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FOR RELEASE June 28, 1971

COMMISSION ANNOUNCEMENTS

COMPLAINT CITES MEMOREX, OFFICERS. The Commission announced the filing of a complaint on June 24, 1971 in the United States District Court for the Southern District of New York seeking to enjoin defendants Memorex Corporation, a Santa Clara, Calif. based corporation whose common stock and debentures are listed on the New York Stock Exchange, Laurence L. Spitters, Chairman of the board of directors and chief executive officer of the corporation and Gordon L. Pilcher, a former vice president of the corporation, from further violations of the anti-fraud and periodic reporting provisions of the Federal securities laws. In its complaint, the Commission alleges that the defendants caused Memorex to issue misleading earnings reports for the six months ending June 30, 1970 and the nine months ending September 30, 1970, and also made misleading statements in connection with a revision of its nine months earnings report and its sales for the year as a whole. The complaint also alleges that a Form 9-K Report filed with the Commission reporting Memorex earnings for the six months ending June 30, 1970 was misleading. (Release 34-9231)

SEC RELEASES STOCK CERTIFICATE AGENDA. The SEC has released the Agenda for the Conference on the Stock Certificate to be held at the Commission on Tuesday, June 29. The Commission also released Chairman Casey's Proposed Introductory Remarks before the conference.

Attending the one day meeting convened by the Commission will be the following: the chief executive officers of various national stock exchanges, the National Association of Securities Dealers', the Canadian Securities Depository; securities industry, banking industry corporate and investment community associations; representatives of the Federal bank regulatory authorities; interested bar association committees; the American Institute of Certified Public Accountants; and various experts that have written on the problems of the stock certificate. This conference is a continuation of a series of conferences which the Commission has held with the representatives of securities industry self regulatory organizations to discuss the operational capability and economic condition of the securities industry and other related topics.

In his proposed opening remarks Chairman Casey indicates that the conference has four purposes. One is to review what is being done to reduce the economic and operational burden of the present methods to settle securities transactions. Second, to explore the development of more satisfactory solutions to the problem than those on which the industry is now working. Third, to explore the interrelationship between the various proposals that have been made for dealing with the stock certificate. The final purpose of the meeting is to determine what should be selected from among the different methods, markets and regions which would afford the best prospect of evolving into a satisfactory nationwide security handling system. (Release 34-9232)

1ST QTR '71 RECORD STOCK PURCHASES FOR INSTITUTIONAL INVESTORS. Four leading institutional investor groups purchased on a net basis a record \$4.2 billion of common stock during the first three months of 1971, according to estimates released today by the SEC. These institutional investors--private noninsured pension funds, open-end investment companies, life insurance companies, and property and liability insurance companies--also significantly stepped up trading activity, registering new highs in both gross purchases (\$14.2 billion) and sales (\$10.0 billion) of common stock. Net stock purchases by these investors in this latest three-month period were 78 percent greater than in the comparable 1970 period and 21 percent higher than in the last quarter of 1970. (For further details, see Stat. Release No. 2528)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

W. C. LANGLEY & CO, REVOKED, LAFFEY RESTRICTED. The Commission today announced the revocation of the broker-dealer registration of W. C. Langley & Co., New York City, with the provision that the firm, which is now in liquidation, may perform the necessary acts to effect an orderly liquidation. The Commission also barred Edwin W. Laffey, a general partner of the firm, from being associated with a broker-dealer for a period of 3 months, except that during such period he may be employed in a supervised capacity with the prior approval of the Commission's staff, and further specified that thereafter Laffey may apply to the Commission for approval of his assuming such other position with a broker-dealer as does not involve the performance of supervisory duties with respect to back office operations.

The sanctions imposed by the Commission were based on findings that the firm improperly hypothecated customers' securities; misrepresented to customers that it had their funds and securities in its custody and control; used for its own benefit customers' securities which it held in safe-keeping, trust or other fiduciary capacity; failed accurately to make and keep current certain required books and records; and filed financial reports which were not duly certified as required. Laffey was found to have failed reasonably to supervise with a view to preventing the above violations.

