

sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

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TRADING SUSPENSIONS

TRADING SUSPENDED IN SIERRA SILVER MINING CO.
AND CONTINENTAL GOLD AND SILVER CORP.

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The SEC today announced that suspension of over-the-counter trading in the securities of Sierra Silver Mining Company of Nevada, in Las Vegas, and in the securities of Continental Gold and Silver Corporation, of Salt Lake City, for the ten-day period beginning on May 21 and terminating at midnight (EDT) on May 30, 1975.

The Commission initiated the Sierra suspension because questions have been raised about the accuracy and adequacy of information in the company's last filings with the Commission, particularly with respect to a change in the company's accountants, a material disagreement between the company and its former accountant, the present status of the company's capital accounts, and certain material changes in management. In addition, the company is delinquent in filing its annual and other reports with the Commission.

The Continental suspension was initiated because of the lack of adequate and accurate information about the company's financial condition and operations. Also, the Commission's staff has been informed that broker-dealers are unable to get stock certificates transferred and returned to them. The corporation has been acting as its own stock transfer agent. (Rel. 34-11433 and 11434 - May 21)

COURT ENFORCEMENT ACTIONS

FORMER NATIONAL BERYLLIA OFFICERS ENJOINED

The SEC announced that on April 25 the Honorable Henry F. Werker, U.S. District Judge for the Southern District of New York, permanently enjoined John Z. Kos and Clifford J. O'Rourke, National Beryllia Corp.'s (NBC) former controller and manager of administrative services, respectively, from violations of the antifraud provisions of the securities laws. Kos and O'Rourke consented without admitting or denying the allegations of the Commission's complaint, filed on November 12, 1974. The complaint charged that they, with others, engaged in a fraudulent scheme to assist NBC in the overstatement of its revenues and profits for the year 1972. Phillip Hessinger, NBC's former senior vice president, charged with the same violations, similarly consented on November 13, 1974. (SEC v. National Beryllia Corp., et al., S.D.N.Y., 74 Civ. 4949 HFW). (LR-6893)

PETER DALE KAUSS AND R. S. EMERSON & CO., INC.
INDICTED; KAUSS ARRESTED

The Los Angeles Regional Office announced the return of an indictment by a federal grand jury of the Federal District Court for the Territory of Guam, on May 8, charging Peter Dale Kauss, now of Chicago, Illinois, formerly of Agana, Guam, and R. S. Emerson & Co., Inc., a registered broker-dealer, formerly operating at Agana, Guam, with violations of the securities fraud provisions of the Securities Act of 1933 in nine counts, the mail fraud statute in ten counts, and the false filing provisions of Title 18 U.S.C. §1001 in one count. Kauss was arrested in Chicago by Postal Inspectors on May 15, 1975.

In substance, the indictment alleged that Kauss operated R. S. Emerson & Co. from approximately January 1971 to about April 1972 and that while operating that firm, it and Kauss defrauded numerous investor customers by converting to their own use securities and money which investor customers had entrusted to them for the purpose of effecting transactions in securities or for the safekeeping of securities.

The investigation leading to the prosecution of this matter was jointly conducted by staff members of the Commission's Los Angeles Office and agents of the Postal Inspection Service. (U.S. v. Peter Dale Kauss and R. S. Emerson & Co., Inc., D. Guam, Criminal No. 75-012). (LR-6894)

SOUTHERN STAR LAND & CATTLE, OTHERS ENJOINED

The Atlanta Regional Office announced that the U.S. District Court for the Southern District of Florida on May 14 permanently enjoined Southern Star Land and Cattle Co., Inc. of Miami, Florida; Neal H. Levine of Miami, Florida; and Harry H. Epstein of No. Woodmere, N.Y. to prohibit violations of the registration and antifraud provisions of the securities laws. Levine and Epstein are the president and board chairman, respectively, of Southern Star. The Commission's complaint, also filed May 14, alleged violations of the securities laws in connection with the sale of unregistered securities of Southern Star in the form of investment contracts and/or profit sharing agreements which were denominated by Southern Star as "cattle breeding programs." Southern Star, Levine, and Epstein, without admitting or denying the allegations in the complaint, consented to the entry of the court order. (SEC v. Southern Star Land and Cattle Co., Inc., et al., S.D. Fla. Civil Action No. 75-803-Civ-CA). (LR-6895)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED EDISON COMPANY, OTHERS

