

# sec news digest

a daily summary from the securities and exchange commission

Issue 73-213  
(SEC Docket, Vol. 2, No. 21 - Nov. 20)

November 5, 1973

## DECISIONS IN ADMINISTRATIVE PROCEEDING

CALIFORNIA TIME PETROLEUM, INC. ORDERED TO CORRECT ANNUAL REPORT. An order has been issued directing California Time Petroleum, Inc., Los Angeles, Calif., to file a correcting amendment to its annual report filed under the Securities Exchange Act for its fiscal year ended December 31, 1973. The order also directed that copies of the Commission's findings and order be sent to all shareholders.

The action was based on findings that the company's annual report had included misleading material statements about an economic expectancy report analyzing the company's properties. It was found, among other things, that the report failed to make adjustments in oil and gas reserves to reflect recent developments, and failed to disclose that one of the reasons the prior owner of one of the company's coal properties had ceased operations was the exhaustion of the best and most cheaply recoverable coal.

California Time Petroleum had submitted an offer of settlement, including a stipulation of facts, in which it consented to the findings and agreed to file a correcting amendment and to distribute copies of the findings and order to its shareholders. (Rel. 34-10463)

ATTORNEY SUSPENDED FROM PRACTICE BEFORE COMMISSION. An order has been issued under the Commission's Rules of Practice suspending Paul Gerstner, a member of the bar of the State of New York, from appearance or practice before the Commission for a period of four years. The order for proceedings alleged that during 1969 and 1970 Mr. Gerstner aided and abetted violations of the registration and antifraud provisions of securities acts in connection with four public offerings of securities. Gerstner had been counsel for the issuer in one of the offerings, and counsel for the underwriter in another. The order for proceedings alleged that Gerstner had acted as a nominee for a secret partner of one of the underwriters in a distribution of securities of Micro-Scan Systems, Inc., concealing the interests in the issuer of the secret partner of the underwriter. It was also alleged, among other things, that Gerstner had facilitated the making of a loan to the secret partner, whose interests in Windy's National Franchise System, Inc. were not disclosed in the offering circular covering the public offering of that issuer's securities.

The order suspending Gerstner from practice was based on an offer of settlement submitted by him, in which, without admitting or denying the charges against him, he consented to the suspension. (Rel. 34-10458)

CHURCH SECURITIES, INC. SUSPENDED; CHURCH INVESTORS, PRESSLEY AND HARRISON BARRED. An order has been issued suspending for 30 days the broker-dealer registration of Church Securities, Inc., Atlanta, Georgia, and barring Church Investors, Inc., an affiliate, Joseph L. Pressley, formerly board chairman and president of Church Securities, and Thomas F. Harrison, formerly a director and executive vice-president of Church Securities, from association with any broker or dealer. The order provides that after one year Pressley and Harrison may apply for permission to become associated in a non-supervisory capacity if they can show they will be adequately supervised. The sanctions were based on findings that during 1971-73 Church Securities, aided and abetted by Pressley and Harrison, and in some instances by Church Investors, violated various provisions of the securities laws in that, among other things, it made material misrepresentations about various funds held in trust by Church Investors, failed to transmit promptly the proceeds of securities transactions, failed to file promptly an amendment to its registration, and failed to comply with net capital, record keeping and reporting requirements. Respondents agreed to consent to a permanent injunction enjoining them from violations of various provisions of the securities laws. (Rel. 34-10464)

## COURT ENFORCEMENT ACTIONS

PATRICK BRADY PLEADS GUILTY. The New York Regional Office announced that on October 3 Patrick Brady pleaded guilty to one count of conspiracy to violate the antifraud provisions of the securities laws. Brady had been charged, among others, with using bribes in a stock loan scheme to alleviate the worsening financial condition of Morgan Kennedy & Co., Inc., a defunct brokerage firm of which he was a principal. (LR-6123)

## HOLDING COMPANY ACT RELEASES

ALABAMA POWER COMPANY. A notice has been issued giving interested persons until November 20 to request a hearing on a proposal of Alabama Power Company, subsidiary of The Southern Company, to sell 500,000 shares of preferred stock (\$100 par) at competitive bidding and issue and sell \$75,000,000 principal amount of first mortgage bonds at competitive bidding. Proceeds of the sales are to be used to reduce outstanding unsecured debt and to finance its construction program. (Rel. 35-18150)

CENTRAL AND SOUTH WEST CORPORATION. An order has been issued authorizing Central and South West Corporation, a registered holding company, to sell short-term notes to banks and/or commercial paper to a dealer in commercial paper, to make loans to its subsidiaries and to grant an exception from competitive bidding. (Rel. 35-18151)

AMERICAN ELECTRIC POWER COMPANY. A supplemental order has been issued authorizing Ohio Power Company, subsidiary of American Electric Power Company, Inc., to sell common stock to AEP for \$34,500,000. (Rel. 35-18152)

