



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 71-187)

FOR RELEASE September 28, 1971

DECISION IN ADMINISTRATIVE PROCEEDING

J. H. RAPP CO., REVOKED AND PRINCIPALS BARRED. The SEC announced the issuance of an order revoking the broker-dealer registration of J. H. Rapp Co., Kenilworth, N. J., and barring Janet Hope Rapp, president, and Robert Rapp, former secretary-treasurer and salesman, from association with any broker-dealer. The Commission's order provides that after two years Janet and Robert Rapp may apply for permission, upon a proper showing, to be employed by a broker-dealer in a non-supervisory and non-proprietary capacity under proper supervision, it being understood, however, that the Commission is not bound to grant any such application.

The Commission found that respondents, between July 1 and December 31, 1969, violated the registration, antifraud and anti-manipulative provisions of the securities laws in connection with their activities in the stock of LesStuds Corp. (now Trans-Southern Holding Corp.) and that between September 1 and November 30, 1969, respondents violated the registration and anti-manipulative provisions in connection with their dealings in the stock of Control Metals Corp.

The Commission's order was issued pursuant to an offer of settlement in which respondents consented to the above findings and the indicated sanctions without admitting or denying the allegations in the Commission's order for proceedings. As part of the offer, registrant and Robert Rapp also agreed to withdraw their answer to the Commission's complaint seeking an injunction in S.E.C. v. Control Metals Corporation et al. in the Federal District Court for the Southern District of New York, and, without admitting or denying the allegations of such complaint which charged them with violations of the registration and antifraud provisions of the securities acts in connection with the offer and sale of Control Metals stock, agreed to consent to the issuance of a permanent injunction. (Release 34-9343)

COMMISSION ANNOUNCEMENTS

EXAMINER'S DENIAL OF EXEMPTION FOR IOWA BEEF PROCESSORS, INC. BECOMES FINAL. The SEC announced that the hearing examiner's initial decision denying an application of Iowa Beef Processors, Inc., of Dakota City, Neb., for an exemption from the requirement to file quarterly reports under the Securities Exchange Act, has become the final decision of the Commission, the firm having failed to petition the Commission for review thereof.

The Examiner found that the company had not sustained its burden of establishing that the exemption should be granted, and concluded that the filing would be in the public interest in view of, among other things, the market activity of the stock which is listed on the New York Stock Exchange, and the number of holders of the company's securities. (See News Digest of 9/1/71)

AUTEK CONTROL SYSTEMS REG A EXEMPTION SUSPENDED. The SEC has issued an order under the Securities Act of 1933 temporarily suspending an exemption from registration under Regulation A relating to a proposed offering of 100,000 shares of stock at \$3 per share by Autek Control Systems, Inc., of Miami, Fla. The commencing date of the offering was established as May 28, 1970 by J. M. Kelsey & Co. Inc. of New York as underwriter. In the order the Commission stated that it had reason to believe that no exemption is available for the offering in view of a June 4, 1971 order revoking the broker-dealer registration of Kelsey & Co. and barring the two principals of its firm from association with any broker-dealer, investment adviser or investment company. In addition, the issuer failed to comply with the requirements of Regulation A in that it (1) failed to file proper forms, (2) failed to file revised offering circular as required, and (3) failed to file notice of delay in commencing date of the offering.

COMMISSION PERMITS CONDITIONAL FEE SCHEDULE. In a letter to the New York Stock Exchange dated September 24, the Commission interposed no objection to the implementation of the Exchanges' proposed rates submitted on June 28, 1971, subject to certain enumerated conditions. The letter from Chairman Casey to the Exchange said: "As the Exchange has recognized, a rule dealing with commission rates is necessarily dependent for its validity upon the continuation of the conditions and circumstances justifying the reasonableness of the rates. Accordingly, the Commission expects that the Exchange will review its commission rate structure on a regular and systematic basis and will submit any appropriate modifications or changes in such structure to the Commission to enable it to exercise its continuing regulatory oversight. The Commission expects the Exchange to continue to gather necessary data from its members for this purpose. The Commission will also continue its monitoring program in order to assess the need for any rate changes." . . . "The Commission is continuing to study the economic and regulatory impact on the investing public, the securities markets and the securities industry of competitive commission rates on portions of orders in excess of \$500,000." (Full text of the letter is contained in Release 34-9351)

OVER

COURT ENFORCEMENT ACTIONS

ARNHEITER, OTHERS ENJOINED. The SEC New York Regional Office today announced that the Federal court in New Jersey had permanently enjoined Theodore J. Arneiter, Jr., of North Caldwell, N. J., Stewart S. Baker of Wayne, N. J., John T. Ehrhardt of Saddle River, N. J., and Wilder A. Tasker of Montville, N. J., all officers and directors of Life Investment Company of America (LICOA), a dissolved New Jersey corporation, from violations of, among other things, the registration and antifraud provisions of the Federal securities laws in connection with the offer and sale of shares of LICOA. The defendants consented to the court order without admitting the allegations. Action continues against Leo C. Esposito, also an officer and director of LICOA. (LR-5173)