The commission's action was taken pursuant to an offer of settlement in which respondents, without admitting or denying the allegations in the order for proceedings, consented to the above findings and sanctions. (Release 34-9212)

OVER

BRESLIN SUSPENDED. In a decision announced today, the SEC ordered a 45-day suspension, effective June 28, 1971, of the broker-dealer registration of Daniel J. Breslin, doing business as Daniel Breslin & Associates, of Needham, Mass., and ordered Breslin suspended from association with any broker-dealer for the same period. Withdrawal of the registration upon expiration of the suspension period was authorized by the Commission.

A hearing examiner had found that during April-June 1969 Breslin violated the registration and anti-fraud provisions of the securities acts, in that he accepted deposits of funds and indications of interest in anticipation of a proposed public offering of securities of Design International Corporation, and failed to segregate the funds so received to disclose the adverse financial condition of the proposed issuer, and to keep proper records. The Commission, noting the hearing examiner's further finding that Breslin's violations were attributable to his lack of understanding of the rules regarding the marketing of a new issue of securities, and that all prospective purchasers recovered their funds, accepted the examiner's conclusion that it was adequate in the public interest to impose the stated suspensions. (Release 34-9216)

TARO BARRED. The Commission has barred Steven M. Taro, formerly a margin clerk in the Denver branch office of Goodbody and Co. (whose broker-dealer registration was revoked in April of this year), from association with a broker or dealer. The order was based on Taro's conviction, in a Colorado state court, of an offense involving the embezzlement, fraudulent conversion and misappropriation of funds and securities during that employment. Taro consented to entry of the order. (Release 34-9219)

COURT ENFORCEMENT ACTIONS

INJUNCTIONS ISSUED IN PIG 'N WHISTLE CASE. The SEC Chicago Regional Office announced that on June 15 the Federal district court in Chicago, permanently enjoined Charles Kerkorian, of Lincolnwood, Ill., from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Pig 'N Whistle Corporation of Chicago. On May 24, 1971, the same court issued injunctions against Paul Pickle and Jean Smith of Canoga Park, Calif. on the same charges. All three of the defendants consented to the order. (LR-5056)

INJUNCTIONS ISSUED IN SPECTRUM CASE. The SEC New York Regional Office announced that on June 1, the Federal district court in New York issued permanent injunctions against the following enjoining violations of the registration and/or anti-fraud provisions of the federal securities laws in the offer and sale of securities of Spectrum, Ltd.: Michael Gardner, New York, Edward T. Carroll, Fort Lauderdale, Louis Israel Marder, and Central National Fund both of Las Vegas, Nevada, Bernard Goldenberg, New York.

Preliminary injunctions were entered against the following: Michael Karfunkel and George Karfunkel, New York, Quido Benigno, Yonkers, N.Y., Joseph W. Dye, New York and Spectrum, Ltd. of Fort Lauderdale Fla. Defendants Gardner and Carroll consented to the order; injunctions against Marder, Central National Fund and Goldenberg were issued by default. Defendants M. Karfunkel, G. Karfunkel, Benigno, Dye and Spectrum consented to the entry of preliminary injunctions. (LR-5057)

ALABAMA JURY RETURNS INDICTMENTS IN SECURITIES FRAUD. The SEC Atlanta Regional Office announced that on June 11, a Circuit Court jury in Birmingham returned indictments against Louis M. Pihakis and Lawrence Olshan, both of Birmingham, charging them with fraud in the sale of securities of Alabama Equity Corporation. Pihakis was indicted in eight counts, and Olshan in seven. Evidence leading to the indictments was developed in a joint investigation by the Alabama Securities Commission and the SEC. (LR-5058)

