

2 sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

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RULES AND RELATED MATTERS

NOTICE OF APPLICATION FOR REGISTRATION
AS A SECURITIES INFORMATION PROCESSOR

LIBRARY

Pursuant to Section 11(A)(b)(2) of the Securities Exchange Act of 1934, the Consolidated Tape Association (CTA) has filed an application for registration as a securities information processor. A copy of the CTA application is available for public inspection in the Commission's Public Reference Room at 1100 L Street, N.W., Washington, D.C. 20549. (Rel. 34-11779)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

MAXWELL BENTLEY BARRED FROM
PRACTICE BEFORE COMMISSION

The Commission has permanently disqualified Maxwell Bentley, a Salt Lake City attorney, from appearing or practicing before it. The proceedings against Bentley were based on an injunction, entered against him after trial in an action brought by the Commission, which permanently enjoined Bentley from violations of the antifraud and registration provisions of the securities laws. The court found that Bentley, who was an officer and director of Mountain States Development Company, fraudulently sold over 71,000 shares of Mountain stock, and that, under his supervision, large quantities of the stock were unlawfully transferred by the company's transfer office.

The Commission found Bentley's efforts to minimize his role in the violative conduct unavailing. Instead, it agreed with the hearing officer's conclusion that "the record clearly [reflected] the active and inexcusable participation of [Bentley] in extensive and serious violations of the securities laws." (Rel. 33-5632)

SUSPENSION OF REGULATION B EXEMPTION
OF GREATER TEXAS OIL AND GAS CORPORATION
MADE PERMANENT

An order has been issued making permanent the suspension of the claimed Regulation B exemption from the Securities Acts registration requirements for an offering by Greater Texas Oil and Gas Corporation of Dallas. The offer was of fractional undivided interests in an oil and gas lease.

The Commission's order temporarily suspending the exemption alleged that no exemption was available because the company offered interests prior to the effective date of any offering sheet, utilized so called "pitch sheets" in telephone solicitations, and filed an offering sheet which failed to disclose accurately material facts and delivered copies to potential investors. It was also alleged that the offering was made in violation of the antifraud provisions of the securities laws.

No hearing was requested on the allegations made by the Commission's temporary suspension order. (Rel. 33-5634)

JULES BEAN AND JAMES JOHN MASIELLO
SANCTIONED

The Commission has suspended Jules Bean, of New York City, vice president of Memme & Co., Inc., formerly a registered broker-dealer, and James John Masiello, of Greenwich, Connecticut, Memme's majority stockholder, from association with any broker, dealer or investment company for respective periods of 30 and 45 days. Masiello's suspension is effective immediately; Bean's commences at the beginning of business on November 10. After the expiration of their suspensions, respondents will be barred from supervisory and proprietary positions with brokers, dealers, and investment companies.

The sanctions were based on findings that respondents aided and abetted violations of the Securities Exchange Act's broker-dealer registration, financial responsibility, and bookkeeping and reporting provisions. It was also found that respondents were associated with Memme in the above described relationships when a trustee was appointed for it under the Securities Investor Protection Act.

Without admitting or denying the charges against them, respondents consented to the above findings and sanctions. (Rel. 34-11757)

COURT ENFORCEMENT ACTIONS

AUDIO MEDIA ENJOINED

The Commission announced that on October 30 the U.S. District Court for the District of Columbia entered an order of permanent injunction, by consent, against Audio Media Corp. (Audio), formerly known as Eastern Sound Co., Inc., of Valley Stream, New York; Jack Prygoff of North Woodmere, New York, the president and a director of Audio; John R. Martinson of New York City, former chief executive officer and chairman of the board of Audio; and Johnson and Ries (J&R) of New York City, a public relations firm formerly engaged by Audio. The judgment permanently enjoins Audio and Prygoff from violations of the antifraud and registration provisions of the securities laws; J&R from violations of the registration provisions of the securities laws.

The defendants consented to the entry of the judgments of permanent injunction without admitting or denying the allegations of the Commission's complaint. (SEC v. Audio Media Corp., et al., D.D.C., Civil Action No. 75). (LR-7142)

The Commission announced the issuance of an order for public proceedings, pursuant to Section 15(b) of the Securities Exchange Act of 1934, naming Chartered New England (Chartered), a New York broker-dealer and former investment banker for Audio Media Corp. (Audio); Milton Bomback, the president and a director of Chartered; Robert L. Scheinman, the senior vice president and a director of Chartered; Robert L. Gardner, executive vice president and a director of Chartered; William C. Kretschmer, a former vice president of a registered representative with Chartered; and Gloria Cianelli, a registered representative with Chartered.

The order alleges that Chartered, Bomback, Scheinman, Gardner, Kretschmer and Cianelli violated the antifraud provisions of the securities laws in connection with Chartered's activities and an underwriter and a market-maker with respect to securities of Audio. The order also alleges that Chartered, Bomback, Scheinman and Gardner violated the registration provisions of the securities laws in connection with the same activities on behalf of Audio. (LR-7142)

The Commission has censured Lloyd Feld and Milton Loewe, both attorneys practicing law in New York City. The sanctions were based on findings that Feld and Loewe had engaged in improper professional conduct in violation of the Commission's Rules of Practice. The Commission's action was taken pursuant to offers of settlement in which the respondents, without admitting or denying the charges against them, consented to the above findings and sanctions. (Rel. 34-11775 and 34-11776)

