

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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DECISION IN ADMINISTRATIVE PROCEEDINGS

NADLER & CO. REVOKED, NADLER BARRED. The SEC today announced a decision under the Securities Exchange Act (Release 34-9081) in which it revoked the broker-dealer registration of Harry I. Nadler, doing business as Harry I. Nadler & Company, Mason City, Iowa, and barred Harry I. Nadler from association with any broker or dealer, for failure to file a report of financial condition for 1969. The action was based upon Nadler's default, by reason of his failure to answer the charges.

TOMAS BARRED; LORD SUSPENDED. The SEC today announced a decision under the Securities Exchange Act of 1934 which barred Gerald P. Tomas, of Berwyn, Ill., from further association with a broker-dealer firm, for violations of the antifraud provisions of that Act and the Securities Act of 1933. Richard W. Lord was suspended from association with a securities firm for sixty days, commencing January 4, 1971. The decision had been issued by Hearing Examiner Irving Schiller in November 1970. Neither respondent sought Commission review of the Examiner's decision.

In his decision, the Examiner ruled that Tomas violated the said antifraud provisions of the securities laws during 1968, "in that he induced his customers to engage in securities transactions which were excessive in size and frequency in light of the character of the customer's account, established a margin account without the customer's authorization and effected transactions which were not authorized by the customer and contrary to the customer's express orders." The Examiner found that Lord had failed reasonably to supervise with a view to preventing Tomas' violations.

Tomas and Lord were employed in the Chicago office of Harris Upham & Co., Inc. On April 29, 1970, the Commission invoked certain sanctions against that firm and another individual (Release 34-8872).

COMMISSION ANNOUNCEMENTS

TRADING IN AMERICAN ENVIRONMENTAL CONTROL SUSPENDED. The SEC on February 19 (Release 34-9085), on request of the company, suspended over-the-counter trading in securities of American Environmental Control Corp., of Brooklyn, N. Y., from 2:00 P.M. on February 19 through February 28.

SEC ORDER CITES F. X. DUFF AND PERONE. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of F. X. Duff & Perone Associates, Inc. ("Registrant") doing business as Eick & Company, Inc., Ardmore, Pa., and its president Charles R. Eick.

The proceedings are based upon allegations of the Commission's staff that during the period from about July 31 to September 30, 1970, registrant and Eick (a) effected transactions in securities while in violation of the Commission's net capital rules, (b) failed to file report of financial condition for the calendar year 1968 as required, (c) failed to make monthly and keep current record of computation of aggregate indebtedness and net capital as of the trial balance date as required, and (d) failed to file promptly with the Commission an amendment to its broker-dealer registration from reflecting a change in company name. A hearing will be scheduled by further order to take evidence on the staff allegations and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature should be ordered by the Commission.

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17008) authorizing eleven subsidiaries of New England Electric System ("NEES"), Westboro, Mass., to issue and sell unsecured short-term promissory notes to banks, to dealers in commercial paper and/or to NEES or Massachusetts Gas System ("Mass Gas"), also a NEES subsidiary. The borrowing companies propose to issue from time to time through December 31, 1971, unsecured short-term promissory notes to banks, to dealers in commercial paper, and/or to New England Electric System or Mass. Gas. The aggregate amount of loans to the borrowing companies by NEES and Mass Gas to be outstanding at any one time will not exceed \$35,000,000 and \$15,000,000, respectively; borrowings from all sources will not exceed \$119,360,000. The proceeds of the proposed borrowings are to be used by each borrowing company to pay its then outstanding notes payable to banks, to dealers in commercial paper, and/or to NEES or Mass Gas and to provide new money for capital expenditures or reimburse its treasury therefor.

DELMARVA POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17009) giving interested persons until March 11 to request a hearing upon an application of Delmarva Power & Light Company, Wilmington, Del., to amend its Certificate of Incorporation to increase the authorized number of shares of preferred stock (\$100 par) from 750,000 to 1,300,000 and to increase the authorized number of shares of common stock from 12,000,000 to 17,000,000. According to the application, Delmarva has outstanding 550,000 preferred and 10,159,579 common shares. After consummation of a proposal to issue preferred and common stock, there will be only 50,000 additional preferred shares and 819,595 common shares available for further issuance.

