

# 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 Publications Unit, cite number)

(Issue No. 66-200)

FOR RELEASE October 19, 1966

**EXAMINER PROPOSES BILLINGS ASSOCIATES REVOCATION.** SEC Hearing Examiner Warren E. Blair has filed an "initial decision" in administrative proceedings involving Billings Associates, Inc., of Syracuse, N. Y. and seven individuals. Subject to review by the Commission, either on its own motion or on petition by any respondent, the Examiner ordered revocation of the broker-dealer registration of the Billings firm (as well as its expulsion from the NASD) and the imposition of sanctions against the individuals.

The Examiner's decision was based upon findings that the Billings firm and the several individuals, including its president and controlling stockholder, Pearne Billings, violated the anti-fraud and other provisions of the Federal securities laws. The Examiner ruled that in the sale of some 960,000 shares of stock of a Canadian company, Consolidated Mogador Mines, Ltd., in August 1964 (the stock reached 90¢ per share on August 25), false and misleading representations were made concerning the extent and results of Mogador's mining operations, prospective increases in the market price of its stock, the listing of the stock on the Toronto Stock Exchange, and the ownership of Mogador stock by celebrities. Two respondents who were not employees of the firm, Mitchel Steklof and Morris Cohen assuming the guise of another person, placed orders with the firm for nearly 650,000 shares, purportedly for over thirty customers. The firm was unable to collect payment from Steklof and Cohen for most of these shares. The Examiner observed that they did not intend to make payment therefor and that "their undoubted intention was to raise the market price of Mogador stock." The Examiner also ruled that the Billings firm purchased Mogador stock for its own account while engaged in its distribution, in violation of Rule 10b-6, and that it also violated the record-keeping and margin rules under the Exchange Act.

In addition to the action against the firm, the Examiner ordered that Steklof and Cohen be barred from further association with any securities firm. Billings and Judson Dockstader (vice president) were similarly barred, with a proviso that they may, after one year, become associated with a registered broker-dealer firm in a non-supervisory capacity upon a showing of adequate supervision. William J. Irving was suspended from association with a broker-dealer firm for four months and Arthur E. Laudenslager and Hedley Moore for three months. Irving, Laudenslager and Moore were salesmen.

**COURT ENJOINS WEAVER-BEAVER ASSOCIATION, OTHERS.** The SEC Denver Regional Office announced October 14 (LR-3599) that the Federal court in Salt Lake City had granted the Commission's motion for a preliminary injunction against violations of the anti-fraud provisions of the Federal securities laws by the following in connection with their offer and sale of "investment contracts" in connection with the sale of beaver for breeding purposes: North American Beaver Association (formerly Weavers' Beaver Association), Beaver Sales, Inc., Beaver Ranchers Association, American - Canadian Beaver Company, Inc., International Marketing Corporation, Weavers' Beaver Associated Ranchers, Mark L. Weaver, Van R. Weaver and Ted L. Weaver, all of Salt Lake City, and Continental Marketing Corporation, of Denver.

**COMPLAINT CITES MIDWEST PETROLEUM, OTHERS.** The SEC Denver Regional Office announced October 17 (LR-3600) the filing of a complaint (USDC, Nebr.) seeking to enjoin Midwest Petroleum, Inc., Great Plains Oil Company, and Shay J. Beninato, all of Omaha, from further violations of the Securities Act registration and anti-fraud provisions in the sale of interests in oil and gas leases on land situated in Colorado and Nebraska. A hearing was set for October 26.

**BROKER-DEALER REGISTRATION DENIED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7976) denying an application for broker-dealer registration filed by Pacific Underwriters, Inc., 44 E. Indian School Rd., Scottsdale, Ariz., and finding Doyce E. Wynn, its president and principal stockholder, a cause of the denial order. The order for proceedings charged among other things that in 1958-1960 Wynn violated the Securities Act registration provisions in the sale of stock of Capital Fund, Inc. Pacific and Wynn consented to the denial order without admitting or denying the violations.

**TRADING BANS CONTINUED.** The SEC has issued orders under the Securities Exchange Act suspending exchange and over-the-counter trading in securities of Lincoln Printing Company and over-the-counter trading in securities of United Security Life Insurance Company for the further 10-day period October 20-29, 1966, inclusive.

