

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.

U.S. SECURITIES & EXCHANGE COMMISSION

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FOR RELEASE June 22, 1971

COMMISSION ANNOUNCEMENTS

SEC ORDER CITES HOWETT, INC. The Commission has ordered administrative proceedings against Howett, Inc., a brokerage firm whose principal offices are located in Greenview, Illinois, and against Vernon F. Wetter, the firm's president. The Commission also ordered interlocutory administrative proceedings against the firm to determine whether, pending final determination of the issues alleged in the order for proceedings, it is necessary or appropriate in the public interest and for the protection of investors to suspend the broker-dealer registration of the firm.

The Commission's Division of Trading and Markets alleges in the order for proceedings that the aforementioned respondents among other things converted customers' funds and violated the net capital and bookkeeping provisions of the Securities Exchange Act of 1934.

A public hearing will be scheduled by further order to afford respondents an opportunity to refute the staff's allegations and to establish any defenses, and to determine what, if any, remedial action is appropriate in the public interest.

SEC ORDER CITES PATTERSON, MATZKIN, OTHERS. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 naming Patterson, Matzkin & Co. (PM Co.), Patterson Matzkin & Co., Inc. (PM Inc.), Edwin M. Matzkin, George Peck, Pelissier Associates, Inc., and Gerald Pelissier based upon violation of the net capital, anti-fraud, broker-dealer registration, and record keeping provisions of the Federal securities laws. The Commission's order alleges that PM Inc., executed securities transactions while it did not meet net capital requirements; made false entries in its books, acted as a broker-dealer without being registered, that all respondents but PM Co. failed to return funds to persons entitled to them in connection with the sale of Sea Jay, Inc. securities, that PM Co., PM Inc., Matzkin, and Peck violated the anti-fraud provisions by omitting to tell customers of its poor financial condition and that PM Co., PM Inc., and Matzkin failed reasonably to supervise with a view of preventing the above Federal securities laws violations.

A hearing will be scheduled by further order to take evidence on the staff allegations and 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.

COURT ENFORCEMENT ACTIONS

COMPLAINT CITES LANG-LASSER IN CALIFORNIA. The SEC Los Angeles Branch Office announced the filing of a complaint for injunction and for appointment of a receiver in Federal court in Los Angeles alleging various violations of the federal securities laws arising out of the activities of Lang-Lasser & Company, Inc., a registered broker-dealer, specifically violations of the antifraud, net capital and financial reporting provisions. In addition the complaint requested that the court take jurisdiction of the defendant until such time as the Securities Investor Protection Corporation might determine that Lang-Lasser has failed or is in danger of failing to meet its obligations to customers in order to apply for further Court action. (LR-5043)

COMPLAINT CITES INCENTIVE FUND AND OFFICERS. The SEC San Francisco Regional Office announced the filing of a complaint in Federal court in Los Angeles seeking to enjoin Incentive Fund Inc., Incentive Group Inc., its investment adviser, and Charles W. Lewsadder, president and director of the Fund and Group from violating the anti-fraud provisions of the Federal securities laws, and the Investment Company Act. (LR-5046)

BUTLER ENJOINED IN LOUISVILLE. The SEC Chicago Regional Office announced that on June 11 the Federal district court in Kentucky entered a judgment of permanent injunction against Benjamin J. Butler of Louisville on charges involving violation of the anti-fraud provisions of the Federal securities laws in the offer and sale of stock of Belva Manor, Inc. and American Associated Financial Corp. The defendant consented to the injunction. (LR-5047)

T. C. HORNE COMPANY ENJOINED. The SEC Boston Regional Office announced that on June 16, the Federal District court in Boston permanently enjoined T. C. Horne and Company, Cambridge broker-dealer, and Thomas C. Horne its president from violating the Commission's net capital and bookkeeping rules. The defendants consented to the entry of the decree. (LR-5048)

BEHR AND CENTURION SECURITIES ENJOINED. The SEC New York Regional Office announced that on April 23 the Federal District Court in New York permanently enjoined Kenneth Behr and Centurion Securities Inc., New York broker-dealer now in receivership from violating the anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Underwriters Investment Company and Drexel Industries, Inc. In addition, David Kolasky, former vice president of Centurion was enjoined from violating the net capital, bookkeeping, hypothecation, as well as anti-fraud provisions of the Federal securities laws in the offer and sale of securities of the same firms. All defendants consented to the issuance of permanent injunctions. (LR-5049)

