



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

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## DECISION IN ADMINISTRATIVE PROCEEDING

GAROFALO REVOKED, EXPELLED AND BARRED. The SEC has revoked the broker-dealer registration of Joseph Garofalo, doing business as Josephson Company, New York, expelled him from membership in the NASD and barred him from being associated with any broker or dealer, with the proviso that such action shall not affect the trustee appointed to liquidate Garofalo's business in the performance of his functions pursuant to the Securities Investor Protection Act of 1970. The remedial action was based on findings that, among other things, Garofalo was subject to a permanent injunction, and that he violated the registration and antifraud provisions in connection with transactions in the stock of Grove Studios, Inc. According to the decision, he converted into his own use monies paid by customers for the purchase of securities, and refused, despite repeated demands, to return such monies, and failed to disclose his control over Grove before entering into contracts with customers for the purchase of Grove securities and to furnish customers written notification of his participation and financial interest in such distribution. Garofalo did not file an answer to the order for proceedings and was in default, and the findings were based upon the charges made against him. (Rel. 34-9429)

## COURT ENFORCEMENT ACTIONS

COMPLAINT CITES CAPITAL CONCEPTS, OTHERS. The SEC Los Angeles Regional Office announced that on December 14, a complaint for injunction was filed in Federal Court in Los Angeles alleging violations of the registration and antifraud provisions of the Federal securities laws by Capital Concepts Corporation of California, Lawrence M. Schulner, James Walker Taylor, Charles Edward Bercy and West Coast Life Insurance Company also a California corporation. The complaint also alleges that Capital Concepts was engaged in the business of selling nonexempt securities without being registered as a broker dealer and that during the period in which West Coast had a legal interest in Capital Concepts, interests in 45 limited partnerships were sold to the public in the absence of such broker-dealer registration. (LR-5269)

## HOLDING COMPANY ACT RELEASES

TRANSOK PIPE LINE. The SEC has issued an order authorizing Transok Pipe Line Company, Tulsa subsidiary of Public Service Company of Oklahoma, in turn a subsidiary of Central and South West Corporation, to issue and sell from time to time up to \$15 million of unsecured promissory notes to the parent. Net proceeds will be used by Transok to finance a part of its construction expenditures, lease acquisition, and exploratory and development program for the period ended December 31, 1973, estimated at \$19 million. Public Service is authorized to sell certain property and rights, consisting primarily of gas pipelines and gas gathering facilities, all located in Oklahoma, to Transok for \$1,603,191.33, payable in common stock of Transok at par value of \$100 per share. (Rel. 35-17404)

MICHIGAN POWER. The SEC has issued an order authorizing Michigan Power Company, subsidiary of American Electric Power Company, Inc. (AEP), to extend from December 31, 1971 to December 31, 1972, the period of time in which Michigan Power may issue and sell up to \$4,000,000 of notes to a bank and to increase from \$10 million to \$11 million the amount of open account advances from AEP to Michigan Power. Net proceeds of its financing will be used by Michigan Power in connection with its construction program, which is estimated at \$4 million for 1972, to pay bank loans the proceeds of which were used in connection with its construction program, and for other corporate purposes. (Rel. 35-17405)

GEORGIA POWER. The SEC has issued a notice giving interested persons until January 20 to request a hearing upon an application of Georgia Power Company, Atlanta subsidiary of the Southern Company, for an order modifying its indenture dated March 1, 1941 so as to immediately increase the aggregate principal amount of bonds of all series which may at any one time be outstanding under and secured by the indenture from \$1 billion to \$2 billion and to provide that such bonds may thereafter be increased or decreased from time to time by a supplemental indenture. (Rel. 35-17407)

LOUISIANA POWER. The SEC has issued an order authorizing Louisiana Power & Light Company, New Orleans subsidiary of Middle South Utilities, Inc., to transfer \$3,775,000 from its retained earnings account to its common stock account. (Rel. 35-17408)

WEST PENN RAILWAYS. The SEC has issued an order upon an application of West Penn Railways Company, wholly-owned inactive subsidiary of Allegheny Power Systems, Inc., of New York, N. Y., permitting Railways to dissolve and to distribute to Allegheny all of its assets (which consist solely of cash and U. S. treasury bills aggregating \$372,372), subject to all of its liabilities aggregating \$241,917 and which Allegheny will assume. (Rel. 35-17409)

NATIONAL FUEL GAS CO. The SEC has issued an order upon an application of National Fuel Gas Company, New York holding company, and two of its subsidiaries, Iroquois Gas Corporation and Producers Gas Company, authorizing National to merge the subsidiaries, with Iroquois to be the surviving corporation. (Rel. 35-17410)

