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June 20, 1975

RULES AND RELATED MATTERS

LIBRARY

COMMISSION AMENDS RULES CONCERNING DELEGATION OF AUTHORITY

The Commission has amended its rules concerning the delegation of authority to the Directors of the Office of Registrations and Reports, Division of Market Regulation and Division of Investment Management Regulation to act with respect to broker-dealer and investment adviser registrations. Members of the staff may now authorize the issuance of orders making such registrations effective. The amendments were made to conform the staff's authority to the new statutory pattern provided for in the Securities Acts Amendments of 1975 for making such registrations effective. (Rel. 34-11487)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

STEWART E. CAMPBELL, JOHN R. GASKILL AND JASPER N. ERSKINE SANCTIONED

Stewart E. Campbell, of Ogden, Utah, formerly vice president of Gregersen & Co., Inc., a Salt Lake City securities firm that has withdrawn its broker-dealer registration, has been barred from being associated with any broker or dealer. After one year he may apply to become so associated in a non-supervisory, non-proprietary capacity upon a showing that he will be adequately supervised. In addition, John R. Gaskill of Holladay, Utah, a former director of the Gregersen firm, and Jasper N. Erskine of Salt Lake City, the firm's former secretary, have been suspended from association with any broker or dealer. In Gaskill's case, the suspension is for 12 months. With regard to Erskine, the suspension from any such association is for one month, and for 11 months thereafter he is suspended from being so associated in a supervisory capacity.

The sanctions were based on findings that, at various times during 1970 to 1974, Campbell and Gaskill unlawfully recommended and sold the unregistered common stock of Silver Exploration, Inc. without having a reasonable basis for so doing and in disregard of unfavorable information known to them. In addition, all respondents bid for and purchased Silver Exploration's securities while engaged in its distribution. Finally, Gaskill and Erskine aided and abetted violations when quotations for such securities were published when their firm lacked required information.

Without admitting or denying the allegations in the order for proceedings, respondents consented to the above findings and the indicated sanctions. (Rel. 34-11466)

JACK STEPHEN SKAKANDY BARRED

The Commission has barred Jack Stephen Skakandy, of Tequesta, Florida, from association with any broker, dealer, or registered investment adviser, and prohibited him from serving in various capacities with respect to a registered investment company. Skakandy was president of First Eastern Investment Corporation, a former Red Bank, New Jersey broker-dealer firm.

The sanction was based on findings that, in 1972, Skakandy carried on First Eastern's securities business at a time when the firm was insolvent, and aided and abetted the firm's violations of net capital, recordkeeping and reporting provisions. It was also found that Skakandy was enjoined in 1972, with his consent, from further violations of those provisions, and that he was an officer and director of the firm when a trustee was appointed for it under the Securities Investor Protection Act.

Skakandy, without admitting or denying the charges against him, consented to the above findings and the indicated sanction. (Rel. 34-11467)

COMMISSION ANNOUNCEMENTS

COMMISSION GRANTS FREEDOM OF INFORMATION ACT REQUEST FOR PRELIMINARY PROXY MATERIAL

The Commission today granted the request of Byron E. Calame pursuant to the Freedom of Information Act for access to preliminary proxy material filed by Gulf Oil Corporation prior to their 1974 and 1975 annual shareholder meetings and related correspondence. Although the Commission's Rule presently provides that preliminary proxy material shall not be deemed available for public inspection, the Commission is of the view that the Gulf preliminary proxy material does not contain matters which are exempt from disclosure. The Commission may not interpret its rules contrary to the requirements of the FOIA. However, because the Rule purportedly provided for confidential treatment of preliminary proxy material at the time the material in question was filed, the records will not be made available to Mr. Calame until ten days after Gulf is notified of the Commission's intention to do so. (Rel. FOIA-13)

COURT ENFORCEMENT ACTIONS

NORMAN RUBINSON, OTHERS SENTENCED

The New York Regional Office announced the following sentences in the case of U.S. v. Rubinson, et al., 74 Cr. 573 (S.D.N.Y.): Norman Rubinson was sentenced to three years in jail. Albert Feiffer was sentenced to a two year suspended sentence and placed on probation for three years to commence upon expiration of a previously imposed sentence (73 Cr. 421[S.D.N.Y.] on June 21, 1973). During the period of the defendant's probation, he is prohibited from engaging in any type of securities transaction. William Chester was sentenced to a three year suspended sentence and placed on probation for three years. During the period of the defendant's probation, he is prohibited from engaging in any type of securities transaction. Edgar Reynolds was sentenced to a three year suspended sentence and placed on probation for three years. During the period of the defendant's probation, he is prohibited from engaging in any type of securities transaction. Lawrence Levine was sentenced to an 18 month suspended sentence, fined \$10,000 and placed on probation for two years.

