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# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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A Daily Summary of  
S.E.C. Activities

(Issue No. 71-188)

FOR RELEASE September 29, 1971

## COMMISSION ANNOUNCEMENT

SEC ORDER CITES CAPITAL GROWTH/KLEINMAN. The Commission has ordered administrative proceedings under the Securities Exchange Act of 1934 against Capital Growth Conservation Corporation, registered broker-dealer, of Chicago, and is president, Bernard Kleinman. The Commission's Division of Trading and Markets alleges that, among other things, Capital and Kleinman (1) filed with the Commission as part of its registration as a broker-dealer a statement of financial condition as of November 30, 1969 which was false and misleading in that it reflected \$180,000 as subordinated capital, when in fact no subordination agreement was in existence, (2) during the period from about January 21, 1970 to April 30, 1971, respondents effected transactions in the purchase and sale of securities in violation of the net capital provisions of the Federal securities laws, and (3) that respondents failed to accurately make and keep current certain of its books and records as required.

A hearing will be scheduled by further order to afford the respondents an opportunity to refute the staff's allegations and to establish any defenses, and to determine what, if any, remedial action is appropriate in the public interest.

## COURT ENFORCEMENT ACTION

C. H. WAGNER & CO., OTHERS ENJOINED. The SEC Seattle Regional Office announced September 23 that the Federal court in Portland, Ore., had preliminarily enjoined C. H. Wagner and Co., Inc. (Wagner), a Boston broker-dealer, two affiliated companies, Wagner Funding Corp. and Wagner Corporation, both also of Boston, Clarence H. Wagner, who owns and controls the three companies, Robert H. Treyz, a Wagner employee in Boston and Ben O. Taylor, manager of the Wagner office in Portland, from violations of the registration provisions of the Federal securities laws in connection with the offer and sale of securities, including but not limited to, certificates of deposit or letters of credit of banks, savings and loan associations, or other financial or lending institutions with arrangements for payment of additional or bonus interest by others. (LR-5176)

## INVESTMENT COMPANY ACT RELEASES

THOMSON & MCKINNON AUCHINCLOSS. The SEC has issued an order under the Investment Company Act exempting Thomson & McKinnon Auchincloss, Inc., of New York, prospective representative of a group of underwriters of a proposed public offering of shares of C. I. Convertible Fund, Inc., a closed-end investment company and its co-underwriters from certain provisions of the Act to the extent that such provisions adopt Section 16(b) of the Securities Exchange Act in connection with transactions incidental to the distribution of Fund shares. (Rel. IC-6745)

COLONIAL FUND. The SEC has issued an order under the Investment exempting The Colonial Fund, Inc., Colonial Growth Shares, Inc., Colonial Equities, Inc., Colonial Ventures, Inc., Colonial Income Fund, Inc. (the Funds), all open-end investment companies, and Colonial Fund Single Payment Plans (Plans), a unit investment trust, together with Colonial Distributors, Inc. from certain provisions of the Act so as to permit an offer of exchange. Each of the Funds intends to offer to its investors the opportunity of exchanging their Fund shares for Colonial Plans at their respective net asset values. The schedules and sales charges are the same for all of the Funds and Colonial Plans. (Rel. IC-6746)

CHASE FRONTIER FUND. The SEC has issued an order under the Investment Company Act permitting Chase Frontier Fund of Boston, Inc. to acquire substantially all of the assets of Chase Capital Fund of Boston, Inc. in exchange for shares of common stock of Frontier and exempting the two Funds from certain provisions of the Act so as to permit participants in Capital's letter of intent program to complete said program by purchasing Frontier shares at a reduced sales load. (Rel. IC-6747)

