

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 June 21, 1971

COMMISSION ANNOUNCEMENTS

SEC ORDER CITES NICHOLAS TORELLI, OTHERS. The Commission has ordered public administrative proceedings naming Prudential Investment Company, Nicholas M. Torelli of Miami, Fla., Prudential president, and Sidney Leavitt and Howard Leon Alderson, both formerly associated with Prudential, based upon violations of the registration and anti-fraud provisions of the Federal securities laws. The order alleged that Prudential and Leavitt violated the anti-fraud provisions in connection with the offer and sale of Continental Investment Corporation of Arizona. The order further alleged that Prudential and Torelli violated the registration provisions in connection with the offer and sale of S & M Industries, Inc. The order further alleged Prudential and Alderson violated the anti-fraud provisions in the offer and sale of securities of the Port of New York and Kentucky Turnpike Municipal Bonds and shares of Competitive Capital Fund. The order also alleged Prudential and Torelli failed reasonably to supervise Leavitt and Alderson with a view to preventing violations of the Federal securities laws.

This proceeding has been consolidated with a March 29, 1971 order for public proceedings naming Prudential and Torelli and a hearing will be held to take evidence on the staff allegations and offered the respondents an opportunity to offer any defenses thereto and to determine if the allegations are true and, if so, whether any action of a remedial nature should be ordered by the Commission.

COURT ENFORCEMENT ACTION

AFFLERBACH, LANGE ENJOINED. The SEC Denver Regional Office announced that on June 7 the Federal District court at Cheyenne, Wyoming, permanently enjoined J. J. Afflerbach and Paul Lange of Casper, Wyoming from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Pollution Control and Engineering Corporation (a Wyoming corporation), Pollution Control/Engineering Corporation (a Utah corporation) and Pollution Reduction Corporation. The defendants consented to the entry of the injunctions. The court also directed that a preliminary injunction be entered against the following from violating the registration and antifraud provisions of the Federal securities laws: Pollution Control (Wyo.), Pollution Control (Utah), Pollution Reduction Corporation, Ralph L. Schauss, Eugene Stevens, Martin L. Sanchez and Edward DeJulis of Casper, Wyo., Clean Air Corp. (a Wyo. corp.), Donald C. Lange, Harold Schwartz and Martin Seamans of Los Angeles, Calif. and James Journigan of Riverside, Calif., restraining each of them from violating the registration and antifraud provisions of the Federal securities acts mentioned above. (LR-5042)

COMPLAINT CITES RUSCO INDUSTRIES. The Commission announced the filing of a complaint in Federal court in New York seeking to enjoin Rusco Industries, Inc., and Jack Catain, Jr. from violating the anti-fraud and proxy provisions of the Federal securities laws. In addition, the complaint also seeks a court order requiring Rusco to rescind the proxies of shareholders by means of a definitive proxy statement correcting all misstatements of material fact and disclosing all material facts previously omitted in its proxy statement of May 29, 1971. (Release LR-5045)

SCHUBERT FINED FOR CRIMINAL CONTEMPT. The SEC San Francisco Regional Office announced that on April 16 a Federal court in Las Vegas fined Beldon Schubert of Pomona, Calif. \$500 on a plea of guilty to criminal contempt of an injunction entered in December 1968 involving sales of stock of Jet Craft, Ltd., a Las Vegas firm. (LR-5044)

HOLDING COMPANY ACT RELEASE

POTOMAC EDISON. The SEC has issued an order under the Holding Company Act authorizing The Potomac Edison Company, Hagerstown, Md., subsidiary of Allegheny Power System, Inc., to increase from \$25,170,000 to \$27,800,000 the amount of short-term notes it may have outstanding at any one time and to extend the period of issuance of the notes from prior to July 31, 1971 to prior to July 31, 1973. (Release 35-17164)

NEW ENGLAND ELECTRIC SYSTEM SUBSIDIARIES. The Commission issued an order giving interested persons until July 6 to request a hearing on application of New England Electric System and subsidiaries, Massachusetts Gas System, and Massachusetts LNG, Inc., involving a proposed transaction relating to the program of Mass. Gas to supplement the present natural gas supply needed during peak periods by its four larger gas utility subsidiary companies through the use of liquified natural gas and involving facilities at Lynn, and Salem, Mass. 1/ (Release No. 35-17168)

