

sec news digest

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November 8, 1973

COMMISSION ANNOUNCEMENTS

PUBLIC REFERENCE ROOM TO RELOCATE. Beginning Monday, November 12, the Public Reference Room will be located in Room 6101 at 1100 L Street, N.W., Washington, D. C. The visiting hours will remain 9:00 - 4:30. Though the reference room will not be closed at all during this period, the timeliness of service may be impaired the week before and the week after relocating.

Written requests for documents should still be addressed to the Public Reference Room, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549.

DECISIONS IN ADMINISTRATIVE PROCEEDING

VANIER BARRED. An order has been issued in which Jerry D. Vanier and John J. Vanier, Salina, Kansas, who were associated with Bush & Company, Inc., then registered broker-dealer which had been investment adviser to and principal underwriter for First Home Investment Corporation of Kansas, Inc. (FHI), a registered investment company, were barred from association with any broker, dealer or investment adviser. It also prohibited the Vaniers from serving in any capacity to a registered investment company specified in Section 9(b) of the Investment Company Act. After one year each respondent may apply to the Commission for permission to become so associated and serve in such capacities upon a showing that such relief would be in the public interest.

According to the decision, respondents violated or aided and abetted violations of the securities laws in transactions in the securities issued by FHI and Bush and the operation of those firms. Such misconduct included the sale of unregistered Bush common stock, fraudulent statements in the offer, sale and purchase of such stock and FHI face amount certificates and common stock, failure to give notification of Bush's capacity in transactions in FHI securities, self-dealing with FHI and receipt of compensation on its portfolio transactions, and the operation of Bush as an investment adviser without registration.

The Commission's order was based on offers of settlement in which the Vaniers, without admitting or denying the charges against them consented to the indicated findings and sanctions. In connection with such offers, the Vaniers state they were not involved in the training of salesmen, the active management of Bush before November 1972, and the sale of securities of it or FHI. They further state that they aided FHI's rehabilitation, and gave financial assistance to its trustee appointed under Chapter X of the Bankruptcy Act when other sources were unavailable to meet current liabilities in its reorganization. (Rel. IC-8054)

BALMAN, NAMEE AND SCARLETT BARRED. The SEC has barred O. J. Baalman and Sam J. Namee, Wichita, Kansas, and Richard L. Scarlett, Valley Center, Kansas, from association with any broker, dealer or investment adviser. It also prohibited them from serving in any capacity to a registered investment company specified in Section 9(b) of the Investment Company Act. After one year respondents may apply to the Commission for permission to become so associated and serve in such capacities upon a showing that they will be supervised properly and that such relief would be in the public interest.

According to the decision, respondents violated or aided and abetted violations of the securities laws in transactions in securities of First Home Investment Corporation of Kansas, Inc. (FHI), a registered investment company, and Bush & Company, Inc., then a registered broker-dealer which had been investment adviser to and principal underwriter for FHI, and in the operation of those firms. Such misconduct included the sale of unregistered Bush common stock, fraudulent statements in the offer, sale and purchase of such stock and FHI face amount certificates and common stock, failure to give notification of Bush's capacity in transactions in FHI securities, self-dealing with FHI and receipt of compensation on its portfolio transactions, and the operation of Bush as an investment adviser without registration.

The Commission's order was based on offers of settlement in which respondents, without admitting or denying the charges against them, consented to the indicated findings and sanctions. (Rel. IC-8055)

RULE PROPOSALS AND ADOPTIONS

AMENDMENT TO RULE 458. In subparagraph (4) of paragraph (a) of Rule 458, the word "offering" is changed to read "filing." As amended, subparagraph (4) will read: "the price of the security, if known at the time of the filing." (Rel. 33-5424A)

