

sec news digest

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(SEC Docket, Vol. 6, No. 12 - Nov. 12)

October 29, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

MUTUAL FUNDS ASSOCIATES, INC. SANCTIONED

The Commission has suspended the broker-dealer registration of Mutual Funds Associates, Inc., of Philadelphia, for 40 calendar days beginning November 4, 1974. However, the Commission's order expressly provides that the firm will not be precluded from engaging in activities involving either mutual funds or unsolicited orders from present customers. And, of course, nothing in the Commission's order will affect the firm's freedom to engage in activities for which no broker-dealer registration is needed.

The Commission's order notes that the firm has undertaken not to enter into any underwriting for a period of six calendar months after the end of the suspension, and not to enter into any underwriting thereafter until its plans and procedures with respect to any such underwriting have been accepted by the Commission's staff.

The sanctions were based on findings that during the period from February 1971 to November 1972, the firm made material misrepresentations in the offer and sale of common stock of Lomma International, Inc. The misrepresentations related to the company's businesses and assets, the market for its products, the dividends it would pay, the future trading market for its stock, the stock's listing on the American Stock Exchange, prospective increases in its price, and the speculative nature of an investment in Lomma.

The Commission's action was based on an offer of settlement in which the firm consented to the indicated findings and sanction without admitting or denying the charges. In connection with its offer, the firm represented that it specialized in mutual funds. It also claimed to have relied in good faith on Lomma's statements to it, to have cooperated with the Commission's staff, and to have employed counsel to advise it with respect to appropriate guidelines and standards. (Rel. 34-11063)

COURT ENFORCEMENT ACTIONS

JOHN E. WORTHEN SENTENCED

The Denver Regional Office announced that on October 15 Chief Judge Willis W. Ritter of the Federal Court in Salt Lake City sentenced John E. Worthen of Salt Lake City to ten years in federal prison after Worthen pleaded guilty to one count of interstate transportation of stolen securities of Beaver Mesa Uranium. Two other charges against Worthen were dismissed following a plea bargaining agreement with the United States Attorney. (U.S. v. John Earl Worthen, D. Utah, Central Division, Crim. No. CR-74-27). (LR-6563)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES

An order has been issued releasing jurisdiction with respect to the terms and conditions of the sale of 4,500,000 shares of common stock by Northeast Utilities pursuant to negotiations with a group of underwriters. (Rel. 35-18628 - Oct. 24)

INDIANA & MICHIGAN ELECTRIC COMPANY

An order has been issued authorizing Indiana & Michigan Electric Company (I&M), subsidiary of American Electric Power Company, Inc., to increase the aggregate maximum amount of short-term indebtedness which can be incurred by I&M from \$125 million to \$150 million and to increase the aggregate amount of short-term notes to a bank from \$10 million to \$25 million. (Rel. 35-18629 - Oct. 25)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON FOUR TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Equity Funding Corp. and over-the-counter trading in the securities of Zenith Development Corp., Industries International, Inc. and Westgate California Corp. for the further ten-day period October 29 - November 7, inclusive.

SECURITIES ACT REGISTRATIONS

(S-1) HONEYWELL FINANCE INC.

Honeywell Plaza, Minneapolis, Minn. 55408 - \$75 million of debentures, due 1981 to be offered for sale by underwriters managed by Blyth Eastman Dillon & Co. Incorporated, and White, Weld & Co. Incorporated. Honeywell Finance Inc. is engaged in the business of financing customer obligations of its affiliate, Honeywell Information Systems Inc., arising from contracts for the lease or instalment sale of computer systems and related products and for the outright sale of computer products and services. (File 2-52202 - Oct. 23)

(S-6) MUNICIPAL INVESTMENT TRUST FUND, THIRTIETH MONTHLY PAYMENT SERIES

\$40 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The Fund, a Unit Investment Trust, is to be created by a trust agreement among Merrill Lynch, Bache & Co. Incorporated and Reynolds Securities Inc., as Sponsors, The Bank of New York, as Trustee, and Standard & Poor's Corporation, as Evaluator. The Fund's primary objective is providing tax exempt income through investment in a fixed portfolio of interest-bearing, long-term state, municipal and public authority bonds. (File 2-52206 - Oct. 24)

