

SECURITIES AND EXCHANGE COMMISSION

NEWS DIGEST

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

U.S. SECURITIES & EXCHANGE COMMISSION

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(Issue No. 71-118)

FOR RELEASE June 18, 1971

CASEY COMMENTS ON SOME EFFECTS OF NEGOTIATED RATES

In an appearance before the Institutional Trading Conference in New York yesterday, Chairman William J. Casey commented on certain issues raised by negotiated commission rates. Noting that "negotiated rates have brought to the fore the question of whether cash ("hard dollars") have to be used to pay for research," and stressing that he was giving his own views, Chairman Casey emphasized the duty of institutional managers to obtain "best execution (which) is not commonly understood to include these services." In the final analysis, Chairman Casey said that this question "will probably be resolved under the provisions of the Investment Company Amendments of 1970, particularly the provision imposing on the investment company managers the fiduciary duty in setting management fees."

Chairman Casey also said that the Commission is studying whether a marked increase in secondary distributions in the second quarter of 1971 resulted from the reduction of the commission cushion on large block transactions or whether there may be other reasons. "There is some concern that secondary distribution may be a particularly amenable vehicle to reward retail firms that merchandised significant amounts of the fund shares, as opposed to the Exchange Special Offer and Distribution plans, since it permits the inclusion of NASD-only members in the selling group."

Chairman Casey concluded by noting the Commission intends to make "the broadest possible analysis of the impact of negotiated rates on the structure and economics of the market." a/

COMMISSION ANNOUNCEMENTS

SEC ORDER CITES SIERAGA & COMPANY, INC. The SEC has ordered administrative proceedings involving Sieraga and Company, Inc., a registered broker-dealer and investment adviser, Sieraga Management & Research Company, Inc., a subsidiary of registrant which acted as investment adviser for Olympus Fund, Inc., a registered investment company, and Donald L. Sieraga and Frank J. Mosler, registrant's officers, all of Los Angeles, Calif. The proceedings are based on staff allegations that in the period August 1968 - May 1970, respondents violated various provisions of the Securities Exchange Act, the Investment Advisers Act and the Investment Company Act, in that registrant engaged in business when it was insolvent and unable to meet its current obligations; respondents induced the Fund to engage in transactions which were excessive in size and frequency; and the Fund paid expenses which the Sieraga Management Company was obligated to but did not re-pay to the Fund.

A public hearing will be scheduled by further order to receive evidence on the staff allegations and afford respondents an opportunity to offer defenses and to determine what, if any, remedial action is appropriate in the public interest. (Release 34-9208)

MANN & CO. PROCEEDINGS MADE PUBLIC; REGISTRATION OF FIRM REVOKED. The Commission has ordered that broker-dealer proceedings with respect to Mann & Co., Inc., of Medford, Mass., and Herman M. Solomon and Burton J. Rosenblatt, principals of the firm, be made public. The action was taken at the request of two former customers of the firm who had brought suit against the individual respondents based on allegations of fraud in connection with an alleged failure to disclose the firm's inability to consummate a transaction. In granting the request, the Commission noted, among other things, that subsequent to the institution of the administrative proceedings as private, a public injunctive action had been brought against the respondents, based on the same allegations as were included in an amendment to the order for administrative proceedings, and a permanent injunction had been entered against the respondents. The Commission further noted that the customers' action was based on allegations similar to some of those involved in the administrative proceedings. (Release 34-9207)

The Commission also announced that an initial decision of the hearing examiner, issued on May 21, 1971, has become final as to Mann & Co. In that decision, he had ordered revocation of the firm's broker-dealer registration and its expulsion from the National Association of Securities Dealers. No petition for review was filed with respect to the firm, and the Commission determined not to review the issues involving the firm on its own initiative. The examiner's order was based on the above injunction and on findings that the firm violated antifraud provisions of the Securities Exchange Act of 1934 by effecting securities transactions while in serious financial difficulty, and that it violated other Exchange Act provisions and rules thereunder relating to net capital, disclosure with respect to customers' free credit balances, record-keeping and extension of credit.