COURT ENFORCEMENT ACTIONS

UNITY SECURITIES CORPORATION, OTHERS ENJOINED. The Los Angeles Regional Office announced that the U.S. District Court in Los Angeles on October 27 preliminarily enjoined and restrained Unity Securities Corporation, a Los Angeles broker-dealer, Hunter Brooks Brashier of Canoga Park, Cal., Leonard Friedman of Sherman Oaks, Cal., and Orecraft, Inc., a Utah corporation, from the registration and antifraud provisions of the securities laws. Brashier, Friedman, Orecraft and Unity Capital Corporation of America, parent of Unity Securities Corporation, were also preliminarily restrained and enjoined from the reporting requirements provisions of the securities laws. In addition, Stephen Hunsaker of Salt Lake City was preliminarily enjoined from violations of the antifraud provisions of the securities laws. (LR-6139)

INVESTMENT COMPANY ACT RELEASES

ACME FUND. A notice correcting erratum has been issued for Investment Company Act Release No. 8035, changing the number of shares set forth in the first sentence of the third paragraph from 94 to 94,956.925. (Rel. IC-8035A)

LAMB FUND. An order has been issued on an application of Lamb Fund, Inc., of Chicago, Illinois, declaring that the Fund has ceased to be an investment company. (Rel. IC-8073)

URBAN EQUITIES FUND. A notice has been issued giving interested persons until December 5, to request a hearing on an application of Urban Equities Fund, Inc., Boston mutual fund, for an order declaring that Fund has ceased to be an investment company as defined in the Act. (Rel. IC-8075)

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY. A notice has been issued giving interested persons until November 30 to request a hearing on an application of The Northwestern Mutual Life Insurance Company (NML) and NML Fund, Inc. (Fund), Milwaukee mutual fund, all of whose shares are held by NML and its separate accounts. NML and Fund request an order exempting from the Act the sale of the assets of NML Variable Annuity Account A, a separate account of NML established in connection with the sale of certain tax-qualified variable annuity contracts, to the Fund in exchange for shares of the Fund. (Rel. IC-8076)

SECURITIES ACT REGISTRATIONS FILED

(S-1) PACIFIC GAS AND ELECTRIC COMPANY, 77 Beale St., San Francisco, Cal. 94106 - \$150 million of first and refunding mortgage bonds, series 73A, due 2005, to be offered for sale at competitive bidding. (File 2-49432 - Oct. 11)

(S-16) E. I. DUPONT DE NEMOURS AND COMPANY, 1007 Market St., Wilmington, Del. 19898-400 shares of common stock, which may be offered for sale by Norman L. Christensen, selling stockholder, at prices current at the time of sale. (File 2-49395 - Oct. 23)

(S-1) LEONTINE LIFE INSURANCE COMPANY, 1251 Avenue of the Americas, New York, N.Y. 10020 - \$2 million of first and refunding mortgage bonds, series 73A, due 2005, to be offered for sale at competitive bidding. (File 2-49432 - Oct. 11)

PROVINCE OF NEWFOUNDLAND (Canada) (U.S. Agent: Hon. Bruce I. Rankin, Consul General, Canadian Consulate General, 1251 Avenue of the Americas, New York, N.Y. 10020) - \$40 million of sinking fund debentures, due 1998, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, New York, N.Y. (File 2-49397 - Oct. 23)

(S-16) HOSPITAL CORPORATION OF AMERICA, One Park Plaza, P. O. Box 550, Nashville, Tenn. 37202 - 193,748 shares of common stock, which may be offered for sale from time to time by certain shareholders through Lehman Brothers Inc., One William St., New York, N.Y., as broker at prices current at the time of sale. (File 2-49399 - Oct. 23)

(S-11) UNITED NATIONAL CORPORATION, 745 Fifth Ave., New York, N.Y. 10022 - 1,539,319 shares of common stock, issuable upon exercise of warrants. The company has engaged in the real estate business. (File 2-49400 - Oct. 23)

(S-6) CORPORATE INVESTMENT TRUST FUND, SECOND MONTHLY PAYMENT SERIES - \$11 million of units. The Trust was created under a trust agreement under which Bache & Co. Inc. acts as sponsor, United States Trust Company of New York as trustee, New England Merchants National Bank as co-trustee and Interactive Data Service, Inc. as evaluator. It consists of a diversified portfolio of long-term corporate debt obligations rated "BBB" or better by Standard & Poor's Corporation or Fitch Investors Service, Inc. or "Baa" or better by Moody's Investors Service, Inc. (File 2-49401 - Oct. 23)

