

sec news digest

a daily summary from the securities and exchange commission

Issue 73-248

(SEC Docket, Vol. 3, No. 8 - Jan 8)

December 27, 1973

COMMISSION ANNOUNCEMENTS

SEC CITES CAPITAL CORPORATION OF AMERICA, INC., OTHERS. Public administrative proceedings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 have been ordered against Capital Corporation of America, Inc., Barton M. Banks, Martin M. Newman, Rudolph Palitz & Co. and Harvey B. Spiegel, all of Philadelphia, Pa.

Capital Corporation of America, Inc. (CCA) is registered with the Commission as a management, closed-end, non-diversified investment company and is also a small business investment company licensed under the Small Business Investment Act of 1958. Barton M. Banks and Martin M. Newman are directors of CCA and its president and vice president, respectively. Banks is also an attorney. Rudolph Palitz & Co. (Palitz & Co.) is CCA's certified public accountant whose partner-in-charge of CCA's audit until February 1972 was Harvey B. Spiegel.

The Commission's order alleges that the respondents variously violated or aided and abetted violations of the antifraud provisions and the false filing provisions of the securities laws. In addition, Barton Banks is charged with violations of the provisions relating to transactions by certain affiliated persons.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defenses. The purpose of the hearing is to determine whether the allegations are true, and, if any action of a remedial nature should be ordered by the Commission. (Rel. 34-10576)

REGULATION A EXEMPTION OF COMMODITY RESOURCES INC. TEMPORARILY SUSPENDED. An order has been issued temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities of Commodity Resources Incorporated of Denver, Colorado. J. Shapiro Co. of Minneapolis, Minnesota, was the named underwriter for the offering, which commenced on January 6, 1972, and was completed on January 31, 1972.

Pursuant to a notification filed on November 11, 1971, Commodity offered 245,000 shares of common stock at \$2.00 per share for an aggregate offering of \$490,000. According to the order, the Commission has reason to believe that: (a) the offering circular of Commodity contains untrue statements of material facts and omits to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, particularly with respect to, among other things, the use of proceeds of the offering, the fact that two officers of Commodity Resources received from the company tracts of land at the expense of Commodity, the sale of real estate to a limited partnership of which an officer of the company was the promoter and general partner; and (b) the offering was made in violation of Section 17 of the Securities Act of 1933, as amended. (Rel. 33-5448)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES CARDIODYNAMICS, INC., OTHERS. The San Francisco Branch Office announced that on December 11 a complaint was filed in the U.S. District Court for California, seeking to enjoin Cardiodynamics, Inc. of Dublin, California, Robert L. Chapman of Diablo, California and John W. Gofman of San Francisco, California, from violations of the antifraud provisions of the securities laws in the offer and sale of the common stock of Cardiodynamics, Inc. (LR-6178)

INVESTMENT COMPANY ACT RELEASES

NEW ENGLAND LIFE VARIABLE ANNUITY FUNDS. A notice has been issued giving interested persons until January 16 to request a hearing on an application of New England Life Variable Annuity Fund I, New England Life Variable Annuity Fund II and NEL Equity Services Corporation. The Funds and Service Corp. seek approval of an exchange offer and exemption from certain provisions of the Act in connection with said exchange offer whereby shareholders of those registered open-end investment companies for which Nelesco (a subsidiary of New England Mutual Life Insurance Company) acts as principal underwriter will be eligible to purchase variable annuity contracts at reduced sales charges. (Rel. IC-8150)

BUSINESSMAN'S FUND. An order has been issued on an application of The Businessman's Fund, Inc., of New York, declaring that the Fund has ceased to be an investment company. (Rel. IC-8151)

SUN LIFE INSURANCE COMPANY OF AMERICA. An order has been issued on an application of the Sun Life Insurance Company of America (Sun Life) and its separate account, Sun Life Insurance Company of America - The Series Investment Accounts (Separate Account), an open-end, management investment company, exempting them from certain provisions of the Act so as to permit the following: (1) the elimination of sales charges in certain circumstances upon the purchase of individual and group variable annuity contracts issued by applicants; (2) the operation of the Separate Account until action can be taken by contract owners at their first annual meeting with respect to approval of the relevant advisory agreement, election of directors, and ratification of the selection of an independent public accountant; and (3) the payment, out of the proceeds of payments on variable annuity contracts relating to the Separate Account, of sales and administrative charges, annuity premium taxes, and fees to Sun Life for investment advisory services and for mortality and expense guarantees. (Rel. IC-8148)

