

sec news digest

Issue 74-251

(SEC Docket, Vol. 5, No. 20 - Jan. 14)

Decmeber 30, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DECISION SUSPENDING RICHARD R. CARTA FINAL

The decision of an administrative law judge imposing a six-month suspension from association with any broker-dealer on Richard R. Carta, of Atlanta, has become final. Carta was a salesman for the former broker-dealer firm of Smith and Medford, Inc. The suspension is effective December 30.

According to the decision, during the period November 1971 to June 1972, Carta violated registration and antifraud provisions of the securities acts in the offer and sale of limited partnership interests in oil and gas drilling programs of Cook & Son Oil Company, Inc. The administrative law judge found that Carta unlawfully sold the unregistered Cook securities, and made material misrepresentations to customers with respect to the return on an investment; the absence of cash or property contributions to the partnerships by Cook; Cook's right to distribute partnership in its sold discretion, to pledge such income and sell and assign partnership properties; the rate of interest Cook could charge the partnerships on loans; the way in which partnership properties would be distributed in the event of dissolution; and the commissions received by Carta and his firm for selling the securities. (Rel. 34-11141)

COURT ENFORCEMENT ACTIONS

R. J. ALLEN AND ASSOCIATES, INC., OTHERS, ENJOINED

The Atlanta Regional Office announced that on November 27 the Honorable Charles Fulton, Chief Judge for the Southern District of Florida, issued a Memorandum Opinion permanently enjoining R. J. Allen and Associates, Inc., Robert J. Allen, Howard W. Alexander, Charles J. Diaz, and Thomas A. Preston from violating the antifraud provisions of the securities laws. Judge Fulton's opinion labels the defendants' operation "a horrible fraud" and "a diabolical scheme," and holds Allen, Alexander and the corporation jointly and severally liable for the fraudulent sale of an undetermined amount of Industrial Development Revenue Bonds. The opinion orders those defendants to disgorge to the permanent corporate receiver, David Hughes, the amount which the receiver ultimately determines to have been received from such bond sales. Defendants Diaz and Preston, employees of the firm, were ordered to return any compensation received from such sales. To insure disgorgement, the court continued a temporary freeze on all the defendants' assets. (SEC v. R. J. Allen and Associates, Inc., et al., U.S.D.C. S.D. Fla., Civil Action No. 74-1273-Civ-CF). (LR-6653)

COMPLAINT NAMES KALVEX INC., OTHERS

The New York Regional Office announced that on December 23 a complaint was filed in the U.S. District Court for the Southern District of New York charging Kalvex, Inc., Emanuel L. Wolf, and Robert L. Ingis with violations of the reporting and proxy requirements of the securities laws. The complaint alleged that Kalvex reimbursed Wolf and Ingis for expenses not properly chargeable to Kalvex, and that Ingis had entered into an arrangement with a Kalvex supplier whereby the supplier agreed to "kickback" \$23,000 plus 10% of the fees to be received from Kalvex and its affiliate, Allied Artists Pictures Corporation.

Contemporaneously with the filing of this action, Kalvex Inc. consented, and Emanuel L. Wolf agreed to consent, without admitting or denying the allegations in the Commission's complaint, to the entry of a judgment granting the relief requested by the Commission in its complaint. The action against Ingis is still pending. (SEC v. Kalvex Inc., et al., 74 Civil 5643 S.D.N.Y.). (LR-6654)

INVESTMENT COMPANY ACT RELEASES

BOSTON MUTUAL EQUITY GROWTH FUND

An order has been issued on an application of Boston Mutual Equity Growth Fund, Inc. (BMEG) and The Prudential Fund of Boston, Inc. (Prudential), mutual funds, exempting from certain provisions of the Act and the Rules thereunder the proposed merger of Prudential into BMEG through the conversion of all of the outstanding common stock of Prudential into common stocks of BMEG. (Rel. IC-8623 - Dec. 24)

GENERAL ELECTRIC OVERSEAS CAPITAL CORPORATION

A notice has been issued giving interested persons until January 20 to request a hearing on an application of General Electric Overseas Capital Corporation of New York, a wholly-owned finance subsidiary of General Electric Company, for an order permitting it to issue certain debt securities. (Rel. IC-8624 - Dec. 27)

