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August 22, 1974

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES SORG PRINTING COMPANY, INC. OTHERS

The SEC announced the filing of a complaint in the U.S. District Court for the Southern District of New York on August 21, 1974, naming Sorg Printing Company, Inc., a New York financial printer, and three of its employees, Nunzio Meringolo, Irving Kramer and Meyer Saroff, for violations of the antifraud provisions of the securities laws. The complaint states that the defendants misused material non-public information coming to them through tender offer materials being printed by Sorg. Certain of the defendants were alleged, among other things, to have failed to adequately safeguard such information, and other defendants were alleged, among other things, to have traded in the securities of the potential target company of the tender offers being printed without disclosing the non-public information in their possession, including the fact that a tender offer for the securities of the target was being considered. Such violative conduct allegedly occurred in at least seven of the ten tender offer jobs printed by Sorg since October 30, 1973.

The Commission's complaint seeks injunctive relief against all four defendants and further asks that the Court issue an order directing defendant Sorg to implement an effective system which could be reasonably expected to detect and prevent abuse of material non-public information by Sorg and its employees. (SEC v. Sorg Printing Company Inc., et al., U.S.D.C., SDNY, Civil Action No. 74-3634). (LR-6488)

GLOBUS ANLAGE-VERMITTLUNGSELSCHAFT MBH, OTHERS, ENJOINED

The Commission announced that on August 21, 1974 the Hon. C. Stanley Blair, U.S. District Court for the District of Maryland, entered a default judgment permanently enjoining Globus Anlage-Vermittlungsgesellschaft MBH, Hans-Wolf Piper and Monika Knippel from further violations of the registration and antifraud provisions of the Securities Act and the Securities Exchange Act, in connection with the offer, purchase, or sale of securities issued by Globus or any other securities.

In its complaint filed February 4, 1974, the Commission alleged that Globus, a German corporation, together with its officers, Hans-Wolf Piper and Monika Knippel, have engaged in a mail order solicitation of investments from United States investors by placing advertisements in major United States newspapers for the undisclosed, but later claimed purpose of investing in European "eros" or sex centers for prostitutes located in Switzerland, Belgium, Italy and Holland.

The complaint further alleged that the defendants have made numerous untrue statements of material facts and omissions to state material facts concerning, among other things: (a) the nature of the investment Globus will make to enable payment of the extraordinary rate of interest of 10% per month; and its ability and intention to pay such interest; (b) the risk involved in making an investment in this unusual type of business; (c) the tax free character of an investment in Globus; (d) the business history and financial condition of Globus, and the identity, experience and compensation of management of, Globus, and (e) the investment being insured by Lloyds of London. (SEC v. Globus et al., U.S.D.C. Md., Civil Action No. B-74-122). (LR-6490)

COMMISSION ANNOUNCEMENTS

CENTRAL OPTION MARKET

The Commission announced that it has approved in principle, subject to certain further submissions by the American Stock Exchange, the Chicago Board Options Exchange and the PBW Stock Exchange, and final Commission review: (a) the formation of a central options clearing organization; (b) a proposal for dissemination of last sale information and

quotations for exchange options; and (c) proposed standardized terms and conditions for exchange options.

The Commission also considered and determined not to object to CBOE's issuance of 193 additional memberships. Additionally, it has determined not to object to a CBOE proposal to list additional underlying securities subject to the adoption of satisfactory rules relating to trading from away-from-the-money options. The Commission also did not object to CBOE's proposed financial responsibility rules pursuant to Rule 9b-1.

The Commission also announced that it will advise the Amex that, subject to certain conditions and understandings it would be prepared to make effective that exchange's option plan. (As previously announced, the Commission has recently requested public comment on a plan for option trading filed by the PBW Stock Exchange pursuant to Rule 9b-1. Rel. 34-10950) (Rel. 34-10980)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

JO M. FERGUSON CENSURED IN CONNECTION WITH MUNICIPAL BONDS

The Commission announced today that it had accepted an offer of settlement from Jo M. Ferguson, a Louisville, Kentucky lawyer, in which he consented to the institution of proceedings and the issuance of an order censuring him pursuant to Rule 2(e) of the Commission's Rules of Practice.

