

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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FOR RELEASE February 19, 1971

DECISION IN ADMINISTRATIVE PROCEEDING

HAIGHT (HODGDON) FIRM REVOKED. The SEC today announced a decision under the Securities Exchange Act of 1934 in which it revoked the broker-dealer registration of Haight & Co., Inc. (formerly Hodgdon & Co., Inc.), of Washington, D. C., for violations of the registration, antifraud and other provisions of the federal securities laws. The Commission also expelled the firm from membership on the Philadelphia-Baltimore-Washington Stock Exchange and in the National Association of Securities Dealers, Inc.; and it barred the following individuals (who were found to have participated in various of the violations) from association with any broker-dealer firm: A. Dana Hodgdon, former president, James F. Haight, president, David M. Adam, Jr., and James W. Harper III, vice presidents, Louis S. Amann, former vice president, W. Lyles Carr, Jr., treasurer, Burton Kitain, secretary, Homer E. Davis and Robert F. Kibler, salesman.

According to the Commission's decision, the firm and the above individuals (with the exception of Amann) engaged in a scheme to defraud customers who utilized the firm's "financial planning" services during the period May 1960 to June 1964. The gist of the scheme, the Commission stated, was "respondents' holding themselves out as financial planners who would exercise their talents to make the best choices for their clients from all available securities, when in fact their efforts were directed at liquidating clients' portfolios and utilizing the proceeds and their clients' other assets to purchase securities which would yield respondents the greatest profits, in some instances in complete disregard of their clients' stated investment objectives." Their conduct, the Commission observed, was "clearly contrary to the basic obligation of professionals in the securities business to deal fairly with the investing public."

Amann was found to have made serious misrepresentations to customers in the offer and sale of stock of U. S. Infrared Corp. in 1960-61.

HOLDING COMPANY ACT RELEASES

LOUISIANA P&L SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17006) giving interested persons until March 17 to request a hearing upon an application by Louisiana Power & Light Company, New Orleans subsidiary of Middle South Utilities, Inc., to issue and sell, at competitive bidding, \$25,000,000 of first mortgage bonds, due 2001, and 100,000 shares of a new series of cumulative preferred stock, \$100 par. Louisiana Power will apply the net proceeds of this financing to the payment of short-term borrowings made to temporarily finance its 1971 construction program and other corporate purposes, expected not to exceed \$25,000,000 at the time of issue and sale. The balance of the proceeds will be applied to the 1971 construction program (estimated to cost \$88,614,000) and other corporate purposes.

SOUTHERN CO. SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17007) giving interested persons until March 4 to request a hearing upon an application by The Southern Company, Atlanta holding company, to increase the authorized shares of its common stock from 60,000,000 to 80,000,000, which action would require a favorable vote of the majority of shareholders. Southern presently has 55,449,500 shares outstanding. During 1969 and 1970 Southern was required to issue and sell 6,800,000 shares in order to provide part of the capital needed by its subsidiaries to finance their construction program, and it is expected that in 1971 or 1972 Southern will be required to sell additional shares of common stock approaching, if not exceeding, the number of authorized but unissued shares.

INVESTMENT COMPANY ACT RELEASES

PITTSBURGH COKE RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6357) exempting from certain provisions of the Act the proposed purchase by Coons Pacific Company from First Grant Corporation, a majority-owned subsidiary of Pittsburgh Coke & Chemical Company (Pittsburgh closed-end, non-diversified investment company), of all of First Grant's holdings of stock of Pittsburgh Pacific Company for \$2,750,000 plus a possible additional contingency payment.

EVERYMAN FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6358) giving interested persons until March 12 to request a hearing upon an application of Everyman Fund, Inc., Cleveland mutual fund, for an order permitting (a) suspension of the right of redemption of its outstanding redeemable securities and (b) suspension of payment for shares already submitted for redemption for which payment has not been made as of the date and time of the requested order. According to the application, The Fund's directors authorized the liquidation of the Fund subject to shareholder approval at a special meeting scheduled for March 2, 1971. Liquidation is expected to be completed before April 30, 1971.

