



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
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COMMISSION ANNOUNCEMENT

ITT, OTHERS CONSENT TO INJUNCTION. The Commission yesterday announced the entry of a permanent injunction by consent by all of the defendants in SEC v. International Telephone and Telegraph Corp., and others. The decree entered by the Federal District Court in New York granted all of the relief requested in the complaint. The order of the court enjoins ITT from violating Section 17(a) of the Securities Act of 1933 in the offer and sale of the securities of ITT, and from the prospectus delivery requirements of Section 5(b) of the Securities Act. Two of its executives, Howard J. Aibel and John J. Navin were enjoined from further violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder in connection with the purchase or sales of the securities of ITT. ITT, Lazard Freres & Co., and Mediobanca were enjoined from further violations of Section 5(a) and 5(c) of the Securities Act of 1933 in the offer and sale of securities of ITT. Respondents consented to the decree without admitting or denying the allegations in the Commission's complaint.

The Commission today also issued a notice of an application by International Telephone and Telegraph Corp. and its two subsidiaries, Hamilton Management Corp. and ITT Variable Annuity Insurance Company, principal underwriters and advisers to mutual funds, for a permanent exemption from Section 9(a) of the Investment Company Act of 1940. The Act precludes these subsidiaries from acting in such capacities, as a result of the injunction. The Commission today granted a temporary order to permit the subsidiaries to continue servicing the funds involved pending the Commission's determination of the application. Neither of the subsidiaries was involved in the injunctive action. (LR-5435 and IC-7235)

DECISION IN ADMINISTRATIVE PROCEEDINGS

CARTER GROUP AND UTILITIES & INDUSTRIES DECLARED NOT INVESTMENT COMPANIES. The SEC announced the issuance of an order pursuant to Section 3(b) (2) of the Investment Company Act of 1940 granting the applications of The Carter Group, Inc. and its subsidiary, Utilities & Industries Corp. ("U&I"), both of New York, N. Y., for a declaration that they are engaged in businesses other than that of an investment company. According to the Commission's decision, upon Carter Group's purchase of a 21% block of common stock of U&I from a former president of U&I, the control of U&I became Carter Group's principal business, and upon the purchase by U&I, which is in the water supply and real estate business, of 61% of the outstanding common stock of Colonial Sand & Stone Co., Inc., which is in the concrete and cement business, U&I clearly was not engaged in the investment company business.

The Commission noted that the shareholders of applicants had authorized them to conduct their businesses so as not to be investment companies, and that there was no dispute that applicants at the present time are not investment companies. It rejected requests by shareholders that a hearing be held on the applications to determine whether the Commission should retain jurisdiction under the Act over an undertaking by Carter Group, in its agreement of purchase of the U&I block of stock, to propose an exchange offer to all other U&I shareholders on the same valuations principles recognized in that agreement. The Commission observed that whatever rights those shareholders have as a result of the agreement are not created by the Act but by applicable state law, and any such rights are enforceable in the Courts and are presently the subject of litigation. (Rel. IC-7231)

INVESTMENT COMPANY ACT RELEASE

DEAN WITTER & E. F. HUTTON. The SEC issued a notice giving interested persons until July 10 to request a hearing upon an application of Dean Witter & Co. Incorporated and E. F. Hutton & Company, Inc., prospective representatives of a group of underwriters of a proposed offering of shares of Keystone OTC Fund, Inc., a closed-end investment company, for an order exempting them from the provisions of the Act which impose the duties and liabilities of Section 16 of the Securities Exchange Act upon, among others, beneficial owners of more than 10% of any class of outstanding securities of a registered closed-end investment company. Applicants feel that it is likely that they and possibly others will acquire individually from the Fund in accordance with the underwriting agreement more than 10% of the common stock of the Fund thus making them subject to Section 16 of the Act. (Rel. IC-7232)