A notice has been issued giving interested persons until June 13 to request a hearing on a proposal of Consolidated Edison Company, Long Island Lighting Company, New York State Electric & Gas Corp., Niagara Mohawk and Rochester Gas and Electric Corp., to acquire (together with two other sponsoring utility companies) up to 2,000 shares of the capital stock of Empire State Power Resources, Inc. for up to \$2 million. The proceeds will be used to defer the expenses incurred in the organization of Empire State, a newly-organized, jointly-owned electric generation subsidiary of its sponsors, all of which are New York utility companies. The five named sponsors have also applied for exemptions from the Act under Section 3(a). (Rel. 35-18994 - May 19)

NEW ORLEANS PUBLIC SERVICE

~~A notice has been issued giving interested persons until June 16 to request a hearing on a proposal by New Orleans Public Service Inc., subsidiary of Middle South Utilities, Inc., to issue and sell short-term notes to a group of commercial banks in an aggregate amount outstanding at any one time not to exceed \$18 million. (Rel. 35-18995 - May 20)~~

SECURITIES ACT REGISTRATIONS

CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until June 15 to request a hearing on a proposal of the Consolidated Natural Gas Company, a registered holding company, to issue and sell \$100 million of debentures. The net proceeds of the sale of the debentures will be used to pay part of the 1975 capital expenditures of Consolidated's subsidiary companies. (Rel. 35-18996 - May 20)

(S-6) THE MUNICIPAL BOND FUND, SERIES 21

c/o Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005 - \$5 million of units. The Fund will be created under a trust indenture among Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005, as sponsor, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Fund will consist of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers of such obligations, exempt from Federal income tax. (File 2-53707 - May 16)

(S-1) GENERAL TELEPHONE COMPANY OF PENNSYLVANIA

150 West Tenth St., Erie, Penn. 16512 - \$30 million of first mortgage bonds, Series J, due 2005, to be offered for sale at competitive bidding. The company provides communication services in exchange areas in portions of Pennsylvania. (File 2-53710 - May 16)

(S-7) CONSOLIDATED NATURAL GAS COMPANY

30 Rockefeller Plaza, New York, N.Y. 10020 - \$100 million of debentures, due 1995, to be offered for sale at competitive bidding. Consolidated, through its subsidiaries, all of which are wholly-owned, are engaged in the natural gas business-exploration, production, purchasing, gathering, transmission, storage, distribution (retail and wholesale) and by-product operations. (File 2-53711 - May 16)

(S-7) THE SOUTHERN COMPANY

Perimeter Center East, P.O. Box 720071, Atlanta, Ga. 30346 - 11,000,000 shares of common stock, to be offered for sale through an underwritten public offering. A public utility, the company, through subsidiaries, is engaged in the electric utility business. (File 2-53712 - May 16)

(S-7) FIRST BANCSHARES OF FLORIDA, INC.

150 East Palmetto Park Road, Boca Raton, Fla. 33432 - 26,367 shares of common stock previously purchased in the open-market for employees under two employees stock purchase plans and offer to rescind such purchases. The company is a bank holding company. (File 2-53354 - Apr. 15)

(S-1) FIRESTONE FINANCIAL CORP.

345 Bolyston St., Newton Centre, Mass. 02159 - \$2 million of subordinated notes, to be offered for sale at 100% of principal amount. The company is engaged in financing of restaurant, bakery, refrigeration, laundry, vending, and other commercial equipment and real estate. (File 2-53596 - May 6)

(S-6) FEDERAL LIFE INSURANCE COMPANY (MUTUAL)

6100 North Cicero Ave., Chicago, Ill. 60646 - \$10 million of variable annuity contracts, to be offered for sale in various unit amounts. Wellington Management Company, Valley Forge, Pennsylvania, is the principal underwriter. Federal Life is a life and accident and health insurer. (File 2-53626 - May 7)

