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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DECISION ISSUED IN WINFIELD CASE. The SEC today announced the issuance of its detailed "Findings and Opinion" in support of prior orders which (on the basis of consents of the respondents contained in offers of settlement) imposed sanctions upon various firms and individuals for violations of the Federal securities laws in connection with transactions in portfolio securities of Winfield Growth Fund, Inc., of San Mateo, Calif., a registered open-end investment company.

The Commission found that, pursuant to arrangements entered into in 1966 between Winfield & Co., Inc., the Fund's investment adviser, and David H. Meid, Robert R. Hagopian and Henry L. Jamieson, principals of the adviser and directors and/or officers of the Fund, on the one hand, and Meyerson & Co., at that time a member of the New York Stock Exchange, on the other, commissions on the Fund's portfolio transactions were allocated to the Meyerson firm in return for payments made by that firm to or for the benefit of the adviser and its principals (the "adviser respondents"). As part of the arrangements, those respondents organized and sold to the Meyerson firm a new corporation which became the Fund's underwriter. However, the adviser respondents retained control of that corporation and it was used as the primary vehicle for the "recapture" of brokerage commissions. The Commission concluded that those arrangements breached the fiduciary obligation owed to the Fund and its shareholders by the adviser respondents and were violative of the antifraud provisions of the securities laws and a provision of the Investment Company Act relating to the acceptance of compensation by investment company affiliates for the purchase or sale of property to or for the company. The Meyerson firm and its principals and the underwriting firm were also found to have violated or aided and abetted violations of those provisions.

The Commission found additional violations by the adviser, Meid and Jamieson in connection with the Fund's purchases of "restricted" securities, i.e., securities that cannot be offered for public sale without first being registered under the Securities Act. It found that proper valuation procedures were not followed with respect to such securities and that there was a failure to make reasonable investigations to obtain pertinent information concerning them.

The Commission further found, among other things, that the adviser caused the Fund to purchase, without shareholder authorization, a larger percentage of one issuer's securities than permitted by the Fund's fundamental policies; served as investment adviser pursuant to a contract which failed to describe the compensation derived from the return of brokerage commissions and the inflation of advisory fees as a result of the improper valuation of restricted securities; and caused the Fund to maintain records which did not reflect the actual basis for allocating orders for the purchase and sale of portfolio securities. (Rel. 34-9478)

DECISION AS TO WELLINGTON HUNTER, MEADOWS & CO., WESEMAN AND KANTROWITZ FINAL. The SEC today announced that a decision of a hearing examiner with respect to Wellington Hunter, d/b/a Wellington Hunter Associates, and Ralph H. Weseman, Jersey City, N. J., and Louis B. Meadows & Co., Inc. and Morton Kantrowitz, Springfield, Mass., has become final. The examiner, on the basis of findings that those respondents had violated antifraud provisions of the Federal securities laws, had ordered that the broker-dealer registration of Wellington Hunter be revoked and that he be expelled from membership in the NASD; that the broker-dealer registration of Meadows & Co. be suspended for one month - and that it be suspended from membership in the NASD for a like period, that Weseman be barred and Kantrowitz be suspended for three months from association with any broker dealer. The sanctions with respect to Meadows & Co. and Kantrowitz will become effective at the opening of business on February 14. (Rel. 34-9480)

NEW RULES AND RULE PROPOSALS

COMMISSION INVITES COMMENTS ON PROPOSED REGULATION B. The SEC announced today that it is considering a proposed revision of Regulation B of its General Rules and Regulations under Section 3(b) of the Securities Act of 1933 (Act). This Regulation, which provides an exemption from the registration requirements of the Act for certain offerings of fractional undivided interests in oil and gas rights, has not been significantly revised since 1937.

The proposed revision would retain the general structure of the Regulation, although it has been revised and reordered to make it clearer and to incorporate and codify certain administrative interpretations of the existing Regulation. The Commission also is considering several major revisions of the Regulation which, because of changes in economic and industry conditions and because of certain abuses in past selling practices, appear necessary in the public interest and for the protection of investors. The principal revisions include: (1) an increase in the dollar amount of an offering exempted from \$100,000 to \$250,000; (2) restriction on the use of sales literature and other forms of advertising; (3) a requirement for the delivery of the offering sheet 48 hours before any sale may be made; (4) the denial of the exemption to any person where he or certain related persons have been involved in violations of the Federal securities laws in connection with the sale of securities and revision of the procedure for suspension of the exemption; (5) a requirement for reports concerning the results of the offering; and (6) the elimination of the existing provision pertaining to offerings of less than \$30,000 and in which the smallest interest offered or sold is not less than \$300.