Ferguson was found to have aided and abetted violations of antifraud provisions of the securities laws in the offer and sale through the mails of \$4,425,000 in City of Covington Health Care Project revenue bonds to finance the construction of a nursing home in Covington, Kentucky. Ferguson was bond counsel and in addition was principal reviewer of the offering prospectus (or "official statement") that was used. That document failed to disclose that Senex Corporation, developer of the project, had entered into a contract with a local contractor to construct the nursing home for a contract price which was \$650,000 less than the price for which it had negotiated and agreed with city officials to construct the facility; that the purportedly independent consultant who passed on the need for and feasibility of the project had an agreement to share 50 percent of the developer's profits; that two feasibility consultants, one of whom had been specifically hired to render an opinion about the project, had submitted reports bearing unfavorably on the need for such a project; that the project's financial adviser, which received a fee of \$125,000, was owned and controlled by the developer; that an independent securities dealer could not be found to underwrite the bonds; and that the financial adviser caused itself to be appointed underwriter for the issue. Because of his review of the prospectus, his pre-existing relationship with the developer on other offerings of municipal bonds, and other factors that had come to his attention, Ferguson should have known, if he did not know, that the prospectus omitted material facts. In S.E.C. v. Senex et al., Civ Action No. 74-53 (E.D. Ky. 1974), the prospectus is alleged to have been part of a deceptive scheme engaged in by Senex Corporation and others

The Commission considered various mitigative factors, including the voluntary adoption by Ferguson and his firm of corrective changes in their municipal bond practice, and the fact that neither Ferguson nor his firm has been involved in prior Commission proceedings. Ferguson consented to the order without admitting or denying the Commission's allegations. (Rel. 33-5523)

DECISION CENSURING BLACK & COMPANY, INC., SUSPENDING LAWRENCE S. BLACK AND BARRING ROY A. PITT, JR., FINAL

The SEC announced that the decision of an administrative law judge censuring Black & Company, Inc., a Portland, Oregon broker-dealer, and suspending its president, Lawrence S. Black, from association with any broker or dealer for one month, commencing August 16, has become final. During the suspension period, Black may retain his ownership interest in the firm. In addition, Roy A. Pitt, Jr., of Seattle, who was at the time of the violations the executive secretary of the State Finance Committee of Washington, has been barred from association with any broker-dealer. After nine months, Pitt may apply to the Commission to become so associated in a non-supervisory, non-proprietary capacity upon a showing of adequate supervision.

According to the decision, during the period from September 1965 through October 1969, Pitt had arranged with several broker-dealers, with whom the State did a substantial amount of business, to obtain for his personal benefit allocations of new issues.

Pitt held most of these hot new issues for very short periods, sometimes for less than a day, and reaped quick profits. The administrative law judge found that Pitt's personal stock transactions, possible only because of his position with the State, violated the securities laws' antifraud provisions. He further found that Black had reason to know of the impropriety of Pitt's activities. Moreover, Black assisted Pitt. Black was also found to have breached his duty to his customer, the State, by failing to inform it of what Pitt was doing. He and his firm were found to have violated the antifraud provisions.

With respect to Pressprich, Pitt obtained only one hot issue. The administrative law judge found that this was given him by a salesman in Pressprich's Portland office. He further found the supervisory procedures in that office inadequate and Pressprich responsible for its failure reasonably to supervise the allocation of the hot issue involved. He concluded, however, that mitigating factors were of sufficient weight to alleviate the need for any sanction on Pressprich. (Rel. 34-10974)

**J. R. RADIN & CO., INC., AND
JOHN J. FERRARA SANCTIONED**

The Commission has revoked the broker-dealer registration of J. R. Radin & Co., Inc., New York City, expelled it from NASD membership, and barred John J. Ferrara, who was vice-president of Radin, Inc., from association with any broker-dealer. After six months from the date of the Commission's order Ferrara may apply for permission to become so associated in a non-supervisory and non-proprietary capacity upon a satisfactory showing of proper supervision, and 18 months from the date of the order Ferrara may apply for relief from those limitations on such association.

The sanctions were based on findings that Radin, Inc. violated the net capital and recordkeeping provisions of the Securities Exchange Act, and that Ferrara aided and abetted violations of those provisions and the reporting provisions of that Act. It was also found that Radin, Inc. was permanently enjoined from violating the net capital provisions of the securities laws, and that it is being liquidated under the Securities Investor Protection Act.

Radin, Inc. failed to appear at a hearing, and was deemed in default. Ferrara submitted an offer of settlement in which, without admitting or denying the charges against him, he consented to the above findings and sanction. (Rel. 34-10963)

PARKER, ENGLAND & CO., INC. REVOKED

The Commission has revoked the broker-dealer registration of Parker, England & Co., Inc. (Parker) of Hicksville, New York. The sanction was based on findings that Parker violated the antifraud and recordkeeping provisions of the securities laws in transactions in the securities of Digital Technology Corporation. It was found that Parker entered into an arrangement with an employee of another brokerage firm under which cash payments were made to him for his assistance in effecting transactions in Digital securities, failed to disclose the arrangement, and made false entries in its records to conceal such payments.

