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RULES AND RELATED MATTERS

GUIDE FOR PREPARATION OF REAL ESTATE PARTNERSHIP REGISTRATION STATEMENTS PROPOSED

The Commission today published for comment proposed Guide 60, "Preparation of Registration Statements Relating to Interests in Real Estate Limited Partnerships," of the Guides for Preparation and Filing of Registration Statements under the Securities Act of 1933 (Rel. 33-4936, as amended). The significant number of registration statements relating to public offerings of interests in real estate limited partnerships filed with the Commission and questions raised in processing such registration statements led the Commission to propose guidelines. These guidelines are designed to minimize delays in review and assist issuers, accountants, attorneys and others in preparing such filings. Comments should be submitted in writing to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D. C. 20549 on or before April 15, 1974. Such comments should refer to File No. S7-517 and will be available for public inspection. (Rel. 33-5465)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

STEVEN TELSEY BARRED

An order has been issued barring Steven Telsey, of Lawrence, New York, who was a principal partner in a registered broker-dealer located in New York City, from association with any broker, dealer, registered investment adviser or registered investment company.

It was found that from about October 30, 1970, to the beginning of 1972, Telsey aided and abetted violations of the hypothecation and the antifraud provisions of the securities laws. Securities carried for the accounts for customers were hypothecated and subjected to liens and claims exceeding the aggregate indebtedness of all customers on securities carried in their accounts, and material facts concerning such hypothecations were not disclosed to customers and other broker-dealers. In addition financial reports filed on behalf of the broker-dealer presented false and misleading pictures of the firm's capital position.

Telsey, without admitting or denying the charges against him, consented to the findings and sanction. (Rel. 34-10653)

FIRST HUDSON SECURITIES CORP. REVOKED, MICHAEL J. HARTE BARRED

The Commission has revoked the broker-dealer registration of First Hudson Securities Corp. of Albany, New York and barred Michael J. Harte, its president and a director, from association with any broker, dealer or investment adviser, with the proviso that after one year he may apply to the Commission to become so associated in a non-supervisory non-proprietary position upon a showing that he will be properly supervised.

According to the decision, First Hudson and Harte violated or aided and abetted violations of the securities laws in that certain books and records were not accurately made, kept current and preserved. Telegraphic notice was not made to the Commission of the situation and a report was not filed stating what steps were being taken to

correct such failure. An amendment was not filed to the broker-dealer registration form reflecting changes in officers, directors and shareholders, and a report of financial condition duly certified for the year 1972 was not filed within the time required.

The Commission's order was based on First Hudson's failure to answer the charges against it and it was deemed in default, and on an offer of settlement in which Harte, without admitting or denying the charges, consented to the findings and sanctions. (Rel. 34-10652)

REGISTRATION OF LASSISE & COMPANY, INC. REVOKED AND ITS PRESIDENT BARRED

An order has been issued revoking the broker-dealer registration of Lassise & Company, Inc., of Bethesda, Maryland, and barring its president, John G. Lassise, from association with any broker or dealer, investment company or investment adviser, with the proviso that after one year he may apply to the Commission to re-enter the securities business upon a showing that he will be adequately supervised.

According to the decision, it was found that, from about September to November 1971, Lassise & Company, aided by John G. Lassise, violated the recordkeeping requirements of the securities laws by making false entries in the company's books and records to conceal payments received as compensation from stock promoters.

The Commission's order was based on an offer of settlement in which the firm and Lassise, without admitting or denying the charges, consented to the findings and sanctions. (Rel. 34-10698)

COMMISSION ANNOUNCEMENTS

SCIENTRONIC CORPORATION REGULATION A EXEMPTION SUSPENDED

An order has been issued temporarily suspending the Regulation A exemption from registration with respect to a public offering of securities by Scientronic Corporation of Pennsylvania. In a notification filed May 23, 1973, Scientronic proposed to offer 1,000 convertible debentures at \$500 per debenture. According to the order, the Commission has reason to believe that: (a) the terms and conditions of Regulation A have not been complied with, particularly with respect to the failure of Scientronic to include Items 10 and 11 of the Notification on Form 1-A as required by Rule 255, and the failure of the financial statements included in the offering circular to meet the requirements of Schedule I, paragraph 11; (b) the offering circular of Scientronic contains untrue statements of material facts and omits to state material facts necessary to make the statements not misleading, particularly with respect to the financial condition of Scientronic, the fact that Scientronic did not possess sufficient books and records to justify the financial and other information contained in its offering circular, and the state of product development and ability to commence manufacture of the product; and (c) the offering, if made, would be in violation of the registration provisions of the securities laws. (Rel. 33-5464)

TRADING SUSPENSIONS

GEON INDUSTRIES, INC., TRADING SUSPENDED

The SEC announced the suspension of exchange and over-the-counter trading in the securities of Geon Industries, Inc. for a ten-day period beginning on March 1 and continuing through March 10, 1974.

