

# 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 FIRST GENERAL CORP.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 involving First General Corporation ("Registrant") of Tulsa, Okla. Also named as respondents are Constantine G. Argodale, president and principal stockholder, George G. Andrews, vice president, treasurer and principal stockholder, and Allen B. Lovitt, sales manager.

The proceedings are based upon allegations of the Commission's staff that Registrant and the individual respondents in 1969 offered and sold 320,000 common shares of Registrant at 30¢ per share in violation of (a) the registration requirements of the Securities Act of 1933 (a Regulation A exemption from registration was temporarily suspended by the Commission on November 30, 1970); and (b) the antifraud provisions of that Act and the Exchange Act, by reason of alleged false and misleading representations concerning, among other things, gross commissions paid to salesmen, Registrant's market-making activities in various publicly-held companies on behalf of control persons, and its transactions of a securities business as principal despite contrary representations in its offering circular.

It also is alleged by the Commission's staff that during the period July 1969 to April 1970 Registrant and the individual respondents (i) offered and sold stock of Viclad Industries and Vista Petroleum Corporation in violation of the Securities Act registration provisions and (ii) in connection with the sale of such securities engaged in activities violative of the antifraud and anti-manipulative provisions of the Securities Act and Exchange Act. According to the staff allegations, the latter conduct involved the placing of "artificially" created quotes in the "pink sheets" for securities of the two companies and their disposition of such securities on behalf of "favored customers" who wished to liquidate their positions while recommending the purchase of the securities by other customers, at a time when the respondents had little or no information concerning the business, assets or financial condition of the two companies.

A hearing will be scheduled by further order to take evidence on the staff allegations and to 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 action of a remedial nature should be ordered by the Commission.

**SEC CITES OHLMAN & CO.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 involving Maxwell Ohlman & Co., its successor, Maxwell Ohlman & Co., Inc., Information and Research Services, Inc., Columbia Management Consulting Corporation, and Maxwell Ohlman, all of New York City. The successor Ohlman firm is a registered broker-dealer and Information and Research Services is a registered investment adviser; Columbia Management has never registered with the Commission; and Ohlman was the principal partner of the predecessor Ohlman firm and is the principal officer and stockholder of the other three corporate respondents.

The proceedings are based upon allegations of the Commission's staff that the several respondents engaged in activities which were violative of the anti-fraud and other provisions of the Exchange Act and Advisers Act. More particularly, it is alleged that they induced or caused the investment advisers and/or principal underwriters of certain investment companies, to direct allocations of brokerage and "give-ups" by their affiliated investment companies to the two Ohlman firms and certain other persons, in exchange for undisclosed payments by the respondents to said adviser-underwriters of direct and indirect pecuniary benefits and other compensation; that there was a failure to disclose such arrangements to the funds and their shareholders and in filings with the Commission; that Information and Research Services failed to keep proper books and records; and that the latter violated the Commission's registration and reporting rules by its failure to disclose therein that it offered its advisory services to prospective clients on the basis that the cost of such services would be substantially or wholly offset through directed brokerage and "give-ups", and that clients' cost were, in fact, substantially or wholly offset by receipt of such brokerage or "give-ups."

A hearing will be scheduled by 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 action of a remedial nature should be ordered by the Commission.

**KEVIN SECURITIES CITED.** The SEC has ordered administrative proceedings under the Securities Exchange Act of 1934 involving Kevin Securities Corp., of New York City. Also named as respondents are Leonard Neil Tarr, president and Joseph Rozzo, a former associate of the firm.

The proceedings are based upon allegations of the Commission's staff (a) that since June 1, 1970, Kevin Securities and Tarr violated various provisions of the Commission's record-keeping rules; (b) that since September 1, 1968, they failed to make a stock record showing long and short securities positions, also in violation of such rules; and (c) that in early 1970 Rozzo was associated with Kevin Securities, that in June 1965 he was permanently enjoined in an action involving violations of the registration and antifraud provisions of the Securities Act of 1933 in connection with transactions in stock of Micro Metal Corp., and that Kevin Securities failed to amend its registration application to reflect Rozzo's association with it.

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A hearing will be scheduled pursuant to further order to take evidence on the staff allegations and to 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 action of a remedial nature should be ordered by the Commission.

#### HOLDING COMPANY ACT RELEASE

COLUMBIA GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 35-16958) authorizing the Columbia Gas System, Inc., (Columbia), Wilmington, Del. holding company, to purchase \$2,000,000 of common stock of Columbia Coal Gasification Corporation. The latter was recently organized by Columbia Gas for the purpose of researching, developing, and ultimately producing a low cost, direct substitute for natural gas from the synthesis of coal.

#### COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES BENSON & ASSOCIATES. The SEC Chicago Regional Office announced December 11 (LR-4873) the filing of a complaint with the U. S. District Court in Danville, Ill., seeking to enjoin violations of the Securities Act registration provisions by Robert Benson and Associates, Inc., a Minnesota corporation, Robert D. Benson and Associates, Inc., a Wisconsin corporation, and Robert D. Benson, of Champaign, Ill., in the offer and sale of stock of the defendant corporations.

NEWTON & CO. ENJOINED. The SEC Fort Worth Regional Office announced on January 12 (LR-4874) that the Federal court in Houston had entered an order of permanent injunction enjoining Paul F. Newton & Co. and Paul F. Newton of Houston, from violating Section 7(c) of the Securities Exchange Act, and Regulation T of the Federal Reserve System relating to the extension of credit by Paul F. Newton and Company to various persons. The defendants consented to the court order without admitting the violations.

COMPLAINT NAMES MILNER AND BERGLUND. The SEC Boston Regional Office announced January 13 (LR-4875) the filing of a complaint in Federal court in Boston seeking to enjoin violations of the anti-fraud provisions of the Federal securities laws and the Commission's net capital rule by Harry G. Milner, doing business as Milner Associates, and Karle R. Berglund, doing business as Colonial Investment Securities, both of Worcester, Mass. The complaint also requested the appointment of a Receiver for Colonial Investment.

#### SECURITIES ACT REGISTRATIONS

ARTISTS ENTERTAINMENT COMPLEX TO SELL STOCK. Artists Entertainment Complex, Inc., 641 Lexington Ave., New York, N. Y. 10022, filed a registration statement (File 2-39181) with the SEC on January 14 seeking registration of 60,000 shares of common stock, to be offered for public sale at \$10 per share. The offering is to be made by Rittmaster, Lawrence and Co., Inc., 363 7th Ave., New York, N. Y., which will receive \$1 per share commission plus \$28,000 for expenses. The company has agreed to sell the underwriter, for \$60, five-year warrants to purchase 6,000 shares, exercisable after two years at \$12 per share.

Organized in October, the company proposes to engage in and to devote its initial efforts to rendering career guidance services to performing and creative artists and to the production of motion pictures. It also proposes to enter related fields, including music publication, recording and the production of material for live, taped and video-cassette television use. Of the net proceeds of its stock sale, \$250,000 will be used for first-year operating expenses and the balance will be used for general corporate purposes, including opening a European office, possibly furnishing additional capital to complete film productions and the advance of funds to or for the account of clients. The company has outstanding 240,000 common shares, of which Martin Bregman, board chairman, Norman Weiss, president, and Roy Gerber, vice president, own 28.1% each. Purchasers of the shares being registered will acquire a 20% stock interest in the company for their investment of \$600,000; present shareholders will then own 80%, for which they paid \$36,000.

UNIROYAL TO SELL DEBENTURES. Uniroyal, Inc., 1230 Avenue of the Americas, New York, N. Y. 10020, filed a registration statement (File 2-39213) with the SEC on January 14 seeking registration of \$100,000,000 of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N. Y. The interest rate, offering price and underwriting terms are to be supplied by amendment.

The company is engaged, on a world-wide basis, in the manufacture and sale of broadly diversified lines of rubber goods, chemicals, plastics and other products. Net proceeds of its debenture sale will be added to the company's general funds and used to reduce domestic short-term debt and/or borrowings under its 1969 revolving credit agreement. In addition to indebtedness and preferred stock, the company has outstanding 26,684,043 common shares. George R. Vils is board chairman and president.

GENERAL TELEPHONE (FLA.) TO SELL BONDS. General Telephone Company of Florida, 610 Morgan St., Tampa, Fla. 33601, filed a registration statement (File 2-39215) with the SEC on January 14 seeking registration of \$45,000,000 of first mortgage bonds, Series N, due 2001, to be offered for public sale at competitive bidding. A subsidiary of General Telephone & Electronics Corporation ("GTE"), the company will apply the net proceeds of its bond sale, together with the proceeds of the sale of \$35,000,000 of common stock to the parent, toward payment of short-term loans owing to banks and commercial paper (estimated not to exceed \$79,700,000 at the time of the bond sale), obtained for the purpose of financing the company's construction program. Construction expenditures for the 11 months ended November 30, 1970, approximated \$82,505,000.