OVER

COURT ENFORCEMENT ACTION

KING RESOURCES ENJOINED. The SEC Denver Regional Office announced February 17 (LR-4909) that the Federal court in Denver had permanently enjoined King Resources Company, Denver, Colo., from violating the registration and anti-fraud provisions of the Securities Act in connection with the purchase and sale of securities of King Resources Company, and from filing false or misleading reports with the Commission. The order also appointed a Special Counsel to investigate the matters alleged in the Commission's complaint and other matters and to report findings and recommendations to the Court. The defendant consented to the injunction without admitting or denying the allegations.

SECURITIES ACT REGISTRATIONS

HUYCK FILES FOR OFFERING AND SECONDARY. Huyck Corporation, 733 Summer St., Stamford, Conn. 06901, filed a registration statement (File 2-39426) with the SEC on February 17 seeking registration of 230,000 shares of common stock, of which 220,000 are to be offered for public sale by the company and 10,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N. Y. 10005, and First Albany Corporation, 90 State St., Albany, N. Y. 12207; the offering price (\$36-3/8 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged principally in designing, developing, manufacturing and selling papermakers felts, fabrics and related equipment to the paper industry. Net proceeds of its sale of additional stock will be used mainly to construct and equip a second Formex fabric plant near Raleigh, N. C., at an estimated cost of \$7,000,000; the balance will be used for working capital and other corporate purposes. The company has outstanding 2,766,781 common shares. Oliver G. Haywood is president and William Webster board chairman. Trans-American Aeronautical Corporation proposes to sell 7,594 of 15,594 shares held and Jorge E. Carnicero all of 2,406.

RALSTON PURINA TO SELL DEBENTURES. Ralston Purina Company, Checkerboard Sq., St. Louis, Mo., filed a registration statement (File 2-39427) with the SEC on February 18 seeking registration of \$50,000,000 of debentures, to be offered for public sale through underwriters headed by Kidder, Peabody & Co., Incorporated, 20 Exchange Place, New York, N. Y. 10005 and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company produces commercial feeds for livestock and poultry, and dry dog and cat food. Net proceeds of its debenture sale will be applied to the reduction of the company's short-term borrowings, which totalled \$101,800,000 on January 31 and were incurred for seasonal working capital requirements and to finance capital expenditures. In addition to indebtedness and preferred stock, the company has outstanding 31,261,078 common shares. R. Hal Dean is board chairman and chief executive officer and Albert J. O'Brien vice chairman.

PACIFIC TELEPHONE & TELEGRAPH TO SELL DEBENTURES. The Pacific Telephone and Telegraph Company, 140 New Montgomery St., San Francisco, Calif. 94105, filed a registration statement (File 2-39428) with the SEC on February 18 seeking registration of \$200,000,000 of debentures, due 2007, to be offered for public sale through underwriters headed by Salomon Brothers, One New York Plaza, New York, N. Y. 10004 and two other firms. The interest rate, offering price and underwriting terms are to be supplied by amendment. A subsidiary of AT&T, the company will use net proceeds of its debenture sale to reduce advances from the parent or notes payable (bank loans and commercial paper), or both. At the time the proceeds are received, it is expected there will be about \$169,000,000 of advances from the parent and about \$220,000,000 of notes payable. Construction expenditures are estimated at \$785,000,000 for 1970.

ROCHESTER TELEPHONE TO SELL BONDS. Rochester Telephone Corporation, 100 Midtown Plaza, Rochester, N.Y. 14604, filed a registration statement (File 2-39429) with the SEC on February 18 seeking registration of \$30,000,000 of first mortgage bonds, Series G, to be offered for public sale at competitive bidding. A public utility, the company will use the net proceeds of its bond sale to retire short-term borrowings (expected to aggregate some \$21,000,000) incurred in connection with its construction program in 1969, 1970 and during 1971 to date, and the balance will be added to the company's general funds and used for construction purposes during 1971. Construction expenditures are estimated at \$28,600,000 for 1971.

SECURITIES ACT REGISTRATIONS. Effective February 19: BTU Engineering Corp., 2-38731; Koehring Co., 2-39312. Withdrawn February 12: Interladco, Inc., 2-35775. Withdrawn February 17: Collison Devices, Inc., 2-37001; Holiday Airlines, Inc., 2-36112; Progressive Care, Inc., 2-36737; M. W. Sullivan Pre-School Centers, Inc., 2-38410. Withdrawn February 18: America Pacific Group, Inc., 2-34318.

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.