics Inc<br>Dec 71 (11)                | 0-4126-2  | American Pacific Group Inc<br>Mar 72 (2,13)         | 0-1428-2  |
| Iroquois Inds Inc (3,8,12)                     | 1-5387-2  | Feb 72 (11,13)                                      | 0-1428-2  |
| Rexham Corp Jan 72 (1,2,7,13)                  | 1-6842-2  | Holyoke Water Power Co (11,13)                      | 0-645-2   |
| Automatic Merchandising Inc<br>Feb 72 (2)      | 0-1170-2  | IHC Inc Nov 71 (13)                                 | 1-4222-2  |
| Cousins Mortgage & Equity Invst<br>(4,7,14)    | 1-6506-2  | RT Systems Inc (4,7,14)                             | 0-3153-2  |
| Indiana & Michigan Elec Co (3)                 | 1-3570-2  | Commonwealth United Corp (11)                       | 1-4563-2  |
| KY Power Co (3)                                | 1-6858-2  | Leasco Corp (12)                                    | 1-5288-2  |
| Ohio Power Co (3)                              | 1-6543-2  | Nucor Corp (4,7,8,14)                               | 1-4119-2  |
| Sprouse Reitz Co Inc (7,14)                    | 0-1015-2  | Texfi Inds Inc (11,13)                              | 1-6797-2  |
| Hughes & Hatcher Inc (8,13)                    | 1-3387-2  | Tropicana Products Inc (7)                          | 1-6445-2  |
| Monsanto Co (13)                               | 1-2516-2  | Chemtech Inds Inc (11,14)                           | 2-29415-2 |
| Norris Oil Co (7)                              | 1-3623-2  | Southern Calif Edison Co<br>(13,14)                 | 1-2313-2  |
| Real Properties Ltd (2,7,13)                   | 2-38915-2 | Baker Oil Tools Inc (7,12)                          | 1-4509-2  |
| Southern Calif Gas Co<br>(11,12,13)            | 1-1402-2  | Int'l Foodservice Systems Inc<br>(2,3,13)           | 1-6483-2  |
| Brandon Applied Systems Inc<br>Feb 72 (13)     | 0-3594-2  | Trans-Central Airlines Inc<br>Dec 71 (1,13)         | 0-4035-2  |
| Crystal Oil Co Feb 72 (3)                      | 1-4892-2  | Clark Equipment Overseas Finance Corp<br>(7,8,13)   | 1-5220-2  |
| IDS Realty Trust (14)                          | 2-42550-2 | IDS Realty Trust (14)                               | 2-42550-2 |
| Kansas Gas & Elec Co (7,14)                    | 1-3862-2  | Armin Poly Film Corp (12)                           | 2-41604-2 |
| NMS Inds Inc (2,7,13)                          | 1-4564-2  | Cincinnati Union Terminal Co<br>(11)                | 1-839-2   |
| Seneca Foods Corp<br>(2,4,7,8,14)              | 0-1989-2  | Commerce Clearing House<br>(4,11,13)                | 0-315-2   |
| Columbus & Southern Ohio Elec Co<br>Aug 71 (7) | 1-2680-2  | Corroon & Black Corp (7)                            | 1-1512-2  |
| Eastern Gas & Fuel Associates<br>Dec 71 (7,13) | 1-2297-2  | Jade Oil & Gas Co<br>(1,2,3,6,7,9)                  | 0-6061-2  |
| Nov 71 (7,13)                                  | 1-2297-2  | New York & Honduras Rosario Mining<br>Co Feb 71 (7) | 1-1189-2  |
| Fidelity American Bankshares Inc<br>(7)        | 0-4779-2  | Commonwealth Edison Co<br>(8,13,14)                 | 1-1839-2  |
| Republic Maintenance Corp (7)                  | 2-42569-2 | Louisville & Nashville RR Co<br>Feb 72 (3)          | 1-1116-2  |
| Doyle Dane Bernbach Inc (13)                   | 0-171-2   | Orbanco Inc Dec 71 (12,13)                          | 0-3907-2  |