The examiner also found in his initial decision that the individual respondents had been enjoined and aided and abetted certain of the firm's violations and failed reasonably to supervise with a view to preventing the violations, and he concluded that they should be barred from association with any broker or dealer. Those respondents filed a petition for review of the initial decision, which the Commission has granted. (Release 34-9214)

OVER

CLARIFYING COMPANY DESIGNATION IN FILTROL PROCEEDINGS. The Commission announced on June 14 in Release 34-9211 that it had authorized a public hearing to be commenced on June 30 in the matter of the Filtrol Corp. In the "Statement of Matters by the Division of Corporation Finance" to be considered at this public hearing, reference is made to certain transactions in municipal securities between Filtrol Corporation and J.B. Hanauer and Company, a brokerage firm which was declared bankrupt during 1966. The J.B. Hanauer and Company referred to by the Commission's Division of Corporation Finance in its Statement of Matters is J.B. Hanauer and Company formerly of 9300 Wilshire Boulevard, Beverly Hills, Calif. which has no connection with another brokerage firm J.B. Hanauer and Company of 86 Washington St., East Orange, N.J. and formerly of Newark, N.J.

HOLDING COMPANY ACT RELEASE

JERSEY CENTRAL POWER & LIGHT. The SEC has issued an order under the Holding Company Act giving interested persons until July 22 to request a hearing upon an application of Jersey Central Power & Light Company, Morristown subsidiary of General Public Utilities Corporation, to issue and sell \$25 million of debentures, at competitive bidding. Net proceeds will be used to pay short-term bank notes outstanding at the date of the debenture sale (estimated at \$24 million) and to pay a portion of its 1971 construction program (estimated to cost \$147.6 million). b/ (Release 35-17167)

UTAH POWER & LIGHT. The SEC has issued an order under the Holding Company Act authorizing Utah Power & Light Company, Salt Lake City, to issue and sell up to \$44 million of short-term notes (to be outstanding at any one time) to banks and/or to a dealer in commercial paper from time to time until July 31, 1972. Net proceeds of its financing will be used towards construction expenditures, estimated at \$63 million for 1971 and \$60 million for 1972. (Release 35-17162)

OHIO POWER. The SEC has issued an order under the Holding Company Act giving interested person until July 6 to request a hearing upon an application of Ohio Power Company, Canton subsidiary of American Electric Power Company, Inc., to increase the number of authorized shares of cumulative preferred stock from 700,000 to 1,700,000 subject to approval of holders of its outstanding cumulative preferred stock. b/ (Rel. 35-17163)

INVESTMENT COMPANY ACT RELEASE

COMPUTER DIRECTIONS FUND. The SEC has issued an order under the Investment Company Act giving interested persons until July 15 to request a hearing on a proposal to declare that Computer Directions Fund, Inc., Silver Spring, Md., mutual fund, has ceased to be an investment company. The Fund was organized in Dec. 1965. At an April 1967 shareholder meeting, a Plan of Complete Liquidation was adopted unanimously. By October 1, 1967, the Fund had completely liquidated and distributed all of its assets to its sole stockholder, the Fund of Funds, Ltd., which also assumed all of the Fund's existing or future liabilities. b/ (Release IC-6578)

PAUL BUNYAN FUND. The SEC has issued an order under the Investment Company Act declaring that Paul Bunyan Fund, Inc., Ft. Lauderdale, Fla., has ceased to be an investment company as defined in this Act. (Rel. IC-6574)

PARK WESTLAKE HEDGE FUND. The SEC has issued an order under the Investment Company Act declaring that Parkwestlake Associates Hedge Fund, Inc., has ceased to be an investment company as defined in the Act. (Release IC-6573)

SECURITIES ACT REGISTRATION

***RYAN HOMES FILES FOR OFFERING AND SECONDARY.** Ryan Homes, Inc., 100 N. Wren Dr., Pittsburgh, Pa. 15243, filed a registration statement on June 10 seeking registration of \$10 million of convertible subordinated debentures, due 1991, and 90,663 outstanding shares of common stock. The debentures are to be offered for public sale by the company and the shares by the holders thereof (** at \$77 per share maximum) through underwriters headed by Faulkner, Dawkins & Sullivan Securities, Inc., One New York Plaza, New York 10004.