The defendants were found guilty on March 23, 1975 after a nine week jury trial before the Honorable Constance Baker Motley. Both Stein and Kaye pled guilty before trial to conspiracy and substantive violations of the securities laws. The defendants were indicted on June 4, 1974 wherein they were charged with the commission of various crimes in connection with transactions in the common stock of Stern-Haskell, Inc. For further information see Litigation Release Nos. 4768, 4781 and 6891. (U.S. v. Rubinson, et al., 74 Cr. 573 S.D.N.Y.). (LR-6941)

JAYMEE INDUSTRIES, INC., OTHERS ENJOINED

The New York Regional Office announced that the U.S. District Court for the Southern District of New York issued final judgments of permanent injunction by consent against Jaymee Industries, Inc., Jack Barnett, and Bernard Kasper, former officers and directors of Jaymee, and Martin Brustein and Richard Chwatt, officers and directors of Jaymee, for violations of the registration and antifraud provisions of the securities laws in connection with the underwriting and public offering of the common stock of Jaymee.

The Commission's complaint, filed on October 3, 1974, alleged, among other things, that the defendants failed to disclose in the Jaymee Industries, Inc. prospectus and registration statement filed with the Commission that Barnett, Kasper, Brustein and Chwatt had each furnished \$75,000 of personal funds, for a total of \$300,000 to S. J. Salmon & Co., Inc., then a New York City broker-dealer and the underwriter for the Jaymee public offering, in order that the Jaymee public offering be closed by Salmon. The complaint alleged that Salmon had misappropriated at least \$300,000 of subscriber's funds for its own use and benefit. (SEC v. Jaymee Industries, Inc., et al., Civil No. 74-4336, S.D.N.Y.). (LR-6942)

HOLDING COMPANY ACT RELEASES

MISSISSIPPI POWER & LIGHT COMPANY

A supplemental order has been issued releasing jurisdiction retained in an order issued June 2, 1975 (Rel. 35-19022) regarding the sale of pollution control revenue bonds by three Mississippi counties related to the construction of pollution control facilities

for Mississippi Power & Light Company, subsidiary of Middle South Utilities, Inc. Jurisdiction had been reserved with respect to the semi-annual installment payment obligations to be undertaken by Mississippi Power & Light Company insofar as such payments are affected by the effective interest rates of the pollution control revenue bonds to be sold by the counties. (Rel. 35-19053 - June 18)

COLUMBIA GAS SYSTEM

An order has been issued releasing jurisdiction over the accounting by Columbia's wholly-owned subsidiary, Columbia Gas Development of Canada, Ltd., in respect of certain procedures heretofore authorized for the allocation of the System's consolidated income taxes. (Rel. 35-19054 - June 19)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of (a) over-the-counter trading in the securities of Royal Properties, Inc. for the further ten-day period June 22 - July 1, inclusive; and (b) exchange and over-the-counter trading in the securities of BBI, Inc. for the further ten-day June 23 - July 2, inclusive.

TRUST INDENTURE ACT RELEASES

FLEXI-VAN CORPORATION

An order has been issued under the Trust Indenture Act on an application of Flexi-Van Corporation that the trusteeship of Bankers Trust Company under two indentures of the Trust is not so likely to involve a material conflict of interest as to make it necessary to qualify Bankers Trust Company from acting as trustee. (Rel. TI-401)

SECURITIES ACT REGISTRATIONS

(S-7) NORTH AMERICAN PHILIPS CORPORATION

100 East 42nd St., New York, N.Y. 10017 - \$75 million of debentures, due 2000, to be offered for sale through underwriters headed by Morgan Stanley & Co. Incorporated, 1251 Avenue of the Americas, New York, N.Y. 10020. North American Philips Corporation manufactures and sells electrical and electronic products, professional equipment, consumer products and services, and chemical and pharmaceutical products; in addition, its 84.1% owned subsidiary, The Magnavox Company, is a diversified manufacturer of consumer, defense and industrial products. (File 2-53966 - June 17)

