

sec news digest

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January 9, 1975

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

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LINCOLN SECURITIES, ABE CAMHI d/b/a
LINCOLN SECURITIES, ABE CAMHI SANCTIONED

The Commission has revoked the broker-dealer registrations of Lincoln Securities, a partnership, and Abe Camhi doing business as Lincoln Securities, a sole proprietorship, both of Hempstead, New York. Abe Camhi, of Bellmore, New York, the sole proprietor and the sole general partner, has been suspended from association with any broker, dealer, investment company or investment adviser for one year and thereafter barred from such associations in a supervisory or proprietary capacity.

The sanctions were based on findings that Camhi and his firms had violated the anti-fraud provisions of the securities laws by buying securities when they were incapable of delivering or paying for them; by participating in a manipulative scheme involving the common stock of Belmont Franchising Corporation; and by participating in a scheme whereby securities were purchased, sold and sold short for an account that was unable or unwilling to pay for such securities purchased or to cover such short sales. The Commission also found violations of the credit extension, net capital and filing provisions of the securities laws.

Without admitting or denying the allegations, respondents consented to the above findings and indicated sanctions. (Rel. 34-11157)

PROCEEDINGS AGAINST JOHN CALO
DISMISSED

Proceedings under the Securities Exchange Act against the late John Calo, of Pompton Lakes, New Jersey, have been dismissed because of his death. (Rel. 34-11160)

COURT ENFORCEMENT ACTIONS

ALLEGHENY BEVERAGE CORPORATION,
MORTON M. LAPIDES, OTHERS, ENJOINED

The SEC announced that on January 8 the Honorable George L. Hart, Jr., Chief U.S. District Judge for the District of Columbia entered an order granting injunctive, mandatory and ancillary relief against Allegheny Beverage Corporation (ABC), Valu Vend, Inc. (VV), Valu Vend Credit Corporation (VVCC), and Morton M. Lapidés (Lapidés), president of the defendant corporations for violations of the securities laws. Specifically, the Court enjoined ABC and Lapidés from violations of the antifraud, registration, reporting, and proxy provisions, VV from violations of the antifraud, reporting and registration provisions, and VVCC from violations of the antifraud and registration provisions of the Acts. The court also enjoined Harry J. Conn, a vice president of ABC, and Anthony J. Hering, ABC's treasurer, from violations of the reporting and registration provisions and former vice president of ABC, William W. Kane, from violations of the registration provisions of the securities laws. The amended complaint alleged that the defendants issued reports which materially overstated net income purportedly derived from sales of vending machines by VV, ABC's wholly-owned subsidiary. The amended complaint further alleges that in an offering of debentures the terms of which required a minimum of \$10 million to be sold, the defendants through various sham transactions created the appearance that such minimum had been reached. The amended complaint also alleges the sale by certain of the defendants of ABC stock subsequent to the issuance of such false and misleading reports. Finally, the amended complaint alleges that Lapidés used personally approximately \$540,000 of ABC funds for a period of approximately two years.

The court's order includes disgorgement of gains resulting from insider sales and the personal use of corporate funds by Lapidés, the appointment of a special agent to con-

firm the return to ABC by Lapidus of \$540,000 of corporate funds, the appointment of a special audit committee to select an independent certified public accountant for ABC, and the filing of amended reports in accordance with the allegations of the complaint. The defendants consented to the entry of the order without admitting or denying the allegations of the complaint. (LR-6670)

INVESTMENT COMPANY ACT RELEASES

SHEARSON-HAYDEN STONE, INC.

