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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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NEW RULES AND RULE PROPOSALS

PROPOSE RULES REGARDING NONMEMBER OFFERINGS. The SEC announced today a proposal to adopt, pursuant to Section 15(b) (10) of the Securities Exchange Act of 1934, Rules 15b10-8 and 15b10-9 thereunder relating to the distribution by SECO ("nonmember") broker-dealers of their own or affiliates' securities. Comparable rules have already been adopted by the National Association of Securities Dealers, Inc. Proposed Rule 15b10-8 would establish standards concerning all offerings of nonmembers "going public" whether self-underwritten or not. The rule would require the submission of certain financial statements and would impose, under specified conditions, restrictions on sales by insiders of their equity interest. The rule would also preclude the nonmember after its public offering from making another offering to the public of its securities for at least one year. Finally, the rule would prevent a nonmember from going to the public to obtain funds in excess of three times its net worth; would require that its net capital ratio could not exceed 10 to 1 after the completion of the offering; and would require the nonmember to regularly send certain financial data to its stockholders.

Under proposed Rule 15b10-9, a nonmember would generally be permitted to underwrite or participate in the distribution of its securities or those of an affiliate if it obtained two "qualified independent underwriters" to certify to the fairness of the offering price and to exercise due diligence in connection with the preparation of the registration statement. (The rule does provide for an exemption where compliance with this requirement is not feasible and an alternative plan is submitted to the Commission.) These independent underwriters would also be required to assume the full legal responsibilities and liabilities of an underwriter under the Securities Act of 1933. The rule would provide that the nonmember, the independent underwriters, and a majority of the directors of their respective boards would have to have been in the securities business for at least 5 years and 3 of those 5 years would have to have resulted in operational profits. The rule would also allow a nonmember to underwrite or participate in the distribution of its own securities (without the two qualified independent underwriters) if there was a "bona fide active independent market" for the securities and would permit a nonmember to participate in 10% of the distribution of its securities if it was the subject of a firm commitment underwriting. Finally, in any offering of the nonmember's securities made pursuant to the provisions of the rule, the nonmember's associated persons and their immediate families would be prevented from selling any portion of their ownership interest in the nonmember. (Rel. 34-9555)

COMMISSION ANNOUNCEMENT

INDUSTRY-ADVISORY COMMITTEE HOLDS INITIAL MEETING. The first of a series of meetings of industry-advisory committees was held at the Commission on Monday. The committees were announced by the SEC Chairman William J. Casey on March 31 to assist in developing detailed rules to implement a central market system pursuant to the SEC policy statement on the future structure of the securities markets.

The initial meeting involved the Disclosure Committee, which was chaired by Gordon L. Teach, Executive Vice President, Shearson, Hammill & Company of Chicago. In welcoming the committee, Mr. Casey told the group that it should not waste any time in eliminating the possibility that substantial transactions in listed securities can take place without full public disclosure.

"As you know," Casey said, "the Commission has taken steps to bring this situation to an end by issuing proposed Rule 17a-15 which requires that information on all transactions whether executed on exchanges or over-the-counter, to be made publicly available. We hope the Committee will review and consider carefully the comments we receive in response to this proposal and also those we receive on proposed Rule 17a-14 which deals with the disclosure of quotations in listed securities."

"Disclosure of price, volume and quotation information on a composite basis cannot be divorced from regulatory considerations" he continued, "and we and the self-regulatory bodies must adopt whatever rules are necessary to ensure that the market information disclosed to the public is not misleading."

DECISION IN ADMINISTRATIVE PROCEEDINGS

FRED J. RADWICK ENJOINED AND SUSPENDED. The Commission today announced that on March 29, 1972, the U. S. District Court for the Central District of California permanently enjoined Fred J. Radwick, of Hollywood, Calif., from further violations of the registration and antifraud provisions of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Radwick consented to the injunction without admitting or denying the allegations in the Commission's complaint which charged that he offered and sold unregistered securities of Paramount General Corporation (PGC) in violation of the registration provisions of the securities acts, and made material misrepresentations and omitted material facts in the offer and sale of Paramount stock.

The Commission also announced that in administrative proceedings it had, effective April 10, 1972, suspended Radwick from association with any broker-dealer for 6 months with the proviso that after that period he may become associated only in a non-supervisory capacity after making an appropriate showing that he will be properly supervised.