**ALODEX TO SELL STOCK.** Alodex Corporation, One Office Park Plaza, Southaven, Miss. 38761, filed a registration statement (File 2-39216) with the SEC on January 14 seeking registration of 800,000 shares of common stock, to be offered for public sale through underwriters headed by W. E. Hutton & Co., 14 Wall St., New York, 10005. The offering price (\$26 per share maximum\*) and underwriting terms are to be supplied by amendment.

The company is primarily engaged in real estate acquisition and development, and in construction employing systems technology. Of the net proceeds of its stock sale, \$11 million will be applied to payment of principal and interest on two 9-3/4% loans aggregating \$10 million from Walkem Development Company, Inc. (proceeds of which were used for repayment of bank lines of credit and working capital), \$3.4 million to retire certain existing borrowings under bank lines of credit (incurred for additional working capital purposes and subject to increase by reason of additional borrowings), \$1.0 million to complete development, lease and equip plant facilities, provide working capital and commence production of long term housing modules, \$3 million to acquire additional computer equipment and complete the development and implementation of several additional computer software systems; the balance will be added to the company's working capital. In addition to indebtedness, the company has outstanding 2,080,266 common shares (with a \$3.15 per share net tangible book value), of which Wallace E. Johnson, board chairman, owns 15.9%, Kemmons Wilson, vice chairman, 28% and Lloyd E. Clarke, president, 11.1%.

**MARIFARMS FILES FOR OFFERING AND SECONDARY.** Marifarms, Incorporated, 3830 Frankford Ave., Panama City, Fla. 32401, filed a registration statement (File 2-39218) with the SEC on January 14 seeking registration of 60,000 shares of common stock, to be offered for public sale by the company in minimum units of three shares and at \$33.33-1/3 per share. No underwriting is involved. Also included in this statement are the following outstanding securities: 36,410 common shares, \$750,000 of 6% convertible debentures, due 1974, \$300,000 of additional 6% convertible debentures and 1500 common stock purchase warrants. 23,210 shares, the debentures and warrants are to be distributed by six partnerships and three individuals to the beneficial owners thereof at \$33.33-1/2 per share, \$250 per debenture and \$1 per warrant. The remaining 13,200 shares may be offered for public sale by the holders thereof.

The company was organized as Akima International, Inc. in July 1967 for the purpose of engaging in the hatching, cultivation and commercial sale of shrimp. Net proceeds of the company's sale of additional stock will be used in the furtherance of its business. In addition to indebtedness, the company has outstanding 193,109 common shares, of which John R. Cheshire, vice president, owns 11.6% and management officials as a group 33.8%. T. Kawaguchi proposes to sell 12,500 shares and Michael Alba 700 shares. Paul F. Bente, Jr., is board chairman and president.

**GEORGIA POWER PROPOSES OFFERING.** Georgia Power Company, 270 Peachtree St., N. W., Atlanta, Ga. 30303, filed a registration statement (File 2-39219) with the SEC on January 15 seeking registration of \$49,500,000 of first mortgage bonds and 300,000 shares of preferred stock, to be offered for public sale at competitive bidding. A subsidiary of The Southern Company, the company will use the net proceeds of its offering, together with funds expected to be accumulated from usual internal sources, to refund \$79,886,000 principal amount of first mortgage bonds, 3 1/2% series due 1971, which mature March 1, 1971. Construction expenditures are estimated at \$232,302,000 for 1970 and \$697,124,000 for 1971 and 1972.

**AMICO PROPERTIES TO SELL STOCK.** Amico Properties (the "Trust"), 1100 Glendon Ave., Los Angeles, Calif. 90024, filed a registration statement (File 2-39221) with the SEC on January 15 seeking registration of 20,000 shares of \$6.60 Series B convertible cumulative preference shares of beneficial interest (\$100 par), to be offered for public sale at \$100 per share. No underwriting is involved; participating NASD members will receive a \$6 per share selling commission.

The Trust owns a hotel, five motels, two medical office buildings, the land under two additional medical office buildings, a shopping center, an apartment building and two convalescent hospitals. Net proceeds of the stock sale will be added to the working capital of the Trust and used for the acquisition of additional properties and/or for payment of existing mortgages. In addition to indebtedness, and preference shares of beneficial interest, the company has outstanding 1,582,072 shares of beneficial interest, of which Ralph E. Loesch, president, owns 10%.

