

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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COMMISSION ANNOUNCEMENTS

CASEY NAMED AS CHAIRMAN. William J. Casey was sworn in today in a White House ceremony as a member of the Securities and Exchange Commission and was designated Chairman by the President. A native of New York, Mr. Casey was educated at Fordham and received his law degree from St. John's Law School in 1937. During World War II, he served as an assistant to David Bruce in coordinating activities of the French Resistance incident to the Normandy landings, and was Chief of O.S.S. intelligence operations in the European theater in 1944 and 1945.

He has served as a member of the General Advisory Committee on Arms Control, a member of the Presidential Task Force on International Development, President of the International Rescue Committee and as a Member of the Brookings Institution's Advisory Committee on Presidential Selection Studies. He is a Trustee of Fordham University. Mr. Casey has authored and edited a broad spectrum of publications on legal, tax financial and economic subjects. He has been a partner in the New York firm of Hall, Casey, Dickler & Howley and the Washington firm of Scribner, Hall, Casey, Thornburg and Thompson.

COMMISSION AND STAFF LAUD OWENS FOR INTERIM PERIOD LEADERSHIP. The Commission and staff today took official note of the fact that Commissioner Hugh F. Owens, in the absence of a Chairman and by proper exercise of his senior status as a Commissioner, had unselfishly assumed a leadership role for a period of over three months, to assure a continuation of the discharge of the executive and administrative functions of the Chairman of the SEC, and thereby made possible the orderly flow and effective conduct of the Commission's official business.

It also was noted that Commissioner Owens' significant contributions during this period were particularly noteworthy and deserving of special commendation because of the unusual number and great complexity of the problems and issues confronting the Commission during the period in question.

It was resolved that the Commission's Minutes should reflect this outstanding performance by Commissioner Owens in the absence of a Chairman, and the fact that the Members of the Commission and the staff were very grateful to him for his effective leadership during this trying period.

IMPLEMENTATION OF COMPETITIVE RATES ON NATIONAL SECURITIES EXCHANGES. The Commission is issuing this statement in response to questions which have been raised by officials of national securities exchanges and their members with respect to the implementation of the finding of the Commission that fixed commission charges for large institutional size orders are neither reasonable, necessary, nor appropriate. On February 10, 1971 the Commission announced that it would not object to the commencing of competitive rates on portions of orders in excess of \$500,000 and this has been in effect on most exchanges since April 5, 1971.

The Commission has been advised that there is some concern on the part of exchange members that the so-called "break-point," that is the requirement of competitive rates on orders in excess of \$500,000, might be changed and, specifically might be lowered, precipitously. The Commission has no intention of doing anything of the sort. It must, of course, be recognized that the \$500,000 figure is not, and cannot be, assured for the indefinite future. The Commission has indicated an intention to observe the workings of competitive commission rates on orders in excess of \$500,000 and to consider carefully all questions which may arise as a result thereof. In that connection the Commission will consider the views of all interested persons. The New York Stock Exchange will provide no later than June 30, 1971 for Commission consideration a revised rate schedule based upon the amount involved in an order. The Commission has no immediate intention of revising its decision as to the so-called break point of \$500,000 beyond which competitive rates should prevail and any decision on this matter will await receipt and consideration of information and submissions proposed to be provided by the Exchange no later than June 30, 1971, assuming at least that these submissions are timely made. (Release 34-9148)

DECISION IN ADMINISTRATIVE PROCEEDING

SEC ORDERS CONDITIONAL SUSPENSION OF ST. LOUIS SECURITIES INC. The SEC yesterday ordered a suspension of all business activities of St. Louis Securities, Inc., St. Louis, Mo., registered broker-dealer until a number of conditions, including the following have been met: Registrant shall maintain the net capital necessary to comply with the provisions of the Exchange Act and has caused the release from all liens of any securities carried for the account of any customer under circumstances that would permit such securities to be commingled with securities carried for the account of any person other than a bona fide customer of registrant under a lien for a loan made to registrant.

The offer of settlement provides among other things that commencing on the fifth day of the month following the resumption of business and of each succeeding month, continuing to such time as the Commission shall make a final determination of the remaining issues set forth in the order for proceedings, St. Louis Securities shall send to the Chicago Regional Office: (1) Its trial balance and net capital computation for the preceding month, as required by Rules 17a-3 and 15c3-1, (2) A statement stating whether it is in compliance with the terms of paragraph c herein, and (3) A list of all transactions for the preceding month in which payment for securities purchased by customers was not received within seven full business days, and a report of the status of such transactions.

