

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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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SANCTIONS IMPOSED ON BLAIR & CO., OTHERS. The SEC today announced a decision under the Securities Exchange Act (Release 34-8888) imposing sanctions on D. H. Blair & Co., Loeb, Rhoades & Co., Goodbody & Co., and Troster, Singer & Co., New York broker-dealer firms, and on seven individuals, for violations of the securities laws or failure reasonably to supervise in connection with transactions in 1960-1961 in the common stock of American States Oil Company ("ASO") in an account maintained at Blair by a person who was in a controlling relationship with ASO. In part, the sanctions were based on settlement offers submitted by the Blair, Loeb and Goodbody firms, Charles J. Miller, a Blair partner, and Robert W. Miller and Ralph J. Trapani, a partner of and trader for Blair, respectively, during the period in question, in which they also consented to certain findings solely for the purpose of these proceedings. Blair and its subsidiary, D. H. Blair Securities Corporation, were suspended for 30 days from the NASD, effective August 1; Robert Miller and Trapani were suspended from association with any broker-dealer for 30 days, effective June 1; and the Loeb and Goodbody firms and Charles Miller were censured. The Commission also barred Seymour Katz, a former Blair salesman, from association with any broker-dealer.

Pursuant to the initial decision of the hearing examiner as to other respondents, which had become final when no appeal was taken, the Commission suspended Ronald Neumark, Richard V. Miller and Sidney Woolwich from association with any broker-dealer for 20, 10 and 5 business days, respectively, effective June 1, and censured the Troster firm. Neumark was a salesman and later a partner of Blair during the period in question; Miller and Woolwich are traders for Goodbody and Troster, respectively. The examiner's decision was issued in May 1969, but the Commission had deferred the effective date of the sanctions ordered by him until issuance of its decision as to the remaining respondents.

According to the decisions of the Commission and its Examiner, the Blair firm, Katz, the salesman handling the account in question and Neumark violated the Securities Act registration requirements in the offer and sale of ASO control stock. Moreover, Katz, Trapani, Neumark, Richard Miller and Woolwich participated in or aided and abetted a manipulative scheme by the customer with respect to ASO stock, in violation of antifraud and anti-manipulative provisions of the securities acts, and Blair, by virtue of its employee's violations, was also found to have violated those provisions. Robert and Charles Miller, at that time senior partners of Blair, failed reasonably to supervise with a view to preventing the registration and fraud violations. The Commission also found that the Loeb firm, which cleared Blair's accounts, failed reasonably to supervise its margin and bookkeeping departments with a view to preventing the violations of the registration provisions. It further found that Goodbody failed to exercise sufficiently comprehensive supervision over its trader Miller and that such failure permitted Miller to aid and abet the manipulative scheme. The examiner had made similar findings as to Troster, with respect to its trader Woolwich. Finally, it was found that the Loeb firm extended credit for purchases of ASO stock in violation of the margin provisions of Regulation T.

In accepting the offers of settlement, the Commission considered, among other things, that the transactions in ASO stock represented a very minor part of the overall business of Blair, Loeb and Goodbody during the period in question; that the firms had taken steps to improve their procedure so as to prevent a re-occurrence of the type of misconduct involved here; and that Blair had been reconstituted so that Charles Miller is the only individual respondent now associated with it.

HOPP & CO. SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8887) suspending the over-the-counter securities business of Hopp & Co., of Passaic, N. J., for 20 business days, commencing June 1, for violations of the Federal securities laws in the 1968 offering and sale of stock of Applied Synthetics Corporation ("ASC"). Hopp & Co. consented to Commission findings of violation and to the suspension without admitting or denying the violations.

According to the Commission's decision, Hopp & Co., in the offer and sale of ASC stock pursuant to a registration statement covering 275,000 shares, violated the anti-fraud provisions of the securities laws by withholding from public sale a number of such shares in violation of its obligation to make a public offering thereof, the shares being placed with officers, directors and other persons associated with ASC. It also violated Section 5(b) of the Securities Act by delivering a prospectus in the sale of ASC stock which failed to meet the requirements of Section 10, in that it concealed the actual method of distribution of the stock.

During the period of the suspension, Hopp & Co. may engage in certain restricted activities (such as the execution of unsolicited purchase orders to cover short positions held by retail customers and unsolicited sale orders from existing long positions held by retail customers (but shall forego all commissions thereon), and unsolicited orders for securities of mutual funds from existing customers.

