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COMMISSION ANNOUNCEMENT

CIGARETTE BREAKERS REG A EXEMPTION SUSPENDED. The Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed offering of stock by Cigarette Breakers, Inc., of Denver, Colo. The order provides opportunity for hearing on the question whether the order should be vacated or made permanent.

Cigarette Breakers filed a notification with the Commission on March 5, 1971 relating to an offering of 60,000 shares of common stock at \$5 per share; Charisma Securities of New York was designated as underwriters. On May 24, 1971 the issuer filed a request that its notification under Regulation A be withdrawn.

In its order the Commission states that it "has reason to believe" on the basis of information reported to it by its staff that the notification and offering circular contained false and misleading information in that it (1) failed to disclose that the principal purpose of the incorporation of the issuer and the offering of its stock was to create a market for the stock so that the promoter of the issuer, and others, could purchase and sell the stock and manipulate the market therefor to their own benefit and enrichment and, (2) it failed to disclose that following the offering, the promoter of the issue intended to spread false rumors about the financial and operational condition of the issuer for the purpose of driving down the price at which the stock might be traded during a period when the promoter and others were selling the stock "short" for the benefit and enrichment of the promoter and others. In addition the order enumerates other allegations by the Commission's staff.

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SUN-MASTER REGULATION A EXEMPTION PERMANENTLY SUSPENDED. The Commission today announced the issuance of an order permanently suspending a Regulation A exemption with respect to certain securities offerings by The Sun-Master Corporation, of Olathe, Kansas. Following hearings on the question whether a temporary suspension order previously issued by the Commission should be vacated or made permanent, the issuer and underwriter had consented to a permanent suspension based on the allegations in the temporary suspension order, without admitting or denying such allegations.

The temporary suspension order alleged that an offering circular used in a 1969 offering of 60,000 shares of common stock at \$5 per share had materially overstated the issuer's total net sales, trade accounts receivable and net earnings. The order further alleged that an offering circular subsequently filed with the Commission relating to a proposed rescission offer of the purchasers of those shares failed to disclose the existence of contingent liability under the Securities Act, or the filing of a civil suit against the issuer in which it was alleged that it had violated that Act and the Securities Exchange Act of 1934.
(Release 33-5160)

SANCTIONS IMPOSED ON L. A. FRANCES, LTD., OTHERS. The SEC has issued a decision suspending the broker-dealer registration of L. A. Frances, Ltd., of New York City, for 2 months, and suspending A. Frank Sidoti, manager of the firm, and Lawrence Martire, its president, from association with a broker or dealer for respective periods of 1 year and 2 months. Following the 1-year suspension, Sidoti is barred from association with a broker-dealer in a managerial or supervisory capacity except with the Commission's prior approval. The Commission also suspended Louis B. Meadows, who during the period relevant to the proceedings was a registered broker-dealer and is now president of Louis B. Meadows & Co., Inc., Springfield, Mass., from broker-dealer association for 2 months. The suspensions are to commence on June 28.

According to the Commission's decision, the Frances firm, Sidoti and Meadows violated the registration provisions of the Securities Act of 1933 in connection with the distribution in 1966-1967 of 60,000 shares of common stock of Vista Industries Corp. which were owned by a controlling group consisting of the company's three officers. Of the total, 15,000 shares were sold by two of the officers directly to Frances, in the names of nominees, while the remaining 45,000 shares were sold by the three officers through Meadows to Frances. All 60,000 shares were resold by Frances to its customers. The Commission found that no exemption from registration was available for the sales of the Vista shares, and it rejected the respondents' contentions that Sidoti and Meadows had acted with due diligence to ascertain whether the transactions were legal. The Commission noted that the transactions were rife with "red flags" which called for searching inquiry on the part of Sidoti and Meadows before lending the facilities of their firms to a substantial distribution without the investor protections provided by the Securities Act. The Commission further found that Martire, who delegated complete authority over the day-to-day operations and decisions with respect to the Frances firm to Sidoti, failed reasonably to supervise the latter with a view to preventing the violations. (Rel. 34-9220)

HOLDING COMPANY ACT RELEASES

NEW JERSEY POWER AND LIGHT COMPANY. The Commission issued an order authorizing New Jersey Power and Light Company to issue and sell from time to time, notes to various banks in New York and New Jersey the principal amount of \$12,700,000. NJP&L proposes to utilize the proceeds for financing its business, including construction expenditures, repayment of other short term borrowings and for other specified purposes. (Rel. 35-17170)

OVER

SECURITIES ACT REGISTRATIONS

***ROCHESTER INSTRUMENT SYSTEMS PROPOSES RIGHTS OFFERING.** Rochester Instrument Systems, Inc., 275 North Union St., Rochester, N.Y. 14605, filed a registration statement on June 11 seeking registration of 48,218 shares of common stock. It is proposed to offer these shares for subscription by common stockholders, at the rate of one new share for each 10 shares held (and ** \$10 per share maximum).

