

# sec news digest

Issue 74-163  
(SEC Docket, Vol. 5, No. 2 - Sept. 3)

U.S. SECURITIES AND EXCHANGE COMMISSION  
RECEIVED August 21, 1974

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

AUG 22 1974

CENCO INVESTORS & ASSOCIATES, INC. REVOKED;  
C. EUGENE COOK BARRED

### LIBRARY

The Commission has revoked the broker-dealer registration of Cenco Investors & Associates, Inc., of Grand Rapids, Michigan, formerly known as C. E. Cook & Co., and barred its president, C. Eugene Cook, from association with any broker or dealer. After five years, however, Cook may apply to the Commission for permission to become so associated in a non-supervisory capacity upon a showing of adequate supervision.

The sanctions imposed were based on findings that from about January 1971 to September 1973, the firm, aided and abetted by Cook, violated the antifraud provisions of the securities laws in securities transactions of numerous named companies in that they, among other things, misrepresented and failed to state material facts, made recommendations without a reasonable basis, "switched" customers into speculative securities, sold securities at excessive prices and effected transactions in customers' accounts without authorization. In addition it was found that registrant, aided and abetted by Cook, extended credit to and for customers in violation of the Exchange Act.

The Commission's order was issued under an offer of settlement in which the firm and Cook, without admitting or denying the charges against them consented to the findings and sanctions. (Rel. 34-10962)

## ORDERS FOR PUBLIC PROCEEDINGS

FIDELITY PLAN, INC., OTHERS

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Fidelity Plan, Inc., a registered broker-dealer, Daniel G. Gunter and Claude L. Downs, all of East Point, Georgia. The proceedings are based on staff allegations of violations of the antifraud, bookkeeping, confirmation, special reserve bank account, extension of credit and broker-dealer registration provisions of the securities laws. A hearing will be scheduled by further order on the charges against respondents. (Rel. 34-10978)

## COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES IRA S. ROSENBERG

The New York Regional Office has announced the filing of a complaint in the U. S. District Court for the Southern District of New York charging Ira S. Rosenberg, an attorney, with and seeking a preliminary and permanent injunction against further violations of the antifraud provisions of the securities laws. Rosenberg is charged with purchasing the stock of Barbara Lynn Stores, Inc. (Barbara Lynn) while in possession of and without prior disclosure of material, non-public information concerning a proposed merger. Rosenberg is resident counsel and an assistant secretary of Barbara Lynn. (LR-6487)

HARTWELL AND ASSOCIATES, OTHERS,  
ENJOINED

The SEC announced that on August 6 the Federal District Court for the Southern District of Florida at Miami, Florida dismissed the complaint with prejudice as to Lyle Meek, now deceased, and permanently enjoined by consent Hartwell and Associates and Lane Hartwell. Hartwell and Associates and Lane Hartwell consented to the court orders without admitting or denying the allegations of the complaint which charged both defendants with violations of the registration, antifraud provisions of the securities

laws in the offer and sale of the securities of Continental Land Management Corporation, Continental Land Development One, Inc. and Continental-Southeast Land Corporation; and Hartwell and Associates with violations and Lane Hartwell with aiding and abetting violations of the broker-dealer registration provisions of the securities laws (See prior Release, LR-6339). (SEC v. Continental Land Management Corporation, S.D. Fla. Civil Action No. 74-525 - Civ. - JLK). (LR-6484)

**COMPLAINT NAMES PINEHURST MORTGAGE  
AND LOAN CORPORATION, OTHERS**

The Atlanta Regional Office announced that on August 14 the Commission filed a complaint in the Federal District Court at Greensboro, North Carolina seeking to enjoin Pinehurst Mortgage and Loan Corporation, Frederick N. Boswell, David Nichols and Merritt R. Clements, Jr. of Southern Pines, North Carolina and Howard Herndon of Atlanta, Georgia, from violations of the antifraud provisions of the securities laws in the offer and sale of the investment notes of Pinehurst. The complaint alleges insolvency and seeks the appointment of a receiver for Pinehurst. (SEC v. Pinehurst Mortgage and Loan Corporation, et al., M.D. N.C. - C-74-248R). (LR-6485)

**LAND DEVELOPMENT ASSOCIATES,  
INC., OTHERS, ENJOINED**

The Washington Regional Office announced that on August 14 the Commission filed a complaint for permanent injunction in the U.S. District Court in Maryland charging Land Development Associates, Inc. of Riverdale, Maryland, Land Development Associates of Baltimore, Inc. of Towson, Maryland, Kenneth H. Roberts of Brookville, Maryland, Thomas C. Munz of Rockville, Maryland and C. Dennis Webster of Cockysville, Maryland with violations of the securities registration, antifraud and broker-dealer registration provisions of the securities laws.

Contemporaneously with the filing of this action, the defendants consented to the entry of a final judgment of permanent injunction without admitting or denying the allegations contained therein. Pursuant to such consent the federal district court in Maryland entered a Final Judgment permanently enjoining the defendants from violations of the aforementioned securities provisions. (SEC v. Land Development Associates, Inc. et al., D. Md., Civil Action No. 74-880). (LR-6486)

---

## **TRADING SUSPENSIONS**

---

**TRADING SUSPENDED IN WORLD ECOLOGY RESOURCES, INC.**

Over-the-counter trading has been suspended in the securities of World Ecology Resources, Inc., a Nevada corporation located in Corona, California, for the ten-day period beginning on August 20 and terminating at midnight (EDT) on August 29, 1974.