OVER

COURT ENFORCEMENT ACTIONS

R. A. BROWN JR. ENJOINED. The SEC announced February 18 (LR-4906) that Robert A. Brown, Jr., of Clagary, Alberta, Canada, president of Home Oil Company Limited, of Alberta, consented to an order of the Federal court in New York enjoining violations of Rules 10b-5 and 16a-1 under the Securities Exchange Act in connection with the purchase and sale of securities of Home Oil. Brown consented to the court order without admitting or denying the violations.

CROW AND BROURMAN SENTENCED. The SEC Washington Regional Office announced February 18 (LR-4907) that the Federal court in Pittsburgh had imposed sentences upon Thomas S. Crow of New York and Saul Brouman of Pittsburgh, each of whom was convicted of two counts of securities fraud. Each was sentenced to 30 days imprisonment and a \$3,000 fine on the first count; and a two-year suspended prison sentence was imposed on the second count. Execution of the two-year sentence was suspended and the two defendants were placed upon probation for three years.

COMPLAINT NAMES MONARCH ELECTRONICS INT. The SEC today announced the filing of a complaint in the U. S. District Court (D.C.) seeking to enjoin violations by Monarch Electronics International, Inc., of North Hollywood, Calif., and Leonard Ashbach, former president and board chairman, of the reporting, proxy and antifraud provisions of the Securities Exchange Act. The complaint charges that Monarch and Ashbach made false and misleading statements and omitted material facts in Form 8-K and 10-K reports for 1969 filed with the Commission and in a proxy statement and annual report sent to Monarch shareholders; and the Commission seeks a court order compelling Monarch to file amended reports containing accurate and complete information. (LR-4908)

SECURITIES ACT REGISTRATIONS

PRESIDIO OIL FUNDS PROPOSES OFFERING. Presidio Oil Funds, Inc., 1900 Avenue of the Stars, Los Angeles, 90067, wholly-owned subsidiary of Presidio Exploration, Inc., filed a registration statement (File 2-39420) with the SEC on February 16 seeking registration of \$2,500,000 of participating units in its 1971 Presidio Mid-Year Oil and Gas Exploration and Development Program (the "Program"), to be offered for public sale in minimum amounts of \$5,000. No underwriting is involved; participating broker-dealers will receive up to a 7% selling commission. Under the Program, Presidio Exploration will be engaged to explore for oil and gas. Louis A. Walstrom, Jr., is president of the company and of its parent and owns 94% of the voting securities of the parent.

UNIMET FILES FOR OFFERING AND SECONDARY. Unimet Corporation, 663 Fifth Ave., New York, N. Y. 10022, filed a registration statement (File 2-39421) with the SEC on February 17 seeking registration of 410,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 10,000 (to be outstanding shares) by the recipient thereof. The offering is to be made through underwriters headed by R. G. Dickinson & Co., 910 Grand Ave., Des Moines, Iowa 50309; the offering price (\$12 per share maximum*) and underwriting terms are to be supplied by amendment. Also included in this statement are 150,000 shares which may be issued from time to time by the company in connection with future acquisitions.

The company was organized in April 1970 as Industrial Services Corporation for the purpose of developing, through acquisitions and internal growth, a multi-regional capability in the metals distribution industry. It recently acquired all the stock of International Alloys, Ltd. and its wholly-owned operating subsidiary, Stainless Shapes, Inc., which imports and distributes stainless steel and aluminum products. The company has also agreed to acquire substantially all of the assets and assume the liabilities of Rich Steel Company, which processes and distributes carbon steel sheet. Of the net proceeds of its sale of additional stock, \$250,000 will be used by the company to repay 9% notes issued in December 1970, \$150,000 for stainless steel products to be added to Rich Steel's inventory and \$1,350,000 to establish 5 new metals services centers; the balance will be added to the company's general funds and will be available for possible future acquisitions and for additional working capital requirements. In addition to indebtedness, the company has outstanding 538,245 common shares, of which Peter S. Davis, board chairman, owns 15%, Michael Scharf, president, 18.6% and management officials as a group 49.4%. Rich Steel Company proposes to sell all of 10,000 shares which it is to receive prior to completion of the offering.

PIONEER NATURAL GAS SHARES IN REGISTRATION. Pioneer Natural Gas Company, 301 South Taylor St., Amarillo, Tex. 79101, filed a registration statement (File 2-39422) with the SEC on February 16 seeking registration of 49,177 outstanding shares of common stock. Such shares were issued in exchange for certain outstanding shares of capital stock of Jess McNeel Machinery Corporation and TransState Tire Company. They may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$16.50 per share maximum*).

