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# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 71-62)

FOR RELEASE March 30, 1971

## COMMISSION ANNOUNCEMENT

**SEC ORDER CITES BARCLAY SECURITIES.** The SEC has ordered proceedings under the Securities Exchange Act of 1934 involving the broker-dealer firm of Barclay Securities, Inc., New York (registrant), and John Gary Montana and Daniel John Claridy, president and vice president, respectively, of Barclay.

The proceedings are based on allegations of the Commission's staff that from about May 1970 to date registrant violated and Montana and Claridy aided and abetted violations of the Federal securities laws in that they (a) failed to maintain and preserve certain of its books and records including but not limited to cancelled checks and check book stubs of registrant, (b) effected transactions in securities (other than exempted securities) other than on a national securities exchange when registrant's aggregate indebtedness exceeded 2000 percent of its net capital, (c) transacted business for customers through the use and media of the mails and means of interstate commerce while not in compliance with the net capital rules without advising its customers it could not meet its obligations as they mature, and (d) failed reasonably to supervise with a view to preventing such violations on the part of persons who were subject to their supervision.

A hearing will be scheduled by further order to take evidence on staff allegations and to 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.

**SEC ORDER CITES J. M. KELSEY & CO.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving J. M. Kelsey & Co., Inc. (registrant), registered broker-dealer of New York, and John M. Kelsey, and Steven Schoengold, its president and vice president, respectively.

The proceedings are based on allegations of the Commission's staff that from about October 1969 to date, respondents, among other things, (a) sold and delivered after sale securities of Tabby's International Inc., when no registration statement was filed as to such securities, (b) induced other broker-dealers and registered representatives to buy and sell Tabby's stock for their own or others' accounts by promise of a cash premium for each share bought and guaranteeing that if the stock were held for one month it would be repurchased by respondents, (c) in order to give appearance of a completed Regulation A offering of Tabby's, closed out the issue by lodging blocks of Tabby stock with nominee accounts controlled by them in contravention of the agreement under which Registrant agreed to underwrite the offering and in breach of its obligation to make a public offering of such securities, (d) made false and misleading statements with respect to Tabby common stock and (e) purchased such securities for accounts in which they had a beneficial interest and induced other persons to purchase and bid for such securities prior to completing said distribution.

A hearing will be scheduled by further order to take evidence on staff allegations and to 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.

**MENOMINEE ENTERPRISES SEEKS ORDER.** Menominee Enterprises, Inc., and the Trustees of the Menominee Common Stock and Voting Trust have applied to the Commission for exemption from the registration provisions of Section 12(g) of the Securities Exchange Act of 1934, and the Commission has issued an order giving interested persons until April 12 to request a hearing thereon. Granting of the requested exemption also would exempt the company from the reporting and proxy provisions of the Act as well as so-called 'insiders' from the reporting and related provisions of Section 16 of the Act.

The company was organized in 1961 to receive from the U.S. and to operate extensive forest and other tribal properties pursuant to the Plan for the Future Control of Menominee Indian Tribal Property and Future Service Functions as negotiated between the Menominee Indian Tribe of Wisconsin, and various federal and state government agencies.

## COURT ENFORCEMENT ACTIONS

**JAMES W. THOMPSON PLEADS GUILTY.** The SEC Fort Worth Regional Office today announced that on March 10, James W. Thompson, of Augusta, Kansas, entered a plea of guilty to a criminal information charging violations of the registration provisions of the Securities Act of 1933 in the offer and sale of fractional undivided oil and gas interests of Petroleum Exploration, Inc. of Topeka, Kansas. (LR-4950)

**R. E. HARVEY ACQUITTED.** The SEC Fort Worth Regional Office today announced that on March 19, R. E. Harvey, of Monroe, La. was found not guilty by a jury in Lafayette of having sold fractional undivided working interests in oil and gas leases in violation of the Federal securities laws and the Mail Fraud statute. (LR-4951)

OVER

INVESTMENT COMPANY ACT RELEASES

EUROFUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 8 to request a hearing upon an application of Eurofund International, Inc., Newark, N. J. closed-end, non-diversified management investment company, in which International Telephone and Telegraph Corporation has joined, for an order declaring that Eurofund has ceased to be an investment company as defined in the Act. Eurofund proposes to enter into a plan and agreement of merger, whereby ITT Eurofund, Inc., a wholly-owned subsidiary of ITT, will be merged into Eurofund and Eurofund will become a wholly-owned subsidiary of ITT, and Eurofund's stockholders will receive shares of ITT's common stock. The proposed merger is subject to approval of Eurofund stockholders at a meeting on March 29. According to the application, upon consummation of the proposed merger, Eurofund will cease to be an investment company as defined in the Act. (Release IC-6420)

