

# sec news digest

a daily summary from the securities and exchange commission

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April 30, 1973

## DECISIONS IN ADMINISTRATIVE PROCEEDING

**INITIAL DECISION ORDERS PAUL RICE BARRED ONE YEAR.** Administrative Law Judge David J. Markun has filed an initial decision barring Paul L. Rice of Oklahoma City, Oklahoma from association with a broker-dealer with a proviso that after a period of one year from the effective date of the order he may become associated with a registered broker-dealer upon a satisfactory showing to the staff of the Commission that he will be adequately supervised.

The order is based upon findings that in November and December of 1968 Rice wilfully aided and abetted violations of the registration provisions of Sections 5(a) and 5(c) of the Securities Act of 1933 in connection with the participation by his employer, Stone Summers & Company, in the distribution of 698,000 shares of unregistered common stock of United Australian Oil, Inc. Stone Summers and three of its officers were sanctioned by the Commission in November of 1972 for their participation in that distribution of UAO stock.

The decision is subject to review by the Commission on its own motion or on petition of a party.

## COMMISSION ANNOUNCEMENTS

**BLYTH EASTMAN DILLON & CO., INC. AND THOMAS L. GRAFFEO SANCTIONED.** The SEC has issued an order censuring Blyth Eastman Dillon & Co., Inc., New York, and Thomas L. Graffeo and suspending him from association with any broker or dealer for 15 business days commencing May 21, 1973.

According to the decision, Graffeo during 1968-1969, while employed as a registered representative of Eastman Dillon, Union Securities & Co., predecessor in interest to Blyth Eastman Dillon & Co., Inc., violated antifraud and recordkeeping provisions of the securities laws by allocating stock in new issues of securities, which were expected to and which did sell at a premium subsequent to the effective date of the offerings, to a former official of the State of Washington. Such official directed securities business, on behalf of various state funds, to Graffeo's employer, who, it was found, failed reasonably to supervise to prevent the above violations.

The Commission's action was taken pursuant to offers of settlement in which respondents, without admitting or denying the charges, consented to the findings and the indicated sanctions. (Rel. 34-10120)

**TRADING SUSPENDED IN GIANT STORES STOCK.** The SEC has announced the temporary suspension of the over-the-counter trading in securities of Giant Stores Corp., Chelmsford, Massachusetts, for a ten-day period commencing April 27, 1973 through May 6, 1973.

Giant Stores Corp. is in the retail discount department store business.

The Commission ordered the suspension at the request of Giant because of the current unavailability of adequate and accurate financial information concerning the company and because of indications of possible record keeping irregularities in connection with the audit for Giant's fiscal year ended February 3, 1973. On Wednesday, April 25, 1973, the American Stock Exchange suspended trading upon request of Giant. (Rel. 34-10131)

## COURT ENFORCEMENT ACTIONS

**CUSTODIAN SECURITY BROKERAGE CORP., OTHERS ENJOINED.** The SEC New York Regional Office announced that on March 27 the Federal court in New York had permanently enjoined Custodian Security Brokerage Corp., a broker-dealer of New York City, and Gary Kirsner from further violations of the net capital, record-keeping, and supplemental reporting provisions of the Securities Exchange Act of 1934, and appointed Lyonel E. Zunz, Esq. as SIPC trustee. The defendants consented to the court order without admitting or denying the allegations. (LR-5866)

**MAURICE MINUTO PLEADS GUILTY.** The SEC New York Regional Office announced that on April 27 Maurice Minuto of Farmingdale, Long Island, New York, pleaded guilty in the Federal court in Manhattan to one count of criminal contempt of an antifraud injunction obtained against him in 1967 by the SEC. (LR-5867)

**BERGLEITNER ORDERED TO ANSWER QUESTIONS.** The SEC New York Regional Office announced that on April 19, the Federal court in Manhattan granted the Commission's motion to compel George C. Bergleitner, Jr. to answer certain questions propounded at his deposition which he had refused to answer on the grounds of relevancy. Bergleitner, one of the defendants in the matter of SEC v. Pied Piper Yacht Charters Corp., had refused to answer questions pertaining to an indictment in which he had been named as a co-conspirator. That indictment alleged that Bergleitner had received secret compensation to induce him to sell a particular stock. The Commission has alleged similar conduct in the Pied Piper matter. (LR-5869)

