



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

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(Prepared by the SEC Office of Public Information)

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COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN FIRST LEISURE CORP. SECURITIES. The SEC on September 28 ordered the temporary suspension of trading in the over-the-counter market in the securities of First Leisure Corporation (FLC) of Beverly Hills, Calif. for a ten-day period beginning September 28 through October 7, 1972. FLC has never filed a registration statement under the Securities Act of 1933 with the Commission for any of its securities. Although the company recently filed a Form 10 under Section 12(g) of the Securities Exchange Act of 1934, substantial questions have arisen concerning the accuracy and reliability of its statement of operations and financial condition. FLC began public trading of its unregistered stock on April 12, 1972 at \$4 to \$6. The stock, on an extremely small float, was quoted on September 27, 1972, at 14-3/4 to 15-3/4. The Commission also noted the absence of reliable, current information concerning the method of operation and financial condition of the company's only operating subsidiary Goldstein-Samuelson, Inc., a commodities put and call option dealer, which is not registered with any regulatory authority. Additional questions are raised concerning the applicability of the registration and antifraud provisions of the Federal securities laws to the offering of commodities option contracts by Goldstein-Samuelson, Inc. (Rel. 34-9799)

SEC ORDER CITES JOHN EDWARD & CO. & EDGAR J. GAGLIARDI. The SEC has ordered proceedings under the Securities Exchange Act of 1934 and the Securities Investor Protection Act of 1970 naming John Edward & Co., Inc., (Edward) and Edgar J. Gagliardi as respondents. The proceedings are based on allegations of the Commission's staff that from on or about December 1, 1970 to April 15, 1971, the respondents failed to keep and maintain records as required by the Federal securities laws and extended credit to customers in violation of Regulation T of the Federal Reserve Board; that the respondents were enjoined by the Federal court of New Hampshire on April 15, 1971 from violating Federal securities laws; and that on July 1, 1971 a trustee was appointed by the Federal court of New Hampshire under the Securities Investor Protection Act to liquidate the business of Edward.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto for the purpose of determining whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission.

SEC STATES INQUIRY ON COMPUTER TERMINAL NOT ENFORCEMENT PROCEEDING. On September 27, 1972, the SEC released an announcement that the public hearings in the Public Investigation in the Matter of the Hot Issues Securities Markets will resume on October 4, 1972 with an analysis of Computer Terminal Corporation (Computer) of San Antonio, Tex.

As the Commission has pointed out on several occasions, the primary purpose of these hearings as they relate to specific companies and the distribution of and trading in their securities, is to develop information for rule-making and consideration of disclosure and regulatory policies and not for enforcement purposes. Computer Terminal Corporation was among a group of 49 companies whose names have been previously announced by the Commission which issued securities for the first time during the hot issues market of 1968-1969 and were selected for analysis because their securities met certain price activity criteria established by the staff of the Commission. The selection of Computer as a subject of these public hearings, therefore, should in no manner be taken as a negative reflection on Computer or on anyone connected with the distribution or trading of its securities.

COMMITTEES TO REVIEW PAPERWORK PROBLEMS. Anthony J. Chase, Deputy Administrator, Small Business Administration, and Frederick B. Whittemore, Director, Morgan Stanley and Company Inc., are serving on the Commission's Industrial Issuers Advisory Committee rather than the Broker-Dealer committee as reported in the September 28 News Digest.

Additionally, Nelson Kibler, Staff Accountant Division of Market Regulation, is also serving as staff member and secretary of the Broker-Dealer committee, Richard H. Rowe, Association Director, Division of Corporation, is serving as staff member of the Industrial Issuers Committee and Ronald J. Cerino, Special Counsel, Division of Investment Company Regulation, is serving as staff member of the Investment Company Advisory Committee.