The sanction imposed by the Commission was based on its findings of the same misconduct alleged in the injunctive action. The Commission's order was issued pursuant to an offer of settlement in which, solely for purposes of the administrative proceedings and other such proceedings brought by the Commission, Radwick admitted the charge against him and consented to the indicated sanction.

COURT ENFORCEMENT ACTIONS

HUNTER PRODUCING CO., OTHERS ENJOINED. The SEC Fort Worth Regional Office announced April 6 that the Federal court in El Dorado, Arkansas, had permanently enjoined by consent Hunter Producing Company, Inc. (Hunter), Shiloh Petroleum Company Inc. (Shiloh), Quachita Exploration Company, Inc. (Quachita), and Frank Hunter Jones, all of El Dorado, Ark., from violations of the registration and antifraud provisions of the Federal securities laws in the offer and sale by Hunter, Shiloh and Quachita of fractional undivided working interests in oil and gas leases located in Arkansas, Tennessee and Louisiana. (LR-5370)

KELLY ANDREWS & BRADLEY, OTHERS INDICTED. The SEC New York Regional Office announced April 10 that a Federal grand jury in New York had indicted the following charging conspiracy and the use of a false and misleading offering circular in connection with the offer and sale of the stock of Lady Goldie Bracelet Co., Inc.: Stuart Schiffman, of Brooklyn, New York; Akiyoshi Yamada of New York, N.Y.; Philip Kaye, of Rye, N.Y.; Nathan Hager, of Brooklyn, New York; and Stanley Peltz, of Brooklyn, New York. Several of the defendants were the subject of prior Commission action. (LR-5371)

INVESTMENT COMPANY ACT RELEASES

PIEDMONT CAPITAL CORP. The SEC has issued a notice giving interested persons until April 28 to request a hearing upon an application of Piedmont Capital Corporation, Englewood, N. J. (principal underwriter of shares of Lexington Research Fund, Inc., and Lexington Growth Fund, Inc., for an order permitting a proposed offer of exchange and exempting it from certain provisions of the Act. According to the application, the board of directors of Vantage 10/90 Fund, Inc. had scheduled a meeting for November 1971 to obtain approval to change the business of the Fund from that of a mutual fund to that of a holding company. Piedmont believes that holders of a substantial portion of Vantage shares purchased such shares through Piedmont's sales personnel. Piedmont had recommended to Vantage shareholders who had purchased their shares through Piedmont's sales personnel and who still desired to hold shares of a registered investment company, that they redeem their Vantage shares. Piedmont applied to the Commission in October 1971 to permit those Vantage shareholders to purchase Lexington Fund shares at net asset value. According to the application, in view of Vantage's apparent abandonment of its proposed reorganization, Piedmont has amended its original application and now requests exemption from certain provisions of the Act so as to permit it to offer certain Vantage shareholders who have redeemed or wish to redeem their shares in order to purchase Lexington shares, either (1) a refund of the sales charges paid or (2) an opportunity to acquire Lexington shares with the redemption proceeds at net asset value rather than the public offering price, which includes sales charges at the same rate as those charged by Vantage. (IC-7121)

DERN'S SELECTED FUNDS. The SEC has issued a notice giving interested persons until April 28 to request a hearing upon an application of Dern's Selected Funds, Inc., East Orange, N. J. mutual fund, for an order declaring that it has ceased to be an investment company. Fund shareholders at a January 14 meeting voted to liquidate and dissolve the Fund. According to the application, the Fund is in the process of liquidation and is not engaged in the business of investing, reinvesting, holding or trading in securities. At February 18, the Fund had 60 shareholders and a net asset value of \$86,583. (Rel. IC-7125)

HOLDING COMPANY ACT RELEASE

ALLEGHENY POWER SYSTEM. The SEC has issued an order authorizing Allegheny Power System, Inc., New York holding company, to amend its charter to increase from 25,000,000 to 30,000,000 the number of common shares it is authorized to issue. (Rel. 35-17531)

SECURITIES ACT REGISTRATIONS

MANHATTAN INDUSTRIES, INC., 1271 Avenue of the Americas, New York, N.Y. 10020, filed a registration statement on April 7 seeking registration of 426,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 26,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$20.25 per share maximum) through underwriters headed by Lehman Brothers, Inc., One William St., New York, N.Y. 10004. The company manufactures and sells a wide range of wearing apparel. Net proceeds of its stock sale will be used to reduce short-term debt (\$10,975,000 outstanding at March 31) incurred principally for working capital purposes and in connection with the purchase in February 1972 of Lichtenstein's retail specialty stores. (File 2-43754)