## HOLDING COMPANY ACT RELEASES

COLUMBIA GAS. The Commission has issued an order under the Holding Company Act authorizing The Columbia Gas System, Inc., Wilmington, Del. holding company, to acquire 300,000 shares of common stock (\$25 par) for \$7,500,000 and up to \$7,500,000 of promissory notes from Columbia Gas Development of Canada, Ltd. (Development), a proposed wholly-owned Canadian subsidiary. Net proceeds will be used by Development to pay \$10 million to Dome Petroleum, Limited, a non-affiliated company, with whom Columbia Gas has agreed to contribute 50%, or \$30 million of the exploration costs on certain of Dome's Canadian acreage principally in the Arctic Islands, and the balance will be used by Development for other exploration and drilling purposes. (Rel. 35-17290)

JERSEY CENTRAL POWER. The SEC has issued a notice under the Holding Company Act giving interested persons until October 22 to request a hearing upon an application of Jersey Central Power & Light Company, Morristown, N. J. subsidiary of General Public Utilities Corporation, to issue and sell 250,000 shares of cumulative preferred stock (\$100 par) at competitive bidding. Net proceeds will be used to repay a portion of the company's short-term bank borrowings, incurred or to be incurred for construction purposes and expected to aggregate \$37 million at the time of the proposed sale, and for other corporate purposes. 1/ (Rel. 35-17291)

OVER

SECURITIES ACT REGISTRATIONS

ENVIRONMENTAL COMMUNITIES, INC., 4341 West Commonwealth Ave., Fullerton, Calif. 92633, filed a registration statement on September 23 seeking registration of 200,000 shares of common stock and 100,000 common stock purchase warrants, to be offered for public sale in units, each consisting of two shares and one warrant. The offering is to be made (\*at \$6 per unit maximum) through underwriters headed by Frederick Gregory & Co., Inc., 611 West Sixth St., Los Angeles, Calif. 90013. The company is engaged in the design, development, manufacture and marketing of factory-constructed modular and mobile homes. Of the net proceeds of its stock sale, \$215,000 will be used to retire certain short-term notes, proceeds of which were used for working capital purposes, and the balance for working capital and other corporate purposes. (File 2-41843)

LACY MANAGEMENT COMPANY, 805 E. 13th Ave., North Kansas City, Mo. 64116, filed a registration statement on September 23 seeking registration of \$5 million of management agreements with respect to managed cattle breeding herds and managed feeder cattle programs. (File 2-41844)

MITCHUM, JONES & TEMPLETON, INCORPORATED, 510 S. Spring St., Los Angeles, Calif. 90013, filed a registration statement on September 24 seeking registration of 400,000 shares of common stock, to be offered for public sale (\*at \$15 per share maximum). No underwriting is involved. The company is an investment banker and a member of the New York Stock Exchange. Of the net proceeds of its stock sale, some \$1.2 million will be used in connection with the purchase of three memberships in the NYSE for the specialist unit to be acquired by the company and to finance operations of that unit and the balance for other corporate purposes. (File 2-41846)

GRAHAM MAGNETICS INCORPORATED, Graham, Tex. 76046, filed a registration statement on September 24 seeking registration of 200,000 shares of common stock, to be offered for public sale (\*at \$25 per share maximum) through underwriters headed by Estabrook & Co., Inc., 80 Pine St., New York 10005. The company manufactures, distributes and sells precision magnetic tapes for use in the computer industry. Of the net proceeds of its stock sale, \$3 million will be used for construction of plant, purchase of equipment and related activities and the balance for working capital and other corporate purposes. (File 2-41847)

DACOTAH BANK HOLDING CO., P. O. Box 1496, Aberdeen, S.D. 57401, filed a registration statement on September 24 seeking registration of 150,000 shares of common stock, to be offered for public sale (\*at \$12 per share maximum) through underwriters headed by Piper, Jaffray & Hopwood Inc., 115 S. 7th St., Minneapolis, Minn. 55402. The company is a bank holding company and controlling stockholder of four South Dakota banks. Of the net proceeds of its stock sale, some \$475,000 will be used to acquire from persons affiliated with the company, 63.3% of the outstanding stock of the Bank of Lemmon, Lemmon, South Dakota, and the balance for other corporate purposes. (File 2-41848)