NEW RULES AND RULE PROPOSALS

REGISTRATION AND REPORTING FORMS AMENDMENTS PROPOSED. The Commission today issued proposed amendments to registration and reporting forms under the Securities and Securities Exchange Acts to require more detailed and timely reporting, and timely review by independent accountants, regarding material extraordinary or unusual charges or credits to income or material provisions for loss effected by registrants. The increased disclosures would include pro forma statements of operations to show the impact of such charges in prior fiscal periods, estimates of losses that will be incurred in future periods, and statements by the independent accountants regarding the fair presentation of the transactions and the supporting facts. (Rel. 33-5313)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES G. L. EQUITIES CORP., OTHERS. The SEC New York Regional Office announced on February 25 the filing of a complaint in the Federal court in New York seeking to enjoin G. L. Equities Corp., of New York City, George C. Bergleitner, its board chairman, Michael D. Harvey, its vice president and treasurer, and Frank John Serrano, its vice president and treasurer, from violations of the net capital requirements of the Federal securities laws. The court issued a temporary restraining order and appointed as SIPC trustee Charles H. Kaufman. (LR-5543)

COMPLAINT NAMES M.K.F. SECURITIES, OTHERS. The SEC Los Angeles Regional Office and the San Francisco Office announced the filing of a complaint in the Federal court in California seeking to enjoin M.K.F. Securities, Inc., San Francisco broker-dealer, Don E. Keith and John M. Finigan, MKF's principals, and Joseph Falbo, MKF's former treasurer, from violations of the bookkeeping provisions of the Federal securities laws and requesting the appointment of a receiver for MKF. The court temporarily restrained the defendants and appointed Douglas E. Walsh as temporary receiver of MKF. (LR-5547)

COMPLAINT NAMES FABERGE, INC., OTHERS. The SEC New York Regional Office announced on September 28 the filing of a complaint in the Federal court in New York seeking to enjoin Faberge, Inc., New York, N. Y., George Barrie, Faberge's president and chief operating officer, and John A. Handy, a former executive vice president of Faberge, from violations of the antifraud provisions of the Federal securities laws. The complaint alleges that Faberge and Barrie issued a false and misleading press release concerning earnings and sales projections and failed to disclose in the release that the company had sustained a net loss of some 53¢ per share for the month of July 1970 and a seven-months loss of some 22¢ per share. It is also alleged that Faberge and Handy conveyed material non-public information to certain broker-dealer firms and institutional investors concerning a loss in earnings for Faberge's third quarter ended September 30, 1970 and concerning poor sales for the third quarter. (LR-5548)

C. R. WHITE PLACED ON PROBATION. The SEC Fort Worth Regional Office announced that on September 22 C. Ralph White of Norman, Okla., was placed on 5-years probation by the Federal court in Oklahoma City, Okla. White's conviction and sentence arose from his activities in connection with the sale of thrift accounts of Norman Finance and Thrift Corporation. (LR-5549)

U. S. BERYLLIUM CORP. ENJOINED. The SEC Denver Regional Office announced that on September 22 the Federal court in Denver, Colo., had permanently enjoined U. S. Beryllium Corporation from further violations of the registration and antifraud provisions of the Federal securities laws in the offer and sale of common stock of U. S. Beryllium Corporation and Beryllium International, Inc. U. S. Beryllium consented to the entry of the court order without admitting or denying the allegations in the Commission's complaint. (LR-5550)

INVESTMENT COMPANY ACT RELEASE

MOBIL OIL CORPORATION. The SEC has issued an order upon an application of Mobil Oil Corporation (Mobil) exempting The Short and Medium Term Fixed Income Fund established under the Employees Savings Plan of Mobil and the Savings Plan of Mobil Chemical Company (a subsidiary of Mobil) from certain provisions under the Act. (Rel. IC-7387)

THE EXPRESS FUND. The SEC has issued a notice giving interested persons until October 20 to request a hearing on an application of The Express Fund, New York mutual fund, for an order declaring that the Fund is no longer an investment company. (Rel. IC-7388)

LOEB, RHOADES & CO. The SEC has issued a notice giving interested persons until October 23 to request a hearing upon an application of Loeb, Rhoades & Co., of New York, N. Y., seeking an order of exemption from the provisions of Section 9(a) of the Act. Absent such exemption, the section prohibits persons who have been enjoined from violating certain provisions of the Federal securities laws from acting in specified capacities with respect to registered investment companies. In 1968, Loeb, Rhoades & Co., was enjoined from further violations of Section 5 of the Securities Act of 1933 in connection with the sale of securities of Lynbar Mining Corporation Ltd. (Rel. IC-7391)

