

sec news digest

a daily summary from the securities and exchange commission

Issue No. 73-94
(SEC Docket, Vol. 1, No. ¹⁶~~15~~ - May 29)

May 15, 1973

COMMISSION ANNOUNCEMENTS

Markowitz

COMMISSION CONCURS IN ADOPTION OF NASD RECIPROCAL BROKERAGE RULE. The SEC has advised the NASD that it reviewed and did not disapprove the Association's proposed rule amendments prohibiting specified reciprocal brokerage practices in connection with the distribution of certain open-end investment company securities. Under the NASD's new rule provisions members would be prohibited from favoring or disfavoring the distribution of particular investment company shares on the basis of brokerage commissions received, soliciting or making promises of an amount or percentage of brokerage commissions in connection with the distribution of investment company shares, and seeking orders for the execution of portfolio transactions on the basis of their sales of investment company shares. The Commission noted that the amendments were adopted by the NASD in response to the Commission's February 2, 1972 Statement on the Future Structure of the Securities Markets which among other things, urged the NASD to initiate measures to prevent the practices in question.

The Commission also announced that it will soon publish for comment a proposed parallel rule under the Securities Exchange Act to bar such practices by brokers and dealers who are not members of the NASD.

In advising the NASD of its concurrence in the rule amendments, the Commission requested that the Association consider further self-regulatory measures to deal with existing or potential reciprocal brokerage practices, similar to those covered in the amendments, in connection with other types of situations, such as the distribution of shares of closed-end investment companies and participations in variable annuity and variable life separate accounts.

The Commission also advised the NASD that it had no objection to the promulgation of an Interpretation to be published by the Association in conjunction with the adoption of the rule amendments; but the Commission requested that the NASD clarify the Interpretation in certain respects. (Rel. 34-10147)

COURT ENFORCEMENT ACTIONS

THREE INDICTED IN MARYLAND. The SEC Washington Regional Office announced that on May 9 a Federal grand jury in the District of Columbia returned a 21 count indictment against Joel Kline of Chevy Chase, Maryland, Eric Adolph Baer, a/k/a/ Joe Baer of Bethesda, Maryland and Donald Harrison Abrams of Potomac, Maryland charging perjury and conspiracy to obstruct justice during an SEC investigation into the possible price manipulation of securities of companies promoted by Kline. (LR-5889)

INVESTMENT COMPANY ACT RELEASES

KEYSTONE CUSTODIAN FUNDS. The SEC has issued an order on an application of Keystone Custodian Funds, Inc., as Trustee of Keystone Custodian Fund, Series S-4, Boston mutual fund, permitting a public offering of Fund shares in Japan to non-United States nationals under terms and with sales charges that differ from the terms and charges described in the prospectus of the Fund that is used in the United States. (Rel. IC-7814)

INVESTORS SYNDICATE OF AMERICA, INC. The SEC has issued an order on an application by Investors Syndicate of America, Inc. ("Syndicate"), a Minnesota corporation registered under the Act as a face-amount certificate company, continuing, indefinitely, a prior order which had permitted IDS Mortgage Corporation, a wholly-owned subsidiary of Investors Diversified Services, Inc., which owns all of the common stock of Syndicate, to engage, together with Syndicate and its subsidiary corporations, in the financing of real estate developments and, in connection with such transactions, to provide services to Syndicate and its subsidiaries and to receive fees for such services. (Rel. IC-7815)

HOLDING COMPANY ACT RELEASES

AMERICAN NATURAL GAS COMPANY. The SEC has issued a notice giving interested persons until June 4 to request a hearing regarding proposals of American Natural Gas Company, a registered holding company of New York, N.Y., and its wholly-owned non-utility subsidiary company, American Natural Gas Production Company. The Production Company expects to participate with non-associated interests in the bidding for offshore Texas federal oil and gas leases scheduled for June 19, 1973, and proposes to finance this activity by the sale of up to \$20,000,000 of 3-year notes to banks and up to \$30,000,000 par amount of additional common stock to the parent company. American Natural proposes to finance the acquisition of Production Company's stock through an equal amount of bank borrowings on notes maturing July 1, 1974. Both companies also request for the years 1972, 1973 and 1974, authorization to allocate consolidated federal income taxes of the American Natural System in a manner other than that which is prescribed by Rule 45(b)(6) under the Holding Company Act. (Rel. 35-17962)