MISSISSIPPI POWER & LIGHT COMPANY. A notice has been issued giving interested persons until November 28 to request a hearing on a proposal of Mississippi Power and Light Company, subsidiary of Middle South Utilities, Inc., to further amend its mortgage and deed of trust (Indenture), dated September 1, 1944, to Irving Trust Company, et al., as trustees, by removing therefrom the fixed ceiling limitation of \$250 million on aggregate borrowings. In connection with such amendment, Mississippi has requested Commission approval of proxy materials for the solicitation of consents from its first mortgage bondholders. Mississippi further proposes to call a special meeting of its common and preferred stockholders, to be held on or about January 29, 1974, for the purpose of submitting the proposed amendment for their adoption. (Rel. 35-18153)

NEW ENGLAND ELECTRIC SYSTEM. A notice has been issued giving interested persons until November 26 to request a hearing on a proposal by New England Electric System, Westborough, Massachusetts holding company, that the limits on certain short-term borrowings permitted to be outstanding at any one time for three of its subsidiary gas utility companies be increased by an aggregate amount of \$2,550,000. (Rel. 35-18154)

## INVESTMENT COMPANY ACT RELEASES

WADE FUND. An order has been issued granting Wade Fund, Inc. of Memphis, Tennessee a temporary exemption, not to exceed 90 days, from the provisions of the Act, which prohibit any person from serving as an investment adviser to a registered investment company except pursuant to a contract which has been approved by a vote of a majority of the outstanding voting securities of such registered company. (Rel. IC-8066)

INVESTMENT CAPITAL CORPORATION. A notice has been issued giving interested persons until November 26 to request a hearing on an application of Inventure Capital Corp., a registered, non-diversified closed-end investment company, Studley, Shupert & Co., Inc., the Fund's investment adviser, Bounty Imports, Inc., a company of which the Fund is the majority shareholder, and Irving Levine, a vice-president and director of the adviser, for an order permitting Levine to receive compensation, in an amount not to exceed \$10,000 annually in payment for his services as a business consultant to Bounty. (Rel. IC-8068)

FIFTH EMPIRE FUND. A notice has been issued giving interested persons until November 27 to request a hearing on an application of Fifth Empire Fund, Inc. ("Fifth") and Third Empire Fund, Inc. ("Third"), open-end investment companies which may be deemed under common control and, thus, affiliated persons of each other, for an order permitting the merger of Third into Fifth on the basis of their respective net asset values. (Rel. IC-8069)

## SECURITIES ACT REGISTRATIONS FILED

(S-11) SHELTER PARTNERS LTD. (the Partnership), c/o Beaver Mortgage Co., 1020 Long Blvd., Lansing, Mich. 48910 - \$600,000 of Class A partnership interests and warrants to purchase 120 Class A partnership interests, to be offered for sale in units, each consisting of one interest and one warrant. The offering is to be made at \$5000 per unit on a best efforts basis by Financial Service Corporation of America. The Partnership was formed to acquire from Hubert S. Garner, the general partner, a specified multifamily residential apartment project. (File 2-49322 - Oct. 15)

S-1 HEUBLEIN, INC., Farmington, Conn. 06032 - 19,957 shares of common stock. It is proposed to offer these shares to three individuals in exchange for their 47% ownership in Kentucky Fried Chicken de Mexico S.A.; Heublein currently owns the remaining 53%. Heublein produces and distributes alcoholic beverages and processes and sells fried chicken through retail fast food outlets and other food products. (File 2-49324 - Oct. 15)

(S-1) GAMBLE-SKOGMO, INC., 5100 Gamble Dr., Minneapolis, Minn. 55416 - \$25 million of subordinated income capital notes, due 2003, to be offered for sale at 100% of principal amount through selected NASD members. The company is principally engaged in retail and wholesale merchandising. (File 2-49325 - Oct. 16)

(S-14) THE CENTRAL BANCORPORATION, INC., Fourth and Vine Sts., Cincinnati, Ohio 45202 - 140,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of The Commercial Banking & Trust Company, Wooster, Ohio, at the rate of four shares for each Bank share. Bancorporation is a bank holding company. (File 2-49330 - Oct. 12)

(S-14) BANCOHIO CORPORATION, 51 North High St., Columbus, Ohio 43216 - 49,322 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of Vandalia Bank, at the rate of 1.35 shares for each Bank share. BancOhio owns substantially all of the outstanding stocks of 36 banks in Ohio. (File 2-49331 - Oct. 16)

(S-14) In a separate statement, BancOhio seeks registration of 32,400 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of Cummings Bank, at the rate of 1.8 shares for each Bank share. (File 2-49332 - Oct. 16)

