

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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COMMISSION ANNOUNCEMENT

VOLUME 1 OF INSTITUTIONAL INVESTOR STUDY IN PRINT. Volume 1 of the Study Report, containing Chapters I, II and III, is now available for purchase through the Government Printing Office (Box 1533, Washington, D.C. 20013) at 70 cents. The Summary Volume, priced at 70 cents, is also available. Orders for all volumes of the Study at \$20.65 per set are now being taken by GPO. The Commission has no free copies for the public and can not acknowledge or fill any orders for the Study Report.

DECISION IN ADMINISTRATIVE PROCEEDING

FORDSON CO. REVOKED; FERGUSON BARRED. The SEC today announced a decision under the Securities Exchange Act revoking the broker-dealer registration of Fordson Company, Inc., Dallas, Tex., and barring its president, Larry F. Ferguson, effective March 26, from being associated with a broker-dealer, without prejudice to his right to make application after one year to be associated with a registered broker-dealer in a supervised capacity.

The order instituting the proceedings alleged that during various periods in 1969 and 1970 respondents offered and sold securities of Computronic Industries Corporation, A.F.C.A., Inc., David Wade Industries, Inc., and Service Producing Company when no registration statement was filed or in effect as to such securities, and effected transactions in stock of Chill Can Industries, Inc., while trading in that security was under suspension. In addition, the order for proceedings charged that respondents violated credit regulations promulgated by the Board of Governors of the Federal Reserve System, failed to accurately make and keep current required records, and failed reasonably to supervise persons under their supervision with a view to preventing such violations.

The respondents submitted an offer of settlement in which, without admitting any of the allegations, they consented to findings of willful violations of the Securities Act and the Exchange Act, and rules thereunder and to imposition of the indicated sanctions. Respondents stated that registrant suspended business on May 11, 1970 and has conducted an orderly liquidation of its accounts subsequent to that time, and that Ferguson has no intention of reentering the securities business. (Release 34-9117)

COURT ENFORCEMENT ACTIONS

SELECT ENTERPRISES DEFENDANTS ENJOINED. The SEC New York Regional Office today announced that on February 4 the Federal court in New York entered a final judgment of permanent injunction by default against Virgil L. Barker, Ace Associates, Inc., and William H. Davidson, defendants in the Commission's action against Select Enterprises, Inc., and others, enjoining them from violating the anti-fraud provisions of the Federal securities laws in the offer and sale of Select securities. (LR-4946)

HELLERMAN ENJOINED. The SEC New York Regional Office today announced that the Federal court in New York on February 22 entered an order on consent permanently enjoining Michael Hellerman from violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of securities of Globus International Ltd. and ordering him to report all of his over-the-counter securities transactions by supplying the New York Regional Office with a complete record of securities traded over-the-counter which he owns beneficially or of record, within 30 days of the entry of the judgment, and requiring him to submit reports on a quarterly basis of all over-the-counter securities transactions effected by him in the preceding quarter. (LR-4947)

COMPLAINT CITES SECURITY PLANNERS LTD. The SEC Boston Regional Office today announced the filing of a complaint in Federal court in Boston on March 24 seeking to enjoin Security Planners, Ltd., Inc., a registered broker-dealer, and its president Edward J. Hogan from violating the Commission's net capital rules. The complaint also seeks the appointment of a receiver until such time as the Securities Investor Protection Corporation can determine whether or not it will apply to the court for the appointment of a trustee to replace the receiver. (Release LR-4948)

COMPLAINT CITES CAPITAL COUNSELLORS AND CAPITAL ADVISORS. The SEC New York Regional Office today announced the filing of a complaint in Federal court in New York on March 25 seeking to enjoin the following from violating the Federal securities laws: Capital Counsellors, Inc., a registered broker-dealer, Capital Advisors, Inc., a registered investment adviser, both of New York City, J. Irving Weiss, and Abraham B. Weiss, both of New York. The complaint also seeks the appointment of a receiver for Capital Counsellors and Capital Advisors. (LR-4949)

OVER

INVESTMENT COMPANY ACT RELEASES

W. E. HUTTON SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 7 to request a hearing upon an application of W. E. Hutton & Co., New York broker-dealer, for exemption of certain transactions from provisions of the Act to the extent that such provisions involve the filing requirements of the Securities Exchange Act with respect to a proposed public offering of 2,000,000 shares of common stock of Bancroft Convertible Fund, a closed-end investment ^{company} Hutton and Hornblower & Weeks-Hemphill, Noyes are the prospective representatives of a group of underwriters formed in connection with the proposed public offering. (Release IC-6405)

MINORITY INVESTMENTS SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 16 to request a hearing upon an application of Minority Investments, Inc., Washington, D. C., closed-end, non-diversified, management investment company, for exemption from certain provisions of the Act with respect to certain proposed transactions. The company was organized in October 1970 as a Minority Enterprise Small Business Investment company (and has applied for a license from the Small Business Administration) to establish new minority-owned businesses and to strengthen existing ones in the Washington, D. C. area. It has filed a registration statement with the Commission proposing the offering of Class A stock for sale to members of the minority community and Class B stock only to certain organizations: business corporations with gross assets of \$750,000 or more, trust companies, insurance companies, trade associations, banks and tax-exempt organizations. The A stock will be entitled to elect 60% and the B stock 40% of the company's board of directors. The company represents that its proposed capitalization, whereby holders of less than 1/2 of the outstanding stock would elect more than 1/2 the directors is the most practical means of achieving the effective minority control which it asserts to be necessary for the success of the enterprise. (Release IC-6407)