**COMPLAINT AGAINST KOSCOT INTERPLANETARY, INC., DISMISSED.** The SEC Atlanta Regional Office announced that on April 20 the Federal court in Atlanta dismissed the Commission's complaint for an injunction against Koscot Interplanetary, Inc., Glenn W. Turner Enterprises, Inc., Glenn W. Turner and others. The complaint, filed on September 13, 1972 also sought the appointment of a receiver, and accounting and disgorgement of profits. Although the court stated, "Gross intentional fraud may well be involved", it nevertheless dismissed the action on the ground that in the court's view no security was involved in the multi-level distributorships offered and sold by Koscot. (LR-5870)

#### INVESTMENT COMPANY ACT RELEASES

**SALOMON BROTHERS.** The SEC has issued an order exempting Salomon Brothers, its co-representatives and their co-underwriters, from the provisions of Section 30(f) of the Act in respect of their transactions incident to the proposed distribution of shares of common stock of Hatteras Income Securities, Inc., a newly registered closed-end investment company. (Rel. IC-7786)

**THE FIRST BOSTON CORPORATION.** The SEC has issued an order exempting The First Boston Corporation, of New York, and its co-underwriters from the provisions of Section 30(f) of the Act in respect of their transactions incident to the proposed distribution of shares of common stock of CNA Income Shares, Inc., a newly registered closed-end investment company. (Rel. IC-7788)

**KIDDER, PEABODY & CO., INC.** The SEC has issued an order exempting Kidder, Peabody & Co., Inc. and its co-underwriters from the provisions of Section 30(f) to the extent it adopts Section 16(b) of the Securities Exchange Act of 1934 in respect of their transactions incident to the proposed distribution of shares of common stock of Excelsior Income Shares, Inc., a registered closed-end investment company. (Rel. IC-7789)

**NEW YORK SUPERANNUATION TRUST.** The SEC has issued a notice giving interested persons until May 17 to request a hearing on an application filed by New York Superannuation Trust (the sole beneficiary of which is an English pension fund) for an order exempting the Trust from all the provisions of the Act. (Rel. IC-7790)

**INDUSTRY CAPITAL CORPORATION.** The SEC has issued an order on a proposal to declare that Industry Capital Corporation, of Chicago, Illinois, has ceased to be an investment company. (Rel. IC-7792)

**DREXEL BOND-DEBENTURE TRADING FUND.** The SEC has issued a notice giving interested persons until May 23 to request a hearing on an application filed by Drexel Bond-Debenture Trading Fund, Drexel Equity Fund, Inc., Drexel Hedge Fund, Inc., and Drexel Utility Shares, Inc., registered investment companies, for an order granting limited exemptions from the provisions of Section 15(a) of the Act which prohibits a person from serving as investment adviser to a registered investment company unless the written terms of the advisory contract have been approved by a majority of the outstanding voting securities of such investment company. (Rel. IC-7793)

**PENSION EQUITY FUND, INC.** The SEC has issued a notice giving interested persons until May 25 to request a hearing on an application filed by Pension Equity Fund, Inc., of New York, for an order of the Commission declaring that the Fund has ceased to be an investment company. (Rel. IC-7794)

#### HOLDING COMPANY ACT RELEASES

**THE SOUTHERN COMPANY.** The SEC has issued an order authorizing The Southern Company of Atlanta, Georgia, and two of its subsidiaries, Alabama Power Company and Georgia Power Company to increase the aggregate principal amount of bank notes and/or commercial paper which may be issued from time to time through March 31, 1974 and which may be outstanding at any one time from \$130,000,000, \$65,000,000, \$150,000,000 to \$175,000,000, \$130,000,000 and \$300,000,000, for Southern, Alabama and Georgia, respectively. (Rel. 35-17945)

#### SECURITIES ACT REGISTRATIONS FILED

**ELI LILLY AND COMPANY.** 307 East McCarty Street, Indianapolis, Indiana 46225 - 950,000 shares of common stock, to be offered for sale by the Ruth Allison Lilly Estate, the Selling Shareholder (\* at \$81.25 per share maximum) through underwriters headed by Morgan Stanley & Co., 2 Wall Street, New York 10005. (File 2-47645 - Apr 11)

**AMF INCORPORATED.** 777 Westchester Avenue, White Plains, New York 10604 - 54,100 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices prevailing at the time of sale or at negotiated prices (\* \$31.125 per share maximum). (File 2-47651 - Apr 11)