The company is engaged in the manufacture and marketing of solid-state electronic equipment and systems and the manufacture of name plates, control panels and related devices. Of the net proceeds of its stock sale, \$198,000 will be used to pay indebtedness under certain 8-1/4% notes issued in connection with an acquisition and the balance for working capital and other corporate purposes. (File 2-40735)

DINNER BELL FOODS FILES FOR OFFERING AND SECONDARY. Dinner Bell Foods, Inc., West High St., Defiance, Ohio 43512, filed a registration statement on June 11 seeking registration of 355,000 shares of common stock, of which 90,000 are to be offered for public sale by the company and 265,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$15 per share maximum) through underwriters headed by Shearson, Hamill & Co., 14 Wall St., New York 10005.

The company produces and markets brand-identified processed meats as well as fresh beef and pork. Net proceeds of its stock sale will be used in connection with the expansion of the production and shipping facilities at its Troy, Ohio plant, and the expansion of shipping facilities at its Defiance and Archbold, Ohio plants, and for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 764,188 common shares, of which management officials as a group own 37.7%. Denver M. Eckert is board chairman and Elwood L. Elbersen president. Management officials as a group proposes to sell 87,398 shares of 288,242 shares held. (File 2-40736)

KENTUCKY UTILITIES PROPOSES RIGHTS OFFERING. Kentucky Utilities Company, 120 South Limestone St., Lexington, Kentucky 40507 filed a registration statement on June 11 seeking registration of 536,759 shares of common stock. It is proposed to offer these shares for subscription by common stockholders, at the rate of one new share for each ten shares held (** and at \$30 per share maximum). The offering is to be made through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York 10005, and J. J. B. Hilliard, W. L. Lyons & Co., 545 S. Third St., Louisville, Kentucky 40202. A public utility, the company will apply the net proceeds of its stock sale to pay a portion of its short-term borrowings incurred for the financing of construction expenditures (estimated at \$42 million prior to issuance of the shares). Construction expenditures are estimated at \$50 million for 1971 and \$74.6 million for 1972. (File 2-40740)

SOUTHEAST BANKING PROPOSES EXCHANGE OFFER. Southeast Banking Corporation, 100 South Biscayne Blvd., Miami, Florida 33131, filed a registration statement on June 11 seeking registration of 68,030 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of common stock of Caladesi National Bank of Dunedin at the rate of .52 shares of Southeast common for each Caladesi share.

Southeast is a bank holding company, which owns substantially all the outstanding stock of the First National Bank of Miami and eleven other banks located in Florida. Harry Hood Bassett is board chairman and Charles J. Zwick is president. (File 2-40741)

RESORT PRODUCTS PROPOSES OFFERING. Resort Products, Inc., 790 South Cleveland Ave., St. Paul, Minn., filed a registration statement on June 11 seeking registration of 200,000 shares of common stock and redeemable warrants to purchase an additional 100,000 common shares, to be offered for public sale in units, each consisting of two shares and one warrant, and at \$10 per unit. The offering is to be made by Kelly, Andrews & Bradley, Inc., 111 John St., New York.

Organized in 1969, the company is engaged in leasing "Fun Buggies," recreational vehicles produced by it, and in the design, development and marketing of a line of fiberglass boats. Of the net proceeds of its stock sale, \$350,000 will be used to repay outstanding indebtedness and the balance for working capital and other corporate purposes. The company has outstanding 760,000 common shares (with a 12¢ per share net tangible book value), of which Richard Packing Co. owns 73.7%. Purchasers of the shares being registered will sustain an immediate dilution of \$4.08 in per share book value from the offering price. (File 2-40742)

***BIO-DYNAMICS SHARES IN REGISTRATION.** Bio-Dynamics, Inc., 9115 Hague Rd., Indianapolis, Ind. 46250, filed a registration statement on June 11 seeking registration of 109,893 outstanding shares of common stock. Such shares were issued in connection with the company's acquisition of De Puy Manufacturing Company, Inc. and may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$22.125 per share maximum). The company manufactures and sells blood and bacteriological diagnostic testing systems and related equipment and supplies. (File 2-40743)