TECHNICAL FUND INVESTMENT PLANS. The SEC has issued a notice giving interested persons until October 23 to request a hearing on an application for an order of the Commission approving the substitution of a new underlying investment medium for a unit investment trust as well as an exemption permitting the sale of shares of Pioneer Enterprise Fund, Inc. (the new underlying fund) to the trust at net asset value without any sales charge. (Rel. IC-7393)

UNITED FUNDS CANADA-INTERNATIONAL LTD. The SEC has issued a notice giving interested persons until October 12 to request a hearing upon an application of United Funds Canada-International Ltd. and United Continental Growth Fund, Inc., Kansas City, Mo. mutual funds, for an order exempting from certain provisions of the Act the sale of substantially all of the assets of International Fund to Growth Fund in exchange for shares of Growth Fund, which shares will then be distributed to International shareholders. (Rel. IC-7394)

HOLDING COMPANY ACT RELEASES

DELMARVA POWER & LIGHT COMPANY OF MD. The SEC has issued an order authorizing Delmarva Power & Light Company of Maryland, subsidiary of Delmarva Power & Light Company, to issue and sell to the parent company (1) promissory notes, due October 1, 1973, in a total principal amount not exceeding \$7,050,000 and (2) 70,500 shares of its \$100 par value common stock for \$7,050,000. Proceeds from the proposed transactions will be used by the subsidiary company for capital expenditures (estimated at approximately \$12.3 million in 1972 and \$12.5 million in 1973) and for other corporate purposes. (Rel. 35-17706)

UTAH POWER & LIGHT CO. The SEC has issued a notice giving interested persons until October 13 to request a hearing regarding a proposal of Utah Power & Light Company, Salt Lake City holding company, to issue and sell up to \$52 million of short-term notes to banks and commercial paper. The net proceeds will be used to finance, in part, Utah Power's construction expenditures for 1972 and 1973 (estimated at \$134,000,000). (Rel. 35-17707)

MASSACHUSETTS LNG, INC. The SEC has issued an order authorizing Mass LNG, Westboro, Mass. subsidiary of Massachusetts Gas System, to extend the date to which it may issue, sell and have outstanding its short-term construction notes from September 30, 1972, to December 31, 1972, or until the earlier payment of all said notes. (Rel. 35-17708)

MASSACHUSETTS ELECTRIC COMPANY. The SEC has issued an order authorizing Massachusetts Electric Company, Westborough subsidiary of New England Electric System, to issue and sell at competitive bidding \$20,000,000 principal amount of first mortgage bonds. Proceeds will be used to pay short term notes which were issued to finance the company's construction program. (Rel. 35-17709)

SECURITIES ACT REGISTRATIONS

FOODWAYS NATIONAL, INC., 140 Broadway, Hawthorne, N. Y. 10532, filed a registration statement on September 25 seeking registration of 250,000 shares of common stock, of which 125,000 are to be offered for public sale by the company and 125,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$23 per share maximum) through underwriters headed by Shields & Co. Inc., 44 Wall St., New York 10005. The company is engaged primarily in processing and selling portion controlled nutritionally measured frozen diners, luncheons and casseroles. Of the net proceeds of its stock sale, \$1 million will be used to retire in part bank indebtedness and the balance for working capital and other corporate purposes. (File 2-45807)

TIMEPLEX, INC., 65 Oak St., Norwood, N. J. 07648, filed a registration statement on September 25 seeking registration of 225,000 shares of common stock, to be offered for public sale (*at \$8.25 per share maximum) through underwriters headed by D. H. Blair Securities Corp., 437 Madison Ave., New York 10017. The company manufactures, sells and services data communication equipment. Of the net proceeds of its stock sale, \$280,000 will be used for product development and the balance for working capital and other corporate purposes. (File 2-45808)

FELD LEASING COMPANY, INC., 2210 S. 7th St., St. Louis, Mo. 63104, filed a registration statement on September 26 seeking registration of 500,000 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (*at \$15 per share maximum) through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Sq., New York, and Scherck, Stein & Franc, Inc., 506 Olive St., St. Louis, Mo. 63101. Also included in the statement are 100,000 common shares issuable pursuant to employee qualified stock options. The company is engaged principally in the leasing and renting, individually or by fleets, of trucks, truck tractors, trailers and automobiles. (File 2-45810)

