

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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COMMISSION ANNOUNCEMENT

SEC ORDER CITES KAREN ECONOMIC PLANNING, OTHERS. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Karen Company ("Karen"), Joseph F. Azzarone, sole-proprietor of Karen, Economic Planning Corporation ("Economic"), Joseph Criscuolo, president of Economic, and Michael Karfunkel an employee of Economic. Karen and Economic are registered broker-dealers having offices in New York City.

The proceedings are based upon allegations of the Commission's staff that at various times during the period May 1969 through October 1970 Karen and Azzarone, violated the financial reporting, record-keeping and net capital provisions of the Exchange Act. In addition, the order alleges that Karen and Azzarone, extended credit in violation of the Exchange Act and the Federal Reserve Board's margin regulations, by failing to promptly cancel and liquidate transactions which remained unpaid after the expiration of the time period prescribed in the regulations.

The order further alleges that in the distribution of new issues, Karen, aided by Azzarone, extended credit to purchasers and failed to earmark money received for the persons having beneficial interest thereof, in contravention of the Exchange Act.

All respondents, except Criscuolo, are alleged to have offered, sold and delivered after sale the securities of Select Enterprises, Inc., in violation of the registration requirements of the Securities Act of 1933. In connection with over-the-counter trading in shares of Select, all respondents except Criscuolo are alleged to have engaged in manipulative practices and made false and misleading statements, and failed to state material facts concerning their role in the distribution and trading of Select shares. Among other things, Karen and Economic are alleged to have entered in the quotation sheets bids and offers for Select which were not related to the value of the company. Economic and Criscuolo are charged with failure to supervise persons under their supervision with a view to preventing the alleged violations of the registration and anti-fraud provisions of the Securities Act and the Exchange Act in connection with transactions in Select stock.

A public hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature should be ordered by the Commission.

INVESTMENT COMPANY ACT RELEASES

LA-SALLE STREET CAPITAL HEARING SCHEDULED. The SEC has issued an order under the Investment Company Act scheduling a hearing for 10:00 A.M. on March 31, 1971 on the application of LaSalle Street Capital Corporation, Chicago closed-end non diversified management investment company, licensed as a small business investment company under the Small Business Investment Act, for an order exempting from certain provisions of the Act various transactions incident to the proposed merger of LaSalle into Atlanta LaSalle Corporation, also a closed-end non-diversified management investment company. It is proposed that each LaSalle common share outstanding shall be converted into one common share of Atlanta/LaSalle and that shares of Atlanta/LaSalle common stock outstanding shall remain outstanding without change. The merger agreement has been approved by both boards of directors.

Atlanta/LaSalle owns about 86% of the outstanding common stock of Atlanta Braves, Inc., which owns and operates the Atlanta Braves baseball team. Following consummation of the proposed merger it is proposed that Atlanta/LaSalle transfer a portion of its assets to a wholly-owned registered investment company (L.S.C.) which will also be licensed as a small business investment company. (Release IC-6370)

HOLDING COMPANY ACT RELEASES

ALLEGHENY POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing Allegheny Power System, Inc., New York holding company, to become surety to the State of West Virginia in an amount not exceeding \$8,600,000 to ensure the prompt refund by its wholly-owned subsidiary, Monongahela Power Company, of all amounts Monongahela may collect or receive in excess of rates and charges contained in tariffs filed with the State Public Service Commission. The purpose of the proposed transaction is to enable Monongahela to begin using the new rates prior to completion of the Public Service Commission's investigation, hearing and decision with respect thereto. (Release 35-17030)

CONNECTICUT LIGHT SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until March 30 to request a hearing upon an application of The Connecticut Light and Power Company, Berlin subsidiary of Northeast Utilities, to amend the company's Certificate of Incorporation (a) to increase from 3,000,000 to 3,500,000 the number of authorized preferred shares and (b) to permit the issuance of short-term unsecured indebtedness in excess of the 10% limitation now set forth in the Charter (the 20% limitation on all unsecured indebtedness to remain in effect). The company proposes to submit such proposal to holders of its outstanding \$50 par preferred stock at a special meeting to be held April 12, 1971. (Release 35-17031)

OVER

HOLDING COMPANY ACT RELEASES

HARTFORD ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until March 30 to request a hearing upon an application of The Hartford Electric Light Company, Wethersfield, Conn. subsidiary of Northeast Utilities, to amend its Certificate of Incorporation (a) to increase from 2,000,000 to 2,200,000 its authorized preferred stock and (b) to permit the issuance of short-term unsecured indebtedness in excess of the 10% limitation set forth in its Charter (with 20% limitation on all unsecured indebtedness to remain in effect). The company proposes to submit such proposals to holders of its outstanding \$50 par preferred stock at a special meeting to be held April 12, 1971. (Release 35-17032)

