

sec news digest

Issue 74-177

(SEC Docket, Vol. 5, No. 5 - Sept. 24)

September 11, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

NASD ACTION AGAINST EURRELL POTTS AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Eurrell V. Potts, of Nashville, Tennessee, formerly a registered representative of an NASD member firm. The NASD suspended Potts for 30 days, fined him \$1,000 and censured him.

The Commission found, as had the NASD, that, in January 1969, Potts participated in a scheme to circumvent Tennessee's securities registration statute by arranging to have the sale confirmation on stock that could not legally be sold in Tennessee sent to a straw man in New York. It also affirmed the NASD's finding that Potts improperly pledged shares belonging to another person to secure a personal loan. (Rel. 34-10997)

ORDERS FOR PUBLIC PROCEEDINGS

LINK, GORMAN, PECK & CO.

Administrative proceedings under the Securities Exchange Act of 1934 have been ordered involving Link, Gorman, Peck & Co. (registrant), of Chicago, Illinois. Also named as respondents are Wilbur A. Gorman, president and treasurer of the registrant; June E. Carlson, vice president, treasurer and director of registrant.

The proceedings are based upon allegations of the Commission's staff that the registrant and the individual respondents violated the net capital, financial reporting, and books and records provisions of the Exchange Act of 1934.

A hearing will be scheduled by further order to take evidence on the charges against the defendants. (Rel. 34-11010)

TRADING SUSPENSIONS

TRADING SUSPENDED IN NATURIZER, INC.

Over-the-counter trading in the common stock of Naturizer, Inc., of Norman, Oklahoma, has been suspended for the ten-day period beginning on September 10 and terminating at midnight (EDT) on September 19, 1974.

The suspension was ordered because of the unavailability of adequate and accurate information about the corporation's financial condition. Naturizer manufactures and sells compost produced through recycling organic waste materials. Naturizer has approximately 10,000 shareholders throughout the country with approximately 7,500,000 shares issued and outstanding. There are no current financial statements for Naturizer and the company has not been able to obtain the release of an audit performed by an Oklahoma City based firm. In addition, Naturizer has not filed any periodic reports required by Section 13 of the Exchange Act since at least January 1, 1971. (Rel. 34-11009)

SEC
40th
ANNIVERSARY

REMEMBER SEC 40TH ANNIVERSARY

The SEC 40th Anniversary Celebration will be held on October 24, 1974, at the Statler Hilton, 16th and K Sts., N.W., Washington, D.C. For additional information and registration form see page 3 of the Digest.

COURT ENFORCEMENT ACTIONS

TEMPORARY RESTRAINING ORDERS ENTERED AGAINST INTERNATIONAL SCANNING DEVICES, INC., OTHERS: DONALD W. COLLINS, OTHERS, ENJOINED

The New York Regional Office announced that on August 8 and upon the consent of the defendants, U. S. District Judge John T. Curtin of the Western District of New York in Buffalo signed an order extending a temporary restraining order entered July 22, 1974, and modified August 1, 1974, until the conclusion of the consolidated hearing and trial of the Commission's action against International Scanning Devices, Inc. and ten others. The order restrains International Scanning Devices, Inc. (ISD), International Chemical Development Corp. (ICDC), Columbia Security and Transfer, Inc. (Columbia), Louis P. Mirando (Mirando), and Louis G. Meurer, III (Meurer) from violating the registration and antifraud provisions of the securities laws. The order also restrains ISD and Mirando from violations of the periodic reporting provisions of the securities laws. and freezes the assets of defendants ISD, ICDC, Mirando and Meurer.

On August 1, 1974 Judge Curtin signed a Judgment of Permanent Injunction against Donald W. Collins (Collins) and Donald W. Collins Company (Collins Co.) and on August 26 Judge Curtin signed an injunction against Charles E. Martin (Martin) and C. E. Martin Co., Inc. (Martin, Inc.) These judgments permanently enjoined these defendants from violating the registration provisions of the securities laws with respect to the securities of ISD and any other securities. Collins and Collins Co. consented to an entry of an order against them without admitting or denying the Commission's allegations. The judgment against Martin and Martin, Inc. was entered after these defendants failed to file an answer. (SEC v. International Scanning Devices, Inc., U.S.D.C. W.D.N.Y., Civil 74-351). (LR-6510)

E.T. & T. LEASING, INC. ENJOINED

The Washington Regional Office announced that on September 3 Judge John H. Pratt of the U. S. District Court for the District of Columbia permanently enjoined E.T. & T. Leasing Inc. and Reuben Hurwitz, its president and controlling shareholder, both of Baltimore, Maryland from failing to file and failing to cause to be filed with the Commission timely and proper periodic and current reports as required by the securities laws. (SEC v. E.T. & T. Leasing, Inc., Reuben Hurwitz, D.D.C., Civil Action No. 74-842). (LR-6511)

COMPLAINT NAMES UNITED STATES TANK CAR CORP., OTHERS

The Los Angeles Regional Office and the San Francisco Branch Office announced that on September 10 a complaint was filed in the U. S. District Court for the Northern District of California alleging violations of the antifraud provisions of the securities laws by United States Tank Car Corporation (USTC) and its president and sole shareholder, Bernhard Dohrmann, in connection with the offer and sale of interests in the U.S.T.C. 1973 Tankcar Management Program. The complaint seeks a temporary restraining order and preliminary and permanent injunctions against U.S.T.C. and Dohrman and the appointment of a receiver over U.S.T.C. (SEC v. United States Tank Car Corporation, N.D. CA.). (LR-6512)

