

sec news digest

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Issue 74-46

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MAR 8 1974

March 7, 1974

COMMISSION ANNOUNCEMENTS

LIBRARY

COMMISSION RESPONDS TO NYSE COMMISSION RATE PROPOSALS

The Commission announced today that it has responded to the New York Stock Exchange's proposals to initiate a program for limited price competition commencing April 1, 1974 on non-member orders involving up to \$2,000 and to rescind existing prohibitions against charging, on orders involving more than \$2,000, commissions in excess of the rates provided in stock exchange commission schedules. Further, the Commission responded to an NYSE request that minimum intra-member rates for floor brokerage and clearance functions be retained on orders not exceeding \$2,000 and that a public investigation be made of the likely effects of introducing intra-member competitive rates for execution and clearance. The Commission stated that pending further study of, and solicitation of the public's views and comments on, whether current rules fixing intra-member rate charges prevent an adequate experiment with limited price competition, it would not object to implementation, by April 1, 1974, of the limited unfixing of non-member rates described above. (Rel. 34-10670)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

JEROME F. TEGELER BARRED

An order has been issued barring Jerome F. Tegeler, formerly the president and a director of Dempsey-Tegeler & Co., Inc., formerly a registered broker-dealer located in St. Louis, Missouri, from association with any broker or dealer, investment adviser or investment company.

The sanction was based upon findings that from about August 31, 1967 to September 10, 1971, Tegeler failed reasonably to supervise persons under his supervision with a view to preventing violations of the securities laws including but not limited to violation of the recordkeeping and bookkeeping rules, the hypothecation requirements, the credit extension requirements, and the antifraud rules. Among other things, securities transactions were effected on behalf of customers when Dempsey-Tegeler was incapable of promptly consummating them and when its books and records were inaccurate. Moreover, a misleading financial statement was filed with the Commission and distributed to the firm's customers.

Tegeler consented to the findings and sanction without admitting or denying the charges. (Rel. 34-10658)

LEE PERMANENTLY SUSPENDED FROM SEC PRACTICE

An order has been issued permanently suspending Robert E. Lee, a Lexington, Kentucky, attorney, from appearing or practicing before the Commission. In July 1972, Lee was permanently enjoined by the U. S. District Court for Kentucky from violating antifraud provisions of the securities acts (SEC v. American Associated Systems, Inc., et al., Civ. Action No. 2243). In July 1973, that judgment was affirmed by the Court of Appeals for the Sixth Circuit. The Supreme Court recently denied Lee's petition for a writ of certiorari.

On the basis of the injunction, the Commission temporarily suspended Lee. Lee subsequently petitioned the Commission to lift the temporary suspension. The Commis-

sion denied the petition and set the matter down for hearing. However, Lee withdrew the petition before the date set for hearing. As a result, the suspension became permanent. (Rel. 33-5462)

COURT ENFORCEMENT ACTIONS

INDICTMENT ALLEGES "BOOTSTRAP" ACQUISITION AND LOOTING OF FIDELITY GENERAL INSURANCE COMPANY

The Chicago Regional Office announced that on February 27 a Federal Grand Jury, in Chicago, Illinois, returned a 15-count indictment charging Harold C. Simmons, Glenn R. Simmons and Harry P. Stuth, of Dallas, Texas; Wallace Jay of Fort Worth, Texas; Robert Wall of Richardson, Texas; John Brunson of Houston, Texas; Gilbert Goodman of Northbrook, Illinois; Madigan Corporation; the Williams Drug Company; and Contran Corporation with a fraudulent scheme to acquire Fidelity General Insurance Company by liquidating its securities portfolio and using the proceeds to repay the loan they obtained to purchase Fidelity General. The indictment, which includes 11 counts alleging violations of the mail fraud statute, one count alleging violations of the wire fraud statute, and three counts of securities fraud, also alleges the defendants looted Fidelity General by exchanging cash and marketable securities for securities of defendants' affiliated corporations and reinsurance agreements of questionable value. (LR-6270)