The Commission initiated the suspension because of the lack of adequate and accurate information concerning the company's financial condition. Upon the request of the company the American Stock Exchange halted trading in the common stock of Geon on February 22, 1974, pending further clarification of Geon's 1973 earnings and the pending agreement in principle to merge with Burmah Oil Inc., which was announced by Geon in December 1973. (Rel. 34-10664)

TRADING HALTED IN SECURITIES OF FIVE COMPANIES

The SEC has announced the suspension of over-the-counter trading for a ten-day period beginning on February 28 and terminating at midnight (EDT) on March 9, 1974 in the securities of the following companies:

C M Industries, of Beverly Hills, California;
Cross Country Industries, Inc., of Rochester, New York;
Custer Channel Wing Corporation, of Enid, Oklahoma;
Decair Corp., of Spring Valley, New York (Decair filed under Chapter XI of the Federal Bankruptcy Act in the U. S. District Court for New York); and
Gail Roberts, Inc., of New York, New York.

The Commission initiated the suspensions because the companies failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34-10662)

ADDITIONAL ACTION ON FIVE TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of BBI, Inc. for the further ten-day period February 28 - March 9, inclusive (not February 28 - March 7 as reported in the News Digest of February 28), and over-the-counter trading in the securities of U. S. Financial, Inc. for the further ten-day period February 28 - March 9, inclusive; (b) over-the-counter trading in the securities of Patterson Corp. and Westgate California Corp. for the further ten-day period March 1 - 10, inclusive; and (c) exchange and over-the-counter trading in the securities of Equity Funding Corp. for the further ten-day period March 3 - 12, inclusive.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES INTERNATIONAL COMMODITIES EXCHANGE, OTHERS

The Los Angeles Regional Office announced that on February 22 a complaint was filed in the U. S. District Court, Los Angeles, California seeking to enjoin International Commodities Exchange, Inc., The First Trading Company and Robert Daniel Hill, all of Newport Beach, California, Valley Comco and Richard L. Gray, both of Reseda, California, Grayco Investment, Inc. of Phoenix, Arizona, Comco Brokerage, Ltd. of Washington, D. C., and Harold L. Gammill of McLean, Virginia from violations of the registration and antifraud provisions of the securities laws in the offer and sale of securities of International Commodities Exchange, Inc. which purport to be commodities options. Those defendants except Comco Brokerage, Ltd. and Harold L. Gammill are also named for those violations in the offer and sale of common stock of The First Trading Company. Violations of the broker-dealer registration provisions were also charged in the complaint.

The court issued a temporary restraining order prohibiting violations of the securities laws and also appointed a temporary receiver to take charge of all the assets and operations of the defendant companies. A hearing on the Commission's preliminary injunction motion is set for March 14, 1974. (LR-6263)

INVESTMENT COMPANY ACT RELEASES

E. F. HUTTON TAX-EXEMPT FUND

An order has been issued on an application of E. F. Hutton Tax-Exempt Fund (National Series 12 and subsequent national and state series similarly or otherwise titled) for an order amending a previous order dated April 24, 1972 (IC-7144) granting an exemption from certain provisions of the Act with respect to secondary market operations of the Fund's sponsor, to include and made applicable such exemption to National Series 12 and subsequent state and national series of the Fund. (IC-8255)

THE FIRST UTILITIES EXCHANGE FUND

An order has been issued delcaring that The First Utilities Exchange Fund, Inc. has ceased to be an investment company as defined in the Act. (IC-8259)

HOLDING COMPANY ACT RELEASES

DELMARVA POWER & LIGHT COMPANY

An order has been issued authorizing Delmarva Power & Light Company, a registered holding company, to amend its certificate of incorporation to increase authorized common and preferred stock from 17,000,000 shares to 25,000,000 shares and from 1,300,000 shares to 1,800,000 shares, respectively. The company is also authorized to solicit by proxy the consents of its common and preferred shareholders for such amendments. (Rel. 35-18292)

SECURITIES ACT REGISTRATIONS

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Effective February 28: Prime Computer, Inc., 2-49831 (90 days); Public Service Electric And Gas Company, 2-50178; Ralston Purina Company, 2-50248; Shawmut Association, Inc., 2-50166; The Harris Corporation, 2-46840 (90 days); The Manchester Corp., 2-49952; Western Bancorporation, 2-50176; Esmark, Inc., 2-50192.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

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 12¢ per page plus postage for mailing within four days (\$2 minimum) and 25¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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