

# sec news digest

a daily summary from the securities and exchange commission

(Issue No. 73-35)

February 21, 1973

## DECISIONS IN ADMINISTRATIVE PROCEEDING

**DONALD GLENN BARRED.** The SEC has issued an order barring Donald D. Glenn, Salt Lake City, Utah, a customer of certain broker-dealer firms, from association with any broker-dealer. The respondent had failed to appear or answer the charges against him and was deemed to be in default.

According to the Commission decision, the respondent violated the registration provisions of the Securities Act of 1933 in the offer and sale of shares of common stock of Com Tel Inc. between July 1969 and March 1972 when no registration statement had been filed or was in effect as to those shares. (Rel. 34-10009)

## RULE PROPOSALS AND ADOPTIONS

**COMMENT PERIOD FOR RULE 202-2 (FORMERLY RULE 202-1) EXTENDED.** The SEC today announced that proposed Rule 202-1 under the Investment Advisers Act, entitled "Exemption from Definition of Investment Adviser for Persons Controlling a Registered Investment Adviser and Persons Affiliated with such Controlling Persons", has been redesignated as proposed Rule 202-2. The SEC has also extended the period of time for submission of comments and views on proposed Rule 202-2, the proposed amendment to paragraph (12) of Rule 204-2(a) under the Investment Advisers Act, and proposed new paragraphs (13) and (14) of Rule 204-2(a) from February 16, 1973 to March 16, 1973. These proposals were originally announced on December 18, 1972. (Rel. IA-353)

All interested persons are invited to submit comments on these proposals to Alan Rosenblat, Chief Counsel, Division of Investment Management Regulation, Securities and Exchange Commission, Washington, D.C. 20549, on or before March 16, 1973. Please refer to File No. S7-462 in any communications. (Rel. IA-363)

## COURT ENFORCEMENT ACTIONS

**PLASTIC PRODUCTS DEVELOPMENT; PRINCIPALS ENJOINED.** The SEC Atlanta Regional Office announced that on February 12 the Federal court in Miami, Fla. permanently enjoined Plastic Products Development, Inc., John C. Bertelsen and William L. Dickson, Jr., all of Ft. Lauderdale, Fla. from violations of the registration and antifraud provisions of the Federal securities laws in connection with the offer and sale of any security. The defendants consented to the court order without admitting or denying the allegations. (LR-5745)

## COMMISSION ANNOUNCEMENTS

**SEC COMPLAINT NAMES AFCOA & PARADOX PRODUCTIONS; TRADING SUSPENDED IN THEIR SECURITIES.** The SEC announced the filing of complaints in the Federal court in the District of Columbia on February 20 directing AFCOA, Chatsworth, Calif. and Paradox Production Corporation, Salt Lake City, Utah, to comply with the reporting provisions of the Securities Exchange Act of 1934.

The Commission also ordered the temporary suspension of over-the-counter trading in the securities of these companies effective for the ten-day period commencing February 20 and terminating at midnight (EST) on March 1, 1973. The suspension was ordered because of the unavailability of adequate and accurate current information concerning the financial condition and business operations of these firms.

According to the Commission's complaint, AFCOA failed to file its 10-K report for the fiscal year ended June 30, 1972, and its 10-Q reports for the quarters ending September 30, 1972 and December 29, 1972. Paradox has failed to file its 10-K report for the fiscal year ended September 30, 1972, and its 10-Q reports for the quarters ended December 31, 1971, March 31, 1972, June 30, 1972 and December 29, 1972. (LR-5747)

## INVESTMENT COMPANY ACT RELEASES

**LIFE INSURANCE COMPANY OF NORTH AMERICA.** The SEC has issued an order exempting Life Insurance Company of North America and Life Insurance Company of North America Separate Account A, of Philadelphia (1) from Section 22(d) to permit without sales load the exercise of an option to convert from fixed to variable annuity payments at the maturity date; and, to permit the insurance company in its discretion to apply an experience rating credit; (2) from Section 27(a)(4) to permit initial payments under certain variable annuity contracts to be less than \$20 but not less than \$10. The order also approves pursuant to Sections 11(a) and 11(c) an offer enabling a contract owner or participant to substitute shares of another open-end investment company as the underlying investment medium for his interest in the separate account. (Rel. IC-7677)

