



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. 73-27)

FOR RELEASE February 8, 1973

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

CAPITAL GROWTH CONSERVATION CORP. REGISTRATION WITHDRAWN. The SEC has ordered that the registration as a broker-dealer of Capital Growth Conservation Corporation, Chicago, Ill., be withdrawn, and that it and its president Bernard Kleinman shall not apply for registration as a broker-dealer without the prior approval of the Commission.

The action was based on an offer of settlement in which respondents, without admitting or denying allegations of violations of registration, reporting, net capital and recordkeeping requirements during the 1969-1971 period, agreed to the withdrawal and the condition on future registration. In connection with the offer, it was represented that registrant had not owed money or securities to anyone other than Kleinman himself and that it was presently in compliance with all applicable regulations. (Rel. 34-9978)

FRICKE BARRED. The SEC has barred A. Henry Fricke, who was a registered representative for a broker-dealer in New York City, from being associated with any broker-dealer, investment adviser or investment company. After two years Fricke may apply to the Commission for permission to become associated with a broker-dealer in a non-proprietary and non-supervisory capacity in which he shall not accept or execute orders for customer accounts. According to the decision, during a period beginning in December 1967 and extending into 1969, Fricke violated various provisions of the securities laws in connection with transactions in the common stocks of Astrosystems, Inc., Private and Computer Schools, Inc., Jeta Power, Inc., Medi Card, Inc., Walker Color, Inc., Technique Dental Laboratory, Inc., Uranium Explorations Corp. and Devillers Nuclear Corp. It was found, among other things, that Fricke participated in schemes in which substantial portions of those securities, supposedly intended for public distribution, were placed in nominee, fictitious and profit-sharing accounts for the benefit of Fricke and others.

Fricke submitted an offer of settlement in which he consented to the above findings and sanction without admitting or denying the charges. (Rel. 34-9983)

RULE PROPOSALS AND ADOPTIONS

PROPOSAL OF RULE 238. The SEC today announced for public comment proposed Rule 238 under the Securities Act of 1933. The proposed rule is designed to afford an exemption under Section 3(b) of that Act for certain securities written or endorsed in connection with put or call options. The action was taken in conjunction with the proposal for the adoption of Rule 9b-2 under the Exchange Act (Rel. 34-9994, Feb. 8, 1973) concerning suitability and other criteria for customers and brokers or dealers involved in writing and endorsing such options.

Proposed Rule 238 set forth four requirements for determining the availability of the Section 3(b) exemption: (1) that the security underlying the put or call be listed on an exchange or on the OTC Margin Stocks list of the Board of Governors of the Federal Reserve System; (2) that gross proceeds received on specified related options not exceed \$500,000; (3) that the writer of the option not be the issuer of the underlying security, an affiliate of such issuer, nor an underwriter of such security; and (4) that the option be endorsed by a broker-dealer registered under Section 15 of the Securities Exchange Act of 1934.

Public comments on the proposed rule should be addressed to Ronald F. Hunt, Secretary, Securities and Exchange Commission, Washington, D. C. 20549. Such comments should be in writing, received on or before March 30, 1973, and should refer to File No. S7-477. All such comments will be available for public inspection. (Rel. 33-5366)

PROPOSAL OF RULE 9b-2. The SEC is releasing for public comment proposed Rule 9b-2 under the Securities Exchange Act of 1934 specifying standards of suitability for customers dealing in options, requiring the disclosure by broker-dealers to customers of the nature and risk involved in options, and requiring endorsers of options to report their transactions and maintain a certain minimum level of net capital.

The proposed rule is an outgrowth of a number of significant recent developments. First, it appears that securities industry activity in the trading of puts, calls and similar types of option contracts has been increasing markedly in the past few years and there are now plans being made by the Chicago Board Options Exchange, Inc. to provide an exchange market for options. Others have also been studying the possibility of participating in this increased activity. Second, the complexities of these markets and long-recognized potential abuses related to option trading have led the Commission to reassess the adequacy of the legal protections now available to public investors participating or being invited to participate in these markets. In this latter connection, the Commission today also published a release and proposed rule for a conditional exemption from the registration requirements of the Securities Act of 1933 for such offerings. The Commission believes that the basic purposes of both the 1933 and 1934 Acts could best be served by the imposition, without registration, of special requirements in the form of conditions for a 1933 Act exemption and new regulatory provisions applicable to brokers or dealers doing business in such securities. Proposed Rule 9b-2 under the Securities Exchange Act is a part of that contemplated program.