THE MUNICIPAL BOND FUND, SERIES 8. \$25,000,000 of units. The Fund was created pursuant to a trust indenture and agreement between Dean Witter & Co., Inc., Paine, Webber, Jackson & Curtis, Inc., and Reynolds Securities as sponsors, United States Trust Company of New York as trustee, and Standard & Poor's Corporation as evaluator. The Fund consists of interest bearing obligations issued by or on behalf of states, counties, municipalities, and territorial possessions of the United States, and authorities, agencies and other political subdivisions thereof, the interest income on which, in the opinion of counsel or by ruling of the Internal Revenue Service, is exempt from present Federal income taxes. The minimum rating of the Bonds is Standard & Poor's Corporation's rating "BBB" or Moody's Investors Service, Inc.'s rating "Baa." (File 2-47653 - Apr 11)

ORANGE AND ROCKLAND UTILITIES, INC., 75 West Route 59, Spring Valley, New York 10977 - \$25 million of first mortgage bonds, Series M, due 2003, to be offered for sale at competitive bidding. Net proceeds will be used to reduce outstanding short-term indebtedness incurred in connection with the company's construction program. Construction expenditures are estimated at \$319 million for the period 1973 through 1977. (File 2-47654 - Apr 11)

TENNECO INC., Tenneco Bldg., Houston, Tex. 77002 - 635 shares of \$5.50 cumulative convertible preference stock, 766,150 shares of common stock, 4,955 warrants, expiring 1975, and 2,270 warrants expiring 1979, all issuable pursuant to the company's Thrift Plan. (File 2-47621 - Apr 9)

BROMS-LONIE, INC., and Honokowai Maui Partnership, 1436 Georgia-Pacific Bldg., Portland, Ore. 97204 - \$3,016,018 of apartment deeds, ground leases and rental agency agreements, to be offered for sale (\* at \$58,000 per unit maximum), by Broms-Lonie Investments, Inc. and others. The apartment project will be known as "Club Mondiale Paki Maui," consisting of 52 beachfront resort condominium apartments to be constructed at Honokowai, Island of Maui, Hawaii. (File 2-47625 - Apr 9)

FUQUA INDUSTRIES, INC., 3800 First National Bank Tower, Atlanta, Ga. 30303 - 495,541 shares of common stock. Of these shares 390,641 may be offered for sale from time to time by certain shareholders (\* at 13.50 per share maximum). The remaining 104,900 shares may be issued in connection with future acquisitions (including 2,900 which have been issued in connection with an acquisition). The company's principal operations are in the area of leisure time products and services. (File 2-47627 - Apr 10)

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 "\*\*\*"):

<u>NO.</u>	<u>O- REGISTRANT</u>	<u>LOCATION</u>
6992	American Standard Homes Corp	Martinsville, VA
6841	Beemac, Inc**	Detroit, MI
6839	Brenco, Inc**	Petersburg, FL
6838	Century Geophysical Corp**	Tulsa, OK
6846	Cliffs St. Clair Corp**	Celveland, OH
6832	Credit Insurers of America, Inc**	Coral Gables, FL
7001	Electronics & Mfg. Corp	Alexandria, VA
6830	Environmental Tectronics Corp**	Southampton, PA
6845	FAS International, Inc**	Westport, CT
6973	First United Bancorporation, Inc	Fort Worth, TX
6844	HNC Mortgage & Realty Investors**	Westport, CT
6837	Hudson Pharmaceutical Corp	New York, NY
6833	Hydrophilics Intl., Inc**	New York, NY
6848	Jefferson Bancorp, Inc	Miami, Beach, FL
6849	Mississippi Power Co	Gulfport, MISS.
6974	Modern Mining & Milling Co Inc	Shoshoni, WY
6981	Murphy Motor Freight Lines, Inc	St. Paul, MN
6847	National Housing Ind., Inc**	Phoenix, AR
6842	On Guard Corporation of America**	Carlstadt, NJ
6991	Pacemaker Financail Corp	Atlanta, GA
6980	Parker Oil, Inc	Denver, CO
2373	Richards Aircraft Supply Co**	Ft. Lauderdale, FL
6073	Rotodyne, Inc**	Brooklyn, NY
6831	Sacom**	Sun Valley, CA
6982	Sontrix, Inc	Boulder, CO
6908	Stanwick Corp**	Arlington, VA
6996	Topps & Trowers	San Francisco, CA
4135	Universal Major Industries Corp	Kingston, NY
6836	Ups'n Downs, Inc	New York, NY
6987	Western Plastics Corp	Tacoma, WA

**MISCELLANEOUS**  
**IMPORTANT NOTICE**

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed: Public Reference Section, Securities and Exchange Commission, Washington, D. C. 20549. The reproduction cost will approximate 12¢ per page, plus postage, for mailing within four days, to 25¢ per page, plus postage, for overnight mailing. Cost estimates given on request.

