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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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FOR RELEASE September 20, 1971

COMMISSION ANNOUNCEMENT

ECOPONICS, INC. REG A EXEMPTION SUSPENDED. The Commission has issued an order temporarily suspending the Regulation A exemption with respect to a proposed public offering of securities of Ecoponics, Incorporated of Phoenix, Ariz.

The Commission has reason to believe that the notification and offering circular omit to state material facts stating certain disadvantages of the hydroponic process used by the company. Such facts include: (1) the fact that a large initial investment is required; (2) that plant diseases spread faster in the hydroponic process; (3) that technical training and considerable experience are needed; (4) that hydroponics is limited to a limited number of high value crops; and (5) the difficulty of maintaining proper growth by the hydroponic process.

INSTITUTIONAL SECURITIES OF COLORADO REG A EXEMPTION SUSPENDED. The Commission has issued an order temporarily suspending the Regulation A exemption from registration with respect to a public offering of securities by Institutional Securities of Colorado, Inc. of Denver, Colo., completed July 14, 1971.

The Commission has reasonable cause to believe that: (1) the underwriter made offers to sell such securities before the waiting period had expired; (2) a written offer to sell securities without the offering circular was made in violation of Rule 256(A)(1); (3) the underwriter violated Rules 10b-6 and 10b-7 in regards to methods of stabilization; and (4) the underwriter failed to segregate all funds received from the offering in a separate bank account.

NEW RULES AND RULE PROPOSALS

RULE 8(d) OF THE RULES OF PRACTICE. The SEC has amended Rule 8(d) of the Rules of Practice to allow the hearing officer in a Commission administrative proceeding to order the parties to hold conferences, without his presence, for the purposes stated in the rule. The amendments to the rule provide further that the parties are to notify the hearing officer of any agreements they have reached during a conference held without his presence. (Rel. 33-5192)

COURT ENFORCEMENT ACTIONS

CAPITAL OIL, OTHERS ENJOINED. The SEC Fort Worth Regional Office announced September 8 that the Federal Court in Dallas had preliminarily enjoined by court Capital Oil Corp., H. Lee Tillman, Tom R. Rogers, Thomas A. Laumann, Randy Copeland, Jimmy O. Ingram, Ted Morgan, Charles M. Williams, Claudia F. Dickson, Sidney M. Rosner, Steven J. Hunter and Reginald R. Brinkmann, all of Dallas, Gerard Van Brynke, Mesquite, Tex., Robert T. Jackson Lewisville, Tex., J. Harold Wilson, Winnsboro, Tex. and James G. LeFay, Garland, Tex., from violations of the antifraud provisions of the Federal securities laws in the offer and sale of securities of Capital Oil and interests in oil and gas leases located in Cochran and Tom Green Counties, Tex. On September 8, Capital Oil filed a petition to be placed under Chapter XI of the bankruptcy laws. James S. Mahon of Dallas, was appointed as operating receiver in the bankruptcy proceeding. (LR-5162)

HORACE D. TAYLOR SENTENCED. The SEC Fort Worth Regional Office announced September 13, that the Federal Court in Lubbock, Tex. sentenced Horace D. Taylor of Clarksville, Tenn., to two years imprisonment and a \$7,500 fine. Execution of the sentence was suspended and Taylor was placed on probation for a two-year period. Taylor had earlier pleaded guilty to a superseding criminal information charging wilful failure to register as a broker-dealer. (LR-5163)

WANDERON & CO. ENJOINED. The SEC New York Regional Office today announced that on August 31 the Federal Court in New Jersey had enjoined Wanderon & Co., Inc., a Jersey City broker-dealer, and Thomas Wanderon, its president, from violations of the net capital and antifraud provisions of the Federal securities laws. The defendants consented to the court order without admitting the allegations. Mark F. Hughs, Jr., Esq. of Newark, N.J. who had been appointed receiver for the assets of Wanderon & Co., Inc., was released from his duties on September 9. (LR-5164)

LIBERTY PETROLEUM CORP., ENJOINED. The SEC Chicago Regional Office today announced that on September 2 the Federal court in Toledo, Ohio, preliminarily enjoined Liberty Petroleum Corp., an Ohio corporation, and Paul L. Liberty, its president, from violations of the registration provisions of the Federal securities laws in connection with the offer to sell certain oil and gas interests. (LR-5165)

JOHN DENNETT CITED FOR CONTEMPT. The SEC Denver Regional Office announced September 9 that the Federal Court in Utah had committed John E. Dennett of Salt Lake City, Utah to Federal custody to be imprisoned until such time as Dennett purges himself of contempt by complying with certain portions of the court's order of July 10, 1970, which required that he produce certain documents and records (or pictures or prints thereof) of LesStuds Corporation and Atomic Fuel Extraction Corp. Execution of the court order is stayed until 11:30 a.m. on September 17. (LR-5166)