ARKANSAS POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing Arkansas Power & Light Company, Little Rock subsidiary of Middle South Utilities, Inc., to issue and sell \$30,000,000 of first mortgage bonds, due 2001, at competitive bidding. Net proceeds of the bond sale will be used for the company's current construction program (estimated at \$124,050,000 for 1971) and for other corporate purposes, including repayment of short-term bank loans and commercial paper indebtedness approximating \$6,000,000. (Release 35-17033)

AMERICAN NATURAL GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing American Natural Gas, New York holding company, to submit to its stockholders at its annual meeting to be held April 28, 1971, a proposal to amend its Certificate of Incorporation to increase from 17,000,000 to 19,000,000 the aggregate number of authorized shares of common stock. (Release 35-17034)

JERSEY CENTRAL POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until March 31 to request a hearing upon an application of Jersey Central Power & Light Company, Morristown, N. J. subsidiary of General Public Utilities Corporation, to grant and convey to Texas Eastern Transmission Corporation, for \$137,629, an easement for, among other things, the construction of a 36-inch diameter subterranean pipe line for the transmission of natural gas in lands in New Jersey comprising Jersey Central's Raritan-Traynor electrical transmission line right of way. (Release 35-17035)

CONNECTICUT GAS SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until April 5 to request a hearing upon an application of The Connecticut Gas Company, Hartford subsidiary of The Connecticut Light and Power Company (a subsidiary of Northeast Utilities) to issue and sell up to \$550,000 of long-term notes to the parent (in addition to the \$625,000 of such notes previously authorized) to meet its capital requirements. The aggregate of all notes at any one time outstanding will not exceed \$1,600,000. (Release 35-17036)

SECURITIES ACT REGISTRATIONS

WESTERN UNION TO SELL DEBENTURES. The Western Union Telegraph Company, 60 Hudson St., New York 10013, filed a registration statement with the SEC on March 2 seeking registration of \$55,000,000 of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is primarily engaged in offering telegraph message services to the public. Net proceeds of its debenture sale, will be used to pay the cash portion (\$47 million) of the purchase price of the Bell System Teletypewriter Exchange Service (\$88.7 million); any balance will be added to the company's general funds and used for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 5,000,000 common shares, of which Western Union Corporation owns 90%. Russell W. McFall is board chairman and Earl D. Hilburn president. (File 2-39534)

OWENS-ILLINOIS TO SELL DEBENTURES. Owens-Illinois, Inc., Owens-Illinois Bldg., Toledo, Ohio, filed a registration statement with the SEC on March 3 seeking registration of \$100,000,000 of debentures, due 2001, to be offered for public sale through underwriters headed by Lazard Freres & Co., 44 Wall St., and Goldman, Sachs & Co., 55 Broad St., both of New York City. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is a manufacturer of packaging products. Net proceeds of its debenture sale will be added to the company's general funds to be available for payment of domestic short-term indebtedness which aggregated \$104,825,000 at February 28, and for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 15,381,072 common shares. R. H. Mulford is board chairman and Edwin D. Dodd president. (File 2-39535)

MONTANA POWER TO SELL BONDS. The Montana Power Company, 40 East Broadway, Butte, Montana 59701, filed a registration statement with the SEC on March 3 seeking registration of \$25 million of first mortgage bonds, due 2001, to be offered for public sale through underwriters headed by Kidder, Peabody & Co. Inc., 20 Exchange Pl., New York City. The interest rate, offering price and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its bond sale, together with internally-generated cash, to retire short-term borrowings (\$23,850,000 at March 1) and finance construction. Construction expenditures are estimated at \$20,520,000 for 1971 and \$180,000 for the five-year period from 1971-1975. (File 2-39536)

MINNESOTA POWER TO SELL BONDS. Minnesota Power & Light Company, 30 W. Superior St., Duluth, Minn. 55802, filed a registration statement with the SEC on March 3 seeking registration of \$23,000,000 of first mortgage bonds, to be offered for public sale at competitive bidding. A public utility, the company will apply the net proceeds of its bond sale, together with internally generated funds, toward the repayment of short-term promissory notes, including commercial paper, estimated to total \$18 million at the time of issuance of the bonds. The balance will be applied to the construction of new facilities and other corporate purposes. Construction expenditures are estimated at \$33 million in 1971 and \$68 million for the period 1972-1974. (File 2-39537)

ESTERLINE SHARES IN REGISTRATION. Esterline Corporation, 280 Park Ave., New York 10017, filed a registration statement with the SEC on March 3 seeking registration of 665,104 shares of common stock. Of these shares, 315,104 are outstanding shares which were issued in connection with certain acquisitions and which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$20 per share maximum*). The remaining 350,000 shares are issuable upon exercise of Non-Qualified and Qualified Stock Options and as Restricted Stock Bonuses granted or to be granted by the company.

