

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



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SEC

(Issue No. 68-238)

FOR RELEASE December 6, 1968

**KROEZE McLARTY & DUDDLESTON CENSURED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-8464) censuring the firm of Kroeze, McLarty & Duddleston, Jackson, Miss., broker-dealer firm, and its general partners, John O. Kroeze, Jack M. McLarty and Leland S. Duddleston, for violations of the Commission's record-keeping rules during May and June 1968. In an offer of settlement submitted by the respondents, they admitted that the firm's books and records had not been maintained currently, but not that that the violation was wilful.

The Commission's determination to accept the offer and impose the sanction of censure as appropriate remedial action in this case was based upon respondents' representation that the firm's books and records are currently in compliance with SEC record-keeping rules, as well as their undertaking that the firm will maintain them in the required manner, comply with net capital requirements, and, for the twelve month period October 1968 through September 1969, send to the Atlanta Regional Office of the Commission within 10 days after the end of each such month registrant's trial balance and net capital computation as required, a completed copy of the Commission's short form reporting questionnaire, and an affidavit stating whether registrant is in compliance with bookkeeping and net capital requirements. Respondents agree that if at any time registrant is not in material compliance with such undertakings, it shall immediately notify the Atlanta Regional Office and stop the solicitation of business from customers and effecting transactions for their accounts except for the liquidation of customers' positions through other broker-dealers.

The respondents further agree that if it appears that there has been a breach of any of the undertaking set forth above, a hearing may be convened upon 5 days' notice to respondents, to be held pursuant to the Commission's Rules of Practice, in order to determine whether such a breach has occurred and, if so, whether additional sanctions should be imposed. For purposes of any such proceedings, respondents admit the findings of violations herein except for the findings of willfulness, and consent to the retention of jurisdiction in this matter for a period of 13 months and such additional time as may be necessary to adjudicate any proceeding commenced within such period.

**HEALTH-MOR FILES FOR SECONDARY.** Health-Mor Inc., 203 North Wabash Ave., Chicago, Ill. 60601, filed a registration statement (File 2-30905) with the SEC on November 29 seeking registration of 300,000 shares of common stock. The stock is to be offered for public sale by the present holders thereof through underwriters headed by Hornblower & Weeks-Hemphill, Noyes, 8 Hanover St., New York 10004, the offering price (\$22 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and sale of a home sanitation system under the trademark "Filter Queen". In addition to indebtedness, it has outstanding 890,278 common shares, of which management officials as a group own 80.05%. Frank C. Callahan, president and board chairman, proposes to sell 37,440 of 108,880 shares owned, Marion C. Callahan 74,790 of 217,371, and management officials as a group 244,080 of 712,646. Following such sale, they will continue to own 52.62%.

**EXTENDICARE FILES FINANCING PROPOSAL.** Extendicare, Inc., 200 W. Broadway, Louisville, Ky. 40202, filed a registration statement (File 2-30906) with the SEC on November 29 seeking registration of \$7,000,000 of convertible subordinated debentures, due 1989, and 140,000 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of a \$1,000 debenture and 20 common shares. The offering is to be made through underwriters headed by Burnham & Co., 60 Broad St., New York 10004, and Stein Bros. & Boyce, Inc., 1 Charles Center, Baltimore, Md.; the interest rate, offering price (\$2,350 per unit maximum\*) and underwriting terms are to be supplied by amendment.