The company is engaged in building single family homes. Of the net proceeds, \$6,631,500 will be used to satisfy indebtedness incurred in connection with its purchase from Edward M. Ryan, board chairman, of 150,000 shares of Class B stock of the company and \$3 million to retire short-term bank indebtedness, incurred for working capital purposes; the balance will be used for working capital purposes. Ryan proposes to sell 63,500 of 203,500 Class B shares held and five others the remaining shares being registered. (File 2-40711)

TRANS-CARIBBEAN RESORTS TO SELL STOCK. Trans-Caribbean Resorts, Inc., 6 Charles Sq., Montego Bay, Jamaica, W.I., filed a registration statement on June 10 seeking registration of 150,000 shares of common stock, to be offered for public sale at \$4 per share. The offering is to be made by Vaisman & Co., Inc., 327 W. South Orange Ave., South Orange, N.J. 07079.

Organized in March 1968, the company intends to construct condominium apartment units. Net proceeds of the company's stock sale will be advanced to a subsidiary for its general corporate purposes. The company has outstanding 262,518 common shares (with a 7¢ per share net tangible book value), of which Gerald C. Barton, president and board chairman, owns 31.4% and management officials as a group 62.8%. Purchasers of the shares being registered will sustain an immediate dilution of \$3.66 in per share book value from the offering price. (File 2-40713)

***CARRIER PROPOSES OFFERING.** Carrier Corporation, Carrier Parkway, Syracuse, New York 13201, filed a registration statement on June 10 seeking registration of \$30,000,000 of debentures, due 1996, with warrants to purchase 750,000 shares of common stock, to be offered for public sale in units, each consisting of a \$1000 debenture, and warrants to purchase 25 shares. The offering is to be made (** at \$1,400 per unit) through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005.

The company is engaged in the production and sale of air conditioning equipment. Of the net proceeds of its financing, part will be used to repay term bank borrowings aggregating \$10 million at June 8 and the balance for working capital and other corporate purposes. (File 2-40714)

***PACIFIC AND SOUTHERN BROADCASTING FILES FOR OFFERING AND SECONDARY.** Pacific and Southern Broadcasting Co., Inc., 598 Madison Ave., New York 10022, filed a registration statement on June 10 seeking registration of 330,000 shares of common stock, of which 220,000 are to be offered for public sale by the company and 110,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$17.25 per share maximum) through underwriters headed by Allen & Co., Inc., 30 Broad St., New York 10005.

The company owns and operates television and radio stations. Substantially all of the proceeds of its stock sale will be applied to repayment of a \$3 million short-term bank loan incurred as part of the financing for acquisitions of radio stations and the balance for working capital and other corporate purposes. Fox, Wells and Rogers proposes to sell 110,000 of 509,823 shares held (31%). (Release 2-40715)

AMERICAN MARINE TO SELL STOCK. American Marine, Ltd., 1501 Westcliff Dr., Newport Beach, Calif 92660, filed a registration statement on June 10 seeking registration of 250,000 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 Morgan, Olmstead, Kennedy & Gardner Inc., 606 S. Olive St., Los Angeles, Calif. 90014.

Organized in 1970, the company is engaged in building and selling several lines of diesel-powered cruisers. Of the net proceeds of its stock sale, \$700,000 will be used to expand the boat building facilities of American Marine Singapore and to purchase additional machinery and equipment and the balance for working capital and other corporate purposes. The company has outstanding 750,000 common shares (with a 63¢ per share book value), of which John R. Newton, Jr., board chairman, and Whitney G. Newton, president, own 49.9% each. (File 2-40716)

LIBERTY CIRCLE TO SELL STOCK. Liberty Circle Corporation, 1400 Broadway, New York 10018, filed a registration statement on June 10 seeking registration of 360,000 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 Doft & Co., Inc. 70 Pine St., New York 10005.