COMPLAINT NAMES STANDARD RESOURCES, INC., OTHERS

The Los Angeles Regional Office and the San Francisco Branch Office announced that on September 9 the Commission filed a complaint in the U.S. District Court for the District of Nevada, Reno Division, against Standard Resources, Inc. (SRI) and Charles H. Branstetter seeking preliminary and permanent injunctions against violations of the registration and antifraud provisions of the securities laws in connection with the sale of securities of SRI. (SEC v. Standard Resources, Inc. and Charles H. Branstetter, D. Nev., Reno Div.). (LR-6513)

INVESTMENT COMPANY ACT RELEASES

SCHUSTER FUND

A notice has been issued giving interested persons until October 16 to request a hearing on an application of Schuster Fund, Inc. and Schuster Spectrum Fund, Inc., mutual funds, companies that may be deemed under common control, for an order of the Commission permitting the proposed merger of Schuster Spectrum into Schuster. (Rel. IC-8490 - Sept. 10)

(MATERIAL CONTINUED ON PAGE 4)

SEC 40TH ANNIVERSARY CELEBRATION

The SEC wishes to invite all past employees to attend its 40th Anniversary Celebration to be held on October 24, 1974, at the Statler Hilton in Washington. The price will be \$25 per person for all former employees. The dress is optional.

Many past staff members may wish to sit together as a group, or even reserve an entire table for 12. Priority will be given to requests for such special arrangements whenever possible. To avoid confusion, however, only one of such group should request the special seating arrangement--but each person in a group should be identified and in the manner in which his or her name should appear in the Anniversary Program. You may use the registration form on this page. We cannot finalize our plans with the Hotel until we have rather definite information as to the number expected to attend, so we request that you make your reservation as soon as possible. Tickets will be mailed to the purchasers.

Please notify any past SEC friends, get together a group, and come help us celebrate!

DINNER RESERVATION & REGISTRATION FORM

To The SEC Anniversary Committee:

Herewith is my check or money order in the amount of \$_____ for which please issue _____ tickets to the SEC 40th Anniversary Celebration for the following persons (please PRINT names as they should appear in the Anniversary Program, listing married couples as "Mr. and Mrs."):

Please send the tickets to:

(Name) _____

(Address) _____

Please seat the persons listed above with the following additional persons (please PRINT names):

Make checks or money orders payable to "SEC Anniversary Committee," and mail to

SEC Anniversary Committee, Room 856
Securities and Exchange Commission
Washington, D. C. 20549

Present staff members and employees may make payment to Lawrence A. Friend, Treasurer, in Room 502.

INVESTORS SYNDICATE OF AMERICA

A notice has been issued giving interested persons until October 7 to request a hearing on an application of Investors Syndicate of America, Inc. (ISA), a registered face-amount certificate company, and IDS Life Insurance Company (IDS Life), companies that may be deemed to be under common control, for an order permitting ISA and IDS Life (a) to consent to the merger of Unimet Corporation (Unimet) into Azcon Corporation (Azcon); (b) to enter into exchange agreements with Azcon and Consolidated Gold Fields Limited (Gold Fields), the parent of Azcon, providing for the exchange of Unimet notes held by ISA and IDS Life for similar notes of Azcon and a guaranty of such Azcon notes by Gold Fields; and (c) to carry out the transactions contemplated by such exchange agreements. (Rel. IC-8491 - Sept. 10)

HAYDEN STONE, INC. AND BERNSTEIN MACAULAY, INC.

A notice has been issued giving interested persons until September 26 to request a hearing on an application of Hayden Stone, Inc., and Bernstein Macaulay, Inc. for an order exempting them from the prohibitions of Section 9(a) of the Investment Company Act to the extent that such prohibitions apply to Hayden Stone, Inc., and Bernstein Macaulay, Inc. as a result of two injunctions issued against Hayden Stone, Inc. (Rel. IC-8492 - Sept. 10)

HOLDING COMPANY ACT RELEASES

ALLEGHENY PITTSBURGH COAL COMPANY

A notice has been issued giving interested persons until September 30 to request a hearing on a proposal by Monongahela Power Company (Monongahela), The Potomac Edison Company (PE) and West Penn Power Company (West Penn), subsidiary companies of Allegheny Power System, Inc., and Allegheny Pittsburgh Coal Company (AP Coal), a subsidiary of West Penn, that West Penn sell 50% of its ownership in AP Coal to PE and Monongahela, that West Penn, PE and Monongahela make open account advances to AP Coal and that AP Coal use certain of these advances to purchase a coal mine. (Rel. 35-18555 - Sept. 10)

GENERAL PUBLIC UTILITIES CORPORATION

A notice has been issued giving interested persons until September 30 to request a hearing on a proposal of General Public Utilities Corporation, a registered holding company, to increase the amounts of unsecured promissory notes which are issued to evidence bank loans. (Rel. 35-18556 - Sept. 10)

SECURITIES ACT REGISTRATIONS

REGISTRATIONS EFFECTIVE

September 10: American Bancorporation, 2-49949; Flying Diamond Corp., 2-51330; Iowa Power and Light Co., 2-51795; The Narda Microwave Corp., 2-51834; Northern Indiana Public Service Co., 2-51782; OGR Service Corp., 2-51170; Safety Kleen Corp., 2-51161; True Grit Cattle Co., 2-50485; WECO Development Corp., 2-48400.

REGISTRATIONS WITHDRAWN

September 9: Bowers and Ruddy Galleries, Inc., 2-48907; Intercities Fund, Inc., 2-26765.

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 referable material is available in the SEC Docket.

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