The period during which interested parties may submit their views and comments terminates on March 30, 1973. (Rel. 34-9994)

OVER

COMMISSION ANNOUNCEMENTS

SCHEDULE ANNOUNCED FOR MUTUAL FUND DISTRIBUTION HEARINGS. Allan S. Mostoff, Director of the Division of Investment Management Regulation announced that 86 statements had been submitted to the Commission for inclusion in the record of the Hearings on Mutual Fund Distribution and the Potential Impact of the Repeal of Section 22(d) of the Investment Company Act of 1940. The hearings will open at 10:00 A.M. on Monday, February 12, at the Securities and Exchange Commission, 500 N. Capitol St., Washington, D. C. in Room 776. Copies of all statements submitted are available for inspection in the Commission's Public Reference Room. (File No. 4-164)

Many of the persons who submitted written comments have requested the opportunity to make oral statements and to respond to inquiries from the Commission and the staff. The staff is presently reviewing the submissions and has announced the following schedule for the first week of the Hearings:

Monday, February 12

10:00 A.M. Opening Statement
 10:20 John C. Bogle, Chairman, Investment Companies Committee, National Association of Securities Dealers, Inc. and Dr. Stephen Sherwin, Foster Associates
 2:00 P.M. Robert Augenblick, President, Investment Company Institute and David Silver, Chief Counsel

Tuesday, February 13

10:00 A.M. George Putnam, Chairman and Robert Riley, President, The Putnam Management Company
 10:30 Robert Cleary, Vice President & Director of Mutual Fund Sales
 Merrill, Lynch, Pierce, Fenner & Smith
 2:00 P.M. Franklin Johnson, Senior Vice President
 Keystone Custodian Funds, Inc.

Wednesday, February 14

10:00 A.M. Ralph P. Coleman, Jr., President, Over-the-Counter Securities Fund
 10:30 Donald Samuels, President Energy Fund, Inc.
 Richmond McFarland
 No-Load Mutual Fund Assoc.
 3:00 P.M. Charles Schaefer, President
 William B. Thompson, Vice Pres.
 T. Rowe Price Associates

Thursday, February 15

10:00 A.M. Robert M. Gardner, President
 Securities Industry Assoc.
 10:45 Robert C. Porter, President,
 Francis Williams, Chairman of
 Board, David Dievler, Financial
 Vice Pres., F. Eberstadt & Co.
 2:00 P.M. David D. Grayson, President
 First Investors Corp.

COURT ENFORCEMENT ACTIONS

T. G. WAINWRIGHT ENJOINED. The Fort Worth Regional Office today announced that the Federal court in Dallas preliminarily enjoined Thomas Gene Wainwright of Nashville, Tenn., formerly of Richardson, Tex., from violations of the anti-fraud provisions of the Securities Exchange Act of 1934 in the purchase and sale of securities of Graphic Arts Data Systems, Inc. (LR-5723)

COMPLAINT NAMES 27. The SEC New York Regional Office announced the filing of a complaint on February 5 in the Federal court in New York City alleging violations of the registration and anti-fraud provisions in connection with the purchase and sale of the common stock of R. D. Philpot Industries, Inc. by 27 defendants: R. D. Philpot Industries, Inc., Houston, Tex.; Robert Dean Philpot, Pasadena, Texas; Robert C. Whitehead, Esq., Lighthouse Point, Fla.; Joseph Donald Walker, Atlantic Beach, Fla.; Charles H. Hargraves, Orlando, Fla.; David McKinnon, Dallas, Tex.; Frank Pinedo, Esq., Houston, Tex.; Dean Carlton, Esq., Dallas, Tex.; Donald Williams, Esq., Houston, Tex.; Eli Hellman, Esq., Belle Harbor, N. Y.; Mandelbaum Securities Corp., New York City; Gerald Quantzel, Long Branch, N. J.; Stewart Bitterman, Verona, N. J.; William J. Mandelbaum, Woodmere, N. Y.; Fiscal Resources, Inc., New York City; Frank and Drake, Inc., New York City; Bernard Frank, Millburn, N. J.; David Weiss, Staten Island, N. Y.; Carlton-Cambridge & Co., Inc., Lodi, N. J.; Donald Messenger, Elizabeth, N. J.; Joseph Rega, Fairfield, N. J.; Charles Gamarekian, Clifton, N. J.; Andrew Oras, Somerville, N. J.; Kenneth Bovd, Plainview, N. Y.; Todd & Co., Inc., Carlstadt, N. J.; Thomas Langbein, Carlstadt, N. J.; Ernest L. Rogers, Jacksonville, Fla. (LR-5724)

N. F. JAMES, INC. TEMPORARILY RESTRAINED. The SEC New York Regional Office announced that on February 2 the Federal court in Newark, N. J. temporarily restrained N. F. James & Co., Inc. (James), Jersey City broker-dealer, from violations of the Commission's net capital bookkeeping, hypothecation and supplemental reporting requirements. Pending the court's determination of the need for a trustee, as requested by the Securities Investor Protection Corporation, the court froze the assets of James and appointed a special fiscal agent to assist the court in its determination. (LR-5725)

