

sec news digest

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May 14, 1974

ORDERS FOR PUBLIC PROCEEDINGS

LIBRARY

JACK MINGO AND JACK MINGO & CO., INC.

Public administrative proceedings under the Securities Exchange Act of 1934 have been ordered involving Jack Mingo & Co., Inc. (Registrant), a registered broker-dealer located in Sacramento, California and Jack Mingo, Sr. (Mingo), president and sole shareholder of Registrant. The proceedings are based upon allegations of the Commission's staff that Registrant, aided and abetted by Mingo, violated, among others, the net capital, registration, confirmation, customer protection, record making, record preservation, financial reporting and reporting provisions of the securities laws.

A hearing will be scheduled by further on the charges against Registrant and Mingo. (Rel. 34-10795)

COURT ENFORCEMENT ACTIONS

INDICTMENT RETURNED AGAINST RIO DE ORO MINING COMPANY, OTHERS

The Denver Regional Office announced the return by a Grand Jury in Salt Lake City, Utah, on May 6 of a 10-count indictment charging violations of antifraud provisions of the securities laws by Rio de Oro Mining Company, a New Mexico corporation, and Carl D. Powers, Francis C. Lund, and Virgil Redmond, all of Salt Lake City, Utah. The indictment charges that between December 1970 and January 1973 the defendants participated in a scheme to defraud purchasers of the stock of Rio de Oro by disseminating false information about the mining business of Rio de Oro, including false statements about the operation of a coal mine called the Red Creek Coal Mine in Duchesne County, Utah. (LR-6363)

RECEIVER APPOINTED FOR OLYMPIC PETROLEUM CORP., OTHERS

The Fort Worth Regional Office announced that the U.S. District Court at Dallas appointed Robert C. Gent, of Dallas, temporary receiver for Olympic Petroleum Corporation, Tipco, Inc. and Tipco Management Corporation, defendants in a civil injunctive action instituted by the Commission, pursuant to an agreement by the parties. (LR-6364)

INFORMATION FILED AGAINST WILLIAM M. REESE, SR.

The Fort Worth Regional Office announced that on May 3 an Information was filed with the U.S. District Court at Dallas charging William M. Reese, Sr. of Dallas with criminal contempt of an order of permanent injunction entered by the court on September 25, 1968. The Information alleges that Reese continued to offer and sell securities in violation of the registration and antifraud provisions of the securities laws subsequent to the entry of the injunctive order. (LR-6365)

AMERICAN SOUTHWEST DEVELOPMENT CORP., OTHERS ENJOINED

The Fort Worth Regional Office announced that on April 30 the U.S. District Court at Dallas permanently enjoined American Southwest Development Corporation and William M. Reese, Sr. of Dallas from further violations of the registration and antifraud provisions of the securities laws. Previously, on April 16, 1974, an

order was entered permanently enjoining Vernon Frances Brungardt, also known as Tom V. Brungardt, of Colorado Springs, Colorado, from violations of the same provisions. The defendants all consented to the entry of the orders without admitting or denying the allegations of the complaint. (LR-6366)

PETROATLAS, INC., OTHERS TEMPORARILY ENJOINED

The SEC Fort Worth Regional Office announced that on April 23 the State District Court at Austin, Texas, temporarily enjoined PetroAtlas, Inc., of Houston, Critchell Parsons of Dallas, the corporation's president, and Gary E. Denning, of Houston, the corporation's executive vice-president. The order, which was agreed to by the company and the two defendants, found the company to be insolvent and appointed Steve G. Randle of Houston as temporary receiver for PetroAtlas. (LR-6367)

INDICTMENT RETURNED AGAINST INTERNATIONAL CHEMICAL DEVELOPMENT CORPORATION, OTHERS

The Denver Regional Office announced the return by a Grand Jury in Salt Lake City, Utah, on May 6 of an 11-count indictment against International Chemical Development Corporation, a Nevada corporation; Golden Rule Associates, a Utah non-profit corporation; Richard T. Cardall of Salt Lake City, Utah; William L. Allen of Ogden, Utah; and Frank Lloyd Parks of Newnan, Georgia, formerly of West Babylon, New York. The indictment charges that the defendants, between about October 1968 and January 1971, conspired to violate the laws of the United States and engaged in a scheme wherein they obtained control of a large portion of the outstanding stock of International Chemical Development Corporation and sold that stock to members of the public without a registration statement being in effect with the SEC. The sales, as charged in the indictment, were effected by false and misleading representations released in the public news media and through shareholder letters. (LR-6368)

INDICTMENT RETURNED AGAINST JOHN J. BADGER, OTHERS

The Denver Regional Office announced that a Grand Jury in Salt Lake City, Utah, on May 6 issued an eleven-count indictment charging violations of the antifraud and registration provisions of the securities laws. Four counts of the indictment charged transporting stolen and falsely made stock certificates of Flying Diamond Corporation, a Utah corporation, in interstate commerce by John Earl Worthen and Jay Victor Miller, of Salt Lake City, Utah. John J. Badger, of Ogden, Utah, Jay Victor Miller and Evelyn Mitchener, of Salt Lake City, were charged with employing a scheme and artifice to defraud the corporation and public shareholders by fraudulently issuing forged stock certificates of Flying Diamond Corporation without corporate authorization and selling those certificates in the public market for proceeds in excess of \$600,000. (LR-6369)

CORRECTION RE FINANCIAL FUND RELEASE NO.

The Litigation Release number for the report in the News Digest of May 8, on an SEC complaint filed against Financial Fund, Inc. was wrong. The correct Release number is LR-6359.

