

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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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

MAYFLOWER SECURITIES SUSPENDED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8961) in which it ordered that Mayflower Securities Co., Inc., of New York City, be suspended for 40 days from effecting transactions as an underwriter or member of a selling group of a registered public offering of securities, effective at the opening of business on August 24. Joseph H. Fisher, of Freeport, N. Y., former vice president of Mayflower, a former director of Trimatrix, Inc., was barred from further association with any securities firm. The two respondents, without admitting or denying the allegations against them, consented to findings of violations of the Federal securities laws and to imposition of the indicated sanctions.

According to the decision, Mayflower and Fisher offered and sold stock of Trimatrix in violation of the Securities Act registration provisions during the period September 1968 through January 20, 1969. Among other things, the respondents "presold" a proposed offering of Trimatrix shares to and received payment from about 145 persons, directed customers not to indicate on their checks that they were in payment for Trimatrix shares and altered or caused the alteration of customers' checks to conceal that fact, and did not send customers sales confirmations and treated payments received for Trimatrix shares as a credit balance in the customers accounts. Moreover, Mayflower aided and abetted by Fisher, violated the Commission's confirmation and record-keeping rules.

COMMISSION ANNOUNCEMENTS

BAN ON TRADING LEASING CONSULTANTS STOCK TO END. The SEC today announced that its ban on o/c trading in shares of Leasing Consultants, Inc., of Roslyn, N. Y., will expire at the close of business August 26. Trading therein was suspended on July 28 because of serious questions as to the availability of adequate and accurate financial and other information about the company and its operations. Financial data was released by the company on August 6; and on August 18, 1970, the company filed a petition in bankruptcy. (For further details, see Release 34-8965).

TRADING SUSPENDED IN SPOKANE NATL. MINES; INJUNCTION SOUGHT. The SEC today announced that it had suspended over-the-counter trading in securities of Spokane National Mines, Inc. ("Spokane National"), of Spokane, Wash., for the ten-day period beginning August 21; the trading ban will terminate at the close of business August 30 (Release 34-8966).

At the same time, the Commission announced the filing of a complaint in Federal court in Spokane (LR-4723), seeking to enjoin the further offer and sale of stock of Spokane National by the following in violation of the registration and anti-fraud provisions of the Act; Spokane National, Howard J. Tibbits, its president, Robert Oliver and Jack Taitch. In its complaint, the Commission alleged (among other things) that Spokane National had issued more than 2,000,000 shares in excess of the 5,000,000 shares authorized by its charter and that most of these unauthorized shares were sold into the public market without registration with the Commission. Company counsel indicates that the unauthorized shares may be void and that Spokane National has been refusing to transfer certificates therefor.

HOLDING COMPANY ACT RELEASES

LOUISIANA POWER RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16808) authorizing Middle South Services, Inc., New Orleans subsidiary of Middle South Utilities, Inc., to sell part of a tract of land in Gretna, Louisiana, to Louisiana Power & Light Company, also a New Orleans subsidiary of Middle South, at cost (\$129,579).

CONNECTICUT LIGHT AND POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16809) giving interested persons until September 21 to request a hearing upon an application of The Connecticut Light and Power Company, Berlin, Conn. subsidiary of Northeast Utilities, to issue and sell \$40,000,000 of first and refunding mortgage bonds, Series W, due 2000, and 400,000 shares of Series I preferred stock (\$50 par), at competitive bidding. Net proceeds will be used to finance the company's construction program, to supply funds for its investments in regional nuclear generating companies and to repay short-term borrowings which were incurred for these purposes. Such short-term borrowings will total \$50,000,000 at the time of the sale of securities. Construction expenditures are estimated at \$16,300,000 for 1970.

METROPOLITAN EDISON SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16810) giving interested persons until September 10 to request a hearing upon an application of Metropolitan Edison Company, Berks County, Pa. subsidiary of General Public Utilities Corporation, to issue and sell or to renew up to \$44,000,000 of short-term notes to 17 banks. Net proceeds will be used to finance the company's business as a public utility company, including provisions for construction expenditures, the repayment of other short-term borrowings and the temporary reimbursement of its treasury for construction expenditures provided therefrom.