LONGS DRUG STORES, INC., 141 N. Civic Dr., Walnut Creek, Calif. 94596, filed a registration statement on September 24 seeking registration of 303,240 outstanding shares of common stock, to be offered for public sale (\*at \$58 per share maximum) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York. The company operates a chain of 57 super drug stores. (File 2-41849)

HARNISCHFEGER CORPORATION, 4400 W. National Ave., Milwaukee, Wis. 53246, filed a registration statement on September 24 seeking registration of 300,000 shares of common stock, to be offered for public sale (\*at \$28.50 per share maximum) through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. The company manufactures and sells a diversified line of heavy machinery and equipment. Net proceeds of its stock sale will be used to reduce the company's short-term bank borrowings estimated at \$28 million at the end of its current fiscal year. (File 2-41850)

OCEAN TOWERS, LTD. (the Partnership), 1100 Glendon Ave., Los Angeles, Calif. 90024, filed a registration statement on September 24 seeking registration of \$4,280,000 of partnership interests, to be offered for public sale at \$1,000 per interest (with a minimum purchase of 20 interests or more). The offering is to be made on a best efforts basis by Ellis & Lane, Inc., 10889 Wilshire Blvd., Los Angeles, Calif. 90024. The Partnership was organized to acquire and own and operate a high-rise, luxury apartment project under construction in Santa Monica, overlooking the Pacific Ocean. Jack C. Handley and L and S Operating Co. are the general partners. (File 2-41851)

CALIFORNIA COMPUTER PRODUCTS, INC., 2411 W. La Palma Ave., Anaheim, Calif. 92801, filed a registration statement on September 24 seeking registration of 500,000 shares of common stock, to be offered for public sale (\* at \$18.375 per share maximum) through underwriters headed by A. G. Becker & Co. Inc., 1901 Building, Century City, and Mitchum, Jones & Templeton, Inc., 510 S. Spring St., both of Los Angeles. The company develops, manufactures, sells, leases and services a variety of computer peripheral equipment, principally plotting and disk memory systems. Net proceeds of its stock sale will be used to reduce short-term bank loans, to augment working capital and for other corporate purposes. (File 2-41852)

BODIN APPAREL, INC., 1060 E. 30th St., Hialeah, Fla. 33013, filed a registration statement on September 24 seeking registration of 450,000 of common of which 225,000 will be offered for public sale by the company and 225,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$14.50 per share maximum) through underwriters headed by Thomson & McKinnon Auchincloss Inc., 2 Broadway, New York 10005. The company is engaged in the design, manufacture and sale of coordinated knitted sportswear for women. Of the net proceeds of its stock sale, \$221,000 will be used to retire notes payable and bank loans and the balance used for working capital and other corporate purposes. (File 2-41853)

CONTINUED

**MAKOR EDUCATIONAL INDUSTRIES, INC.**, 113 West 42d St., New York 10036, filed a registration statement on September 24 seeking registration of 80,000 shares of common stock, to be offered for public sale at \$5 per share through Occidental Securities Corp., 150 Broadway, New York 10038. The company was formed in 1968 for the purpose of publishing and distributing school textbooks, workbooks and related audio-visual material. Net proceeds will be added to the company's working capital and used for general corporate purposes. (File 2-41854)

**POWER CONVERSION, INC.**, 136-140 Marbledale Rd., Tuckahoe, N. Y. 10707, filed a registration statement on September 24 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share by F. O. Baroff Co., Inc., 15 Maiden Lane, New York 10038. The company was organized in 1970 to engage in the design and development of cells and batteries utilizing lithium. Of the net proceeds of its stock sale, \$300,000 will be applied to the design and establishment of a proposed manufacturing facility and the balance for working capital and other corporate purposes. (File 2-41855)