INVESTMENT COMPANY ACT RELEASES

BAY STATE GROWTH FUND

An order has been issued declaring that Bay State Growth Fund, Inc., of Springfield, Massachusetts, has ceased to be an investment company. (IC-8263)

THE D.P. COMPANY

A notice has been issued giving interested persons until April 1 to request a hearing on an application by The D.P. Company, Inc., of Monroe Bridge, Massachusetts, for an order declaring that it has ceased to be an investment company. (IC-8264)

HOLDING COMPANY ACT RELEASES

APPALACHIAN POWER COMPANY

A notice has been issued giving interested persons until March 28 to request a hearing on a proposal by Appalachian Power Company, subsidiary of American Electric Power Company, and Southern Appalachian Coal Company, a mining subsidiary of Appalachian, to purchase the capital stock of two coal mining companies and to make a cash capital contribution in connection therewith. (Rel. 35-10305)

ALABAMA POWER COMPANY

A notice has been issued giving interested persons until April 1 to request a hearing on a proposal by Alabama Power Company, subsidiary of The Southern Company, to sell 350,000 shares of preferred stock (\$100 par) at competitive bidding. (Rel. 35-10306)

OHIO EDISON COMPANY

A notice has been issued giving interested persons until March 28 to request a hearing on a proposal of Ohio Edison Company, an electric utility, to amend Article FOURTH of its Articles of Incorporation to increase the authorized number of preferred stock from 1,800,000 to 3,000,000 shares. An order has been issued authorizing Ohio Edison to solicit proxies from its common stockholders. (Rel. 35-18307)

ALLEGHENY POWER SYSTEM

A notice has been issued giving interested persons until March 28 to request a hearing on a post-effective amendment filed by Allegheny Power System, Inc., a registered holding company, proposing the issuance and sale of notes to banks and to commercial paper dealers and an exception from competitive bidding. (Rel. 35-18308)

GRANITE STATE ELECTRIC COMPANY

An order has been issued regarding New England Electric System, and its subsidiary, Granite State Electric Company, authorizing Granite State to sell common stock to New England for \$1 million. (Rel. 35-10309)

TRUST INDENTURE ACT RELEASES

PULLMAN TRANSPORT LEASING COMPANY

A notice has been issued giving interested persons until March 19 to request a hearing upon an application of Pullman Transport Leasing Company for a finding that the trusteeships of The Chase Manhattan Bank under an existing indenture, dated April 1, 1973, which is not qualified under the Act, and under a new indenture to be qualified under the Act, are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify The Chase Manhattan Bank from acting as trustee under these indentures. (TI-358)

MISCELLANEOUS

PAINE LUMBER COMPANY

A notice has been issued giving interested persons until March 26 to request a hearing upon an application of Paine Lumber Company, Inc. under Section 12(h) of the Securities Exchange Act of 1934 for an order exempting Paine from the provisions of Sections 12(g), 13, 14 and 16 of that Act. Paine was incorporated for the purpose of acquiring the assets of the Paine Lumber Company Division of General Plywood Corporation by the employees of the Paine Division after the Division had been closed by General Plywood due to unprofitable operating results. (Rel. 34-10669)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of National Alfalfa Dehydrating & Milling Company, and over-the-counter trading in the securities of Seaboard Corp. for the further ten-day period March 7 - 16, inclusive.

SECURITIES ACT REGISTRATIONS

(S-7) PUBLIC SERVICE COMPANY OF NEW MEXICO

414 Silver Ave., S. W., Albuquerque, N. M. 87102 - 170,000 shares of cumulative preferred stock 1974 series (\$100 par), to be offered for sale through underwriters headed by Kidder, Peabody & Co. Incorporated, 10 Hanover Square, New York, N. Y. 10005. A public utility, the company is engaged principally in the generation, distribution and sale of electricity. (File 2-50338 - Mar. 5)

(S-12) FIRST NATIONAL CITY BANK

111 Wall St., New York, N. Y. 10015 - filed two registration statements seeking registration of 100,000 American Depositary Receipts each for ordinary shares of the following two companies:

