

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-187)

FOR RELEASE September 25, 1970

DECISION IN ADMINISTRATIVE PROCEEDING

SIGMA SECURITIES REVOKED. The SEC today announced a decision under the Securities Exchange Act (Release 34-8987) in which it revoked the broker-dealer registration of Sigma Securities Corporation, of New York, and barred its president, John Wheeler Spargo, from further association with any broker-dealer, by reason of violations of the antifraud and other provisions of the Exchange Act. The respondents failed to respond to the order for proceedings; accordingly, under Commission rules, the allegations therein may be deemed true. The Commission found that Sigma Securities and Spargo during the period March 1 to August 13, 1970, violated the Exchange Act antifraud provisions by their failure to make delivery to customers of monies and fully-paid securities owed to them and converted customers' monies and fully paid securities to their own use and benefit without the consent of the customers. Moreover, Sigma Securities failed to file a financial report due not later than January 27, 1970, failed to report a change in business address and refused to produce books and records for inspection by Commission representatives.

HOLDING COMPANY ACT RELEASE

CONNECTICUT POWER & LIGHT RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16848) authorizing 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.

SECURITIES ACT REGISTRATIONS

FALCON REALTY SALES PROPOSES OFFERING. Falcon Realty Sales Co., P. O. Box 1777, McAllen, Tex. 78501, filed a registration statement (File 2-38409) with the SEC on September 21 seeking registration of \$800,000 of investment contracts consisting of existing citrus groves and \$300,000 of investment contracts consisting of unplanted citrus groves, which are to be offered for public sale either in 5-acre or 10-acre units and at prices ranging from \$506.25 to \$2,700 per interest. No underwriting is involved; company employees will receive a 1% to 20% selling commission.

The company was organized for the primary purpose of acquiring citrus groves and open land to be planted in citrus groves in the Rio Grande Valley of Texas, engineering, preparing, planting, cultivating and caring for these groves with the intention of selling said groves. The company is wholly-owned by J. T. Cross, president, and LaVerne Cross, vice president.

SOUTH CAROLINA UTILITY PROPOSES OFFERING. South Carolina Electric & Gas Co., 328 Main St., Columbia, S. C., filed a registration statement (File 2-38429) with the SEC on September 23 seeking registration of 340,000 shares of cumulative preferred stock (\$50 par) with warrants to purchase 340,000 common shares, to be offered for public sale in units, each consisting of one share and one warrant. The offering is to be made through underwriters headed by Kidder, Peabody & Co. Incorporated, 20 Exchange Place, New York, N. Y. 10005; the interest rate, offering price (\$51 per unit maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will apply the net proceeds from the stock sale to the partial repayment of outstanding short-term indebtedness incurred and to be incurred as a result of construction expenditures and expected to approximate \$40,200,000 at the time of the stock sale. Construction expenditures are estimated at \$92,061,000 for 1970 and \$400,000,000 for the years 1970-74.

BROADWAY-HALE STORES PROPOSES OFFERING. Broadway-Hale Stores, Inc., 600 South Spring St., Los Angeles, Calif. 90014, filed a registration statement (File 2-38432) with the SEC on September 23 seeking registration of 900,000 shares of \$2 convertible preferred stock (\$5 par), to be offered for public sale through underwriters headed by Blyth & Co., Inc., 14 Wall St., New York, N. Y. 10005. The offering price (\$38 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged primarily in the department store business (it operates 49 general department stores, including 4 Neiman-Marcus stores in Texas); it also operates "Sunset House," a novelty mail order business, and "Walden Book Company," a retailer of books. The net proceeds of its stock sale will be used to retire short-term debt incurred in connection with its expansion program. In addition to indebtedness and preferred stock, the company has outstanding 10,010,816 common shares. Prentis C. Hale is board chairman and Edward W. Carter president.

OVER

IFC COLLATERAL PROPOSES OFFERING. IFC Collateral Corporation, 630 Fifth Ave., New York, N. Y. 10020, filed a registration statement (File 2-38431) with the SEC on September 23 seeking registration of \$3,000,000 of 10% registered subordinated debentures, due 1979. The debentures are to be offered for sale in \$1,000 units; the offering is to be made on a best efforts basis by IFC Securities Corporation, an affiliate, which will receive a selling commission of \$75 per debenture. Up to \$2,825,000 of the debentures may be offered in exchange for presently outstanding debentures, which would reduce the cash proceeds to the company to the extent the exchange offer is accepted. Also included in the registration statement are an additional \$2,280,000 of outstanding debentures, which may be offered from time to time by the holders thereof, through IFC Securities as selling agent.

