

sec news digest

a daily summary from the securities and exchange commission

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March 26, 1973

DECISIONS IN ADMINISTRATIVE PROCEEDING

BURROUGHS CENSURED. The SEC announced the issuance of an order censuring Robert Lynn Burroughs, Wichita, Ks., an accountant employed by a public accounting firm. According to the decision, respondent, who participated in the audit of the records of a registered broker-dealer, failed to comply with generally accepted accounting standards in connection with such audit and the certification of the broker-dealer's financial statement as of September 30, 1971. It was found that he failed to evaluate the effectiveness of the broker-dealer's internal controls to determine the need for extending the scope of the examination, to inquire into material post-statement events, and to obtain sufficient evidence to warrant the unqualified opinion furnished the broker-dealer.

The Commission order was based on an offer of settlement in which respondent, without admitting or denying the charges against him, consented to the indicated findings and sanction. (Acct. Rel.143)

COURT ENFORCEMENT ACTIONS

PROGRESSIVE INVESTMENT CORPORATION, OTHERS PERMANENTLY ENJOINED; STAR DEVELOPMENT CORPORATION DISMISSED PURSUANT TO STIPULATION. The SEC Los Angeles Regional Office announced that the Federal Court in Phoenix, Arizona, entered judgments on the dates and against defendants in SEC v. Progressive Investment Corporation, et al., as follows:

1. On February 27, 1973 a Final Judgment by consent, neither admitting nor denying the allegations, permanently enjoining Progressive Investment Corporation, P.I.C. Research and Development Corporation, Al Sprenger and Roger Sherer (corporations and residents, respectively, of Phoenix, Arizona) from violations of the registration and antifraud provisions of the Securities Act of 1933 and the antifraud provisions of the Securities Exchange Act of 1934, all in connection with the securities of Progressive Investment Corporation, P.I.C. Research and Development Corporation, Mericle Oil Company, Diversitron, Advance Resources, Inc., Educational Career Systems, Inc., Texas Equities and Financial, Data Scope Financial, Data Tech of America, Inc., United Greenwater Copper Company, Inc., Oceanography, Inc., Star Development Corporation, Kona Hai Corporation, El Gran Motors Corporation or any other securities.
2. On February 27, 1973 a Final Judgment by consent, neither admitting nor denying the allegations, permanently enjoining Mericle Oil Company, Diversitron, Texas Equities and Financial, Data Scope Financial and Kona Hai Corporation (all Arizona corporations) from violations of the registration provisions of the Securities Act of 1933 in connection with the offer and sale of the securities of each of those companies, respectively, or any other securities.
3. On December 13, 1972 a Final Judgment by consent, neither admitting nor denying the allegations, permanently enjoining Charles Layton (resident of Phoenix, Arizona) from violations of the registration and antifraud provisions of the Securities Exchange Act of 1934 in connection with the same and several securities as specified in paragraph 1 above, or any other securities.
4. On December 13, 1972 an Order dismissing the Commission's injunctive action (alleging violation of the registration provisions of the Securities Act of 1933), without prejudice, as to Star Development Corporation (an Arizona corporation located in Phoenix). Further, the Order of the Court orders Star Development Corporation not to violate the registration provisions of the Securities Act of 1933, in connection with the offer and sale of its stock, or any other securities, all pursuant to a stipulation between the Commission and Star Development Corporation.
5. On November 24, 1972 a Default Judgment permanently enjoining Oceanography, Inc. (a California corporation located in Los Angeles) from violations of the registration provisions of the Securities Act of 1933, in connection with the offer and sale of its stock, or any other securities. (LR-5803)

COMPLAINT FILED AGAINST CONTINENTAL COMMODITIES CORPORATION, OTHERS. The SEC Fort Worth Regional Office announced the filing of a complaint in Federal court in Dallas, Texas on March 21, 1973 charging Continental Commodities Corporation and Charles L. Long, of Dallas, and Continental Commodities Trading Company, a partnership doing business in Los Angeles and Dallas, with violating the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of promissory notes and instruments purporting to be options on commodity futures contracts. The complaint seeks a temporary restraining order, preliminary and permanent injunction, as well as the appointment of a temporary and permanent receiver for Continental Commodities Corporation and Continental Commodities Trading Company, based upon the alleged failure of these defendants to make payments called for in the securities sold. Federal District Judge Robert M. Hill entered a temporary restraining order and appointed a temporary receiver as prayed for in the complaint and set the motion for preliminary injunction for hearing at 1:00 p.m. March 30, 1973 in the United States Courthouse in Dallas. (LR-5802)