ABRAHAM SUTIN SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8890) in which it ordered the 50-day suspension of Abraham Sutin, Little Neck, N.Y., from association with any broker-dealer firm, commencing June 8, for violations of the anti-fraud provisions of the Federal securities laws in the offer and sale of stock of Interamerican Industries, Ltd. The action was based upon an order for proceedings which charged the violations and an offer of settlement submitted by Sutin in which he consented to the findings of violation and to the suspension, without admitting or denying the allegations.

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According to the Commission's decision, in transactions in Interamerican stock during the period January-May 1967, Sutin made false and misleading representations and omitted material facts concerning the financial condition, income, earnings and profit potential of the company, the control persons, products, production facilities, contracts and sales of the company, and the market for and future price of its stock.

HOLDING COMPANY ACT RELEASES

MISSISSIPPI POWER & LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16733) authorizing Mississippi Power & Light Company, Jackson subsidiary of Middle South Utilities, Inc., to amend its Articles of Incorporation to increase its authorized preferred stock to 454,476 shares, subject to stockholder approval at a special meeting to be held June 30, 1970. Middle South, holder of all of the company's outstanding common stock, has indicated that all such shares will be voted in favor of the proposed amendment.

APPALACHIAN POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16734) authorizing Appalachian Power Company, Roanoke, Va., subsidiary of American Electric Power Company, Inc., to issue and sell \$70,000,000 of first mortgage bonds in one or two series to be determined by market conditions, the principal amount and maturity (not less than five years nor more than thirty years) of each series to be determined by Appalachian. On April 24, 1970, the Commission authorized the sale of such bonds at competitive bidding (Release 35-16696).

ARKANSAS POWER & LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16735) authorizing Arkansas Power & Light Company, a subsidiary of Middle South Utilities, Inc., New York, to extend from May 1 to September 15, 1970 the time in which \$25,000,000 of first mortgage bonds may be sold. The sale of such bonds was authorized by the Commission on April 28, 1970 (Release 35-16700).

SECURITIES ACT REGISTRATIONS

BROOKLYN UNION GAS TO SELL BONDS. The Brooklyn Union Gas Company, 195 Montague St., Brooklyn, N. Y. 11201, filed a registration statement (File 2-37433) with the SEC on May 21 seeking registration of \$30,000,000 of first mortgage bonds, due 1995, to be offered for public sale at competitive bidding. The company is engaged in the distribution of natural gas in the New York City area. Net proceeds of its bond sale will be used to retire bank loans incurred for construction purposes, now outstanding in the amount of \$30,000,000. Construction expenditures are estimated at \$20,000,000 for 1970.

PACIFIC POWER & LIGHT PROPOSES OFFERINGS. Pacific Power & Light Company, Public Service Bldg., Portland, Ore., filed a registration statement (File 2-37435) with the SEC on May 21 seeking registration of 1,562,691 shares of common stock, to be offered for subscription by common stockholders of record June 25, 1970, at the rate of one new share for each 10 shares held. The subscription price (\$19 per share maximum*) is to be supplied by amendment. Shares not subscribed for are to be offered for public sale at competitive bidding. In a separate registration statement (File 2-37436), also filed May 21, the company seeks registration of \$25,000,000 of first mortgage bonds, due 2000, to be offered for public sale at competitive bidding. A public utility, the company will apply net proceeds of its offerings to finance, in part, its 1970 construction program and to the retirement of short-term promissory notes (including commercial paper) issued to finance construction and estimated to aggregate \$40,000,000 at July 20, 1970. Construction expenditures are estimated at \$121,345,000 for 1970 and to aggregate \$204,000,000 for 1971 and 1972.

CINCINNATI GAS & ELECTRIC TO SELL STOCK. The Cincinnati Gas & Electric Company, P. O. Box 960, Cincinnati, Ohio, filed a registration statement (File 2-37437) with the SEC on May 21 seeking registration of 350,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale through underwriters headed by Morgan Stanley & Co., 2 Wall St., and W. E. Hutton & Co., 14 Wall St., both of New York. The dividend rate, offering price (\$100 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its stock sale to repay a portion of its short-term indebtedness (expected to aggregate \$50,500,000 at July 1) incurred in connection with its construction program, and for other corporate purposes. Construction expenditures are estimated at \$110 million for 1970 and \$570 million for the five-year period 1970-1974.

