



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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## NEW RULES AND RULE PROPOSALS

ADOPTION OF AMENDMENT TO RULE 15b9-2 AND OF FORM SECO-4-72. The Commission has announced the adoption of an amendment to Rule 15b9-2 under the Securities Exchange Act of 1934 and of Form SECO-4-72 to set annual assessments for the fiscal year 1972 for registered broker-dealers who are not members of the NASD (nonmember broker-dealers). The amendment to Rule 15b9-2 deletes the subparagraph which provided for an annual charge for each office of nonmember broker-dealers. Form SECO-4-72 provides for the payment of \$150 base fee plus a charge of \$7.50 for each associated person to be submitted by nonmember broker-dealers together with Form SECO-4-72 on or before June 1, 1972.

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

M. A. ALLAN REGISTRATION REVOKED, PRESIDENT SUSPENDED. The SEC has issued an order revoking the broker-dealer registration of M. A. Allan & Co., Clifton, New Jersey, and suspending Jack Birnberg, its president, for one year from association with any broker-dealer and for two years from being associated in a supervisory capacity with or having a proprietary interest in any broker-dealer. The suspensions commence on May 8.

According to the decision, the respondents violated antifraud and prospectus delivery provisions of the securities acts in connection with their participation in 1969 in a registered offering of common stock of Simplicity Computer Leasing Corp., in that, among other things, they used a prospectus which listed a certain person as owner of 42,500 shares of Simplicity stock when in fact Birnberg and another person each had a beneficial interest in 12,500 of those shares.

The order was issued pursuant to an offer of settlement in which the respondents, without admitting or denying the allegations in the order for proceedings, consented to the indicated findings and sanctions. (Rel. 34-9582)

## COMMISSION ANNOUNCEMENTS

SEC ORDER CITES SAMUEL H. SLOAN. The SEC has ordered public proceedings under the Securities Exchange Act of 1934 involving Samuel H. Sloan, doing business as Samuel H. Sloan & Co., New York, New York broker-dealer.

The proceedings are based upon allegations of the Commission's staff that some time during the period from October 10, 1970 to the present Sloan & Co. violated the record keeping, net capital and financial reporting provisions of the Federal securities laws. In June 1971, the Federal court in New York enjoined Sloan and Sloan & Co. from conducting a business as a broker-dealer in securities while violating the record-keeping and net capital provisions.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission.

SEC ORDER CITES HIGGS, INC. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Higgs, Inc., Knoxville, Tenn. broker-dealer, George M. Gilbert, president and stockholder, and Donald E. Conner, vice president and stockholder.

The proceedings are based upon allegations of the Commission's staff that some time from January 1971 through November 1971, Higgs, Inc., aided and abetted by Gilbert and Conner, violated the net capital, recordkeeping, and financial reporting provisions of the Act.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission.

SEC ORDER CITES BUSINESS EQUITY CORP. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Business Equity Corp., Miami, Fla. broker-dealer, Leon O. Meyer, president and major stockholder, and Gaston R. Desautels, president and controlling stockholder of Du-Tel Investments, Inc.

The proceedings are based upon allegations of the Commission's staff that from some time in July 1971 to the present Business Equity, aided and abetted by Meyer and Desautels violated the net capital, financial reporting and recordkeeping provisions of the Federal securities laws.

A hearing will be scheduled by further order to take evidence on the staff allegations and to afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true, and if so, whether any action of a remedial nature should be ordered by the Commission.

OVER

COURT ENFORCEMENT ACTIONS

K. W. SAUNDERS ENJOINED. The SEC Boston Regional Office announced April 24 that the Federal court in Massachusetts had preliminarily enjoined Kenneth W. Saunders, of Quincy, Mass. from violations of the registration and antifraud provisions of the Federal securities laws in the offer and sale of unregistered securities of PSH Corp., which company was dissolved by order of the Massachusetts Supreme Court in February 1971. (LR-5387)

J. G. BARRY CHARGED. The SEC Atlanta Regional Office announced on April 24 the filing of a criminal information in the felony court in Volusia County, Fla., charging Joseph G. Barry, of Melbourne, Fla., with 15 counts of grand larceny and one count of forgery arising out of his operation of Joseph G. Barry and Sons, Inc., Daytona Beach securities firm now in bankruptcy. (LR-5388)

