

sec news digest

Issue 75-147
(SEC Docket, Vol. 7, No. 10 - August 12)

July 30, 1975

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

MELVYN B. MASON BARRED

The Commission has barred Melvyn B. Mason, of Huntingdon Valley, Pennsylvania, a former vice-president of a broker-dealer and investment adviser, from association with any broker, dealer, investment adviser or investment company.

The sanction imposed was based on findings that, from October 1963 to March 1974, Mason violated antifraud provisions by soliciting customers to purchase securities upon representations that the investments provided unusually high returns and were riskless. In addition, he used money invested by customers for his personal use and to pay the interest and principal on investments made by previous investors, engaged in check kiting activities to facilitate the disbursement of funds for the Ponzi-type scheme, and effected transactions in customers' accounts and removed funds and securities from those accounts without the customers' authorization.

Without admitting or denying the charges, Mason consented to the above findings and sanction. (Rel. 34-11544)

COMMISSION ANNOUNCEMENTS

REQUEST PURSUANT TO THE FOIA DENIED

The Commission has denied the requests of Amtel, Inc. and Laventhol & Horwath for access to certain investigatory records compiled in the course of the Commission's investigation relating to The Stratton Group, Ltd. The requests, made pursuant to the Freedom of Information Act, had previously been denied by the Commission's staff, and the denials were appealed to the Commission. The Commission denied access to the records because, at present, recommendations have been formulated with respect to whether additional law enforcement action should be taken, and a concrete prospect of further enforcement action exists. The Commission concluded that disclosure of the requested records is not required because such disclosure would "interfere with enforcement proceedings" and might tend to deprive a person or persons "of a right to a fair trial or impartial adjudication." See 5U.S.C. 552(b)(7)(A) and (B) and 17 CFR 200.80(b)(7). (FOIA-21)

PAUL F. LEONARD NAMED WASHINGTON REGIONAL ADMINISTRATOR

Chairman Ray Garrett, Jr. today announced the appointment of Paul F. Leonard as Regional Administrator of the Commission's Washington, D.C. Regional Office. The Washington Regional Office, located at 4015 Wilson Boulevard, Arlington, Virginia, together with its Philadelphia Branch Office, is responsible for the administration of the Commission's programs in the States of Pennsylvania, Delaware, Maryland, Virginia, West Virginia and the District of Columbia.

Mr. Leonard, a native of Washington, D.C., served as Assistant Administrator prior to his appointment. Before joining the SEC in 1958, he served as Deputy Clerk of Court and as law clerk for the late Judge Alexander Holtzoff of the U.S. District Court for the District of Columbia. He also served as Assistant U.S. Attorney and practiced privately in Washington, D.C.

He is a graduate of St. Mary's University and Georgetown University Law School. He has served successively as Special Counsel in the Office of the General Counsel and as Chief Enforcement Attorney in the Washington Regional Office.

COURT ENFORCEMENT ACTIONS

JEROBOAM WINES, OTHERS ENJOINED, RESTITUTION ORDERED

The Seattle Regional Office announced that on July 18 the Honorable James F. Battin permanently enjoined The Jeroboam Wines, Ltd., Grant C. Aadnesen of Salt Lake City; Albert H. Landry of Pacific Palisades, California and Arnold Scheeler of Billings, Montana from violating the registration and antifraud provisions of the securities laws and ordered the individual defendants to make payments to Jeroboam investors totalling \$68,800. The defendants consented to the decree without admitting or denying the allegations of the complaint. (SEC v. The Jeroboam Wines, Ltd., D. Mont. C.A. No. C-74-2). (LR-7018)

INVESTMENT COMPANY ACT RELEASES

MULTIPLE MATURITY TAX EXEMPT BOND TRUST

An order has been issued on an application of Multiple Maturity Tax-Exempt Bond Trust, First Series and Subsequent Series, a registered unit investment trust (a) exempting the fund from the minimum initial capital requirements of the Act; (b) permitting capital gains distributions more frequently than once per year; (c) exempting certain pricing practices in the offering of units of the fund from Section 22(d) of the Act; and (d) exempting the secondary market operations of the fund's sponsors from the daily pricing requirements of Rule 22c-1. (Rel. IC-8866 - July 28)

SCHRODER NAESS & THOMAS

An order has been issued on an application of Schroder Naess & Thomas (Naess) and affiliated companies, including Naess & Thomas Special Fund, Inc. (Fund) for an exemption from the provisions of Section 9(c) of the Investment Company Act of 1940 (the Act). The Commission determined that a permanent exemption was appropriate and consistent with public interest and exempted Naess and affiliated companies from the provisions of Section 9(a) of the Act operative as a result of the injunction against Naess and the Fund. (SEC v. F.L. Salomon & Co., et al.). (Rel. IC-8867)

HOLDING COMPANY ACT RELEASES

OHIO POWER COMPANY

An order has been issued authorizing Ohio Power Company, subsidiary of American Electric Power Company, Inc., to amend its Amended Articles of Incorporation. (Rel. 35-19096 - July 29)

MASSACHUSETTS ELECTRIC COMPANY

An order has been issued authorizing Massachusetts Electric Company, subsidiary of New England Electric System, to increase the maximum amount of unsecured short-term indebtedness that it is authorized to incur for five years from 10% to 20% of total capitalization. (Rel. 35-19097 - July 29)

AMERICAN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until August 22 to request a hearing on a proposal by American Electric Power Company, Inc., a registered holding company, that it act as surety for one of its subsidiaries. (Rel. 35-19098 - July 29)

GENERAL PUBLIC UTILITIES CORPORATION

A notice has been issued giving interested persons until August 20 to request a hearing on a proposal by General Public Utilities Corporation, a registered holding company, that it issue and sell up to 5,030,000 shares of common stock under a rights offering and a request for an exception from competitive bidding for a standby underwriting of the issue. (Rel. 35-19099 - July 29)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of (a) over-the-counter trading in the securities of Royal Properties, Inc. for the further ten-day period August 1 - 10, inclusive; and (b) exchange and over-the-counter trading in the securities of BBI, Inc. for the further ten-day period August 2 - 11, inclusive.