**RADIATION AND ENVIRONMENTAL MATERIALS TO SELL STOCK.** Radiation and Environmental Materials, Inc., 3107 Pico Blvd., Santa Monica, Calif. 90405, filed a registration statement (File 2-39222) with the SEC on January 15 seeking registration of 220,000 shares of common stock, to be offered for public sale at \$3 per share. The offering is to be made on a "best efforts, 135,000 shares or none" basis by Ferruggia & Lippmann, Inc., which will receive a 30c per share selling commission plus \$26,400 for expenses. The company has agreed to sell the underwriter and its counsel (at the rate of 90% to the underwriters & 10% to the counsel) at 1c per warrant, five-year warrants to purchase up to 21,000 shares, exercisable after 13 months at \$3.30 per share. It has also agreed to sell to Michael J. Porter, for his services as finder, like warrants to purchase up to 3,000 shares.

Organized in March 1970, the company is engaged in designing, manufacturing, and marketing instruments for air pollution control and measurement, for nuclear medicine and for medical purposes. Net proceeds of its stock sale will be added to the company's working capital and used for general corporate purposes. The company has outstanding 470,000 common shares (with a 15c per share negative book value), of which Thomas R. Finn, president, owns 49% and management officials as a group 75%. Purchasers of the shares being registered will acquire a 31.9% stock interest in the company for their investment of \$660,000 (they will sustain an immediate dilution of \$2.33 in per share book value from the offering price); present shareholders will then own 68.1%, for which they paid \$125,000 and the assignment to the company of certain data, patent rights and technical services.

**PETROLEUM RESOURCES FUND PROPOSES OFFERING.** Petroleum Resources Fund, Inc. (the "Fund"), 4328 E. Kellogg Wichita, Kans., filed a registration statement (File 2-39223) with the SEC on January 15 seeking registration of \$20,000,000 of limited partnership interests in partnerships to be formed, to be offered for public sale in \$1,000 units. The offering is to be made on a best efforts basis by Summit Corporation, 47 Quail Court, Walnut Creek, Calif., through NASD members. The partnerships will engage in the acquisition and operation of interests in producing oil and gas properties. The Fund is a subsidiary of Thunderbird Drilling, Inc., Floyd K. Rubendall is president of the Fund.

**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:  
The Bendix Corporation, Southfield, Mich. 48075 (File 2-39217) - 1,764,706 shares  
Connelly Containers, Inc., Bala-Cynwyd, Pa. (File 2-39220) - 40,000 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 January 5 News Digest.

#### 8K Reports for November 1970

Devon Apparel Inc.		Federal's Inc. (11,13)	1-3337-2
Dec 70 (7)	1-6190-2	Mica Products Corporation of America	
Equitable Life Mortgage & Realty Investors (1,2,7,13)	1-6520-2	Oct 1970 (4,7,8,13)	2-30583-2
Korfund, Inc (3,13)	0-1168-2	Pennwalt Corporation (7)	1-1198-2
Windecker Research, Inc (2,11,12,13)	2-30391-2	Rubbermaid Inc (7)	1-4188-2
		Southern Ry Co (7,13)	1-743-2
		American Diversified Industries Corp (12,13)	0-4314-2
CamIn Laboratories, Inc (11)	0-4003-2	Bristol Myers Co (3)	1-1136-2
Centex Corp		CMI Corporation	
July 1970 (7)	0-3860-2	March 1970 (2,13)	1-5951-2
Cessna Aircraft Co (12)	1-3145-2	Numerax Inc (11,12,13)	2-35030-2
Empire Life Insurance Co Oct 1970 (7,9)	2-20749-2	Royal Crown Cola Co. (2,7,13)	1-227-2
Tandy Corp (11)	1-5571-2		
Varadyne Industries, Inc. (3,7,11,13)	0-3243-2	APL Corporation (11,13)	1-4285-2
		Albertson's Inc (12)	1-6187-2
		Amarex, Inc	
Art-k Systems Corporation (4,11,13)	2-33473-2	Aug 1970 (9,12)	0-5106-2
Executive Data Systems, Inc (1,2,4,7,12,13)	0-3204-2	Campbell Soup Co (11)	1-3822-2
		Danmont Corporation (2,13)	0-4596-2

**SECURITIES ACT REGISTRATIONS. Effective January 15:** Americana Investment Co., 2-38145 (90 days); Blue Bell, Inc., 2-38676; Borman's, Inc., 2-38798; Data General Corp., 2-39109; Farmland Industries, Inc., 2-38878 (40 days); Resalab, Inc., 2-36173; Veeder Industries, Inc., 2-39146.

**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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