HOLDING COMPANY ACT RELEASES

CENTRAL INDIANA GAS. The SEC has issued an order authorizing Central Indiana Gas Company, Inc., Muncie, Ind. subsidiary of American Natural Gas Company, to issue and sell \$8 million of first mortgage bonds, due 1997, at competitive bidding. Net proceeds will be used to repay \$7.5 million of bank loans, due June 1972, and to reimburse its treasury in connection with its acquisition for cancellation of \$553,000 of first mortgage bonds of Greenfield Gas Company, Inc., which company was acquired by Central in January 1968. (Rel. 35-17554)

COLUMBIA GAS. The SEC has issued a notice giving interested persons until May 18 to request a hearing upon an application of The Columbia Gas System, Inc., and its wholly-owned non-utility subsidiaries, Columbia Gas Development Corporation (Development) and Columbia Gas Development of Canada Ltd., with respect to certain transactions. In pursuance of Columbia's program for developing natural gas reserves in Canada, Development in 1970 entered into contracts for a joint exploration project with Dome Petroleum, Limited, a non-affiliated Canadian company, and with Dome Canada, a wholly-owned subsidiary of Dome (the Dome agreements). According to the application, Development has assigned the Dome agreements and all of its rights, title and interest thereunder to Development-Canada and in consideration thereof the latter will issue to Columbia 403,376 shares of common stock (Can. \$25 par). This exchange would involve Development's distribution of a \$10,084,499 dividend to Columbia. Since Development had a deficit of \$6,537,223 in its earned surplus account at December 31, 1971, and Delaware law (where Development is incorporated) would prohibit payment of dividends except out of surplus or earnings, Development proposes to create a capital surplus of \$17.9 million by reducing the par value of its capital stock from \$25 to \$15 per share. Columbia proposes to reduce its investment in Development by the amount of the dividend and to increase its investment in Development-Canada by a like amount, evidenced by the 403,376 shares of that company's capital stock it proposes to acquire. Under one of Dome agreements, Development obtained the right to acquire either 6,000,000 shares of common stock of Dome Canada, subject to certain conditions, or to obtain an equivalent equity interest in a successor corporation to Dome Canada. Development proposes to assign this right to Development-Canada. (Rel. 35-17553)

COLUMBIA GAS. The SEC has issued an order authorizing The Columbia Gas System, Inc., Wilmington, Del. holding company, to issue and sell up to \$195 million in short-term notes (including commercial paper) to banks. Net proceeds will be made available to subsidiaries for construction, the purchase of underground storage gas during the summer months, other miscellaneous inventories and for other short-term seasonal requirements. (Rel. 35-17555)

INVESTMENT COMPANY ACT RELEASES

FINANCIERA METROPOLITANA, S.A. The SEC has issued an order exempting Financiera Metropolitana, S. A. Institucion Financiera & Fiduciera, of Mexico, from all provisions of the Act. (Rel. IC-7153)

CHASE CAPITAL FUND. The SEC has issued an order declaring that Chase Capital Fund of Boston, Inc., has ceased to be an investment company as defined in the Act and that its registration under the Act will cease to be in effect. (Rel. IC-7154)

ANVIL EQUITIES. The SEC has issued a notice giving interested persons until May 22 to request a hearing upon an application of Anvil Equities, Inc., New York mutual fund, for an order declaring that it has ceased to be an investment company. In December 1971, the holders of all the outstanding shares of the Fund unanimously consented to its dissolution. According to the application, the Fund had distributed a final liquidating cash distribution to all of its shareholders in cancellation of its outstanding shares. (Rel. IC-7155)

CONTINUED

TRUST INDENTURE ACT RELEASE

WARNER-LAMBERT COMPANY. The SEC has issued a notice giving interested persons until May 17 to request a hearing upon an application of Warner-Lambert (the company), for a finding that the trusteeship of the Irving Trust Company under two existing indentures and under a new indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Irving Trust from acting as trustee under any of the three indentures. Irving Trust acts as trustee under an indenture qualified under the Act, dated March 1, 1966, under which \$3,876,000 of 4½% debentures, due 1981 (guaranteed by the company), of Warner-Lambert International Corporation are outstanding, and under an indenture dated August 1, 1968, not qualified under the Act, under which \$12,803,000 of 4½% convertible debentures, due 1988 (also guaranteed by the company) of Warner-Lambert Overseas, Inc., a wholly-owned subsidiary, are outstanding. The company also wishes to appoint Irving Trust as trustee under a new indenture to be dated April 2, 1972, under which it proposes to issue \$40,000,000 of 4½% convertible debentures, due 1987 for sale to purchasers who are not nationals or residents of the United States. In the opinion of the company's counsel, the new debentures need not be registered under the Act and the new indenture need not be qualified under the Act.