CONTINUED

CARVEL CORPORATION, 430 Nepperhan Ave., Yonkers, N.Y. 10701, filed a registration statement on April 7 seeking registration of 323,863 shares of common stock, of which 100,000 are to be offered for public sale by the company, and 223,863 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$10 per share maximum) through underwriters headed by Allen & Co., Inc., 30 Broad St., New York 10004. Also included in this statement are 89,250 shares of common stock, issued or issuable pursuant to the company's stock option plans. The company is primarily engaged in the business of developing, licensing, servicing and supervising retail ice cream stores. Net proceeds of its stock sale will be used for general working capital. (File 2-43749)

IVY CORPORATION, 100 Peachtree St., Suite 2505, Atlanta, Ga. 30303, filed a registration statement on April 7 seeking registration of 500,000 shares of common stock, of which 270,780 are to be offered for public sale by the company and 229,220 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$15 per share maximum) through underwriters headed by Reynolds Securities Inc., 120 Broadway, New York 10005. The company is a manufacturer of building products and construction materials. Of the net proceeds of its stock sale, \$1,000,000 will be used to repay bank loans and the balance for working capital and other corporate purposes. (File 2-43750)

SOUTHWESTERN BELL TELEPHONE COMPANY, 1010 Pine St., St. Louis, Mo. 63101, filed two registration statements on April 7 seeking registration of (a) \$75 million of notes, due 1979 (File 2-43751) and (b) \$175 million of debentures, due 2012 (File 2-43752), to be offered for public sale at competitive bidding. A subsidiary of AT&T, the company will apply net proceeds toward repayment of interim debt consisting of advances from AT&T and notes payable (bank loans and commercial paper), expected to be about \$83,500,000 and \$224,500,000, respectively. Construction expenditures are estimated at \$869 million for 1972. (File 2-43751 and 2-43752)

FIRST COMMERCIAL BANKS INC., 60 State St., Albany, N.Y. 12207, filed a registration statement on April 7 seeking registration of \$25 million of debentures, due 2002, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. First Commercial is a bank holding company, providing general commercial banking and trust services through two wholly-owned subsidiaries, National Commercial Bank and Trust Company and First Trust & Deposit Company. Of the net proceeds of its debenture sale, \$10,000,000 will be used for an addition to National Commercial's main office complex and the balance for general corporate purposes. (File 2-43756)

EVANS PRODUCTS COMPANY, 1121 S. W. Salmon St., Portland, Ore. 97205, filed a registration statement on April 7 seeking registration of 294,413 shares of common stock, which may be offered for sale by persons who hold or have exercised employee stock options. (File 2-43755)

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:

Di Giorgio Corporation, San Francisco, Calif. (File 2-43738) - 279,437 shares
 The American Ship Building Company, Cleveland, Ohio (File 2-43745) - 258,346 shares
 Lone Star Industries, Inc., Greenwich, Conn. (File 2-43747) - 200,000 shares
 Viacom International Inc., New York, N.Y. (File 2-43748) - 225,000 shares
 Monumental Corporation, Baltimore, Md. (File 2-43753) - 100,000 shares
 D. H. Holmes Company, Limited, New Orleans, La. (File 2-43758) - 22,542 shares
 Pennzoil United, Inc., Houston, Tex. (File 2-43760) - 600,000 shares

CORRECTION RE MANEQUITY. ManEquity Growth Fund (the name of the fund is properly one word), of Denver, Colo., filed a registration statement on January 13 seeking registration of 10,000,000 shares of common stock, not 10,000 shares as reported in the January 20th News Digest.

SECURITIES ACT REGISTRATIONS. Effective April 7: Northwestern Bell Telephone Co., 2-43398 and 2-43399. Effective April 10: American-Education and Recreation Corp., 2-39300 (90 days); Central Illinois Light Co., 2-43567; Columbia Comus Associates, 2-42441 (90 days); Conagra, Inc., 2-43147; Danalab, Inc. 2-40089; Lacy Management Co., 2-41844 (90 days); The Pippin Co., 2-42807; Purolator, Inc., 2-43413; Southern Indiana Gas and Electric Co., 2-43445; Tenneco Inc., 2-43344; Pacific Power & Light Co., 2-43377.

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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