FIRST INVESTMENT SAVINGS ENJOINED IN ALABAMA. The SEC Atlanta Regional Office announced that on June 18, a Federal district court in Birmingham permanently enjoined First Investment Savings Corporation, a broker-dealer and its president Sterling Delano Mallory, both of Birmingham, from violating the financial responsibility and net capital provisions of the Federal securities laws. In addition, on application of the Securities Investor Protection Corporation, the court appointed William Green of Atlanta as Trustee for the liquidation of the business of First Investment and Mayer U. Newfield of Birmingham as attorney for the trustee. Both defendants consented to the injunction and the appointment of the trustee. (LR-5059)

EIGHTH CIRCUIT AFFIRMS CONVICTIONS. The SEC Chicago Regional Office, announced that on June 14, the Eighth Circuit Court of Appeals in Chicago, affirmed the convictions and sentences of Donald P. Smallwood, Roy E. Lay and Harold F. Conell, who had been found guilty on October 2, 1969 of violations of the anti-fraud registration provisions of the Federal Securities laws and mail fraud involving the sale of promissory notes of Diversified Brokers Company. (LR-5060)

THREE PLEAD GUILTY TO SECURITIES FRAUD. The SEC Chicago Regional Office announced that on June 17, Donald J. Bolinger, Beryl E. Cook and Floyd F. Cook, pleaded guilty to an information charging violation of the anti-fraud provisions of the Federal securities laws in connection with the sale of beneficial interests in Real Estate Investment Trust of Indiana, Equitable Real Estate Investment Trust, Fidelity Real Estate Investment Trust and Bankers Trust. (LR-5061)

CONTINUED

HOLDING COMPANY ACT RELEASES

NEW JERSEY POWER & LIGHT COMPANY. The Commission has issued an order giving interested persons until July 15, to request a hearing on application of New Jersey Power & Light Company. NJP&L proposes to sell to two subsidiary companies of United Utilities System, New Jersey Telephone Company and United Telephone Company of New Jersey, from time to time prior to January 1, 1973 for cash, 2,241 electric distribution wood poles and other equipment which are used jointly by NJP&L and the companies. The present application involves an amendment to a previous declaration increasing the number of poles to be sold. 1/ (Release 35-17171)

ALABAMA POWER COMPANY. The Commission has issued an order giving interested persons until July 12 to request a hearing on application of Alabama Power Company to issue and sell \$85 million of first mortgage bonds. The net proceeds from the sale of bonds together with other resources will be used by Alabama to finance its 1971 construction program estimated at \$227,630,000 to pay outstanding short-term bank notes and for other designated purposes. 1/ (Release 35-17172)

AMERICAN ELECTRIC POWER COMPANY. The Commission has issued an order giving interested persons until July 13 to request a hearing on application of American Electric Power Company to act as surety for one of its subsidiaries, Appalachian Power Commission, in connection with placing into effect new rates prior to completion of an investigation by the West Virginia Public Service Commission with respect thereto. 1/ (Release 35-17173)

SECURITIES ACT REGISTRATIONS

*PENN FRUIT FILES FOR SECONDARY. Penn Fruit Co., Inc., Grant Ave. and Blue Grass Rd., Philadelphia, Pa. 19115, filed a registration statement on June 14 seeking registration of 170,000 outstanding shares of common stock to be offered for public sale by the holders thereof (** at \$21.375 per share maximum). The offering is to be made through underwriters headed by White, Weld & Co.

