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COMMISSIONER SPEAKS

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COMMISSIONER LOOMIS SPEAKS ON RESPONSIBILITIES OF DIRECTORS

In a speech entitled "Director Responsibility -- A Government View," given April 8, 1975, before an Executive Seminar at Loyola College, Baltimore, Maryland, Commissioner Philip A. Loomis, Jr., stated that the Commission's decision in December of 1974 to shelve the guidelines for corporate directors demonstrates that the area of director's responsibilities is not one which lends itself to the formulation of what law professors refer to as black letter law. On the contrary, the Commissioner believes that the circumstances which confront directors are so infinitely variable that in this, as in many other areas, good judgment is the primary requisite. After indicating that perhaps the most perplexing problem for directors is to identify those situations which are of such a nature as to call for an unusual response upon the part of a director, Commissioner Loomis stated that the crucial question for a director is his ability to recognize such a situation before it has gotten out of hand. The Commissioner also stated that a regular and reliable information system for directors together with an understanding of the business on their part is their best protection. In discussing the idea of an outside director who may be a "professional director," Commissioner Loomis said that while it is a novel idea and one that may take some getting used to he believes it may be a "very promising" idea.

The Commissioner concluded by saying that the Commission "does not really enjoy suing directors since it often happens that they are the victims of circumstances and bad luck, or did not realize what they were getting into. If it was never necessary to do this we should be very pleased. Where directors understand what they are supposed to do, take their responsibilities seriously and are kept adequately informed, they will not only do a better job but should be able to show a record of performance which will commend itself to a court if the occasion arises. This is probably the best insurance against unwarranted liability."

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DECISION BARRING RALPH M. NORDSTROM FINAL

The decision of an administrative law judge barring Ralph M. Nordstrom, of St. Louis Park, Minnesota, from association with any broker-dealer has become final. After nine months, Nordstrom, who was vice-president of a broker-dealer firm, may apply to the Commission to become so associated in a non-supervisory capacity.

According to the decision, Nordstrom aided and abetted violations of the antifraud and recordkeeping provisions of the Exchange Act by effecting certain transactions in a customer's account without the customer's authorization or knowledge. Nordstrom's activity was pursuant to the directions of a friend associated with another broker-dealer who used the transactions to "park" securities belonging to his firm and thereby create the appearance of an improved net capital position for that firm. It was also found that Nordstrom failed to provide reasonable supervision to prevent the misappropriation of certain securities belonging to the same customer. (Rel. 34-11330)

DECISION SANCTIONING DANIEL S. BRIER & CO., DANIEL S. BRIER AND IRVING ATHERTON, AND DISMISSING PROCEEDINGS AGAINST FIVE OTHER RESPONDENTS FINAL

The decision of an administrative law judge revoking the broker-dealer registration of Daniel S. Brier & Co., Inc., of Greenlawn, New York, and expelling the firm from NASD membership, barring Daniel S. Brier, its president, from association with any broker-dealer, and suspending Irving Atherton, of Yonkers, New York, a trader for another

broker-dealer firm, from any such association for 3 months has become final. After one year, Brier may become associated with a broker-dealer in a non-supervisory capacity. Atherton's suspension is effective April 14.

Also final was the administrative law judge's order dismissing the proceedings against three registered broker-dealers, Robert W. Steven Corp., Schweickart & Co., and Baird Patrick & Co., Inc., all of New York City, Robert Isaac Konigsberg, who was a vice-president of Steven, and John Radin, a former Schweickart trader. The initial decision found that the charges against these respondents had not been sustained by the evidence.