BEN CAMPO, D/B/A CAMPO & CO. - PRELIMINARILY ENJOINED. The SEC Los Angeles Regional Office announced that the Federal court in Phoenix, Arizona on March 15, 1973 preliminarily enjoined and restrained Ben Campo, d/b/a Campo & Co., a registered broker-dealer in Phoenix, Arizona, from violating the net capital and anti-fraud provisions of the Securities Exchange Act of 1934. The court also appointed Ronald Warnicke in Phoenix as Receiver of Campo's assets. (LR-5804)

MIDLAND SECURITIES CORP. ENJOINED. The SEC Chicago Regional Office announced that on March 21 the Federal court in Minneapolis permanently enjoined Midland Securities Corporation, Edina, Minn., from violations of the net capital, financial reporting and supplemental reporting provisions of the Securities Exchange Act of 1934. The court also ordered defendant to file with the Commission within 10 days certain overdue notices and financial reports and to send to its customers within 10 days overdue statements and information as to defendant's financial condition, as required by the Exchange Act. The defendant consented to the order without admitting or denying the allegations. (LR-5805)

COMPLAINT NAMES JAMES WALLACE WHITE, OTHERS. The SEC Denver Regional Office announced the filing of a complaint in the Federal District Court in Reno, Nev. on March 19 seeking a preliminary and a permanent injunction from further violations of the registration and antifraud provisions of the Securities Act of 1933 and of the antifraud, registration and reporting provisions of the Securities Exchange Act of 1934 and Rules 10b-5, 13a-11 and 13a-13 thereunder against the following individuals: James Wallace White of Lake Dallas, Tex., Grant F. Lund and Harvey D. McCoy of Ogden, Utah, Harold V. Vanderwest of Clearfield, Utah, Dell R. R. Swope of Reno, Nev., and Dale R. Garland of Union City, Calif., as well as Camusa Holdings, Ltd., a Delaware corporation (now called Anusound, Ltd.), Academic Development Corporation, a New York corporation (now called Systems One, Inc.), and Specialty Equities Corporation, a Nevada corporation. The complaint alleges violations in connection with the sale of stock of the three defendant corporations. (LR-5806)

ANDREW R. L. McNAUGHTON, OTHERS ENJOINED. The SEC announced on March 21 the entry by the Federal district court in San Francisco of judgments of permanent injunction against Andrew R. L. McNaughton of Tijuana, Mexico and Montreal, Canada; Guido Orlandi of Scottsdale, Ariz.; and Joseph A. Zicarelli of Bayonne, N. J. The defendants were enjoined from further violations of the registration provisions of the Federal securities laws in the sale of shares of Biozymes International Limited. Biozymes International Limited is alleged to own certain manufacturing and distribution rights to Laetrile, a purported anti-cancer drug. McNaughton and Orlandi were also enjoined from violating the anti-fraud provisions of the Federal securities laws in the sale of such shares. The defendants consented to the entry of the permanent injunctions without admitting or denying the allegations of the complaint. (LR-5807)

TRAVEL MANAGEMENT CORP. ENJOINED. The SEC announced that the U. S. District Court for the District of Columbia, in granting the Commission's Motion for Summary Judgment on March 21, 1973 has ordered Travel Management Corporation, of Chicago, to file within 15 days its delinquent periodic reports on Forms 10-K and 10-Q required to be filed pursuant to Section 13(a) of the Securities Exchange Act of 1934 and the rules and regulations thereunder, and has permanently enjoined Travel Management from violating the provisions of Section 13(a) of the Exchange Act and the rules and regulations thereunder. The Commission had filed its complaint seeking the relief granted on December 6, 1972. (LR-5808)

INVESTMENT COMPANY ACT RELEASES

DIVERSIFIED TAX-EXEMPT BOND FUND, CALIFORNIA SERIES I. The SEC has issued a notice giving interested persons until April 17, 1973, to request a hearing on an application by Diversified Tax-Exempt Bond Fund, California Series I (Fund), a unit investment trust registered under the Act, and its sponsor, Blyth Eastman Dillon & Co., Incorporated (Sponsor), for an order permitting the fund (and all subsequent national or state series of the same or similar title of which Sponsor is a sponsor or co-sponsor), and the Sponsor, to make a public offering of units of the Fund (and units of any subsequent series), subsequent to the exchange by the Sponsor of bonds in the amount of \$10 million for units of the Fund (or for units of any subsequent series), without having made provision for the sale of units in the amount of \$100,000 to not more than 25 investors, and to make semi-annual distributions of principal and interest, including distributions of capital gains, from a series. The application also seeks an order permitting the Sponsor, under certain circumstances, to purchase and sell units of a series at prices based on previously determined values. (Rel. IC-7733)