OVER

St. Louis Securities and its president director Karl H. Rehberg submitted an offer of settlement solely in regard to the question of whether the registrant's broker-dealer registration should be suspended pending final determination of other issues raised as the respondents. (Release 34-9147)

COURT ENFORCEMENT ACTION

UNITED PETROLEUM ENJOINED. The SEC Fort Worth Regional Office today announced that on March 31 the Federal court in Oklahoma City issued an order of permanent injunction by consent against United Petroleum Explorations, Inc., and Orville L. Scott, Jr., both of Oklahoma City, enjoining them from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of interests in oil and gas leases in certain Oklahoma counties. The defendants consented to the injunction without admitting the allegations in the complaint. (LR-4970)

INVESTMENT COMPANY ACT RELEASE

NEW YORK LIFE INSURANCE CO. The SEC has issued an order under the Investment Company Act giving interested persons until April 28 to request a hearing on the application of New York Life Insurance Company and its Separate Account N and Separate Account Q for an exemption from certain provisions of the Act. Exemption from Section 22(d) is requested to permit without additional sales load, the transfer of funds not more than twice a year from an annuitant's fixed accumulation account to accounts N or Q and the application of fixed accumulation cash values to obtain variable annuity payment, and exemption from Sections 26(a) and 27(c)(2) is requested to permit the net purchase payments under the Contracts allocated to the Accounts to be held by New York Life rather than providing for the deposit of such payments with a bank as custodian or trustees for holding under an agreement or indenture containing, in substance the provisions required by Sections 26(a)(2) and (3) of the Act. (Release IC-6448)

NORTHWESTERN MUTUAL LIFE INSURANCE. The SEC has issued an order under the Investment Company Act giving interested persons until April 28 to request a hearing on the application of Northwestern Mutual Life Insurance Company and NML Variable Annuity Account B of Milwaukee, Wisc. for exemption from certain provisions of the Act in order to (1) reduce the percentage deduction based upon the amount of purchase payments during a contract year so that the deductions would be fifty cents per payment plus percentage deductions set forth in an accompanying schedule, and (2) to permit such a schedule of sales load deductions or any similar schedule under which the percentage amount of sales load deducted from payments under contracts issued in connection with Account B may decrease with a contract year. Applicants represent, among other things, that their proposed sales deductions schedule does not involve a front-end load arrangement and that such a schedule cannot lead to the abuses intended to be curbed by Section 27(a)(3). (Release IC-6453)

HOLDING COMPANY ACT RELEASE

JOHN H. WARE. The SEC has issued an order under the Holding Company Act extending to December 31, 1971 the time in which John H. Ware of Oxford, Pa. may eliminate the publicly-held minority interest in North Penn Gas Company which was acquired by Ware and associates. (Release 35-17096)

SECURITIES ACT REGISTRATIONS

TRINITY MANAGEMENT PROPOSES OFFERING. The Trinity Management Company II, Inc., 1375 First National Bank Bldg., Dallas, Texas 75202, filed a registration statement with the SEC on April 2 seeking registration of \$10 million of units in the Trinity Drilling Program II (the Program), to be offered for public sale in minimum units of \$10,000. The offering is to be made on a best efforts basis by R.W. Pressprich & Co. Inc., and NASD dealers selected by Pressprich. The Program is to be organized for the purpose of oil and gas exploration. In the event the Program is converted into a limited partnership, Trinity Management will be the general partner. Trinity Management is a wholly-owned subsidiary of Pressprich. Kenneth G. Langone is board chairman and Vincent C. Banker president of Trinity Management. (File 2-39935).

MARLIN & ROSS PROPOSES OFFERING. Marlin and Ross, Incorporated (the general partner), Marlin and Ross 1971 Real Estate Fund, 1900 Avenue of the Stars, Century City, Los Angeles, Calif. 90067, filed a registration statement with the SEC on April 1 seeking registration of \$15 million of limited partnership interests in not to exceed 30 limited partnerships, to be offered for public sale at \$2,500 per unit (with a minimum investment of \$5000 required). The partnerships will be organized to acquire improved real property for possible income and capital appreciation. No underwriting is involved; NASD members may participate in the offering. All the outstanding capital stock of the general partner is owned in equal shares by Barry S. Marlin, board chairman, and Leonard M. Ross, president. (File 2-39937).

McCULLOCH OIL SHARES IN REGISTRATION. McCulloch Oil Corporation, 6151 W. Century Blvd., Los Angeles, Calif. 90045, filed a registration statement with the SEC on April 1 seeking registration of 386,082 outstanding shares of common stock. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale. McCulloch Corporation may sell 230,000 shares held, Robert P. McCulloch, board chairman, 70,000 and two banks the remaining shares being registered. According to the statement, McCulloch Corp. has advised the company that proceeds of its stock sale will be used primarily in connection with relocating its Los Angeles chain saw manufacturing plant at Lake Havasu City, Ariz., and for other working capital purposes. (File 2-39938).