According to the decision, Brier & Co., Brier and Atherton participated in a manipulative scheme involving the common stock of Logos Development Corp. They entered NASDAQ quotations for the stock and traded it pursuant to undisclosed arrangements with the former New York broker-dealer firm of Cohen Goren Equities, Inc. which guaranteed them a profit on their transactions. (Rel. 34-11331)

PAUL W. SORCI BARRED

The Commission has barred Paul William Sorci, of Nessquoque, New York, who was president of the former New York City broker-dealer firm of E. P. Seggos & Co., Inc., from association with any broker-dealer, investment adviser, or investment company. After five years, Sorci may apply to the Commission to become so associated in a non-supervisory and non-proprietary capacity.

The sanction is based on findings that, during the period from October through November 1971, Sorci violated antifraud provisions of the securities acts in the purchase, offer and sale of common stock of Data Display Systems, Inc. He made material misstatements concerning the existence of prospective purchasers of the stock, the nature and composition of investors to whom the stock would be sold, and the manner in which the stock would be sold. It was also found that Sorci aided and abetted Seggos' violations of net capital, recordkeeping and reporting provisions.

The Commission's action was based on an offer of settlement in which Sorci, without admitting or denying the charges against him, consented to the above findings and the indicated sanction. (Rel. 34-11332)

COMMISSION ANNOUNCEMENTS

HEARINGS SCHEDULED ON POSSIBLE ENVIRONMENTAL AND SOCIAL DISCLOSURE

The first week of hearings in the Commission's public proceeding concerning possible disclosure of environmental and other socially significant matters will convene on Monday, April 14, 1975 at 9:30 a.m., in Room 776, at the Commission's offices at 500 North Capitol St., Washington, D.C. 20549. In these proceedings, which were originally announced on February 11, 1975 (Rel. 33-5569, 34-11236), the Commission seeks to determine the nature and extent of investor interest in corporate disclosures in registration statements, reports and other documents filed with the Commission or required to be furnished to investors under the Securities Act and the Securities Exchange Act of environmental and other matters of primarily social rather than financial concern, including equal employment matters.

The Commission has designated Mr. William F. Bavinger to preside at these hearings. Written communications with respect to the proceedings and requests from interested persons wishing to make oral presentations should be addressed to William F. Bavinger, Room 730, Securities and Exchange Commission, Washington, D.C. 20549. Telephone inquiries may be directed to Mr. Bavinger, 202/755-1387, or Daniel L. Goelzer, 202/755-1977.

Copies of the transcripts of the hearings may be purchased through Columbia Reporting Co., Inc. at a price of \$.12 per page. Requests should be made directly through Mr. Frank McCabe, Columbia Reporting Co., Inc., 300 Seventh St., S.W., Washington, D.C. (202/737-8333).

The schedule of witnesses for the first week of hearings appears below:

Monday, April 14

a.m. Opening remarks by Hearing Officer and/or a member of the Commission

Roger S. Foster, Edward L. Strohbehn, J. G. Speth
Attorneys for Natural Resources Defense Council, and Center for Law
and Social Policy, 1751 N St., N.W., Washington, D.C.

Monday, April 14, cont.

p.m. George Wm. Coombe, Jr., Assistant General Counsel, General Motors Corporation, Detroit, Michigan 48202

Tuesday, April 15

a.m. David F. Linowes Laventhol & Horwath, C.P.A.s, 919 Third Ave., New York, N.Y. 10022

Rev. Michael H. Crosby, Catholic Church Investments for Corporate Social Responsibility, Justice and Peace Center, 3900 North Third St., Milwaukee, Wisconsin 53212

p.m. Alice Tepper Marlin, President, Council on Economic Priorities, 84 Fifth Ave., New York, N.Y. 10011

Wednesday, April 16

a.m. Hans Randolph Reinisch, President, National Shareholders Association, P.O. Box 635, New York, N.Y. 10023

p.m. William F. Kennedy, Attorney, General Electric Company, Fairfield, Conn. 06431

Thursday, April 17

a.m. Michael McCloskey, Executive Director, Sierra Club, Mills Tower, San Francisco, California

p.m. Charles Stewart, President, Machinery and Allied Products Institute, 1200 Eighteenth St., N.W., Washington, D.C. 20036

