

# 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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FOR RELEASE June 19, 1970

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

**MARTIN DRAYER SUSPENDED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-8904) in which it suspended Martin H. Drayer, d/b/a M. H. Drayer Company, of New York City, from listing quotations to buy or sell securities in the official quotation sheets of the National Quotation Bureau, Inc., for ten business days, commencing June 22, for violations of the Federal securities laws in connection with his transactions in the common stock of Liquid Optics Corp. Drayer waived a hearing and consented to the findings of violation (without admitting or denying same) and to the suspension.

According to the Commission's decision, Drayer offered and sold Liquid Optics stock between December 13, 1968, and January 6, 1969, in violation of the Securities Act registration provisions; and while participating in the distribution of such stock he bid for and purchased Liquid Optics stock for accounts in which he had a beneficial interest and induced other persons to purchase such securities, in violation of the prohibitions of Rule 10b-6.

**MAY & CO. SUSPENDED.** The SEC announced on June 18 a decision under the Securities Exchange Act (Release 34-8906) in which it ordered that over-the-counter securities transactions by the Portland office of May & Co., Inc., of Portland, Ore., be suspended (with certain exceptions) for ten business days, commencing July 1, for violations of the registration and other provisions of the Federal securities laws. Chester L. F. Paulson, Edward J. Sims, Meredith K. M. Smith and James W. Beck were suspended from association with any securities firm for 20 business days, commencing June 22, and Earle C. May for a like period, commencing August 3, 1970.

The May firm and individual respondents waived a hearing and, without admitting the violations, consented to Commission findings of violation and to imposition of the indicated sanctions. The Commission found that the May firm and Paulson, Sims, Smith and Beck offered and sold stock of P & G Manufacturing Co. between October 1968 and January 1969 in violation of the Securities Act registration provisions; that the firm violated the Commission's record-keeping rules; that it failed to file a certified report of financial condition containing the required information for 1968; and that the firm, May and Paulson failed reasonably to supervise with a view to preventing the foregoing violations.

## INVESTMENT COMPANY ACT RELEASE

**BARNETT BANKS OF FLORIDA SEEKS ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-6083) giving interested persons until June 30 to request a hearing upon an application of Barnett Banks of Florida, Inc., Jacksonville affiliate of Consolidated Financial Corporation ("Consolidated"), a closed-end, non-diversified investment company, for an order exempting from provisions of Section 17(a) of the Act its issuance of 2,566,790 shares of its common stock in exchange for 442,550 outstanding shares of common stock of Tropical Bank and Trust Co. owned by Consolidated at the rate of 5.8 Barnett shares for each Tropical Bank share. Barnett, a registered bank holding company, has outstanding 3,369,368 shares of common stock, of which Consolidated owns 13.17. Consolidated also owns 68% of the outstanding common stock of Tropical Bank. Officers and directors of Consolidated own 5,010 shares of Barnett's common stock and Baker, Pentress & Company, which controls Consolidated, owns 15,670 Barnett shares. Barnett's offer to exchange its shares for shares of Tropical Bank held by Consolidated is part of a general offer made to all shareholders of Tropical Bank.

## COURT ENFORCEMENT ACTION

**INTERNATIONAL BANK AND TRUST ENJOINED.** The SEC announced June 18 (LR-4639) that the Federal court in Washington, D. C., had enjoined violations of the Securities Act registration provisions by International Bank and Trust, Ltd., of Nassau, Bahamas, and George R. Davis, its president, in connection with their offer and sale of International's securities in the form of savings and passbook bank accounts. The defendants consented to the court order without admitting the violations complained of.

## SECURITIES ACT REGISTRATIONS

**MARSHALL & ILSLEY BANK STOCK PROPOSES EXCHANGE OFFER.** Marshall & Ilsley Bank Stock Corporation, 770 North Water St., Milwaukee, Wis. 53202, filed a registration statement (File 2-37678) with the SEC on June 18 seeking registration of 24,000 shares of common stock. These shares are to be offered in exchange for all the 2,000 outstanding common shares of The First National Bank of the City of Superior, at the rate of 12 shares for each Bank share. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding Bank stock.