HORNWOOD PROPOSES OFFERING. Hornwood, Inc., Highway 52 South, Wadesboro, N.C. 28170, filed a registration statement with the SEC on April 1 seeking registration of \$3.3 million of 7½% convertible subordinated debentures, due 1981 to be offered for public sale at 100% of principal amount. A portion of the debentures will be offered to common stockholders first. Reynolds & Co., as dealer agent, has agreed to offer the debentures not subscribed to by company shareholders.

The company is engaged in knitting synthetic yarn into tricot fabrics and in related activities. Of the net proceeds of its debenture sale, some \$2.5 million will be used to fund its obligation to purchase a 50% ownership in Kenville, Inc., which is a joint venture with the Graniteville Company, the purpose of which will be to build and operate an integrated facility near Lilesville, N.C., to produce knit fabrics, and the balance will be used to reduce bank borrowings. The company has outstanding 280,000 common shares, of which W. Bryan Moore, board chairman, owns 14.6% and management officials as a group 52.8%. Kenneth W. Horne is president. (File 2-39939).

HONEYWELL SHARES IN REGISTRATION. Honeywell Inc., 2701 Fourth Ave., South, Minneapolis, Minn. 55408, filed a registration statement with the SEC on April 1 seeking registration of 281,250 outstanding shares of common stock. These shares are part of the 1,500,000 Honeywell shares received by General Electric Company in October 1970 in connection with the combination under Honeywell's control (by transfer to Honeywell Information Systems Inc.) of the principal computer operations of General Electric and Honeywell. They may be offered for sale from time to time by General Electric at prices current at the time of sale (**\$105 per share maximum). (File 2-39942).

PANCOASTAL TO SELL VOTING TRUST CERTIFICATES. Pancoastal, Inc., 37 Lewis St. Hartford, Conn. 06103, filed a registration statement with the SEC on March 31 seeking registration of 850,000 voting trust certificates representing 850,000 shares of capital stock. The certificates are to be offered for sale at prices current at the time of sale (**\$500 per certificate maximum). No underwriting is involved. Under the voting trust agreement, which expires in November 1972, the voting trustees will have the power to vote all deposited shares for the election of directors. All other voting rights and incidents of ownership are retained by the holders of the voting trust certificates.

The company's principal assets are indirect investments in exploratory permits and concessions and in a Colorado feed lot and meat processing operation. It receives financial, technical and other services from the Catawba Corporation (all of whose outstanding voting stock is owned by the family of the late William F. Buckley). Net proceeds will be applied to working capital, to current operations and for acquisition of income producing and other properties. The company has outstanding 5,729,144 common shares. The voting trustees are John W. Buckley, John M. Godfrey, Benjamin W. Heath, C. Dean Reasoner, and William Shields, Jr. (File 2-39909)

***GEON INDUSTRIES FILES FOR OFFERING AND SECONDARY.** Geon Industries, Inc., 80 Crossways Park Dr., Woodbury, N. Y. 11797, filed a registration statement with the SEC on April 2 seeking registration of 400,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$25 per share maximum) through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York 10005.

The company imports and distributes foreign car replacement parts and exports automotive, tractor, industrial, aircraft and marine parts. Net proceeds of its stock sale, together with some \$2,250,000 of additional bank credit, will be added to working capital and used for increased inventories to support its expanding sales of foreign car replacement parts and to finance the opening of new company owned distributors. George O. Neuwirth, board chairman and president, proposes to sell 40,000 of 134,640 shares held, Otto Hays, vice president, 50,000 of 173,250, Peter H. Neuwirth, vice president, 22,196 of 167,490 and 12 others the remaining shares being registered. (File 2-39945)

***LTV PROPOSES EXCHANGE OFFER.** Ling-Temco-Vought, Inc., P. O. Box 5003, Dallas Tex. 75222, filed a registration statement with the SEC on April 2 seeking registration of 6,064,323 shares of common stock. It is proposed to offer these shares, together with 6,064,323 shares of Special Stock, Class A of Braniff Airways, Incorporated (owned by LTV) in exchange for its outstanding 5% subordinated debentures, due 1988. Lehman Brothers, Inc., One William St., and Goldman, Sachs & Co., 55 Broad St., both of New York 10004, have agreed to head a group of underwriters who will solicit exchanges. According to the registration statement, if all the Braniff Class A stock held by LTV is not exchanged, LTV proposes to sell any remaining Braniff A stock through one or more public offerings or private placements. Pursuant to settlement of an antitrust suit in June 1970, LTV is required to dispose of Braniff stock.

LTV is engaged through subsidiaries in the steel and ferrous metal products, meat and foods, aerospace and electronics businesses. (File 2-39944)

In a separate reg. statement, Braniff Airways, Incorporated, Braniff Airways Bldg., Exchange Park, Dallas, Tex. 75235, seeks registration of 6,064,323 shares of outstanding Class A special stock held by LTV for use as described in the preceding exchange offer. (File 2-39946)

VIKING GENERAL FILES FOR OFFERING AND SECONDARY. Viking General Corporation, 6700 N. W. 35th Ave., Miami, Fla. 33147, filed a registration statement with the SEC on April 2 seeking registration of 150,000 shares of common stock, of which 125,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$17.50 per share maximum) through underwriters headed by Marantette & Co., 850 Penobscot Bldg., Detroit, Mich. 48226.