The company (formerly Heritage House of America, Inc.) and subsidiaries own or lease, and operate, extended care nursing centers which provide in-patient convalescent and nursing care, primarily for persons over age 65; recently, it created a hospital division through which it plans to own or lease, and to operate, hospitals. It operates sixteen nursing centers containing 1,935 beds (to be expanded to 2,163 beds); there are four centers under construction to contain 489 beds, and one general hospital under construction to contain 300 beds. The company has agreed to acquire 12 centers, and to assume the leases of two other centers, in the San Francisco Bay area for approximately \$14,200,000, of which \$7,000,000 consists of the assumption of mortgage and equipment debt and \$7,200,000 consists of cash payments. At the closing in December \$1,000,000 will be paid from the company's present funds; the balance of \$6,200,000 together with required additional working capital will be obtained from the proceeds of this stock offering, of which \$4,000,000 will be used to repay short-term bank loans, \$2,200,000 to pay the sellers on January 30, 1970, and \$500,000 will be used to repay bank loans for working capital. Some \$500,000 is to be used in connection with the company's leasing of a 300-bed hospital in Huntsville, Ala., principally to pay expenses until occupancy levels at the hospital generate sufficient income to meet expenses, \$1,500,000 in connection with the company's proposed leasing of a general hospital to be built in Louisville, Ky., principally to purchase or make down payments on equipment, pay a lease deposit and pay expenses until occupancy levels generate sufficient income to meeting expenses; and \$800,000 is to be used in connection with the proposed leasing of a 117-bed general hospital expected to be built in Bedford, Ind. The company has acquired, contracted to acquire or optioned nine parcels of land on which it proposes to construct centers (\$1,975,000 of the proceeds are to be applied to these purchases); \$940,000 will be used to enlarge three existing centers; \$750,000 will be

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used as an additional investment in a Canadian subsidiary; and the balance of the proceeds will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,172,090 common shares, of which David A. Jones, president, owns 11.2% and management officials as a group 35.9%.

**SPORTS UNDERWRITERS TO SELL STOCK.** Sports Underwriters, Inc., 250 Bank of Dallas Bldg., 3635 Lemmon Ave., Dallas, Tex. 75219, filed a registration statement (File 2-30907) with the SEC on November 29 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$2.75 per share. The offering is to be made by Brown, Allen & Co., 600 Vaughn Bldg., Dallas, Tex. 75201, which will receive a \$0.275 per share commission. The underwriter also will receive three-year warrants to purchase 20,000 shares, exercisable after one year at \$4.125 per share.

The company was organized in March 1967 and is primarily engaged in the publication and wholesale distribution of booklets and printed materials pertaining to professional football (it published the Official AFL and NFL Autograph Books for the 1967 and 1968 football seasons). Net proceeds of its stock sale will be added to the general funds of the company for working capital requirements, to finance the further development of the company's business. The company now has outstanding 412,500 common shares, of which John M. Hamilton, president, owns 36% and management officials as a group 67%. Purchasers of the shares being registered will acquire a 33% stock interest in the company for which the company will have received \$550,000; present stockholders will then own 67%, for which the company received cash, services and property valued together at \$335,000.

**NETGO TO SELL STOCK.** Netgo Ltd., 1501 Franklin Ave., Mineola, N. Y. 11501, filed a registration statement (File 2-30908) with the SEC on November 29 seeking registration of 600,000 shares of common stock, to be offered for public sale at \$5 per share. The offering is to be made on an all or none, best efforts basis by Shaskan & Co., Inc., 67 Broad St., New York 10004, which will receive a 50¢ per share commission plus \$30,000 for expenses. The company has agreed, upon consummation of the sale of the shares being registered, to sell the underwriter, for \$600, warrants for the purchase of 60,000 shares, exercisable after one year at \$5 per share.

The company was organized under New York law in October; on November 21 it acquired from shareholders of the Northeastern Title Guaranty Corporation 98.25% of the outstanding stock of that company in exchange for 900,000 shares of Netgo stock. The Title Guaranty company in September received a New York license to conduct a title insurance business in New York. Netgo proposes to act as a holding company, investing in the securities of insurance companies, other financial companies, and other types of businesses, particularly those participating in one or more segments of the land development and building industry. Of the net proceeds of its stock sale, \$1,020,000 will be used for the repayment of a bank loan; the balance will be added to the general funds of the company and will be available for working capital and other corporate purposes. It is anticipated that the funds will be used to facilitate expansion of the company into businesses not necessarily related to its present business and to finance such businesses and its present business. The company now has outstanding 900,000 common shares (with a 65¢ per share book value), of which management officials own 34.08%. Frederick DeMatteis is board chairman and Nathan Kalikow president. Purchasers of the shares being registered will acquire a 40% stock interest in the company, at a cost of \$3,000,000; holders of the outstanding shares will then own 60%, for which they will have paid \$612,000.

**ISRAEL CORP. TO SELL STOCK.** The Israel Corporation Ltd., 32 Ben Yehuda St., Tel-Aviv, Israel, filed a registration statement (File 2-30909) with the SEC on November 29 seeking registration of 35,000 Ordinary Shares Series "A", to be offered for public sale in 100 share units and at \$100,000 per unit. No underwriting is involved.