The company is a registered bank holding company which owns virtually all of the stock of ten banks in metropolitan Milwaukee and east Central Wisconsin. It has outstanding 1,381,559 common shares, of which management officials as a group own 7.8%. John A. Puelicher is president.

OVER

**FLORIDA POWER TO SELL BONDS.** Florida Power & Light Company, 4200 Flagler St., Miami, Fla. 33134, filed a registration statement (File 2-37679) with the SEC on June 18 seeking registration of \$70,000,000 of first mortgage bonds, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be used for repayment of \$64,500,000 of some \$71,000,000 of short-term borrowings for property additions and improvements expected to be outstanding and for other corporate purposes. Construction expenditures are estimated at \$236,800,000 for 1970.

**DIVERSIFIED REALTY INVESTMENTS TO SELL STOCK.** Diversified Realty Investments, Inc., 120 N. E. 9th St., Miami, Fla. 33132, filed a registration statement (File 2-37682) with the SEC on June 18 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share. No underwriting is involved.

Organized in November 1969 through the amalgamation of seven separate businesses (4 partnerships and 3 corporations), the company is engaged in the planning, building and leasing of warehouse facilities in Broward County, Fla. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. In addition to indebtedness, the company has outstanding 1,000,000 common shares (with a 43c per share net tangible book value), of which David K. Harris, president, owns 27.4% and management officials as a group 86%. Purchasers of the shares being registered will acquire a 9% stock interest in the company for their investment of \$500,000 (they will sustain an immediate dilution of \$4.16 in per share book value from the offering price); present shareholders will then own 91%, for which they paid in cash or otherwise an aggregate of \$427,509, or 43c per share.

**LEFEBURE-SARGENT TO SELL STOCK.** LeFebure-Sargent Corporation, 9 Brighton Rd., Clifton, N. J. 07012, filed a registration statement (File 2-37683) with the SEC on June 18 seeking registration of 750,000 shares of common stock, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., and Lehman Brothers, One William St., both of New York 10004. The offering price (\$24 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is engaged in the design, manufacture and distribution of banking equipment, security systems, locks and architectural hardware. Of the net proceeds of its stock sale, \$420,000 will be used to repay certain outstanding long-term indebtedness and the balance will be applied to the payment prior to the offering of a cash dividend to Walter Kidde & Company, Inc., sole stockholder of the company. In addition to indebtedness, the company has outstanding 1,750,000 common shares. Fred R. Sullivan is board chairman and Kenneth W. Watts president.

**DUQUESNE LIGHT TO SELL BONDS.** Duquesne <sup>Light</sup> Company, 435 Sixth Ave., Pittsburgh, Pa., filed a registration statement (File 2-37684) with the SEC on June 18 seeking registration of \$40,000,000 of first mortgage bonds, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. Net proceeds of the company's bond sale will be used to pay short-term notes issued and to be issued for the purpose of financing the construction of additions to its utility plant. Construction expenditures were \$37 million during the first four months of 1970, \$102 million during 1969 and \$337 million for the five years and four months ended April 30, 1970.

**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:  
 The Garcia Corporation, Teaneck, N. J. 07666 (File 2-37674) - 212,500 shares  
 Fred. S. James & Co., Inc., Chicago, Ill. 60602 (File 2-37680) - 60,000 shares  
 Coronet Industries, Inc., Dalton, Ga. (File 2-37681) - 101,792 shares

#### MISCELLANEOUS

**TRADING BAN CONTINUED.** The SEC has ordered the suspension of exchange and/or over-the-counter trading in the securities of Four Seasons Nursing Centers of America, Inc., for the further ten-day period June 22 to July 1, 1970, inclusive.

**SECURITIES ACT REGISTRATIONS.** Effective June 18: Autotrol Corp., 2-36320 (90 days); Champion Products Inc., 2-37451; Cubic Corp., 2-37639; General Telephone Co. of Kentucky, 2-37151; Hitachi, Inc., 2-37269 and 2-37270 (40 days); Omni Research Inc., 2-35058 (90 days); Kapok Tree Inns Corp., 2-36315 (90 days); United Liberty Life Insurance Co., 2-37607; Telemed Corp., 2-34978 (90 days).

**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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