

sec news digest

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May 14, 1973

CHAIRMAN COOK SUGGESTS SECURITIES INDUSTRY SEEK ALTERNATIVES TO COMMISSION RATE SYSTEM

Chairman G. Bradford Cook told the Securities Industry Association at a conference May 11 that the leadership of its industry should consider looking for an alternative to the present commission rate system and the cumbersome and time-consuming process that changing it represents. He pointed out that the NYSE has implemented new rate schedules six times since 1934. The commission rate change adopted in 1972 came only after a costly study begun three years earlier. The procedure, which is necessary to change the commission schedule, often results in a rate which when finally approved no longer reflects the economic conditions in the business and should stimulate people in the industry to develop and prepare viable alternatives.

At a time when the Commission expects the NYSE to submit commission proposals with rate increases aimed at generating new revenue, Chairman Cook pointed out "What is needed is more rate flexibility, which would require the investor to pay for the services he wants and enable the broker to offer a sliding scale of services with different charges for each." Individual investors want to make money and are willing to pay for services which they feel will enable them to do so, Mr. Cook said. The market vehicles which have recently caught investor enthusiasm--bond funds, real estate investment trusts and tax shelter partnerships--all carry a much higher commission charge or spread than a typical stock exchange transaction, he noted.

"It is hard to justify commission rate increases against a background of rising costs that reflect such ancillary services as providing direct lines to customers or free computer time and services. I would like to see some detailed ideas regarding how the industry would operate in a competitive rate environment," Chairman Cook stated.

Another crucial aspect to the problem of profitability is that of operations costs, Chairman Cook said. Operational consolidations such as the combination of order processing and customer accounts operations being considered by Shearson Hammill and Harris Upham may be one approach to the profitability problem, he suggested. Mr. Cook also asked the industry to examine the cost of mutualized services, particularly in the following areas:

A national depository to consolidate operations now performed by the NYSE's central certificate services, the Pacific Coast Exchange's depository and that of the Midwest Exchange, and the proposed NASD depository.

One central clearing house -- now virtually all major exchanges have their own clearing houses.

A central market system. "What about exploring all the existing communications networks. . . to weld together a system at as limited a cost as possible."

In another area, Chairman Cook discussed legislation as a crucial element of the current picture and specifically addressed the Commission position on the major element of H.R. 5050, a bill introduced by Congressman Moss proposing a solution to the institutional membership issue. The Commission disagrees "strongly with the linkage in the bill of the institutional membership issue with resolution of the commission rate question by requiring a reduction in the breakpoint to \$100,000 on February 1, 1974" The Commission has set forth its own views in our Policy Statement on the Structure of the Central Market System, Mr. Cook noted.

In conclusion, Chairman Cook said it is time for the securities industry to consolidate its efforts, pool its years of experience and professionalism and come to Washington with its own permanent solutions and suggestions to all these issues.

COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN SECURITIES OF WESTGATE-CALIFORNIA AND AIR CALIFORNIA. The SEC has announced the temporary suspension of over-the-counter trading in all securities of Westgate-California Corporation, San Diego, California, and Air California, Newport Beach, California, for one ten-day period commencing on May 11 and terminating on May 20 at midnight.

The suspension was initiated because of a lack of accurate public information concerning the results of the companies' operations. The Commission has been notified that the independent auditors have withdrawn their certificates on Westgate's financial statements for 1971 and Air California's financial statements for 1971 and 1972. (Rel. 34-10145)

TRADING SUSPENDED IN ARLAN'S DEPT. STORES SECURITIES. The SEC announced the temporary suspension of exchange and over-the-counter trading in the securities of Arlan's Department Stores, Incorporated, New York, New York for a ten-day period commencing May 11 and continuing through May 20, 1973.

