

# sec news digest

a daily summary from the securities and exchange commission

Issue 73-224

SEC Docket, Vol. 3, No. 3 - Dec. 4)

November 20, 1973

## COMMISSION ANNOUNCEMENTS

FIRST DETROIT SECURITIES CORP., OTHERS CITED. Administrative proceedings under the Securities Exchange Act of 1934 have been instituted against First Detroit Securities Corporation of Detroit, Michigan. Also named as respondents are Herman F. Zerweck, president of First Detroit, and Frederic G. Brabander, a former salesman of the firm. The proceedings are based upon allegations of the Commission's staff that the firm, aided and abetted by Zerweck, violated the registration and antifraud provisions of the securities laws in the offer and sale of common stock of Teeg Research, Inc. and other common stocks; in failing to conduct a quarterly count of securities held by the firm; and in failing to comply with credit requirements under Regulation T of the Federal Reserve Board. Brabander is alleged to have aided and abetted the credit requirements and to have violated the antifraud provisions of the securities laws in the offer and sale of various common stocks, by, among other things, effecting unauthorized transactions in securities; making price predictions without reasonable basis; guaranteeing customers against loss in the purchase of securities; recommending purchase of securities without a reasonable basis; and making false representations and omitting to state material facts to customers. A hearing will be scheduled to take evidence on the staff charges and afford respondents an opportunity to offer any defenses. The purpose of the hearing is to determine whether the allegations are true, and, if so, whether any remedial action is necessary or appropriate in the public interest. (Rel. 34-10507)

SUSPENSION OF REGULATION A EXEMPTION ORDER MADE PERMANENT. Administrative Law Judge Sidney Ullman has issued an initial decision making permanent a temporary suspension of the Regulation A exemption of Comtech Venture Fund, Inc., of Baltimore, Maryland. The temporary suspension had been ordered by the Commission on April 18, 1973, pending a hearing to determine whether it should be vacated or made permanent.

The decision was based on findings that because of activities of Comtech's affiliates, First Federated Commodity Trust Corporation and John R. Singleton, of Towson, Maryland, the exemption is unavailable and the suspension should be made permanent. Comtech had proposed to offer under Regulation A, 100,000 shares at \$5.00 per share, the proceeds of which would be used to buy, sell, and trade in commodity futures contracts. The decision is subject to appeal to the Commission.

## COURT ENFORCEMENT ACTIONS

CHARLES T. DOLAN INDICTED. The Denver Regional Office announced that on November 9 a Federal Grand Jury sitting in Denver, Colorado, returned a one count indictment against Charles T. Dolan for perjury. The alleged criminal violation arose out of Dolan's testimony before the same Grand Jury on August 22, 1973 before a four count indictment was returned against Dolan for securities and mail fraud in the offer and sale of United States Investment Corporation common stock. (LR-6149)

JAMES WALLACE WHITE, CANUSA HOLDINGS, LTD., ACADEMIC DEVELOPMENT CORPORATION, OTHERS ENJOINED. The SEC Denver Regional Office announced that the Federal District Court in Reno, Nevada, on October 11 permanently enjoined Canusa Holdings, Ltd., a Delaware corporation, now called Anusound, Ltd.; Academic Development Corporation, a New York corporation, now called Systems One, Ltd.; James Wallace White of Twentynine Palms, California; Dell R. R. Swope of Reno, Nevada; Dale R. Garland of Union City, California; and Harvey D. McCoy of Ogden, Utah. On October 16, 1973, Specialty Equities Corporation, a Nevada corporation, and Grant F. Lund of Ogden, Utah, were permanently enjoined.

The orders were issued pursuant to the stipulation and consent of the defendants. The defendants are enjoined from violations of the registration and antifraud provisions of the securities laws in the sale of the common stock of Canusa Holdings, Ltd., Academic Development Corporation, and Specialty Equities Corporation. Specialty Equities Corporation, James Wallace White, Grant F. Lund, and Harvey D. McCoy were also enjoined from filing false and misleading registration statements and from failing to file required reports. Harold D. Vanderwest of Phoenix, Arizona, formerly of Clearfield, Utah, was preliminarily enjoined after a hearing and after briefs were submitted. (LR-6150)

COMPLAINT NAMES CHURCH BOND BROKERS. The SEC Atlanta Office announced that a complaint was filed in the Federal court in Atlanta on November 9 seeking to enjoin Fidelity Plan, Inc., a registered broker and dealer, its president Daniel G. Gunter, its vice-president Claude L. Downs, and its affiliate Institutional Finance Corporation, all of East Point, Georgia, from violations of antifraud provisions of the securities laws in the sale of church bonds; to enjoin Institutional Finance Corporation from, and the other defendants from aiding and abetting it in engaging in business as a broker and dealer without being registered as such with the Commission and extending and maintaining credit to or for customers on securities.