OVER

WESTERN MASS. ELECTRIC SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16811) giving interested persons until September 11 to request a hearing upon an application of Western Massachusetts Electric Company, West Springfield subsidiary of Northeast Utilities, to issue and sell up to \$20,100,000 of short-term notes (including commercial paper) to a group of banks or to a dealer in commercial paper. Net proceeds will be used for construction expenditures and for investments in nuclear generating companies. Construction expenditures are estimated at \$46,700,000 for 1970 and \$31,500,000 for 1971. Estimated investments in or advances to nuclear generating companies (i.e., Maine Yankee Atomic Power Company and Vermont Yankee Nuclear Power Corporation) are estimated to aggregate some \$3,600,000 during 1970 and \$1,500,000 during 1971.

VERMONT YANKEE SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16812) giving interested persons until September 9 to request a hearing upon an application of Vermont Yankee Nuclear Power Corporation, Rutland, Vt. subsidiary of both Northeast Utilities and New England Electric System, to issue and sell \$80,000,000 of first mortgage bonds, Series A due 1998, at competitive bidding. Net proceeds will be used to repay the short-term borrowings from banks and from sponsors incurred to finance the construction of its generating plant and to meet future construction costs.

MISSISSIPPI POWER REQUEST DENIED. The SEC today announced a decision under the Holding Company Act (Release 35-16814) denying an application filed by Mississippi Power and Light Co. (Jackson subsidiary of Middle South Utilities, Inc.) and its subsidiary, Sunset Plaza Apartments, Inc., with respect to the proposed financing of low and moderate income housing projects. Sunset Plaza had been organized for the purpose of constructing, owning and operating low and moderate income housing projects under the National Housing Act. To provide construction funds for the project, Mississippi Power sought authorization to acquire and Sunset Plaza to issue and sell up to \$200,000 of stock and \$2,000,000 of promissory notes. In disapproving the application, the Commission held that the housing project lacks the operating or functional relationship to the utility operations of Mississippi Power required by the Holding Company Act. Commissioners Owens and Smith filed dissenting statements.

INVESTMENT COMPANY ACT RELEASES

TELEPROMPTER SEEKS ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6166) giving interested persons until September 11 to request a hearing upon an application of Teleprompter corporation, New York, for an exemption order with respect to certain transactions involved in the proposed merger of H&B American Corporation into Teleprompter. Teleprompter is principally engaged in the cable television ("CATV") business. It owns or has substantial interests in and operates 24 CATV systems. H&B American is principally engaged in the CATV business and owns and operates 73 CATV systems. A merger agreement was approved by the shareholders of Teleprompter and H&B at their respective meetings on May 21, 1970, pursuant to which H&B shareholders would receive on Teleprompter share for each 3-1/8 H&B shares. Upon completion of the proposed merger, Teleprompter stockholders would own 42.4% of the surviving corporation and H&B shareholders 57.6%. Channing Special Fund, a registered mutual fund, and Channing Growth Fund, a registered mutual fund, own 3.2% and 5.9%, respectively, of Teleprompter's outstanding common stock; and Growth Fund also owns 4.8% of H&B's voting common stock outstanding. By reason thereof and the affiliation thus resulting, participation by these funds in the exchange offer is forbidden unless the requested exemption order is issued by the Commission.

ALLEGHANY CORP. GRANTED EXEMPTION. The SEC today announced the issuance of an order under the Investment Company Act (Release IC-6168) granting an application of Alleghany Corporation, of New York City, for a determination that it has ceased to be an investment company as defined in the Act. Alleghany has acquired the motor carrier operating rights, the assets and the liabilities of Jones Motor Co., Inc. By virtue of this acquisition Alleghany has been adjudicated to be a carrier by the Interstate Commerce Commission ("ICC") and by order is subject to the ICC's plenary jurisdiction under the Interstate Commerce Act. Accordingly, it is excluded from the definition of investment company by reason of Section 3(c)(9) of the Investment Company Act.

COURT ENFORCEMENT ACTIONS

NICK PAPOLOS ENJOINED. The Commission today announced that in connection with its injunction action against RIC International Industries, Inc., Ricology, Inc., and Nick Papolos for violation of the anti-fraud provisions of the Federal securities laws, which was filed in the Southern District Court in New York on August 13, 1970, Nick Papolos has consented to an entry of permanent injunction without admitting or denying the allegations of the complaint. The two corporate defendants previously consented to an injunction. (LR-4724).