SECURITIES ACT REGISTRATIONS

(S-6) E. F. HUTTON TAX-EXEMPT FUND, NATIONAL SERIES 21

One Battery Park Plaza, New York, N.Y. 10004 - \$15 million of units. The Fund, is one of a series of unit investment trust created under a trust indenture and agreement among E. F. Hutton & Company Inc., as sponsor, United States Trust Company of New York, as trustee and Standard & Poor's Corporation, as evaluator. The Fund consists of interest-bearing obligations of states, counties, territories and municipalities of the United States and authorities or political subdivisions thereof, the interest on which is in the opinion of bondcounsel, exempt from Federal income tax under existing law. (File 2-54261 - July 25)

(S-7) NEW ENGLAND POWER COMPANY

20 Turnpike Rd., Westborough, Mass. 01581 - \$25 million of cumulative preferred stock, to be offered for sale at competitive bidding. The company's business is principally that of generating, purchasing, transmitting, and selling electric energy in wholesale quantities. (File 2-54263 - July 25)

(S-14) ASHLAND OIL, INC.

Ashland Dr., Russell, Ky. 41169 - 802,632 shares of common stock. It is proposed to offer these shares to shareholders of Levingston Shipbuilding Company upon the merger of a wholly-owned subsidiary of Ashland Oil, Inc. into Levingston Shipbuilding Company. Ashland engages in producing, refining and distributing petroleum products and related items. (File 2-54269 - July 28)

(S-12's) FIRST NATIONAL CITY BANK

111 Wall St., New York, N.Y. 10015 - seeks registration of 100,000 American Depositary Receipts for ordinary shares of: (a) Abercom Investments Limited (File 2-54270 - July 28); and (b) Oil Search Limited (File 2-54272 - July 28)

(S-14) MERCK & CO., INC.

126 E. Lincoln Ave., Rahway, N.J. 07065 - 27,107 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Spafas, Incorporated, Preston, Conn., at the rate of 451.8167 Merck shares for each Spafas share. Merck is engaged in the business of discovering, developing, producing and marketing products and services for the maintenance and restoration of health. (File 2-54275 - July 28)

(S-14) HAMMERMILL PAPER COMPANY

1540 East Lake Rd., Erie, Pa. 16533 - 412,576 shares of common stock. These shares are proposed to be issued in the merger of Akrosil Corporation into Hammermill at the rate of one Hammermill share for each Akrosil share. Hammermill manufactures and sells paper and paper related products. (File 2-54278 - July 28)

(S-16) AMERICAN HOIST & DERRICK COMPANY

63 South Robert St., St. Paul, Minn. 55107 - 9,715 shares of common stock, which may be offered for sale from time to time by certain stockholders at prices current at the time of sale. American Hoist & Derrick Co. is a manufacturer of construction and industrial machinery and equipment. (File 2-54266 - July 25)

(S-14) MASSACHUSETTS INVESTORS GROWTH STOCK FUND, INC.

200 Berkeley St., Boston, Mass. 02116 - 465,000 shares of common stock, to be offered at net asset value in exchange for the assets of Compass Growth Fund, Inc., 20 Exchange Pl., New York, N.Y. 10005. Both are mutual funds. (File 2-54264 - July 25)

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:

Pettibone Corp., Chicago, Ill. (File 2-54237 - July 23) - 70,000 shares
Gelco-Feld Corp., Hopkins, Minn. (File 2-54244 - July 23) - 336,822 shares
Fay's Drug Co., Inc., Liverpool, N.Y. (File 2-54246 - July 23) - 210,000 shares
Standard-Pacific Corp., Costa Mesa, Cal. (File 2-54247 - July 23) - 100,000 shares
Johnson & Johnson, New Brunswick, N.J. (File 2-54250 - July 24) - 12,825 shares
Keystone International, Inc., Houston, Tex. (File 2-54252 - July 23) - 100,000 shares
Oxford Pendaflex Corp., Garden City, N.Y. (File 2-54256 - July 24) - 60,000 shares
Coleman Cable & Wire Co., Chicago, Ill. (File 2-54265 - July 23) - 75,000 shares
Great National Corp., Dallas, Tex. (File 2-54267 - July 28) - 300,000 shares
Russell Corp., Alexander City, Ala. (File 2-54271 - July 28) - 100,000 shares
Slater Electric Inc., Glen Cove, N.Y. (File 2-54273 - July 28) - 20,000 shares
Industrial National Corp., Providence, R.H. (File 2-54274 - July 28) - 5,392 shares
The Wickes Corp., San Diego, Cal. (File 2-54279 - July 25) - 400,000 shares

REGISTRATIONS EFFECTIVE

July 23: Arthur G. McKee & Co., 2-53932.

July 28: Bradford Computer & Systems, Inc., 2-53984; Centex Corp., 2-54043; Easco Corp., 2-53986; First City Bancorporation of Texas Inc., 2-54062; Medtronic Inc., 2-54206; The Signal Companies Inc., 2-54171; Universal Rundle Corp., 2-53771; Veeder Industries, Inc., 2-53682.

REGISTRATIONS WITHDRAWN

July 21: Womack Specified Properties Ltd. 74, 2-51320.

July 22: Liberty Loan Corp., 2-51183; The Philatelics Exchange Inc., 2-52471.

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. 20519. 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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