The Commission's motions for preliminary injunction and appointment of a receiver will be heard November 30, 1973. (LR-6151)

NATURAL RESOURCE MANAGEMENT CORPORATION, WILLIAM A. HALL, III, AND JAMES R. MCNAB, JR. ENJOINED. The SEC Washington Regional Office announced that on November 14 the Federal court in Norfolk, Virginia permanently enjoined Natural Resource Management Corporation, a Delaware corporation with offices in Newport News, Virginia, William A. Hall, III of Newport News, Virginia, and James R. McNab, Jr. of Charleston, West Virginia from violations of the registration and antifraud provisions of the securities laws in the offer and sale of fractional undivided interests in oil and gas leases or any other securities.

The defendants consented to the court action without admitting or denying the allegations of the Commission's complaint. (LR-6152)

#### HOLDING COMPANY ACT RELEASES

PUBLIC SERVICE COMPANY OF OKLAHOMA. A notice has been issued giving interested persons until December 20 to request a hearing on a proposal of Public Service Company of Oklahoma, subsidiary of Central and South West Corporation, to sell \$35 million of bonds and 250,000 shares of preferred stock at competitive bidding and to amend its charter. (Rel. 35-18172)

AMERICAN NATURAL GAS COMPANY, AMERICAN NATURAL GAS SERVICE COMPANY. A notice has been issued giving interested persons until December 15 to request a hearing on a proposal of American Natural Gas Service Company, a non-utility subsidiary of American Natural Gas Company, to amend its accounting system by providing for costs to be maintained by department for billing purposes. It is not anticipated that the proposed change will involve a change in service costs to serviced system companies. (Rel. 35-18173)

#### INVESTMENT COMPANY ACT RELEASES

RAINIER FUND. An order has been issued declaring that Rainier Fund, Inc. has ceased to be an investment company as defined in the Act. (Rel. IC-8091)

PUTNAM ASSOCIATES FUND, INC. An order has been issued declaring that Putnam Associates Fund, Inc. has ceased to be an investment company as defined in the Act. (Rel. IC-8092)

ACME FUND. An order has been issued on an application of Acme Fund, Inc., of Melville, New York, declaring that the Fund has ceased to be an investment company. (Rel. IC-8093)

THE BUSINESSMAN'S FUND. The SEC has issued a notice giving interested persons until December 17 to request a hearing on an application of The Businessman's Fund, Inc., of New York, for an order declaring that the company has ceased to be an investment company. (Rel. IC-8094)

#### SECURITIES ACT REGISTRATIONS FILED

(S-1) RELCO TANK LINE, INC. (general partner), 869 Tahoe Blvd., Incline Village, Nev. 89450 - \$15,150,000 of investment units in 1973/74 Relco Tankcar Management Program, to be offered for sale at \$30,300 per unit maximum. The company offers for sale a choice of three types of new, general purpose jumbo rail tankcars together with a mandatory operating pool and management arrangement for each car in the form of a limited partnership, whereby each tankcar owner must contribute \$200 in exchange for one partnership interest. (File 2-49501 - Nov. 1)

MULTIVEST REAL ESTATE, INC., (the general partner), 26300 Telegraph Rd., Southfield, Mich. 48076 - \$20 million of partnership interests, in MultiVest Real Estate Fund, Ltd., Series VII (the partnership). The offering is to be made at \$500 per unit with a minimum purchase of two units by MultiVest Securities, Inc. The Partnership was formed to invest in improved real estate which is expected to be income producing. (File 2-49502 - Nov. 1)

(S-16) AMERICAN HOSPITAL SUPPLY CORPORATION, 1740 Ridge Ave., Evanston, Ill. - 42,709 shares of common stock, which may be offered for sale by James S. Moore, selling stockholder. (File 2-49505 - Nov. 1)

(S-1) SAMBO'S REAL ESTATE SYNDICATE NUMBER ONE, 3760 State St., Santa Barbara, Cal. 93105 - \$350,000 of units, to be offered for sale at \$5,000 per unit. The Syndicate is being formed by Sambo's Restaurants, Inc., to sell investments in the individual restaurants comprising the Sambo's restaurant chain. (File 2-49506 - Nov. 1)

