



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

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SEC WILL IDENTIFY SHAKY COMPANIES, CASEY SAYS

Chairman William J. Casey said Tuesday that the SEC has a duty to bring to light facts which serve as checkpoints on the reliability of financial reporting and the adequacy of the dissemination of information as well as its disclosure and the trading of insiders--all elements bearing on the root question of reliability.

Speaking before a meeting of the National Investor Relations Institute in Washington, he said in this regard that the SEC proposes to maintain a list of companies whose auditors have deemed themselves constrained to express serious reservations about the viability of a company and to publish the list in the Commission's Daily News Digest. "We think it imperative that such prime candidates for bankruptcy and reorganization proceedings be spotted at the earliest possible moment so that investors may guide themselves accordingly," he told the group.

"Auditors sometimes find themselves so dubious about a company's viability as a going concern," he said, "that they find themselves unable to give an opinion as to the overall fairness of the financial statements, which rest after all on the implicit assumption that there is a going business which can reasonably be expected to continue operating for an indefinite period in the future."

In addition, he told the group that the Commission is thinking of amending Form 10-K on which companies make their annual reports to the SEC, to require that anything in that report left undiscussed in the annual report to stockholders, which investors actually get, be specifically noted.

"This should expose the practice of concealing from the stockholders material reported to the SEC because the law requires that it be reported to us," he continued. "If any analyst can look at a 10-K report (as a great many of them now do) and see at a glance that there is something there that is not in the report to the stockholders, he'll know that he has to dig into things more deeply than he might otherwise think necessary."

COMMISSION ANNOUNCEMENT

ROBERT MANUFACTURING CORPORATION REGULATION A EXEMPTION PERMANENTLY SUSPENDED. Administrative Law Judge Ralph Hunter Tracy has filed an initial decision which makes permanent a prior order temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to an offering of 100,000 shares of common stock by Robert Manufacturing Corporation of Brookline, Massachusetts. The Administrative Law Judge found that Robert Manufacturing Corporation failed to comply with the terms and conditions of Regulation A in that its offering circular was materially false and misleading in failing to disclose the receipt of a brokerage commission by a principal of the underwriter in connection with lease negotiations on behalf of the issuer, and a foreclosure sale of all of issuer's equipment. The decision is subject to review by the Commission on its own motion or on petition of the parties.

LEISURE CONCEPTS TRADING BAN LIFTED. The SEC announced on October 3 that the suspension of the over-the-counter trading in the common stock of Leisure Concepts, Inc.(LCI), a New York corporation with its principal offices in New York, New York, will be terminated at midnight (EDT) on October 3, 1972.

On July 21, 1972, LCI filed an amendment to a registration statement originally declared effective on June 27, 1972 which indicated that for the three months ended June 30, 1972 LCI had a net loss of \$95,000 as compared to net income for the three months ended June 30, 1971 of \$7,000. No other public announcement of such results was made. The suspension was ordered because of the lack of availability to the public of financial information concerning LCI's results of operations for the three months ended June 30, 1972 and financial status as of June 30, 1972.

On September 28, 1972, LCI filed a post-effective amendment to the July 27, 1972 registration statement with the Commission which stated that LCI reported a revised unaudited loss of \$75,060 for the 90 day period ended June 30, 1972. However, the post-effective amendment also states that LCI experiences wide variations in its revenues and the results of operations for any one period are not necessarily indicative of results for other periods.

LCI has agreed to distribute to stockholders of record as of October 3, 1972 this supplement to their prospectus dated June 27, 1972 containing the above information. (Rel. 34-9802)

COURT ENFORCEMENT ACTION

RAYMOND G. SULLIVAN ENJOINED. The SEC Denver Regional Office announced on September 29 that the Federal court in Denver, Colorado had permanently enjoined Raymond G. Sullivan of Grand Junction, Colorado, from violations of the registration and antifraud provisions of the Federal securities laws in connection with the offer and sale of securities of J B & T Co. and S & M Industries, Inc. The defendant consented to the court order without admitting or denying the allegations. (LR-5553)

THREE ENJOINED. The SEC Chicago Regional Office announced that on September 27 Brokers First Mortgage Corporation, Correlated Equities Corporation, and Sheldon Moss (president of Brokers and Correlated) were permanently enjoined by the Federal court in Chicago from violating the registration and anti-fraud provisions of the Federal securities laws with regard to the offer and sale of notes of Golden West Utilities Corporation and Correlated Equities Corporation as well as assignments of real estate purchase contracts from Golden West Utilities Corporation. The defendants consented to the court order. (LR-5554)

INVESTMENT COMPANY ACT RELEASE

CHRISTIANA SECURITIES COMPANY. The SEC has issued a notice giving interested persons until October 27 to request a hearing upon an application by Christiana Securities Company, a closed-end investment company, and E.I. du Pont de Nemours and Company for an order permitting certain transactions incident to a proposed merger of Christiana into Du Pont, with Du Pont as the surviving corporation. Christiana owns approximately 28% of the outstanding common stock of Du Pont. (Rel. IC-7402)

HOLDING COMPANY ACT RELEASE

METROPOLITAN EDISON COMPANY. The SEC has issued an order authorizing Metropolitan Edison Co., Reading, Pennsylvania, subsidiary of General Public Utilities Corporation, a registered holding company, to issue and sell at competitive bidding \$53,000,000 principal amount of unsecured debentures, due 1997. The net proceeds will be used to retire Met-Ed's short-term bank loans and, for purposes of its 1972 construction program. (Rel. 35-17715)

TRUST INDENTURE RELEASE

DUQUESNE LIGHT COMPANY. The SEC has issued an order granting an application of Duquesne Light Company for a finding that the Trusteeship of Pittsburgh National Bank under an Indenture of the Company dated March 1, 1960, which has been qualified under the Act and the trusteeship of the Bank under an indenture to be dated August 1, 1972, between the Bank and the Allegheny County Industrial Development Authority which will not be 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 the Bank from acting as such under any of these indentures.