In a separate statement the company seeks registration of 1,500,000 shares of common stock, to be offered on a non-underwritten basis. (File 2-53967 - June 17)

(S-16) PENNWALT CORPORATION

Three Parkway, Philadelphia, Pa. 19102 - 15,000 shares of common stock, which may be offered for sale by two stockholders at prices current at the time of sale. Pennwalt is engaged in the manufacture and sale of chemicals, health products, dental and pharmaceutical, and specialized equipment. (File 2-53976 - June 18)

(S-7) DATA DOCUMENTS, INC.

4205 South 96th St., Omaha, Neb. 68127 - \$4 million of notes, Series A, due 1983, which are to be sold at 100% of their face amounts plus accrued interest through a group of underwriters led by Chiles, Heider & Co., Inc., 1300 Woodmen Tower, Omaha, Nebraska 68102. The company is engaged in the manufacture and sale of a line of supplies for data processing installations; its primary product lines are tabulating cards, continuous-type forms and labels. (File 2-53977 - June 18)

(S-14) AMERICAN BANCSHARES, INC.

11601 Biscayne Blvd., North Miami, Fla. 33161 - 572,968 shares of preferred stock, Series A. It is proposed to offer 567,295 of such shares in exchange for the outstanding common stock of ComBanks Corporation, at the rate of one Bancshares share for each ComBanks share in connection with the proposed merger of ComBanks into Bancshares. In addition, 5,673 shares of Series A preferred stock will be issued to an investment banker for services rendered in connection with the merger. Also included in the registration statement are shares of Bancshares common stock into which the Series A

preferred stock is convertible, plus an indeterminate additional number of shares of common stock, under antidilution provisions of the Series A preferred stock. Bancshares is a bank holding company with ten subsidiaries and ComBanks is a bank holding company with seven subsidiaries. (File 2-53979 - June 19)

REGISTRATIONS EFFECTIVE

June 17: M. N. F., Inc., 2-52587.

June 18: Alco Standard Corp., 2-53645; Associated Dry Goods Credit Corp., 2-53739; C & K Petroleum Inc., 2-53417; California Water Service Co., 2-53678; Columbus and Southern Ohio Electric Co., 2-53822; Curtiss-Wright Corp., 2-53885 & 2-53886; Dictaphone Corp., 2-53630; FMC Corp., 2-53840; Ideal Basic Industries, Inc., 2-53855; Kansas Gas & Electric Co., 2-53765; Monsanto Co., 2-53769; R. R. Donnelley & Sons Co., 2-53646.

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 |
|-----------------------------------|-----------|-------|
| COMBANKS CORP | 7,13,14 | 05/75 |
| COMMUNITY BANKS OF FLORIDA INC | 13 | 05/75 |
| COMPUTER MACHINERY CORP | 11,13 | 05/75 |
| COOK INDUSTRIES INC | 7,8 | 05/75 |
| CRANE CO | 8 | 05/75 |
| DATUM INC | 2,14 | 09/74 |
| DATUM INC | 11 | 05/75 |
| DELUXE CHECK PRINTERS INC | 13 | 05/75 |
| DENVER UNION CORP | 3 | 05/75 |
| DESIGN PROFESSIONALS INSURANCE CO | 11,14 | 05/75 |
| DESPATCH INDUSTRIES INC | 14 | 05/75 |
| DILLARD DEPARTMENT STORES INC | 11 | 05/75 |
| DUPONT E I DENEMOURS & CO | 3 | 05/75 |
| DUQUESNE NATURAL GAS CO | 2,7,11,14 | 05/75 |
| DUVAL CORP | 3 | 05/75 |
| DYNAMIC SECURITY CORP | 13,14 | 05/75 |
| EASTERN AIR LINES INC | 8 | 05/75 |
| EL PASO CO | 7,14 | 05/75 |
| ENNIS BUSINESS FORMS INC | 11 | 05/75 |
| EQUITABLE GAS CO | 11,14 | 05/75 |
| ERNST E C INC | 13 | 05/75 |

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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