

# 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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FOR RELEASE November 8, 1965

**LINDER, BILOTTI & CO. REVOKED.** The SEC today announced a decision under the Securities Exchange Act (Release 34-7738) revoking the broker-dealer registration of Linder, Bilotti & Co., Inc., 205 W. 34th St., New York, for violations of the registration, anti-fraud, and other provisions of the Federal securities laws. Hyman S. Linder and Armand Bilotti were found to be a cause of the revocation order. The Commission previously had suspended the firm's registration.

The Commission ruled that the respondents violated the registration and anti-fraud provisions of the Securities Act in a 1963 offering and sale of stock of Elite Theatrical Productions Ltd. In the sale of the stock, false and misleading statements and predictions were made concerning the stock's future price and earnings, safety as an investment and listing on an exchange. Moreover, the firm induced excessive trading in the accounts of certain customers; and, in effecting transactions for the accounts of two customers, the firm charged mark-ups in 38 transactions with one customer ranging from 5% to 200% and in 43 transactions with another customer from 5% to 100%. The firm also violated the Commission's net capital rule; and in attempts to remedy its deficient capital position, it sold its own subordinated 12% notes to three elderly women (including the two customers above referred to) by means of false representations with respect to the firm's financial condition, the safety of an investment in the notes, and the intended use of the proceeds.

**INCUBATION FUND PROPOSES OFFERING.** The Incubation Fund, Inc., 120 Broadway, New York, has applied to the SEC for an order under the Investment Company Act declaring that it has ceased to be an investment company; and the Commission has issued an order (Release IC-4398) giving interested persons until November 26 to request a hearing thereon. According to the application, the company has issued no securities, has no stockholders and has no present intention of offering its securities to the public. It is also stated that a majority of its board of directors has executed a certificate of surrender of corporate franchise, thereby effecting the dissolution of the company. The company further states that it has never done, nor does it intend to engage in, business as an investment company.

**OLD DOMINION FUND RECEIVES ORDER.** The SEC has issued an order under the Investment Company Act (Release IC-4399) declaring that Old Dominion Growth Stock Fund, Inc., Suffolk, Va., has ceased to be an investment company. According to the application, the Fund was liquidated pursuant to shareholder approval in 1961; all of its assets have been distributed to shareholders; and it has no remaining liabilities or shareholders.

**OHIO POWER RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15343) authorizing the Ohio Power Co., Canton, Ohio, electric utility subsidiary of American Electric Power Co., Inc., to sell to a group of banks, from time to time prior to December 31, 1966, promissory notes aggregating a maximum of \$52,000,000 outstanding at any one time. According to the application, the proceeds of the sale of notes will be used to pay a portion of the company's construction program which, it is estimated, will amount to more than \$100,000,000 for the remainder of 1965 and for 1966.

**METROPOLITAN EDISON RECEIVES ORDER.** The SEC has issued an order under the Holding Company Act (Release 35-15344) authorizing certain transactions by Metropolitan Edison Co., Berks County, Pa., electric utility subsidiary of General Public Utilities Corp., with respect to a charter amendment and acquisition of its preferred stock.

According to the application, Met-Ed proposes to amend its charter by a vote of stockholders at a special meeting held for such purpose. If adopted, the amendment would permit the company to increase the amount of unsecured debt securities that may be outstanding from 10% to 20% of the aggregate of its secured indebtedness, capital, and surplus. Proxies will be solicited in connection with such amendment. Met-Ed has outstanding 859,500 common shares (all owned by GPU) and 255,000 preferred shares. The holders of both classes of stock are entitled to one vote for each share held. The affirmative vote of two-thirds of the of the shares of preferred stock and of a majority of the shares of common stock is required to effectuate the proposed amendment. GPU intends to vote in favor of the proposed charter amendment unless, prior to the stockholders' meeting, preferred stockholders submit written objections to the amendment pursuant to the appraisal provisions of Pennsylvania law and, as a result, it would become necessary for Met-Ed to reacquire so substantial an amount of its preferred as to unduly deplete its treasury. Met-Ed proposes to acquire not more than an aggregate of 25,500 preferred shares from holders thereof, who perfect their appraisal rights. If the requisite favorable vote in respect of the proposed charter amendment is received, Met-Ed also proposes to purchase, during the early part of 1966, through an invitation for tenders, such number of preferred shares as, together with shares (if any) acquired by it from dissenting stockholders who perfect their appraisal rights, do not exceed 25,500. The company states that all such shares will be retired.

**SBARBATI & PERSOFF CONVICTED.** On November 4 Vincent J. Sbarbati and Amos Racow Persoff were convicted (USDC, Conn.) of violations of the anti-fraud provisions of the Securities Exchange Act in the sale of stock of Dwain Records, Inc. (LR-3362).