OVER

SUN LIFE OF CANADA (U.S.) VARIABLE ACCOUNT B. The Commission has issued an order on an application of Sun Life Assurance Company of Canada (U.S.), a stock life insurance company incorporated in Delaware (Sun Life), Sun Life of Canada (U.S.) Variable Account B (Account B), a separate account of Sun Life formed to facilitate the issuance of variable annuity contracts, and registered under the Act as a unit investment trust, and Suncan Equity Services Company, the company that will sell such variable annuity contracts, (1) permitting: amounts accumulated on fixed basis annuity contracts issued by Sun Life to be transferred to Account B without any additional sales charges; the level of sales charges applicable to the purchaser of variable annuity contracts to be determined on the basis of the total amount of the fixed and variable contracts being purchased; and sales charges on such variable contracts to be reduced by half when such contracts are purchased with proceeds derived from Sun Life insurance products; and (2) exempting applicants from those provisions of the Act which prohibit periodic payment plan certificates of a registered unit investment trust from being sold unless the proceeds of all payments with respect to Account B, other than sales load, are deposited with a qualified bank as trustee or custodian and held under an indenture or agreement containing specified provisions. (Rel. IC-7678)

SUN LIFE OF CANADA (U.S.) VARIABLE ACCOUNT A. The Commission has issued an order on an application of Sun Life Assurance Company of Canada (U.S.), a stock life insurance company incorporated in Delaware (Sun Life), Sun Life of Canada (U.S.) Variable Account A (Account A), a separate account of Sun Life formed to facilitate the issuance of tax qualified variable annuity contracts, and registered under the Act as a unit investment trust, and Suncan Equity Services Company, the company will sell such variable contracts, (1) permitting: amounts accumulated on fixed basis annuity contracts issued by Sun Life to be transferred to Account A without any additional sales charges; the level of sales charges applicable to the purchaser of variable annuity contracts to be determined on the basis of the total amount of the fixed and variable contracts being purchased; and sales charges on such variable contracts to be reduced by half when such contracts are purchased with proceeds derived from Sun Life insurance products; and (2) exempting applicants from those provisions of the Act which prohibit periodic payment plan certificates of a registered unit investment trust from being sold unless the proceeds of all payments with respect to Account A, other than sales load, are deposited with a qualified bank as trustee or custodian and held under an indenture or agreement containing specified provisions. (Rel. IC-7679)

GENERAL HOST CORP. The SEC has issued an order denying without prejudice a request for a hearing by The Goldfield Corporation (Goldfield) on the application of General Host Corporation (Applicant) for an order under the Investment Company Act of 1940 retroactively approving a purchase by Applicant from Goldfield of 437,700 shares of its own common stock by exercise of an option previously granted to it by Goldfield. The order noted that issues raised by Goldfield's request for hearing which relate to the alleged fraudulent inducement of Goldfield to grant the option and to issue the note which was extended in return for the granting of the option had been raised and are pending in civil actions brought by Goldfield and the Commission. The order indicated that action on the application is deferred pending resolution of these issues in those civil actions. (Rel. IC-7680)

#### HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES. The SEC has issued a notice giving interested persons until March 16 to request a hearing on the proposals of Northeast Utilities, and its subsidiary, Western Massachusetts Electric Company, both of West Springfield, Mass., to issue and sell short-term notes (including commercial paper) in an aggregate principal amount outstanding at any one time of not more than (a) \$125,000,000 in case of Northeast, and (b) \$53,500,000 in case of WMECO. The proceeds will be used by Northeast to make capital contributions and open account advances to its subsidiary companies, and by WMECO to finance its construction program for 1973. (Rel. 35-17884)

CENTRAL AND SOUTH WEST CORPORATION. The SEC has issued an order regarding Central and South West Corporation, a registered holding company, and its electric utility subsidiary companies authorizing the issuance and sale of common stock by the subsidiaries to the holding company and the issuance and sale of common stock by the holding company at competitive bidding. (Rel. 35-17885)