Hawker Siddeley Group Limited - an English corporation (File 2-50347 - Mar. 4)
Vlaktfontein Gold Mining Company - a South African corporation (File 2-50348 - Mar. 4)

(S-14) AMERICAN TELEPHONE AND TELEGRAPH COMPANY (AT&T)

195 Broadway, New York, N. Y. 10007 - 420,270 common shares. It is proposed to offer these shares in exchange for the outstanding shares of Illinois Bell Telephone Company, at the rate of 9/10 AT&T share for each Illinois share. AT&T furnishes communications services, mainly telephone service. (File 2-50343 - Mar. 5)

(S-14) OLINKRAFT, INC.

Jonesbro Rd., West Monore, La. 71291 - 7,897,400 shares of common stock owned by Olin Corporation which will be offered as part of an exchange for all issued and outstanding shares of common stock of Olin at the rate of one-third Olinkraft share together with one-half reclassified Olin share for each Olin share as presently constituted. Olinkraft, Inc., a wholly owned subsidiary of Olin, is a diversified and integrated forest products company. Olinkraft produces a wide variety of wood products, principally for the building industry, and of kraft paper products, principally for packaging. (File 2-50350 - Mar. 5)

(S-1) INSILCO CORPORATION

1000 Research Parkway, Meriden, Conn. 06450 - convertible subordinated debentures, due 1999, to be offered in exchange for Insilco's 5% convertible subordinated debentures, due 1993. Insilco, a diversified manufacturer, produces and sells tableware, paint products, do-it-yourself homes, automotive and major appliance components, electronics components and CATV cable and publishes school yearbooks. (File 2-50352 - Mar. 5)

(S-7) CONSOLIDATED NATURAL GAS COMPANY

30 Rockefeller Plaza, New York, N. Y. 10020 - \$50 million of debentures, due 1999, to be offered for sale at competitive bidding. Consolidated, a public utility holding company, through subsidiaries, is engaged in the natural gas business. (File 2-50262 - Feb. 22)

REGISTRATIONS EFFECTIVE

March 6: A.B. Dick Company, 2-49976; Advanced Memory Systems, Inc., 2-50137; Central Telephone & Utilities Corp., 2-50214; Fedders Corp., 2-49967; Micro Mask Inc., 2-46635 (90 days); Public Service Company Of New Hampshire, 2-50198; State Street Boston Financial Corp., 2-49749; Tesoro Petroleum Corp., 2-50089; The Rouse

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

REGISTRATIONS WITHDRAWN

March 6: Lee Pharmaceuticals, 2-49558; ABT Associates, Inc., 2-46393; Chemical America Corp., 2-48609.

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the equity securities of another company within 10 days of the acquisition. The following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies during the period February 11-27:

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Sprague Electric Co.	Mostek Corp. Common Stock - 1,592,130 shs.	2-11-74
* Liquifin Aktiengesellschaft Liquigas S.p.A.	Ranson Corp. Common Stock - 1,405,365 shs. (Above shares purchased pursuant to a tender offer which expires February 22, 1974)	2-15-74
* Dr. Ludwig Kuttner Group	Texfi Industries, Inc. Common Stock - 425,500 shs.	2-15-74
* Loews Corp.	Morse Shoe, Inc. Common Stock - 197,800 shs.	2-19-74
Windcrest Partners	Sycor, Inc. Common Stock - 299,228 shs.	2-19-74
Montauk Corp.	MPO Videotronics, Inc. Common Stock - 67,700 shs.	2-20-74
Bel-Fran Investments Ltd. Bel-Cal Holdings Ltd. Bel-Alta Holdings Ltd.	Far West Financial Corp. Capital Stock - 106,600 shs.	2-20-74
Sam Wyly	Dymat International Corp. Common Stock - 146,666 shs. Common Stock - 435,500 shs. on exercise of Warrants	2-21-74
Charles J. Wyly, Jr.	Dymat International Corp. Common Stock - 73,334 shs. Common Stock - 214,500 shs. on exercise of Warrants	2-21-74
Frank A. Klaus	Hi-Shear Corp. Common Stock - 131,625 shs.	2-21-74
* Gulf & Western Industries, Inc.	Amfac, Inc. Common Stock - 1,107,400 shs.	2-21-74
John T. Vucurevich	MoAmCo Corp. Common Stock - 52,000 shs.	2-21-74
Kansas City Life Insurance Co.	Sunset Life Insurance Co. of America Common Stock - 434,588 shs. (Above shares constituting 80.45 of the outstanding common shares were purchased pursuant to the tender offer which has been extended to February 28, 1974)	2-22-74
Loews Corp.	CNA Financial Corp. Common Stock - 1,604,300 shs. Series A Pfd. - 180,100 shs. (Above shares are owned by Lawton General Corp., a wholly owned second- tier subsidiary of Loews)	2-25 74