ALAN F. HUGHES, INC. ENJOINED. The SEC New York Regional Office announced September 10 the the Federal court in Albany, N.Y. had permanently enjoined Alan F. Hughes, Inc., broker-dealer and Alan F. Hughes, of Schenectady, from violations of the bookkeeping, net capital, hypothecation and antifraud provisions of the Federal securities laws. The defendants consented to the order without admitting the violations. William J. Quinlan, Esq. of Schenectady was appointed special fiscal agent for the assets of Alan F. Hughes, Inc. The Fiscal agent is to make a certified audit of Hughes, Inc., and report back to the court in 30 days as to the need for a receiver and liquidation of that firm. (LR-5167)

INVESTMENT COMPANY ACT RELEASES

KIDDER, PEABODY. The SEC has issued a notice under the Investment Company Act giving interested persons until September 29 to request a hearing upon an application of Kidder, Peabody & Co., Incorporated, New York prospective representative of a group of underwriters of a proposed offering of shares of Paul Revere Investors, Inc., a registered closed-end investment company, for an order exempting Kidder, Peabody and its co-underwriters from certain provisions of the Act to the extent that it adopts Section 16(b) of the Securities Exchange Act in respect to their transactions incident to the distribution of Paul Revere shares. It is possible that one or more of the underwriters who, pursuant to the underwriting agreement, will purchase more than 10% of the shares of Paul Revere, may be obligated to purchase more than 50% of such shares being offered pursuant to the underwriting agreement. 1/ (Release IC-6730)

PAUL REVERE LIFE. The SEC has issued a notice under the Investment Company Act giving interested persons until September 29 to request a hearing upon an application of The Paul Revere Life Insurance Company and Paul Revere Investors, Inc., Worcester, Mass. closed-end, non-diversified management investment company, for an order permitting a joint arrangement whereby Paul Revere Life would invest concurrently in each issue of securities purchased by the Fund at direct placement. 1/ (Release IC-6731)

PITTSWAY CORP. The SEC has issued a notice under the Investment Company Act giving interested persons until October 7 to request a hearing upon an application of Pittway Corporation and Metropolitan Nuns Island Partnership (a partnership engaged in the development of Nuns's Island, an island adjacent to Montreal, Can.) of Northbrook, Ill., for an order permitting Pittway to enter into a new partnership with Metropolitan to be known as Metropolitan-Pittway Tennis Club (Partnership, with Pittway as managing partner and owner of 66-2/3% of the equity of the partnership, for the purpose of constructing an indoor tennis club facility on Nuns' Island. Standard Shares, a registered closed-end management company, owns in excess of 38% of the total outstanding common stock of Pittway and controls Pittway within the meaning of the Act. Pittway is primarily engaged in aerosol and other packaging, the manufacture of aerosol valves and alarm devices and publishing of trade magazines. In December 1968, Pittway entered into certain agreements whereby it acquired partnership interests in two joint ventures, pursuant to one of which Pittway acquired a 50% equity interest in a joint venture with Metropolitan for the development of residential property on Nuns' Island. As a result of this partnership agreement, Pittway and Metropolitan are affiliates under the Act, which prohibits an affiliate of a registered investment company from selling to such registered company any securities unless the Commission grants an exemption. 1/ (Release IC-6733)

EVERYMAN FUND. The SEC has issued an order under the Investment Company Act rescinding, effective September 25, an order of March 30, 1971 (Rel. IC-6421) which permitted Everyman Fund, Inc., Cleveland, Ohio, to suspend the right of redemption of its outstanding redeemable securities and to suspend payment for shares already submitted for redemption for which payment had not been made as of the date and time of the order, until either (a) 10 days after the Fund gives the Commission notice of intention to resume redemptions and payments therefor, or (b) the Commission on its own initiative rescinds the order applied for. In its application for the order, Fund stated that it did not have an investment adviser and that its distributor was in liquidation and, therefore, had no personnel competent to compute the daily net asset value. By letter of August 31, the Fund advised the Commission that it has employed Equity Services and Systems, Inc. for the purpose of, among other things, the computation of daily net asset value. (Rel. IC-6732)

KINGSBRIDGE FUND. The SEC has issued an order under the Investment Company Act declaring that The Kingsbridge Fund, Inc., New York, has ceased to be an investment company as defined in the Act. (Rel. IC-6734)

HOLDING COMPANY ACT RELEASES

WALT DISNEY PRODUCTIONS. The SEC issued an order under the Holding Company Act exempting Walt Disney Productions, Burbank, Calif., from certain provisions of the Act with respect to its proposed organization of wholly-owned subsidiary utility company in Florida for the sole purpose of providing electric energy, natural gas and other utilities to the Walt Disney World project near Orlando. (Release 35-17273)