(S-7) IOWA-ILLINOIS GAS AND ELECTRIC COMPANY

206 East Second St., Davenport, Iowa 52801 - 150,000 preference shares, to be offered for sale through underwriters managed by The First Boston Corporation, 20 Exchange Place, New York, N.Y. 10005. The company is an operating public utility which generates, transmits, distributes and sells electric energy and distributes and sells natural gas. (File 2-52207 - Oct. 24)

(S-7) ARMSTRONG CORK COMPANY

Liberty Ave., Lancaster, Pa. 17604 - \$50 million of notes, due 1984, to be offered for sale in denominations of \$1,000, through underwriters headed by Smith, Barney & Co. Incorporated, 1345 Avenue of Americas, New York, N.Y. 10010. Armstrong manufactures and sells interior furnishing products as well as a number of industrial and other products. (File 2-52209 - Oct. 24)

(S-14) CITY INVESTING COMPANY

9100 Wilshire Blvd., Beverly Hills, Cal. 90212 - 1,540,625 shares of cumulative preference stock, convertible Series B, to be issued on the merger of General Development Corporation (General Development) into a subsidiary of City Investing Company (City). The exchange ratio will be one-quarter of a share of City Series B preference stock for each share of General Development stock. City is engaged in diversified housing and manufacturing and insurance and financial enterprises. General Development is a community developer. (File 2-52210 - Oct. 25)

(S-10) ATLAS ENERGY GROUP, INC.

311 Rouser Rd., Coraopolis, Pa. 15108 - \$329,000 of 470/625ths fractional undivided working interests in a non-producing oil and gas lease to be offered for sale at a cost of \$700.00 per unit. The lease is known as North Dykesville, Lewis No. 1 Prospect. CNA Sales, Inc. of 245 Park Ave., New York, N.Y. 10017 is the managing underwriter on a best efforts basis. The company develops oil and gas properties. (File 2-52090 - Oct. 2)

In a separate statement the company seeks registration of \$420,000 of 600/798ths fractional undivided working interests in a non-producing oil and gas lease to be offered for sale at a cost of \$700.00 per unit. The lease is known as DuBois, Tribal Dani No. 1 Prospect. The underwriter is the same as mentioned above. (File 2-52134 - Oct. 10)

(S-7) ATLANTA GAS LIGHT COMPANY

235 Peachtree St., N. E., Atlanta, Ga. 30302 - \$40 million of first mortgage bonds, due 1999, to be offered for sale by underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 and Salomon Brothers, 1 New York Plaza, New York, N.Y. 10004. The company is a public utility which distributes and sells natural gas. (File 2-52185 - Oct. 22)

REGISTRATIONS EFFECTIVE

Oct. 25: American Beef Packers, Inc., 2-51952; BTA Oil Producers, 2-52109; C&K Petroleum, Inc., 2-51948; CRS Design Associates, Inc., 2-52035; Cal Maine Foods, Inc., 2-52128; Carnation Co., 2-52104; ILC Industries, Inc., 2-51951; Pier 1 Imports, Inc., 2-50036; Steelment, Inc., 2-51489; The TRW Canada Stock Savings Plan, 2-52029; Virginia Electric and Power Co., 2-52119; Westmoreland Oil Co., 2-51717; The Williams Companies, 2-52111.