THERMEX SHARES IN REGISTRATION. Thermex, Inc., 5292 Northwest Highway, Chicago, Ill. 60603, filed a registration statement on June 11 seeking registration of 287,865 outstanding shares of common stock. Of these shares, 237,865 are owned by Jubilee Industries, Inc., which proposes to distribute them to Jubilee stockholders of record on March 4, at the rate of one share for each Jubilee share held. The remaining 50,000 shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$10 per share maximum). The company is principally engaged in developing an inexpensive disposable clinical thermometer. (File 2-40744)

CONTINUED

***ALLEGHENY AIRLINES TO SELL STOCK.** Allegheny Airlines, Inc., Washington National Airport, Washington, D.C. 20001, filed a registration statement on June 11 seeking registration of 750,000 shares of common stock, to be offered for public sale (** at \$15 per share maximum). The offering is to be made through underwriters headed by Eastman Dillion, Union Securities & Co., One Chase Manhattan Plaza, New York 10005.

The company is a certificated air carrier. Net proceeds of its stock sale will be added to the company's working capital to meet cash operation expenses, scheduled debt retirements and other cash requirements. If the company is required to make advances to Mohawk Airlines, Inc. pursuant to the terms of a merger agreement, up to \$4 million of such proceeds will be used to make such advances. (File 2-40745)

***PULASKI FURNITURE TO SELL STOCK.** Pulaski Furniture Corporation, Pulaski, Va. 24301, filed a registration statement on June 11 seeking registration of 200,000 shares of common stock, to be offered for public sale (**at \$37.50 per share maximum). The offering is to be made through underwriters headed by Wheat & Co., Inc., 801 East Main St., Richmond, Va. 23219.

The company manufactures and sells medium-priced wooden furniture. Net proceeds will be applied to the company's expansion program. (File 2-40746)

COMPUTER MACHINERY FILES FOR OFFERING AND SECONDARY. Computer Machinery Corporation, 2231 South Barrington Ave., Los Angeles, Calif. 90064, filed a registration statement on June 14 seeking registration of 1,200,000 shares of common stock, of which 850,000 are to be offered for public sale by the company and 350,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$15 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York, 10005, and Satro & Co., Inc.

Organized in 1968, the company is engaged in the development, manufacture and marketing and servicing of business data processing equipment. Of the net proceeds of its stock sale, \$7 million will be used to finance the costs associated with products which the company leases to its customers, not otherwise financed, and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 3,854,261 common shares (with a \$1.59 per share net tangible book value), of which James K. Sweeney, president, owns 28.62% and management officials as a group 53.59%. Fund of Letters, Inc., proposes to sell 200,000 of 300,000 shares held, the remaining selling stockholders are to be named later. (File 2-40747)

***COMPUTER SCIENCES SHARES IN REGISTRATION.** Computer Sciences Corporation, 1901 Avenue of the Stars, Century City, Los Angeles, Calif. 90067, filed a registration statement on June 14 seeking registration of 500,000 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$16 per share maximum). The company is engaged in computer systems programming and related activities. The company has outstanding 13,272,584 common shares. Fletcher Jones, board chairman, may sell 200,000 of 3,580,894 shares held and Roy Nutt, vice president, 300,000 of 1,958,845. (File 2-40749)

***PENNEY SHARES IN REGISTRATION.** J. C. Penney Company, Inc., 1301 Avenue of the Americas, New York 10019, filed a registration statement on June 14 seeking registration of 234,730 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$67-1/2 per share maximum). (File 2-40750)

***GETTY OIL SHARES IN REGISTRATION.** Getty Oil Company, 3810 Wilshire Blvd., Los Angeles, Calif. 90010, filed a registration statement on June 14 seeking registration of 145,300 outstanding shares of common stock. These shares may be offered for sale from time to time by the holder thereof (The J. Paul Getty Museum) at prices current at the time of sale (** \$90-1/4 per share maximum). (File 2-40752)

***QUAKER STATE OIL TO SELL STOCK.** Quaker State Oil Refining Corporation, Oil City, Pa. 16301, filed a registration statement on June 11 seeking registration of 350,000 shares of common stock, to be offered for public sale (** at \$43.25 per share maximum). The offering is to be made through underwriters headed by Lehman Brothers, One William St., New York and Kidder, Peabody & Co., Inc., 20 Exchange Place, both of New York

The company is primarily engaged in the manufacture and marketing of automotive lubricants, gasoline, fuel oils and other petroleum products. Net proceeds of its stock sale will be added to the company's general funds to be used for capital expenditures and other corporate purposes. (File 2-40733)

