

sec news digest

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July 5, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

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BOVERS, PARNASS & TUREL, INC. REVOKED

An order has been issued revoking the broker-dealer registration of Bovers, Parnass & Turel, Inc. of Jersey City, New Jersey. The order was based on findings that the firm had willfully violated the net capital rule, was enjoined from such violations, and is being liquidated under the Securities Investor Protection Act.

The firm consented to the findings and sanction without admitting or denying the charges against him. (Rel. 34-10873)

FIDELITY CONSULTANTS, INC. AND TONY W. KOZAK, JR. SANCTIONED

The investment adviser registration of Fidelity Consultants, Inc., of Lakewood, Ohio, has been revoked and Tony W. Kozak, Jr., its president, has been barred from association with any registered broker-dealer, registered investment adviser or registered investment company. After two years, however, Kozak may apply to the Commission to serve in a nonsupervisory capacity. The sanctions were based on findings that, during various periods from May 1971 to April 1974, Kozak violated and aided and abetted violations of numerous provisions of the Investment Company Act in connection with the activities of IMA Fund, a registered investment company, and that Fidelity, aided and abetted by Kozak, failed to prepare and maintain required books and records. The Commission found that Kozak caused IMA to purchase securities during the existence of an underwriting syndicate when the principal underwriter was IMA's investment adviser; caused an affiliate of IMA to buy from and sell securities to IMA; and caused IMA to redeem its securities at prices other than their current net asset value. He also caused IMA to suspend redemption rights in violation of the Act; to fail to file and send its shareholders reports containing required information; to fail to include the minutes of an annual shareholders' meeting in its minute book or make them otherwise available; and to fail to prepare and maintain certain books and records. In addition, he caused IMA to file and solicit proxies using a proxy statement misrepresenting required information.

The Commission's action was based on an offer of settlement in which the firm and Kozak, without admitting or denying the charges, consented to the findings and sanctions. (Rel. 34-10882)

PROCEEDINGS AGAINST FRED RUDOWSKI AND SIDNEY SUTTER DISMISSED

Broker-dealer proceedings against Fred Rudowski, of Rosedale, New York, and Sidney Sutter, of Glen Cove, New York, have been dismissed at the request of the Commission's staff. The case was based upon the failure of a registered broker-dealer, with whom Rudowski and Sutter were associated, to file required financial reports. It appeared, however, that Rudowski and Sutter severed their associations with the firm before the reports in question became due. (Rel. 34-10883)

PROCEEDINGS AGAINST AMERICAN INVESTOFUNDS, INC., ARTHUR HALBERSTAM AND MORRIS BIRNBAUM DISMISSED

Broker-dealer proceedings against American Investofunds, Inc. of New York City, Arthur Halberstam, the firm's president, and Morris Birnbaum, its vice president, have been dismissed at the request of the Commission's staff. The case was based on the firm's alleged failure to file financial reports. It appeared, however, that the reports in question had been sent to the Commission on time and that they were absent from its files only because of misadventure. Moreover, the Commission was advised by its staff that the reports were later received and found in order. (Rel. 34-10884)

ORDERS FOR PUBLIC PROCEEDINGS

A.E.I., INCORPORATED, OTHERS

Public administrative proceedings under the Securities Exchange Act of 1934 have been ordered involving A.E.I., Incorporated of Minneapolis, Minnesota. Also named as respondents are Robert P. Johnson, the president, treasurer, secretary and the sole director of A.E.I.; Gordon F. Engel, a securities salesman formerly associated with A.E.I.; and Charles R. Lindquist, a securities salesman presently associated with A.E.I.

The proceedings are based upon allegations of the Commission's staff that A.E.I. and the individual respondents variously violated the registration and antifraud provisions of the securities laws by reason of certain offers and sales of securities of several issuers. The Commission's staff further alleged violations of the net capital, broker-dealer registration, books and records, financial reporting, transmission of payments received in underwriting and the telegraphic notice and reporting provisions of the Exchange Act.

A hearing will be scheduled by further order to take evidence on the charges against A.E.I. and the individual respondents. (Rel. 34-10903)

COMMISSION ANNOUNCEMENTS

TEXACO OPERATIONS (EUROPE) LTD.

A notice has been issued giving interested persons until July 22 to request a hearing on an application of Texaco Operations (Europe) Ltd., a wholly-owned consolidated subsidiary of Texaco, Inc., pursuant to Section 12 (h) of the Securities Exchange Act of 1934 for an order exempting the Company from the reporting requirements of Section 13 of the Exchange Act. (Rel. 34-10902)

TRADING SUSPENSIONS

TRADING SUSPENDED IN SECURITIES OF TWO COMPANIES

Over-the-counter trading has been suspended in the securities of American Variety International of Los Angeles, California, and Prairie Petroleum, Inc. (PPI), of Dallas, Texas, for the ten-day period beginning on July 3 and terminating at midnight (EDT) on July 12, 1974.

The suspension of American Variety was initiated because of the unavailability of adequate and accurate information about the company and because of questions raised about the recent trading activities in its common stock.

Trading in PPI securities was suspended because of the lack of current accurate information available to the public about the financial condition and management of PPI. The Commission has been informed that PPI has no current financial records, and available information does not accurately reflect its financial condition. Its only assets are two oil and gas leases acquired in exchange for stock and the value of the leases is unknown. (Rel. 34-10900 and 34-10901)

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities Canadian Javelin, Ltd., and over-the-counter trading in the securities of Winner Industries, Inc. and Royal Properties, Inc. for the further ten-day period June 7-16, inclusive.