ARKANSAS-MISSOURI POWER COMPANY. The SEC has issued a notice giving interested persons until June 8 to request a hearing upon an application of Arkansas-Missouri Power Company, Blytheville, Arkansas, subsidiary of Middle South Utilities of New York, New York, to issue and sell to the parent during 1973 (1) 1,040,000 shares of common stock of Ark-Mo and (2) up to \$400,000 of short-term promissory notes. Ark-Mo also proposes borrowings of up to \$12,000,000 from a group of eight banks. Related intrasystem transactions are further proposed so that Ark-Mo may maintain a satisfactory ratio of debt to equity. Proceeds from the proposed transactions will be applied toward Ark-Mo's 1973 construction program (estimated at \$16,800,000). (Rel. 35-17963)

MISCELLANEOUS

COMPANIES WHICH RECENTLY ACQUIRED STOCK OF OTHER COMPANIES. The following companies or individuals acquired or proposed to acquire the stock of companies listed below as reported to the Commission on Schedule 13D.

Companies or individuals must report the acquisition of 5% or more of the stock of another company within 10 days of the acquisition. The following companies or individuals acquired stock of other companies during the period May 4-9:

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
S. M. Flickinger Co., Inc.	Harvest Markets, Inc. Common Stock - 239,166 shs. on execution of agreement	5- 4-73
Harry F. Weyher	American Land Company Common Stock - 400,000 shs. Common Stock - 75,000 shs. on exercise of option	5- 4-73
VI Holding Corporation	Villager Industries, Inc. Common Stock - 3,500,000 shs	5- 4-73
Jonathan Logan, Inc.	Villager Industries, Inc. Common Stock - 1,245,956 shs. on exercise of options	5- 4-73
Frank E. Snell	International Energy Company Common Stock - 1,578,110 shs.	5- 7-73
United Industrial Corp.	Affiliated Hospital Products, Inc. Common Stock - 1,053,648 shs.	5- 7-73
Karl Schakel	American Land Company Common Stock - 400,000 shs. Common Stock - 75,000 shs. on exercise of option	5- 7-73
Ivest Fund, Inc.	American Building Maintenance Indus. Common Stock - 150,000 shs.	5- 7-73
Western Pacific Industries, Inc.	Liggett & Myers Inc. Common Stock - 415,000 shs.	5- 9-73
Grosvenor Associates, Ltd.	Liggett & Myers Inc. Common Stock - 20,000 shs.	5- 9-73
Marne Obernauer	Liggett & Myers Inc. Common Stock - 12,351 shs. on conversion of Preference Stock	5- 9-73
<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER AND NUMBER OF SHARES TO BE TENDERED:</u>	<u>DATE FILED</u>
Compagnie de Saint-Gobain- Pont-a-Mousson	Certain-Teed Products Corp. Common Stock for cash at \$21 net per sh. Ser A Conv Pfd at \$42 net per sh. (Counting each share of Common as one share and each share of Pfd as two shares, a maximum of 1,750,000 shs.)	5- 3-73

Merchants, Inc.	Hackney Corp. Common Stock - 818,703 shs. for cash at \$7.00 net per share.	5- 7-73
Wellington Associates	Sonesta International Hotels Corp. Common Stock - 1,000,000 shs. for cash at \$7.00 net per share.	5- 8-73
Mississippi River Corp.	Missouri Pacific Railroad Co. Common Stock - 400,000 shs. for cash at \$100 per share.	5- 9-73
Liberty Corp.	Greater Arizona Savings and Loan Assn. Guaranty Stock - 1,251,298 for cash at \$11.25 net per share.	5- 9-73

RECENT FORM 8-K 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; and any newly enacted requirements effecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. 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 several items of the form was included in Monday's News Digest.