(S-7) DUKE POWER COMPANY, 422 South Church St., Charlotte, N.C. 28201 - \$100 million of first and refunding mortgage bonds, due 2003, to be offered for sale at competitive bidding. (File 2-49333 - Oct. 16)

(S-14) ALLEGHENY LUDLUM INDUSTRIES, INC., 2000 Oliver Bldg., Pittsburgh, Pa. 15222 - 36,165 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Bruce Manufacturing Inc., at the rate of 1/20 share for each Bruce share. Allegheny manufactures and sells specialty steels and alloys, consumer products and other products, including magnetic and electronic materials. Bruce manufactures and markets three vehicles. (File 2-49335 - Oct. 16)

(S-1) TERRA FIRMA INC., 166 Main St., Rowley, Mass. 01969 - \$1 million of various ages and gallonages of Scotch whisky and certain ancillary services, to be offered for sale in minimum amounts of \$2000. (File 2-49336 - Oct. 15)

(S-7) FLEXI-VAN CORPORATION, 330 Madison Ave., New York, N.Y. 10017 - \$35 million of collateral trust debentures, Series A, due 1993, to be offered for sale through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Cal. The company leases containers, tractors and trailers and other equipment for the intermodal transportation of freight. (File 2-49337 - Oct. 16)

(S-14) SECURITY PACIFIC CORPORATION, 561 South Spring St., Los Angeles, Cal. 90013 - 581,445 shares of common stock. It is proposed to offer these shares in exchange for the outstanding stock of Midwestern Financial Corporation, at the rate of a maximum of .65 and a minimum of .60 Security Pacific shares for each Midwestern share. Security Pacific is a bank holding company. Midwestern, through a subsidiary, is principally engaged in the mortgage business. (File 2-49338 - Oct. 16)

(S-11) COMMONWEALTH NATIONAL REALTY TRUST, The Maryland National Center, Rockville, Md. 20850 - 1,250,000 shares of beneficial interest, to be offered for sale at \$20 per share through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Cal. The Trust was newly formed to invest in a diversified portfolio of real estate investments. Commonwealth National Advisers is investment adviser. (File 2-49341 - Oct. 16)

(S-12) ADR'S FILED FOR KLOOF GOLD MINING CO. First National City Bank, 111 Wall St., New York, N.Y. 10015, filed a registration statement seeking registration of 100,000 American Depositary Receipts for ordinary shares of Kloof Gold Mining Company Limited, a South African corporation. (File 2-49295 - Oct. 10)

(S-11) CENTRAL MORTGAGE AND REALTY TRUST, 928 Grand Ave., Kansas City, Mo. 64142 - 750,000 shares of beneficial interest, to be offered for sale through underwriters headed by Stern Brothers & Co., Kansas City, Mo. Organized in April 1972, the Trust invests primarily in short-term first mortgage construction and development loans on commercial and residential properties. Central Management, Inc., is investment adviser. (File 2-49334 - Oct 17)

## MISCELLANEOUS

**SECURITIES ACT REGISTRATIONS.** Effective November 2: Almaden Vineyards, Inc., 2-47937; ADR's for East Driefontein Gold Mining Company Limited, 2-49267; Equitable General Corp., 2-48980; The Fort Worth National Corp., 2-48794; International Minerals & Chemical Corp., 2-49473; McGraw-Edison Co., 2-49100; Northeast Bankshare Association, 2-48612 (40 days); Recrion Corp., 2-49137; Share Partners, Ltd.-1973, 2-48025 (90 days); Shaw Industries, Inc., and Elite Processing Co., Inc., 2-48954; United Virginia Bankshares Inc., 2-49249; The Wickes Corp., 2-49389; The Williams Companies, 2-49510.

**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.

**RECENT FORM 8-K FILINGS.** Form 8-K is used by companies to file current reports on the following events:

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| 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<br>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.  |  |

The companies listed below have filed 8-K reports for the month indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
AMERICAN BANCORP	11,14	05/73
ATCO INDUSTRIES INC	1,2,3,4,7,11,13,14	08/73
CAFETERIAS INC	14	05/73
CHLORIDE CONNEX CORP	11,12,14	08/73
DIGITAL DATA SYSTEMS CORP	6,7,14	05/73
EASTERN AIR LINES INC	2	08/73
FIRST INTERNATIONAL BANCSHARES INC	7,14	08/73
GOURMET WINES LTD	13,14	12/72
NATIONAL MEDICAL CARE INC	11	05/73
RAPID AMERICAN CORP	3	07/73
RLC INVESTMENTS INC	7,11	08/73
SUPRONICS CORP	7,8,9,14	08/73
WEBB CO	11,14	04/73
AMENDMENTS TO REPORTS ON FORM 8-K		
ELPAC INC	14	07/73
MERIDIAN INVESTING & DEVELOPMENT CORP	10,14	04/73
TOWER PROPERTIES CO	13	04/73

## 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.

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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.