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# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

(Prepared by the SEC Office of Public Information)

A Daily Summary of  
S.E.C. Activities

FOR RELEASE July 27, 1972

## COMMISSIONER NEEDHAM RESIGNS TO ACCEPT POSITION AS BOARD CHAIRMAN OF NYSE

The President accepted the resignation of James J. Needham as Commissioner of the Securities and Exchange Commission, effective July 14, 1972. Mr. Needham has resigned as Commissioner to accept the position of Chairman and Chief Executive Officer of the New York Stock Exchange. Following is the exchange of letters between the President and Mr. Needham:

Dear Commissioner Needham:

Your letter of July 13 has come to my attention, and it is with regret that I accept your resignation, as you have requested, as a Commissioner of the Securities and Exchange Commission, effective July 14, 1972. My reluctance at seeing you leave this position which you have filled with such distinction is tempered, however, by the knowledge you will continue to serve the American public as Chairman and Chief Executive Officer of the New York Stock Exchange. Congratulations are properly in order for your election to this most important post.

You have served the Commission and your fellow citizens with great dedication and ability during your three years here. You played a key role in formulating major changes within the securities industry, making that vital part of the economy stronger and more responsive to the country's needs. It is heartening to know that you will be implementing these reforms as Chairman of the New York Exchange, and it is a compliment to this Administration that you have been elected to this high post.

As you leave Washington, may I take this opportunity to thank you for your outstanding service and to wish you every success in the years ahead.

/s/ Richard Nixon

Dear Mr. President:

For the past three years I have had the honor and pleasure of serving as one of your appointees to the Securities and Exchange Commission. It has been a rewarding and fulfilling personal and professional experience, and I am deeply grateful for the opportunity you have given me to serve the public interest.

As you know, these have been years of turmoil for the securities industry, calling for change and reform. Many fundamental changes already have been made. Many more will follow. This strengthening of the financial structure and the service capabilities of the securities industry and markets will make the investment mechanism more responsive to the needs of all investors. It will also assure that this unique and vital industry will be able to meet the future capital requirements of industry and government.

Part of this major process of change was the decision by the New York Stock Exchange to restructure its governing board to provide far greater representation from outside the industry. Under this reorganization, I have been asked to serve as the first full-time Chairman and Chief Executive Officer of the Exchange. In this new capacity I believe I can continue to serve the investing public and the current efforts to strengthen our vital securities markets.

Accordingly, with a full measure of regret at leaving the service of my government, I hereby tender to you my resignation from the office of Commissioner, Securities and Exchange Commission, such resignation to take effect at your convenience.

/s/ James J. Needham

OVER

DECISION IN ADMINISTRATIVE PROCEEDING

TABBY'S INTERNATIONAL REGULATION A EXEMPTION PERMANENTLY SUSPENDED. The SEC has made permanent a prior order temporarily suspending a Regulation A exemption from registration under the Securities Act with respect to an offering of 150,000 shares of common stock by Tabby's International, Inc., of North Miami Beach, Florida. According to a sales report filed by the issuer, which had been organized in 1969 to engage in the restaurant business, the offering was completed in November 1969. In its decision, the Commission found that, as stipulated by the issuer, the offering was carried out by the underwriter in a fraudulent manner, in that, prior to completion of the offering, the underwriter repurchased shares from nominees and others at prices substantially above the offering price and resold part of such shares; induced other broker-dealers to make a market in the stock at double the offering price; and offered yet other broker-dealers financial inducements to promote the stock. The Commission held that the failure to disclose these activities and the actual aggregate offering price resulting therefrom rendered the offering circular false and misleading; the offering exceeded the \$300,000 limitation for Regulation A offerings then in effect; and the sales report was inaccurate regarding, among other things, the completion date of the offering, the proceeds received from the public, and the underwriter's discount. (In separate proceedings, the underwriter's broker-dealer registration was revoked in 1971.)