The company is engaged in activities primarily in the fields of the measurement sciences, the manufacture of high precision equipment and health care. In addition to indebtedness and preferred stock, the company has outstanding 3,156,734 common shares. The E. Hutson Titmus, Jr. Estate may sell 106,415 of 217,174 shares held, The Titmus Foundation, Inc. 74,402 of 151,842 and 15 others the remaining shares being registered. (File 2-39538)

EDMOS FILES FOR OFFERING AND SECONDARY. Edmos Corporation, Garvies Point Rd., Glen Cove, L. I., N. Y. 11542, filed a registration statement with the SEC on March 3 seeking registration of 398,000 shares of common stock (giving effect to a 50% stock distribution to be effective on March 22), of which 250,000 are to be offered for public sale by the company and 148,000 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York 10005; the offering price (\$45.50 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and distribution of synthetic fabrics. Net proceeds of its sale of additional stock will be added to the company's general funds to be available for working capital and other corporate purposes, including capital expenditures for plant and equipment budgeted at some \$3 million during 1971. In addition to indebtedness, the company has outstanding 1,585,961 common shares, of which Milton Moskowitz, board chairman, owns 28.3%, Edward Moskowitz, president, 14.92% and management officials as a group 65.26%. Milton Moskowitz proposes to sell 88,000 of 448,783 shares held and Edward and Alan Moskowitz (executive vice president) 30,000 each of 236,634 shares held each. (File 2-39540)

PROCHEMCO CATTLE VENTURES PROPOSES OFFERING. ProChemco Cattle Ventures, Inc. (the "general partnership"), 300 Barfield Bldg., Amarillo, Tex. 79101, filed a registration statement with the SEC on March 3 seeking registration of \$2,500,000 of limited partnership interests, to be offered for public sale at \$10,000 per unit (with a minimum purchase of two units required). The partnership is to be formed to engage in the business of feeding cattle. The general partner is a wholly-owned subsidiary of ProChemco, Inc. Paul F. Engler, board chairman and president of the general partner, owns 13.01% of its parent. (File 2-39542)

STANDARD OIL TO SELL DEBENTURES. Standard Oil Company, 910 S. Michigan Ave., Chicago, Ill., filed a registration statement with the SEC on March 4 seeking registration of \$200 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Morgan Stanley & Co., Inc., 2 Wall St., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company and its subsidiaries are engaged in the production, and transportation of, crude oil and natural gas and in the manufacturing, transportation and marketing of petroleum products, including chemicals. Net proceeds of its debentures sale will be added to the company's general funds and used to reduce short-term notes payable, which at February 26 amounted to \$193,861,000, and for other corporate purposes. In addition to indebtedness, the company has outstanding 73,073,483 common shares. John E. Swearingen is board chairman and Robert C. Guinness president. (File 2-39544)

MERCANTILE BANKSHARES PROPOSES EXCHANGE OFFER. Mercantile Bankshares Corporation, 2 Hopkins Plaza, Baltimore, Md. 21201, filed a registration statement with the SEC on March 4 seeking registration of 72,000 shares of \$3 cumulative convertible Class A preferred stock (each share convertible into three common shares). It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of Bank of Southern Maryland, at the rate of one preferred share for each Bank share contingent upon acceptance by holders of at least 80% of the outstanding Bank shares.

A bank holding company, Bankshares owns controlling interests in three Maryland banks. In addition to preferred stock, it has outstanding 1,635,102 common shares, of which Mercantile-Safe Deposit Trust Company has sole voting power of 28.48%. H. Furlong Baldwin is president, William E. McGuirk, Jr., board chairman, and J. Pierre Bernard vice chairman. (File 2-39545)

HOOVER BALL & BEARING TO SELL DEBENTURES. Hoover Ball and Bearing Company, 135 East Bennett St., Saline, Mich. 48176, filed a registration statement with the SEC on March 4 seeking registration of \$25,000,000 of sinking fund debentures, due 1996, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is principally engaged in the manufacture and sale of various metal and plastic products to original equipment manufacturers. Of the net proceeds of its debenture sale, \$10,000,000 will be used for the repayment of the amount outstanding under its revolving credit agreement, \$6,500,000 to retire a bank term loan and \$3,500,000 to retire short-term bank borrowings incurred for working capital purposes; it may expend some \$2,100,000 in connection with the proposed acquisition of Franklin Aluminum Co., Inc. (of which \$1,500,000 will be used to retire existing indebtedness of Franklin); the balance will be added to the company's general funds and be available for capital expenditures and increased working capital requirements. In addition to indebtedness, the company has outstanding 3,897,855 common shares. Clifford H. Simmons is board chairman and John F. Daly president. (File 2-39551).