SECURITIES ACT REGISTRATIONS

E. F. HUTTON TAX-EXEMPT FUND, CALIFORNIA SERIES 4, One Battery Park Plaza, New York, N.Y. 10004, filed a registration statement on April 26 seeking registration of \$8,250,000 of units. The Fund is the fourth of a series of similar but separate trusts created by a trust indenture between E. F. Hutton & Company Inc., as sponsor, and United States Trust Company of New York, as trustee. It is a diversified portfolio of interest-bearing municipal bonds, which are obligations of California, counties, municipalities, authorities or political subdivisions thereof or of certain United States territories or possessions, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal and California income tax. (File 2-43967)

R. L. BURNS CORP., 341 West Second St., San Bernardino, Calif. 92401, filed a registration statement on April 26 seeking registration of 200,000 shares of common stock, to be offered for public sale (\*at \$12 per share maximum) through underwriters headed by California Investors Inc., 3700 Wilshire Blvd., Los Angeles, Calif. 90010. The company provides oil and gas well drilling and related services and also engages in exploration for oil and gas. Of the net proceeds of its stock sale, \$816,000 will be used to retire long term indebtedness and to repay certain loans and the balance for working capital and other corporate purposes. (File 2-43968)

RANDY INTERNATIONAL LTD., 11 Broadway, New York, N.Y. 10004, filed a registration statement on April 26 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$6 per share by Project Securities & Co., Inc., 237 Morris Ave., Springfield, N.J. 07081. The company is a regulated air and ocean freight forwarder. Of the net proceeds of its stock sale, \$340,000 will be used in connection with construction, establishment and expansion of terminal and sales facilities (including purchase of property for such purposes) and the balance for working capital and other corporate purposes. (File 2-43972)

INFORMATION TRANSFER, INC., 235 Murray St., Newark, N.Y. 14513, filed a registration statement on April 26 seeking registration of 140,000 shares of common stock, to be offered for public sale at \$5 per share by Brighton Securities Corp., 1703 Monroe Ave., Rochester, N.Y. 14618. The company is engaged in the community antenna television (CATV) business and in the design, development and manufacture of related communications products. Of the net proceeds of its stock sale, \$186,000 will be used for construction purposes and the balance for working capital and other corporate purposes. (File 2-43973)

WHITTAKER CORPORATION, 10880 Wilshire Blvd., Los Angeles, Calif. 90024, filed a registration statement on April 26 seeking registration of \$25 million of convertible subordinated debentures, due 1992, to be offered for public sale through underwriters headed by Smith, Barney & Co. Inc., 20 Broad St., New York 10005, and Goldman, Sachs & Co., 55 Broad St., New York, N.Y. The company is engaged in business in five principal areas: metals, textiles and chemicals, transportation products, recreation products and housing. Net proceeds of its stock sale will be used, together with other funds, to repay in full short-term borrowings under a one-year bank line (aggregating \$86,500,000 at March 31). (File 2-43974)

FLORIDA POWER CORPORATION, 3201 34th St. South, St. Petersburg, Fla. 33711, filed a registration statement on April 26 seeking registration of 300,000 shares of cumulative preferred stock and \$50 million of first mortgage bonds, due 2002, to be offered for public sale at competitive bidding. Net proceeds of its financing will be used to partially repay temporary borrowings incurred for construction purposes (estimated at \$89 million). Construction expenditures are estimated at \$186 million for 1972 and \$518 million for the three-year period 1973-75. (File 2-43964)

SERVICE MERCHANDISE COMPANY, INC., 481 McNally Dr., Nashville, Tenn. 37211, filed a registration statement on April 26 seeking registration of 210,000 shares of common stock, of which 125,000 are to be offered for public sale by the company and 85,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$36 per share maximum) through underwriters headed by Wheat, First Securities, Inc., 801 East Main St., Richmond, Va. 23219. The company is engaged in operating a general merchandise business. Net proceeds will be used for general corporate purposes. (File 2-43965)

AVANT-GUARD DEVICES, INC., 1776 Broadway, New York, N.Y. 10019, filed a registration statement on April 26 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$3 per share by Cotzin, Woolf & Co., 340 Main St., Worcester, Mass. Organized in February, the company proposes to engage in the design, manufacture and marketing of intrusion and fire alarm systems and devices. Of the net proceeds of its stock sale, up to \$150,000 will be used for marketing and the balance for working capital and other corporate purposes. (File 2-43966)