The company operates a chain of discount supermarkets and other shops. The Morris Kaplan Estate proposes to sell 57,500 of 121,215 shares held, the Samuel Cooke Estate 55,800 of 103,469 and four others the remaining shares being registered. (File 2-40754)

SUPRISE CO. PROPOSES OFFERING. The Suprise Company (the Partnership), c/o Genesis Productions, 850 7th Avenue, New York, filed a registration statement on June 7 seeking registration of \$4 million of pre-formation limited partnership interests, to be offered for public sale at \$4,000 per unit. No underwriting is involved. The Partnership is to be formed for the purpose of producing initially in Great Britain the dramatico-musical play entitled "The Ambassador," based on the novel of the same title by Henry James. Hal Hackady is the lyricist, Don Gohman, the composer and Don Ettlinger author of the book of the play. Gene Dingenary, Miranda d'Ancona and Nancy Levering are the general partners. (File 2-40756)

*JERSEY CENTRAL POWER & LIGHT TO SELL DEBENTURES. Jersey Central Power & Light Company, Madison Avenue at Punch Bowl Rd., Morristown, N.J. 07960, filed a registration statement on June 14 seeking registration of \$25 million of debentures, due 1996, to be offered for public sale at competitive bidding. Net proceeds of its debenture sale will be applied to payment of the company's outstanding bank loan and to its 1971 construction program. Construction expenditures are estimated at \$147.6 million for 1971. (File 2-40757)

ROYAL PALM BEACH COLONY FILES FOR OFFERING AND SECONDARY. Royal Palm Beach Colony, Inc., 8101 Biscayne Blvd., Miami, Fla. 33138, filed a registration statement on June 14 seeking registration of 1,000,000 shares of common stock of which 500,000 are to be offered for public sale by the company and 500,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by CBWL-Hayden, Stone, Inc.

The company acquires, develops and sells real estate primarily in Florida. Net proceeds of its stock sale will be used for construction, development, mortgages and working capital expenses. (File 2-40758)

SELF SERVICE RESTAURANTS FILES FOR OFFERING AND SECONDARY. Self Service Restaurants, Inc., 4820 Bradley Drive., New Orleans, La. 70121, filed a registration statement on June 14 seeking registration of 300,000 shares of common stock, of which 200,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$20 per share maximum) through underwriters headed by Allen & Co., Inc., 30 Broad St., New York 10004.

Organized in 1968, the company is a franchised operator of "Burger King" restaurants. Net proceeds of its stock sale will be applied toward the prepayment of certain of the company's bank loans (with an outstanding balance of \$2,945,000 as of May 31) and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 1,106,202 common shares, of which William E. Trotter, II, board chairman, owns 41.6% and Braxton I. Moody, III, president, 16.8%. Trotter proposes to sell 35,000 of 460,000 shares held and 17 others the remaining shares being registered. (File 2-40759)

NORDSTROM BEST FILES FOR SECONDARY. Nordstrom Best, Inc., 1501 Fifth Ave., Seattle, Wash. 98101, filed a registration statement on June 14 seeking registration of 441,000 outstanding shares of common stock, to be offered for public sale by the holders thereof (** at \$25 per share maximum). The offering is to be made through underwriters headed by Blyth & Co., Inc., 555 California St., San Francisco, Calif. 94104, and Goldman, Sachs & Co., 55 Broad St., New York 10004.

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The company sells a full line of medium to better quality apparel, accessories and shoes. In addition to indebtedness, it has outstanding 2,139,390 common shares, of which Everett W. Nordstrom, Elmer J. Nordstrom, and Lloyd W. Nordstrom (all co-owners) own 17.9%, 15.2% and 19.1%, respectively. Each proposes to sell 147,000 shares. Bruce A. Nordstrom is president. (File 2-40753)

***AMERICAN MEDICAL ENTERPRISES FILES FOR SECONDARY.** American Medical Enterprises, Inc., 660 S. Bonnie Brae, Los Angeles, Calif. 90057, filed a registration statement on June 15 seeking registration of 516,000 outstanding shares of common stock, of which 450,000 are to be offered for public sale by the company and by the holders thereof. The offering is to be made (** at \$34.50 per share maximum) through underwriters headed by Dean Witter & Co., Inc., 632 South Spring St., Los Angeles, Calif. 90014.