TRUSTEE APPOINTED FOR LANG-LASSER & CO. The SEC Los Angeles Branch Office and the Securities Investors Protection Corporation announced September 21 that the Federal court in Los Angeles had appointed Kevin O. Lewand as trustee of Lang-Lasser & Co., Inc., a Los Angeles broker-dealer, upon an application of the SIPC and upon its determination that Lang-Lasser is in danger of failing to meet its obligations to its customers. (LR-5174)

SHARPSTOWN REALTY, OTHERS ENJOINED. The SEC Fort Worth Regional Office announced September 20 that the Federal court in Dallas, Tex. had permanently enjoined the following: John Osorio and Waggoner Carr of Austin, Texas, Tom Max Thomas, Phillip I. Proctor, James Farha, David Hoover, J. Quincy Adams, Audy Byram, South Atlantic Company and Nashwood Corp., all of Dallas, Texas, and Frank W. Sharp, Sharpstown Realty Company, Oak Forest Investment Company, all of Houston, Texas, from violations of the registration antifraud provisions of the Federal securities laws in connection with transactions in the common stock of National Bankers Life Insurance Company, Master Control, Inc., Olympic Life Insurance Company and RIC International, Inc. Injunctive relief was denied as to Oak Forest Realty Company. Previously the Commission accepted consent decrees of permanent injunction from Donald S. Akins, Michael F. Ling, Sam Stock, William E. Strange, Dallas Bank & Trust Company, City Bank & Trust Company, and FLAP, Inc., all of Dallas, Texas and Joseph P. Novotny of Houston, Texas involving the registration and antifraud provisions. A consent decree was also accepted from H.E. McCain of Dallas relating to violations of the registration provisions only. The consents were accepted without admissions of the Commission's allegations. The action was dismissed as to National Bankers Life Insurance Company, National Bankers Life Insurance Company Employees Retirement Plan, Olympic Life Insurance Company which had previously been placed in state receivership and conservatorship respectively by the Texas Insurance Commissioner. Dismissal was also granted against Master Control, Inc. inasmuch as this company's stock was under control of the Federal Deposit Insurance Corporation as receiver for the Sharpstown State Bank, and as to Sharpstown State Bank, which company is under liquidation by the Federal Deposit Insurance Corporation. (LR-5175)

HOLDING COMPANY ACT RELEASES

MIDDLE SOUTH UTILITIES. The SEC has issued a notice under the Holding Company Act giving interested persons until October 14 to request a hearing upon an application of Middle South Utilities, Inc., New York holding company, to increase from \$30 million to \$40 million the amount of short-term unsecured promissory notes it may issue to a group of named banks. Net proceeds of its additional financing will be used by Middle South to purchase an additional 1,852,000 shares of common stock of a subsidiary, Louisiana Power and Light Company. Proceeds of the original \$30,000,000 of notes were to be used to purchase common stock of another subsidiary, Arkansas Power and Light Company. 1/ (Release 35-17285)

FIRST WISCONSIN BANK/FIRST NATIONAL BANK (CHIC). The SEC has issued an order under the Holding Company Act declaring that neither First Wisconsin National Bank of Milwaukee nor The First National Bank of Chicago will become an "electric utility company" within the meaning of the Act as a result of certain transactions involving the purchase and lease of a gas turbine generating unit and accessory equipment. (Release 35-17286)

SECURITIES ACT REGISTRATIONS

HELMSMAN BALANCED PROPERTIES, INC., 1790 Broadway, New York 10019, filed a registration statement on September 23 seeking registration of \$40 million of limited partnership interests in its Balanced Properties--Series A, to be offered for public sale in minimum amounts of \$5000. Series A is a series of limited partnerships which will engage in the following businesses: real estate, oil and gas exploration, equipment leasing, cattle breeding and/or motion pictures. (File 2-41833)

THE FIRST ARTISTS PRODUCTION COMPANY, LTD., 9720 Wilshire Blvd., Beverly Hills, Calif., 90212, filed a registration statement on September 23 seeking registration of 250,000 shares of capital stock, to be offered for public sale (*at \$18 per share maximum) by CBWL-Hayden, Stone, Inc. The company is primarily engaged in the development and financing, and supervision of production and distribution of independently produced motion pictures. Net proceeds of its stock sale and the simultaneous sale of 98,000 shares to National General Pictures Corp. will be applied to a mandatory prepayment on the company's outstanding 7% subordinated notes, due 1975, and the balance for working capital and other corporate purposes. (File 2-41834)