The company is a natural gas utility company. Jess McNeel may sell all of 32,067 shares held and seven others the remaining shares being registered.

INTERPUBLIC GROUP FILES FOR OFFERING AND SECONDARY. The Interpublic Group of Companies, Inc., 1271 Avenue of the Americas, New York, N. Y. 10020, filed a registration statement (File 2-39423) with the SEC on February 17 seeking registration of 750,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 350,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Smith, Barney & Co. Incorporated, 1345 Avenue of the Americas, New York City 10019; the offering price (\$18 per share maximum*) and underwriting terms are to be supplied by amendment.

CONTINUED

The company is engaged in 46 countries in advertising agency functions, market research, sales promotion, public relations, product development and other related services within the area of "marketing communications." Net proceeds of its sale of additional stock will be added to the company's funds, which will be available for general corporate purposes, including working capital requirements and the repayment of bank indebtedness (to the extent of \$2,000,000 of overseas bank indebtedness and prepayment of about \$3,000,000 of borrowings from foreign branches of domestic banks). In addition to indebtedness and preferred stock, the company has outstanding 359,048 common and 751,560 Class B common shares; management officials own 23% of the common and 35% of the B common shares. Robert E. Healy is board chairman and Paul Foley president and chief executive officer. A large group of stockholders (including company officers) propose to sell the outstanding shares being registered.

ABBOTT LABS. TO SELL DEBENTURES. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064, filed a registration statement (File 2-39424) with the SEC on February 17 seeking registration of \$60,000,000 of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Lehman Brothers, One William St., and Goldman, Sachs & Co., 55 Broad St., both of New York City 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of a broad line of health care products, including professional pharmaceuticals, hospital products and pediatric products. Of the net proceeds of its debenture sale, \$28,500,000 will be used to repay short-term promissory notes and the company's indebtedness under a bank credit agreement (the indebtedness was incurred to finance part of its capital expenditures program and to provide working capital); and the balance will be added to the company's general funds and initially used to provide working capital and, together with internally generated funds and borrowings under a bank letter of commitment, to finance proposed capital expenditures. In addition to indebtedness and preferred stock, the company has outstanding 13,506,462 common shares.

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:

Continental Investment Corporation, Boston, Mass. 02110 (File 2-39419) - 450,000 shares

The Firestone Tire & Rubber Company, Akron, Ohio 44317 (File 2-39425) - 1,500,000 shares

COMMISSION ANNOUNCEMENTS

HEARING TO RESUME ON DEFENSE CONTRACT REPORTING. By order of Hearing Office, Paul Gonson, hearings in the matter of disclosures by registrants engaged in defense contracting will be resumed on Friday, February 26, 1971, in the Commission's Washington Office. Scheduled for appearance on that day will be representatives of General Dynamics Corporation.

TRADING BAN 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 February 20 through March 1, 1971, inclusive.

MISCELLANEOUS

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 (in ordering, please give month and year of report). 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 February 5 News Digest.

8K Reports for December 1970

LMF Corporation		Brandon Applied Systems, Inc	
Nov 1970 (11)	0-5245-2	(2,6,12)	0-3594-2
Perdue Housing Industries, Inc		Conestoga Tel & Tel Co	
(7,9,13)	2-37937-2	(12, 7)	0-2524-2
Pizza Hut Inc.		First Surety Corporation	
Jan 1971 (12,13)	0-3918-2	Nov 1970 (7)	0-1064-2
Audiscan, Incorporated		K & M Electronics Company	
(13)	0-4866-2	Nov 1970 (1,7,12)	2-24411-2
Maine Sugar Industries, Inc.		(1,7)	2-24411-2
(3,6)	0-2426-2	Mid-Continent Bottlers, Inc.	
Tidewater Marine Service, Inc.		(7,12,13)	0-3731-2
(7,13)	1-6311-2	Mutual Enterprises Inc	
Cudahy Company (7)	1-529-2	Jna 1971 (2,13)	0-4328-2
National Alfalfa Dehydrating &		North Carolina Natural Gas Corp	
Milling Co		Jan 1971 (11)	0-82-2
Jan 1971 (2,7,13)	1-3687-2	Planet Oil & Mineral Corporation	
National Paragon Corporation		(2)	0-3651-2
Nov 1970 (7)	2-32314-2	Shulman Transport Enterprises, Inc.	
Jun 70 (8)	2-32314-2	(7,8)	2-36882-2
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8K Reports for December 1970 (Con't)