SECURITIES ACT REGISTRATIONS

SHAKLEE CORPORATION, 2035 National Ave., Hayward, Calif. 94545, filed a registration statement on September 28 seeking registration of 700,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 500,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$23 per share maximum) through underwriters headed by Dean Witter & Co. Inc., 800 Wilshire Blvd., Los Angeles, Calif. 90017, and New York Securities Co., Inc., One New York Plaza, New York, N. Y. 10004. The company is engaged in selling food supplements, cosmetics and bath products and household products. Of the net proceeds of its stock sale, \$2,200,000 will be used for the purchase of machinery and equipment and the improvement of facilities and the balance for working capital and other corporate purposes. (File 2-45857)

ADAMS DRUG CO., INC., 75 Sabin St., Pawtucket, R. I. 02860, filed a registration statement on September 28 seeking registration of 1,200,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (* at \$27 per share maximum) through underwriters headed by G. H. Walker & Co. Inc., 65 Wall St., New York 10005. The company operates retail stores which sell drugs and other items. (File 2-45858)

THE OTHER TELEPHONE COMPANY, 6975 Washington Ave. South, Edina, Minn. 55435, filed a registration statement on September 28 seeking registration of 85,100 shares of common stock, of which 20,000 are to be offered for public sale by the company and 65,100 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$15.60 per share maximum) through underwriters headed by John G. Kinnard and Co., Inc., 740 Northstar Center, Minneapolis, Minn. 55402. The company is engaged in selling, installing and servicing telephone and other communications equipment. Net proceeds will be used for general corporate purposes. (File 2-45859)

FABRIC LEATHER CORPORATION, 40 Garvies Point Road, Glen Cove, New York 11542, filed a registration statement on September 28 seeking registration of 700,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 500,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by Burnham & Company Inc., 60 Broad Street, New York, New York 10004. The company manufactures and produces vinyl plastics. Of the net proceeds of its stock sale, approximately \$1,200,000 will be used to purchase new equipment and the balance to repay the company's indebtedness to the estate of a former shareholder. (File 2-45874)

AMREP CORPORATION, 16 W. 61st St., New York, N.Y. 10023, filed a registration statement on September 28 seeking registration of \$1,000,000 of interests under the company's Sales Personnel Retirement Program. (File 2-45875)

I.M.S. INTERNATIONAL, INC., York House, 37 Queen Square, London, WC1N 3BH, England, filed a registration statement on September 28 seeking registration of 60,000 shares of common stock to be offered for public sale (*at \$31 1/4 per share maximum) by White, Weld & Co. Incorporated, 20 Broad Street, New York 10005. The company gathers, processes and sells syndicated market research reports in the field of health and personal care. Of the net proceeds of its stock sale, \$1,550,000 will be used to acquire a majority interest in a foreign company and the balance for working capital purposes. (File 2-45878)

ENVIROMETRICS, INC., 666 Fifth Ave., New York, N. Y. 10019, filed a registration statement on September 28 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$3 per share by Maynard, Merel and Co., Inc., 160 Broadway, New York 10038. The company proposes to license, manufacture and sell water, gas and electric meters. Of the net proceeds of its stock sale, \$150,000 will be used for engineering, research and development and the balance for working capital and other corporate purposes. (File 2-45864)

WESTERN TELE-COMMUNICATIONS, INC., 54 Denver Technological Center, Englewood, Colo. 80110, filed a registration statement on September 28 seeking registration of 2,000,000 shares of common stock with warrants to purchase 500,000 shares of common stock, to be offered for public sale in units, each consisting of four shares and one warrant. The offering is to be made (* at \$50 per unit maximum) through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005. The company is engaged in the microwave communication business. Of the net proceeds of its stock sale, \$5,000,000 will be used to increase working capital because of its entry into the private line business and the balance for other corporate purposes. (File 2-45863)

CNA-LARWIN INVESTMENT COMPANY, 9100 Wilshire Blvd., Beverly Hills, Calif. 92012, filed a registration statement on September 28 seeking registration of 1,000,000 cumulative preference shares and 1,500,000 common shares, to be offered for public sale at \$20 per share through underwriters headed by duPont Glore Forgan Inc., 833 Wilshire Blvd., Los Angeles, Calif. The company is a new leveraged closed-end diversified investment company organized under the sponsorship of CNA Financial Corporation. It will invest at least 50% of its assets in securities of real estate investment trusts with the objectives of providing current income and capital appreciation. CNA-Larwin Advisors, Inc. is investment adviser. (File 2-45862)

SECURITIES ACT REGISTRATIONS. Effective October 3: Citizens and Southern Realty Investors, 2-45571; General Mills, Inc., 2-45793; Geo Resources Management Corporation, 2-44832 (Dec 26); Lincoln First Banks Inc., 2-45749; Municipal Investment Trust Fund, 2-45697; Opinion Inc., 2-44383 (90 days); Intramerican Oil Income Program, 2-45097; Smithfield Foods, Inc., 2-45544; Sonex, Inc., 2-42028; Southern Indiana Gas and Electric Co., 2-45675; Stratton Growth Fund, 2-44752; Truth Verification Corp., 2-42477 (90 days).

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

*As estimated for purposes of computing the registration fee.

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