HOLDING COMPANY ACT RELEASES

APPALACHIAN POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing Appalachian Power Company, Roanoke, Va. subsidiary of American Electric Power Company, Inc. to amend its Articles of Association (a) to increase its authorized cumulative preferred stock from 700,000 to 1,500,000 shares and (b) to eliminate the provision that additional shares of cumulative preferred stock may not be sold for cash unless first offered pro rata to the holders of outstanding cumulative preferred stock. Appalachian is also authorized to obtain the consent and approval of holders of its outstanding cumulative preferred stock to an increase in the amount of unsecured short-term debt, which the company is authorized to incur, to exceed 10%, but provided that combined short-term and long-term unsecured indebtedness would not be more than 20% of its total capitalization for a period ending on January 1, 1975, but with no maturity later than four years from the date of such consent. (Release 35-17070)

VERMONT YANKEE RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing Vermont Yankee Nuclear Power Corporation, Rutland, Vt. subsidiary of both Northeast Utilities and New England Electric System, to issue and sell up to \$15 million of short-term promissory notes to six banks. Net proceeds of its financing will be used for construction expenditures. (Release 35-17071)

MISSISSIPPI POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until April 23 to request a hearing upon an application of Mississippi Power Company, Gulfport subsidiary of The Southern Company, to issue and sell \$15 million of first mortgage bonds at competitive bidding. Net proceeds of its bond sale will be used to finance, in part, the company's 1971 construction program (estimated at \$40,754,000), to repay short-term notes incurred therefor (of which \$12,400,000 are expected to be outstanding at the time of the bond sale) and for other corporate purposes. (Release 35-17072)

SECURITIES ACT REGISTRATIONS

GREAT SCOTT SUPER MARKETS FILES FOR OFFERING AND SECONDARY. Great Scott Super Markets, Inc., 1111 East Eight Mile Rd., Ferndale, Mich. 48220, filed a registration statement with the SEC on March 23 seeking registration of 350,000 shares of common stock, of which 50,000 are to be offered for public sale by the company and 300,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*\*at \$12.50 per share maximum) through underwriters headed by Bache & Co. Inc., 100 Gold St., New York 10038.

The company operates a chain of supermarkets and a discount drug store, located principally in Detroit suburbs. Net proceeds of its sale of additional stock will be used for expenses in connection with the company's expansion and improvement programs. In addition to indebtedness, the company has outstanding 1,398,400 common shares, of which Nathan Fink, president, owns 21.8% and management officials as a group 48.6%. Fink, Jack Fink (a vice president) and two Fink Estates propose to sell 75,000 shares each. (File 2-39726)

MARINE INTERNATIONAL TO SELL STOCK. Marine International Corporation, 11 Commerce St., Newark, N. J. 07102, filed a registration statement with the SEC on March 23 seeking registration of 300,000 shares of common stock, to be offered for public sale (\*\*at \$10 per share maximum). The offering is to be made through underwriters headed by R. W. Pressprich & Co., Inc., 80 Pine St., New York 10005.

The company was organized in February 1969 to catch, process and distribute various fish, shellfish and other marine resources. It acquired some 79% of the outstanding capital stock of Compania Pesquera La Gaviota S.A. from W. R. Grace & Co. and 20% from other investors. Of the net proceeds of its stock sale, \$743,000 will be paid to W. R. Grace to retire notes issued in the acquisition of Gaviota, and the balance will be used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 998,670 common shares (with a \$3.52 per share net tangible book value), of which I. William Lane, president, owns 35.4%. (File 2-39727)

\*W. T. GRANT TO SELL DEBENTURES. W. T. Grant Company, 1441 Broadway, New York 10018, filed a registration statement with the SEC on March 24 seeking registration of \$100 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Morgan Stanley & Co. Inc., 140 Broadway, New York 10005. Net proceeds of its debenture sale will be added to the company's general funds and used for working capital purposes. (File 2-39734)

CONTINUED

**TURNTABLE JUNCTION TO SELL STOCK.** Turntable Junction, Inc., 160 Main St., Flemington, N. J. 08822, filed a registration statement with the SEC on March 24 seeking registration of 210,000 shares of common stock, to be offered for public sale at \$12 per share. No underwriting is involved; NASD members may participate in the offering.

