

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 ANNOUNCEMENTS

SEC ORDER CITES LINCOLN SECURITIES AND ITS PRINCIPALS. The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Lincoln Securities (Lincoln) a partnership, and Abe Camhi, doing business as Lincoln Securities (Lincoln Securities), a sole proprietorship, both registered broker-dealers of Hempstead, N. Y. Also named as respondents are Abe Camhi, individually, Richard Greenberg, and William Hyman, partners of Lincoln, and Ed Pierce, also known as Eugene Parsons, and Blanche Pierce, also known as Susan Parsons.

The proceedings are based upon allegations of the Commission's staff that the several respondents engaged in activities violative of, among other things, the anti-fraud provisions of the Federal securities laws. More particularly, it is alleged that during the period 1969 to date, Lincoln, Lincoln Securities, Greenberg, Hyman and Camhi effected transactions in securities at a time when Lincoln and Lincoln Securities were insolvent and incapable of delivering securities sold or paying for securities purchased, in violation of the Commission's net capital requirements; and during a period in which Greenberg, Hyman and Camhi were withdrawing their capital from Lincoln. In addition, these same persons, through Lincoln and Lincoln Securities, participated in a scheme with the Pierce's wherein the latter purchased, sold and sold short for their account at a time they were unable or unwilling to pay for such securities. The Pierce's were permitted to continue to engage in such activities despite their failure to pay for such securities and were also permitted to withdraw cash and securities from their account in violation of Section 7(c) of the Exchange Act. In addition, Lincoln, Lincoln Securities, Greenberg, Hyman and Camhi failed to file an amendment to the firms' application for broker-dealer registration to reflect that an employee of the firm previously had been permanently enjoined from violations of the Exchange Act. They also extended, maintained and arranged for credit to customers in violation of Section 7(c) of the Exchange Act and the rules and regulations of the Federal Reserve System thereunder, and violated the Commission's net capital rules.

A hearing will be held pursuant to further order to take evidence on the staff allegations and 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 remedial action is necessary or appropriate in the public interest.

PENSION FUNDS ASSETS REPORTED. The SEC today reported that the assets of private noninsured pension funds rose by \$7.6 billion during 1969 according to revised estimates. The book value of total assets which include noninsured pension funds of corporations, non-profit institutions and multi-employer and union groups, and profit-sharing plans involving retirement benefits was \$90.7 billion at the year 1969, 9 percent higher than 1968. Pension funds assets continued their growth, though at a somewhat reduced pace, into 1970. Estimates for September 30, 1970 show \$93.4 billion in assets for these funds. For further details, see Stat. Release No. 2501.

HOLDING COMPANY ACT RELEASES

WESTERN MASS. ELECTRIC RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17015) authorizing Western Massachusetts Electric Company, West Springfield subsidiary of Northeast Utilities, to increase from \$20,100,000 to \$40,500,000 the amount of short-term notes (including commercial paper) which it may have outstanding at any one time.

OHIO POWER SEEKS ORDER. The SEC has issued an order under the Holding Company Act (Release 35-17016) giving interested persons until March 11 to request a hearing upon an application of Ohio Power Company, Canton subsidiary of American Electric Power Company, Inc., to issue and sell, at competitive bidding, \$40,000,000 of first mortgage bonds, 150,000 shares of \$100 par cumulative preferred stock, Series A, and 100,000 shares of \$100 par cumulative preferred stock, Series B. Net proceeds of the sale of Series A stock will be used to pay at maturity \$15,000,000 of the company's first mortgage bonds, 3% series, due 1971, and any balance, together with other available funds, will be used in connection with its construction program, for working capital, to reimburse the company's treasury for money actually expended for such purposes and for other corporate purposes. Net proceeds of the sale of Series B stock and the bonds, together with other available funds, will be used to pay or prepay short-term notes to banks, to pay commercial paper as it matures, to pay the company's construction program, for working capital, to reimburse the company's treasury for money actually expended for such purposes and for other corporate purposes.

INVESTMENT COMPANY ACT RELEASE

SPECTRUM EQUITIES FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-6362) declaring that Spectrum Equities Fund, Inc., New York mutual fund, has ceased to be an investment company.

OVER

COURT ENFORCEMENT ACTION

DUNHILL SECURITIES, REYNAUD SENTENCES AFFIRMED. The SEC New York Regional Office announced February 18 (LR-4913) that the Second Circuit Court of Appeals in New York had affirmed a previous order of the District Court which denied motions by Dunhill Securities Corporation and Patrick R. Reynaud to withdraw pleas of guilty to charges of criminal contempt for violating a permanent injunction enjoining violations of the Commission's bookkeeping and net capital rules. The order also affirmed a fine of \$10,000 against Dunhill Securities and a four month prison sentence against Reynaud whose original sentence of fine and imprisonment was modified to include a term of imprisonment only.