METROPOLITAN EDISON COMPANY. The SEC has issued an order under the Holding Company Act authorizing Metropolitan Edison Company, Berks County, Pa. subsidiary of General Public Utilities Corporation, to issue and sell 160,000 shares of cumulative preferred stock at competitive bidding. Net proceeds will be used to pay a portion of the company's short-term bank borrowings, which were incurred for construction purposes and are expected to aggregate some \$49 million at the time of the proposed sale. Construction expenditures are estimated at \$107,800,000 at 1971. (Release 35-17274)

SECURITIES ACT REGISTRATION

FEDERATED INCOME & PRIVATE PLACEMENT FUND, 421 7th Ave., Pittsburgh, Pa., 15219, filed a registration statement on September 13 seeking registration of 2,100,000 shares of capital stock, to be offered for public sale at \$12 per share. The offering is to be made through underwriters headed by Thomson & McKinnon Auchincloss Inc., Two Broadway, New York 10004, and Butcher & Sherrerd, 1500 Walnut St., Philadelphia, Pa. 19102. The company was recently organized to operate as a closed-end, non-diversified management investment company. It intends to invest primarily in debt securities obtained through private placements. Its investment objective is high current income with a secondary objective of capital appreciation. Income Research Corp., a wholly-owned subsidiary of Federated Investors, Inc., will serve as investment adviser. (File 2-41740)

GUILFORD MILLS, INC., 4926 Winston-Salem Road, Greensboro, N.C. 27402, filed a registration statement on September 13 seeking registration of 570,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 170,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$18 per share maximum) through underwriters headed by Reynolds Securities Inc., and Tucker, Anthony & R.L. Day, both of 120 Broadway, New York 10005. Of the stock sale, \$1,500,000 will be used to retire a short-term bank loan incurred to acquire a textile converting firm and to provide working capital for the acquired business and the balance for working capital and other corporate purposes. (File 2-41741)

KAUFMAN AND BROAD, INC., 10801 National Blvd., Los Angeles, Calif. 90064, filed a registration statement on September 13 seeking registration of 450,000 shares of common stock, to be issued in connection with the company's acquisition of Sun Life Insurance Company of America. The shares are to be offered for public sale by the recipients thereof (*at \$35 per share maximum) through underwriters headed by E.F. Hutton & Co., Inc., One Chase Manhattan Plaza, New York 10005. The company is engaged primarily in the production of on-site housing. (File 2-41742)

MOTOR CLUB OF AMERICA INSURANCE COMPANY, 484 Central Ave., Newark, N.J. 07107, filed a registration statement on September 13 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$10 per share. No underwriting is involved. The company is engaged principally in the sale of fire and casualty, life and other lines of insurance. Net proceeds will be used to enlarge the company's underwriting capacity. (File 2-41743)

COMBUSTION ENGINEERING, INC., 227 Park Ave., New York 10017, filed a registration statement on Sept. 13 seeking registration of \$50 million of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York. The company is engaged in the manufacture of fossil fuels and nuclear steam generating systems and equipment for the electric utility industry. Net proceeds of its debenture sale will be used to repay term-notes payable to banks and to repay other bank borrowings and commercial paper (aggregating \$13.5 million and \$20 million, respectively, at September 1) and the balance for other corporate purposes. (File 2-41744)

OHIO POWER COMPANY, 301 Cleveland Ave., S.W., Canton, Ohio 44702, filed a registration statement on September 13 seeking registration of \$40 million of first mortgage bonds, and 350,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. A subsidiary of American Electric Power Company, Inc., the company will use the net proceeds of its financing together with other funds available to the company, to pay as it matures unsecured commercial paper outstanding immediately prior to the securities sales, in connection with the company's construction program, for working capital and for other corporate purposes. (File 2-41745)

SECURITIES ACT REGISTRATIONS. Effective September 15: The Columbia Gas System, Inc., 2-41557; Taisei Construction Co., Ltd. 2-41586; United Data Centers, Inc., 2-41535; Union Electric Company, 2-41518. **Effective September 16:** American Electronic Laboratories, Inc., 2-40610; Bache & Co., Inc., 2-41299 (90 days); Crystal Fund 1971, Ltd., 2-40186 (90 days); Digital Data Systems Corp., 2-40923 (90 days); Evirotech Corp., 2-40777 (90 days); Gulf Resources & Chemical Corp., 2-41168; Hospitality International Inc., 2-34369 (90 days); The Lehigh Press, Inc., 2-40417; MML Investment Co., Inc., 2-39334; Median Mortgage Investors, 2-41412; Metropolitan Edison Co., 2-41397; Myers Industries, Inc., 2-41448 (90 days); Northern States Power Company, 2-41373; Philadelphia Electric Co., 2-41594; Plute Home Corp., 2-41068; Scholl, Inc., 2-40902 (90 days).

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 purpose of computing the registration fee.

1/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.

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