ACQUISITION REPORTS CONT.

David Jones Ltd.	Buffums' Common Stock - 849,021 shs. 5-½% Debentures \$397,500 Prin. Amt. 6% Debentures \$3,079,000 Prin. Amt. (Above purchased pursuant to the tender offer through February 20, 1974)	2-25-74
Enterprise Fund, Inc.	Ohio-Sealy Mattress Manufacturing Co. Common Stock - 118,000 shs.	2-25-74
Harbor Fund, Inc.	McCulloch Oil Corp. Common Stock - 159,440 shs. on conversion of Debentures	2-25-74
* Liquifin Aktiengesellschaft Liquigas S.p.A	Ronson Corp. Common Stock - 1,530,417 shs. (The above shares have been purchased as of February 22, 1974, pursuant to the tender offer which has been temporarily stayed until further order of the Court)	2-26-74
* Jacob Burstyn	Prel Corp. Common Stock - 490,201 shs.	2-27-74
GL Corp.	Cerro Corp. Common Stock - 554,300 shs.	2-27-74
* Gulf & Western Industries, Inc.	Amfac, Inc. Common Stock - 1,107,400 shs.	2-21-74
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GL Corp.	Cerro Corp. Common Stock - 554,300 shs.	2-27-74
* Amended Acquisition Report		

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
MISTER STEAK INC	3,11,13	01/74
MONFORT OF COLORADO INC	2,4,14	01/74
MOREHOUSE INDUSTRIES INC	11,14	01/74
NATIONAL CONVENIENCE STORES INC	7,14	09/73
NATIONAL CONVENIENCE STORES INC	7,14	12/73
NEW YORK STATE ELECTRIC & GAS CORP	11,13,14	01/74
NEWMONT MINING CORP	13	01/74
OPTICAL COATING LABORATORY INC	13	01/74
OVERSEAS NATIONAL AIRWAYS INC	6	01/74
PACIFIC AMERICAN REAL ESTATE FUND 1972	12,14	01/74
PARKWOOD HOMES INC	3	01/74
PERFECT LINE MANUFACTURING CORP	12,13,14	01/74
PEKINS FOODS INC	13,14	01/74
PETRO LEWIS LIL INCOME PROGRAM 1973 5	7	01/74
PETRO LEWIS OIL INCOME PROGRAM	7	01/74
PETRO LEWIS OIL INCOME PROGRAM 1971 6	7,14	01/74
PETRO LEWIS OIL INCOME PROGRAM 1972 9	7	01/74
PETRO LEWIS OIL INCOME PROGRAM 1973 3	7	01/74
POLLUTION CONTROL INDUSTRIES INC	2,7,14	01/74
REAL ESTATE PARTNERS OF AMERICA	1,2,14	01/74
RELIANCE INSURANCE CO	3,13	01/74
RELIANCE WORLD TRADE CO LTD	11	12/73
ROGOR INTERNATIONAL	2,14	01/74
RUSCO INDUSTRIES INC	4,14	01/74
SEARLE G D & CO	13	01/74
SOUTHERN AIRWAYS INC	10,14	01/74
STELLAR INDUSTRIES INC	10,13,14	01/74
STRATFORD OF TEXAS INC	7,13,14	01/74
SUNAIR ELECTRONICS INC	11	01/74
SUPREME EQUIPMENT & SYSTEMS CORP	12,14	01/74
TAPPAN CO	10,14	01/74
TAX COMPUTER SYSTEMS INC	11	01/74
TEMPO INSTRUMENTS & CONTROLS CORP	13	02/74
TRANSCO REALTY TRUST	12,14	02/74
TWIN FAIR INC	3	01/74
UNICARE SERVICES INC	8	07/73
UNION CARBIDE CORP	3	01/74
URBAN IMPROVEMENT FUND LTD 1973 2	2,7,14	12/73
VERTEX INDUSTRIES	2,14	01/74
WEYERHAEUSER CO	3	01/74
WISCONSIN TELEPHONE CO	7,14	01/74