The primary purpose of the company is to participate (in Israel) in the establishment and expansion of enterprises in industry, utilities, tourism, finance, agriculture and the services. The company expects to concentrate on industries which can best serve the economic development of Israel by the utilization of its natural resources and the availability of skilled manpower, including the manufacture and marketing of chemicals, petrochemicals, metal goods, electronics, and other items requiring a high degree of scientific and technical sophistication. Dr. Astorre Mayer is board chairman, Dr. Yeshayahu Foerder chairman of the Executive committee, Moshe Sandber deputy chairman of the executive committee, and Nachum Shamir general manager.

**NUCLEAR METALS TO SELL STOCK.** Nuclear Metals Corp., 2401 Sheridan Blvd., Denver, Colo. 80202, filed a registration statement (File 2-30910) with the SEC on November 29 seeking registration of 110,000 Class A common shares, to be offered for public sale at \$12 per share. The name of the underwriter and terms of the underwriting are to be supplied by amendment.

The company was recently organized to engage in the business of processing, refining, treating and selling various metals, minerals and by-products thereof, including precious metals and rare earths; also, mining operations to assure a supply of raw materials. Of the net proceeds of its stock sale, \$120,000 is to be used to acquire land and build a plant, offices and research laboratory, \$310,000 for equipment for processing magnetite-ilmenite, precious metals and rare earths, \$150,000 to equip and staff a research and development laboratory and complete the development of new ore separation processing machinery, \$65,000 to purchase special ore bodies to supply separation plants, and \$479,988 for operating funds. The company now has outstanding 413,000 Class A and 194,000 Class B common shares, of which Hugh L. Cox, president, owns 33.9% and 56.5%, respectively, and management officials as a group 64.8% and 100%, respectively. The outstanding shares had an August 31 net book value of \$1.0043 per share. Purchasers of the shares being registered will suffer an immediate dilution of \$10.39 in the book value of each share purchased.

**CONSOLIDATED NATURAL GAS RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-16232) authorizing certain transactions by and between Consolidated Natural Gas Company, New York holding company, and its subsidiaries, Consolidated Gas Supply Corporation, Clarksburg, W. Va. and The East Ohio Gas Company, Cleveland, Ohio. In order to take a additional long-term supply of natural gas from Texas Gas Transmission Corporation beginning November 1, 1968, Supply Corporation is constructing a 243-mile pipeline extending between Lebanon, Ohio and Beaver, Pa. It proposes to acquire certain transmission facilities from East Ohio consisting of approximately 34.9 miles of 24-inch pipeline located in Noble, Guernsey and Tuscarawas Counties, Ohio and 0.9 miles of parallel 20-inch, 26-inch pipelines in Mahoning County, Ohio. The estimated cost to Supply Corporation of the facilities to be transferred by East Ohio is \$1,986,666.

**PEOPLES GAS CORPORATE REALIGNMENT APPROVED.** The SEC has issued an order under the Holding Company Act (Release 35-16233) approving a proposal of Peoples Gas Company, Chicago holding company, for the transfer of all of the outstanding shares of common stock of North Shore Gas Company, a subsidiary of The Peoples Gas Light and Coke Company, from the latter to Peoples Gas Company. Peoples Gas Company recently acquired all the outstanding common stock of The Peoples Gas Light and Coke Company.

**AMERICAN VARIABLE ANNUITY LIFE ASSURANCE SEEKS ORDER.** American Variable Annuity Life Assurance Company and American Variable Annuity Fund, Worcester, Mass., have jointly applied to the SEC for exemption from certain provisions of the Investment Company Act; and the Commission has issued an order (Release IC-5557) giving interested persons until December 27 to request a hearing thereon. Under the contracts currently offered by Applicants, participants upon reaching retirement have the option of electing to receive either fixed or variable annuity payments during the annuity period. During the accumulation period, however, all net contributions under the contract are applied to provide accumulation on a variable basis. Applicants propose to revise the group contracts to permit a portion of the net contributions to accumulate on a fixed dollar as well as a variable basis during the accumulation period.