OVER

**MCLEAN INDUSTRIES FILES FOR SECONDARY.** McLean Industries, Inc., 61 Saint Joseph St., Mobile, Ala. 36602, filed a registration statement (File 2-24192) with the SEC on November 4 seeking registration of 183,228 outstanding warrants to purchase a like number of shares of McLean's common stock at \$3.50 per share (the underlying shares of A stock also are being registered). The present holders may offer the warrants for public sale from time to time in the over-the-counter market at prices then obtainable (\$39.19 per warrant maximum\*). The warrants are exercisable until March 22, 1968.

The company is a holding company. Through its principal operating subsidiaries, it is engaged primarily in the transportation by water of freight, and it also operates trailer-ship fleets. Net proceeds of the sale of stock (issuable upon exercise of the warrants) will be used by the company for general corporate purposes. In addition to indebtedness and preferred stock, the company has outstanding 5,432,598 A shares and 4,494,402 B shares, of which management officials own 12.3% and 44.9%, respectively. The prospectus lists 48 sellers of the warrants, including Marjorie S. Deane, trustee for the benefit of herself, Disque D. Deane (a director), and two other persons offering 23,000 warrants; E. A. Hirs (vice president), 24,457; and Louise B. Hirs, 24,456. The remaining sellers are offering warrants ranging in amounts from 75 to 8,500. The sellers will retain an aggregate of 10,500 warrants. Malcom P. McLean is president.

**BEEFLAND PACKING FILES FINANCING PROPOSAL.** Beefland Packing Co., St. James, Minn. 56081, filed a registration statement (File 2-24196) with the SEC on November 4 seeking registration of 900,000 shares of common stock and \$1,000,000 of 6½% subordinated debentures (due 1975). The stock is to be offered for public sale at \$3 per share and the debentures at \$100 per unit. The offering is to be made through company officials and employees. Unless a minimum of \$2,700,000 of securities has been sold within nine months from the effective date of the statement, all proceeds will be refunded to the subscribers.

Organized under Minnesota law in August 1965, the company proposes to construct and operate a beef slaughtering plant in or near St. James, Minn. Net proceeds of this financing will be used to construct and equip the company's plant (estimated at \$1,200,000) and to provide working capital. The company has outstanding 31,005 common shares, of which management officials own 53.8%. Company incorporators subscribed for the outstanding stock at \$3 per share and received, in addition, 3-year options to purchase an equivalent number of shares at the same price. Richard M. Serkland is board chairman and Howard M. James is president.

**SOCONY MOBIL OIL FILES STOCK PLAN.** Socony Mobil Oil Company, Inc., 150 E. 42nd St., New York 10017, filed a registration statement (File 2-24197) with the SEC on November 5 seeking registration of \$7,341,425 of interest in the company's Savings Plan for Salaried Employees, together with 80,454 shares of capital stock that may be acquired thereunder.

**RYDER SYSTEM FILES STOCK PLAN.** Ryder System, Inc., 2701 S. Bayshore Dr., Miami, Fla., filed a registration statement (File 2-24199) with the SEC on November 4 seeking registration of 67,675 shares of common stock, to be offered pursuant to the company's Stock Option Plan.

**NATIONAL STEEL FILES STOCK PLAN.** National Steel Corporation, 2800 Grant Bldg., Pittsburgh, Pa. 15219, filed a registration statement (File 2-24200) with the SEC on November 4 seeking registration of 259,726 shares of capital stock, to be offered under its Stock Option Plan.

**THE SINGING CO. PROPOSES OFFERING.** The Singing Company filed a registration statement (File 2-24201) with the SEC on November 4 seeking registration of \$400,000 of limited partnership interests, to be offered for public sale in \$8,000 units (subject to a 20% overcall). The offering is to be made through the general partner, Alexander H. Cohen, 20 E. 46th St., New York.

To be organized under New York law, the purpose of the partnership is to produce the dramatico-musical play, presently entitled "A Time for Singing." The play is based on the original novel by Richard Llewellyn entitled "How Green was My Valley," with book by Gerald Freedman, music by John Morris and lyrics by Freedman and Morris. The action of the musical is set in the South Wales coal fields around the turn of the century, and its main story concerns the love an 18-year-old girl for an older crusading minister. The general partner will produce the play, and Freedman will be the director.

**SECURITIES ACT REGISTRATION STATEMENTS.** During the week ended November 4, 1965, 36 registration statements were filed, 24 became effective, 1 was withdrawn, and 304 were pending at the week-end.

**SECURITIES ACT REGISTRATIONS.** Effective November 8: Coins Inc., 2-23575 (90 days); Tabulating and Business Services, Inc., 2-24094 (90 days).

**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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