Interested persons are invited to submit their views and comments on the proposal to the Commission on or before March 24, 1972. (Rel. 33-5233)

OVER

COMMISSION ANNOUNCEMENT

PAYMENT OF FILING FEES IN CONNECTION WITH PRELIMINARY PROXY MATERIAL. Questions have been directed to the Commission's staff concerning the effective date of the Commission's recently adopted fee schedule (Rel. 33-5229, dated January 25, 1972) as it requires the payment of fees in connection with preliminary proxy material. Notice is hereby given to all persons subject to the Commission's proxy rules that, inasmuch as the effective date of the fee schedule is March 1, 1972, no fee need be paid for any preliminary proxy soliciting material filed prior to that date.

INVESTMENT COMPANY ACT RELEASES

BUTCHER & SHERRERD. The SEC has issued a notice giving interested persons until February 28 to request a hearing upon an application of Butcher & Sherrerd, Philadelphia partnership and a prospective representative with Wheat, First Securities, Inc. and Reinholdt & Gardner of a group of underwriters to be formed in connection with the proposed public offering of shares of Federated Income and Private Placement Fund, a closed-end investment company, for an order exempting Butcher & Sherrerd and its co-underwriters from the provisions of Section 30(f) of the Act to the extent that that section adopts Section 16(b) of the Securities Exchange Act of 1934 with respect to transactions incidental to the distribution of Fund shares. (Rel. IC-6995)

VALUE LINE FUND. The SEC has issued a notice giving interested persons until March 8 to request a hearing upon an application of The Value Line Leveraged Growth Fund, Inc., New York mutual fund, for an order declaring that the Fund has ceased to be an investment company. According to the application, the Fund has no assets and has not issued or made a public offering or sale of its securities. A proposed public offering will be made by the Fund's successor, Value Line Leveraged Growth Investors, Inc. (Rel. IC-6996)

HOLDING COMPANY ACT RELEASE

COLUMBIA GAS. The SEC has issued a notice giving interested persons until March 6 to request a hearing upon an application of The Columbia Gas System, Inc., Wilmington, Del. holding company, to issue and sell \$50 million of debentures, due 1977, at competitive bidding. Net proceeds will be added to the company's general funds and, together with other funds, will be used to finance, among other things, part of the cost of its subsidiaries' 1972 construction program, estimated at \$250 million. (Rel. 35-17452)

SECURITIES ACT REGISTRATIONS

WILSON-SINCLAIR CO., 130 E. Randolph St., Chicago, Ill. 60601, filed a registration statement on February 9 seeking registration of \$35,000,000 of sinking fund debentures, due 1997, to be offered for public sale through underwriters headed by Lehman Brothers, Inc., One William St., and Goldman, Sachs & Co., 55 Broad St., both of New York 10004. The company is engaged in the business of buying and slaughtering livestock and processing and marketing food products. Of the net proceeds of its debenture sale, \$26,000,000 will be used to repay the 9-7/8% subordinated debentures due 1977 held by the parent, Wilson & Co., Inc., and the balance for working capital and other corporate purposes. (File 2-43041)

TEXAS EASTERN TRANSMISSION CORPORATION, Southern National Bank Bldg., Houston, Tex. 77002, filed registration statements on February 9 seeking registration of (a) \$60,000,000 of first mortgage pipe line bonds, due 1992, (File 2-43042) and (b) 1,000,000 shares of common stock (File 2-43043), both to be offered for public sale (*at \$42 per share maximum) through underwriters headed by Dillon, Read & Co., Inc., 46 William St., New York 10005. The company's principal line of business is the transportation and sale at wholesale of natural gas. Net proceeds will be used to retire notes payable. (File 2-43042 & 2-43043)

THE COLUMBIA GAS SYSTEM, INC., 20 Montchanin Road, Wilmington, Del. 19807, filed a registration statement on February 9 seeking registration of \$50 million of debentures, series due 1997, to be offered for public sale at competitive bidding. The net proceeds from the debenture sale will be added to the general funds of the company. Construction expenditures are estimated at \$250 million for 1972. (File 2-43044)

WARNER-LAMBERT COMPANY, 201 Tabor Rd., Morris Plains, N. J. 07950, filed a registration statement on February 9 seeking registration of 215,000 outstanding shares of common stock, to be offered for public sale by the holders thereof (*at \$79.625 per share maximum) through underwriters headed by Morgan Stanley & Co., Inc., 140 Broadway, New York 10005. (File 2-43045)