COMP-U HEDGE FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 15 to request a hearing upon an application of Comp-U-Hedge Fund, Camden, N. J. closed-end non-diversified investment company, for an order declaring that it has ceased to be an investment company. Comp-U-Hedge has never commenced investing in securities, has no shareholders and no assets, and does not intend to become an operating company in the future. (Release IC-6416)

FRANKLIN LIFE VARIABLE FUND SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 15 to request a hearing upon an application of The Franklin Life Insurance Company and Franklin Life Variable Annuity Fund A, of Springfield, Ill., for exemption from certain provisions of the Act. Franklin Life, a stock life insurance company, established Fund A as a separate account to offer variable annuity contracts in connection with qualified plans described in Section 401(a) or Section 403(a) of the Internal Revenue Code or which meet the requirements of Section 403(b). (Release IC-6417)

PITTSBURGH COKE SEEKS ORDER. The SEC has issued an order under the Investment Company Act giving interested persons until April 14 to request a hearing upon an application of Pittsburgh Coke & Chemical Company, Pittsburgh, Pa. closed-end, non-diversified investment company, for exemption from certain provisions of the Act with respect to the sale of over \$6 million of indebtedness, and incident thereto, but without consideration, the transfer of all the outstanding stock of a wholly-owned subsidiary, American Flyers Airline Corporation ("AFA") to Universal Airlines Company ("UVA Co."). UVA Co., Universal Airlines, Inc. and Universal Consolidated Industries, Inc., all nonaffiliates of Pittsburgh Coke, have agreed to protect it against liability on the guarantees of obligations of AFA. As consideration for the sale of indebtedness, Pittsburgh Coke will receive a pro rata share of the 30,000 shares of non-voting \$7 cumulative preferred stock of UVA Co. (\$1 par) and a similar pro rata share of an option to acquire up to 500,000 common shares of UVA Co., exercisable after three years at \$7 per share. (Release IC-6418)

BOSTON CAPITAL CORP. RECEIVES ORDER. The SEC has issued an exemption order under the Investment Company Act permitting Boston Capital Corporation, Boston closed-end management investment company, to purchase, for \$30 per share, 1,415 shares of common stock of Ohio-Nuclear, Inc., from Seth C. Taft. Boston Capital owns the remaining 98,565 Ohio Nuclear shares. (Release IC-6419)

HOLDING COMPANY ACT RELEASES

GPU RECEIVES ORDER. The SEC has issued an order under the Holding Company Act authorizing General Public Utilities Corporation, New York holding company, to make cash capital contributions from time to time during the 9-month period ending December 31, 1971, to subsidiaries as follows: New Jersey Power & Light Company, \$4,900,000; Metropolitan Edison Company, \$34,800,000; Pennsylvania Electric Company, \$16,000,000 and Waterford Electric Company, \$100,000. Such contributions will be utilized by the subsidiaries for the purpose of financing their respective businesses as public utilities. (Release 35-17068)

GPU SEEKS ORDER. The SEC has issued an order under the Holding Company Act giving interested persons until April 27 to request a hearing upon an application of General Public Utilities Corporation and its wholly-owned subsidiary, GPU Service Corp., of New York, with respect to certain proposed transactions. It is proposed that GPU transfer all its 58 officers and employees and those 240 of four subsidiaries who are performing system-wide functions to Service Corp., a Pennsylvania corporation newly created to perform management, planning, engineering, coordinating, administrative and operating services for its utility subsidiaries. To finance its requirements, Service Corp. proposes (during a five-year period) to issue and sell to GPU, 5,000 common shares for \$50,000 and up to \$5 million of long-term unsecured notes to be outstanding at any one time. (Release 35-17069)

CONTINUED

SECURITIES ACT REGISTRATIONS

SOUTHERN AIRWAYS PROPOSES RIGHTS OFFERING AND SECONDARY. Southern Airways, Inc., Atlanta Airport, Atlanta, Ga., filed a registration statement with the SEC on March 18 seeking registration of **1,234,732 shares of convertible preferred stock (\$1 par) with warrants to purchase a like number of shares of common stock. These securities are to be offered for subscription (a) by common stockholders, employees and suppliers in units, each consisting of one share and one warrant with no underwriting involved and (b) for subscription by holders of the company's outstanding 6 1/2% convertible subordinated debentures, due 1983, through Alex. Brown & Sons, 135 Baltimore St., Baltimore, Md. 21202. Also included in this statement are \$8 million of outstanding 6 1/2% convertible subordinated debentures, due 1983, with common stock purchase warrants attached, to be offered for sale by the holders thereof at 100% of principal amount.