THE SOUTH BAY CORPORATION

A notice has been issued giving interested persons until January 22 to request a hearing on an application of The South Bay Corporation, a closed-end, non-diversified management investment company, Utilities & Industries Corporation, Utilities & Industries Management Corporation, and the Carter Group, Inc. for an order permitting their participation, along with the other defendant parties, in a settlement of certain litigation which provides for the dissolution of South Bay. (Rel. IC-8625 - Dec. 27)

FEDERAL UNITED CORPORATION

An order has been issued on the application of Federal United Corporation, declaring that it has ceased to be an investment company. (Rel. IC-8626 - Dec. 27)

HOLDING COMPANY ACT RELEASES

DELMARVA POWER & LIGHT COMPANY

A supplemental order has been issued extending, to June 30, 1975, the time within which Delmarva Power & Light Company, a registered holding company, may consummate financing arrangements for certain pollution control facilities located in York County, Pennsylvania. (Rel. 35-18735 - Dec. 26)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of over-the-counter trading in the securities of Bio-Medical Sciences, Inc. for the further ten-day period December 30 - January 8, inclusive.

SECURITIES ACT REGISTRATIONS

(S-1) SANDERS ASSOCIATES, INC.

Daniel Webster Highway South, Nashua, N.H. 03060 - \$17,500,000 convertible subordinated debentures, due 1992, proposed to be offered in exchange for the company's 5% convertible subordinated debentures, due 1992, at an exchange ratio to be determined later. Sanders manufactures advanced technology electronic systems for Government and commercial markets. (File 2-52586 - Dec. 24)

(S-1) HAVEN INDUSTRIES, INC.

1025 Ridgedale Dr., Beverly Hills, Cal. 90210 - 225,274 shares of Class B convertible preferred stock (\$3 par), to be offered in exchange for the company's outstanding 4% subordinated convertible debentures, due 1988, in the ratio of \$50 cash and 70 shares of preferred stock for each \$1000 of debentures Outstanding. Also included in the

registration statement are 2,703,288 shares of Haven's Class A common stock, which may issued upon conversion of the preferred stock registered. Haven is a holding company with no present operations. (File 2-52488 - Dec. 11)

(S-14) AMERICAN INVESTORS LIFE INSURANCE COMPANY

3301 Van Buren, Topeka, Kan. 66611 - 377,497 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of International Investors Life Insurance Company, Inc., Austin, Texas, at the rate of 74 American shares for each 100 shares of International. American is a life insurance company. (File 2-52504 - Dec. 12)

(S-16) DISTILLERS CORPORATION-SEAGRAMS LIMITED

1430 Peel St., Montreal, Canada - 40,000 common shares, which may be offered for sale from time to time by a stockholder. Distillers produces and markets distilled spirits and wines and also engages in the exploration, development and production of crude oil, natural gas and related products. (File 2-52548 - Dec. 19)

(S-14) CHADBURN INC.

2417 North Davidson St., Charlotte, N.C. 28205 - 1,326,000 shares of common stock. It is proposed to issue these shares in exchange for outstanding shares of 6% preferred stock and $\$.46\frac{2}{3}$ preferred stock under a plan of reorganization which is being submitted for shareholder approval. The company principally manufactures and sells work and leisurewear and men's knitwear, and is engaged in the extrusion of polyester yarn and the processing of yarn produced by others. (File 2-52553 - Dec. 19)

REGISTRATIONS EFFECTIVE

Dec. 24: Mississippi Chemical Corp., 2-51985; Pickwick International, Inc., 2-52053.
 Dec. 26: Liquidity Fund, Inc., 2-51031; Proprietors Corp., 2-51310; United Savings Life Insurance Co., 2-50606.
 Dec. 27: Amerace Corp., 2-52517.