ATLANTIC OIL CORP	12,14	02/74
CONTINENTAL REAL ESTATE PARTNERS LTD	2,14	01/74
E SYSTEMS INC	3,14	01/74
EXETER OIL CO LTD	2,4,7,11,13,14	01/74
FUNTIME INC	11	02/74
KLYSTRONICS INC	13	02/74
LAFAYETTE UNITED CORP	13	01/74
MAULE INDUSTRIES INC	13	01/74
NATIONWIDE NURSING CENTERS INC	3,14	01/74
PREMIER MICROWAVE CORP	13	07/73
WATSCO INC	8	01/74
WHIRLPOOL CORP	3	01/74
BUILDEX INC	3,9,14	01/74
CAPTAIN INTERNATIONAL INDUSTRIES LTD	NO ITEMS	01/74
SEQUOYAH INDUSTRIES INC	3,14	01/74
MINDECKER INDUSTRIES INC	13	01/74
ALLIED SECURITY INC	7,11	02/74
AMERICAN GUARANTY CORP RHODE ISLAND	14	10/73
AMERICAN GUARANTY CORP RHODE ISLAND	14	01/74
CCI LIFE SYSTEMS INC	7,13,14	01/74
CL FINANCIAL CORP	3	02/74
COMPUTER CAREERS INC	13	12/73
CONSOLIDATED CAPITAL CORP FLORIDA	13	01/74
ECI INDUSTRIES INC	2,3,14	01/74
ELCO CORP	8	12/73
ELTRA CORP	11	02/74
FILL R UP SYSTEMS INC	11	01/74
FIRST GENERAL RESOURCES CO	2	01/74
HYNES & HOWES INSURANCE COUNSELORS INC	13	01/74
ILLUSTRATED WORLD ENCYCLOPEDIA INC	12,14	12/73
INCOME PROPERTIES EQUITY TRUST	2,14	01/74
MAIN LINE FLEETS INC	6	01/74
MANAGEMENT SERVICES INC	11,14	02/74
NEW JERSEY LIFE CO	13,14	12/73
PATENT MANAGEMENT INC	11	01/74
PETRO LEWIS OIL INCOME PROGRAM 1973 2	7	01/74
PLENUM PUBLISHING CORP	8,13,14	02/74
PRECISION INSTRUMENT CO	2,6,13,14	01/74
PRESIDENTS FIRST LADY SPA INC	13	12/73
PROFIT BY AIR INC	1,4,11	01/74
RICO ARGENTINE MINING CO	13,14	02/74
RING AROUND PRODUCTS INC	4,7,14	01/74
STUTZ MOTOR CAR OF AMERICA INC	7	01/74
SUPER SERVICE DRUG INC	13,14	02/74
UNITED PARK CITY MINES CO	2	02/74
VANGUARD SECURITY FUNDING CORP	2,13	02/74
WIENER CORP	13	01/74
AMERICAN KITCHEN FOODS INC	11,14	01/74
HOLLYWOOD PARK INC	1,4	01/74
HORIZON BANCORP	13	01/74
PETRO LEWIS OIL INCOME PROGRAM 1973 2	13,14	12/73

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 12¢ per page plus postage for mailing within four days (\$2 minimum) and 25¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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