Parker without admitting or denying the charges against it, consented to the indicated findings and sanction. (Rel. 34-10966)

**JOHN J. O'KANE, JR. & CO.;
ROBERT N. KULLMAN; ROBERT M.
TANNEY SANCTIONED**

John J. O'Kane, Jr. & Co., of New York City, Robert N. Kullman, its managing partner, and Robert M. Tanney, of Jersey City, New Jersey, a sole proprietor, have been censured and prohibited for five business days from publishing or causing to be published quotations in the National Daily Quotation Service or NASDAQ. However, O'Kane, Kullman and Tanney may submit indications of interest to the National Daily Quotation Service. And such indications of interest, if unaccompanied by quotations, may be published. The sanctions were based on findings that O'Kane, Kullman and Tanney unlawfully inserted quotations for Custer Channel Wing Corporation's stock. Definitive findings and an opinion will issue in due course.

O'Kane, Kullman and Tanney consented to the findings and sanctions, without admitting or denying the charges. (Rel. 34-10970)

INVESTMENT COMPANY ACT RELEASES

FOUNDERS OF AMERICAN INVESTMENT COMPANY

A notice has been issued giving interested persons until September 23 to request a hearing on an application by Founders of American Investment Corporation, a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, National Investment Corporation, Inc., and American Investors Life Insurance Company, Inc., a controlled company of Founders, for an order of the Commission permitting the sale by National of a controlling block of stock of International Investors Life Insurance Company, Inc. to American. (Rel. IC-8468)

HOLDING COMPANY ACT RELEASES

ARKANSAS POWER & LIGHT COMPANY

A supplemental order has been issued authorizing Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., to sell up to \$84,045,000 of notes to banks. (Rel. 35-18540)

SECURITIES ACT REGISTRATIONS

REGISTRATIONS EFFECTIVE

Aug. 15: Boston Edison Co., 2-51545.

Aug. 20: Coquina Oil Corp., 2-51260.

Aug. 21: Bache & Co. Inc., 2-51670; Computer Dimensions, Inc., 2-48812; Consumers Power Co., 2-51687; Great Western Producers Co-Operative, 2-51740; 2-51741; 2-51742; GTI Corp., 2-51395; National Computer Systems Inc., 2-51706; Pantepec International, Inc., 2-51396; Reed Industries, Inc., 2-51302; Service Corp., International, 2-51054; Steak and Ale Restaurants of America, Inc., 2-51750; Watsco, Inc., 2-51676.

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the equity securities of another company within 10 days of the acquisition. The following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies during the period July 12 - August 13.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Richard C. Mynsberge	Monarch Industries, Inc. (Goshen, Ind.) Common Stock - 217,420 shs.	7-12-74
* Wheeler, Munger & Co.	New America Fund, Inc. Common Stock - 397,320 shs. (22%)	8- 5-74
* Schlesinger European Investments Ltd. (England)	Overseas Securities Co., Inc. (New York City) Capital Stock - 128,428 shs.	8- 5-74
Mutual of Omaha Insurance Co.	United Benefit Life Insurance Co. Capital Stock - 511,290 shs.	8- 5-74
* Inter-Region Associates Corp.	National Heritage Management Corp. Common Stock - 623,179 shs. (67.5%)	8- 5-74
Brubaker Tool Corp.	Triangle Corp. (Orangeburg, S.C.) Common Stock - 54,400 shs.	8- 6-74

ACQUISITION REPORTS CONT.