OVER

INVESTMENT COMPANY ACT RELEASE

PRINCIPAL CERTIFICATE SERIES, INC. The Commission has issued an order requiring Principal Certificate Series, Inc. of Seattle to deposit and maintain with Bankers Trust Company of New York assets of the character specified and described in Section 28(b) of the Investment Company Act in accordance with terms and provisions of the Third Amended Agreement between Principal and Bankers as contained in the application filed with the Commission and noted by it on June 7, 1971. (Release IC-6585)

KEYSTONE CUSTODIAN FUND. The Commission issued an order giving interested persons until July 12 to request a hearing on application of Keystone Custodian Fund, Series K-1 and B-4, of Boston for an order granting the application with respect to the execution of consent agreements on behalf of K-1 and B-4 whereby K-1 and B-4 consent to the reorganization of Liquidonics Industries, Inc., a New York corporation and also involving the reduction of existing debt service requirements. 1/ (Release IC-6581)

VALUE LINE SPECIAL SITUATIONS FUND. The Commission issued an order giving interested persons until July 13 to request a hearing on application of the Value Line Special Situations Fund of New York and Marine International Corporation of Newark, for an order exempting from certain provisions of the Investment Company Act an exchange between Marine and Fund of certain Marine warrants currently held by Fund for a different number of new Marine warrants having different exercise terms, and the sale by Marine to Fund of 62,250 shares of Marine's common stock upon the exercise by Fund of other Marine warrants now held by Fund. 1/ (Rel. IC-6582)

SECURITIES ACT REGISTRATIONS

*MAPCO SHARES IN REGISTRATION. MAPCO Inc., 1437 South Boulder Ave., Tulsa, Okla. 74119, filed a registration statement on June 11 seeking registration of 98,500 outstanding shares of common stock issued by the company in connection with the acquisition by a subsidiary of the company of Webster County Coal Corporation. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (** \$31.50 per share maximum). (File 2-40726)

*FELSWAY FILES FOR OFFERING AND SECONDARY. The Felsway Corporation, 994 Riverview Dr., Totowa, N.J. 07512, filed a registration statement on June 11 seeking registration of 400,000 shares of common stock, of which 220,000 are to be offered for public sale by the company and 180,000 (being outstanding shares) by the holders thereof. The offering is to be made (** at \$20 per share maximum) through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York 10005.

The company is engaged in the retail sale of shoes and hosiery and the wholesale distribution of shoes. Net proceeds of its stock sale will be added to the company's general funds and will be available for working capital and other corporate purposes. In addition to indebtedness and preferred shares, the company has outstanding 1,310,900 common shares, of which Lionel M. Levey, president, owns 12.6%. He proposes to sell 100,000 shares and five others the remaining shares being registered. (File 2-40729)

JAYMARK KNIT INDUSTRIES TO SELL STOCK. Jaymark Knit Industries, Inc., 1440 Broadway, New York 10018, filed a registration statement on June 11 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$5.50 per share. The offering is to be made by S. D. Cohn & Co.,

Organized in 1969, the company is engaged in the design manufacture and sale of double knit fabrics composed of synthetic fibers. Of the net proceeds of its stock sale, \$500,000 will be used to acquire additional knitting machines and the balance for working capital and other corporate purposes. The company has outstanding 600,000 common shares (with a 44¢ per share book value), of which Mark Horowitz, president, owns 85%. Purchasers of the share being registered will sustain an immediate dilution of \$3.62 in per share book value from the offering price. (File 2-40732)

SECURITIES ACT REGISTRATIONS. Effective June 21: Allergan Pharmaceuticals, 2-39866; Baltimore Gas and Electric Co., 2-40618; Corning Glass Works, 2-40772; Gulf Natural Resources Fund, 2-39668 (90 days); Minnesota Mining and Manufacturing Co., 2-40289; Questor Corp., 2-40739; U. S. Industires, Inc., 2-40345.

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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purpose of computing the registration fee.

1/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.