The suspension was requested by the company because of the lack of accurate public information about the company's financial condition. The New York Exchange halted trading on May 11, 1973. The company has stated that it will make an announcement during the week of May 14, 1973. (Rel. 34-10146)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES ALLEGHENY BEVERAGE, OTHERS. The SEC announced the filing of a complaint on May 11 in the Federal court for the District of Columbia seeking to enjoin Allegheny Beverage Corporation (ABC), a Maryland corporation whose common stock is traded in the over-the-counter market, Valu Vend, Inc. (VV) and Valu Vend Credit Corporation (VVCC), subsidiaries of ABC, and twenty-two other defendants including Morton M. Lapedes, Harry J. Conn, Anthony J. Hering and William W. Kane, all of whom are or were officers or directors of ABC and its subsidiaries; Benjamin Botwinick and Co. (BB), ABC's independent certified public accountants, and Alvin Mindes, a partner of BB; First Duso Securities Corporation (First Duso), a broker-dealer named as underwriter in a debenture offering by VVCC, and Miles Bahl, an officer of First Duso; Klein & Dahne, legal counsel to ABC and VV, David S. Klein, a partner in the law firm of Klein & Dahne and Barry Dahne, a partner in the law firm of Klein & Dahne and a certified public accountant; Paken Enterprises, Inc. (Paken), Kenneth E. Denson, president of Paken; Southern Capital Corporation (SCC), Claude Leroy Dixon, president of SCC; W.F.S., Inc., Walter F. Sparks, president of W.F.S., Inc.; Suburban Trust Company, escrow agent and trustee of the VVCC debenture offering; Wright, Robertson & Dowell, legal counsel to VVCC on the VVCC debenture offering, and C. Gordon Haines, a partner in Wright, Robertson & Dowell; McLaughlin & Stern, Ballen and Miller (MSBM), legal counsel to First Duso, and A. Jeffrey Robinson, an associate in the law firm of MSBM; from further violations of various provisions of the federal securities laws (including the anti-fraud and registration provisions). The complaint also requests a mandatory injunction to require ABC to correct certain reports filed with the Commission which are alleged to be materially false and misleading. The complaint further requests an order requiring certain of the defendants to disgorge the profits from their public sale of ABC common stock and to disgorge all monies received as interest and premium resulting from their purchase of VVCC debentures. (Rel. 33-5888)

CHARLES EDWARD COULON, JR. SENTENCED. The SEC Washington Regional Office announced that on May 4 the Federal court in Alexandria, Virginia, sentenced Charles Edward Coulon, Jr. of West Hickory, Pennsylvania to two years imprisonment. Coulon had pleaded guilty to one securities fraud count of a nineteen count indictment charging violations of the registration and anti-fraud provisions of the Securities Act of 1933, mail fraud and conspiracy in the offer and sale of unregistered fractional undivided working interests in oil and gas leases located in and around Warren County, Pennsylvania. (LR-5882)

INVESTMENT COMPANY ACT RELEASES

KAISER AETNA FUNDING CORP. The SEC has issued an order on an application of Kaiser Aetna Funding Corp., a Delaware corporation organized by Kaiser Aetna (a general partnership under the laws of California) for the purpose of facilitating the long-term financing of the real estate activities of Kaiser Aetna, exempting Funding, whose only assets will be notes of Kaiser Aetna and which proposes to issue debt securities to institutional investors, from all of the provisions of the Investment Company Act of 1940. (Rel. IC-7813)

MISCELLANEOUS

OVER-THE-COUNTER REGISTRATIONS REPORTED. The following issuers of securities traded over-the-counter have filed registration statements with the Commission pursuant to requirements of Section 12(g) of the Securities Exchange Act (companies which currently file annual and other periodic reports with the SEC are identified by "**"):

FILE NO	O-REGISTRANT	LOCATION
6913	Adobe Brick & Supply Co**	Hollywood, Fl.
7099	Alarm Products Intl., Inc	Long Island City, NY
7098	Allied Bancshares, Inc	Houston, TX
7045	Bancshares of New Jersey	Camden, NJ
7119	Cape Codder System, Inc	Lexington, KY
7125	Century Properties Fund 72-1	Menlo Park, CA
7126	Century Properties Fund 71-3	Menlo Park, CA
6986	Circle Three Land & Cattle Co	Whittier, CA
7086	Coastal States Corp	Atlanta, GA
7040	Collette's, Inc	Salt Lake City, UT
6900	Commonwealth Ind., Inc	Bryn Mawr, PA
7-82	Driskill Hotel Corp	Austin, TX
7118	Educators Invest. Corp of Florida	Orlando, FL
7044	Essex Bancorp, Inc	Peabody, MA
7092	Fairlane Ind., Inc	Houston, TX
6905	Fedder Data Centers, Inc**	Baltimore, MD
7097	Fidelity Bank	Beverly Hills, CA
7101	First American Corp	Riviera Beach, FL
7064	Funds, Inc	Houston, TX

OVER-THE-COUNTER REGISTRATIONS CONTD.