**MIDDLE SOUTH SUBSIDIARY RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15583) authorizing Louisiana Power & Light Company, a public-utility subsidiary of Middle South Utilities, Inc., New York holding company, to acquire all of the outstanding common stock of Peoples Utilities, Inc., a non-associate electric utility company. According to the application, Louisiana provides electric service in the northern and eastern part of the State of Louisiana; and Peoples distributes electricity to about 5,000 customers in the eastern part of Louisiana. Its service area is adjacent to that of Louisiana, and the electric facilities of both companies are interconnected. Louisiana proposes to acquire all of the outstanding common stock of Peoples, which is owned by four persons. In exchange, Middle South will issue to the Peoples shareholders 60,000 shares of its common stock, \$5 par. In turn Louisiana will issue to Middle South 68,000 shares of Louisiana's no par common stock. It is also proposed that after consummation of the proposed acquisition, Peoples will issue to Louisiana its demand note or notes in an amount sufficient to retire all of Peoples' outstanding indebtedness at principal plus interest and the applicable redemption premiums.

OVER

**HYDROFOIL TRANSIT PROPOSES OFFERING.** Hydrofoil Transit Corporation, Suite 403-404, 85 Westminster St., Providence, R. I., filed a registration statement (File 2-25625) with the SEC on October 17 seeking registration of 68,500 shares of capital stock. The stock is to be offered at \$6 per share on a best efforts basis by D. H. Thomas & Co., 54 Wall St., New York, which will receive a \$.90-per-share selling commission. The underwriter may purchase 8-year warrants at \$.01 per warrant, entitling it to purchase shares equal to 10% of the stock sold pursuant to this offering (a maximum of 6,850 shares) at \$6 per share.

Organized under Rhode Island law in August 1966, the company has acquired all of the outstanding common stock of Hydro Transit Co., which is empowered by legislative franchise to operate hydrofoil and other vehicles for carrying passengers and freight over the waterways of Rhode Island. Hydro Transit was incorporated under Rhode Island law in May 1965. The company will use the net proceeds of its stock sale to purchase hydrofoils and for working capital. The company has outstanding 132,500 common shares, of which management officials own 56% and American Hydrofoils, Inc., 38%. All of the company's outstanding stock was issued in exchange for the stock of Hydro Transit, which was acquired by former stockholders of that company for a total consideration of \$6,675. A. William Carter is president of the company.

**ABERCROMBIE & FITCH FILES PROPOSAL.** Abercrombie & Fitch Company, 45th St. at Madison Ave., New York, filed a registration statement (File 2-25627) with the SEC on October 17 seeking registration of 22,000 shares of common stock and \$900,000 of 6½% subordinated debentures (due 1981). The securities are to be offered in exchange for the company's outstanding preferred stock, at the rate of one unit consisting of a \$75 debenture and common shares (the number to be supplied by amendment) for each of the outstanding 10,648 preferred shares.

The company operates general retail department stores, specializing in sporting apparel and sporting goods. In addition to indebtedness, it has outstanding 254,434 common shares, of which management officials own 65.7% (including 50.6% owned by Harry G. Haskell, Jr., director). Earl K. Angstadt, Jr., is board chairman and president.

**BARBER-GREENE PROPOSES OFFERING.** Barber-Greene Company, 400 N. Highland Ave., Aurora, Ill. 60507, filed a registration statement (File 2-25629) with the SEC on October 18 seeking registration of \$3,000,000 of convertible subordinated debentures (due 1986). The debentures are to be offered for public sale through underwriters headed by William Blair & Company, 135 S. La Salle St., Chicago, Ill. 60603. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

The company's principal business is the manufacture and sale of asphalt mixing plants and paving machines, as well as other construction, materials handling, aggregate production, and other industrial process equipment. Net proceeds of its debenture sale will be applied toward repayment of its short-term bank notes. In addition to indebtedness, the company has outstanding 995,170 common shares, of which management officials own 21.5%. William B. Greene is board chairman and H. A. Barber is president.

**SECURITIES ACT REGISTRATIONS.** Effective October 18: Mid-America Pipeline Co., 2-25530.

---ooo0ooo---