

# sec news digest

Issue 74-237  
(SEC Docket, Vol. 5, No. 17 - Dec. 17)

U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

December 9, 1974

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DEC 12 1974

THREE FORMER SALESMEN OF VANDE VEGTE,  
INC. BARRED

### LIBRARY

The Commission has barred Henry R. Vande Vegte, of Sioux Center, Iowa, Orville Ver Hoef, of Sheldon, Iowa, and Richard L. Hartzell, of Carroll, Iowa, from association with any broker-dealer, investment adviser, or investment company. Respondents were salesmen with Vande Vegte, Inc., a broker-dealer whose registration was revoked in June 1974.

The sanctions imposed were based on findings that respondents unlawfully sold unregistered securities of New Life Trust, Inc. and made misstatements in connection with their sale.

Respondents consented to the above findings and sanctions, without admitting or denying the charges against them. (Rel. 34-11118)

## COURT ENFORCEMENT ACTIONS

JOHN G. DAVIES INDICTED

The SEC announced that the grand jury has returned an indictment against John G. Davies. Davies, an attorney, was the general counsel and secretary of the National Student Marketing Corporation. This indictment supercedes the previous indictment in United States v. Randell, 74 Crim. 43, as to Mr. Davies.

The indictment charges Mr. Davies with twelve counts of violation of the securities laws. Mr. Davies is charged with conspiring to raise and maintain the price of National Student Marketing Corporation stock at artificially inflated levels through various fraudulent means. Mr. Davies is charged with two separate counts of making false and misleading statements in a proxy statement and Form 10-K required to be filed with the SEC in 1969. The indictment further charges Mr. Davies with nine counts of violation of Rule 10b-5 with respect to nine acquisitions made by National Student Marketing Corporation from late October 1969 through January 1970.

Mr. Davies has pleaded not guilty to all counts. The trial is expected to be in February, 1975. (United States v. Davies, S.D.N.Y., 74 Crim. 985). (LR-6622)

DYNAVEST FUND, INC., OTHERS  
ENJOINED

The New York Regional Office announced that on December 2 a final judgment of permanent injunction and order appointing a receiver was issued in the U.S. District Court for the District of New Jersey (a) enjoining Dynavest Fund, Inc., Joseph J. Rega, Jr. and Michael W. Rega from violations of various provisions of the Investment Company Act of 1940 and the prospectus provisions of the Securities Act of 1933; (b) enjoining Joseph J. Rega, Jr. and Michael W. Rega from acting further in the capacity of officer, director, member of the advisory board, investment adviser, depositor or principal underwriter of any registered investment company; and (c) appointing a receiver for Dynavest Fund, Inc. (SEC v. Dynavest Fund, Inc., Joseph J. Rega, Jr., Michael W. Rega and Ronald G. E. Smith, N.J. 74 C 1807). (LR-6623)

DALTON C. SMITH, EDWARD A. ZUBER,  
OTHERS, INDICTED

The Los Angeles Regional Office announced that a Federal Grand Jury sitting in San Diego, California, hearing evidence presented by the Justice Department's Los Angeles Organized Crime Strike Force, returned, on November 21, 1974 an 11 count indictment

against eight individuals including the principals of Patterson Corporation, a securities salesman and others who participated in a plan to sell and distribute Patterson Corporation stock in 1973. Named as defendants in addition to Smith and Zuber were Richard B. Anderson, Cleo H. Bullard, Larry A. Carr, Lawrence D. Share, Charles D. Linza and Joseph R. Merola. The indictment charges the defendants with conspiracy to sell unregistered securities, to use fraud in the sale of securities, and to attempt to manipulate the price of the stock of Patterson Corporation from little or no value to \$10 per share. The indictment also charges some of the defendants with acquiring an insurance company through fraudulent means and diverting funds from the trust account of that company to the benefit of Patterson Corporation and certain of the defendants. It further charges two counts of filing false bank loan applications. (U.S. v. Dalton C. Smith, et al., S.D. Cal., CR No. 74-2277). (LR-6625)