Friday, April 18

a.m. David H. Scull, Trustee, Mutual Real Estate Investment Trust, P.O. Box 170, Annandale, Virginia 22003

p.m. Stanley K. Bigman, Executive Director, Sponsors of Open Housing Investment, 1914 Connecticut Ave., N.W., Washington, D.C. 20009

Hearings are also presently scheduled for April 21, 23 and 25. Witnesses tentatively scheduled to appear during that week include: Prof. Russell B. Stevenson; Thomas D. Boyd; D. K. Patton; W. Sterling Cary; Larold K. Schulz; Robert Cahn; Florence Little; G. Brockwel Heylin, Esq.; Paul Neuhauser; William Stemper; Annette Burford; and David Brower. Additional hearing dates will be scheduled, as required, through May 14, 1975.

TRADING SUSPENSIONS

UNITED BRANDS COMPANY SUSPENDED

The SEC announced the temporary suspension of over-the-counter and exchange trading in the securities of United Brands Company, a New Jersey corporation located in New York, N.Y., beginning on April 8 and terminating at the commencement of trading on April 14, 1975.

The Commission instituted the suspension in order to permit the dissemination of information released by United Brands Company on April 8, 1975 concerning certain matters material to the Company. (Rel. 34-11346)

TRADING SUSPENDED IN UNITED COMMUNITIES CORP.

Over-the-counter trading has been suspended in the securities of United Communities Corp., a Florida corporation located in Boca Raton, Florida, for the ten-day period beginning on April 8 and terminating at midnight (EDT) on April 17, 1975.

The Commission initiated the suspension at the request of the company because of the unavailability of current reliable financial information. United Communities has issued a press release in which it announced, among other things, that its auditors had resigned, that the company had retained new auditors, that the 1974 audited financial statements would be filed late and that unaudited losses for 1974 were approximately \$4 million. (Rel. 34-11343)

**ADDITIONAL ACTION ON ONE TRADING
SUSPENSION**

The SEC has announced the suspension of over-the-counter trading in the securities of Continental Vending Machine Corp. for the further ten-day period April 10 - 19, inclusive.

COURT ENFORCEMENT ACTIONS

CHANDLER FUND, OLYMPUS FUND ENJOINED

The Los Angeles Regional Office announced that Chandler Fund and Olympus Fund have been enjoined and a receiver has been appointed for the Chandler Fund. On March 21 the U.S. District Court in San Diego entered an order upon consent permanently enjoining the Chandler Fund and Olympus Fund from violations of the reporting provisions of the Investment Company Act of 1940. In addition to entering the injunction, the Court appointed Richard Shaw, Esq., of San Diego, as receiver of the Chandler Fund and as special counsel of the Olympus Fund. (SEC v. Chandler Fund, Olympus Fund, S.D. CA., Civil Action No. 75-0007-N). (LR-6818)

**JUDGE ENTERS ORDER RE WORLD WIDE REALTY
AND INVESTING CORPORATION**

The SEC announced that on March 18 the Honorable Charles R. Richey, U.S. District Court Judge for the District of Columbia, entered findings of fact and conclusions of law and an order finding World Wide Realty and Investing Corporation (World Wide), Light House Point, Florida in civil contempt of the court's order entered October 18, 1971, inter alia, enjoining World Wide to file certain delinquent periodic reports and to timely file reports required under Section 13(a) of the Securities Exchange Act of 1934. Judge Richey further found that Vincent S. Andrews, New York City, New York, World Wide's president since late in 1973, was not in civil contempt of the court's 1971 order. A hearing has been scheduled for April 15, 1975 to consider World Wide's compliance with the court's order and the reporting provisions of the Securities Exchange Act of 1934 and to consider whether the court should impose sanctions on World Wide. (SEC v. World Wide Realty and Investing Corporation, D.D.C. No. 467-71). (LR-6819)