**FIRST OF ORLANDO CORPORATION**, First National Bank Bldg., Orlando, Fla., filed a registration statement on September 24 seeking registration of 911,242 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of the following three Florida banks at the specified rates: 2.1 share for each share of First National Bank & Trust Company of Dunedin, 3 shares for each share of National Bank of Sarasota, and 1.2 shares for each share of National Bank Gulf Gate. First at Orlando is a bank holding company, which owns in excess of 95% of the outstanding capital stock of each of 18 Florida banks. (File 2-41856)

**GENERAL TELEPHONE COMPANY OF MICHIGAN**, 455 East Ellis Rd., Muskegon, Mich. 49443, filed a registration statement on September 24 seeking registration of \$18 million of first mortgage bonds, due 2001, to be offered for public sale at competitive bidding. A subsidiary of General Telephone & Electronics Corporation, the company will use the net proceeds of its bond sale, together with the proceeds from the sale of 450,000 shares of common stock to the parent at \$20 per share, will be applied to payment of short-term loans owing to banks and to the parent and commercial paper (estimated to aggregate more than \$41 million at the time of such application), obtained to finance the company's construction program. (File 2-41858)

**PIONEER SYSTEMS, INC.**, Pioneer Industrial Park, Manchester, Conn., filed a registration statement on September 24 seeking registration of 85,680 outstanding shares of common stock, which may be offered for public sale by the holder thereof (Fund of Letters, Inc.) from time to time at prices current at the time of sale (\*\$5.50 per share maximum). (File 2-41859)

MISCELLANEOUS

**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

Penn Central Co (12)	1-6134-2	Family Dollar Stores Inc	
Terminal-Hudson Corp		(12)	0-5296-2
(2,7,13)	1-4394-2	Great Midwest Corp	
Tyco Laboratories Inc (12,13)	1-5482-2	(7,8,11)	0-5726-2
Viatron Computer Systems Corp(3)	0-4387-2	Husky Oil Ltd (7,13)	1-4307-2
Youngstown Sheet & Tube Co (3)	1-6080-2		
		American Community Systems Inc	
Lumidor Inds Inc		(2,13)	2-39227-2
Apr 71 (3,13)	0-4131-2	Brockway Glass Co Inc (8)	1-6344-2
Jul 71 (3,13)	0-4131-2	Levingston Shipbuilding Co	
RB Inds Inc Sep 71 (7)	1-6394-2	(7)	0-2891-2
Riviana Foods Inc (7,8)	1-4823-2	Motorola Internatl Develmnt Corp	
Rollins Inc (11,12)	1-4422-2	(12,13)	1-6076-2
Super Food Services Inc		N J Power & Light Co (10)	1-3221-2
(4,7,8,13)	1-5171-2		
Sybron Corp (12,13)	1-5178-2	Albertson's Inc (7)	1-6187-2
Texas Eastern Transmission Corp		Alfred Hart Co (12)	1-5136-2
(7,13)	1-4456-2	Continental Coffee Co	2-37930-2
VTR Inc (3,13)	1-3393-2	Miss Power Co (4,11,13)	0-393-2
Wilson & Co Inc (11,13)	1-5433-2	Monroe Auto Equipment Co	
		(7,13)	1-5594-2
Standard Motor Products Inc		Natl Cleveland Corp (1)	0-590-2
(7)	1-4743-2	Otis Elevator Co (13)	1-698-2
Stanley Works May 71 (3)	1-5224-2	Rocky Mountain Financial Serv Inc	
Thomas & Betts Corp (12)	1-4682-2	(12)	0-3642-2
Pet Inc (11,13)	1-242-2		
Pacific Holding Corp (2)	1-5990-2		