INVESTMENT COMPANY ACT RELEASES

BIO-MEDICUS

A notice has been issued giving interested persons until July 29 to request a hearing on an application of Bio-Medicus, Inc. of Minneapolis, Minnesota, for an exemption from all provisions of the Act. (Rel. IC-8409)

HOLDING COMPANY ACT RELEASES

OHIO EDISON COMPANY

A notice has been issued giving interested persons until July 25 to request a hearing on a proposal of Ohio Edison Company and its subsidiary, Pennsylvania Power Company, that these companies guarantee certain first mortgage bonds and short-term notes of a non-affiliated coal mining company. (Rel. 35-18478)

SECURITIES ACT REGISTRATIONS

(S-14) GENERAL WATERWORKS CORPORATION

3219 Philadelphia Pike, Claymont, Del. 19703 - \$9,968,000 of first mortgage and collateral trust bonds, 5 1/2% series, due 1987, \$9,360,000 of first mortgage and collateral trust bonds, 4 3/4% series, due 1981, and \$24,500,000 of first mortgage and collateral trust bonds, 8 5/8% series, due 1996. The company proposes to solicit consents from the holders of outstanding first mortgage and collateral trust bonds, 5 3/8% series, due 1987, first mortgage and collateral trust bonds, 4 5/8% series, due 1981, and first mortgage and collateral trust bonds, 8 1/2% series, due 1996, to certain changes in the indentures under which such bonds were issued, including increases of 1/8 of 1% in the interest rates, so that thereafter, if such changes are consented to and become effective, such outstanding bonds will become the first mortgage and collateral trust bonds, 5 1/2% series, due 1987, first mortgage and collateral trust bonds, 4 3/4% series, due 1981, and first mortgage and collateral trust bonds, 8 5/8% series, due 1996, respectively. The corporation is water, waste water and heating utilities in the United States. (File 2-51459 - June 28)

(S-14) CENTRAL TEXAS FINANCIAL CORP.

1 Center Ave., Brownwood, Tex. 76801 - 133,856 shares of common stock, of which, 35,736 shares will be offered in connection with merger of U. S. Bancshares, Inc. into Central Texas Financial Corporation; 55,582 shares and 42,513 shares, respectively, will be offered in connection with the merger of Coleman Bank, Coleman, Texas, and the Commercial National Bank of Brady, Texas, into subsidiaries of Central Texas Financial Corporation - 29,500 warrants and underlying 29,500 shares of common stock. Central Texas Financial Corporation is a bank holding company, which controls one bank. (File 2-51487 - July 1)

(S-1s) BELDEN & BLAKE AND COMPANY PARTNERSHIPS No. 59, No. 60, and No. 61

702 Tuscarawas St. West, Canton, Ohio 44702 - \$594,000 of partnership units in each of the three partnerships, to be offered for sale, without assistance of underwriter, at \$3,000 per unit with a minimum purchase of two units. The partnership proposes to explore for oil and gas. (File 2-51479, 2-51482 and 2-51483 - July 1)

(S-1) ZODIAC CORPORATION

1948 East Elizabeth St., Brownsville, Tex. 78520 - 148 condominium units with furniture packages and opportunity to join limited partnership pool, to be offered for sale by the company at prices ranging from \$31,399 for efficiency units to \$71,187 for 3-bedroom units (including furniture packages but excluding capital contributions to the limited partnership). Zodiac is engaged in real estate operations. (File 2-51484 - July 1)

(S-14) PCA INTERNATIONAL, INC.

801 Crestdale Ave., Matthews, N.C. 28105 - 192,895 shares of common stock to be offered in exchange for all of the shares of seven licensee corporations and the minority interest in a Danish subsidiary. PCA is engaged in the childrens photography business in retail discount, variety and food stores. (File 2-51485 - July 1)

(S-1) APACHE CORPORATION

Foshay Tower, Minneapolis, Minn. 55402 - 187,752 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. Apache is a diversified manufacturing and oil exploration corporation. (File 2-51491 - July 1)

(S-14) GILMAN SERVICES, INC.

20 Freeport St., Boston, Mass. 02122 - 80,945 shares of common stock. It is proposed to offer 43,000 shares in exchange for outstanding shares of common stock of Systems For Advanced Information, Inc., at the rate of one Gilman Services share for each four Systems shares. It is further proposed to offer 37,495 shares in exchange for outstanding shares of common stock of Gilman Brothers Inc., at the rate of one Gilman Services share for each Gilman Brothers share. As the result of these transactions Systems and Gilman Brothers will become wholly-owned subsidiaries of Gilman Services. (File 2-51493 - July 1)

STOCKS 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:

- Midwestern Fidelity Corporation, Milford, Ohio (File 2-51473 - July 2) - 100,000 shares
- U.S. Natural Resources, Inc., Menlo Park, Cal. (File 2-51471 - July 2) - 135,000 shares
- G. Heileman Brewing Company, Inc., La Crosse, Wisconsin (File 2-51490 - July 1) - 132,550 shares
- Apache Corporation, Minneapolis, Minn. (File 2-51492 - July 1) - 569,075 shares
- Kalvar Corporation, New Orleans, La. (File 2-51494 - July 1) - 86,000 shares
- United Jersey Banks, Princeton, N.J. (File 2-51495 - July 1) - \$1,000,000 of participations.

REGISTRATIONS EFFECTIVE

July 3: CCNB Corp., 2-51184; Tennant Co., 2-51333; The Union Corp., 2-50962.

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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