The company designs, manufactures and distributes ladies' casual dresses and sportswear. Of the net proceeds of its stock sale, \$2.4 million plus accrued interest will be used to retire a note issued in connection with the acquisition of Liberty Circle, Inc. and Dressco, Inc., and the balance for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 467,000 common shares (with a \$2.93 per share book value deficit), all owned by Harvey's Stores, Inc. Morris Levit is board chairman and Herbert J. Silberman president. (File 2-40717)

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:

Hardwicke Companies Inc., New York (File 2-40704) - 20,000 shares
Cooper Industries, Inc., Houston, Tex. (File 2-40705) - 276,302 shares
Alexander and Alexander, Inc., New York (File 2-40710) - 225,000 shares
Golconda Corp., Chicago, Ill. (File 2-40712) - 20,000 shares

MISCELLANEOUS

TRADING SUSPENSION 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 June 20-29, inclusive.

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 June 3 News Digest.

		<u>8K Reports for March 71</u>			
Titan Group, Inc		International Leisure Corporation		Lionel Corp	
(12,13)	0-594-2	(1,13)	1-6646-2	(2,7,13)	1-3197-2
U. S. Steel Corp		McDonald's Corp (12)	1-5231-2	Royal Industries, Inc	
(7,13)	1-5153-2	H Miller and Sons, Inc		Jan 71 (7)	1-5797-2
		(1,13)	2-34504-2	Seagrave Corp	
Instrument Systems Corp		Monarch Electronics International Inc		(7,12,13)	1-5091-2
(3,7,11,12,13)	1-6620-2	Inc (2,3,12,13)	1-5497-2	Servo Corp of America	
Intercontinental Trailsea Corp		NN Corporation (7)	0-3616-2	(7,8,12)	1-3925-2
(12,13)	2-35209-2	Nippon Electric Company Ltd		Tidewater Marine Service, Inc	
		6K for April 71	2-20940-2	(7)	1-6311-2
					OVER

