

# sec news digest

a daily summary from the securities and exchange commission

Issue No. 73-59

(SEC Docket, Vol. 1, No. 9 - April 10)

March 27, 1973

## DECISIONS IN ADMINISTRATIVE PROCEEDING

**FREDRICK L. SCHREINER BARRED.** The SEC has barred Fredrick L. Schreiner of Lighthouse Point, Fla., from association with any broker or dealer. The action was based on findings that during 1970 and 1971, while respondent was associated with a registered broker-dealer, he aided and abetted violations of the antifraud, net capital, record keeping and reporting provisions of the Securities Exchange Act. Respondent did not respond to the charges against him and was deemed in default. (Rel. 34-10050)

## COMMISSION ANNOUNCEMENTS

**TRADING SUSPENDED IN TEXTURED PRODUCTS SECURITIES.** The SEC has ordered the temporary suspension of over-the-counter trading in the securities of Textured Products, Inc. (Textured), of Mount Vernon, N. Y. for a ten-day period commencing on March 26, 1973 and continuing through April 4, 1973. Trading in Textured stock commenced on February 1, 1973. On February 13, 1973 the Commission suspended trading for the 10-day period commencing on February 13, 1973 and terminating February 22, 1973 because it appeared that false and misleading statements were being made in connection with the solicitation of purchase of Textured securities. Subsequently, the underwriter for the offering, Morgan, Kennedy & Co., Inc., was enjoined from further violations of certain provisions of the Securities Exchange Act and a SIPC trustee was appointed to liquidate the firm's business.

This new suspension was ordered because of questions raised relating to whether the public offering of Textured's securities was made in accordance with the plan of distribution stated in the company's registration statement. In addition, the Commission has been informed that Morgan, Kennedy had failed to deliver out large blocks of Textured's securities prior to the appointment of a special trustee to liquidate the firm's business, thus affecting the "public float" of Textured's securities for an indeterminate period of time. (Rel. 34-10062)

**TRADING SUSPENDED IN PHOTON SECURITIES.** The SEC has ordered the temporary suspension of over-the-counter trading in the securities of Photon, Inc., of Wilmington, Mass. for a ten-day period commencing on March 26, 1973 and continuing through April 4, 1973. The suspension was ordered because of a lack of accurate public information concerning the results of the company's operations and because of questions which have arisen concerning the accuracy of information contained in Photon's filings of reports with the Commission. The company requested the suspension.

Photon, which engages in the manufacture and distribution of phototypesetting machines in domestic and international markets, recently engaged a new firm of independent public accountants to analyze the accounting systems and practices of the company. As a result of this study to date, the company believes that adjustments in its inventories and accounting procedures, resulting in adjustments in its balance sheets and income statements, will be required for the fiscal year ended December 31, 1972 and certain prior years. The extent of these adjustments has not yet been determined. (Rel. 34-10061)

**SEC ORDER CITES A. C. KLUGER & Co.** The SEC has ordered administrative proceedings against A. C. Kluger & Co., of New York, N. Y., a former member of the New York and American Stock Exchanges; Alan Kluger, of New York, N. Y., A. C. Kluger's senior partner, Michael Rich, of Plainview, N. Y., a partner of A. C. Kluger, George H. Newman, of Seaford, N. Y., a partner and former compliance director of A. C. Kluger, Issac Mayer, of Far Rockaway, N. Y., a partner of A. C. Kluger, and Leon Mayer, of Far Rockaway, N. Y., a former co-manager of an A. C. Kluger branch office. The proceedings are based on allegations by the staff that the respondents violated and aided and abetted violations of the registration, anti-fraud, bookkeeping and supplemental reporting provisions of the Federal securities laws in connection with a public offering of the common stock of Minute Approved Credit Plan, Inc. The order also alleges that the respondents violated and aided and abetted violations of those provisions of the Federal securities laws requiring the return of monies to customers in the event a minimum number of shares were not sold in a "best efforts, 50% or none" underwriting and the failure to supervise and prevent such violations.

A hearing will be scheduled by further order to take evidence on the staff charges and afford the respondents an opportunity to offer any defenses thereto, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature is necessary or appropriate in the public interest.

**MUTUAL FUND DISTRIBUTION HEARINGS.** Allan S. Mostoff, Director of the Division of Investment Management Regulation announced that the mutual fund distribution hearings will end on Wednesday, March 28, 1973. The presentations by the National Association of Securities Dealers and the Investment Company Institute previously announced for Thursday, March 29, have been cancelled.