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## INVESTMENT COMPANY ACT RELEASES

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### THE ONE HUNDRED FUND

An order has been issued permitting the sale by The One Hundred Fund Inc., a mutual Fund, of shares of Denver Real Estate Investment Association (DREIA) to certain affiliated persons of DREIA. (Rel. IC-8603 - Dec. 6)

### SAVINGS BANK INVESTMENT FUND

An order has been issued on an application by Savings Bank Investment Fund, a Massachusetts corporation, declaring that certain actions by the State and the Fund shall have no effect on the validity of a prior order granted to the Fund. (Rel. IC-8604 - Dec. 6)

### PACIFIC SCHOLARSHIP FUND

A notice has been issued giving interested persons until December 30 to request a hearing on a proposal by the Commission to declare that Pacific Scholarship Fund of Kirkland Washington has ceased to be an investment company. (Rel. IC-8605 - Dec. 5)

### RAINIER INVESTORS

A notice has been issued giving interested persons until December 30 to request a hearing on a proposal by the Commission to declare that Rainier Investors, Inc. of Tacoma, Washington has ceased to be an investment company. (Rel. IC-8606 - Dec. 5)

### GRAY LINE CORP.

A notice has been issued giving interested persons until December 30 to request a hearing on an application by Gray Line Corp. for an order declaring that Gray Line has ceased to be an investment company as defined in the Act. (Rel. IC-8607 - Dec. 5)

### CHESAPEAKE FUND

A notice has been issued giving interested persons until December 30 to request a hearing on a proposal by the Commission to declare that Chesapeake Fund, Inc. of Baltimore, Maryland has ceased to be an investment company. (Rel. IC-8608 - Dec. 5)

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## HOLDING COMPANY ACT RELEASES

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### SAXTON NUCLEAR EXPERIMENTAL CORPORATION

A notice has been issued giving interested persons until December 30 to request a hearing on a proposal by Saxton Nuclear Experimental Corporation (Saxton), a non-utility subsidiary company of General Public Utilities Corporation (GPU), and certain GPU utility subsidiary companies, that the utility companies increase the amount of capital contributions they may make to Saxton by \$100,000 and that said contributions be made through December 31, 1979. (Rel. 35-18689 - Dec. 5)

### GEORGIA POWER COMPANY

An interim order has been issued granting Georgia Power Company, subsidiary of The Southern Company, authority to increase its bank borrowings by \$100 million through January 15, 1975. The Commission deferred decision on Georgia's request for an increase of \$200 million. (Rel. 35-18692 - Dec. 5)

## OHIO POWER COMPANY

An order has been issued authorizing Ohio Power Company, subsidiary of American Electric Power Company, to issue and sell up to 300,000 shares of preferred stock through negotiation. (Rel. 35-18693 - Dec. 6)

## THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until December 30 to request a hearing on a proposal by the Columbia Gas System, Inc., and its wholly-owned subsidiaries to effectuate certain intra-system financial transactions, the stated objective of which is to coordinate and make maximum use of the System's internal cash flow. The proposed transactions, covering the year 1975, include: (a) the prepayment by subsidiaries with excess cash accumulations of a portion of their long-term notes held by Columbia; (b) open account advances by the parent to such subsidiaries if required by the latter after prepayment of notes; and (c) discharge of such advances by reinstatement of notes previously prepaid. (Rel. 35-18694 - Dec. 5)

## MISSISSIPPI POWER & LIGHT COMPANY

A notice has been issued giving interested persons until December 30 to request a hearing on a proposal of Mississippi Power & Light Company, subsidiary of Middle South Utilities, Inc., to issue and sell notes to banks and commercial paper to a dealer therein. (Rel. 35-18695 - Dec. 5)

## CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until December 31 to request a hearing on a proposal of Consolidated Natural Gas Company, a registered holding company, to issue and sell 500,000 shares of cumulative preferred stock, (\$100 par). The proceeds will be applied to the construction program of Consolidated's subsidiaries. (Rel. 35-18696 - Dec. 6)

## JERSEY CENTRAL POWER & LIGHT COMPANY

A supplemental order has been issued authorizing Jersey Central Power & Light Company, subsidiary of General Public Utilities Corporation, to extend the time within which to issue and sell cumulative preferred stock. (Rel. 18697 - Dec. 6)

## GENERAL PUBLIC UTILITIES CORPORATION

A supplemental order has been issued authorizing General Public Utilities Corporation (GPU), a registered holding company, to pay additional fees and expenses in connection with GPU's offering of 4,340,000 authorized but unissued common stock. (Rel. 35-18698 - Dec. 6)

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## TRUST INDENTURE ACT RELEASES

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### PACIFIC GAS AND ELECTRIC COMPANY

An order has been issued under the Trust Indenture Act on an application of Pacific Gas and Electric Company, exempting its first and refunding mortgage bonds, Series 74C, due December 1, 2006, from the certain provisions of the Act. (Rel. TI-374)

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## SECURITIES ACT REGISTRATIONS

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### (S-1) DOMINION BANKSHARES CORPORATION

201 South Jefferson St., Roanoke, Va. 24040 - 217,278 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Bank of Smithfield, Isle of Wight County, Smithfield, Virginia, at the rate of 11.9167 Dominion shares for each Bank of Smithfield share. Dominion is a bank holding company which controls ten bank affiliates and seven bank-related affiliates. (File 2-52452 - Dec. 5)

### (S-1) MCCORMICK 1975 OIL & GAS PROGRAM

1204 Tenneco Bldg., Houston, Tex. 77002 - \$8 million of limited partnership interests (plus \$2 million of additional assessments), to be offered for sale with a minimum purchase of \$10,000 (plus additional assessment of \$2,500). The partnership interests will

be offered by selected NASD members -- no underwriting is involved. The partnership has been organized by McCormick Exploration Corporation and Sanford E. McCormick as general partners and proposes to explore for oil and gas in the United States. (File 2-52455 - Dec. 5)

S-1) FARMLAND INDUSTRIES, INC.

3315 North Oak Trafficway, Kansas City, Mo. 64116 - \$300,000 of 7% five-year subordinated certificates of investment; \$400,000 of 7-1/2% five-year subordinated certificates of investment; \$800,000 of 7-1/2% ten-year subordinated certificates of investment; \$1,300,000 of 8-1/2% ten-year subordinated certificates of investment; \$10 million of 8% five-year subordinated capital investment certificates; \$45 million of 8-1/2% ten-year subordinated capital investment certificates; \$200,000 of 9% fifteen-year subordinated certificates of investment; \$70 million of 9% fifteen-year subordinated capital investment certificates; \$75 million of 9-1/2% twenty-year subordinated capital investment certificates; these certificates sold in units of \$100; \$25 million of 8-1/2% ten-year subordinated monthly income capital investment certificates, this certificate sold in units of \$5,000 with increments of \$1,000; 80,000 shares of 6% preferred stock (\$25 par); 400 shares of common stock, to be offered for sale by the company and a dealer on a best efforts basis. The company is a farm supply and marketing cooperative. (File 2-52454 - Dec. 5)

REGISTRATIONS EFFECTIVE

Dec. 6: American Home Products Corp., 2-52364; Apache Corp., 2-51492; Colorado Consolidated Mines Co., 2-52284; Comten, Inc., 2-52164; Crown Zellerbach Corp., 2-52243; Emery Air Freight Corp., 2-52348; May Petroleum Inc., 2-51488; Republic Metal Products, Inc., 2-52347; Wallace Business Forms, Inc., 2-52229.

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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