

# 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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SECURITIES & EXCHANGE COMMISSION  
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FOR RELEASE June 23, 1971

## COMMISSION ANNOUNCEMENTS

**TRADING IN PIED PIPER SUSPENDED.** The Commission yesterday ordered the temporary suspension of over-the-counter trading in securities of Pied Piper Yacht Charters Corporation of Chicago, for a period of ten days, commencing June 22, 1971.

Inquiry by the staff of the Commission discloses that Pied Piper, incorporated on July 9, 1970, sold only 29,400 shares of its common stock at \$5 per share, pursuant to Regulation A. It had offered for sale 60,000 shares. The Regulation A offering commenced on December 8, 1970 and terminated on March 8, 1971. The over-the-counter market in the common stock of Pied Piper first appeared on March 29, 1971 at \$6-1/2 bid and \$7-1/2 asked. By May 24, 1971 the stock was being quoted at \$14 bid and \$15 asked. The only known information concerning the financial and operational condition of Pied Piper is that which is contained in its offering circular dated December 8, 1970. There has been no subsequent information released concerning the financial condition and the operations of Pied Piper since the dissemination of the offering circular of Pied Piper to warrant the sharp increase in the price of its common stock. (Rel. 34-9225)

**TRADING SUSPENDED IN MEDICAL INVESTMENT.** The Commission today ordered <sup>the suspension</sup> of the over-the-counter trading in the securities of Medical Investment Corporation for a ten day period beginning with the opening of trading on June 23, 1971 and ending with the closing of trading on July 2, 1971. Medical Investment Corporation is a Minnesota corporation with main offices in Minneapolis.

The suspension was ordered because of the unavailability of adequate and accurate information concerning the present financial condition of the company, occasioned by its failure to include audited financial statements for the year ended December 31, 1970 as required by Form 10-K. For the nine month period ending September 30, 1970, Medical Investment Corporation's "Third Quarter Report" to shareholders stated that the corporation had incurred an approximate loss of \$1.3 million, with a projection that, "starting with the fourth quarter, our operations will have been returned to a profitable basis." Although the corporation has made no further disclosure, the Commission has been informed that the loss for fiscal year ending December 31, 1970 could range from \$1.5 million to \$2.5 million depending on the accounting treatment given to the disposition of certain assets. The company has also been delinquent in filing audited financial statements for the fiscal year ending December 31, 1970, which should have been included in its annual report on Form 10-K that was filed with the Commission. (Release 34-9226)

**SEC ORDER CITES FOX SECURITIES.** The SEC has ordered administrative proceedings against Fox Securities Company, Inc. (also known as Foxco) New York, a broker-dealer firm registered with the SEC and the NASD, and Morris Fox, president of the firm.

In the order for proceedings the Division of Trading and Markets has alleged that the Respondents violated the anti-fraud provisions of the Federal securities laws by entering into transactions when it appeared that the firm was unable to complete the transactions in view of its adverse net capital and bookkeeping situation. The Division also alleged that the firm violated the net capital provision from about July 1, 1970, to about March 26, 1971, and is in violation of the reporting and bookkeeping provisions of the Securities Exchange Act of 1934.

A public hearing will be scheduled by further order to afford respondents an opportunity to refute the staff's allegations and to establish any defenses, and to determine what, if any, remedial action is appropriate in the public interest.

## COURT ENFORCEMENT ACTIONS

**LANG-LASSER ENJOINED, RECEIVER APPOINTED.** The SEC Los Angeles Branch Office announced that a Federal district court in Los Angeles permanently enjoined Lang-Lasser & Co., Inc., from violating the anti-fraud, net capital and financial reporting provisions of the federal securities laws, and appointed Kevin O. Lewand, of Los Angeles as receiver until such time as the Securities Investor Protection Corporation might determine that Lang-Lasser cannot meet its obligations to its customers and applies to the court for the appointment of a trustee. The defendant consented to the entry of the injunctive and receivership orders. (LR-5050)

**CAPITAL COUNSELLORS, ADVISORS ENJOINED.** The SEC New York Regional Office announced that a Federal district court in New York issued a preliminary injunction against Capital Counsellors, Inc., Capital Advisors, Inc., J. Irving Weiss and Abraham B. Weiss all of New York, enjoining them from violating the registration and anti-fraud provisions of the federal securities laws and appointed Sydney B. Wertheimer receiver for the firms. (LR-5051)

**TARZANA, CAL. MAN PLEADS GUILTY.** The San Francisco Regional Office announced that on June 3, Claud H. Purkett, of Tarzana, Calif. pleaded guilty to two counts of an information charging violations of the federal securities laws, one count of obtaining credit from a bank in violation of Regulation U, and one count of obtaining credit from a broker-dealer in violation of Regulation T. Sentence will be passed on June 21. (LR-5052)

OVER

INDICTMENT RETURNED AGAINST R. L. SCHAUSS IN WYOMING. The SEC Denver Regional Office announced that on May 20, a Federal grand jury returned an indictment charging Ralph Lester Schauss of Casper, Wyoming with perjury in connection with an investigatory proceeding conducted by the Commission. The defendant was arraigned on June 7, and entered a plea of not guilty to the indictment and posted \$2500 bond. (LR-5153)

#### INVESTMENT COMPANY ACT RELEASES

FIRST MINNEAPOLIS GROWTH INVESTMENT FUND. The Commission issued an order giving interested persons until July 21 to request a hearing on application of First Minneapolis Growth Investment Fund of Minneapolis for an order declaring that it has ceased to be an investment company as defined in the Investment Company Act. Applicant represents that it registered under the Act on March 11, 1970 but is now precluded from sales of units of participation by a ruling of the Comptroller of Currency and does not intend to initiate other registrations. 1/ (Release IC-6583)

FIRST MINNEAPOLIS INCOME INVESTMENT FUND. The Commission issued an order giving interested persons until July 12 to request a hearing on application of First Minneapolis Income Investment Fund for an order declaring that it has ceased to be an investment company as defined in the Act. Applicant represents that it registered under the Act on March 11, 1970 but is now precluded from sales of units of participation by a ruling of the Comptroller of Currency and does not intend to initiate other registrations. 1/ (Release IC-6584)

#### MISCELLANEOUS

SHANGHAI POWER COMPANY SEEKS 12(g) EXEMPTION. The Commission has issued an order under the Securities Exchange Act of 1934 giving interested persons until July 8 to request a hearing on application of Shanghai Power Company for an order exempting it from the provisions of Section 12(g) of the Act. Applicants, Shanghai Power facilities, were seized by the Chinese Communists in 1950 without compensation, and its common stock is 100% owned by Far East Power Corporation, of which over 50% of which is owned by Brazilian Electric Power Company, which in turn, is wholly-owned by Boise Cascade Corp. 1/

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act granting an application of Ameco, Inc., to strike from listings and registration the common stock of Ameco, Inc., because the company does not qualify for continued listing under the Exchange's delisting policies with respect to earning and net tangible assets. As of June 30, 1970, the company had net tangible assets of only \$854,837, less than the Exchange's requirement of \$3,000,000 and had net losses for its past four fiscal years ended June 30, 1970. (Release 34-9224)

SECURITIES ACT REGISTRATIONS. Effective June 22: Abbott Laboratories 2-40246; Apeco Corp., 2-40678; Erie Family Life Ins. Co., 2-39458 (90 days); Industrial Nucleonics Corp., 2-40103; Norris Oil Exploration Program, 2-39020 (90 days); Royal Inns of America Inc., 2-39065.

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.

1/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.

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