The Commission rejected the contention that since the issuer had no knowledge of the underwriter's activities, the exemption should not be permanently suspended. It held that if the issuer wishes to be relieved from the consequences of a suspension, its remedy is to seek relief under Rule 252(f) of Regulation A. in connection with an application under that Rule. The Commission stated that it could explore the degree of care exercised by the issuer in the selection of the underwriter and the extent to which the issuer kept itself informed about the underwriter's activities. (Rel. 33-5283)

COMMISSION ANNOUNCEMENT

APPLICATION-DECLARATION FILED ON BEHALF OF EASTERN ELECTRIC ENERGY SYSTEM CONDITIONALLY GRANTED. In an initial decision issued by a hearing examiner, a joint application-declaration filed by New England Electric System, Eastern Utilities Associates and Boston Edison Company seeking approval of the acquisition of the assets of New England and Eastern Utilities and the common stock of Boston Edison in exchange for the common shares of Eastern Electric Energy System, a registered public utility holding company formed for this purpose was granted, subject to certain terms and conditions.

The examiner concluded that the proposed acquisition would serve the public interest by tending towards the economical and efficient development of an integrated public-utility system and that, if certain terms and conditions were imposed, it was not necessary to find that the acquisition would tend towards interlocking relations or the concentration of control of public-utility companies, of a kind or to an extent detrimental to the public interest or the interest of investors or consumers. The terms and conditions made part of the examiner's order are that other New England utilities, both public and private, shall be afforded an opportunity to share in ownership entitlement in large generating units planned and to be built by Eastern or the right to purchase power therefrom according to a prescribed formula. The rights to ownership or power entitlement will include the right of wheeling or transmission of power at reasonable rates over the Eastern system and over the lines of other systems participating in the arrangement.

Jurisdiction was reserved in the Commission with respect to entering further orders as to fees, commissions, and other remuneration in connection with the issue and sale of the Eastern securities; also with respect to receiving additional evidence and issuing orders as to the fairness of the proposed exchange ratios; and to issue such further orders as may be necessary to implement the terms and conditions specified in the order.

The order is subject to appeal procedures before the Commission.

COURT ENFORCEMENT ACTIONS

THREE INDICTED IN SPOKANE. Dean Smith, United States Attorney for the Eastern District of Washington, and James E. Newton, Administrator of the Seattle Regional Office of the Securities and Exchange Commission, today announced the return of a 25-count indictment by a Federal grand jury at Spokane, Washington on July 14, 1972, charging Robert L. Oliver of Beirut, Lebanon, formerly of Spokane, Washington, Jack A. Taitch, Spokane, Washington and James R. Newhouse, Moses Lake, Washington, with violations of the registration and anti-fraud provisions of the Securities Act of 1933, the mail fraud statute and the conspiracy statute, in the sale of in excess of 1,700,000 shares of the common stock of Spokane National Mines, Inc., to members of the public for approximately \$1,100,000.

The 25-counts of the indictment charged that Oliver, Taitch and Newhouse caused Harwood J. Tibbits, president and general manager of Spokane National Mines, to issue to Oliver, Taitch and Newhouse approximately 800,000 shares of the company's unregistered common stock and approximately 2,000,000 shares of unauthorized stock, for which Spokane National received only small amounts of cash, options or leases for non-producing mining properties, and in some instances no value whatsoever. (LR-5475)

CONTINUED

INVESTORS SECURITY CORP., LOWELL D. CONDON ENJOINED. The SEC Chicago Regional Office announced that on July 17, the Federal Court in Chicago preliminarily enjoined Investors Security Corporation of Minneapolis, Minnesota and its president, Lowell D. Condon of Golden Valley, Minnesota from further violations of the registration, anti-fraud and unregistered broker-dealer provisions of the Federal securities laws in connection with the offer and sale of promissory notes of Sunshine Land & Cattle Corporation; promissory notes of land purchasers; guarantees thereof; and a package of instruments consisting of (1) a purchase money note, (2) a realty mortgage relating to parcels of unimproved Arizona land, (3) an assignment of mortgage to the investor which includes a recourse agreement under which, among other things, Sunshine guarantees to replace any defaulted promissory note and mortgage, and (4) an agreement for the collection of payments due from the land purchaser on behalf of the investor. The defendants, without admitting or denying the allegations of the complaint, consented to the preliminary injunction. (LR-5470)