QUINN, SEIDEN AND GENNARO CONVICTED. The SEC New York Regional Office announced (LR-4725) that on July 6 a Federal jury in New York City convicted Thomas F. Quinn, Gary Seiden and David Gennaro of violations of the registration and anti-fraud provisions of the Federal securities laws in the sale of stock of Kent Industries, Inc. in 1963. The jury acquitted Charles Parma and Michael Lavas of "conspiracy."

SECURITIES ACT REGISTRATIONS

ARKANSAS LOUISIANA GAS TO SELL BONDS. Arkansas Louisiana Gas Company, Shreveport, La. 71102, filed a registration statement (File 2-38196) with the SEC on August 19 seeking registration of \$40,000,000 of first mortgage bonds, due 1990, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, New York, N. Y. 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment.

CONTINUED

The company conducts an integrated natural gas utility business. It will apply the net proceeds of its bond sale to the retirement of short-term notes to banks and others due within one year, issued in connection with the construction of plant facilities. Construction expenditures are estimated at \$36,000,000 for 1970.

CAYMAN MANAGEMENT PROPOSES OFFERING. Cayman Management Corporation ("Agent"), 608 Silver Spur Rd., Palos Verdes Peninsula, Calif. 90274, filed a registration statement (File 2-38194) with the SEC on August 19 seeking registration of \$3,000,000 of participating interests in the 1970 Year-End Cayman Oil and Gas Exploration and Development Program ("Program"), to be offered for public sale in \$5,000 units (with a minimum participation of \$10,000). No underwriting is involved; participating NASD members will receive a 6% selling commission. Under the Program, Cayman Corporation ("Cayman") will be engaged to explore for oil and gas on behalf of agent, a wholly-owned subsidiary of Cayman. James E. Menor is president of agent and Cayman.

MELVILLE SHOE SHARES IN REGISTRATION. Melville Shoe Corporation, 25 W. 43rd St., New York, N. Y. 10036, filed a registration statement (File 2-38195) with the SEC on August 19 seeking registration of 161,085 outstanding shares of common stock issued in connection with acquisitions by Melville Shoe. These shares may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\$31.25 per share maximum*). The company is engaged in the shoe retailing and manufacturing business. In addition to indebtedness and preferred stock, it has outstanding 11,622,559 common shares. The Isreal Goldstein Estate may sell 50,000 of 109,240 shares held and nine others the remaining shares being registered.

LASALLE FUND PROPOSES OFFERING. LaSalle Fund, Inc., 135 South LaSalle St., Chicago, Ill. 60603, filed a registration statement (File 2-38197) with the SEC on August 19 seeking registration of 500,000 shares of common stock, to be offered for public sale at net asset value (\$10 per share maximum*) with no sales charge. The Fund is a mutual fund whose objective is long term capital appreciation. Gofen and Glossberg will serve as investment adviser. Carl X. Elvove is board chairman and William H. Gofen president of the Fund; they are also partners of the adviser.

METALTEC PROPOSES OFFERING. Metaltec Corporation, Maple & Wildcat Rd., Franklin, N. J., filed a registration statement (File 2-38198) with the SEC on August 19 seeking registration of 160,000 shares of common stock and 80,000 common stock purchase warrants, to be offered for public sale in units, each consisting of two shares and one warrant, and at \$10 per unit. The offering is to be made through underwriters headed by Lehman, Bartel & Company, Inc., 30 East 60 St., New York, N. Y. 10022, which will receive a \$1 per share commission plus \$28,000 for expenses. The company has agreed to sell the underwriters, for \$150, six-year warrants to purchase 15,000 shares, exercisable after 13 months at \$5.50 per share, and to sell Bernard J. Coven, secretary of the company, in consideration for his services as a finder, like warrants to purchase 1,000 shares.

The company is engaged in manufacturing prestige deep drawn metal formed products of copper, brass, steel and aluminum, principally for metal writing instrument components and, to a lesser degree, for metal cosmetic cases and munitions. Of the net proceeds of its stock sale, \$150,000 will be used to purchase an "Electro Chrome" plating machine for automating finishing production and its installation, and \$150,000 for expansion of physical plant for increase of production; the balance will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,150,000 common shares (with a 40c per share net tangible book value), of which Aerosystems Technology Corporation owns 88%. Charles J. Fletcher is president. Purchasers of the shares being registered will acquire a 12.2% stock interest in the company for their investment of \$800,000 (they will sustain an immediate dilution of \$665,600 from the offering price); present shareholders will then own 87.8% for which they will have paid \$451,411.