(S-7) ATLANTIC RICHFIELD COMPANY, 515 South Flower St., Los Angeles, Cal. 90071 - \$200 million of debentures, due 2003, to be offered for sale through underwriters headed by Smith, Barney & Co. Inc. The company explores for and produces crude petroleum and natural gas and manufactures, transports, and markets petroleum products. (File 2-49509 - Nov. 1)

(S-16) THE WILLIAMS COMPANIES, National Bank of Tulsa Bldg., Tulsa, Okla. 74103 - 1,200,000 shares of common stock issuable upon conversion of \$60 million of 5.65% convertible subordinated debentures, due 1991. (File 2-49510 - Nov. 2)

(S-1) SOUTHWEST CHEMICAL SERVICES INCORPORATED, 2410 Two Shell Plaza, Houston, Tex. 77002 - 546,000 shares of common stock, of which 400,000 are to be offered for sale by the company and 146,000 by certain shareholders through underwriters headed by White, Weld & Co., Inc. The company provides custom compounding and dispersion services for the production of plastic concentrates for the thermoplastics industry, manufactures and sells wire screen filters used in production of plastics and produces specialty chemicals. (File 2-49511 - Nov. 2)

(S-9) THE DIAMOND STATE TELEPHONE COMPANY, One Parkway, Philadelphia, Pa. 19102 - \$15 million of debentures, due 2013, to be offered for sale at competitive bidding. (File 2-49515 - Nov. 2)

(S-7) C.I.T. FINANCIAL CORPORATION, 650 Madison Ave., New York, N.Y. 10022 - \$100 million of debentures, due 1981, to be offered for sale through underwriters headed by Dillon, Read & Co., Inc. The company is engaged in business and consumer finance and related businesses. (File 2-49516 - Nov. 2)

(S-1) CENTRAL NATIONAL BANCSHARES, INC., Locust at Sixth Ave., Des Moines, Iowa 50309 - up to 331,030 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of the following banks at the specified ratios: 2.34928 shares for each Unibank, Inc. shares, 11.25 shares to Unibank for minority stockholders of the United Home Bank & Trust Co. (so Unibank may effect the exchange of Bancshares common stock with the minority stockholders for their stock in said bank), and 30 shares for each Adair County State Bank. Bancshares' primary asset is a 98.7% interest in Central National Bank and Trust Company of Des Moines. (File 2-49517 - Nov. 2)

SECURITIES ACT REGISTRATIONS. Effective November 19: American Petrofina, Inc., 2-49321; Arkansas Power & Light Co., 2-49306; Control Laser Corp., 2-48824; First Commercial Banks Inc., 2-49134; General Telephone Company of Indiana, Inc., 2-49410 and 2-49411; Hospital Corporation of America, 2-49399; Independent Bankshares Corp., 2-49001 (90 days); Kallestad Laboratories, Inc. 2-49313; Kentucky Utilities Co., 2-49393; Killlearn Properties, Inc., 2-49514; Phoenix Capital Fund, Inc., 2-49195; Norman F. Swanton Associates, Inc., 2-47870 (90 days).

## MISCELLANEOUS

TRADING SUSPENSIONS. The SEC has ordered the suspension of over-the-counter trading in the securities of Triex International Corporation and exchange and over-the-counter trading in the securities of BBI, Inc. and U.S. Financial, Inc. for the ten-day period November 20 through 29, inclusive.

DELISTINGS GRANTED. Orders have been issued granting applications of (a) the New York Stock Exchange to strike from listing and registration the common stock, the \$6 Series A cumulative preferred stock and the 5-1/4% convertible subordinated debentures, due 1993, of American Export Industries, Inc. and (b) the National Stock Exchange to strike from listing and registration the common stock of GPI, Inc., both effective at the opening of business on November 19, 1973. In the case of American Export Industries, the aggregate market value of publicly held common shares approximated \$2,306,147; the aggregate market value of all outstanding common shares approximated \$3,310,238; the average net loss for the three fiscal years ending December 31, 1970, 1971 and 1972 was \$43,629,000; and there was a deficit in net tangible assets applicable to common stock aggregating \$31,153,000. In the case of GPI, on October 12, 1973 the shareholders voted in favor of complete liquidation of the company. From October 12, 1973 to the present, the company has made substantial liquidating distributions. (Rel. 34-10513)

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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.