## COURT ENFORCEMENT ACTIONS

**COMPLAINT NAMES PRO-TECH PROGRAMS, OTHERS.** The SEC New York Regional Office announced on March 20 the filing of a complaint in Federal court in New York seeking to enjoin Pro-Tech Programs, Inc., a New York corporation, Sol Rosen, Pro-Tech's president and Philip Schaum, Pro-Tech's vice president, from violations of the anti-fraud provisions of the Federal securities laws caused by their issuance of a false and misleading corporate financial report. The complaint also charges Smith, Jackson & Co., Inc., a New York broker-dealer, Stephen Smith its chairman, and six attorneys - Norman Rein, Maurice Mound, Harold Tract, Alan J. Rein, Eugene Leiman, Ernest Rosenberg, who were members of the law firm which acted as general counsel to Pro-Tech, with violations of the anti-fraud provisions in that they sold Pro-Tech stock at a time when they had knowledge of material adverse information about Pro-Tech not known to the investing public. (LR-5810)

**COMPLAINT NAMES LEXINGTON CAPITAL CORP., OTHERS.** The SEC New York Regional Office announced that on March 20 a complaint was filed in Federal court in New York seeking to enjoin Lexington Capital Corporation (Lexington), and its principals Samuel Frank, William Jacob Mandelbaum, Elliott Frank, Norton Fredrick Hight and Leonard Frank from further violations of the net capital rule. Lexington consented to the entry of a permanent injunction in connection therewith. The Securities Investor Protection Corporation has joined the Commission's action seeking a trustee under the SIPC Act to liquidate Lexington. (LR-5811)

## INVESTMENT COMPANY ACT RELEASES

**MASSMUTUAL INCOME INVESTORS.** The SEC has issued a notice giving interested persons until April 19 to request a hearing on an application filed by MassMutual Income Investors, Inc., Springfield, Mass. closed-end investment company, for an order declaring that Howard Weaver McCall, Jr., a director of the Fund, shall not be considered an "interested person" as defined in the Act. (Rel. IC-7735)

**THE NORTHWESTERN MUTUAL LIFE INSURANCE CO. AND NML VARIABLE ANNUITY ACCOUNT B.** The SEC has issued a notice giving interested persons until April 19 to request a hearing on an application of The Northwestern Mutual Life Insurance Company and NML Variable Annuity Account B, for an order under Section 22(d) to permit reduced sales charges on amounts derived from the value of various insurance policies or contracts previously issued by Northwestern Mutual which are exchanged for deferred variable annuity contracts. (Rel. IC-7736)

## HOLDING COMPANY ACT RELEASES

**GEORGIA POWER CO.** The SEC has issued an order authorizing Georgia Power Company, subsidiary of The Southern Company, of Atlanta, Ga. to issue \$11,797,000 of first mortgage bonds, 2-7/8% Series due 1980, and to surrender the bonds to the Trustee under Georgia's Mortgage Indenture for sinking fund purposes. The bonds, which will be issued on the basis of unfunded net property additions, will not constitute a liability of the company. (Rel. 35-17914)

**THE SOUTHERN CO.** The SEC has issued an order authorizing The Southern Company, Atlanta holding company, to make capital contributions through March 31, 1974 aggregating \$7,000,000 to Gulf Power Company, an electric utility subsidiary. The capital contributions to Gulf will increase Southern's aggregate capital contributions to all of its electric subsidiary companies from \$268,800,000, heretofore authorized by the Commission in this proceeding, to \$275,800,000. (Rel. 35-17915)

**CONNECTICUT LIGHT & POWER CO.** The SEC has issued an order authorizing The Connecticut Light and Power Company, Berlin, New Hampshire subsidiary of Northeast Utilities, to issue and sell \$50,000,000 of first and refunding mortgage bonds, due 2003 at competitive bidding. Proceeds will be used to repay in part CL&P's short-term borrowings previously incurred to finance its 1972-1973 construction program. (Rel. 35-17916)

**AMERICAN ELECTRIC POWER.** The SEC has issued an order authorizing American Electric Power Company, Inc. (AEP) New York holding company, to offer up to 6,500,000 shares of common stock to its common stockholders on the basis of one additional share for each ten shares held. AEP also proposes to sell any unsubscribed shares at competitive bidding. Net proceeds from the stock sale will be used, together with other funds, to pay commercial paper as it matures, for working capital, to make additional investments in the common stock of its subsidiaries and for other corporate purposes. (Rel. 35-17917)