ALLE PROCESSING TO SELL STOCK. Alle Processing Corp., 502 Flushing Ave., Brooklyn, N. Y. 11205, filed a registration statement (File 2-37441) with the SEC on May 22 seeking registration of 110,000 shares of common stock, to be offered for public sale at \$6 per share. The offering is to be made on a best efforts, all or none basis through North American Planning Corporation, 230 Park Ave., New York 10017, which will receive a 60¢ per share selling commission plus \$30,000 for expenses. The company has agreed to sell to the underwriter and a finder (Sheldon Soladar) at 1¢ per warrant, five-year warrants to purchase 10,000 and 2,000 shares, respectively, exercisable after one year at \$6.60 per share.

The company (formerly Alle Processing Corp.) is engaged in slaughtering, preparing, processing, manufacturing, selling and distributing a variety of kosher quality beef, veal, lamb, poultry and provision products. Of the net proceeds of its stock sale, \$150,000 will be used to repay in part loans as they mature incurred primarily to finance its new plant, \$85,000 to increase inventories and \$75,000 to accelerate payment of accounts payable; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 233,334 common shares (with a \$1.35 per share net tangible book value), of which Albert Weinstock, president, owns 24% and management officials as a group over 51%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.60 in per share book value from the offering price.

CONTINUED

MISCELLANEOUS

CONTINENTAL VENDING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period May 26 to June 4, 1970, inclusive.

UNLISTED TRADING GRANTED. The SEC has issued orders under the Securities Exchange Act (Release 34-8891) granting applications of the following exchanges for unlisted trading privileges in the common stocks of the specified companies: Boston Stock Exchange - ITI Corporation, Monogram Industries, Inc., Morton-Norwich Products, Inc., Papi Inc., Southern Pacific Company and The Summit Organization, Inc.; Detroit Stock Exchange - Southern Pacific Company; Midwest Stock Exchange - Southern Pacific Company and Monogram Industries, Inc.; Pacific Coast Stock Exchange - Penn Central Company; Philadelphia-Baltimore-Washington Stock Exchange - The Franklin Mint, Inc.

CORRECTION RE CHESAPEAKE RACEWAY. In the SEC News Digest of May 11, it was reported that Chesapeake International Raceway Corporation of Elkton, Md., in its registration statement filed May 8 (File 2-37339) proposed the public offering of \$1,200,000 of 8% convertible subordinated debentures, due 1982, and 300,000 shares of common stock. These securities are to be offered in units, each consisting of a \$1,000 debenture and 250 shares, not a \$1,000 debenture and 250,000 shares, as reported in the News Digest.

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 May 6 News Digest.

Greenfield Real Estate Unvst. Tr		General Medical Corp	
March 1970 (11)	0-161-2	March 1970 (2,7,13)	0-3197-2
Hershey Foods Corp		Leisure Group, Inc	
March 1970 (7,12)	1-183-2	March 1970 (11,13)	0-3447-2
Leeds Shoes, Inc		Liberty Equities Corp	
March 1970 (2,7,8)	0-2216-2	March 1970 (7,12,13)	0-2258-2
Marine Midland Banks, Inc		Madjac Data Co Inc	
March 1970 (13)	1-2940-2	Oct. 1969(2,13)	2-31656-2
S. E. Massengill Co		Nashua Corp	
March 1970 (11,13)	0-2077-2	March 1970 (7,11,13)	1-5492-2
Mead Corp		Natl. Student Marketing Corp	
Feb. 1970 (3)	1-2267-2	March 1970 (3)	0-3211-2
Medical Computer Systems, Inc			
March 1970 (2,7,8,12,13)	2-31494-2	General Devel. Corp	
Mister Gasket Co		March 1970 (3,4,7,8,12,13)	1-4080-2
March 1970 (3,8,13)	2-34253-2	Love Oil Co Inc	
Nasco Ind., Inc		March 1970 (1,13)	1-6209-2
March 1970 (3,12)	0-3850-2	Moog, Inc	
		March 1970 (3)	1-5129-2
Integrated Resources, Inc			
March 1970 (2,7,12,13)	0-4427-2	Gamble Skogmo Inc	
Marshall Electronics Co		March 1970 (12,13)	1-3478-2
March 1970 (2,12,13)	0-4060-2	Greater Nebraska Corp	
Molecular Research, Inc		March 1970 (2,7,12,13)	0-537-2
Dec 69(7,13)	0-3540-2	Hospital Affiliates Inc	
Monarch Electronics Intl., Inc		March 1970 (7)	2-33756-2
March 1970 (12)	1-5497-2	Howmet Corp	
Mutual Enterprises, Inc		March 1970 (1,7,13)	1-4122-2
Jan. 1970 (2,13)	0-4328-2	Hubbard Real Estate Invsts.	
		March 1970 (12)	1-6309-2
Hartford Fire Insurance Co			
March 1970 (12,13)	2-2615-2	The John D. Kettelle Corp	
Haverhill Gas Co		March 1970 (7)	2-34661-2
March 1970 (11)	0-1166-2	Metridata Computing, Inc	
Milgo Electronic Corp		March 1970 (11)	2-31328-2
March 1970 (7)	1-5045-2	Metromedia, Inc	
Natl. Equities, Inc		March 1970 (7)	1-4649-2
March 1970 (8,12,13)	0-2140-2		
A. C. Nielsen Co		General Tel. Co of Indiana, Inc	
Feb. 1970 (11)	0-24-2	March 1970 (11)	0-1210-2
		Genuine Parts Co	
		March 1970 (7,11,13)	1-5690-2