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
CLARKE CORP	2,7,14	09/74
CLC OF AMERICA INC	3	09/74
COASTAL STATES GAS CORP	3,13	09/74
COLONIAL PENN GROUP INC	3	09/74
COMMONWEALTH EDISON CO	3,13	09/74
COMPUTER PRODUCTS INC	13	09/74
CONTINENTAL OIL CO	3	09/74
COORDINATED COMPUTER CONCEPTS INC	1,3,7,9,14	09/74
CORTERRA CORP	6,10,13,14	09/74
COUSINS PROPERTIES INC	4,7,8,14	09/74
CUMIS INSURANCE SOCIETY INC	7	09/74
DAMON CORP	8	09/74
DAMSON OIL CORP	7	09/74
DATAMATION SERVICES INC	3,7,13,14	09/74
DELHI INTERNATIONAL OIL CORP	13,14	09/74
DIAMOND INTERNATIONAL CORP	3	09/74
DIEBOLD INC	3,7,9,14	09/74
DIVERSIFIED REALTY INC	1	09/74
DUPLAN CORP	7,13,14	09/74
DYNATECH CORP	7,8,14	09/74
DYNELL ELECTRONICS CORP	8	09/74
ELECTRONIC ASSOCIATES INC	13	09/74
EMERSON ELECTRIC CO	7,14	09/74
EMONS INDUSTRIES INC	4,7	09/74
EMPIRE FIRE & MARINE INSURANCE CO	3	09/74
ENGELHARD MINERALS & CHEMICALS CORP	13	09/74

RECENT 8K FILINGS CONT.

ERICKSON CORP	13	09/74
EXXON CORP	3	09/74
EXXON PIPE LINE CO	3	09/74
FERRONICS INC	12,14	09/74
FIBREBOARD CORP	13,14	09/74
FIDELITY FINANCIAL CORP	8	09/74
FIRST BANC GROUP OF OHIO INC	7	09/74
FIRST COMMONWEALTH CORP	13,14	09/74
FIRST FARWEST CORP	13	09/74
FIRST NATIONAL BOSTON CORP	7,14	09/74
FIRST OF MICHIGAN CAPITAL CORP	1,2,7,13,14	09/74
FLORIDA MINING & MATERIALS CORP	7	09/74
FLYING DIAMOND CORP	1,13,14	09/74
FMC CORP	3,7	09/74
FORD MOTOR CO	3	09/74
FORTUNA CORP	13	09/74
FPA CORP	13,14	09/74
GAC PROPERTIES CREDIT INC	3	09/74
GENERAL CRUDE OIL CO	13	09/74
GENERAL DEVELOPMENT CORP	3,8,13	09/74
GENERAL ELECTRIC CREDIT CORP	7,13,14	09/74
GENERAL HOST CORP	2,7,10,13,14	09/74
GENERAL INTERNATIONAL CORP	1,2,9,11,13	09/74
GENERAL RESEARCH CORP	6,10,13,14	09/74
GENERAL TELEPHONE CO OF FLORIDA	7,14	09/74
GENERAL TELEPHONE CO OF THE SOUTHWEST	7,14	09/74
GENIMAR INC	3,14	09/74
GEORGIA BONDED FIBERS INC	4,14	09/74
GILLETTE CO	14	09/74
GLATFELTER P H CO	7,10,14	09/74
GRAND UNION CO	10,14	09/74
GREAT BASINS PETROLEUM CO	2,13	09/74
HAMMERMILL PAPER CO	10,14	09/74
HERITAGE COMMUNICATIONS INC	2,14	09/74
HILL INDUSTRIES INC	3,6	09/74
HUFFMAN MANUFACTURING CO	13	09/74
IDENTICON CORP	9,11,14	09/74
IDS REALTY TRUST	7	09/74
IMODCO INC	13	09/74
INDIANA LIMESTONE CO INC	12,14	09/74
INSTRUMENTATION LABORATORY INC	4,7,9,14	09/74
INTERISLAND RESORTS LTD	7,10,14	09/74
INTERNATIONAL PAPER CO	8	09/74
ISRAEL HOTELS INTERNATIONAL INC	11	09/74
ITEL INVESTORS GROUP 2	2,7,14	09/74
JASMIN GROVES CO	13	09/74
JONES & LAUGHLIN STEEL CORP	3	09/74
JONI BLAIR OF CALIFORNIA INC	13	09/74
JOREMI ENTERPRISES INC	2,14	09/74
KAISER CEMENT & GYPSUM CORP	7	09/74
KELLWOOD CO	4,7,14	09/74

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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