Computer Resources, Inc (2,13)	0-4326-2	Gelman Instrument Co (1,12,13)	0-2297-2
Crescent General Corporation Oct 1970 (11,13)	1-115-2	Monterey Nursing Inns, Inc. Sept 1970 (3,13)	0-4140-2
Dearborn Computer & Marine Corporation (8)	1-5860-2	Aloha Airlines, Inc (11)	1-5253-2
First at Orlando Corp (7,13)	0-3734-2	American Recreation Centers, Inc. (2,13)	0-2849-2
Teletrans Industries Inc. (3)	1-6486-2	Danmont Corporation Jan 1971 (12,13)	0-4596-2
Andersen-2000 Inc. Oct 1970 (11,13)	2-32531-2	Idaho Power Co Jan 1971 (3)	1-3198-2
Cavanaugh Communities Corporation (12)	2-29705-2	First S & I Shares, Inc. Oct 70 (11,13)	0-5281-2
N C Sciences, Inc (2,13) Oct 1970 (1,7,13)	2-30253-2	Gladstone Mountain Mining Co Nov 1970 (7)	1-1525-2
Will Ross, Inc (7,13)	1-6108-2	May 1970 (1,2,7,12,13)	1-1525-2
Allied Equities Corp (2,7,13)	0-2121-2	Inter-American Petroleum Corp (11)	0-4435-2
Bazar, Inc (11)	0-14-2	Intertherm Inc (4,8,12,13)	0-4860-2
Fresnillo Co Jan 1971 (121,3)	1-3951-2	Jones & Laughlin Steel Corp (7)	1-463-2
Hy Gain Electronics Corp Dec 1970 (12,13)	0-4261-2	Midwest Oil Corp (12)	1-3652-2
July 1970 (2,7,13)	0-4261-2		
Servicemaster Industries Inc (2,10,12,13)	0-3168-2		
		<u>Amdt 8K Reports</u>	
Alexanders, Inc Nov 1970 (11)	1-6064-2	G. T Corporation #2 for April 70 (13)	0-2676-2
Excel Investment Company (7) July 1970 (8,12,13)	0-1933-2	Photo Motion Corporation #1 for Aug 70 (8,13)	0-4802-2
Dec 70 (7)	0-1933-2	Hemisphere Hotels Corporation #1 for Nov 70 (6)	2-81910-2
Mastech Computer Systems, Inc Oct 1970 (11,13)	2-30860-2	Beta Instrument Corp #1 to 8K for June 1970 (13)	0-4838-2
Great Southwest Corp (6,13)	0-100-2	Health-Mor, Inc. #1 for Sept 1970 (13)	1-6220-2
PNB Mortgage and Realty Investors (7)	2-38567-2	Hargrom Services Corp #1 for Aug 1970 (13)	0-4228-2
General Computer Services, Inc Jan 1971 (1,7,9,13)	0-3563-2	Huntington Health Services, Inc. #1 for Oct 70 (2,13)	0-4239-2
Intermeida Systems Corporation (12)	2-33141-2	#2 for Oct 70 (2,7,13)	0-4239-2
Lincoln Liberty Life Insurance Co (1,12)	2-18894-2	United Convalescent Hospitals Inc. May 69 (2,7,13)	0-3202-2

SECURITIES ACT REGISTRATIONS. Effective February 18: Central Hudson Gas & Electric Corp., 2-39057; Commercial Credit Co., 2-39287; Damon Creations, Inc., 2-39085; Dekalb Agresearch, Inc., 2-39283; Duke Power Co., 2-39249; Instrument System Corp., 2-38614 (40 days); Investors Funding Corp. of New York, 2-37449; Lennar Corp., 2-36239 (90 days); Mid-Texas Communications Systems, Inc., 2-39205 (90 days); National Realty Investors, 2-38626; Pennroc Oil Corp., 2-37404; Reprographic Materials, Inc., 2-36442 (90 days); Seabrook Foods, Inc., 2-38285.

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.