PATRICK OIL AND GAS CORP (the general partner), 744 W. Michigan Ave., Jackson, Mich. 49201 - filed two registration statements seeking registration of securities as follows:

(S-1) \$12 million of partnership interests in its 1974 Combination Program, to be offered for sale at \$5,000 per unit by Patrick Program, Inc., 2605 N. Woodward Ave., Bloomfield Hills, Mich. and selected NASD members. A series of partnerships are to be formed to acquire and operate producing oil and gas properties and to drill exploratory and development wells. (File 2-49402 - Oct. 23)

(S-1) \$12 million of partnership interests in its 1974 Drilling Program, to be offered for sale at \$5000 per unit by Patrick Programs, Inc., 2605 North Woodward Ave., Bloomfield Hills, Mich. A series of partnerships are to be formed to engage in exploratory and development drilling. (File 2-49403 - Oct. 23)

FINANCIAL GUARDIAN GROUP, INC., 912 Baltimore Ave., Kansas City, Mo. 64105 - 600,000 shares of common stock. These shares may be offered from time to time in connection with the acquisition of other businesses or properties. The company conducts an insurance agency business. (File 2-49390 - Oct. 23)

(S-16) US LIFE CORPORATION, 125 Maiden Lane, New York, N.Y. 10038 - 299,028 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. (File 2-49404 - Oct. 24)

(S-14) HOOVER BALL AND BEARING COMPANY, 135 East Bennett St., Saline, Mich. 48176 - 229,787 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of The Seng Company, at the rate of 1-1/4 share for each Seng share. Hoover manufactures and sells certain steel products (including bed springs and furniture and steel balls), molded urethane foam padding for automotive seating, aluminum, zinc and brass castings for the automotive, plumbing and hardware industries, bulk material handling systems and other products. Seng manufactures a sofa sleeper mechanism, mechanical-action rockers, swivel and swivel-rocker chair and other devices. (File 2-49406 - Oct. 24)

VLAKFONTEIN GOLD MINING COMPANY. Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for Rand One shares of Vlakfontein Gold Mining Company Limited, a South African corporation. (File 2-49408 - Oct. 23)

(S-1) GENERAL TELEPHONE COMPANY OF INDIANA, INC., 501 Tecumseh St., Fort Wayne, Ind. 46801 - 140,000 shares of cumulative preferred stock, to be offered for sale at competitive bidding. (File 2-49410 - Oct. 24)

(S-1) In a separate statement, the company seeks registration of \$25 million of first mortgage bonds, due 2003, to be offered for sale at competitive bidding. (File 2-49411 - Oct. 24)

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

- Envirotech Corporation, Menlo Park, Cal. (File 2-49388) - 125,000 shares
- Servomation Corp., New York, N. Y. (File 2-49398) - 250,000 shares
- Revco D. S., Inc., Cleveland, Ohio (File 2-49405) - 42,400 shares
- Amstar Corporation, New York, N. Y. (File 2-49407) - 150,000 shares
- Incoterm Corporation, Natick, Mass. (File 2-49409) - 120,000 shares

SECURITIES ACT REGISTRATIONS. Effective November 5: Combustion Equipment Associates, Inc., 2-49204.

Effective November 6: Ennis Business Forms, Inc., 2-45557.

Effective November 7: Capital Resources Real Estate Partnership III, 2-48563 (90 days); Honokowai Maui Partnership, 2-47625; Interfunding Financial Services Corp., 2-46794 (90 days); International Minerals & Chemical Corporation, 2-49508; Itek Corp., 2-49421; ML Corporate Income Fund Eighth Monthly Payment Series, 2-48916; ADR's for Vlaktein Gold Mining Company Limited, 2-49408; Waters Associates, Inc., 2-47899 (90 days).

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

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