STOCK PLANS. 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:

General Instrument Corp., Newark, N.J. (File 2-40718) - 300,000 shares
 USLIFE Corp., New York, N.Y. (File 2-40719) - 315,384 shares
 Pan American World Airways, Inc., New York (File 2-40725) - 1,650,000 shares
 Memorex Corp., Santa Clara, Calif. (File 2-40727) - 185,867 shares and (File 2-40728) - 325,000 shares
 Fidelity Corp., Richmond, Va. (File 2-40730) - 30,108 shares
 Hardwicke Companies, Inc., New York (File 2-40704) - 20,000 shares
 Rohm and Haas Co., Philadelphia, Pa. (File 2-40734) - 270,375 shares
 Pennwalt Corp., Philadelphia, Pa. (File 2-40737) - 50,000 shares and (File 2-40738) - 6,668 shares
 Qwestor Corp., Toledo, Ohio (File 2-40739) - 20,000 shares
 Hallcraft Homes, Inc., Phoenix, Ariz. (File 2-40748) - 130,463 shares
 Borlin Corp., Panama, Republic of Panama (File 2-40751) - 230,307 shares

MISCELLANEOUS

MERRILL LYNCH 12(g) EXEMPTION TERMINATED. The Commission has issued an order terminating an exemption from the registration requirements of Section 12(g) of the Securities Exchange Act of 1934 in the case of Merrill, Lynch, Pierce, Fenner and Smith, Inc., which had been granted by the Commission by order of May 18, 1967.

O/C REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "***"):

File No.	O-Registrants	Location
5527	American Funding Corp**	Beverly Hills, CA
5542	American Micro-Systems Inc**	Santa Clara, CA
5528	Balchem Corporation**	Slate Hill, NY
5534	Baldwin & Lyons Inc**	Indianapolis, IN
5526	Bio-Cal Instrument Co**	Richmond, CA
5529	Broward Bancshares Inc**	Fort Lauderdale, FL
5663	Cardiff Industries Inc**	Los Angeles, CA
5543	Elkins Institute Inc**	Dallas, TX
5532	First Bancshares of Florida Inc**	Boca Raton, FL
5538	Fluidic Industries Inc**	Houston, TX
5533	Great Southern Financial Corp**	Gadsden, AL
5650	Hittman Corp**	Columbia, MD
5653	ITI Electronics Inc	Clifton, NJ
5537	Investment Properties Associates**	New York, NY
5545	Master Control Inc**	Dallas, TX
5668	Merrill Lynch, Pierce, Fenner & Smith Inc	New York, NY
5661	National Properties Inc	Miami, FL
5530	Pinehurst Corporation**	Los Angeles, CA
5531	Spotts Florafax Corp	New Brighton, MN
5627	State Mutual Investors	Worcester, MA
5523	Superior Equity Corporation**	Lincoln, NE
5535	Sycor Inc**	Ann Arbor, MI
5536	Systematics General Corp**	McLean, VA
5521	Virginia Real Estate Investment Trust**	Richmond, VA
5522	Wagner Mining Equipment Inc**	Portland, OR
5539	Martin Yale Industries Inc	Chicago, IL

SECURITIES ACT REGISTRATIONS. Effective June 22: Convertible Securities Mutual Fund, Inc., 2-39331; The Garrison Growth Fund, 2-38364; INA Corp., 2-40415; Ponderosa System, Inc., 2-40075; The Rexis Co., 2-39702 (90 days); Scotty's Home Builders Supply, Inc., 2-40335; USF Investors, 2-40517 (90 days); Zayre Corp., 2-40689.

Effective June 23: Affiliated Bankshares of Colorado, Inc., 2-40467; Bankers Utilities Corp., 2-39861; The Boeing Co., 2-40278; Carolina Power & Light Co., 2-40510; Fabri-Centers of America, Inc., 2-40410; Forestville Keystone Woods Associates, 2-40392; Hoffman Electronics Corp., 2-39791; Merrill Lynch, Pierce, Fenner & Smith Inc., 2-40156 (90 days); Metromodular Systems, Inc., 2-39900 (90 days); Municipal Investment Trust Fund, Fifth Pennsylvania Series, 2-40494; New Process Co., 2-40524; Radiant Industries, Inc., 2-30054 (Sep 22); Storage Technology Corp., 2-39817 (Sep 22); Uniroyal, Inc., 2-40775.

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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes 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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