INVESTMENT COMPANY ACT RELEASES

AMERICAN EXPRESS CAPITAL FUND

An order has been issued on an application of American Express Capital Fund, Inc., a mutual fund, to permit public offerings of shares of the Fund in Japan to non-United States nationals in accordance with Japanese law and regulations but under terms and with sales charges which differ from those described in the prospectus of the Fund used in the United States. (Rel. IC-8348)

INVESTORS MUTUAL

A notice has been issued giving interested persons until June 7 to request a hearing on an application of Investors Mutual, Inc., Investors Stock Fund, Inc., Investors

Selective Fund, Inc. and Investors Variable Payment Fund, Inc., all mutual funds, for an order declaring that Dr. Paul McCracken, a director of the Funds, shall not be considered an "interested person" of the Funds and Investors Diversified Services, Inc., their principal underwriter, solely by reason of his status as a director of Lincoln National Corporation, several of whose wholly-owned subsidiaries are registered broker-dealers. (Rel. IC-8349)

HOLDING COMPANY ACT RELEASES

ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, Georgia Power Company, Gulf Power Company, and Mississippi Power Company, all subsidiaries of The Southern Company, to issue and deliver to the trustees under their respective indentures a total of \$26,592,000 of their respective first mortgage bonds for the purpose of satisfying sinking fund requirements (improvement fund, in the case of Alabama). (Rel. 35-18413)

MISSISSIPPI POWER COMPANY

An order has been issued authorizing Mississippi Power Company (Mississippi), subsidiary of The Southern Company, to enter into an agreement with Harrison County, Mississippi (County) whereby the County will construct for Mississippi pollution control facilities financed by the County's issuance and sale of up to \$18 million of pollution control revenue bonds. As a part of this transaction, Mississippi also proposes to convey to the County existing pollution control facilities, and to issue its own first mortgage bonds to the County as collateral bonds. (Rel. 35-18414)

SECURITIES ACT REGISTRATIONS

(S-1) SAMBO'S RESTAURANTS, INC. (Promotor)

3760 State St., Santa Barbara, Cal. 93105 - \$380,000 of joint venture interests in Sambo's Real Estate Syndicate Number Two, to be offered for sale in 76 units of \$5,000 each. No underwriter is involved. The syndicate will invest in restaurant land and buildings leased to Sambo's Restaurants, Inc., and in restaurant operations engaged in by Sambo's Restaurants, Inc. (File 2-50915 - Apr. 30)

In a separate statement Sambo's Restaurants seeks registration of \$3,600,000 of joint venture interests in Sambo's Group '74-'75, to be offered for sale in 720 units of \$5,000 each. No underwriter is involved. The Group will invest in restaurant operations controlled by Sambo's Restaurants, Inc., as part of the Sambo's restaurant chain. (File 2-50916 - Apr. 30)

(S-1) BIG RIVERS FUND - 1974

115 St. Ann St., Owensboro, Ky. 42301 - \$750,000 of preformation limited partnership interests in Big Rivers Fund - 1974, to be offered for sale in minimum subscriptions of \$5,000 through J. J. B. Hilliard, W. L. Lyons, Inc., 545 South Third St., Louisville, Ky. 40202, as dealer manager, and selected NASD members. The partnership will engage in the exploration and development of oil and gas properties. The General Partner will be Able Energy Company. (File 2-50971 - May 6)

(S-14) NATIONAL RAILWAY PUBLICATION COMPANY

424 West 33rd St., New York, N. Y. 10001 - 9,408 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares not already owned by National of The Railway Equipment and Publication Company, New York, N. Y., at the rate of 1.6 National shares for each Equipment share. Both National and

Equipment are publishers of periodical books containing railroad and transportation industry information. (File 2-50965 - May 3)

(S-14) FDI, INC.

18451 Euclid Ave., Cleveland, Ohio 44114 - 2,157,896 shares of common stock, 490,604 shares of convertible preferred stock, and 53,425.2 shares of special preferred stock, all to be issued in exchange for shares of capital stock of Filter Dynamics International, Inc. and Rayco International, Inc., in connection with the proposed combination of such corporations by successive merger into FDI. Filter Dynamics manufactures products for the automotive aftermarket, and Rayco operates and franchises automotive service centers and manufactures automotive seat covers. (File 2-51003 - May 8)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans: Bluebird Inc., Chicago, Ill. (File 2-51004 - May 8) - 200,000 shares
Huyck Corp., Wake Forest, N. C. (File 2-51005 - May 8) - 46,400 shares
Dennison Manufacturing Company, Framingham, Mass. (File 2-51007 - May 8) - 100,000 shares
Government Employees Financial Corp., Denver, Colo. (File 2-51008 - May 8) - 102,428 shares

REGISTRATIONS EFFECTIVE

May 8: Massachusetts Financial Bond Fund, Inc., 2-50409; Royal Crown Cola Co., 2-50841 & 2-50832.
May 10: Cotton Petroleum Corp., 2-49907.
May 13: E.I. Du Pont De Nemours and Company, 2-50465; IU International Corp., 2-50789.

REGISTRATIONS WITHDRAWN

April 7: Barrows Industries, Inc., 2-46129.
April 30: Itel Corp., 2-47428.
May 6: American Land and Cattle Systems, Ltd., 2-48541; Holidair, Ltd., Inc., 2-48459; IDS Life Variable Annuity Fund A, 2-29081.
May 7: Jefferson Bankshares of Colorado, Inc., 2-47309; Sight-Line Industries, Inc., 2-42681 (abandoned).
May 8: Campco Corp., 2-45079 (abandoned).
May 9: Computer Communications, Inc., 2-44599 (abandoned); Epic Corp., 2-45882 (abandoned); National HMO Corp., 2-47941; Wall Street Computer Corp., 2-47561 (abandoned).

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 15c per page plus postage for mailing within four days (\$2 minimum) and 30c per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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