California Computer Products, Inc.	Telefile Computer Corp. (Irvine, Calif.) Common Stock - 849,620 shs. on conversion of Debentures (The number of shares to be received may be reduced if the conversion rate is adjusted)	8- 7-74
Group of Shareholders	Mapco Inc. (Tulsa, Okla.) Common Stock - 375,000 shs. (Above shares acquired on merger of a company controlled by the group into a wholly-owned subsidiary of Mapco)	8- 7-74
Professional Investors Life Insurance Co.	Missouri National Life Insur. Co. (Kansas City, Mo.) Common Stock - 33,662 shs.	8- 7-74
* Berkshire Hathaway Inc.	Affiliated Publications, Inc. (Boston, Mass.) Common Stock - 161,700 shs.	8- 7-74
* Berkshire Hathaway Inc.	Blue Chip Stamps (Los Angeles, Calif.) Common Stock - 1,211,733 shs.	8- 7-74
* Berkshire Hathaway Inc.	Interpublic Group of Companies, Inc. (New York City) Common Stock - 260,700 shs.	8- 7-74
* Berkshire Hathaway Inc.	California Water Service Co. (San Jose, California.) Common Stock - 123,787 shs.	8- 7-74
* Berkshire Hathaway Inc.	Ogilvy & Mather International Inc. (New York City) Common Stock - 114,300 shs.	8- 7-74
* Westvaco Corp.	United States Envelope Co. (Springfield, Mass.) Common Stock - 613,149 shs. (99.8%) Preferred Stock - 354,287 shs. (99%) (254,851 and 150,536 of above Common and Preferred Shares were acquired pursuant to the Exchange Offer)	8- 7-74
* Montana Corp.	Diversified Realty, Inc. (Butte, Mont.) Common Stock - 76,645 shs. (49,774 shs. of above were purchased pursuant to the Tender Offer)	8- 7-74
* National Industries, Inc.	National Recreation Products, Inc. (Louisville, Ky.) Common Stock - 1,310,761 shs. (81.9%) Common Stock - 31,895 shs. on exercise of Warrants	8- 8-74
* National Industries, Inc.	Cott Corp. (New Haven, Conn.) Common Stock - 1,577,400 shs. (78.9%) Common Stock - 800,000 shs. on exercise of Warrants	8- 8-74
* First Manhattan Corp.	Lea-Ronal, Inc. (Freeport, N.Y.) Common Stock - 107,650 shs.	8- 8-74
* First Manhattan Co.	Turner Construction Co. (New York City) Common Stock - 47,817 shs.	8- 8-74
* Simkins Industries, Inc.	Fibreboard Corp. (San Francisco, Calif.) Common Stock - 328,700 shs.	8- 8-74
* Gulf & Western Industries, Inc.	Simmons Co. (New York City) Common Stock - 814,000 shs.	8- 8-74

ACQUISITION REPORTS CONT.

ECB Capital Corp.	Common Stock - 249,500 shs. Common Stock - 153,226 shs. on exercise of Warrants	8- 9-74
First Capital Corp.	Common Stock - 84,210 shs. Common Stock - 144,170 shs. on exercise of Warrants	
	(Pursuant to a Purchase Agreement the above and one other "Investor" purchased a total of 316,000 Common Shares and Warrants to purchase 541,000 shares.)	
Bunnington Corp.	Laser Energy, Inc. (Rochester, N.Y.) Common Stock - 250,000 shs. on exercise of Warrants	8- 9-74
* GL Corp.	Cerro Corp. (New York City) Common Stock - 3,586,297 shs. (2,773,197 shs. of above were purchased pursuant to the Tender Offer by its wholly-owned subsidiary, Marmon Group, Inc.)	8- 9-74
* Spartan Mills	Bibb Co. (Macon, Ga.) Common Stock - 227,909 shs.	8- 9-74
General Electric Credit Corp.	New York State Electric & Gas Corp. (Binghanton, N.Y.) 8.50 PC Preferred-600,000 shs.	8- 9-74
* Lyco Industries Ltd.	Laclede Steel Co. (St. Louis, Mo.) Common Stock - 52,620 shs.	8- 9-74
* Blue Chip Stamps	Source Capital, Inc. Common Stock - 1,203,127 shs.	8- 9-74
Philadelphia Industries, Inc. Jack Farber	PR&C Companies, Inc. (Philadelphia, Pa.) Common Stock - 99,161 shs.	8- 9-74
Philip Hunsborough, Jr.	New Dimensions in Education, Inc. (Plainville, N.Y.) Common Stock - 33,000 shs. Common Stock - 12,000 shs. on exercise of options	8- 9-74
* Philip Rosewehr	Educating Systems, Inc. (New York City) Common Stock - 100,000 shs.	8- 9-74
* Gulf & Western Industries, Inc.	Amfac, Inc. (Honolulu, Hawii) Common Stock - 2,111,800, shs.	8- 8-74
* Gulf & Western Industries, Inc.	Skil Corp. (Chicago, Ill.) Common Stock - 227,500 shs.	8- 8-74
McCorquodale & Blades Trust, Ltd. (England)	Falconer Co. (Baltimore, Md.) Common Stock - 158,855 shs. (Above shs. were purchased pursuant to the Tender Offer)	8- 8-74
Keystone Custodian Fund, Series S-4	Cole National Corp. (Cleveland, Ohio) Common Stock - 103,700 shs.	8- 8-74
Ampco-Pittsburgh Corp.	Pittsburgh Forgings Co. (Pittsburgh, Pa.) Common Stock - 453,096 shs.	8- 8-74
Madison Fund, Inc.	Cooper Industries, Inc. (Houston, Texas) Common Stock - 328,900 shs.	8- 8-74

ACQUISITION REPORTS CONT.