The company is engaged in scheduled air transportation of persons, property and mail. Net proceeds of its stock sale will be applied to payment of current installments of long-term indebtedness; and the remainder will be added to the company's funds to be used as working capital. In addition to indebtedness, the company has outstanding 1,024,871 common shares, of which Frank W. Hulse, president, and family members own 14.3%. Trund & Co. proposes to sell \$7 million of the debentures and two others the remaining debentures being registered. (File 2-39678)

HELENA RUBINSTEIN FILES FOR SECONDARY. Helena Rubinstein, Inc., 767 Fifth Ave., New York 10022, filed a registration statement with the SEC on March 22 seeking registration of 500,000 outstanding shares of common stock, to be offered for public sale (**at \$30.50 per share maximum). The offering is to be made through underwriters headed by Lehman Brothers, Inc., One William St., New York 10004.

The company is a manufacturer and marketer of cosmetics. In addition to indebtedness, it has outstanding 2,928,311 common shares, of which Helena Rubinstein Foundation, Inc., the Helena Gourielli Estate, Roy V. Titus, a director, Oscar Kolin, board chairman, and their associates own 77%. The Rubinstein Foundation proposes to sell 431,428 of 1,149,136 shares held, and Titus and Kolin the remaining shares being registered. (File 2-39720)

SERVICE CORP. FILES FOR OFFERING AND SECONDARY. Service Corporation International, 22 Waugh Dr., Houston, Tex. 77007, filed a registration statement with the SEC on March 23 seeking registration of 924,874 shares of common stock, of which 500,000 are to be offered for public sale by the company and 424,874 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$22.375 per share maximum) through underwriters headed by W. E. Hutton & Co., 14 Wall St., New York 10005, and Rotan, Mosle-Dallas Union, Inc., 22 Bank of the Southwest Bldg., Houston, Tex. 77002.

The company operates funeral homes or mortuaries, cemeteries and crematories in the United States and Canada. Of the net proceeds of its sale of additional stock, \$2.6 million will be applied to the prepayment of long-term indebtedness to banks and others incurred primarily in connection with recent acquisitions of funeral services operations, and the balance (together with other funds) will be used for working capital and other corporate purposes. In addition to indebtedness, the company has outstanding 3,203,957 common shares, of which Robert L. Waltrip, president, owns 18.58% and American General Life Insurance Company 11.33%. Waltrip proposes to sell 50,000 shares, American General Life 105,000 and a large number of others the remaining shares being registered. (File 2-39723)

*PRESLEY DEVELOPMENT FILES FOR OFFERING AND SECONDARY. Presley Development Company, 4600 Campus Dr., Newport Beach, Calif. 92660, filed a registration statement with the SEC on March 23 seeking registration of 275,000 shares of common stock, of which 250,000 are to be offered for public sale by the company and 25,000 (being outstanding shares) by the holders thereof. The offering is to be made (**at \$33 per share maximum) through underwriters headed by Dean Witter & Co., Inc., 632 S. Spring St., Los Angeles, Calif. 90014.

The company is primarily engaged in on-site mass production and sale of single family homes on land acquired and developed by the company. Of the net proceeds of its sale of additional stock, \$4 million will be used to acquire property and for other costs to be incurred for four development projects, and the balance will be used for general corporate purposes. (File 2-39724)

UNIVERSAL MAJOR INDUSTRIES SHARES IN REGISTRATION. Universal Major Industries Corp., Hidden Valley Ranch, CPO 190, Kingston, N. Y. 12401, filed a registration statement with the SEC on March 23 seeking registration of 1,921,471 outstanding shares of common stock. These shares may be offered for sale by 406 selling stockholders at prices current at the time of sale (** \$1-3/8 per share maximum). (File 2-39725)

SECURITIES ACT REGISTRATIONS. Effective March 25: American Micro-Systems, Inc., 2-39396; Computer and Applied Sciences, Inc., 2-38599 (90 days); CRS Design Associates, Inc., 2-39275 (90 days); E. H. Crump Companies, Inc., 2-36729 (90 days); Discount Fabrics, Inc., 2-39370 (90 days); The First Provident Company, Inc., 2-33484 (90 days); Scottex Corp., 2-39155; Tech-Aerofoam Products, Inc., 2-38946. Effective March 26: Butler Manufacturing Co., 2-39648; Central Illinois Public Service Co., 2-39587; Devon Apparel, Inc., 2-39701; General Tire & Rubber Co., 2-39714; Gladding Corp., 2-36769; Louisiana Power & Light Co., 2-39437; LVO Cable Fund, 2-39088 (90 days); Petrofunds, Inc., 2-38988 (90 days); Standard Oil Co., (Indiana), 2-39182. Withdrawn March 24: Hamilton National Associates, Inc., 2-37466. Withdrawn March 25: Aquapure, Inc., 2-36797; Avido Corp., 2-38953; International Leisure Enterprises, Inc., 2-36669; Tri-Aid Sciences, Inc., 2-32494.

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.

* This is a reporting company and further information with respect to its business and operations is available in the Commission's Public Reference files.

** As estimated for purposes of computing the registration fee.