COMPLAINT NAMES SOUTH CENTRAL INDUSTRIES, OTHERS. The SEC Fort Worth Regional Office announced the filing of a complaint on February 6 in Federal court in Midland, Tex. against South Central Industries, Inc. and Richard W. Bratcher, both of Midland, Joe T. Boyd of Marfa, Halvard T. Hansen of Big Springs, Perry Frasure Hull of Winter Garden, Fla. and William H. Lyons of Mobile, Ala. involving violations of the registration and anti-fraud provisions of the Federal securities laws in connection with the offer and sale of securities of South Central Industries, Inc. (LR-5726)

DONALD E. STINEBAUGH PERMANENTLY ENJOINED. The SEC Seattle Regional Office announced that on February 1 Donald E. Stinebaugh of Post Falls, Idaho, Carl A. Barton, formerly of Spokane, Wash., and Dick D. Ellis of Anaheim, Calif. were permanently enjoined by the Federal court in Spokane from violations of the Federal securities laws in connection with the offer and sale of promissory notes convertible into common stock of Power Research & Development Co., Inc., and the offer or sale of Power Research common stock or any other securities. Stinebaugh and Barton are former directors and officers of Power Research & Development Co., Inc. All defendants consented to the entry of this permanent injunction. (LR-5727)

CONTINUED

HOLDING COMPANY ACT RELEASES

PENNSYLVANIA POWER CO. The SEC has issued a notice giving interested persons until March 5 to request a hearing on an application filed by Pennsylvania Power Company, an electric utility subsidiary company of Ohio Edison Company, a registered holding company, regarding the proposed issue and sale of short-term notes to banks and the proposed guaranty of notes of a nonaffiliate coal company. (Rel. 35-17879)

SECURITIES ACT REGISTRATIONS FILED

MARINE MIDLAND BANKS, INC., 241 Main St., Buffalo, N. Y. 14203 - \$50 million of debentures, due 2003, to be offered for sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., and Blyth Eastman Dillon & Co. Inc., 1 Chase Manhattan Plaza, both of New York 10005. A multi-bank holding company, the company controls ten banks or trust companies. Of the net proceeds, \$22 million will be used to retire commercial paper, \$15 million to retire indebtedness owed constituent banks and the balance for other corporate purposes. (File 2-46974 - Feb 2)

AMERICAN FINANCIAL CORPORATION, One E. 4th St., Cincinnati, Ohio 45202 - 50,000 shares of common stock, which are owned by United Dairy Farmers Investment Company, a partnership composed of Carl H. Lindner and Robert D. Lindner. The shares are to be distributed in the form of a gift by the Lindners to their employees and to employees of corporations (including American Financial) controlled or affiliated with them. (File 2-46975 - Feb 1)

DIVERSIFIED MORTGAGE INVESTORS (the Trust), 100 Federal St., Boston, Mass. 02110 - \$50 million of senior subordinated debentures, to be offered for sale through underwriters headed by Hornblower & Weeks-Hemphill, Noyes Inc., 8 Hanover St., New York 10004. The Trust invests primarily in loans secured by mortgages on real property. Diversified Advisers, Inc., wholly-owned subsidiary of Continental Investment Corporation, is investment adviser. (File 2-46976 - Feb 2)

BLACK INDUSTRIES, INC., 2816 Roxboro Rd., Durham, N. C. 27704 - 67,970 shares of common stock. It is proposed to issue these shares in exchange for the outstanding common stock of Command Helicopters, Inc. Black principally installs telephone lines for telephone companies. Command principally engages in the aerial application of fertilizer. (File 2-46980 - Feb 2)

CENTRAL AND SOUTH WEST CORPORATION, 300 Delaware Ave., Wilmington, Del. 19899 - 1,200,000 shares of common stock, to be offered for sale at competitive bidding. Of the net proceeds, some \$45 million will be used to purchase additional shares of common stock of certain of the company's subsidiaries and the balance for other corporate purposes. (File 2-46981 - Feb 2)

HANOVER PLANNING COMPANY, INC. (the general partner), 5 Hanover Sq., New York 10004 - \$10 million of preformation partnership units in 1973 Hanover Drilling Program, Series 9 (the Partnership). The offering is to be made at \$5,000 per unit on a best efforts basis by Selhan, Inc., wholly-owned subsidiary of the company. The Partnership will explore for oil and gas. (File 2-46982 - Feb 2)