Organized in March 1970, the company is engaged in developing, leasing and operating real estate owned by it in the Borough of Flemington. Of the net proceeds of its stock sale, about \$1 million will be used for the construction of new buildings and the renovation of existing structures with functional and historical value, and the balance will be used for general corporate purposes. In addition to indebtedness, the company has outstanding 50,700 common shares (with a 90¢ per share book value), of which Theodore C. Merritt, president, owns 30.32%. Purchasers of the shares being registered will sustain an immediate dilution of \$2.59 in per share book value from the offering price. (File 2-39735)

**BERKELEY BIO-ENGINEERING FILES FOR SECONDARY.** Berkeley Bio-Engineering, Inc., 1215 Fourth St., Berkeley, Calif. 94710, filed a registration statement with the SEC on March 24 seeking registration of 215,000 outstanding shares of common stock, to be offered for public sale by the holder thereof (Monterey Life System, Inc.) at \$8 per share. The offering is to be made through William Norton & Company, Inc., 120 Wall St., New York 10005.

The company is engaged in the development, design, manufacture and distribution of vacuum curettage equipment and ophthalmic and optometric measurement equipment and supplies. The company has outstanding 700,000 common shares (with a \$.667 per share book value), all owned by Monterey Life. Purchasers of the shares being registered will sustain an immediate dilution of \$.63 in per share book value from the offering price. (File 2-39736)

**PRUDENTIAL FUNDS PROPOSES OFFERING.** Prudential Funds, Inc. (the general partner), One New York Plaza, New York 10004, filed a registration statement with the SEC on March 24 seeking registration of \$18,750,000 of limited partnership interests in Prudential 1971 Year End Drilling Fund, Series 25, to be offered for public sale at \$12,500 per unit. No underwriting is involved; NASD members (including Prudential Ventures Corp., a wholly-owned subsidiary of the general partner) will participate in the offering. The Partnership is to be formed for the purpose of oil and gas exploration. Nathan M. Shippee is board chairman and Frederick M. Glass is president of the general partner, and Prudential Resources Corp. owns 70% of its outstanding common stock. (File 2-39737)

**\*HAVATAMPA CIGAR TO SELL DEBENTURES.** Havatampa Cigar Corporation, 609 Cumberland Ave., Tampa, Fla. 33602, filed a registration statement with the SEC on March 24 seeking registration of \$6 million of convertible subordinated debentures, due 1986, to be offered for public sale through underwriters headed by Reynolds & Co., 120 Broadway, New York 10005. Net proceeds of the company's debenture sale will be used in constructing and equipping a new cigar manufacturing plant and executive offices and for working capital purposes. (File 2-39738)

**HANNAFORD BROS. FILES FOR OFFERING AND SECONDARY.** Hannaford Bros. Co., P. O. Box 1000, Portland, Me. 04104, filed a registration statement with the SEC on March 24 seeking registration of 208,000 shares of common stock, of which 67,000 are to be offered for public sale by the company and 133,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*\*at \$15 per share maximum) through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York 10005. Also included in this statement are 8,000 shares of common stock issuable pursuant to the company's profit sharing plan.

The company is engaged in the wholesale distribution of a broad line of food and related non-food products and in the operation of supermarkets and retail food stores in New England. Net proceeds of its sale of additional stock will be used for general corporate purposes. In addition to indebtedness, it has outstanding 660,960 common shares, of which Walter F. Whittier, board chairman, owns 17%. He proposes to sell 31,740 of 113,940 shares held, T. R. Savage Co. 11,778 of 144,100, the Boutelle Savage Estate (which owns 60% of the outstanding Savage Co. stock) all of 40,200 shares held, and four others the remaining shares being registered. (File 2-39740)

**COASTAL CARIBBEAN OILS & MINERALS PROPOSES OFFERING.** Coastal Caribbean Oils & Minerals, Ltd. (a Bermuda company), Bank of Bermuda Bldg., Hamilton, Bermuda, filed a registration statement with the SEC on March 24 seeking registration of \$637,500 of American voting trust certificates for 850,000 shares of capital stock, to be offered for public sale at prices current at the time of sale (\*\* \$.75 per VTC maximum).