Diamond State Life Insurance Co.	Western Resources Corp. (Casper, Wyoming) Common Stock - 219,121 shs.	8- 9-74
* Willis Shaw	Tri-State Motor Transit Co. (Joplin, Mo.) Common Stock - 174,203 shs.	8- 9-74
Dension Mines Ltd.	Fibreboard Corp. (San Francisco, Calif.) Capital Stock - 201,200 shs.	8- 9-74
Daniel J. Terra	Hach Chemical Co. (Ames, Iowa) Common Stock - 91,075 shs.	8- 9-74
DeVegh Mutual Fund, Inc.	Moore McCormack Resources Inc. (New York City) Common Stock - 149,500 shs.	8- 9-74
	Lexitron Corp. (Chatsworth, Calif.)	8- 9-74
Sutter Hill Ventures	Common Stock - 147,846 shs. Common Stock - 32,189 shs. on exercise of Warrants	
J. H. Whitney & Co.	Common Stock - 305,194 shs. Common Stock - 101,123 shs. on exercise of Warrants	
* Insight, Inc.	CIP Corp. (Cincinnati, Ohio) Common Stock - 40,905 shs.	8- 9-74
* Alabama Farm Bureau Mutual Casualty Insurance Co., Inc.	American Fidelity Life Insurance Co. (Pensacola, Fla.) Common Stock - 313,637 shs.	8-13-74

* Amended Acquisition Report

The following have made offers to acquire stock of companies listed below pursuant to tender offers as reported to the Commission on Schedule 13D:

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Frank A. Klaus	Hi-Shear Corp. (Torrance, Calif.) Common Stock - 100,000 shs. for cash at \$20.00 net per share (Klaus presently owns 175,825 shs. which represents approximately 32% of the outstanding Shares (Offeror does not consider shares held in the treasury of the Company nor by a wholly-owned subsidiary as being outstanding for purposes of this offer).)	8- 7-74

RECENT 8K 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.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. 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 items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
PARKS H G INC	12	07/74
PELTO OIL CO	13	07/74
PEMCO INC	11,14	07/74
PENN CENTRAL CO	3	07/74
PENNSYLVANIA ENTERPRISES INC	1,7,14	07/74
PENNSYLVANIA GAS & WATER CO	1,14	07/74
PENNSYLVANIA POWER & LIGHT CO	7,13	07/74
PENTAIR INDUSTRIES INC	2,3,13,14	07/74
PEOPLES GAS CO	13	07/74
PEOPLES GAS LIGHT & COKE CO	13	07/74
PERKIN ELMER CORP	2,7,10,14	07/74
PICKWICK INTERNATIONAL INC	13,14	07/74
PIER ONE IMPORTS INC	11	07/74
PIONEER NATURAL GAS CO	7	07/74
PITTSTON CO	10,14	07/74
PIZZA HUT INC	13	07/74
POLLUTION CONTROL INDUSTRIES INC	3,11,13	07/74
POWERS REGULATOR CO	11,14	07/74
PPG INDUSTRIES INC	7,14	07/74
PREMIER MICROWAVE CORP	13	07/74
PRINTOGS LTD	13,14	07/74
PRUDENT REAL ESTATE TRUST	2,3,14	07/74
PUBLIC SERVICE CO OF COLORADO	7,14	07/74
PUBLIC SERVICE CO OF NEW MEXICO	7	07/74
PULLMAN INC	7,14	07/74
RANSBURG CORP	3	07/74
RB INDUSTRIES INC	8	07/74
READING INDUSTRIES INC	13,14	07/74
REDWOOD BANCORP	13	07/74
RELIANCE INSURANCE CO	2,3	07/74
RESOURCE MANAGEMENT CORP	2,14	07/74
REVERE RACING ASSOCIATION INC	11	07/74
REYNOLDS & REYNOLDS CO	3	07/74
REYNOLDS R J INDUSTRIES INC	3	07/74
ROLLINS INTERNATIONAL INC	13,14	07/74

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.

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