DALE YOAKUM, RICHARD J. BRADSHAW ENJOINED. The Chicago Regional Office announced on July 21 that the Federal District Court in Minneapolis entered preliminary injunctions against Dale Yoakum, Denver and Richard J. Bradshaw, Phoenix, enjoining them from violations of registration and anti-fraud provisions of the Federal Securities Laws in connection with stock of American Mining and Smelting, Inc. Yoakum consented to the order without admitting or denying the allegations. (LR-5471)

SEC COMPLAINT NAMES CENTAUR SECURITIES, LTD., OTHERS. The SEC Denver Regional office announced the filing of an injunctive action in the Federal court in Salt Lake City, Utah, against Centaur Securities Ltd., a Salt Lake City broker-dealer, and Centaur Capital Corporation and Jack Gaylord Ayre, a former president of Centaur Securities, Ltd. The Court on July 17, 1972 issued a restraining order against the defendants from further violations of bookkeeping and reporting rules and the Commission's net capital rule. The court, in the same action, and on application of the Securities Investor Protection Corporation, appointed D. Spencer Nilson as trustee to liquidate the business of Centaur Securities, Ltd. The defendants consented to the entry of the restraining order and the order appointing the trustee. (LR-5472)

#### INVESTMENT COMPANY ACT RELEASES

BCC INDUSTRIES, INC. AND BLUEBIRD INCORPORATED. The SEC has issued an order exempting from certain provisions of the Act the proposed purchase by Bluebird Incorporated from BCC Industries, Inc. of all of the latter's holdings of common stock of Bluebird Incorporated consisting of 2,123,810 shares of such stock for a consideration of \$7,964,287.50 (\$3.75 a share) payable by certified check at the closing. (Rel. IC-7285)

SHAMROCK FUND. The SEC has issued a notice terminating the proceeding upon an application by Shamrock Fund for an order permitting among other things, suspension of the right of redemption of its outstanding redeemable securities. An order issued on March 7, 1972, granting temporary relief expired by its terms 30 days after the date it was issued. (Rel. IC-7290)

#### SECURITIES ACT REGISTRATIONS

TELEFLEX INCORPORATED, P. O. Box 39, North Wales, Pa. 19454, filed a registration statement on July 21 seeking registration of 150,000 shares of common stock, of which 105,000 are to be offered for public sale by the company and 45,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$30 per share maximum) through underwriters headed by Dominick & Dominick, Inc., 14 Wall St., New York 10005. The company is engaged in the manufacture and related servicing of precision control equipment used in the aircraft industry and nuclear power generation. Of the net proceeds of its stock sale, \$1,800,000 will be used to repay a portion of a long-term bank loan, and the balance for working capital and general corporate purposes. (File 2-45094)

CASSETTE-MATIC, INC., 99 Powerhouse Rd., Roslyn Hts., New York, filed a registration statement on July 21 seeking registration of 100,000 shares of common stock with redeemable warrants to purchase 200,000 shares of common stock, to be offered for public sale in units, each consisting of one share and two warrants. The offering is to be made at \$4 per share by P&H Associates. The company was organized in April to create, develop and produce audio and video tape cassettes and reel-to-reel tape recording materials for education, training, information and entertainment purposes. Net proceeds of its stock sale, will be used for working capital and other corporate purposes. (File 2-45096)

INTERAMERICAN OIL INCOME PROGRAM, LTV Tower, Dallas, Tex. 75201, filed a registration statement on July 21 seeking registration of \$10 million of limited partnership interests, to be offered for public sale at \$100 per unit (with a maximum initial purchase of 25 units) by Janney Montgomery Scott Inc. and selected NASD members. The Program consists of a series of limited partnerships which will be formed for the purpose of purchasing and operating oil and gas producing properties. Intramerican Funds, Inc. and Charles R. Scoggins are the general partners. (File 2-45097)