An order has been issued granting a permanent exemption from certain sections of the Investment Company Act to Shearson-Hayden Stone, Inc. and Bernstein-Macaulay, Inc. (Rel. IC-8634 - Jan. 8)

FIFTH EMPIRE FUND

A notice has been issued giving interested persons until February 3 to request a hearing on an application by Fifth Empire Fund, Inc., Sixth Empire Fund, Inc. and Federated Regional Research Investments, Inc. for an order declaring that those companies have ceased to be investment companies as defined in the Act. (Rel. IC-8635 - Jan. 8)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION

A notice has been issued giving interested persons until February 3 to request a hearing on a proposal by Central and South West Corporation and three of its subsidiaries, that the subsidiaries amend their charters to increase the amount of their authorized common stock, that one subsidiary amend its charter to increase the par value of its common stock and that the three subsidiaries issue and sell common stock to the holding company. (Rel. 35-18761 - Jan. 8)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of over-the-counter trading in the securities of Continental Vending Machine, Inc. for the further ten-day period January 10 - 19, inclusive.

SECURITIES ACT REGISTRATIONS

(S-6) THE MUNICIPAL BOND FUND, SERIES 16

c/o Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005 - \$5 million of units. The Fund will be created under a trust indenture among Paine, Webber, Jackson & Curtis Incorporated as sponsor, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Fund will consist of interest bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers of such obligations, exempt from Federal income tax. (File 2-52625 - Jan. 3)

(S-7) CENTRAL AND SOUTH WEST CORPORATION

300 Delaware Ave., Wilmington, Del. 19899 - 4,300,000 shares of common stock, to be offered for sale through underwriters headed by Morgan Stanley & Co. Incorporated, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers, c/o Morgan Stanley & Co. Incorporated, 1251 Avenue of the Americas, New York, N.Y. 10020. The company is a holding company whose operating subsidiaries are electric utilities. (File 2-52631 - Jan. 7)

(S-9) CITIZENS UTILITIES COMPANY

High Ridge Park, Stamford, Conn. 06905 - \$35 million of first mortgage and collateral trust bonds, to be issued under the company's Indenture of Mortgage and Deed of Trust and to be sold in a negotiated public offering by a proposed underwriting group to be

co-managed by Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. The sale is subject to the authorization of the Federal Power Commission and various state commissions. The company provides one or more of five basic public utility services, electric, telephone, water, gas and wastewater. (File 2-52633 - Jan. 7)

(SCHEDULE B) THE NEW BRUNSWICK ELECTRIC POWER COMMISSION (ISSUER)
THE PROVINCE OF NEW BRUNSWICK (GUARANTOR)

527 King Street, Fredericton, New Brunswick, Can. - \$75 million (U.S.) of debentures, due 2005, unconditionally guaranteed as to principal, premium, if any, and interest by the Province of New Brunswick, to be offered by several underwriters represented by The First Boston Corporation; Salomon Brothers; Richardson Securities, Inc.; Nesbitt Thomson Securities, Inc.; Pitfield, Mackay & Co., Inc.; Levesque, Beaubien Inc.; and Dominion Securities Harris & Partners Inc. The Commission is engaged in the generation, transmission and sale of electric energy. (File 2-52539 - Dec. 18)

(S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK

23 Wall St., New York, N.Y. - seeks registration of 100,000 American Depositary Receipts for Bearer Shares of L'Air Liquide, a French corporation. (File 2-52604 - Dec. 27)

(S-1) TECHNICAL OPERATIONS, INCORPORATED

One Beacon St., Boston, Mass. 02108 - 248,550 shares of common stock. Of these shares, 150,000 are reserved for issue to key employees upon the exercise of stock options heretofore and hereafter to be granted, and 98,550 are expected to be transferred to certain key employees of Vappi & Company, Inc., a subsidiary of the company, under an escrow agreement dated December 31, 1971, as amended. (File 2-52612 - Dec. 30)

(S-7) MINNESOTA MINING AND MANUFACTURING COMPANY (3M)