CHARMING SHOPPES, INC., 8 East Main St., Norristown, Pa. 19401, filed a registration statement on April 26 seeking registration of 174,000 outstanding shares of common stock, to be offered for public sale (\* at \$20 per share maximum) through underwriters headed by Butcher & Sherrerd, 1500 Walnut St., Philadelphia, Pa. 19102. The company operates a chain of women's specialty stores. (File 2-43975)

UAL, INC., P. O. Box 66100, Chicago, Ill. 60666, filed a registration statement on April 26 seeking registration of 46,469 outstanding shares of common stock, which are to be offered for sale by the holders thereof. Such shares were issued in connection with the company's acquisition of Western International Hotels Company. (File 2-43977)

DATA 100 CORPORATION, 7725 Washington Ave. South, Minneapolis, Minn. 55435, filed a registration statement on April 26 seeking registration of 720,800 shares of common stock, of which 700,000 are to be offered for public sale by the company and 20,800 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$14.875 per share maximum) through underwriters headed by CBWL-Hayden, Stone, Inc., 767 Fifth Avenue, New York 10022. Also included in this statement are 321,800 shares of common stock issuable pursuant to the company's stock option or related plans and 26,277 outstanding common stock purchase warrants which may be offered for sale by the holder thereof at prices current at the time of sale.

The company is primarily engaged in the design, manufacture, marketing and leasing of medium and high speed batch computer terminals. Net proceeds will be applied to repayment of outstanding bank indebtedness and to expenditures for working capital and other corporate purposes. (File 2-43978)

SAGE-ALLEN & CO., INC., 900 Main St., Hartford, Conn. 06103, filed a registration statement on April 27 seeking registration of 230,000 shares of common stock, of which 60,000 are to be offered for public sale by the company and 170,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$12.50 per share maximum) through underwriters headed by Putnam, Coffin, Doolittle, Newburger Division of Advest Co., Six Central Row, Hartford, Conn. 06103. The company is engaged in operating eight specialty department stores. Net proceeds will be used for a portion of the initial cash requirements of a new store in Connecticut and to provide a larger equity base for financing possible additional stores. (File 2-43979)

SAM SOLOMON COMPANY, INC., P. O. Box 10327, Charleston Hts., S. C. 29411, filed a registration statement on April 27 seeking registration of 200,000 shares of common stock, to be offered for public sale (\* at \$15 per share maximum) through underwriters headed by Newburger, Loeb & Co., Inc., 5 Hanover Sq., New York 10005, and Frost, Johnson, Read & Smith, Inc., 7 State St., Charleston, S.C. The company is primarily engaged in operating a general merchandise business at its two catalog showrooms and by mail. Of the net proceeds of its stock sale, \$1,700,000 will be used in acquiring inventory and for promotional expenses in connection with the opening of new catalog-showrooms and the balance for working capital and other corporate purposes. (File 2-43980)

LARASAN INVESTMENT ASSOCIATES (the Partnership), 3401 Virginia Beach Blvd., Virginia Beach, Va., filed a registration statement on April 27 seeking registration of \$5,990,000 of partnership interests, to be offered for public sale at \$500 per unit by Larasan Real Estate Investment Corp., 3401 Virginia Beach Blvd., Virginia Beach, Va. Larasan Realty Corp. and Lawrence A. Sancilio are the general partners. The Partnership was organized for the purpose of acquiring and developing real estate. (File 2-43981)

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:  
 Clevepak Corporation, New York, N.Y. (File 2-43969) - 100,000 shares  
 Rheingold Corp., New York, N.Y. (File 2-43970) - 50,000 shares  
 Western Union Corporation, Mahwah, N.J. (File 2-43971) - 260,000 shares

#### MISCELLANEOUS

SECURITIES ACT REGISTRATIONS. Effective April 26: Sovereign Corp., 2-43270. Effective April 27: Advanced Technology Systems, Inc. 2-42220 (July 27); American Telephone & Telegraph Co., 2-43779; Decision Data Computer Corp., 2-42903 (90 days); Instron Corp., 2-43848; Kennington, Ltd., Inc. 2-43312 (July 26); Munro Games, Inc., 2-42750 (July 26); Olin Corp., 2-43908; Wal-Mart Stores, Inc., 2-43689.

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.

GPO 912-604

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