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The Prudential Funding Corporation, a subsidiary of the Prudential Insurance Company of America, is selling \$150 million of 10 1/8 percent Eurobonds, with warrants attached to buy the stock of the American Telephone and Telegraph Company and the seven new regional telephone companies to be spun off Jan. 1.

The lead underwriter for the offering, which is not available to United States investors, is Prudential-Bache Securities Inc.

Bond issues that include stock ownership or are convertible into common stock are not uncommon, but it is rare for the stock to be unrelated to the issuer of the bonds. The only previous example of a debt security combined with unrelated stock was a Eurobond financing earlier this year by Dart & Kraft Inc., which offered warrants for shares of the Minnesota Mining and Manufacturing Company.

William Hulton, a vice president in the London office of Prudential- Bache, said, "We wanted to arouse investor interest in Europe, and we wanted a stock that would not dilute the high reputation of Prudential."

For every \$10,000 of Prudential debentures, the investor also buys seven warrants that may be exercised after 90 days and are good for five years. Each warrant allows the investor to buy 10 shares of the "new" A.T. & T. as well as one share in each of the seven new regional companies. The price of the warrants has not been set, but Mr. Hulton estimated they would be set at 13 to 17 percent above the closing price of "old" A.T. & T. stock tomorrow.

Mr. Hulton also estimated that Prudential could have sold 10-year notes without A.T. & T. stock warrants with a yield of about 11 1/2 percent, or slightly lower than the yield on outstanding 10-year Treasury notes.

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