The Commission initiated the suspension because questions have been raised concerning the accuracy and adequacy of the company's financial statements particularly with respect to the value of the company's assets. (Rel. 34-10976)

---

## **INVESTMENT COMPANY ACT RELEASES**

---

**MIDHURST CORPORATION**

A notice has been issued giving interest persons until September 16 to request a hearing on an application of Midhurst Corporation, a Delaware corporation, for an order exempting it from all provisions of the Act. (Rel. IC-8467)

---

## **HOLDING COMPANY ACT RELEASES**

---

**ARKANSAS-MISSOURI POWER COMPANY**

An order has been issued authorizing Arkansas-Missouri Power Company, subsidiary of Middle South Utilities, to enter into a sale-leaseback arrangement with respect to gas turbine electric generating units which are in their final stages of installation. The sales price is estimated at \$14 million. (Rel. 35-18539)

---

## DELISTING AND UNLISTED TRADING ACTIONS

---

### UNLISTED TRADING GRANTED

An order has been issued granting the application of the Midwest Stock Exchange Inc. for unlisted trading privileges in the common stock of the following companies: Hesston Corporation; United Gas Pipe Line Company. (Rel. 34-10979)

#### (S-1) GRANITE MANAGEMENT SERVICES, INC.

500 Old Country Rd., Garden City, N.Y. 11530 - 100,000 common stock purchase warrants for the purchase of 100,000 shares of the company's common stock, to be offered for sale at a purchase price of \$14.25 per share.

The company is engaged through its subsidiaries in real estate activities, the leasing of IBM System/360 computer equipment, architectural/engineering services and mortgage banking. (File 2-51775 - Aug. 12)

---

## SECURITIES ACT REGISTRATIONS

---

#### (S-14) CULLEN BANKERS, INC.

600 Jefferson St., Houston, Tex. 77002 - 964,590 shares of common stock. It is proposed to offer these shares in connection with the mergers of Citizens National Bank of Dallas (Citizens), Dallas, Texas, and Cullen Center Bank & Trust (Center), Houston, Texas, into wholly-owned subsidiaries of Cullen. On consummation of the mergers, Cullen common stock will be issued at the rate of 1.298 Cullen shares for each share of capital stock of Citizens and one Cullen share for each share of capital stock of Center. Cullen is a newly formed Texas corporation organized for the purpose of becoming a multi-bank holding company. (File 2-51779 - Aug. 16)

#### (S-5) FIRST MULTIFUND OF AMERICA INC.

32 East 57th St., New York, N.Y. - 50,000 shares of common stock, at a proposed offering price per share of \$6.99 which was the net asset value per share of the company's stock on June 30, 1974, or at such other offering price as may be the net asset value per share on the date this registration statement becomes effective and sales are made thereafter. First Multifund of America Inc. is a no-load open-end diversified investment company, commonly known as a mutual fund, which invests in a portfolio of shares of 20 or more selected mutual funds. First Multifund Advisory Corp. is the investment manager for the fund. (File 2-51783 - Aug. 16)

#### (S-7) FLORIDA TELEPHONE CORPORATION

302 South East Broadway, Ocala, Fla. 32670 - \$30 million of first mortgage bonds, to be offered for sale in denominations of \$1,000 and multiples thereof through underwriters headed by Kidder, Peabody & Co. Incorporated, 10 Hanover Square, New York, N.Y. 10005. The company provides communication services. (File 2-51785 - Aug. 16)

#### (S-7) THE SOUTHERN COMPANY

Perimeter Center East, P.O. Box 720071, Atlanta, Ga. 30346 - 19,250,000 shares of common stock, of which 17,500,000 are to be offered by the company through an underwritten public offering to be managed by Morgan Stanley & Co. Incorporated, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers. The additional 1,750,000 shares are to cover over-allotments, if any. The company is a public utility holding company. (File 2-51786 - Aug. 16)

#### (S-6) THE CORPORATE INCOME FUND, THIRD SHORT TERM SERIES

\$100,000,000 of units of beneficial interest to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The Fund, a Unit Investment Trust, is to be created by a trust agreement among Merrill Lynch, as Sponsor, The Bank of New York,

as Trustee, and Interactive Data Services, Inc., as Evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of short-term debt obligations, with maturities of approximately six months from the date of deposit. (File 2-51788 - Aug. 16)

(S-2) SQUARE TWO GOLF CORPORATION

6 Franklin Ave., Oakland, N.J. 07436 - 220 units, each unit consisting of 1,000 shares of common stock and one complete set of golf clubs, to be offered for sale at \$2,875 per unit. The company was organized to manufacture, market and distribute its newly designed golf clubs. (File 2-51788 - Aug. 16)

REGISTRATIONS EFFECTIVE

Aug. 20: American Leaders Fund, Inc., 2-50299; Illinois Power Co., 2-51673; Potomac Electric Co., 2-51698; WTC Air Freight, 2-51241.

REGISTRATIONS WITHDRAWN

Aug. 12: Shamrock Vail, Ltd. and Sunburst At Vail, 2-49365.

Aug. 19: Investment Dynamics Motel Fund, 2-46842; Makena Point, 2-46431.

Aug. 20: Charter Funding Programs, Inc., 2-45425; Cundari Oil Co., Inc., (Cunardi Gas & Oil Program 1969-70), 2-33387.

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 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

SEC NEWS DIGEST is published daily. Subscription rates: \$35.45/yr in U.S. first class mail; \$44.35 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$21.35/yr in

U.S. first class mail, \$26.70 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.