The company is engaged in the sale of undeveloped subdivision tracts in Florida, the printing of fine multi-colored lithography and the manufacture and sale of picture frame moldings. Net proceeds will be used for its land sales program (\$780,000) and the balance for other corporate purposes. In addition to indebtedness, the company has outstanding 979,643 common shares, of which Robert M. Marlin, vice chairman, owns 28.93% and Abe Birenbaum, board chairman, 12.95%. Birenbaum and Robert L. Birenbaum, president, propose to sell 4,000 shares each and Marlin 3,400, and three others the remaining shares being registered. (File 2-39947)

***TIDEWATER TELEPHONE PROPOSES RIGHTS OFFERING.** Tidewater Telephone Company, Warsaw, Va. 22572, filed a registration statement with the SEC on April 2 seeking registration of 125,000 shares of common stock. It is proposed to offer these shares for subscription by stockholders and holders of its 7% convertible subordinated debentures, of record April 23, at the rate of one right for each common share and 4½ rights for each \$100 debenture. Five rights are required to subscribe for a common share (**at \$31 per share maximum). The unsubscribed shares are to be offered for public sale through underwriters headed by Galleher & Company, Inc., P. O. Box 1776, and Scott & Stringfellow, P. O. 1575, both of Richmond, Va.

The company is an independent operating telephone company. Net proceeds will be applied to payment of short-term bank loans (which aggregated \$2,300,000 at December 31) and which were incurred for capital improvements to and expansion of the company's telephone plant, and to make further capital improvements. (File 2-39949)

COBBLESTONE CAPITAL FUND PROPOSES OFFERING. Cobblestone Capital Fund, Inc., 111 Church St., Charleston, S.C. 29401, filed a registration statement with the SEC on April 2 seeking registration of 1,000,000 shares of common stock, to be offered for public sale at net asset value (**\$10 per share maximum) plus a sales charge of 5% on purchases of less than \$3,000. The Fund is a non-diversified, open-end investment company whose primary objective is the growth of capital. Cecil, Applegate, Igoe and Holt, Inc., an affiliated company having the same officers as the Fund, is investment adviser. Anthony P. Cecil is board chairman and president of the fund. (File 2-39952)

***DUN & BRADSTREET SHARES IN REGISTRATION.** Dun & Bradstreet, Inc., 99 Church St., New York 10007, files a registration statement with the SEC on April 5 seeking registration of 9,900 outstanding shares of common stock which were issued in connection with acquisition of certain properties. These shares may be offered for sale from time to time by the holder(s) thereof at prices current at the time of sale (**\$60 per share maximum). (File 2-39953)

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Certaineed Products Corp., Valley Forge, Pa. (File 2-39899) - 200,000 shares
 Central Telephone & Utilities Corporation, Lincoln, Neb. (File 2-39917) - 30,000 shares
 National Data Communications, Inc. (File 2-39940) - 100,000 shares
 AMT Corporation, Troy, Mich. (File 2-39941) - 55,000 shares
 Milgo Electronic Corporation, Miami, Fla. (File 2-39943) - 186,456 shares
 Cramer Electronics, Inc., Newton, Mass. (File 2-39948) - 102,894 shares
 CMI Investment Corp., Madison, Wis. (File 2-39950) - 62,196 shares
 VF Corporation, Wyomissing, Reading, Pa. (File 2-39954) - 300,000 shares
 Gannett Co., Inc., Rochester, N. Y. (File 2-39955) - 100,000 shares
 Pennzoil United, Inc., Houston, Tex. (File 2-39958) - 1,200,000 shares
 Skil Corporation, Chicago, Ill. (File 2-39961) - 69,400 shares

SECURITIES ACT REGISTRATIONS. Effective April 13: Alton Box Board Co., 2-39745; Areoptix Technology Corp., 2-34144 (90 days); CIC Leasing Corp., 2-38961; Dunkin' Donuts Inc., 2-39679; Gulf Resources & Chemical Corp., 2-39583; International Chemical & Nuclear Corp., 2-39606; International Telephone and Telegraph Corp., 2-39673; Kaiser Aluminum & Chemical Corp., 2-39873; Minnesota Power & Light Co., 2-39537; Pier I. Imports, Inc., 2-39574; Rockland Electric Co., 2-39629; Wombat Productions, Inc., 2-37143 (90 days).

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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.

1/ Pending distribution of this Release by the Commission, interested persons should consult the Federal Register for full details of the application.

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