INTRAMERICAN DRILLING FUND 1972 Year End Program (the Partnership), LTV Tower, Dallas, Tex. 75201, filed a registration statement on July 21 seeking registration of \$3 million of limited partnership interests, to be offered for public sale at \$5,000 per unit by Janney Montgomery Scott Inc. and selected NASD members. The Partnership will be formed to purchase and develop working interests in semi-proven and exploratory oil and gas drilling projects. Intramerican Funds, Inc., and Charles R. Scoggins are the general partners. (File 2-45098)

CORRECTION RE STOCK PLANS FILED. The following five statements were inadvertently included among the Form S-8 registration statements listed in the July 20 News Digest:

TECKLA, INC., 306 Bank of the Southwest Bldg., Amarillo, Tex. 79109, filed a registration statement on July 3 seeking registration of 729,005 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (\* \$.625 per share maximum). The company is engaged in the development and sale of land. (File 2-44945)

INA INCOME AND CONVERTIBLE FUND, 1617 John F. Kennedy Blvd., Philadelphia, Pa. 19101, filed a registration statement on July 5 seeking registration of 4,125,000 shares of common stock, to be offered for public sale at \$20 per share through underwriters headed by Blyth & Co., Inc. 14 Wall St., New York 10005, and Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York 10005. The Fund is a closed-end, diversified management investment company having a primary objective of generating income and a secondary objective of obtaining capital appreciation. Philadelphia Investment Company, a wholly-owned subsidiary of INA Corporation, is the investment manager. (File 2-44949)

NUVEEN TAX-EXEMPT BOND FUND SERIES 44 CHECK-A-MONTH PLAN, 209 South LaSalle St., Chicago, Ill. 60604, filed a registration statement on July 3 seeking registration of \$31,500,000 of units. The Fund is one of a series of investment companies created by John Nuveen & Co. Incorporated, the sponsor, pursuant to a trust indenture and agreement between the sponsor and United States Trust Company of New York, the trustee. The Fund consists of a diversified portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law. (File 2-44950)

NEUWIRTH REALTY CORPORATION, (the Corporate General Partner), Middletown Bank Bldg., Middletown, N.J., filed a registration statement on July 3 seeking registration of \$402,500 of units, each consisting of a \$1,000 subordinate mortgage bond and a non-assessable limited partnership interest in Neuwirth Realty Limited Partnership-I. Such units are part of 471 units offered for sale by the Partnership in June and were acquired by Henry Neuwirth, the individual general partner and the principal executive officer and principal shareholder of the Corporate General Partner. Such shares are to be offered for resale to the public by Henry Neuwirth (\* at \$1,150 per unit maximum) through Neuwirth Securities Inc. The Partnership was organized for the purpose of purchasing one industrial, commercial or multiple-unit residential property or a group of similar properties for which a long-term lease has been obtained. (File 2-44951)

OPEN ROAD INDUSTRIES, INC., 2601 Manhattan Beach Blvd., Redondo Beach, Calif. 90278, filed a registration statement on July 5 seeking registration of 517,189 shares of common stock, of which 300,000 are to be offered for public sale by the company and 217,189 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$40 per share maximum) through underwriters headed by Wertheim & Co., Inc., 1 Chase Manhattan Plaza, New York 10005. The company manufactures recreational vehicles, including motor homes and truck campers and travel trailers. Of the net proceeds of its stock sale, some \$5,100,000 will be used to eliminate short and long-term bank indebtedness and the balance for working capital and other corporate purposes. (File 2-44952)

#### MISCELLANEOUS

SECURITIES ACT REGISTRATIONS. Effective July 26: Frank B. Hall & Co., Inc., 2-44814, 2-45061 and 2-45078; McFarland Management Co., 2-43288 (Oct. 23); Smiles Co., 2-44478 (90 days); Texas International Realty Corp., 2-42514 (90 days); Waterval Platinum Co., 2-44969.

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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