PACIFIC AMERICAN INCOME SHARES, INC., 108 W. Sixth St., Los Angeles, Calif. 90014 - 6,000,000 shares of common stock, to be offered for sale at \$17.50 per share through underwriters headed by Morgan Stanley & Co. Inc., 2 Wall St., New York 10005. The company is a closed-end diversified management investment company, whose primary objective is a high level current income through investment in a diversified portfolio of debt securities. Western Asset Management Company, wholly-owned subsidiary of United California Bank, is investment adviser. (File 2-46984 - Feb 5)

MIDLAND MORTGAGE INVESTORS TRUST, 211 Hightower Bldg., Oklahoma City, Okla. 73102 - \$25 million of senior subordinated notes, due 1980, to be offered for sale through underwriters headed by Smith, Barney & Co. Inc., 1345 Avenue of the Americas, and Stone & Webster Securities Corp., 90 Broad St., both of New York. The Trust invests primarily in short-term first mortgage construction and development loans. Midland Mortgage Co. is investment adviser. (File 2-46986 - Feb 6)

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:

Norton Simon, Inc., New York, N. Y. (File 2-46978) - 521,096 shares
 Computing & Software, Inc., Los Angeles, Calif. (File 2-46983) - 229,955 shares
 Worthington Biochemical Corporation, Freehold Township, N. J. (File 2-46985) - 90,000 shares

MISCELLANEOUS

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the several items of the form was included in the February 1 News Digest.

8K Reports for Dec 72

American Crystal Sugar Co.(13)	1-114-2	Standard Havens, Inc.(7,9,14)	2-45333-2
Cambridge Memories, Inc.(11)	2-44342-2	Star Realty Fund - 1972 (2)	2-43214-2
Fairbanks Inds., Inc.(2,14)	0-6666-2	Suburban Broadcasting Corp(7)	2-45335-2
First Greatwest Corp		Sun Chemical Corp (2,11,14)	1-804-2
Formerly: Greater Nebraska Corp		Trans World Airlines, Inc.(7)	1-975-2
(11,14)	0-537-2	Nov 72(7)	1-975-2
GCI International Inc.		UA-Columbia Cablevision, Inc.	
Formerly: Grimes Consolidated Inc.		Formerly: Columbia Cable Systems, Inc.	
(2,3,11)	0-4388-2	(2,4,7,11,14)	0-4393-2
Integrated Electronics Corp(3)	0-3957-2	Western Properties Ltd Partnership	
International Hydronics Corp		(7,14)	2-45440-2
(7,14)	0-6600-2	Womprop, Inc.(2,14)	2-41702-2
MLS Industries, Inc.			
Formerly; Monterey Life Systems, Inc.			
(11,14)	0-4140-2		
North American Biologicals, Inc.			
(3,7,14)	0-4829-2		
Prudential 1972 Ann'l Drilling Fund			
(7,14)	2-42624-2		
Prudential 1972 Year End Drilling Fund			
(7,14)	2-44042-2		
Reed Tool Company			
Formerly: G.W. Murphy Inds., Inc.			
(3,13)	1-1974-2		
Santa Fe International Corp			
Nov 72(7,13,14)	1-4827-2		
Scot's Inn Management Co.			
May 72(2,13)	0-3174-2		
Nov 72(13)	0-3174-2		
The Seaboard Corp Nov 72(2)	0-3637-2		
Seeburg Inds., Inc.(1,2,7,14)	2-44308-2		
Service Producing Co., Inc.			
(2,13)	0-5951-2		

Amended 8K Reports

Collins Food Int'l Inc.			
#1 for Jun 72(2,13)		0-3952-2	
Northern States Financial Corp			
#1 for Dec 72(14)		2-46108-2	
PVO International Inc.			
#1 for Sep 72(14)		0-1773-2	
Phoenix Steel Corp			
#1 for Jul 72(14)		1-2908-2	
#1 for Aug 72(14)		1-2908-2	
#1 for Sep 72(14)		1-2908-2	
#1 for Oct 72(14)		1-2908-2	
Willner Industries			
#1 for Sep 72(14)		1-6213-2	

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Crystalography Corporation, Minute Approved Credit Plan, Inc. and Star-Glo Industries Inc. for the further ten-day period February 8-17, inclusive.

SECURITIES ACT REGISTRATIONS. Effective February 7: Carlsberg Resources Corp., 2-45717; Commonwealth Edison Co., 2-46945; Consumers Water Co., 2-46830; Consolidated Edison Co. of New York, Inc., 2-46816; Genova, Inc., 2-46547 (May 8).

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.

---oooOooo---

The SEC News Digest is for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402. All other referenced material, except registration statements, is available in the SEC DOCKET which may be ordered from the GPO. Copies of registration statements may be ordered from the Commission's Public Reference Section.