**COMPLAINT NAMES RIVIERE & BERENS.** The SEC Washington Regional Office announced December 5 (LR-4175) the filing of a complaint in the U. S. District Court (D.C.) seeking to enjoin violations of the Securities Act registration provisions by the following in the offering and sale of interests in certain real estate syndications: Riviere & Berens Securities Corporation, Inc., and J. D. Riviere & Co., Inc.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act (Release 34-8466) granting an application of the New York Stock Exchange to strike the common stock of Budget Finance Plan from listing and registration, effective at the opening of business December 5, 1968. Pursuant to an exchange offer by Budget Industries, Inc., only 45,985 shares of Budget Finance Plan common remain outstanding in the hands of public investors.

**MOONEY AIRCRAFT SUSPENSION CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the common stock of Mooney Aircraft, Inc., for the further ten-day period December 7-16, 1968, inclusive.

**AMCARE CENTER PROPOSES OFFERING.** Amcare Centers Inc., 295 Madison Ave., New York 10017, filed a registration statement (File 2-30911) with the SEC on November 29 seeking registration of \$1,600,000 of convertible subordinated debentures, 160,000 shares of common stock and 160,000 common stock purchase warrants, to be offered for public sale in units, each consisting of a \$1,000 debenture, 100 shares and 100 warrants. The offering is to be made through underwriters headed by Samuel Weiss & Co., Inc., 111 Broadway, New York; the offering price (\$1,600 per unit maximum\*) and underwriting terms are to be supplied by amendment.

The company (formerly <sup>Scapley</sup> Industries Corporation) pursuant to an agreement of October 1967 acquired all of the outstanding stock of FDL Development Corporation in exchange for 220,000 common and 200,000 preferred shares. As a result of this acquisition, the company (with its 4 subsidiaries) is engaged in the business of owning, operating and leasing nursing and extended care centers primarily for persons over 65. Such centers now contain 271 beds; the company plans to construct or purchase additional nursing and extended care facilities containing 990 beds and an Adult Care Center containing 120 beds. Of the net proceeds of its financing, \$200,000 will be used to repay loans and \$1,595,000 will be used in connection with the company's acquisition of additional extended care and senior adult care centers; the balance will be added to working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 200,000 preferred shares (convertible into 600,000 common shares) and 852,500 common shares; of the common shares, Leonard J. Dorfman, secretary, owns 8.4% and Louis J. Cardamone, treasurer, 22.1%. Richard Lap is president and board chairman.

**COMMISSION RATE HEARINGS TO RESUME.** The SEC announced today that the hearings concerning the commission rate structure of registered national securities exchanges will resume on Tuesday, December 10, 1968. At that time, Bernard H. Garil, Chief of the Branch of Market Analysis of the Commission's Office of Policy Research, will present testimony, including statistical data, pertaining to levels of commission rates.

Further testimony will be presented on January 7, 1969, by representatives of the Midwest Stock Exchange, and on January 22, 1969, by representatives of the Pacific Coast Stock Exchange.

**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 (please give News Digest "Issue No." in ordering). 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 December 3 News Digest.