OVER

ALABAMA POWER COMPANY. The Commission issued an order giving interested persons until July 8 to request a hearing on application of Alabama Power Company to amend its charter to provide an increase in the authorized number of shares of preferred stock, par value \$100, from 1,200,000 to 2,000,000, to amend the charter to make certain technical changes relating to all of the preferred stock in order to permit the sale of new issues and to incorporate in its charter the protective provisions to which the stock is already subject as set forth in the Commission's order of March 15, 1961. Alabama also proposes to effect other changes as enumerated in its application. 1/ (Release 35-17169)

INVESTMENT COMPANY ACT RELEASE

SCUDDER DUO-VEST EXCHANGE FUND. The Commission issued an order giving interested persons until July 7, to request a hearing on application of Scudder Duo-Vest Exchange Fund, Inc. for an order exempting it from certain provisions of the Investment Company Act to permit it to purchase common stock purchase warrants in units with notes or other securities of the same issuer. Applicant's shareholders have approved amendments to its By-Laws and fundamental policies to permit such purchases and it is applicant's view that such units of warrants and other securities are often comparable to convertible securities and could, in some instances, be appropriate investments. 1/ (Release IC-6576)

VIRGINIA CAPITAL CORPORATION/PANDICK PRESS AND OTHERS. The Commission issued an order giving interested persons until July 8, to request a hearing on application of the following: Virginia Capital Corporation, Richmond, Pandick Press, Inc., New York, Massachusetts Mutual Life Ins. Co., Springfield, Capital Southwest Corp., Dallas, and Allied Capital Corp., of Washington.

Pandick has filed a registration statement with the Commission with respect to a public offering in which various underwriters, acting through Eastman Dillon, Union Securities & Co. and Wheat & Co. as their representatives, propose to purchase from Pandick and the selling shareholders approximately 475,000 shares of stock in the aggregate. The quantities of shares to be purchased from each of the applicants are set forth in the applications. 1/ (Release IC-6577)

SECURITIES ACT REGISTRATIONS

BURRESON INVESTMENT CO. PROPOSES OFFERING. Burreson Investment Co., Inc., (the general partner), 4729 Lankershim Blvd., North Hollywood, Calif. 91602, filed a registration statement on June 11 seeking registration of \$20 million of limited partnership interests in Burreson Syndications, Ltd. I (the partnership), to be offered for public sale in \$2,500 units. No underwriting is involved; NASD members may participate in the offering. The partnership will invest in real property. Rodney H. Burreson is president. (File 2-40721)

MCCARTHY CO. TO SELL DEBENTURES. The McCarthy Co., 2535 W. La Palma Ave., Anaheim, Calif. 92801, filed a registration statement on June 11 seeking registration of \$2,500,000 of convertible subordinated debentures, due 1991, to be offered for public sale through underwriters headed by Mitchum, Jones & Templeton, Inc., 510 South Spring St., Los Angeles, Calif. 90013.

The company is principally engaged in the construction and sale of single family homes and apartment buildings. Net proceeds of its debenture sale will be used to acquire and develop real property and/or applied to reduction of short-term indebtedness incurred for that purpose. In addition to indebtedness, the company has outstanding 1,350,000 common shares, of which Pacific Holding Corporation owns 80%. Rene R. Woolcott is board chairman and William N. Kennicott is president. (File 2-40722)

***MAMMOTH MART FILES FOR OFFERING AND SECONDARY.** Mammoth Mart, Inc., 321 Manley St., West Bridgewater, Mass. 02379, filed a registration statement on June 11 seeking registration of 420,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 170,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$29.375 per share maximum) through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York 10006.

The company is engaged in the operation of self-service discount department and other stores. Net proceeds of its stock sale will be used for capital requirements of new stores to be opened in 1971 and 1972, for possible store acquisitions and for other corporate purposes. In addition to indebtedness, the company has outstanding 3,476,888 common shares, of which Max Coffman, board chairman and president, owns 20%. He proposes to sell 100,000 of 700,089 shares held and two others the remaining shares being registered. (File 2-40723)

HALLCRAFT HOMES FILES FOR OFFERING AND SECONDARY. Hallcraft Homes, Inc., 2201 East Camelback Rd., Phoenix, Ariz. 85016, filed a registration statement on June 11 seeking registration of \$15 million of convertible subordinated debentures, due 1996, and 250,000 outstanding shares of common stock. The debentures are to be offered for public sale by the company and the stock by the holders thereof (** at \$40 per share maximum) through underwriters headed by Dean Witter & Co., Inc., 632 South Spring St., Los Angeles, Calif. 90014.