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Haven Ind., Inc March 1970 (8)	1-4647-2	Jones & Laughlin Steel Corp March 1970 (7)	1-463-2
IPM Technology, Inc March 1970 (12,13)	0-2800-2	Management Recruiters Intl., Inc March 1970 (2,7)	2-31179-2
Inflight Motion Pictures, Inc Dec. 1969(11,13)	1-5245-2	Granger Associates March 1970 (2,12)	1-5321-2
Merck & Co Inc March 1970 (8,12)	1-3305-2	Garrett Freightlines, Inc March 1970 (7)	0-705-2
Gillette Co March 1970 (13)	1-922-2	Jersey Central Power & Light Co March 1970 (10)	1-3141-2
Iowa Southern Utilities Co March 1970 (7,13)	0-849-2	Kroger Co March 1970 (11)	1-303-2
Lehigh Valley Ind., Inc March 1970 (12,13)	1-155-2	LFE Corp March 1970 (4,11,13)	1-4571-2
National Gypsum Co March 1970 (3)	1-2489-2	New Jersey Power & Light Co March 1970 (10)	1-3221-2
Norfolk & Western Ry Co March 1970 (7,13)	1-546-2	GAC Corp March 1970 (7,8)	1-3453-2
Dixie National Corp Sept: 1969 (7,12,13)	0-3296-2	General Acceptance Corp March 1970 (7)	1-5786-2
Dolly Madison Inds. March 1970 (2,13)	0-4173-2	General Signal Corp March 1970(7)	1-996-2
Gov't Employees Corp March 1970 (11,13)	0-414-2	Hess's, Inc March 1970 (7,12,13)	0-3759-2
Gov't Employees Financial Corp March 1970 (11,13)	0-412-2	Interstate Life & Accident Insur. Co March 1970(11)	2-15278-2
Health Care, Inc March 1970 (11,13)	0-4311-2	Landsverk Corp March 1970 (2,7,9,13)	0-3962-2
Hercules Inc March 1970 (11)	1-496-2	Leadville Lead Corp March 1970 (7,9,13)	0-1519-2
Intl. Textbook Co March 1970 (3,12)	0-800-2	Morse Shoe, Inc March 1970 (7)	1-4983-2
Johnson Stephens & Shinkle Shoe Co March 1970 (12)	1-406-2		

SECURITIES ACT REGISTRATIONS. Effective May 22: American Natural Gas Co., 2-37108; Arrow-Hart, Inc., 2-37062; Belden & Blake & Co. Ltd. Partnership No. 38, 2-37214; Consolidated Edison Co. of New York, Inc., 2-37150; Dillingham Corp., 2-37225; Empire District Electric Co., 2-37168; General Portland Cement Co., 2-37094; Howard Johnson Co., 2-37268; Instrument Systems Corp., 2-33681; Jewel Companies, Inc., 2-37417; Kansas City Power & Light Co., 2-37206; Knight Newspapers, Inc., 2-37000; Regal Paper Corp., 2-36999; San Diego Gas & Electric Co., 2-37274; Sentry Fund, Inc., 2-34038; Union Commerce Corp., 2-36033(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.

*As estimated for purposes of computing the registration fee.

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