SECURITIES ACT REGISTRATIONS

SHOREBANK, INC., 100 Milk St., Boston, Mass. 02109, filed a registration statement on June 14 seeking registration of 501,367 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding shares of common stock of Mechanics Bancorp, Inc. and all the outstanding capital stock of First Agricultural National Bank of Berkshire County, at the rate of 1.80 shares for each share of Mechanics Bancorp and 1.25 shares for each share of First Agricultural. Shorebank is a bank holding company with three subsidiary banks. (File 2-44633)

OVER

FRIENDLY ICE CREAM CORPORATION, 1855 Boston Rd., North Wilbraham, Mass. 01067, filed a registration statement on June 16 seeking registration of 1,000,000 outstanding shares of common stock to be offered for public sale by the holders thereof. The offering is to be made (* at \$39 per share maximum) through underwriters headed by Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York 10005. The company is primarily engaged in operating a chain of ice cream and sandwich shops offering a limited menu. (File 2-44667)

DIAMOND INTERNATIONAL CORPORATION, 733 Third Ave., New York 10017, filed a registration statement on June 16 seeking registration of 15,000 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$34.75 per share maximum). The company is primarily engaged in the manufacture and sale of a diversified range of packaging products and in lumber manufacturing and related retail operations. (File 2-44668)

HERCULES INCORPORATED, 910 Market St., Wilmington, Del. 19899, filed a registration statement on June 16 seeking registration of 24,298 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$63.25 per share maximum). (File 2-44666)

PENNSYLVANIA POWER & LIGHT COMPANY, 901 Hamilton St., Allentown, Pa. 18101, filed a registration statement on June 16 seeking registration of 350,000 shares of cumulative preference stock, to be offered for public sale (* at \$100 per share maximum) through underwriters headed by Drexel Firestone Inc., 1500 Walnut St., Philadelphia, Pa. 19101, and The First Boston Corp., 20 Exchange Pl., New York 10005. Net proceeds of its financing will be used to retire a portion of its short-term debt incurred to provide interim financing for construction expenditures (estimated at \$750 million for 1972-1974). (File 2-44669)

JEFFERSON BANCORP, INC., 301 Arthur Godfrey Rd., Miami Beach, Fla. 33140, filed a registration statement on June 16 seeking registration of 100,000 shares of common stock, to be offered for public sale (* at \$15 per share maximum) through underwriters headed by L. F. Rothschild & Co., 99 William St., New York 10038. A bank holding company, the company will use the net proceeds to reduce short-term indebtedness amounting to \$1,430,000 at May 31, 1972. (File 2-44671)

BATH INDUSTRIES, INC., 2100 N. Mayfair Rd., Milwaukee, Wisc. 53226, filed a registration statement on June 16 seeking registration of 212,420 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$37 per share maximum). (File 2-44672)

HALLAM INDUSTRIES, INC., 150 E. 58th St., New York 10022, filed a registration statement on June 16 seeking registration of 105,000 shares of common stock, to be offered for public sale at \$7 per share by Rittmaster, Lawrence & Co., Inc., 363 7th Ave., New York 10001. The company is engaged in manufacturing and marketing dining room and bedroom furniture suites and occasional furniture pieces. Of the net proceeds of its stock sale, \$275,000 will be used to cover pre-opening and initial operating expenses of decorator-showrooms in Chicago and Los Angeles, and the balance for other corporate purposes. (File 2-44677)

ADRs FOR THE MESSINA (TRANSVAAL) DEVELOPMENT COMPANY LIMITED FILED. First National City Bank, 111 Wall St., New York 10015, filed a registration statement on June 16 seeking registration of 100,000 American Depositary Receipts for ordinary stock units of The Messina (Transvaal) Development Company Limited (a South African corporation). (File 2-44678)

ADRs FOR KINROSS MINES LIMITED FILED. First National City Bank, 111 Wall St., New York 10015, filed a registration statement on June 16 seeking registration of 100,000 American Depositary Receipts for ordinary stock units of Kinross Mines Limited (a South African corporation). (File 2-44679)