REGISTRATIONS WITHDRAWN

March 6: Homer Hargrave, Jr., 2-55059.
 Dec. 24: Samson Chemical Corp., 2-45167.
 Dec. 26: Builders Investment Group, 2-51086; Granite Management Services, Inc., 2-51775.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- | | |
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| <i>Item 1. Changes in Control of Registrant</i> | <i>Item 9. Options to Purchase Securities</i> |
| <i>Item 2. Acquisition or Disposition of Assets</i> | <i>Item 10. Revaluation of Assets or Restatement of Capital Share Account</i> |
| <i>Item 3. Legal Proceedings</i> | <i>Item 11. Submission of Matters to a Vote of Security Holders</i> |
| <i>Item 4. Changes in Securities</i> | <i>Item 12. Changes in Registrant's Certifying Accountant</i> |
| <i>Item 5. Changes in Security for Registered Securities</i> | <i>Item 13. Other Materially Important Events</i> |
| <i>Item 6. Defaults upon Senior Securities</i> | <i>Item 14. Financial Statements and Exhibits</i> |
| <i>Item 7. Increase in Amount of Securities Outstanding</i> | |
| <i>Item 8. Decrease in Amount of Securities Outstanding</i> | |

The companies listed below have filed 8-K reports for the month indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
CHOCK FULL O NUTS CORP	7,14	11/74
CINCINNATI BELL INC	3	11/74
CLC OF AMERICA INC	3	11/74
CLEVELAND CLIFFS IRON CO	3	11/74
COASTAL STATES GAS CORP	3	11/74

RECENT 8K FILINGS CONT.

COASTAL STATES GAS PRODUCING CO	3	11/74
COLORADO INTERSTATE CORP	3	11/74
COMMONWEALTH NATIONAL REALTY TRUST	3,14	11/74
COMPUTER SCIENCES CORP	13	11/74
CONRAC CORP	7,14	11/74
CONSOLIDATED OIL & GAS INC	7,14	11/74
CONSUMERS BUILDING MARTS INC	13,14	11/74
CONTINENTAL HERITAGE CORP	3	11/74
CONTINENTAL PLASTICS & CHEMICALS INC	7,13,14	11/74
CONTINENTAL REAL ESTATE PARTNERS LTD	13	11/74
COOK INDUSTRIES INC	3,13	11/74
COUNTY NATIONAL BANCORPORATION	NO ITEMS	11/74
DAIRY CAPITAL CORP	2,3,13,14	11/74
DAIRY QUEEN STORES INC	7	11/74
DATAMATION SERVICES INC	2,14	11/74
DATAPoint CORP	11,14	11/74
DELMARVA POWER & LIGHT CO	7	11/74
DENVER REAL ESTATE INVESTMENT ASSOCIATIO	2,14	11/74
DETECTO SCALES INC	6,13	11/74
DETROIT EDISON CO	13	11/74
DIGICOM INC	4,7,8,14	05/74
DILLINGHAM SYSTECH REALTY FUND ONE	3	11/74
DIVERSIFIED INDUSTRIES INC	3,13	11/74
DIXON JOSEPH CRUCIBLE CO	14	11/74
DPF INC	3,8,14	11/74
DREW NATIONAL CORP	2,7,14	11/74
DUN & BRADSTREET COMPANIES INC	3	11/74
DUNLAP & ASSOCIATES INC	13,14	11/74
DUPLEX PRODUCTS INC	13	12/74
DUPONT E I DENEMOURS & CO	7,14	11/74
DWG CORP	3,14	11/74
EASON OIL CO	11,14	11/74
EASTERN FREIGHT WAYS INC	10	11/74
EDUCASTING SYSTEMS INC	13	11/74
ELDORADO ELECTRODATA CORP	12	10/74
ENERGY SOURCES INC	2,14	11/74
EQUIMARK CORP	13	11/74
EQUITY NATIONAL INDUSTRIES INC	3,13	11/74
ESMARK INC	2,3	11/74
EXXON CORP	3	11/74
FABRICS NATIONAL INC	13	11/74
FAIRMONT FOODS CO	13	11/74
FIDELITY UNION BANCORPORATION	3	11/74
FIRST WISCONSIN MORTGAGE TRUST	3	11/74
FLUIDIC INDUSTRIES INC	11	11/74
FMC CORP	3	11/74
FORD MOTOR CREDIT CO	7	11/74
FOREST CITY ENTERPRISES INC	13	04/74
FOX KNAPP MANUFACTURING CO	8,14	11/74
FOX STANLEY PHOTO PRODUCTS INC	10,14	11/74
FOXCO INDUSTRIES LTD	13	11/74

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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