CONTINUED

ITT THORP CORPORATION, 418 East Stanley St., Thorp, Wis. 54771, filed a registration statement on September 23 seeking registration of \$5 million of Series F 6% capital debentures, to be offered for public sale at 100% of principal amount. No underwriting is involved. The company is engaged in direct lending and the sale of credit life and accident and health insurance in connection with such lending. Net proceeds of its debenture sale will be added to the company's working capital and used for general corporate purposes, including reduction of short-term debt. (File 2-41835)

HEREOTECH, INC., 133 Kings Road, Madison, N.J. 07940, filed a registration statement on September 23 seeking registration of 96,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made by Murray, Lind and Company, Inc., 744 Broad St., Newark, N.J. The company proposes to engage in the design, development, manufacture and marketing of a variety of electronic, electro-optic and electromechanical devices and systems, principally those involving the use of a laser component. Of the net proceeds of its stock sale, \$217,000 will be used for research and development and the balance for working capital and other corporate purposes. (File 2-41836)

INVESTORS INSURANCE COMPANY OF AMERICA, 1250 Teaneck Rd., Teaneck, N.J. 07666, filed a registration statement on September 23 seeking registration of 320,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 70,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by Weis, Voisin & Co., Inc., 17 Battery Place North, New York 10004. The company is engaged in the property and casualty insurance business. Net proceeds of its stock sale will be added to the company's general funds and used for general corporate purposes. (File 2-41837)

E&B SUPERMARKETS, INC., 564 Southern Blvd., Bronx, N.Y. 10455, filed a registration statement on Sept. 23 seeking registration of 300,000 shares of common stock, of which 150,000 are to be offered for public sale by the company and 150,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by Shields & Co., Inc., 44 Wall St., New York 10005. The company operates a chain of eight supermarkets. Net proceeds will be used for the acquisition of additional supermarkets and for working capital purposes. (File 2-41838)

FIDELITY BOND-DEBENTURE FUND, INC., 35 Congress St., Boston, Mass. 02109, filed a registration statement on September 23 seeking registration of 1,000,000 shares of capital stock, to be offered for public sale at net asset value plus a maximum sales charge of 8.5% (*\$10.24 per share maximum). Organized in June 1970, the Fund is a diversified, open-end investment company seeking, consistent with reasonable risk, a high rate of return with capital appreciation possibilities where appropriate through investment in a broad range of fixed-income securities. Fidelity Management & Research Company is investment adviser. (File 2-41839)

TONY LAMA COMPANY, INC., 1137 Tony Lama St., El Paso, Tex. 79915, filed a registration statement on September 23 seeking registration of 350,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$16.50 per share maximum) through underwriters headed by Thomson & McKinnon Auchincloss, Inc., 2 Broadway, New York 10004. The company designs, produces, and sells medium to high-priced cowboy boots. Of the net proceeds of its stock sale, \$1,667,000 will be used to repay bank loans incurred for working capital purposes and the balance for working capital and other corporate purposes. (File 2-41840)

JERSEY CENTRAL POWER & LIGHT COMPANY, Madison Ave., at Punch Bowl Rd., Morristown, N.J. 07960, filed a registration statement on September 23 seeking registration of 250,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. A subsidiary of General Public Utilities Corp., the company will use the net proceeds of its stock sale for payment of a portion of its short-term bank loans (of which \$37 million are estimated to be outstanding at the time of the sale), proceeds of which will be used for construction purposes. Construction expenditures are estimated at \$141,600,000 for 1971. (File 2-41841)

HERITAGE QUILTS, INC., P.O. Box 1810, 1618 East 50th St., Chattanooga, Tenn. 37407, filed a registration statement on September 23 seeking registration of 100,000 shares of common stock, to be offered for public sale (*at \$8 per share maximum) through underwriters headed by T.H. Lehman & Co., Inc., 120 Wall St., and Hoppin, Watson, Inc., 55 Broad St., both of New York. The company is primarily engaged in the manufacture of quilted bedspreads, comforters, quilts, bed pillows and draperies. Of the net proceeds of its stock sale, \$100,000 will be used for the construction of a new plant near Bryson City, N.C. and the balance for working capital and other corporate purposes. (File 2-41842)

MISCELLANEOUS

TRADING SUSPENSION CONTINUED. The SEC has ordered suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period, September 28-October 7, 1971, inclusive.

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 September 3 News Digest.