The company is primarily engaged in the construction and sale of single family homes. Net proceeds of its debenture sale will be used to reduce debt incurred for development and construction loans and for other corporate purposes. In addition to indebtedness, the company has outstanding 1,989,097 common shares, of which John C. Hall, board chairman, owns 38% and J. R. Ashton, president 19%. They propose to sell 112,500 shares each. (File 2-40724)

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 June 3 News Digest.

8K's Reports For March 71

Delta Corporation Of America' (13)	1-6491-2	Scam Instrument Corp (8)	1-6280-2	Masonite Corp (7)	1-2263-2
Turbodyne Corporation(8)	0-5557-2	Whitehall Electronics Corporation (13)	1-5483-2	Pennsylvania Electric Co (11)	1-3522-2
Stratford of Texas(11,13)	0-5453-2	Magnavest Corporation Jan 70 (2,13)	2-31702-2	Phillips Petroleum Co (7,8,13)	1-720-2
Success Motivation Institute, Inc (12,13)	0-5029-2	Mid-Iowa Lakes Corp (1)	0-3014-2	Sayre & Fisher Co (1,2,9,12,13)	1-3391-2
H. W. Rickel & Co (2,11,13)	1-575-2	Pro's Pizza, Inc (2,13)	2-32222-2	Telecor, Inc (7)	0-5051-2
Shawmut Association, Inc (11)	0-2151-2	Robintech, Inc (1,2,7,9,10,11,12,13)	1-4177-2	Alfred Hart Co (12)	1-5136-2
Simon & Schuster Inc (12,13)	0-389-2	Santa Fe Pipeline Co (13)	1-6540-2	Kin Ark Corporation (2,12,13)	1-3920-2
The Stratton Group, Ltd. (12)	1-4733-2	Science Management Corporation (1,12,13)	1-6059-2	Lorain Telephone Co Feb 71 (7)	0-1110-2
Talley Industries, Inc (4,7,13)	1-4778-2	Southern California Edison Co (3,7,12,13)	1-2313-2	MTS Systems Corporation (3)	0-2382-2
Transportation Consultants Internatl (11)	0-4498-2	Southern Ry Co (7,13)	1-743-2	Mississippi Power Co (12)	0-393-2
Tyco Laboratories, Inc (12,13)	1-5482-2	Texas Oil & Gas Corp (7,8,13)	1-4995-2	Papercraft Corp (2,,3,4,7,9,11)	1-4707-2
Viatron Computer Systems Corp (2,3,12)	0-4387-2	Union Pacific Corporation (13)	1-6075-2	Pitney-Bowes, Inc (7)	1-3579-2
Windecker Industries Inc (12,13)	2-30391-2	Union Pacific RR Co (13)	1-1324-2	Texas Electric Service Company (7)	0-1289-2
Golden United Investment Co (7)	0-4690-2	Valley Industries, Inc (2)	0-4463-2	United States Lumber Company (11,12)	0-601-2
Macrodyne Chatillon Corp (6)	1-5592-2	Washington Gas Light Company (3,11,13)	1-1483-2	Windsor Life Insurance Company of America (12,13)	2-22845-2
Mem Co., Inc (7)	1-5292-2	Wolins Pharmacal Corp (1,3,13)	0-3430-2		
Monarch Industries, Inc (8)	0-4161-2	Walter E. Heller & Co. Feb 71 (12,13)	1-6157-2		
Process Plants Corp (12,13)	0-2246-2	Walter E. Heller International Corp Feb 71 (8,12,13)	1-5919-2		
Sage Oil Co (12)	1-340-2	Ludlow Typograph Co (11,12,13)	0-257-2		
Santa Fe International Corp (7,12,13)	1-4827-2				

SECURITIES ACT REGISTRATIONS. Effective June 18: Alexander and Alexander, Inc., 2-40710; Belco Petroleum Corp., 2-39966 (90 days); Bergen Brunswick Corp., 2-33992 (40 days); Berkeley Bio-Engineering, Inc., 2-39736; Coastline Petroleum Corp., 2-39261 (90 days); Corning Glass Works, 2-40771; Croddy Mortgage Investment Trust, 2-39597; Dearborn-Storm Corp., 2-40074; Ferguson Oil Co., Inc., 2-39581 (40 days); First Holding Co., Inc., 2-39035 (40 days); General Binding Corp., 2-40331; Resorts International, Inc., 2-40425.

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.

1/ 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.