(S-14) SIGMA-ALDRICH CORPORATION
(SIGMA-ALDRICH)

c/o Foley & Lardner, 777 East Wisconsin Ave., Milwaukee, Wis. 53202 - 4,299,276 shares of common stock, to be issued as follows: (a) to shareholders of Aldrich Chemical Company, Inc. (Aldrich) in connection with the merger of Aldrich with a wholly-owned subsidiary of Sigma-Aldrich at the rate of two shares of Sigma-Aldrich for each share of Aldrich common stock; and (b) to shareholders of Sigma International, Ltd. (Sigma), St. Louis, Missouri, in connection with the merger of Sigma's successor corporation with another wholly-owned subsidiary of Sigma-Aldrich at the rate of one share of Sigma-Aldrich for each share of Sigma common stock.

Sigma primarily produces and distributes an extensive line of biochemical and organic products for use in life science research and in diagnosing diseases. In addition, Sigma manufactures and sells a wide variety of components for strut systems and cable tray systems. Aldrich primarily distributes, manufactures and develops a broad range of organic chemicals, biochemicals and related products for a wide variety of laboratory and institutional uses. Sigma-Aldrich was incorporated in 1975 for purposes of the reorganization. (File 2-53698 - May 16)

(S-7) PUBLIC SERVICE COMPANY OF NORTH CAROLINA,
INCORPORATED

400 Cox Road, Gastonia, N.C. 29052 - 350,000 shares of common stock (\$1 par), to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N.Y. 10005. The company is primarily engaged in distributing natural gas to consumers in North Carolina. (File 2-53708 - May 16)

(S-6) THE CORPORATE INCOME FUND,
TWENTY-SECOND MONTHLY PAYMENT SERIES

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 125 High St., Boston, Mass. 02110. The Fund, a unit investment trust, was created by a trust agreement among Merrill Lynch, as sponsor, The Bank of New York and Shawmut Bank of Boston, N.A., as trustees, and Interactive Data Services, Inc., as evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of long-term debt obligations, issued primarily by corporations. (File 2-53715 - May 16)

(S-7) C.I.T. FINANCIAL CORPORATION

650 Madison Ave., New York, N.Y. 10022 - \$150 million of debentures, due 1995, to be offered for sale through underwriters managed by Dillon, Read & Co., Inc., 46 William St., New York, N.Y., and Kuhn, Loeb & Co., 40 Wall St., New York, N.Y. C.I.T. is a multiline financial services company engaged in business and consumer financing, insurance, banking, and manufacturing and merchandising. (File 2-53714 - May 16)

(S-1) DUNHILL BROWN CORPORATION

1801 Century Park East, Suite 1701, Los Angeles, Cal. 90067 - \$3,500,000 of capital notes, to be offered for sale at 100% of principal amount in denominations of \$1,000 per unit. The underwriter, Capital Sheltered Investments, Incorporated, 100 South Wacker Dr., Chicago, Ill. 60606, will be offering units for sale on a best efforts basis. The company acts as a shipping and confirming agency, factoring import/export transaction. (File 2-53716 - May 16)

(S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS,
SERIES 5 MONTHLY CHECK PLAN

300 West Washington St., Chicago, Ill. 60606 - \$5 million of units, to be offered for sale at net asset value (\$1050 maximum). The Fund is one of a series of unit investment trusts created under a trust indenture between Van Kampen, Wauterlek & Brown, Inc. as sponsor, and United States Trust Company of New York as trustee. It consists of an insured portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. MGIC Indemnity Corporation has insured the prompt payment when due of interest and principal on the bonds in the portfolio of the Fund. (File 2-53722 - May 19)

(S-12) MORGAN GUARANTY TRUST COMPANY OF
NEW YORK

23 Wall St., New York, N.Y. 10015 - filed three registration statements seeking registration of 100,000 American Depositary Receipts each for ordinary shares of the following companies:

Guest Keen and Nettlefolds Limited - (File 2-53723 - May 19)

Duiker Exploration Limited - (File 2-53726 - May 15)

Deelkraal Gold Mining Company Limited - (File 2-53726 - May 19)

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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