BK's for Aug 1971

Atmospheric Control Inds Inc (11)	2-30423-2	Helca Mining Co (10)	1-1527-2
Cinerama Inc (8)	1-4107-2	Natl Computer Serv Corp (12)	2-27530-2
Indiana Bell Tel Co Inc (7,13)	2-21428-2	Global Develmnt Inc (7)	0-5495-2
Jamesway Corp (12)	1-5898-2	Natpac Inc (8)	0-4152-2
Natl Medical Enterprises Inc (7,13)	1-6584-2	Colorado & Southern RY Co (7,13)	1-1258-2
Natl Tape Corp (2,7,12,13)	2-30319-2	Culligan Internatl Co (7,11,12)	1-5500-2
Niagara Frontier Services Inc (12)	1-5915-2	American Air Filter Co Inc (7,8)	1-5082-2
Bio-Dynamics Inc (7)	0-3169-2	American Pacific Group Inc (11,12)	0-1428-2
Brenner Inds Inc (7)	0-5330-2	Cook United Inc (7,13)	1-4959-2
Guardian Develmnt Corp (12)	0-4893-2	Crown Crafts Inc (12,13)	0-3873-2
Infrared Inds Inc (11,13)	0-1648-2	Miss River Transmission Corp (12,13)	1-6490-2
Earl Scheib Inc (11,13)	1-4822-2		
Chatham Mfg Co (3)	0-2699-2	Botswana RST Ltd 6K thru Jul 71 to Sept 71	2-28481-2
General Bancshares Corp (12)	1-3750-2	Columbia Broadcasting System Inc (7,13)	1-2931-2
Compuscan Inc (7,13)	0-4999-2	Eastman Kodak Co (13)	1-87-2
Crystal Oil Co (12)	1-4892-2	Houston Oil & Minerals Corp (2,4,7,8,13)	0-2562-2
Fine Products Co Inc (1)	0-4137-2	Lykes-Ypungstown Corp (3,12,13)	1-5962-2
Flintkote Co (3)	1-2560-2	Omark Inds Inc (4,7,13)	1-5385-2
Internatl Multifoods Corp (3)	1-6699-2	Ormont Drug & Chemical Co Inc (7,13)	0-2190-2
Jewelcor Inc (2,11,12,13)	2-40647-2	Southwestern Group Investors Inc Jul 71 (3,7,8,12)	2-39143-2
Mass Elec Co Jul 71 (3)	1-6517-2	Bankers Utilities Corp Jul 71 (13)	1-5943-2
Molybdenum Corp Of America (7,13)	1-1844-2	Bucyrus Erir Co (7,10,13)	1-871-2
Stanrock Uranium Mines Ltd (11,13)	1-4036-2	Cambridge Computer Corp (3)	2-34045-2
State Exploration Co (12,13)	0-2398-2	Hercules Inc (8)	1-496-2
Atlas Consolidated Mining & Develmnt Corp 6K Sept 71	1-3958-2	Killearn Properties Inc (11,13)	0-5090-2
Cannon Shoe Co (2,13)	0-3837-2	Michael Craig Personnel Inc (11)	2-33599-2
Central Bancorp Inc (12)	2-31017-2	Midwest Oil Corp (12)	1-3652-2
Coleman Co Inc (3,7)	1-988-2	Northwestern Mutual Life Mortgage & Realty Investors (12,13)	1-6657-2
Colorado Central Mines Inc (1,2,7,11,12,13)	2-26970-2	Overseas Natl Airways Inc (6)	0-3060-2
Hydro Nuclear Corp (3,13)	0-4395-2		
Mr Steak Inc (2,3,12,13)	0-4280-2		
Computer Studies Inc (3,12,13)	1-5918-2		
Geon Inds Inc (13)	1-6687-2		

**SECURITIES ACT REGISTRATIONS. Effective September 24:** Southeast Banking Corp., 2-40895.  
**Effective September 27:** Bucyrus-Erie Co., 2-41656; Carrols Development Corp., 2-41615; Celanese Corp., 2-41649; Consolidated Dental Services Co., 2-39543; Cousins Properties Inc., 2-41273; Cities Service Co., 2-41688; Galaxy Group Inc., 2-41015 (90 days); General Telephone Co. of the Southwest, 2-41752; Salant Corp., 2-41602; SFC Funding Corp., 2-40809; Union Investment Co., 2-41636.

**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.

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