**RECENT FORM 8-K FILINGS.** The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. The captions of the items are as follows:

Item 1. Changes in Control of Registrant.	Item 9. Options to Purchase Securities.
Item 2. Acquisition or Disposition of Assets.	Item 10. Revaluation of Assets or Restatement of Capital Share Account.
Item 3. Legal Proceedings.	Item 11. Submission of Matters to a Vote of Security Holders.
Item 4. Changes in Securities.	Item 12. Changes in Registrant's Certifying Accountant.
Item 5. Changes in Security for Registered Securities.	Item 13. Other Materially Important Events.
Item 6. Defaults upon Senior Securities.	Item 14. Financial Statements and Exhibits.
Item 7. Increase in Amount of Securities Outstanding.	
Item 8. Decrease in Amount of Securities Outstanding.	

Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed.

**8K REPORTS FOR MARCH 1973**

ACF Industries, Inc.(7,14)	1-1333-2	American Broadcasting Companies Inc. (4,10,13,14)	1-3534-2
A.J. Industries, Inc.(11,13)	1-5672-2	American Equity Invst Trust (2,11,14)	0-4869-2
Aero Resources, Inc. (6,12,13,14)	0-5448-2	American Export Industries, Inc.(3,6,7,8,10,14)	1-5054-2
Aeroflex Laboratories, Inc. (11,13)	0-2324-2	American Export Lines, Inc. (10,14)	0-2097-2
Air Express International Corp (7,13,14)	0-348-2	American Financial Corp (7)	0-839-2
Air Michigan Inc.(13)	0-4908-2	American Regitel Corp (7,14)	0-5078-2
Airlift International, Inc.(2)	0-1846-2	American Science & Engineering Inc.(10,11,14)	1-6549-2
Akzona Inc.(11)	1-3901-2	Anaconda Co. (8)	1-2280-2
Alanthus Corp (7,13,14)	0-5938-2	Analog Devices, Inc.(11,14)	0-4407-2
Alleghany Corp (3)	1-2644-2	Anixter Bros., Inc.(14)	0-3326-2
Allegr-Tech, Inc.(13,14)	2-17075-2	Apache Grove Land Prgm 72, Ltd. (13,14)	2-43525-2
Allen Organ Co. (3)	0-275-2	Arctic Enterprises, Inc.(7,14)	1-6290-2
Allied Mills, Inc.(10,14)	1-90-2	Arkansas Louisiana Gas Co.(7)	1-3751-2
Allied Stores Corp (8)	1-970-2	Arlen Realty & Development Corp (7,14)	1-6675-2
Alloy Metal Products, Inc.(13)	2-34962-2		
Amarex, Inc. & Amarex Funds, Inc. (13)	2-36642-2		
American Bakeries Co.(13)	1-74-2		

**TRADING SUSPENSIONS CONTINUED.** The SEC has ordered the suspension of (a) exchange and over-the-counter trading in the securities of Goodway Inc. for the further ten-day period April 28 through May 7, inclusive, and over-the-counter trading in the securities of (b) Aadan Corporation for the further ten-day period April 28 through May 7, inclusive, (c) Star-Glo Industries, Inc. for the further ten-day period April 29 through May 8, inclusive, and (d) Continental Vending Machine Corporation for the further ten-day period April 30 through May 9, inclusive.

**SECURITIES ACT REGISTRATIONS.** Effective April 26: Freeport Minerals Co., 2-47538; International Flavors & Fragrances Inc., 2-47516 (40 days). Effective April 27: Coquina Oil Corp., 2-46898 (90 days); Financiera Metropolitana, S.A., 2-47151; Founders Special Fund, Inc., 2-47148; Longs Drug Stores, Inc., 2-47618; Marriott Corp., 2-47775; Mayflower Corp., 2-47136 (July 26); Mid-Continent Telephone Corp., 2-47619; National Central Financial Corp., 2-47752; Northwest Ohio Bancshares, Inc., 2-47567; Roper Corp., 2-47411; Saxon Industries, Inc., 2-47640; Southwest Florida Banks, Inc., 2-47066 (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.