The company, a wholly-owned subsidiary of Investors Funding Corporation of New York, is engaged primarily in the real estate second mortgage business. It has outstanding \$1,466,000 of senior debt to which the new debentures are subordinate and \$18,790,000 of debt to which the new debentures rank equally. Part of the proceeds to the company from its cash sale of new debentures will be applied in reduction of the senior debt; the balance will be used to the extent available for the purchase and placing of mortgage notes and bonds and to fulfill commitments under "standby agreements." Jerome Dansker, board chairman of the parent, is president of the company, and Norman Dansker, president of the parent, is executive vice president.

MORTON-NORWICH TO SELL DEBENTURES. Morton-Norwich Products, Inc., 110 North Wacker Dr., Chicago, Ill. 60606, filed a registration statement (File 2-38433) with the SEC on September 24 seeking registration of \$25,000,000 of sinking fund debentures, due 1995, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment. The company produces and markets a diversified line of commercial, consumer and industrial pharmaceuticals, food products and specialty chemicals. Net proceeds of the sale of its debentures will be used to repay \$20,000,000 of bank notes, the proceeds of which had been applied to capital expenditures. In addition to indebtedness and preferred stock, the company has outstanding 12,775,000 common shares. Daniel Peterkin, Jr., is board chairman and Lewis F. Bonham president.

ALLERGAN PHARMACEUTICALS SHARES IN REGISTRATION. Allergan Pharmaceuticals, 1000 South Grand Ave., Santa Ana, Calif. 92705, filed a registration statement (File 2-38434) with the SEC on September 24 seeking registration of a maximum of 76,000 shares of common stock, issued or to be issued to certain employees (including directors) of the company and its subsidiaries, who have been or may be granted options under the company's 1968 and 1970 Stock Option Plans.

FIRST FLORIDA BANCORPORATION TO SELL STOCK. First Florida Bancorporation, Marine Bank Building, Tampa, Fla. 33602, filed a registration statement (File 2-38435) with the SEC on September 24 seeking registration of 450,000 shares of common stock. The shares are to be offered for public sale through underwriters headed by Smith Barney & Co., 1345 Avenue of the Americas, New York, N. Y. 10019, and Allen C. Ewing & Co., Greenleaf Building, Jacksonville, Fla. 32202; the offering price (\$17.75 per share maximum*) and underwriting terms are to be supplied by amendment.

First Florida is a bank holding company; it owns 17 national and state banks in Florida. Of the net proceeds of its stock sale, \$731,000 will be used to retire short-term bank loans and approximately \$4,500,000 will be used to provide additional capital to five subsidiary banks. The company has outstanding 2,481,927 common shares, of which management officials hold 630,711 or 25.4%. A. Clewis Howell is board chairman, James B. Lumpkins, vice chairman and Thomas E. Tucker president and chief executive officer.

UNITED BANCSHARES (FLA.) TO SELL STOCK. United Bancshares of Florida, Inc., 120 Andalusia Ave., Coral Gables, Fla. 33134, filed a registration statement (File 2-38436) with the SEC on September 24 seeking registration of 350,000 shares of common stock, to be offered for public sale through underwriters headed by Eastman Dillon, Union Securities & Co., One Chase Manhattan Plaza, and duPont Glore Forgan, Incorporated, One Wall St., both of New York, N. Y. 10005. The offering price (\$19 per share maximum*) and underwriting terms are to be supplied by amendment.

United Bancshares is a bank holding company. The net proceeds of its stock sale will be used principally to repay bank indebtedness in connection with a bank acquisition, with the remainder to be added to the general corporate funds. Frank Smathers, Jr., is board chairman and George E. Stock president.

MISCELLANEOUS

CORRECTION RE DRESSER INDUSTRIES FILING. The file number for the registration statement of Dresser Industries, Inc., is 2-38403, not 2-38402 as stated in the News Digest of September 22.

SECURITIES ACT REGISTRATIONS. Effective September 24: American Electric Power Company, Inc., 2-38363; American Sugar Co., 2-38188; Armco Steel Corp., 2-38132 (40 days); Herman Miller, Inc., 2-37134 (90 days); MGF 70-A, Ltd., 2-37675 (90 days); Sanitas Service Corp., 2-38163 (40 days); Tesoro 1970 Exploration and Development Corp., 2-37447 (90 days); Tymeshare, Inc., 2-36852 (90 days); Ziegler Fund, Inc., 2-35989 & 2-35990.

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.