Through a wholly-owned subsidiary, the company has undeveloped properties in Florida, where it owns oil, gas and mineral leasehold interests. Net proceeds of its financing, will be used for sustaining expenses of properties (\$100,000 per year), administrative expenses (\$150,000 per year) and for general corporate purposes. The company has outstanding 8,931,695 capital shares. Benjamin W. Heath is president. (File 2-39741)

**APPLIED HEALTH SERVICES PROPOSES OFFERING.** Applied Health Services, Inc., 134 W. 37th St., New York 10018, filed a registration statement with the SEC on March 24 seeking registration of 125,000 shares of common stock and warrants to purchase 125,000 shares of common stock, to be offered for public sale in units, each consisting of one share and one warrant, and at \$6.50 per unit. No underwriting is involved.

The company was organized recently to engage in the mail order sale of dental supplies and certain dental equipment. Of the net proceeds of its stock sale, \$300,000 will be used for the purchase of inventory, and the balance for general corporate purposes. The company has outstanding 710,000 common shares, all owned by Dento-Med Industries, Inc. Harvey Tauman is board chairman and Jerome Reiken president. Purchasers of the shares being registered will sustain an immediate dilution of almost the entire purchase price paid by them. (File 2-39742)

**\*GPU PROPOSES RIGHTS OFFERING.** General Public Utilities Corporation, 80 Pine St., New York, filed a registration statement with the SEC on March 24 seeking registration of 3,000,000 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of record May 6, 1971, at the rate of one new share for each ten shares held (\*\*and at \$23-7/8 per share maximum). A public utility holding company, GPU will use the net proceeds of its stock sale for investment in subsidiaries or to pay part of its promissory notes (\$84,500,000) which were issued to provide funds for investment in subsidiaries. Construction expenditures of the subsidiaries are estimated at \$385,000,000 for 1971. (File 2-39743)

**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:

Bangor Punta Corporation, Greenwich, Conn. (File 2-39739) - 200,000 shares

Alton Box Board Company, Alton, Ill. (File 2-39745) - 100,000 shares

Texfi Industries, Inc., Greensboro, N. C. (File 2-39746) - 225,000 shares

#### MISCELLANEOUS

**COPENHAGEN TELEPHONE RECEIVES ORDER.** The SEC has issued an order under the Trust Indenture Act of 1939, upon application of Kjøbenhavns Telefon Aktieselskab (Copenhagen Telephone Company, Incorporated), finding that the trusteeship of First National City Bank under indentures dated June 1, 1962, April 15, 1963 (both having been heretofore qualified under the Act), July 1, 1964, April 1, 1966, October 15, 1967, April 15, 1970 and February 1, 1971 (none of the five qualified under the Act) is not so likely to involve a material conflict of interest as to make it necessary to disqualify it from serving as trustee.

**DELISTING GRANTED.** The SEC has issued an order under the Securities Exchange Act granting an application of the New York Stock Exchange to strike from listing and registration, effective at the opening of business on March 29, 1971, eighteen small Brazilian bond issues. According to the Exchange's application, the principal amount of the publicly held bonds in each case is less than \$200,000, the minimum required for continued listing. (Release 34-9123)

**UNLISTED TRADING SOUGHT.** The SEC has issued an order under the Securities Exchange Act giving interested persons until April 9 to request a hearing upon an application of the Detroit Stock Exchange for unlisted trading privileges in the common stocks of the following companies:

Abbott Laboratories	The Coca-Cola Company
Amerada Hess Corporation	Continental Can Company, Inc.
Atlantic Richfield Company	Continental Oil Company
Avon Products, Inc.	Crown Zellerbach Corporation
Bank of New York Company, Inc.	F. M. C. Corporation
Bankers Trust New York Corporation	Federated Department Stores, Inc.
Boise Cascade Corporation	First National City Corporation
Bristol-Myers Company	General Mills, Inc.
C. I. T. Financial Corporation	W. R. Grace & Company
C. N. A. Financial Corporation	Honeywell, Inc.
Charter New York Corporation	I. N. A. Corporation
Chase Manhattan Corporation	International Business Machines Corp.
Chemical New York Corporation	

(Release 34-9123)

**CORRECTION RE McCORMY CORP.** The SEC New Digest of March 19 reported that McCrory Corporation owns some 55% of the outstanding voting securities of Rapid-American Corporation. It should have reported that Rapid-American owns 55% of the voting securities of McCrory Corporation.

**SECURITIES ACT REGISTRATIONS.** Effective March 29: Advanced Management Engineering & Research Co., 2-38498; Graphidyne Corp., 2-38421 (90 days); Private Export Funding Corp., 2-39619 (90 days); Reliable Investors Corp., 2-39430; Wackenhut Corp., 2-36781 (40 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.

\* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

\*\* As estimated for purposes of computing the registration fee.

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