7128	Greater Carolinas Corp	Columbia, MD
7065	Greater Providence Deposit Corp	Providence, RI
7120	Intermountain Lab's, Inc	Salt Lake City, UT
6912	Invent Inc**	Houston, TX
7088	Investors Reit Two	Columbus, OH
6926	Juniper Petroleum Corp**	Denver, CO
7094	Lamar Life Corp	Jackson, MS
7117	Lynden Transport, Inc	Lynden, WA
7084	McMillen Corp	Jacksonville, FL
7093	Mod-U-Kraf Homes, Inc	Rocky Mt., VA
7124	Newport Lab's, Inc	Santa Ana, CA
7121	Pacific Investors Fund No. 2	Menlo Park, CA
6911	PEC Ind., Inc**	Ft. Lauderdale, FL
7091	Polaris Financial Corp	Hutchinson, KS
6901	Queen Casuals, Inc**	Phila. PA
7095	RFI Realty Trust	Columbus, OH
7123	Raydon Technology Corp	New York, NY
7081	Secura Corp	Atlanta, GA
7007	Tropix Togs, Inc**	Miami, FL
7096	Underground Atlanta, Inc	Atlanta, GA
7043	Valley of Virginia Bankshares, Inc	Harrisburg, PA
7089	WJDX, Inc	Jackson, MS
7085	John Wesley Corp	Indianapolis, IN

IMPORTANT NOTICE

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed: Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost will approximate 12¢ per page, plus postage, for mailing within four days, to 25¢ per page, plus postage, for overnight mailing. Cost estimates given on request.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. The captions of the items are as follows:

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| Item 1. Changes in Control of Registrant. | Item 9. Options to Purchase Securities. |
| Item 2. Acquisition or Disposition of Assets. | Item 10. Revaluation of Assets or Restatement of Capital Share Account. |
| Item 3. Legal Proceedings. | Item 11. Submission of Matters to a Vote of Security Holders. |
| Item 4. Changes in Securities. | Item 12. Changes in Registrant's Certifying Accountant. |
| Item 5. Changes in Security for Registered Securities. | Item 13. Other Materially Important Events. |
| Item 6. Defaults upon Senior Securities. | Item 14. Financial Statements and Exhibits. |
| Item 7. Increase in Amount of Securities Outstanding. | |
| Item 8. Decrease in Amount of Securities Outstanding. | |

Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). Invoice will be included with the requested material when mailed.

SPANG INDUSTRIES INC	3	10/72
SUPERIOR SURGICAL MANUFACTURING CO INC	11,14	04/73
SUPERMARKETS GENERAL CORP	11	03/73
TAMPA ELECTRIC CO	11,13,14	04/73
TERADYNE INC	11,14	04/73
TG BANCSHAKES CO	11,14	04/73
TOTAL RESOURCES INC	7,14	03/73
UNION PLANTERS CORP	11	04/73
UNITED STATES BANCORP	4,11,14	04/73
UNITED STATES REDUCTION CO	13	01/69
VARAC INDUSTRIES INC	1,2,7,12,14	12/72
VILLAGER INDUSTRIES INC	13,14	01/73
WEST JERSEY SEASHORE RAILROAD	11	04/73
ALLIED MANAGEMENT & SYSTEMS CORP	2,14	04/73
CINCINNATI UNION STOCK YARD CO	11	01/73
CREDIT INSURERS OF AMERICA INC	13	03/73
GPI INC	13,14	04/73
OMAHA NATIONAL CORP	11	04/73
RICHARDS AIRCRAFT SUPPLY CO INC	13,14	01/73
SAINT PAUL COMPANIES INC	11,14	05/73
SOUTHERN INDUSTRIES CORP	11	04/73
AMERICAS CORP	1,2,3,7,9,13,14	02/73
CENTRAL BANCORPORATION INC	3	03/73
MINNS L F & CO	13	05/72
PHOENIX CANDY CO INC	13,14	03/73
VIRGINIA CHEMICALS INC	11,14	03/73

8-K REPORTS CONTD.