#### SECURITIES ACT REGISTRATIONS FILED

DUNCAN CERAMIC PRODUCTS INC., 5673 E. Shields Ave., Fresno, Calif. 93727 - 334,000 shares of common stock, to be offered for sale (at \$16 per share maximum) through underwriters headed by Burnham & Co. Inc., 60 Broad St., New York 10004. The company manufactures and sells products for use by hobby ceramists. (File 2-47063 - Feb. 16)

EXCEL INVESTMENT COMPANY, 250 Camino Alto, Mill Valley, Calif. 94941 - 800,000 shares of common stock, to be offered for sale (at \$26 per share maximum) through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Calif. 94106, and Dain, Kalman & Quail Inc., 100 Dain Tower, Minneapolis, Minn. 55402. The company through subsidiaries insures lenders against losses on real estate loans secured by first mortgages. Of the net proceeds, \$11 million will be contributed to the capital or surplus of the company's insurance subsidiaries to allow them greater insuring capacity and the balance for other corporate purposes. (File 2-47064 - Feb 16)

THE WESTERN UNION TELEGRAPH COMPANY, One Lake St., Upper Saddle River, N. J. 07548 - \$60 million of sinking fund debentures, due 1998, to be offered for sale through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York 10005. The company offers telegraph message services to the public. Net proceeds will be used to retire \$60 million of indebtedness and the balance for working capital and other corporate purposes. (File 2-47065 - Feb 16)

SOUTHWEST FLORIDA BANKS, INC., 2400 First St., Fort Myers, Fla. 33901 - 3,019,582 shares of common stock. It is proposed to offer these shares in exchange for all the outstanding common shares of the following banks at the specified rates: 5.27 shares for each First National Bank in Fort Myers share, 4.92 shares for each Beach First National Bank share, 2.89 shares for each East First National Bank share, 2.86 shares for each National Bank of Sarasota share and 2.45 shares for each National Bank Gulf Gate share. Southwest was organized in 1972 to become a bank holding company. (File 2-47066 - Feb 16)

COMBANKS CORPORATION, 370 Wymore Rd., Winter Park, Fla. 32789 - 150,000 shares of common stock, of which 110,000 are to be offered for sale by the company and 30,000 by certain shareholders. The offering is to be made (\*at \$34.75 per share maximum) through underwriters headed by Laird, Bissell & Meeds, Inc., Dupont Bldg., Wilmington, Del. 19801. Combanks is a bank holding company. Net proceeds will be used to repay all outstanding bank indebtedness, most of which was used to acquire future bank sites and to increase capital at a banking subsidiary and the balance to provide capital for new banks being organized by the company. (File 2-47067 - Feb 16)

FIRST CONTINENTAL REAL ESTATE INVESTMENT TRUST, 3693 Southwest Freeway, Houston, Tex. 77027 - 1,250,000 shares of beneficial interest, to be offered for sale (\*at \$13.50 per share maximum) through underwriters headed by L. M. Rosenthal & Co., Inc., 666 Fifth Ave., New York 10019. The Trust was organized in September 1971 to invest in construction and land acquisition and development first mortgage loans. First Continental Mortgage Advisers, Inc. is investment adviser. (File 2-47068 - Feb 16)

RALSTON PURINA COMPANY, Checkerboard Sq., St. Louis, Mo. 63188 - 802,194 shares of common stock, issuable under the company's 1972 Incentive Compensation Plan. (File 2-47069 - Feb 16)

FLORIDA GULF REALTY TRUST, 1150 S.W. First St., Miami, Fla. 33130 - 1,265,000 shares of beneficial interest, to be offered for sale at \$20 per share through underwriters headed by DuPont Glore Forgan Inc., One Wall St., New York 10005. The Trust was organized on February 8 primarily to invest in income-producing real property. LR Management, Inc. is investment adviser. (File 2-47070 - Feb 16)

NUVEEN TAX-EXEMPT BOND FUND SERIES 48 CHECK-A-MONTH PLAN, 209 S. LaSalle St., Chicago, Ill. 60604 - \$31,500,000 of units. The Fund is one of a series of investment companies under the name of Nuveen Tax-Exempt Bond Fund, pursuant to a trust agreement between John Nuveen & Co. Incorporated, the sponsor, and United States Trust Company of New York, the trustee. The Fund consists of a diversified portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law. (File 2-47071 - Feb 16)