JAMES J. LING, CLYDE SKEEN ENJOINED

The Atlanta Regional Office announced that on April 3 the Federal Court in Atlanta issued an order permanently enjoining James J. Ling and Clyde Skeen, both of Dallas, Texas, from violations of registration and antifraud provisions of the securities laws in the offer and sale of promissory notes of North American Acceptance Corporation or any other security. The defendants consented to the entry of the injunction without admitting or denying the allegations in the Commission's complaint. (SEC v. North American Acceptance Corporation, et al., N.D. Ga., Civil Action No. C75-230A). (LR-6820)

INVESTMENT COMPANY ACT RELEASES

PITWAY CORPORATION

An order has been issued on an application of Pittway Corporation, a subsidiary of Standard Shares, Inc., a closed-end, non-diversified, management investment company, permitting officers of Pittway to rent it's airplane when the aircraft is not being used for company business. (Rel. IC-8745 - Apr. 8)

AXE-HOUGHTON FUND B

A notice has been issued giving interested persons until May 5 to request a hearing on an application of Axe-Houghton Fund B, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-8746 - Apr. 8)

AXE-HOUGHTON STOCK FUND

A notice has been issued giving interested persons until May 5 to request a hearing on an application of Axe-Houghton Stock Fund, Inc., for an order declaring that it has ceased to be an investment company. (Rel. IC-8747 - Apr. 8)

AXE-HOUGHTON FUND A

A notice has been issued giving interested persons until May 5 to request a hearing on an application of Axe-Houghton Fund A, Inc., for an order declaring that it has ceased to be an investment company. (Rel. IC-8748 - Apr. 8)

AMERICAN DIVERSIFIED INVESTORS FUND

An order has been issued declaring that American Diversified Investors Fund, Inc. has ceased to be an investment company. (Rel. IC-8749 - Apr. 8)

HOLDING COMPANY ACT RELEASES

ALLEGHENY POWER SYSTEM

A notice has been issued giving interested persons until April 20 to request a hearing on a proposal of Allegheny Power System, Inc. (APS), and three of its public-utility subsidiaries, in which APS will acquire additional shares of common stock of two of the subsidiaries and make further investment in the equity of the third by means of a capital contribution. Two of the subsidiaries further propose that their charters be amended so as to increase the number of shares of their common stock. The subsidiaries will use the net proceeds for financing part of their construction programs for the year 1975. (Rel. 35-18915 - Apr. 7)

SYSTEM FUELS, INC.

A notice has been issued giving interested persons until May 1 to request a hearing on a post-effective amendment to an application-declaration of System Fuels, Inc., a subsidiary company and the supplier of fuel for the Middle South Utilities, Inc., regarding expenditures for a feasibility study of a coal slurry pipeline. (Rel. 35-18916 - Apr. 7)

ARKANSAS POWER & LIGHT COMPANY

An order has been issued authorizing Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., to issue and sell common stock to the holding company aggregating \$30 million. (Rel. 35-18917 - Apr. 7)

ALABAMA POWER COMPANY

A supplemental order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, to carry out certain transactions related to the financing of pollution control facilities. (Rel. 35-18918 - Apr. 7)

NEW ENGLAND ELECTRIC SYSTEM

An order has been issued authorizing New England Electric System, a registered holding company, to issue and sell 2,500,000 of its common shares in a negotiated public underwriting. (Rel. 35-18919 - Apr. 8)

THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until May 7 to request a hearing on a post-effective amendment to an application-declaration of Columbia and its subsidiary company, Columbia Gas Transmission Corporation, regarding notes to banks by the holding company, intrasystem financing, and advances by the subsidiary company to a nonassociate company. (Rel. 35-18920 - Apr. 7)

MISCELLANEOUS

CREATIVE LOGIC CORPORATION

An order has been issued granting the application of Creative Logic Corporation, a Delaware corporation, under Section 12(h) of the Securities Exchange Act of 1934 for an exemption from the provisions of Section 15(d) of the Act.