GENERAL MOTORS ACCEPTANCE CORPORATION, 767 Fifth Ave., New York 10022, filed a registration statement on February 10 seeking registration of \$200 million of debentures, due 1995, to be offered for public sale through underwriters headed by Morgan Stanley & Co., Inc., 140 Broadway, New York 10005. The company, a wholly-owned subsidiary of General Motors Corp., finances the distribution of new products manufactured by the parent to dealers for resale, and such dealers' retail instalment sales. The net proceeds from the debenture sale will be made available for repayment of the company's 3-1/2% debentures due March 1972. (File 2-43048)

THE WOODMOOR CORPORATION, 1691 Woodmoor Dr., Monument, Colo. 80132, filed a registration statement on February 10 seeking registration of \$7,647,000 of townhouses (60) and lots (158) in its Stagecoach project, located near the ski resort community of Steamboat Springs, Colo. The townhouses are to be offered for public sale in prices ranging from \$33,450 to \$38,450 and the lots at from \$20,000 to \$50,000 each. The company is a residential and recreational community developer. Net proceeds will be used in developing the portion of the Stagecoach project containing the townhouses and lots. (File 2-43049)

CONTINUED

PUBLIC SERVICE COMPANY OF OKLAHOMA, 600 S. Main St., Tulsa, Okla. 74102, filed a registration statement on February 10 seeking registration of \$30 million of first mortgage bonds, Series L, due 2002, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be used to finance a part of the company's construction expenditures, including the repayment of short-term borrowings (\$11,763,000 at January 31) incurred and to be incurred for the purpose. Construction expenditures are estimated at \$59,560,000 for 1972 and \$51,600,000 for 1973. (File 2-43051)

ST. JOSEPH LIGHT & POWER COMPANY, 520 Francis St., St. Joseph, Mo. 64502, filed a registration statement on February 10 seeking registration of 110,000 shares of common stock, to be offered for public sale (*at \$20 per share maximum) through underwriters headed by White, Weld & Co., Inc., 20 Broad St., New York 10005. Net proceeds of its stock sale will be applied to the payment of short-term bank loans (aggregating \$1,800,000) incurred as temporary financing for construction of additional facilities. Construction expenditures are estimated at \$8,400,000 for 1972 and \$5,290,000 for 1973. (File 2-43052)

KANSAS GAS AND ELECTRIC COMPANY, 201 N. Market St., Wichita, Kans. 67201, filed a registration statement on February 10 seeking registration of \$25 million of first mortgage bonds, due 2002, and 150,000 shares of serial cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. Net proceeds will be used to repay bank loans and commercial paper indebtedness approximating \$22 million incurred and to be incurred prior to completion of this financing for the company's construction program and to finance, in part, its future construction program. Construction expenditures are estimated at \$59,213,000 for 1972. (File 2-43053)

SHONEY'S BIG BOY ENTERPRISES, INC., 1727 Elm Hill Pike, Nashville, Tenn. 37210, filed a registration statement on February 10 seeking registration of 389,462 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (*at \$23 per share maximum) through underwriters headed by Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York 10005, and J. C. Bradford & Co., 414 Union St., Nashville, Tenn. 37219. The company operates or licenses the operation of 156 restaurants or retail food service outlets. (File 2-43055)

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:
Becton, Dickinson & Company, East Rutherford, N. J. (File 2-43046) - 185,000 shares
General Research Corporation, Santa Barbara, Calif. 93111 (File 2-43047) - 50,000 shares
U. S. Industries, Inc., New York (File 2-43050) - 200,000 shares

SECURITIES ACT REGISTRATIONS. Effective February 10: Amelco Corp., 2-40946 (90 days); Atico Mortgage Investors, 2-42528; The Berkshire Gas Co., 2-42779; Collins & Aikman Corp., 2-42924; First Banc Group of Ohio, Inc., 2-42534; Galaxy Carpet Mills, Inc., 2-42583 (90 days); The Glass Containers Corp. Profit Sharing Trust and Norton Simon, Inc., 2-42844; Innisbrook Associates, 2-42833; International Furniture Galleries, Inc., 2-40439; Killearn Properties, Inc., 2-42158; National Fabrics, Inc., 2-41917 (90 days); Northern States Power Co., 2-42598; Orrox Corp., 2-40473 (90 days); Pandel-Bradford, Inc., 2-42759 (90 days); Shell Oil Co., 2-42966; Texas Oil & Gas Corp., 2-43008; Wavetek, 2-42536 (90 days); Xomics, Inc., 2-41996 (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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