PRESLEY COMPANIES	1,2,7,9,11,14	03/73
SYS COMPUTER CORP	11	07/72
ASTRODATA INC	1,2,7,13,14	03/73
CIRCLE K CORP	12	02/73
FBI BANCORP INC	11,14	04/73
SOLOMON INC	1,2,4,8,10,11,14	03/73
ALEXANDER & ALEXANDER INC	11,14	04/73
ANGELES CREST DEVELOPMENT CO INC	2,14	03/73
BEISINGER INDUSTRIES CORP	2,14	02/73
CONSOLIDATED FREIGHTWAYS INC	11,14	04/73
FIDELITY CORP OF PENNSYLVANIA	11	04/73
FIRST HOME INVESTMENT CORP OF KANSAS INC	3,14	04/73
FLOYD VALLEY PACKING CO	13,14	03/73
GLM INDUSTRIES INC	13,14	04/73
HANOVER SQUARE REALTY INVESTORS	7	03/73
HYDROCULTURE INC	13	03/73
MARGOS LAMODE INC	11,13,14	04/73
MILD ELECTRONICS CORP	13,14	04/73
MORAN BROTHERS INC	11	04/73
MORSE ELECTRO PRODUCTS CORP	7,8,14	04/73
NEI CORP	2,13,14	03/73
NEOTEC CORP	11	06/72
NESTLE LEMUR CO	11	04/73
SECURITY SAVINGS & LOAN	12	03/73
SUTRO MORTGAGE INVESTMENT TRUST	13,14	04/73
VILLAGER INDUSTRIES INC	3	01/72
VILLAGER INDUSTRIES INC	8,14	03/73
AMENDMENTS TO REPORTS ON FORM 8-K		
ANSUL CO	2	09/72
BLACK HILLS POWER & LIGHT CO	11	04/73
CASTLE & COOKE INC	7	03/73
COLONIAL LIFE & ACCIDENT INSURANCE CO	14	03/73
PAKCO COMPANIES INC	3	02/73
PRESIDENTIAL REALTY CORP	14	04/73
SAINT JOHNSBURY TRUCKING CO INC	9	11/72
SEMI CONDUCTOR COMPONENT SUBSTRATES CORP	3	07/72
TRINITY INDUSTRIES INC	2,4,7,14	01/73
UIP CORP	14	10/72

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of U. S. Financial, Inc. and of over-the-counter trading in the securities of (a) Beneficial Laboratories, Inc., (b) Proof Lock International Corp. and (c) Triex International Corp. for the further ten-day period May 14-23, inclusive.

SECURITIES ACT REGISTRATIONS. Effective May 10: Bankamerica Corp., 2-47747; Eagle-Picher Industries, Inc., 2-47809; Norton Company, 2-47548; Pennzoil Company, 2-47662; Prudential Building Maintenance Corp., 2-47901; Wynn Oil Co., 2-47710; Wyoming Bancorporation, 2-47463. Effective May 11: Applied Data Research, Inc., 2-46414; Cerro Corp., 2-47649; Crum and Forster, 2-47754; Exxon Corporation, 2-47900; Fuqua Industries, Inc., 2-47627; Furr's Cafeterias, Inc., 2-47447; Grantree Corporation, 2-47365; May Department Stores Co., 2-47766; May Petroleum Inc., 2-46378 (90 days); Resort One, 2-46702 (Aug. 9); Santa Anita Consolidated, Inc., 2-46958; Stephan Chemical Co., 2-47875; Transco Realty Trust, 2-42512.

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.

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Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail; \$8.25 additional for foreign mailing; \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail; \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.