INVESTMENT COMPANY ACT RELEASES

MONEY MARKET MANAGEMENT

An order has been issued pursuant to Section 11(a) approving a proposed exchange offer, whereby shareholders of Money Market Management, Inc., would receive the right to exchange their shares for shares of American Leaders Fund, Inc., and Fund for U.S. Government Securities, Inc. It was further ordered pursuant to Section 6(c) of the Act that the application for exemption from Section 22(d) of the Act and Rule 22d-1 thereunder, to the extent requested, be granted. (Rel. IC-9007 - Oct. 30)

NARRAGANSETT CAPITAL CORPORATION

An order has been issued on an application of Narragansett Capital Corporation, a non-diversified, closed-end investment company and a licensed small business investment company under the Small Business Investment Act of 1958, on May 30, 1974, and amendments thereto on March 4, July 29, September 24, and October 10, 1975, pursuant to Section 17(b) and Rule 17d-1. The order exempts, from the provisions of Section 17(a) and permits under Section 17(d), certain proposed transactions which are to be made in connection with the reorganization under Chapter XI of the Bankruptcy Act of the financial structure of Bevis Industries, Inc., a Rhode Island corporation. (Rel. IC-9008-Oct. 30)

CONGLOMERATE FUND OF AMERICA

An order has been issued declaring that Conglomerate Fund of America, Inc. has ceased to be an investment company. (Rel. IC-9009 - Oct. 30)

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until November 24 to request a hearing on an application of Massachusetts Mutual Life Insurance Company for an order of the Commission pursuant to Section 17 of the Investment Company Act of 1940 and Rule 17d-1 thereunder permitting applicant to purchase a mortgage loan issued to affiliates of Golden States Food Corporation. (Rel. IC-9010 - Oct. 30)

HOLDING COMPANY ACT RELEASES

MISSISSIPPI POWER & LIGHT COMPANY

An order has been issued authorizing Mississippi Power & Light Company, a subsidiary of Middle South Utilities, Inc., to amend its Articles of Incorporation to increase the amount of its authorized preferred stock and to allow the board of directors to determine sinking fund provisions for the preferred stock. Proxies are to be solicited in connection with the proposed transactions. (Rel. 35-19228 - Oct. 30)

TRUST INDENTURE ACT RELEASES

GENERAL AMERICAN TRANSPORTATION CORPORATION

An order has been issued under the Trust Indenture Act of 1939 on an application of General American Transportation Corporation (Company) that the trusteeship of Irving Trust Company under two indentures of the Company is not so likely to involve a material conflict of interest as to make it necessary to disqualify Irving Trust Company from acting as trustee. (Rel. TI-414)

SECURITIES ACT REGISTRATIONS

(S-1) THE HARVEST FUND

Quakertown Rd., Pittstown, N.J. - 3,000 units of limited partnership interest, to be offered for sale at \$1,000 per unit by Todd & Company, Inc., 192 Paterson Plank Rd., Carlstadt, N.J. 07072. The partnership will engage in the business of investing and dealing in commodities and commodities futures. (File 2-54743 - Oct. 6)

(S-2) CLARCO, INC.

66 West Flagler St., Miami, Fla. 33130 - 168,913 shares of common stock, to be distributed without charge by Arthur S. Clark, Jr., 66 West Flagler St., Miami, Fla. 33130, among certain stockholders of D & R International, Inc., an unaffiliated Florida corporation. The company has been inactive since inception and there are no present plans for its activation. (File 2-54819 - Oct. 15)

(S-5) QUALIFIED DIVIDEND PORTFOLIO II, INC.

P.O. Box 823, Valley Forge, Pa. 19482 - 1,000,000 shares of common stock, to be offered for sale by Wellington Management Company as the investment adviser and distributor. The Fund is a diversified, open-end investment company. (File 2-54886 - Oct. 28)

(S-7) ARIZONA PUBLIC SERVICE COMPANY

411 North Central Ave., Phoenix, Ariz. 85004 - 300,000 shares of cumulative preferred stock Series I (\$100 par), to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York, N.Y. 10005. The company is a public utility principally engaged in the generation and sale of electric energy, and in the purchase and sale of natural gas. (File 2-54888 - Oct. 29)

In a separate statement the company seeks registration of \$75 million of first mortgage bonds, due 2000, to be offered for sale through the same underwriters named above. (File 2-54889 - Oct. 29)

(S-14) FERRO CORPORATION

One Erieview Plaza, Cleveland, Ohio 44114 - 401,209 shares of common stock, to be offered for sale in connection with the proposed acquisition of substantially all of the assets, properties and business of Productol Chemical Company, Inc., 13215 East Penn St., Whittier, Cal. 90602. Ferro is principally engaged in the manufacture and sale of specialty materials produced by chemical processes. (File 2-54890 - Oct. 2)

(S-B) FEDERATIVE REPUBLIC OF BRAZIL

3006 Massachusetts Ave., N.W., The Brazilian Embassy, Washington, D.C. 20008 - \$50 million of external bonds, due 1990, (redeemable at option of holder on December 15, 1980), to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. (File 2-54891 - Oct. 29)

REGISTRATIONS EFFECTIVE

Oct. 17: The New Hampshire Jockey Club, Inc., 2-54288.

Oct. 28: Cardiac Pacemakers Inc., 2-54454; Carolina Power & Light Co., 2-54653; Central National Corp., 2-54518; Continental Oil Co., 2-54621; Georgia Power Co., 2-54626; Lennar Corp., 2-54161; Libbey-Owens-Ford Co., 2-54470; Liquid Air Corp. of North America (90 days), 2-54594; New York Magazine Co. Inc., 2-54742; Overhead Door Corp., 2-54467; Pay N Save Corp., 2-54662; Waters Associates Inc., 2-54350.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

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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