8K Reports (Con't)

|                              |           |                                   |           |
|------------------------------|-----------|-----------------------------------|-----------|
| Hamilton Watch Co Feb 72 (7) | 1-181-2   | Crane Co Dec 71 (7)               | 1-1657-2  |
| Trans-Sonics Inc (11,12)     | 0-2618-2  | Medcom Inc Jul 71 (7)             | 0-4801-2  |
| Jefferson Stores Inc         |           | Medical Scientific Int'l Corp     |           |
| Feb 72 (12,13)               | 1-5930-2  | Jan 72 (13,14)                    | 0-5968-2  |
| British Petroleum Co Ltd     |           | North Lime Corp Sept 71 (7)       | 2-36877-2 |
| 6K for Mar 72                | 1-6262-2  | Commercial Alliance Corp          |           |
| Cavanaugh Communities Corp   |           | (7,14)                            | 1-6246-2  |
| Jan 72 (3,6,8,14)            | 0-4868-2  | Leisure & Learning Inc            |           |
| American Garden Products Inc |           | Jan 72 (3)                        | 0-3172-2  |
| Jan 72 (8,11)                | 0-6057-2  | Summit Natl Holding Co (12)       | 0-582-2   |
| Natl Exhibition Co           |           | Autotrol Corp (11,13)             | 2-36320-2 |
| Feb 72 (11,13)               | 0-2971-2  | Coordinated Computer Concepts Inc |           |
| Noxell Corp Apr 72 (11)      | 0-734-2   | (1,13)                            | 2-31488-2 |
| Reserve Oil & Gas Co         |           | Cosmetically Yours Inc            |           |
| Dec 71 (12,13)               | 1-3474-2  | Feb 72 (9)                        | 0-3774-2  |
| Alodex Corp (3)              | 0-3484-2  | Argo Petroleum Corp               |           |
| Dynarad Inc Feb 72(7,9,13)   | 2-32153-2 | Jan 71 (12,14)                    | 2-37801-2 |
| Hasbro Inds Inc (12,13)      | 1-6682-2  | Consolidated Water Co             |           |
| Hubbard Real Estate Invsts   |           | Sept 71 (7,13)                    | 0-202-2   |
| (13)                         | 1-6309-2  | Jet Air Freight                   |           |
| Cotter & Co Jan 72 (7,13)    | 2-20910-2 | Feb 72 (3,12)                     | 0-3025-2  |
| Church's Fried Chicken Inc   |           | MTS Systems Corp                  |           |
| (7,11,13)                    | 0-4720-2  | Feb 72 (3)                        | 0-2382-2  |

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of (a) over-the-counter trading in the securities of Continental Vending Machine Corporation and Inter-Island Mortgage Corporation for the further ten-day period June 24 through July 3, inclusive, (b) exchange and over-the-counter trading in the securities of Canadian Javelin Ltd. and over-the-counter trading in the common stock of Meridian Fast Food Services, Inc., for the further ten-day period June 24 through July 4, inclusive, and (c) over-the-counter trading in the common stock of Cogar Corporation for the further ten-day period June 26 through July 5, inclusive.

SECURITIES ACT REGISTRATIONS: Effective June 21: Avco Community Developers, Inc., 2-44280 and 2-44292; Clopay Corp., 2-44306; Frank B. Hall & Co. Inc., 2-44115; Hanes Corp., 2-44455 and 2-44456; Hoan Products, Ltd., 2-42731 (90 days); Huffington Exploration Corp., 2-43114 (90 days); Inforex, Inc., 2-42776; Myers Industries, Inc., 2-44479 (July 31); Optel Corp., 2-41410 (90 days). Effective June 22: American Arts & Crafts, Inc., 2-44090 (90 days); Arpeja-California, Inc., 2-43483 (90 days); Automated Technology Corp., 2-42472 (90 days); American United Life Pooled Equity Fund B, 2-36379; Billy the Kid, Inc., 2-43396 (90 days); Emersons, Ltd., 2-42982 (90 days); Fay's Drug Co., Inc., 2-44512; Fostoria Spark Plug Co., 2-44241; Gable Industries, Inc., 2-43306; Granning & Treece Financial Corp., 2-44112; Kirby Petroleum Co., 2-43366 (90 days); Klystronics, Inc., 2-34881 (90 days); Knickerbocker Toy Co., Inc., 2-43905; MCI Communications Corp., 2-43710; Micro-Therapeutics, Inc., 2-39865 (90 days); Motor Club of America Insurance Co., 2-44109; L. B. Nelson Corp., 2-42744 (90 days); Piedmont Real Estate Investment Trust, 2-42941 (90 days); Pittston Co., 2-44327; Speed Equipment Worlds of America, Inc., 2-42862 (90 days); Springfield Gas Light Co., 2-44260; Story Chemical Corp., 2-43992 (90 days); Tesoro 1972 Exploration & Development Program, 2-43017. Abandoned June 21: Taursa Fund, Inc., 2-32921; Capital Appreciation Fund, Inc., 2-38114.

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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