It appears to the Commission that the requested exemption is not inconsistent with the public interest or protection of investors. (Rel. 34-11347)

SECURITIES ACT REGISTRATIONS

(S-16) THE LUBRIZOL CORPORATION

29400 Lakeland Blvd., Wickliffe, Ohio 44092 - 484,000 common shares, to be offered for sale by certain shareholders through underwriters managed by Morgan Stanley & Co. Incorporated, New York, New York and Prescott, Ball & Turben, Cleveland, Ohio. The company principally develops, manufactures and markets chemical additives for the petroleum industry throughout the world. (File 2-53259 - Apr. 7)

(S-14) UNITED BANK CORPORATION OF NEW YORK

75 State St., Albany, N.Y. 12207 - 165,000 shares of Series A convertible preferred stock, to be offered in connection with the proposed merger of The National Bank of Orange and Ulster Counties, of Goshen, New York, into a wholly-owned subsidiary of United Bank on the basis of 7.5 United Bank shares for each share of common stock of The National Bank of Orange and Ulster Counties. United Bank is a bank holding company with three banking subsidiaries and one leasing subsidiary. (File 2-53264 - Apr. 7)

(S-16) W. R. GRACE & CO.

1114 Avenue of the Americas, New York, N.Y. 10036 - 265,660 shares of common stock, to be offered for sale by Union Bank of Switzerland through Merrill Lynch, Pierce, Fenner & Smith Incorporated, 1 Liberty Plaza, 165 Broadway, New York, N.Y. 10006. Grace is a diversified worldwide company with interests in chemically-based products and services, natural resources and consumer products and services. (File 2-53269 - Apr. 7)

(S-14) TRANS-WORLD FINANCIAL CO.

9200 Sunset Blvd., Suite 1225, Los Angeles, Cal. 90069 - 4,610,257 shares of common stock and 2,591,649 shares of Series A cumulative convertible preferred stock, proposed to be issued in connection with the merger of Trans-World and Golden West Financial Corporation, Oakland, California; and 78,950 additional shares of common stock and 26,730 additional shares of preferred stock to be issued upon the merger if outstanding stock options of Trans-World or Golden West have been exercised prior thereto. The common stock will be issued in exchange for Golden West common stock on a share-for-share basis and the preferred stock will be issued in exchange for Trans-World common stock at the rate of nine-tenths of a share of preferred stock for each outstanding share of Trans-World common stock. Both Trans-World and Golden West are savings and loan association holding companies. (File 2-53270 - Apr. 7)

(S-7) FLORIDA POWER & LIGHT COMPANY

4200 Flagler St., Miami, Fla. 33134 - \$100 million of first mortgage bonds, to be offered for sale by competitive bidding at a price per unit of not less than 100% nor more than 102-3/4% of the principal amount of such bonds. The company is in the electric utility business. (File 2-53272 - Apr. 7)

(S-1) ASSOCIATED GROCERS, INCORPORATED

3301 South Norfolk St., Seattle, Wash. 98118 - 5,310 shares of common stock; \$119,000 and \$450,500 first and second series respectively 5% registered subordinated debentures; \$500,000 6% 25-year subordinated registered multiple store certificates (First Series); \$235,000 and \$300,000 5% coupon bearer debentures third and fourth series. Associated Grocers is a cooperative wholesale grocery and the above securities will be sold or exchanged for other securities of the Association at their par or face value. Transactions will be limited to members of the Association, or persons becoming members who are engaged in the operation of retail food markets. (File 2-53274 - Apr. 7)

(S-16) AMF INCORPORATED

777 Westchester Ave., White Plains, N.Y. 10604 - 114,199 shares of common stock, which may be offered for sale (or pledged) from time to time by certain shareholders at prices current at the time of sale. The corporation and its subsidiaries are engaged in two general lines of business: Leisure Time Products and Industrial Products. (File 2-53276 - Apr. 7)