## SECURITIES ACT REGISTRATIONS FILED

**EDS NUCLEAR INC.,** 220 Montgomery St., San Francisco, Calif. 94104 - 75,000 shares of common stock issuable pursuant to the company's Employee Stock Option Plan. (File 2-47314 - Mar 20)

**COTTER & COMPANY,** 2740 N. Clybourn Ave., Chicago, Ill. 60614 - 14,000 shares of Class A common stock, to be offered for sale in units of ten shares at \$1,000 per unit. No underwriting is involved. The company is a member-owned wholesaler of hardware and related products. Net proceeds will be used for general working capital purposes. (File 2-47315 - Mar 20)

**MORLIN CORPORATION**, Edificio Gusomares, Avenidas Balboa y, Federico Boyd, P. O. Box 4865, Panama 5, Republic of Panama, and **MORLIN INDUSTRIES, INC.**, 200 Park Ave., New York, N. Y. 10017 - \$4,282,400 of 9% subordinated guaranteed debentures, due 1988 and 1989, to be offered for sale by certain security holders from time to time at prices prevailing at the time of sale. (File 2-47317 - Mar 20)

**FIRST GOLDEN BANCORPORATION**, 1301 Jackson St., Golden, Colo. 80401 - 171,404 shares of common stock. Midwestern Financial Corporation proposes to distribute these shares to its shareholders of record, at the rate of one Bancorporation share for each five MFC shares held, without any consideration being paid. MFC acquired (or proposes to acquire) all the outstanding stock of FGB in exchange for \$250,000 and all the outstanding common stock of The First National Bank in Golden, Golden, Colo. FGB is a bank holding company. MFC through subsidiaries engages in commercial banking, mortgage banking, data processing and insurance brokerage businesses. (File 2-47318 - Mar 20)

**BALDOR ELECTRIC COMPANY**, c/o P. O. Box 6238, Fort Smith, Ark. 72901 - 314,751 shares of common stock, of which 260,000 are to be offered for sale by the company and 54,751 by certain shareholders. The offering is to be made (\*at \$13 per share maximum) through underwriters headed by A. G. Edwards & Sons, Inc., One North Jefferson Ave., St. Louis, Mo. 63103. The company manufactures and sells industrial electric motors. Of the net proceeds, \$1,685,500 will be used to repay debt and the balance for working capital and other corporate purposes. (File 2-47319 - Mar 20)

**PENN DIXIE CEMENT CORPORATION**, 1345 Avenue of the Americas, New York 10019 - 1,482,729 shares of common stock and 988,486 common stock purchase warrants. It is proposed to offer these securities in exchange for the outstanding shares of Continental Steel Corporation, at the rate of 1-1/2 shares and one warrant for each Continental share. Penn-Dixie manufactures Portland cement and engages in related activities. Continental manufactures and sells steel products. (File 2-47320 - Mar 20)

**MIDCO MORTGAGE INVESTORS**, wholly-owned subsidiary of MIDWEST MORTGAGE COMPANY, 120-N.E. 9th St., Miami, Fla. 33132 - 1,000,000 shares of beneficial interest of MIDCO and warrants to purchase 333,333 shares of common stock of Midwest, to be offered for sale in units, each consisting of one Midco share and one warrant to purchase one-third share of Midwest. The offering is to be made at \$25 per unit through underwriters headed by Thomson & McKinnon Auchincloss Inc., Two Broadway, and Paribas Corp., 40 Wall St., both of New York. The Trust was established to invest in a diversified portfolio of mortgage and real property investments. Midwest is engaged principally in the business of mortgage banking, as well as operating a title insurance agency, real estate brokerage, management and leasing. (File 2-47321 - Mar 20)

**PANIFLEX CORPORATION**, 430 E. 165 St., Bronx, N. Y. 10456 - 165,000 shares of common stock, issuable upon exercise of Series A and Series B warrants. Paniflex manufactures and markets a bi-fold door and the Paniflex Wardrobe Module and Closet Systems. (File 2-47322 - Mar 21)

**ATLANTIC GULFSTREAM CORPORATION**, Tampa, Fla. - 600,000 shares of Class A common stock, to be offered for sale in multiples of ten shares at \$10 per share. The company was organized in February to finance the formation and capitalization of a Florida insurance company to be called Golden Sun Life Insurance Company. Of the net proceeds, \$1,250,000 will be invested in Golden Sun and the balance used for working capital and other corporate purposes. (File 2-47325 - Mar 21)