SECURITIES ACT REGISTRATIONS

OHIO POWER TO SELL STOCK. Ohio Power Company, 301 Cleveland Ave., S. W., Canton, Ohio 44702, filed a registration statement (File 2-39448) with the SEC on February 19 seeking registration of 150,000 shares of cumulative preferred stock (\$100 par), to be offered for public sale at competitive bidding. A subsidiary of American Electric Power Company, Inc., the company will use the net proceeds of its stock sale to pay at maturity \$15,000,000 principal amount of first mortgage bonds (3% series), due 1971, and to the extent available, to pay interest accrued on said bonds at their maturity date. Construction expenditures are estimated at \$151,671,000 for 1971.

In a separate statement (File 2-39450), the company seeks registration of \$40,000,000 of first mortgage bonds and 100,000 shares of \$100 par cumulative preferred stock, to be offered for public sale at competitive bidding. Net proceeds of this financing, together with other funds available, will be used to pay or prepay short-term notes to banks and to pay as it matures unsecured commercial paper of the company outstanding immediately prior to the time of the offering, in connection with the company's construction program, for working capital, to reimburse the company's treasury for money actually expended for such purposes and for other corporate purposes.

RYDER SYSTEM SHARES IN REGISTRATION. Ryder System, Inc., 2701 South Bayshore Dr., Miami, Fla., filed a registration statement (File 2-39449) with the SEC on February 19 seeking registration of 34,530 outstanding shares of common stock. These shares may be offered for sale from time to time by the holder thereof at prices current at the time of sale (\$37-5/8 per share maximum*). Edward S. Hand may sell all of 34,530 shares held.

EVANS PRODUCTS PROPOSES OFFERING. Evans Products Company, 1121 S. W. Salmon St., Portland, Ore. 97208, filed a registration statement (File 2-39452) with the SEC on February 19 seeking registration of \$50,000,000 of sinking fund debentures, due 1996, and 1,000,000 shares of common stock, to be offered for public sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004. The interest rate on the debentures, offering prices (\$45.75 per share maximum*) and underwriting terms are to be supplied by amendment.

The company is engaged in the manufacture and distribution of building materials, the operation of retail stores selling building materials, the manufacture, sale and financing of precut homes and the manufacture and sale of transportation equipment and metal products and freight car leasing. Of the net proceeds of its financing, \$45,000,000 will be used for repayment of the amount outstanding under the company's revolving credit agreement, and the balance will be used for repayment of short-term bank borrowings and for advances to unconsolidated finance and leasing subsidiaries for repayment of short-term bank borrowings of such subsidiaries. Such indebtedness was incurred to provide funds for additions to the company's operating facilities and working capital. In addition to indebtedness and preferred stock, the company has outstanding 5,633,347 common shares. Monford A. Orloff is chairman and president.

DHJ INDUSTRIES FILES FOR OFFERING AND SECONDARY. DHJ Industries, Inc., 16 East 34th St., New York, N. Y. 10016, filed a registration statement (File 2-39453) with the SEC on February 19 seeking registration of 300,000 shares of common stock, of which 240,000 are to be offered for public sale by the company and 60,000 (being outstanding shares) by a holder thereof. The offering is to be made through underwriters headed by Bear, Stearns & Co., One Wall St., New York, N. Y. 10005; the offering price (\$25.625 per share maximum*) and underwriting terms are to be supplied by amendment.

The company (formerly Dubin-Haskell-Jacobson, Inc.) is principally engaged in supplying specialized products and technical services to the apparel industry including the processing and distributing of interlinings, interfacings, shirt fabrics, pocket fabrics and related products. Of the net proceeds of its sale of additional stock, \$2,000,000 will be used to finance increases in inventories and receivables and to build or acquire additional plant facilities for its present fashion double-knit operations, \$2,000,000 to build inventories and to finance receivables for its new retail over-the-counter fashion double-knit department serving the home sewing market; and the balance for additional working capital. In addition to indebtedness, the company has outstanding 1,245,735 common shares, of which Herbert Haskell, board chairman and chief executive officer, owns 33% and management officials as a group 43%. Haskell proposes to sell 60,000 of 415,573 shares held. Bert Schwarz is president.

NORTHWESTERN MUTUAL REALTY TRUST PROPOSES OFFERING. Northwestern Mutual Life Mortgage and Realty Investors (the "Trust"), 225 Franklin St., Boston, Mass. 02110, filed a registration statement (File 2-39454) with the SEC on February 22 seeking registration of 2,500,000 shares of beneficial interest and \$50,000,000 of convertible subordinated debentures, due 1991, to be offered for public sale in units, each consisting of 5 shares and a \$100 debenture, and at \$200 per unit. The offering is to be made through underwriters headed by Morgan Stanley & Co. Incorporated, 2 Wall St., New York, N. Y. 10005. The interest rate on the debentures and underwriting terms are to be supplied by amendment.