U. S. LEASING REALTY INVESTORS PROPOSES OFFERING. U. S. Leasing Realty Investors (the "Trust"), 633 Battery St., San Francisco, Calif. 94111, filed a registration statement (File 2-38200) with the SEC on August 19 seeking registration of 2,000,000 shares of beneficial interest, to be offered for public sale at \$25 per share. The offering is to be made through underwriters headed by Smith, Barney & Co., 1345 Avenue of the Americas, New York, N. Y. 10019, and two other firms, which will receive a \$2.13 per share commission.

The Trust intends to provide investors with an opportunity to participate in the ownership of real property leased to banks and savings institutions, or in which banks and savings institutions are major tenants and to qualify as a real estate investment trust under the Internal Revenue Code. U. S. Leasing Realty Advisers, Inc., a newly organized subsidiary of United States Leasing International, Inc., will serve as investment adviser. Fred A. Ferroggiaro is chairman and Brooks Walker, Jr., president of the Trust.

MISCELLANEOUS

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period August 24 through September 2, 1970, inclusive.

DELISTING GRANTED. The SEC has issued an order under the Securities Exchange Act (Release 34-8968) granting an application of McMoran Exploration Company (formerly Horn Silver Mines Company) to withdraw its common stock from listing and registration on the Salt Lake Stock Exchange. The proposed delisting was approved by stockholders on June 12, 1970.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the Form was included in the August 4 News Digest.

8K Reports for Jun

First S & L Shares, Inc.(12)	1-4572-2	ABKCO Industries, Inc.(3,12,13)	1-4672-2
Grey Advertising Inc.(11,13)	0-2113-2	American District Telegraph	
Hurst Performance, Inc.(1)	0-3789-2	Company (12,13)	1-6084-2
Jones & Laughlin Steel Corp		American Diversified Industries	
(1,3,7,13)	1-463-2	Corp (12)	0-4314-2
Mem Co. Inc. (9)	1-5292-2	American Technical Industries	
Multi-Amp Corp (7,10)	1-5545-2	Inc. (11)	1-5653-2
United Financial Corp of Calif.		Cleveland Cliffs Iron Co.	
(7,12,13)	1-4557-2	(2,11,13)	1-3443-2
Gearheart-Owen Industries, Inc.		Eldon Industries Inc.(11)	0-1374-2
(9,11)	1-4975-2	Globe Capital Corp (2,12)	0-3786-2
Investment Funding Corporation		Gourdine Systems Inc.(11)	2-34217-2
Jan 70(7)	2-29615-2	Great Western United Corp(12)	1-5443-2
Lukens Steel Co.(8)	1-3258-2	Jersey Central Power and Light	
May Dept. Stores Co. (11)	1-79-2	Co.(7,10,12,13)	1-3141-2
May Department Stores Credit		New Jersey Power & Light Co.	
Co. (11)	1-6197-2	(10,12,13)	1-3221-2
National Spinning Co., Inc.		Telemation, Inc. May 70(2,11)	2-32281-2
(2,3,7,13)	0-4650-2	Authenticolor, Inc.(11)	0-3755-2
Nelly Don, Inc. (1)	1-4331-2	Bobbie Brooks, Inc.(7,13)	1-4168-2
New Orleans Terminal Co.(11,13)	1-748-2	Dallas Power & Light Co.(11,13)	0-1250-2
Northern Illinois Gas Co.		Interstate Corporation (12)	0-4646-2
(11,13)	1-3821-2	Katz Drug Co. (9)	1-886-2
South Carolina Electric & Gas			
Co.(4,7,11,13)	1-3375-2		
Southern Railway Co.(7,13)	1-4793-2		
Udyco Corp May 70(2,9)	0-2821-2		

Amended 8K Reports

URS Systems Corporation
Amdt #1 for May 70(11) 1-6067-2

Big Three Industries, Inc.
Amdt for Apr 70(4,7,11,13) 1-5357-2

SECURITIES ACT REGISTRATIONS. Effective August 20: American Broadcasting Companies, Inc., 2-37856; Carolando Corp., 2-34904 (90 days); Consolidated Water Co., 2-37611 (40 days); Continental Telephone Corp., 2-38120; Equity Funding Corporation of America, 2-378327 (40 days); Delchester Mutual Fund, Inc., 2-37707; Litton Industries, Inc., 2-38035; Prestressed Systems, Inc., 2-36615 (90 days); Wilshire Oil Company of Texas, 2-37974 (Sept. 28).

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.

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