## MISCELLANEOUS

**OVER-THE-COUNTER REGISTRATIONS REPORTED.** The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "\*\*\*"):

6907	Alabama Bancorporation**	Birmingham, AL
6780	Anderson, Greenwood & Co**	Houston, TX
6906	Automated Medical Lab's, Inc	Miami, FL
6777	Builders Investment Group**	Valley Forge, PA
6915	Cancer Detection, Inc	Salt Lake City, UT
6778	Carbon Fuel Co**	Charleston, W. VA
6914	Chief Pierre, Inc**	Traverse City, MI
6769	Comdisco, Inc	Des Plaines, ILL
6903	Control Research Products, Inc	Ft. Wash., PA
6793	Cosmetex Ind., Inc**	Minneapolis, MI
6790	Crown Auto Stores, Inc	St. Louis, MN
6894	Equity Growth Of America, Inc	Atlanta, GA
6896	Intertec National, Inc	Norman, OK
6904	Kleer Pak Corp	Inwood, NY
6764	Mobile America Corp**	Jacksonville, FL
6801	Orrex Corp**	Opelika, AL
6902	Schertle Galleries, Inc	Ellicott City, MD
6897	Sew Simple, Inc	Westbury, NJ
6909	Surety Financial Corp	Salt Lake City, UT
6767	The Systems Corp**	Honolulu, HA
6910	Tenneco Offshore Co, Inc	Houston, TX
6919	Union Planters Corp	Memphis, TN
6770	United Computing Corp	Carson, CA
6787	Western Digital Corp**	Newport Beach, CA

## 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.

8K-REPORTS FOR FEBRUARY 1973

American Motors Corp (11,14)	1-622-2	Barnes Hind Pharmaceuticals, Inc. (3,10)	0-1991-2
American National Holding Co. (4,7,11,13,14)	0-6027-2	Beverly Enterprises (3,13)	1-5894-2
American Planned Communities, Inc. (11,13,14)	2-41592-2	Binks Manufacturing Co.(7,10)	1-1416-2
American Pyramid Companies, Inc. (2,13,14)	0-2372-2	Blake, Stephens & Kittredge, Inc. (13)	2-42293-2
American Television & Communications Corp (3,7,13)	0-4049-2	Blasius Industries, Inc.(10,13,14)	0-3252-2
Ampex Corp (2,14)	1-4150-2	Boatmen's Bancshares Inc.(13,14)	0-4562-2
Anixter Bros., Inc.(14)	0-3326-2	Bohack Corp (1,14)	1-5304-2
Anta Corp (2,7)	0-6697-2	Böhemia Lumber Co., Inc.(13,14)	0-3939-2
Apache Corp (14)	1-4300-2	Bowmar Instrument Corp (3)	1-4817-2
Apeco Corporation (3,13)	1-6081-2	Brown & Grist Inc.(1,2,8,11,14)	0-2714-2
Arcs Equities Corp (10,13,14)	0-2725-2	Bunker Ramo Corp (10,13)	1-4158-2
Aries Corporation (8,13,14)	0-2540-2	Burroughs Corp (13,14)	1-145-2
Armin Poly Film Corporation(7)	0-6556-2	C.I. Realty Investors(13)	2-42542-2
Associates Corp of North America (7)	1-6154-2	CIC Corp (7)	1-6607-2
Associates First Capital Corp (7)	2-44197-2	Cadence Industries Corp(7,8,13)	1-2991-2
Atlanta Gas Light Co. (11)	0-109-2	Capital General Corporation (1,2,14)	0-3109-2
Automatic Drilling Machines Inc. (2,14)	0-5602-2	Capital Reserve Corp (10)	1-7000-2
Avtek Corp (6,7,13,14)	0-5963-2	Caribbean Shoe Corp (13,14)	1-108-2
Azccn Corporation (7,8,13,14)	0-5826-2	Carlsberg Mobile Home Properties, Ltd. (3)	0-6196-2
BBI, Inc. (3,13)	1-4608-2	Castle & Cooke Inc.(10)	1-4455-2
		Central Louisiana Electric Co. Inc. (7,14)	1-5663-2

**TRADING SUSPENSIONS CONTINUED.** The SEC has ordered the suspension of over-the-counter trading in the securities of First Leisure Corporation and Pelorex Corporation for the further ten-day period March 27 through April 5, inclusive.

**SECURITIES ACT REGISTRATIONS.** Effective March 26: The Connecticut Light and Power Co., 2-47038; Lafayette Funds, Inc., 2-46674 and 2-46675; Miracle Co., 2-46053 (90 days).

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

\*As estimated for purposes of computing the registration fee.

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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.