GOVERNMENT EMPLOYEES CORP	13	03/73
GRACE W F OVERSEAS DEVELOPMENT CORP	7	03/73
HAYDEN STONE INC	13	03/73
TON EQUIPMENT CORP	9	02/73
REPUBLIC AUTOMOTIVE PARTS INC	2,7,14	11/72
SCIENTIFIC SOFTWARE CORP	10,13	01/73
SHAVER FOOD MARTS INC	12,14	01/73
AMERICAN VIDEONETICS CORP	14	12/72
COLONIAL STORES INC	14	03/73
COMPUTER RESPONSE CORP	7,9,13,14	10/72
DYNA JET CORP	2,7	11/72
GLOBETROTTER COMMUNICATIONS INC	14	09/72
HOST INTERNATIONAL INC	14	12/72
INTERNATIONAL BASIC ECONOMY CORP	4,10,14	02/73
KEENE CORP	14	08/72
TELETRONICS INTERNATIONAL INC	2,14	01/73
VELVET O'DONNELL CORP	14	02/73
WINSTON MILLS INC	14	02/73
NATIONAL GENERAL CORP	2	03/73
VIRGINIA ELECTRIC & POWER CO	14	03/73
EARTH RESOURCES CO	14	03/73
NATIONWIDE INDUSTRIES INC	7	01/73
AMFAC INC	7,14	04/73
PROMPTON & KNOWLES CORP	11,14	04/73
IC INDUSTRIES INC	3,14	04/73
LIBBEY OWENS FORD CO	8,11,14	04/73
LYNCH CORP	11,13,14	04/73
MID AMERICA BANCORPORATION INC	11	04/73
MOBILE GAS SERVICE CORP	11	04/73
MODULINE INTERNATIONAL INC	13,14	04/73
NATIONAL HEALTH SERVICES INC	11	04/73
NATIONAL RURAL UTILITIES COOPERATIVE FIN	7	04/73
NEW YORKER MAGAZINE INC	8	04/73
PASQUALE FOOD CO INC	13	04/73
PITTSBURGH YOUNGSTOWN ASHTABULA RAILWAY	11	04/73
PD PRODUCTS INC	11,14	04/73
ROSPATCH CORP	7	04/73
SCHEIB EARL INC	13	04/73
SEARS INDUSTRIES INC	11,14	04/73
SEASON ALL INDUSTRIES INC	11	04/73
SECURITY CAPITAL CORP	3,13,14	04/73

8K REPORTS CONT.

SECURITY FINANCIAL SERVICES INC	11	04/73
SECURITY OF AMERICA LIFE INSURANCE CO	11	04/73
TIME HOLDINGS INC	11,14	04/73
TNB FINANCIAL CORP	11,14	04/73
TUCSON GAS & ELECTRIC CO	3	04/73
WASHINGTON NATIONAL CORP	11,13	04/73
WAYNE GLSSARD CORP	11	04/73
ZIMMER HOMES CORP	13	04/73
AMENDMENTS TO REPORTS ON FORM 8-K		
FSC APARTMENTS INC	13,14	12/72
GPI COMPUTER CORP	14	03/73
PACIFIC TELEPHONE & TELEGRAPH CO	11	03/73
COASTAL STATES GAS CORP	3,7	03/73
CITY NATIONAL BANK CORP	13,14	03/73
VIPONT CHEMICAL CO	14	03/73

UNLISTED TRADING SOUGHT. The SEC has issued notices under the Securities Exchange Act of 1934 (a) giving interested persons until May 23, 1973 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the named companies:

Midwest Stock Exchange

Coastal States Gas Corporation

PBW Stock Exchange, Inc.

Coastal States Gas Corporation

(b) giving interested persons until May 26 to request a hearing upon an application of the Boston Stock Exchange, Inc. for unlisted trading privileges in the common stock of National Detroit Corporation and (c) giving interested persons until May 27 to request a hearing upon an application of the PBW Stock Exchange, Inc., for unlisted trading privileges in the common stocks or specified securities of the following companies:

Hughes Tool Company

Memorex Corporation

5-1/4% Convertible Subordinated Debentures, due 1990

Robintech, Inc.

Sambo's Restaurants, Inc.

Sterno Industries, Inc.

Vetco Offshore Industries, Inc.

(Rel. 34-10148)

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Accurate Calculator Corporation, Logos Development Corporation, Orecraft, Inc., Photon, Inc. and Textured Products, Inc. for the further ten-day period May 15-24, inclusive.

SECURITIES ACT REGISTRATIONS. Effective May 14: Carolina Power & Light Company, 2-47751; Cummins Engine Co., Inc., 2-47409; ESL Inc., 2-47886; First Coolidge Corp., 2-47445 (90 days); General Telephone & Electronics Corp., 2-47797; H-R-H, Inc., 2-46576 (90 days); International Foodservice Systems, Inc., 2-47955; Louisiana-Pacific Corp., 2-47400; New Perspective Fund, Inc., 2-47749; Peoples Gas Co., 2-47791; S-N Partners, Ltd., 2-46322 (90 days); Smith International, Inc., 2-47918; U. S. Industries, Inc., 2-47849.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

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Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail; \$8.25 additional for foreign mailing; \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail; \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.