International Book Corp (2,7,13) 0-3099-2	P & A Industries, Inc (3) 1-4475-2	Panhandle Eastern Pipe Line Co (13) 1-2912-2
Lawter Chemicals Inc (2,7,13) 0-2539-2	Pay'N Pak Stores, Inc (3) 0-4967-2	San Jose Water Works (7,13) 1-6216-2
Lectro Management Incorporated (7,13) 1-6266-2	Pennsylvania Power & Light Co (12) 1-905-2	USM Corporation (7,8,10,13) 1-1599-2
Micromation Technology Corporation (2,11,13) 2-30050-2	Teleprompter Corp (1,3,12,13) 1-4138-2	U. S. Home & Development Corp (2,7,13) 1-5899-2
Millers International, Inc (12) 2-34482-2	Tolley International Corp (1) 0-3209-2	Weingarten Markets Realty Co (11) 2-14373-2
NCC Industries Inc (2,13) 0-3305-2	Western Union Telegraph Co (7,13) 1-2493-2	Genway Corp (12) 0-2332-2
Jan 71 (9,11) 0-3305-2		New Hampshire Ball Bearing Inc (12,13) 1-5289-2
Feb 71 (2,13) 0-3305-2		PSP, Inc (11,13) 1-6287-2
The Walter Reade Organization Inc (2,8,13,) 0-1043-2	Continental Illinois Realty (11,12,13) 1-6416-2	Panelfab International Corporation (11) 2-33301-2
Self Service Restaurants, Inc (8,12) 2-30929-2	Great Equity Life Ins Co (1,2,13) 2-15668-2	Ryder System, Inc (7,13) 1-4364-2
Southern Calif. Gas Co (11) 1-1402-2	Inforex, Inc (7,13) 0-5483-2	Silver Bell Industries Inc (1) 0-5054-2
Trans-National Communications, Inc (2,13) 0-3528-2	Koppers Co., Inc (13) 1-3224-2	Southland Royalty Co (12) 1-495-2
April 71 (3) 0-3528-2	Kraftco Corp (7,13) 1-1146-2	Tri-Wall Containers, Inc (3) 0-5185-2
Western Harness Racing Inc (2,13) 0-1429-2	Lin TSO Corporation Jan 71 (3,12) 2-27957-2	U. S. Systems & Software, Inc (12) 2-30222-2
	Dec 70 (3,9,12) 2-27957-2	Vitabath, Inc (11,13) 1-6288-2
	Nov 70 (2,6,12) 2-27957-2	
	Oct 70 (12) 2-27957-2	
	Feb 71 (10,12) 2-27957-2	
Pro-Tech Programs, Inc (13) 0-4969-2	Magic Marker Corp (1,2,7,13) 1-4428-2	Hemisphere Hotels, Corporation (6) 0-5329-2
Safeco Corp (11,13) 1-6563-2	Marlenna Corp (3) 1-5998-2	International Investment Co., Inc (9,13) 0-2053-2
Salem Industries, Inc (3,13) 0-4977-2	McLean Trucking Company (12) 1-4093-2	MacAndrews & Forbes Co (12,13) 1-1222-2
Tech-Aerofoam Products, Inc (3) 1-5931-2	Medusa Portland Cement Co (4,7,11,13) 1-1274-2	Missouri Beef Packers, Inc (11) 1-6046-2
Telecom Corp (12) 0-4202-2	National Industrial Services Corp Jan 71 (9) 0-5259-2	National Computer Computer Systems, Inc (2) 0-3713-2
Trans-Sonics, Inc (1,12) 0-2618-2	(3,13) 0-5259-2	Natural Gas Pipeline Co of America (7,12,13) 1-6599-2
		Peoples Gas Light & Coke Co (12) 2-26983-2
Gilbert Companies, Inc (12) 1-6168-2	Pennsylvania Power Co (11) 1-3491-2	Prevor-Mayrsohn International, Inc (7,13) 0-3181-2
Investors Diversified Services Inc Inc (3) 1-5226-2	Spector Industries Inc (12) 1-5206-2	Synalloy Corporation (7) 1-5200-2
Investors Funding Corp of NY (7) 1-4600-2	The Stuart McGuire Company Inc (11,13) 2-36363-2	Union Metal Mfg. Co (11,13) 0-614-2
Kentucky Fried Chicken Corp (3) 1-6017-2		
Local Finance Corp (7) 0-1464-2	IPCO Hospital Supply Corp (12,13) 1-4670-2	
Mego International, Inc (1) 1-6573-2	Interdata, Incorporated (12,13) 0-4785-2	
NFF Corp (6,12,13) 0-4221-2	Noxell Corp (11,13) 0-734-2	
National Car Rental System Inc (7,11,13) 0-3473-2		

SECURITIES ACT REGISTRATIONS. Effective June 17: Comserv Corp., 2-38067 (90 days); The Detroit Edison Co., 2-40550; Florida National Banks of Florida, Inc., 2-40588; G & R Industries, Inc., 2-36372 (Sep 15); S. S. Kresge Co., 2-40500; Land and Leisure, Inc., 2-36392 (90 days); Nuveen Tax-Exempt Bond Fund, Series 36, 2-39706; Owens-Corning Fiberglas Corp., 2-40719; Pertec Corp., 2-39807 (90 days); Petro-Search Exploration Corp., 2-39031 (90 days); Realty Refund Trust, 2-40238 (Sep 15); R. P. Scherer Corp., 2-40459 (90 days); Walt Disney Productions, 2-40662; Waste Management, Inc., 2-39790 (Sep 15); Weeden & Co., 2-40187; Western Union International, Inc., 2-40080; Wisconsin Natural Gas Co., 2-40554; Worldwide Energy Corp., 2-38181.

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.

a/ Copies of speeches of Commission members may be secured by writing to the Commission's Publication Unit, Rm. B-28, Securities and Exchange Commission, 500 N. Capitol St., Washington, D. C. 20549.

b/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.

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