Reeves Broadcasting Corp Oct 68(2,13)	1-4361-2	Mooney Corp Oct 68(12)	0-2985-2
Systems Associates Inc Oct 68(12,13)	2-29457-2	Safran Printing Co Oct 68(2,13)	0-1436-2
U S Inds Inc Oct 68(7)	1-3772-2	Volt Information Sciences Inc Oct 68(12)	2-19724-2
American Contract Mtge Exchange Oct 68(1,7,9)	0-2056-2	Cambridge Nuclear Corp Oct 68(7,10,11,13)	0-3275-2
Auto-Lec Stores Inc Oct 68(3,11,13)	0-2932-2	Curtis Publishing Co Oct 68(2,6,8,13)	1-69-2
Intercontinental Dynamics Corp Aug, Sept & Oct 68(7,8)	0-2889-2	The Flexible Co Oct 68(4,11,13)	0-1828-2
McQuay-Norris Mfg Co Nov 68(11)	1-736-2	Honda Giken Dogyo Kabushiki Kaisha (6K) Sept & Oct 68	2-20888-2
Internat'l Systems & Controls Corp Oct 68(7)	0-1427-2	Louisiana Gas Service Co Sept 68(8)	1-4335-2
Lehigh Press Inc Oct 68(7)	1-4967-2	Wisconsin Gas Co Oct 68(7,11,13)	2-8631-2
Scientific Resources Corp Oct 68(2,3,7,12,13)	1-4771-2	El Paso Real Estate Invmt Trust Oct 68(11,13)	2-24183-2
TSC Inds Inc Oct 68	1-5554-2	Hach Chemical Co Sept 68(11)	2-29304-2
UMC Electronics Co Oct 68(2,13)	0-2972-2	Handschy Chemical Co Sept 68(11)	2-18767-2
Cypress Communications Corp Oct 68(2,4,11,13)	0-3289-2	Pittsburgh Steel Co Oct 68(6)	1-196-2
Gen'l Real Estate Shares Jun 67(7) Oct 68(7)	0-2639-2 0-2639-2	Swift Inds Inc Jul 68(2,7,11,13)	2-18903-2
Ipcos Hospital Supply Corp Oct 68(4,11,13)	1-4670-2	Washington Water Power Co Oct 68(7)	1-3701-2
The Midwestern Indemnity Co Oct 68(1)	2-20971-2	Peter Paul Inc Am'd #1 to 8K for Jul 68(13)	1-5520-2
Host Internat'l Inc Oct 68(7)	1-5616-2	Clarise Sportswear Co Inc Oct 68(3)	2-18533-2
Kalvex Inc Oct 68(7,8)	1-3947-2	Prom Motor Hotel Inc Jul 68(7,12)	2-19802-2
Marion Laboratories Inc Oct 68(11,13)	0-2264-2	Tropical Gas Co Inc(6K) Nov 68	1-4937-2
Metromedia Inc Oct 68(12)	1-4649-2	MWA Co Oct 68(10,11,13)	1-1447-2
Milton Roy Co Oct 68(11,13)	0-3119-2	Allstate Inds Inc Oct 68(2,7,9,11,13)	1-3771-2
Panelfab Inc Jun 68(1,7,13)	0-1911-2	Illinois Central Inds Inc Oct 68(12)	1-4710-2
Public Service Co of Indiana Inc Aug & Sept 68(7,13)	1-3543-2	Palms of Pasadena Hospital Corp Aug 68(2,7)	1-5606-2
Boise Cascade Corp Oct 68(7,13)	1-5057-2	Sept 68(7,13)	1-5606-2
Inflight Motion Pictures Inc Oct 68(2,12,13)	1-5245-2	Teledyne Inc Sept 68(4,7,13) Oct 68(4,7,12,13)	1-5212-2 1-5212-2
J I Case Co Oct 68(12,13)	1-138-2	Adirondack Inds Inc Sept 68(11,13)	0-21-2
Saladmaster Corp Oct 68(7)	0-30-2	Oct 68(8,13)	0-21-2
Metro Inc Nov 68(11)	2-13132-2	Homestead Nursing Centers of America Inc Oct 68(1,2,4,7,9,11,12,13)	2-23494-2
Mitron Research & Development Corp Oct 68(4,11,13)	1-5604-2	Ilikon Corp May 68(7)	0-1959-2
Morrison Inc Oct 68(7)	0-1750-2	Telmont Corp Oct 68(11,13)	1-5531-2
Wilson & Co Inc Sept 68(4,7,13)	1-5433-2	Genesee Brewing Co Inc Oct 68(11)	0-1653-2
Wyle Laboratories Oct 68(2,13)	1-5374-2	First Republic Corp of America Oct 68(2,3,7,8,9,13)	0-1437-2
		Seatrains Lines Inc Oct 68(4,7,13)	0-1157-2

**SECURITIES ACT REGISTRATIONS. Effective December 4:** The Equitable Life Assurance Society of the United States Separate Account A, 2-30070.  
**Effective December 5:** "21" Brands, Inc., 2-29424 and 2-29451 (40 days); Coronet Industries, Inc., 2-30671; Genesco Inc., 2-30499; Gulf Life Holding Co., 2-30693 (90 days); Post Corp., 2-30210 (90 days); Programming Methods, Inc., 2-30182 (90 days); The Rochester Fund, Inc., 2-29210; Sunlite Oil Co. Ltd., 2-29120 (90 days); Texas Citrus Development Corp., 2-28125 (90 days); Wheeling Pittsburgh Steel Corp., 2-30808.

**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.

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