MID-OHIO BANC-SHARES PROPOSES EXCHANGE OFFER. Mid-Ohio Banc-Shares, Inc., 3 North Main St., Mansfield, Ohio 44901, filed a registration statement with the SEC on March 4 seeking registration of 47,440 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding common stock of The Farmers and Savings Bank, at the rate of four shares for each Bank share.

A bank holding company, Mid-Ohio controls two Ohio banks. It has outstanding 230,436 common shares. J. H. Beasore is president. (File 2-39546)

ACCESS CORP. SHARES IN REGISTRATION. Access Corporation, 4815 Para Dr., Cincinnati, Ohio 45237, filed a registration statement with the SEC on March 4 seeking registration of 126,107 shares of common stock. Of these shares, 83,357 are issuable pursuant to options or warrants granted or to be granted and 42,750 are reserved for issuance to certain persons in settlement of their rights to obtain shares in 1978 in connection with the company's acquisition of certain partnership interests. (File 2-39547)

INTERCO FILES FOR OFFERING AND SECONDARY. Interco Incorporated, 1509 Washington Ave., St. Louis, Mo. 63166, filed a registration statement with the SEC on March 4 seeking registration of 712,983 shares of common stock. Of these shares, 400,000 are to be offered for public sale by the company and 312,983 (being outstanding shares) by the holders thereof. The offering is to be made through underwriters headed by duPont Glore Forgan Inc., and Goldman, Sachs & Co., 55 Broad St., N. Y. 10004; the offering price (\$44.625 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture of footwear and apparel and a merchandiser of various consumer goods through retail store groups. Net proceeds of its sale of additional stock will be applied to the repayment of short-term borrowings (\$15,275,296 at January 31) and any balance will be added to the company's general funds. In addition to indebtedness and preferred stock, the company has outstanding 7,685,042 common shares. Trusts for Goldstein and Shainberg family members propose to sell 51,000 shares, Melvin M. Brown 31,501 and a large number of others the remaining shares being registered. (File 2-39548)

PUBLIC SERVICE ELECTRIC TO SELL STOCK. Public Service Electric and Gas Company, 80 Park Pl., Newark, N.J. 07101, filed a registration statement with the SEC on March 4 seeking registration of 500,000 shares of \$100 par cumulative preferred stock, to be offered for public sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 10005. The offering price (\$103 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will use the net proceeds of its stock sale for general corporate purposes, including payment of a portion of its construction costs and payment of a portion of its unsecured short-term obligations incurred for general corporate purposes. Short-term obligations are expected to be \$92,000,000 at the time the proceeds are received. Construction expenditures are estimated at \$468,000,000 for 1971, \$421,000,000 for 1972 and \$405,000,000 for 1973. (File 2-39549)

CONOCO EXPLORATION PROPOSES OFFERING. Conoco Exploration, Ltd. (the "Investor Partnership"), 1300 Main St., Houston, Tex. 77022, filed a registration statement with the SEC on March 4 seeking registration of \$25,000,000 of limited partnership interests, to be offered for public sale in minimum amounts of \$10,000. The offering is to be made through underwriters headed by Morgan Stanley & Co. Inc., 2 Wall St., New York 10005; the underwriting terms are to be supplied by amendment. The Investor Partnership is being formed for the purpose of becoming the limited partner of, and making contributions to, Conoco Limited Partnership (the Operating Partnership) through which it will participate with Continental Oil Company (the general partner of the Operating Partnership) in the exploration for new reserves of oil and gas and the development and production of such reserves. Conoco Management Company, a wholly-owned subsidiary of Continental Oil, is the general partner of the Investor Partnership. John G. McLean is president and chief executive officer and L. F. McCollum board chairman of Continental Oil. Cecil E. Schultz is president of the Investor Partnership. (File 2-39550)

UNLISTED TRADING SOUGHT. The SEC has issued orders under the Securities Exchange Act giving interested persons until March 19 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies:

Midwest Stock Exchange: Saxon Industries, Inc.

Pacific Coast Stock Exchange: Saxon Industries, Inc.

Philadelphia-Baltimore-Washington Stock Exchange: Banister Continental Corporation, Missouri Public Service Company, National Health Enterprises, Inc., United States Smelting Refining & Mining Company - Warrants (Expiring January 15, 1979). (Release 34-9095)

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:

Kaneb Pipe Line Company, Houston, Tex. (File 2-39527) - 41,667 shares

Yard-Man Incorporated, Los Angeles, Calif. 90017 (File 2-39539) - 10,192 shares

Curtice-Burns, Inc., Rochester, N. Y. 14604 (File 2-39541) - 27,537 shares

Consolidated Dental Services Company, Philadelphia, Pa. 19103 (File 2-39543) - 100,000 shares

SECURITIES ACT REGISTRATIONS. Effective March 8: Continental Coffee Co., 2-39179; Hanks Seafood Co., Inc., 2-38981 (90 days); Sanders Associates, Inc., 2-39333.

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.