8K's for Aug 1971

Colwell Co (7)	1-6281-2	Pacific Resources Inc (11,13)	0-5480-2
Fairfield Communities Land Co		Reeves Bros Inc (12,13)	1-3358-2
Jun 71 (2,11)	0-3944-2	Southern Bankshares Inc	
Jun 71 (2,4,7,10,13)	0-3944-2	(2,13)	0-5443-2
Patrick Oil & Gas Corp		Subaru Of America Inc (11)	0-3805-2
(7,12)	2-29650-2		
Scott's Liquid Gold Inc (7)	0-5128-2	Prudential Building Maintenance	
Swank Inc (4,7,13)	1-5354-2	Corp (13)	1-5600-2
		Reclamation Systems Inc (8)	0-4800-2
The Pennstar Co (2,12,13)	0-1993-2	Singer Co (12,13)	1-4327-2
Redman Inds Inc (12)	1-4998-2	Synercon Corp (2,13)	0-5300-2
Society Corp (7,13)	0-850-2	Union Camp Corp (12)	1-4001-2
		Vance Sanders & Co Inc (3)	0-229-2
Fia Commerical Banks Inc		Weinschel Engineering Co Inc	
May 71 (12,13)	0-3562-2	Jul 71 (3)	2-17532-2
Republic Corp Jul 71 (3,7,12)	1-5603-2	Wheelabrator Corp	
Self Service Restaurants Inc		Jul 71 (8,12)	1-2483-2
Sept 70 (13)	2-30929-2		
Telegeneral Corp		Price-Meyers Corp Jul 71 (7)	1-6473-2
Nov 70 (7)	0-5168-2	Resdel Engineering Corp	
White Consolidated Inds Inc		(2,8,9,13)	2-35396-2
Jul 71 (7,10)	1-826-2	Showboat Inc (12)	0-3971-2
		U S Inds Inc (7,8,12)	1-3772-2
Republic-Franklin Life Ins Co			
(8)	2-19787-2	Pickwick Internatl Inc (7)	1-5793-2
		Texas Gas Transmission Corp	
Pay'N Pak Stores Inc (3,12)	0-4967-2	(12)	1-4169-2
Rowan Drilling Co Inc (7,13)	1-5491-2	Whittaker Corp (7,8,12)	1-5407-2
Sanders Associates Inc (12,13)	1-5166-2		
University Computing Co (13)	1-6055-2		
		Reliance Inds Inc	
Package Machinery Co(7)	0-577-2	(1,2,7,8,13)	0-2775-2
Raytheon Co (12)	1-2833-2	Royal Coach Inc	
Southern Indiana Gas & Elec		(1,3,4,7,12,13)	0-5588-2
Co (7,13)	1-3553-2	Southern Bakeries Co (2,13)	0-1333-2
		Trans World Airlines Inc (8)	1-975-2
Resort Car Rental System Inc		Jim Walter Corp (3)	1-4868-2
(2)	0-4824-2		
Richwood Inds Ltd		J C Penney Co Inc (12)	1-777-2
(12,13)	0-5396-2	Puget Sound Power & Light Co	
Technomic Research Associates		(7,8)	1-4393-2
Inc (8)	1-6073-2	Sorg Printing Co Inc (7,13)	0-3982-2
Transcontinental Motor Inns		United Liberty Life Ins Co	
Apr 71 (4)	0-1925-2	(7)	2-31169-2
USM Corp Jul 71 (11,13)	1-1599-2		
		Public Service Co Of Indiana Inc	
Ryder System Inc (12)	1-4364-2	(7)	1-3543-2
		John Roberts Inc (2,7,13)	0-3531-2
Ferdue Housing Inds Inc (11)	2-37937-2		
Petro-Search Exploration Corp		Peterson Howell & Heather Inc	
(2,7,13)	2-38571-2	(11,13)	0-1631-2
Shell's City Inc		Prince Cons Mining Co (11)	1-1567-2
(2,4,8,10,11,13)	0-4226-2	Public Serv Elec & Gas Co	
Telecredit Inc (11)	0-3934-2	(3,7,13)	1-973-2
Wells Fargo Co (12)	1-6214-2	Taylor Wine Co Inc (7)	0-1822-2
Western Elec Co Inc (8)	1-0476-2	Union Tank Car Co (7,8,13)	1-5666-2

SECURITIES ACT REGISTRATIONS. Effective September 24: Big Three Industries, Inc., 2-40450; General Research Corp., 2-40395; Equity Funding Corp. of America, 2-40327; Florida Glass Industries, Inc., 2-40604 (90 days); The Kansas City Star Co., 2-41503 (40 days); Panten & Co., Inc., 2-40836 (90 days); Petroleum Exploration & Development Funds, Inc., 2-41229 (90 days); Prudential Funds, Inc., 2-39737; Reserve Resources, Inc., 2-38692.

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.

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

--0000000--

GPO 912-604