VICTORIA STATION INCORPORATED, 50 Broadway, San Francisco, Calif. 94111, filed a registration statement on June 19 seeking registration of 300,000 shares of common stock, to be offered for public sale (*at \$13.50 per share maximum) through underwriters headed by Robertson, Colman & Siebel, 235 Montgomery St., San Francisco, Calif. 94104. The company develops and operates full service restaurants offering a limited menu. Of the net proceeds of its stock sale, \$1,700,000 will be used to pay the company's outstanding long-term debt incurred to finance the acquisition of sites and construction and equipping of restaurants, and the balance for working capital and other corporate purposes. (File 2-44683)

TELEPHONE LOGIC CORPORATION, 469 Fullerton Ave., Elmhurst, Ill. 60126, filed a registration statement on June 19 seeking registration of 120,000 shares of common stock, to be offered for public sale (* at \$8.50 per share maximum). No underwriting is involved. Organized in 1971, the company proposes to develop and market electronic products primarily in the business equipment field for hookup with existing telephone equipment and lines. Of the net proceeds of its stock sale, \$150,000 will be used for short-term bank debt incurred for working capital, and the balance for other corporate purposes. (File 2-44689)

MISCELLANEOUS

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 "***");

NO.	O-REGISTRANT	LOCATION
6298	Alta Industries Corp	Salt Lake City, UT
6305	American Bancorp	Dover Twp, NJ
6325	Calandra Industries, Inc	Omaha, NE
6308	Cancer Screening Services, Inc	No. Hollywood, CA
6306	Chemwell Industries	San Diego, CA
6296	Compuguide Corp	St. Passic, NJ
6162	Cunningham Art Prod., Inc**	Stone Mt. GA
6144	Environmental Services, Inc**	Midland Fk, NJ
6134	Fiberstatics, Corp	Amityville, NY
6159	First Alabama Bancshrs, Inc**	Birmingham, AL
6303	Golden Age Medical Ind., Inc**	Pasadena, CA
6322	Hallmark Group Co's, Inc	Abilene, YK
6136	Investment Corp of America, Inc	Inee, MN
6160	Jetco Electronics Ind., Inc	El Paso. TX
6315	Ladd Mt. Mining Co of Nev.	Reno, NV
6300	Lumbermans Acceptance Co	Santa Rosa, CA
6155	Macks Stores, Inc**	Sanford, NC
6164	Magnetics Intl., Inc**	Maple Heights, OH
6316	Margo's La Mode, Inc	Live Oak, Tx
6165	Media Horizons, Inc**	New York, NY
6324	Natl. Bancshrs Corp of Texas	San Antonio, TX
6143	National Medical Care, Inc**	Brookline, MA
6318	Page Petroleum Ltd	Alberta, Canada
6310	Petersen Tool Co, Inc	Salt Lake City, UT
6302	Rocky Mt. Industries, Inc	Scottsdale, AZ
6309	Specialty Equities Corp	Ogden UT
6151	Stewart Information Services Corp**	Houston, TX
6299	Wainco Oil Ltd	Calgary, Canada
6314	Weinschel Engineering Co Inc**	Gaithersburg, MD
6154	Zenith Natl. Insur. Corp**	Los Angeles, CA

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the common stock of Ecological Science Corporation for the further ten-day period June 22 through July 1, 1972, inclusive.

SECURITIES ACT REGISTRATIONS. Effective June 20: Abbott Laboratories, 2-44085 and 2-44086; Adobe Corp., 2-43914; Analogic Corp., 2-43545 (Sept. 19); Bath Industries, Inc., 2-43950; Inexco Oil Company, 2-44440; Israel Discount Trust Co., 2-43686; Javelin Corp., 2-43094; Lea-Ronal, Inc., 2-44412; McDonald's Corp., 2-44523; National Distributing Co., Inc., 2-43576 (90 days); Portland General Electric Co., 2-44471; Pulte Home Corp., 2-43976; Putnam Convertible Fund, Inc., 2-43384; Abe Schrader Corp., 2-43406; The 21C Corp., 2-42282 (Sept. 18); Xerox Corp., 2-44465.

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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