CONTINUED

The Trust was established to invest in a portfolio of real property mortgage and equity investments in income-producing properties. It intends to qualify as a real estate investment trust under the Internal Revenue Code. The Northwestern Mutual Life Insurance Company will act as investment adviser. Francis E. Ferguson is chairman of the Trust and president of the adviser and Robert B. Barrows is president of the Trust and vice president of the adviser.

ADRs FOR NIPPON MINIATURE BEARING FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York 10015, filed a registration statement (File 2-39455) with the SEC on February 22 seeking registration of 100,000 American Depositary Receipts for dollar validated common stock of Nippon Miniature Bearing Co., Ltd. (a Japanese corporation).

ERIE FAMILY LIFE INSURANCE TO SELL STOCK. Erie Family Life Insurance Company, 144 E. 6th St., Erie, Pa. 16501, filed a registration statement (File 2-39458) with the SEC on February 22 seeking registration of 50,000 shares of capital stock, to be offered for public sale at \$12 per share. No underwriting is involved.

Organized in May 1967, the company is qualified to write policies of life insurance and annuities in Pennsylvania, Virginia, the District of Columbia and Maryland. Net proceeds of its stock sale will be applied toward the payment of \$600,000 guaranty surplus note payable to Erie Indemnity Company (parent of the company), proceeds of which were used by the company to qualify and be licensed in Maryland. The company has outstanding 300,000 capital shares, of which Erie Insurance Exchange owns 60.9% and Erie Indemnity Company 25.2%. H. O. Hirt, president of the company and of Erie Indemnity, owns 74.4% of the outstanding voting Class B shares and 31.7% of the Class A non-voting shares of Erie Indemnity and management officials of the company as a group own 68.8% of the Class A and 93.2% of the Class B shares of Erie Indemnity.

DETROIT EDISON TO SELL STOCK. The Detroit Edison Company, 2000 Second Ave., Detroit, Mich., filed a registration statement (File 2-39460) with the SEC on February 23 seeking registration of 500,000 shares of \$100 par cumulative preferred stock, to be offered for public sale through underwriters headed by Morgan Stanley & Co., Inc., 2 Wall St., New York 10005. The dividend rate, offering price (\$100 per share maximum*) and underwriting terms are to be supplied by amendment. A public utility, the company will apply the net proceeds of its stock sale to reduction at maturity of short-term indebtedness (estimated to exceed such proceeds by \$11 million) incurred in connection with interim financing of its construction program. Construction expenditures are estimated at \$460 million during 1971 and \$2.6 billion for the period 1971 through 1975.

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:

Lowe's Companies, Inc., North Wilkesboro, N. C. 28659 (File 2-39456) - 200,000 shares
Computing & Software, Inc., Los Angeles, Calif. 90067 (File 2-39457) - 403,219 shares

MISCELLANEOUS

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. Photocopies thereof may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed. An index of the captions of the several items of the form was included in the February 5 News Digest.

<u>BK Reports for Dec 70</u>		Kaiser Industries Corporation	
		Dec 1970 (3)	1-3340-2
Manor Nursing Centers, Inc.		Allied Nuclear Corporation	
(3,12,13)	2-33771-2	Dec 70 & Jan 71 (9)	0-4881-2
General Computer Systems, Inc.		Cincinnati Gas & Electric Co.	
(12)	0-5285-2	Dec 1970 (7,13)	1-1232-2
Macke Company(4,7,9,13)	1-4341-2	Merritt-Chapman & Scott Corporation	
		Dec 1970 (12,13)	1-1390-2
Mobile Americana Corporation			
(2,13)	0-5298-2		

SECURITIES ACT REGISTRATIONS. Effective February 23: Shearson Investors Fund, Inc., 2-37887.
Effective February 24: The Columbia Gas System, Inc., 2-39340; Duquesne Light Co., 2-39375; Hart Schaffner & Marx, 2-39345; Oklahoma Gas and Electric Co., 2-39292; RCA Corp., 2-39349; South Carolina Electric & Gas Co. 2-39339.
Withdrawn February 19: MEK Chemical Co., Inc., 2-37943; Spancecliff Corp., 2-34783; TLC Nursing Centers, Inc. 2-34168. **Withdrawn February 22:** Triangle Airways, Inc., 2-36624; U. S. Leisure Land and Development Corp., 2-35995.

*As estimated for purposes of computing the registration fee.