THE BANCAPITAL FINANCIAL CORPORATION, Capital National Bank Bldg., Austin, Tex. 78701 - 1,116,517 shares of capital stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of The Capital National Bank in Austin, on a share-for-share basis. Bancapital will primarily be engaged in owning subsidiary corporations. (File 2-47072 - Feb 16)

TPI CORPORATION, 135 Wesley St., Johnson City, Tenn. 37601 - 735,750 shares of Class A common stock, of which 382,500 are to be offered for sale by the company and 353,250 by certain shareholders. The offering is to be made (\*at \$14 per share maximum) through underwriters headed by J. C. Bradford & Co., Inc., Nashville, Tenn. 37219. The company manufactures and sells electric heating and air conditioning equipment. Of the net proceeds, \$215,000 will be used to prepay a portion of the company's secured long-term debt incurred to provide working capital and the balance for working capital and other corporate purposes. (File 2-47073 - Feb 16)

#### MISCELLANEOUS

#### RECENT FORM 8-K 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; and any newly enacted requirements effecting registrant's business.

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

8K REPORTS FOR JANUARY 1973

Crest Ultrasonics Corp (1,2,4,7,8,10,11,13,14)	2-31046-2	Ellis Banking Corporation (13)	2-41857-2
Cutler Hammer Inc. (13)	1-43-2	Equity National Industries, Inc. (3)	1-6447-2
Danker & Wohlk, Inc. (7)	2-41637-2	Fairchild Camera & Instrument Corp (4,14)	1-1214-2
Davis Water & Waste Inds., Inc. (2,7,14)	0-6495-2	Fairchild Industries, Inc. (4)	1-3104-2
The Dayton Power & Light Co. (13)	1-2385-2	Fairfield Communities Land Co. (13)	0-5698-2
Decision Data Computer Corp (11,14)	0-6379-2	Ferronics Inc. (13)	2-32686-2
Deere & Co. (14)	1-4121-2	Fidelity Corp (2,14)	0-3055-2
John Deere Credit Co. (7,14)	1-6458-2	Financial Corp of Santa Barbara (13,14)	1-5584-2
Dennison Manufacturing Co. (8)	1-4643-2	First Connecticut Bancorp, Inc. (13)	0-5307-2
Detsco Inc. (12)	0-4023-2	First Empire StateCorp (7)	0-4561-2
Dial Financial Corporation (7)	1-5803-2	First National City Corp (7)	1-5738-2
Diamondhead Corp (7,10)	0-6263-2	First Pennsylvania Mortgage Trust (7)	1-6804-2
Digital Data Systems Corp (2,14)	0-6150-2	First Security National Corp (4,7,11,14)	0-4635-2
Drexler Technology Corp (7,8)	0-6377-2	Flintkote Co. (3,7)	1-2560-2
Duckwall Stores, Inc. (13,14)	2-43853-2	Florida Power & Light Co. (7,13)	1-3545-2
Duke Power Co. (7)	1-4928-2	Ford Motor Co. (3)	1-3950-2
Dynalab Corp (8)	0-4489-2	Forum Restaurants, Inc. (2)	0-5125-2
E.B.S. Data Processing Inc.(7)	0-5380-2	Foster Grant Co., Inc. (7)	0-78-2
Economy Finance Corp (8)	0-2352-2	Frame House Gallery, Inc. (3)	2-45569-2
Elco Corp (13)	1-6896-2		
Elias Brothers Restaurants, Inc. (4,11)	2-44701-2		

SECURITIES ACT REGISTRATIONS. Effective February 20: American Motors Corp., 2-46657; Disc Incorporated of America, 2-46853; General Telephone Co. of California, 2-46965; ADRs of The Great Universal Stores Limited, 2-47019; New Perspective Fund, Inc., 2-46368; Patrick Oil and Gas Corp., 2-45220; State Mutual Securities, Inc., 2-46558 (May 21); Central and South West Corp., 2-46981.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

\*As estimated for purposes of computing the registration fee.

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