DEAN WITTER & CO, INC. The SEC has issued an order exempting Dean Witter & Co. Inc. and its co-underwriters from Section 30(f) of the Act in respect of their transactions incident to the proposed distribution of shares of common stock of Standard & Poor's/InterCapital Income Securities, Inc., a registered closed-end investment company. (Rel. IC-7734)

SECURITIES ACT REGISTRATIONS FILED

MARK TWAIN BANCSHARES, INC., 7733 Forsyth Blvd., Clayton, Mo. 63105 - \$1,757,250 of 5-1/4% notes, due 1974 to 1976. It is proposed to offer these notes plus cash in exchange for the outstanding capital stock of Parkway Bank and Trust Company, at the rate of \$43.50 cash and \$106.50 of notes for each Bank share. Bancshares is a multi-bank holding company, which owns substantially all the capital stock of three banks in St. Louis County, Mo. (File 2-47313 - Mar 20)

MISCELLANEOUS
IMPORTANT NOTICE

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed: Public Reference Section, Securities and Exchange Commission, Washington, D. C. 20549. The reproduction cost will approximate 12¢ per page, plus postage, for mailing within four days, to 25¢ per page, plus postage, for overnight mailing. Cost estimates given on request.

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. The captions of the items are as follows:

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

Copies of the reports 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.

8K-REPORTS FOR FEBRUARY 1973

ASM Industries, Inc.(13,14)	0-5188-2	Aller Organ Co. (11,14)	0-275-2
A-T-O Inc. (7,8,14)	1-5456-2	Amerada Hess Corp (7,14)	1-1204-2
Admiral Corp (13,14)	1-3234-3	American Appraisal Associates, Inc. (3)	0-5752-2
Advanced Systems, Inc.(13,14)	0-6476-2	American Export Industries, Inc. (3,6,8)	1-5054-2
Aero Resources, Inc.(3,13)	0-5448-2	American Financial Corp (3,7,13,14)	0-839-2
Aeroceanic Corp (1,7)	0-3659-2	American Financial Leasing & Services, Inc.(7)	0-3512-2
Affiliated Bank Corporation (13)	0-5585-2	American Guaranty Corp (6,7,8)	0-2451-2
Aiken Industries, Inc.(8)	1-5430-2	American Hospital Supply Corp (13)	1-4275-2
Air Michigan Inc.(13)	0-4908-2	American Medicorp, Inc.(13)	1-6717-2
Air Products & Chemicals, Inc. (8)	1-4534-2	American Metal Climax, Inc.(13)	1-229-2
Alaska Airlines, Inc.(7)	1-3314-2	American Micro Systems, Inc.(10)	0-5542-2
Alberts, Inc.(11)	0-4184-2		
Alison Mortgage Invst Trust(7)	1-6363-2		
All American Life & Financial Corp (13)	1-6534-2		

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Lilac Time, Inc. and Logos Development Corp. for the further ten-day period March 26 through April 4, inclusive.

SECURITIES ACT REGISTRATIONS. Effective March 23: American Express Co., 2-46918; Amfac, Inc., 2-46485; Baker Oil Tools, Inc., 2-47045; Barco of Calif., 2-47106; The Bureau of National Affairs, Inc., 2-46761; Falcon Products, Inc., 2-46641 (90 days); Ford Motor Credit Co., 2-47204; ADRs for Harmony Gold Mining Co. Ltd., 2-47194; K-Tel International, Inc., 2-46316; The Klingbeil Ltd. 1973, 2-45386 (Jun 20); Reserve Oil and Gas Co., 2-47120; Richmond Graphic Systems, Inc., 2-45704 (90 days); Southwest Forest Industries, Inc., 2-47294; VTN Corp., 2-47035.
Effective March 26: American Electric Power Co., Inc., 2-47101.

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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Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail; \$8.25 additional for foreign mailing; \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail; \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.