HMT CORPORATION, 600 Brickell Ave., Miami, Fla. 33131, filed a registration statement on September 26 seeking registration of 298,793.5 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of three banks as follows: 2.8 shares for each share of Bank of Perrine, 2.3 shares for each share of Bank of Cutler Ridge and 1.0 shares for each share of Florida Shares, Inc. HMT was organized for the purpose of becoming a bank holding company. (File 2-45812)

SHONEY'S BIG BOY ENTERPRISES, INC., 1727 Elm Hill Pike, Nashville, Tenn. 37210, filed a registration statement on September 26 seeking registration of 21,000 outstanding shares of common stock, which may be offered for sale (or transferred) from time to time by the holders thereof (* at \$20 per share maximum). The company operates or licenses the operation of 176 restaurants or retail food service outlets. (File 2-45813)

ROCKWOOD INDUSTRIES, INC., 49 West Putnam Ave., Greenwich, Conn. 06830, filed a registration statement on September 26 seeking registration of 300,000 shares of common stock, to be offered for public sale (* at \$8 per share maximum) through underwriters headed by Andresen & Co., 140 Broadway, New York 10005. The company is primarily engaged in the manufacture and sale of inorganic pigments; it also manufactures and sells metallic yarns and pressure sensitive adhesive materials and operates knitting mills and a dye plant. Of the net proceeds of its stock sale, \$1,825,000 will be used to repay indebtedness and the balance for working capital and other corporate purposes. (File 2-45815)

CHOCOLATE CORP. OF NEW YORK, 99 John St., New York, N.Y., filed a registration statement on September 26 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share by Defco Securities, Inc., 40 Exchange Pl., New York 10005. The company intends to engage in the preparation and marketing of a chocolate concentrate for use in the bottling of a carbonated chocolate soda. Net proceeds will be used for working capital and other corporate purposes. (File 2-45816)

DATAVISION INCORPORATED, 2351 Shady Grove Road, Rockville, Md. 20850, filed a registration statement on September 26 seeking registration of 100,000 shares of common stock, to be offered for public sale (* at \$8 per share maximum) through underwriters headed by Baxter, Blyden, Selheimer & Co., Inc., 1775 K St., N.W., Washington, D.C.

The company is engaged in the development, production and marketing of television character generators which produce letters, numbers and punctuation on any standard television screen. Of the net proceeds of its stock sale, \$175,000 will be used to finance research and product development and the balance on working capital and other corporate purposes. (File 2-45817)

MISSISSIPPI CHEMICAL CORPORATION, Yazoo City, Miss. 39194, filed a registration statement on September 26 seeking registration of 150,000 shares of Nitrogen Series II common stock and 50,000 shares of Mixed Series IV common stock, to be offered for sale at \$20 per share principally to farmers and other users of fertilizer materials. No underwriting is involved. The company manufactures and sells a variety of high analysis fertilizers, nitrogen fertilizers and other materials and components. Net proceeds will be used for working capital and other corporate purposes. (File 2-45818)

DATA DISPLAY SYSTEMS, INC., 31 Union Square West, New York, N. Y. 10003, filed a registration statement on September 26 seeking registration of 17,935 shares of capital stock, issuable upon exercise of warrants held by F. S. Donahue, Santo & Company. Donahue, Santo proposes to offer the shares for sale from time to time at prices prevailing at the time of sale (* \$10 per share maximum). Data Display is primarily engaged in providing data processing services to physicians, medical institutions and other institutions in the field of coronary care. (File 2-45819)

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation and North American Planning Corporation for the further ten-day period October 2-11, inclusive.

SECURITIES ACT REGISTRATIONS, Effective September 28: Consumers Power Company, 2-45641; Doctor Hereford, Inc., 2-44972 (90 days); E.F. Hutton & Company, 2-45464; The Fed-Mart Corporation, 2-44993; Harding Oil Company, 2-43776; Kollmorgen Corporation, 2-45396; Massachusetts Electric Company, 2-45535; Michigan National Corporation, 2-42333 (90 days); Midatlantic Banks Inc., 2-45334; Monarch General, Inc., 2-44165 (90 days); National Semiconductor Corporation, 2-45343; Pacific Power & Light Company, 2-45647 and 2-45648; Sabine Royalty Corporation, 2-45596; Samuel Moore and Company, 2-45500; The Soundsciber Corporation, 2-42631; The Union Corporation, 2-45198.

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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