OVER

INVESTMENT COMPANY ACT RELEASES

**LOOMIS-SAYLES FUND.** The SEC has issued a notice giving interested persons until January 10 to request a hearing upon an application of Loomis-Sayles Capital Development Fund, Inc., Boston mutual fund, for an order permitting the Fund to issue its shares at net asset value in exchange for substantially all of the assets of Macomber Enterprises, Inc., which aggregated \$593,000 on September 7, 1971. Had the transaction been consummated on that date, Loomis-Sayles would have exchanged 48,195 shares for the assets of Macomber. Such shares are to be distributed by Macomber to its shareholders upon Macomber's dissolution. (Rel. IC-6906)

**BARON FUND.** The SEC has issued a notice giving interested persons until January 12 to request a hearing upon an application of Baron Fund, Inc., North Bergen, N. J., for an order declaring that it has ceased to be an investment company. The Fund represents that it has no assets and that it has not issued or made any public offering or sale of its securities and does not intend to do so in the future. (Rel. IC-6909)

**HORNBLOWER & WEEKS-HEMPHILL, NOYES.** The SEC has issued an order upon an application of Hornblower & Weeks-Hemphill, Noyes, of New York, prospective representative with W. E. Hutton & Co. of a group of underwriters of a proposed public offering of 4,000,000 shares of common stock of Chase Convertible Fund of Boston, Inc., a registered closed-end, diversified, management investment company, exempting certain actions from certain provisions of the Act to the extent that such provisions adopt Section 16(b) of the Securities Exchange Act of 1934 in connection with the proposed offering. (Rel. IC-6910)

SECURITIES ACT REGISTRATIONS

**NORTHERN STATES FINANCIAL CORPORATION,** 100 W. 10th St., Wilmington, Del. 19899, filed a registration statement on December 20 seeking registration of 684,866 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of City National Bank of Detroit, on a share-for-share basis. Northern States was organized in April for the purpose of becoming a bank holding company. (File 2-42626)

**FIRST NATIONAL BANKSHARES OF FLORIDA, INC.,** 2400 East Atlantic Blvd., Pompano Beach, Fla. 33062, filed a registration statement on December 20 seeking registration of 1,586,000 shares of common stock. It is proposed to offer these shares in exchange for outstanding shares of common stock of the following National Banks, at the indicated exchange ratios: 3.2 shares for each share of First National Bank of Pompano Beach; 3.6 shares for each share of First National Bank of North Broward County; 2.8 shares for each share of First National Bank of Margate; 1.8 shares for each share of Beach First National Bank of Pompano Beach. The company was organized in October for the purpose of acquiring 90% or more of the outstanding common stock of each of the above mentioned banks and becoming a bank holding company. (File 2-42627)

**COMMERCE BANCSHARES, INC.,** 911 Main St., Kansas City, Mo. 64199, filed a registration statement on Dec. 20 seeking registration of 153,628 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding capital stock of the following banks, at the indicated exchange ratios: 4.253 shares for each Fenton Bank share; 3.50 shares for each Blue Hills Bank of Commerce share; and 1.86 shares for each Clay County State Bank share. Bancshares owns a majority of the voting shares of 18 banks and also owns a majority of the voting shares of certain non-banking corporations. (File 2-42628)

**HUSKIN & COMPANY,** 616 Washington St., Denver, Colo. 80202, filed a registration statement on December 17 seeking registration of \$20 million of partnership subscriptions in Revac Realty Fund, Ltd.--Series A (the Fund) to be offered for public sale at \$2,500 per unit. No underwriting is involved. The Fund will consist of a series of limited partnerships which will engage in the acquisition, development and management of improved and unimproved real estate, under the sponsorship of Huskin & Co. (File 2-42629)

**THE SOUNDSCRIBER CORPORATION,** Simm Lane, Newtown, Conn. 06470, filed a registration statement on Dec. 20 seeking registration of 362,125 outstanding shares of common stock and 150,000 outstanding common stock purchase warrants. These securities may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\* \$2.31 per share maximum). The company is engaged in the manufacture and sale of dictating machinery and specially designed electronic tape recording equipment. (File 2-42631)

**SECURITIES ACT REGISTRATIONS.** Effective December 22: AMFESCO Industries, Inc., 2-41863 (Mar. 21); Bulova Watch Company, Inc., 2-42456; Chart House Enterprise, 2-42053 (90 days); First Bancshares of Florida, Inc., 2-42219; Frank B. Hall & Co., 2-42575; Hospital Corporation of America, 2-42520; ICM Realty, 2-42155 (90 days); K-Tel International, Inc., 2-41949 (Mar. 21); Lomas & Nettleton Financial Corporation, 2-42535; Pyramid Communications, Inc., 2-41234 (90 days); Ramada Inns, Inc., 2-42452; Republic Financial Services, Inc., 2-42006; Richmond Corporation, 2-41977; Telephone and Data Systems, Inc., 2-42421.

**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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