The company owns and operates 20 acute care hospitals in three states and in England. Of the net proceeds of its stock sale, some \$6 million will be used to retire amounts drawn on the company's line of credit which funds were used to finance construction or expansion of hospital facilities and the balance for working capital and other corporate purposes. (File 2-40763)

***KANSAS CITY LIFE TO SELL STOCK.** Kansas City Life Insurance Company, 3520 Broadway, Kansas City, Mo., 64111, filed a registration on June 15 seeking registration of 78,000 outstanding shares of common stock, to be offered for public sale by the holders thereof (** at \$95 per share maximum). The offering is to be made through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York. The company is engaged primarily in writing individual life insurance and annuity policies. (File 2-40764)

***FLYING TIGER SHARES IN REGISTRATION.** The Flying Tiger Corporation, 7401 World Way West, International Airport, Los Angeles, Calif. 90009, filed a registration statement on June 14 seeking registration of 643,875 shares of common stock issuable upon exercise of outstanding warrants of which 592,214 were issued to common stockholders of North American Car Corporation, in January 1971 pursuant to a merger of North American Car with a subsidiary of Flying Tiger. Also included in this statement are 21,000 outstanding common stock purchase warrants which may be offered for sale from time to time by the holder thereof. The company is engaged in the air transportation of property and mail and leasing of specialized types of railroad cars. (File 2-40760)

PENNSYLVANIA POWER TO SELL STOCK. Pennsylvania Power & Light Company, 901 Hamilton St., Allentown, Pa. 18101, filed a registration statement on June 14 seeking registration of 400,000 shares of preference stock, to be offered for public sale (** at \$100 per share maximum). The offering is to be made through underwriters headed by Drexel Firestone, Inc., and the First Boston Corporation, 20 Exchange Place, New York. Net proceeds of the company's stock sale will be used to retire a portion of short-term debt incurred to provide interim financing for construction expenditures. Construction expenditures are estimated at \$200 million for 1971, \$200 million for 1972 and \$175 million for 1973. (File 2-40765)

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:

- Uniroyal, Inc., New York (File 2-40715) - 1,000,000 shares
- General Refractories Company, Philadelphia, Pa. (File 2-40755) - 94,736 shares
- MacAndrew & Forbes Company, Philadelphia, Pa. (File 2-40761) - 142,310 shares
- Energy Conversion Devices, Inc., Troy, Mich. (File 2-40762) - 142,135 shares
- Corning Glass Works, Corning, N. Y. (File 2-40771) - 175,000 shares
- Questor Corporation, Toledo, Ohio (File 2-40773) - 155,558 shares and (File 2-40714) - 150,000 shares

MISCELLANEOUS

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of FAS International, Inc., for the further ten-day period June 26 through July 5, inclusive.

SECURITIES ACT REGISTRATIONS. Effective June 21: Temple Industries, Inc., 2-40632.
 Effective June 24: American Airlines, Inc., 2-40644; Arrow Electronics, Inc., 2-40098; Associated Spring Corp., 2-40514; Baird & Warner Mortgage and Realty Investors, 2-40271 (Sept. 22) Caressa, Inc., 2-40034; Chase Manhattan Corp., 2-40286; Cooper Industries, Inc., 2-40504; Danners, Inc., 2-39793 (90 days); Denny's Restaurants, Inc., 2-40438; Diamond Shamrock Corp., 2-40665; Howard International Corp., 2-36849 (90 days); Medcom, Inc., 2-39847; Minority Investments, Inc., 2-38638; National Chemsearch Corp., 2-40194; National Data Corporation, 2-38509; Nicolet Instrument Corp., 2-40306 (90 days) Oil-Dri Corp. of America, 2-40250; Quaker Oats Co., 2-40276; Russ Togs, Inc., 2-40528; Ryder System, Inc., 2-40858; Joseph E. Seagrams & Sons, Inc., and Distillers Corp., 2-40111; Southeastern Michigan Gas Co., 2-40606; Splentes, Inc., 2-40189; Unitog Co., 2-40552 (90 days); Wolverine Industries, Inc., 2-39773.

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 to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.