(S-7) PACIFIC GAS AND ELECTRIC COMPANY

77 Beale St., San Francisco, Cal. 94106 - 8,885,225 shares of common stock, proposed to be offered for subscription by common stockholders of record on April 29, 1975, at the rate of one share for each eight shares held. Dean Witter & Co. Incorporated, 45 Montgomery St., San Francisco, Cal., and Blyth Eastman Dillon & Co. Incorporated, 555 California St., San Francisco, Cal. are the managing underwriters. The company is an operating public utility engaged principally in the business of supplying electric and natural gas service. (File 2-53278 - Apr. 8)

(S-16) ACF INDUSTRIES, INCORPORATED

750 Third Ave., New York, N.Y. 10017 - 41,667 shares of common stock, which may be offered for sale from time to time by or for the account of certain shareholders at prices current at the time of sale or at negotiated prices. ACF manufactures, sells and leases railroad equipment; manufactures and sells automotive fuel system components and valves and related control devices used mainly in the oil, gas and petrochemical industries; and fabricates and markets engineered plastic products. (File 2-53248 - Apr. 4)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Racon Inc., Wichita, Kansas (File 2-53232 - Apr. 3) - 75,000 shares
Stone Container Corp., Chicago, Ill. (File 2-53236 - Apr. 4) - 150,000 shares
North American Royalties, Inc., Chattanooga, Tenn. (File 2-53240 - Apr. 3) - 180,000 shares
Loews Corp., New York, N.Y. (File 2-53243 - Apr. 4) - 794,065 shares
TRW Inc., Cleveland, Ohio (File 2-53244 - Apr. 4) - 42,553 shares and (File 2-53245 - Apr. 4) - 1,531,915 shares
Texaco Inc., New York, N.Y. (File 2-53246 - Apr. 4) - 7,000 shares
ACF Industries, Inc., New York, N.Y. (File 2-53249 - Apr. 4) - 300,000 shares
Trans World Airlines, Inc., New York, N.Y. (File 2-53253 - Apr. 4) - 1,200,000 shares and (File 2-53254 - Apr. 4) - 300,000 shares
Microwave Associates, Inc., Burlington, Mass. (File 2-53255 - Apr. 7) - 94,441 shares and (File 2-53257 - Apr. 7) - 50,000 shares
United Aircraft Corp., East Hartford, Conn. (File 2-53256 - Apr. 7) - 87,260 shares
C. Brewer and Company, Limited, Honolulu, Hawaii (File 2-53260 - Apr. 7) - 190,017 shares
Exchange Bancorporation, Inc., Tampa, Fla. (File 2-53261 - Apr. 7) - 100,000 shares
Florida Gas Company, Winter Park, Fla. (File 2-53262 - Apr. 7) - \$41,379 of common shares and (File 2-53263 - Apr. 7) - 200,000 shares
Transco Companies, Inc., Houston, Tex. (File 2-53268 - Apr. 7) - 502,000 shares
Mountain Fuel Supply Co., Salt Lake City, Utah (File 2-53273 - Apr. 7) - 29,877 shares
United Gas Pipe Line Co., Houston, Tex. (File 2-53277 - Apr. 8) - 750,000 shares
Jacobs Engineering Group Inc., Pasadena, Cal. (File 2-53279 - Apr. 8) - 105,300 shares

REGISTRATIONS EFFECTIVE

Apr. 7: Mobil Oil Corp., 2-53088.
Apr. 8: The Corporate Bond Trust, Series 3, 2-52732; Dentsply International, Inc., 2-53098; Emerson Electric Co., 2-52919; The First Trust of Insured Municipal Bonds Series 3, 2-53025; Genstar Ltd., 2-52823; Investors Syndicate of America, Inc., 2-52911; The Municipal Income Fund, 2-52208; New England Electric System, 2-52969; Rohm and Haas Co., 2-53070.

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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