3M Center, St. Paul, Minn. 55101 - 1,200,000 shares of common stock, to be offered for sale by certain shareholders at prices current at the time of sale through underwriters headed by Kidder, Peabody & Co., Incorporated, 10 Hanover Square, New York, N.Y. 10005, Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004 and Piper Jaffray & Hopwood Incorporated, 800 Multifoods Bldg., 733 Marquette Ave., Minneapolis, Minn. 55402. 3M produces a wide variety of products, including copying and microfilm, adhesives, abrasives, tape, reflective and decorative materials, electrical materials, printing products and magnetic recording materials. (File 2-52616 - Dec. 31)

(S-14) WEEDEN HOLDING CORPORATION

25 Broad St., New York, N.Y. 10004 - up to 1,690,665 shares of common stock, to be issued in exchange for and conversion of all the outstanding shares of common stock of Weeden & Co. on a share for share basis. The shares are to be issued in connection with a proposed merger of a subsidiary of Weeden Holding Corp. with and into Weeden & Co. with the result that Weeden & Co. will become a wholly owned subsidiary of Weeden Holding Corp. Weeden & Co. is a broker-dealer engaged in the securities business. (File 2-52613 - Dec. 31)

(S-1) ENVIRONMENTAL HYDRONICS, INC.

14 Jay St., Englewood, N.J. 07631 - 645,120 shares of common stock. It is proposed to distribute these shares to the stockholders of Generics Corporation of America, Inc. under a complete spin-off of Environmental from Generics. The shares will be distributed at the rate of two Environmental shares for every five Generics shares. Environmental is engaged in the wholesale distribution of plumbing, heating, air-conditioning and industrial supplies. (File 2-52610 - Dec. 30)

(S-1) THE AMERICAN GENERAL INSURANCE COMPANY

2727 Allen Parkway, Houston, Tex. 77019 - a maximum of 500,000 shares of common stock, which may be subscribed for at \$9.00 per share by eligible employees of American General and its subsidiaries under American General's 1975 Employee Stock Subscription Plan. American General is primarily engaged through subsidiaries in the life and health insurance and property and liability insurance businesses, and also renders other financial services. (File 2-52621 - Jan. 2)

(S-14) FIRST INTERNATIONAL BANCSHARES, INC.

First International Bldg., 1201 Elm St., Dallas, Tex. 75270 - 98,000 shares of common stock. It is proposed to issue these shares in connection with a proposed merger of International Bank of Commerce of Laredo, Laredo, Tex., into a wholly owned (except for directors' qualifying shares) subsidiary of Bancshares, at the rate of 0.70 Banc-

shares' share for each outstanding share of International Bank. Bancshares is a registered bank holding company whose holdings include 18 Texas banks, a merchant bank in London, England, and a number of banking-related subsidiaries. (File 2-52614 - Dec. 31)

In a separate statement Bancshares seeks registration of 211,200 shares of common stock. It is proposed to offer these shares in connection with the proposed merger of American Bank of Commerce, Victoria, Tex., into a wholly owned (except for directors' qualifying shares) subsidiary of Bancshares, at the rate of 0.88 Bancshares' share for each outstanding share of American Bank. (File 2-52615 - Dec. 31)

REGISTRATIONS EFFECTIVE

January 8: The Black and Decker Manufacturing Co., 2-52502; Central Telephone Company of Virginia, 2-52373; Champion International Corp., 2-52527; Consolidated Natural Gas Co., 2-52515; Credithrift Financial Corp., 2-52531; Farmland Industries, Inc., 2-52454; Gould Inc., 2-52294; Rohr Industries, Inc., 2-52255; Washington Scientific Industries, Inc., 2-52398.

REGISTRATIONS WITHDRAWN

December 1: Dorrincourt Company, Ltd., 2-43675.

January 6: Predictor Management Corp., 2-45132.

January 7: Crown Zellerbach Corp., 2-52401; Hayden Island, Inc., 2-50128; The Starr Broadcasting Group, Inc., 2-51259.

January 8: Datum Inc., 2-51537; GGSC Inc., 2-47141 (Abandoned).

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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