CRESCENT GENERAL CORPORATION. An order has been issued temporarily exempting Crescent General Corporation, subject to certain conditions, from Section 7 of the Act until the Commission has acted upon the application previously filed by Crescent General Corporation for an order under Section 3(b)(2) declaring that it is engaged in a business other than the investment company business. (Rel. IC-8149)

HOLDING COMPANY ACT RELEASES

GEORGIA POWER COMPANY. A notice has been issued giving interested persons until January 10 to request a hearing on a proposal of Georgia Power Company, subsidiary of The Southern Company, to sell \$150 million of first mortgage bonds at competitive bidding. Georgia will use the net proceeds, together with other funds, to finance its 1974 construction program (estimated at \$504,244,000), to pay short-term promissory notes and for other lawful purposes. (Rel. 35-18230)

SECURITIES ACT REGISTRATIONS FILED

(S-1) **CANADIAN MERRILL LTD.**, Toronto Dominion Bank Tower, Toronto MSK 1E7, Ontario Canada - 643,750 shares of common stock, including 500,000 shares issuable upon conversion of privately placed debentures, 125,000 shares issuable under the company's Stock Option Plan, and 18,750 shares issuable upon exercise of certain warrants. The company engages in the exploration for and development of commercial ore bodies, oil and gas properties, in the management of oil and gas drilling programs, in the servicing of oil and gas wells, and in the rental and sale of oilfield equipment and supplies. (File 2-49737 - Nov. 29)

(S-1) **AMERICAN CRYSTAL SUGAR COMPANY**, 112 North University Drive, Fargo, N.D. 58102 - 110 shares of common stock (\$10 par) and 6,000 shares of preferred stock (\$100 par) to be offered for sale at par. The company is a cooperative corporation primarily engaged in the production and marketing of sugar and related by-products produced from sugarbeets. (File 2-49744 - Nov. 29)

(S-1) **WARDEN WALKER, LTD.**, 522 Fifth Ave., New York, N.Y. 10036 - \$10 million of units consisting of various gallonages of Scotch whisky of various ages and certain ancillary services, each unit consisting of a minimum amount of \$2100 including commissions of up to 5% to the company. There are no underwriters. The company offers to act as a Scotch whisky broker for individual investors purchasing individually identified casks of Scotch whisky for investment and not for delivery in the United States of the commodity itself. (File 2-49818 - Dec. 10)

(S-1) **LAGRANDE-OKANOAN, LTD.** (the Partnership), Hancock Bldg., Onak, Wash., 98841 - \$6,400,000 of partnership units to be offered for sale at \$1,000 per unit, minimum purchase \$5,000 through Columbia Real Properties Corporation, the General Partner. The Partnership's primary business will be operating its cattle, grain and hay ranches and, with further financing, the development of additional irrigated pasturage, orchards and recreational property which it will also own. (File 2-49823 - Dec. 10)

(S-7) **UNION ELECTRIC COMPANY**, One Memorial Drive, St. Louis, Mo. 63102 - \$70 million of a new series of first mortgage bonds, due 2004, to be offered for sale through competitive bidding. The company primarily supplies electric service in territories in Missouri, Illinois and Iowa. (File 2-49829 - Dec. 11)

SECURITIES ACT REGISTRATIONS. Effective December 21: American Security Corp., 2-49207; Deseret Pharmaceutical Company, Inc., 2-49827; Guaranty Corp., 2-48366; Manufacturers National Corp., 2-49676; Massachusetts Fund for Income, 2-49309; Meadowbrook, Inc., 2-49579; Omni Research Inc., 2-47512 (90 days); On-Line Systems, Inc., 2-47385; Seeburg Industries, Inc., 2-48307; Sun Life Insurance Company of America Separate Account, 2-46940; United Aircraft Corp., 2-49912.

Effective December 26: CCI Corp., 2-49284; California Microwave, Inc., 2-49188; Coldwell, Banker Employees Investment Corp., 2-48926 (90 days); General Mills, Inc., 2-49637; Hamilton Bancshares, Inc., 2-49660; Pertec Corp., 2-49856; Rockwell International Corp., 2-49621; San Diego Gas & Electric Company, 2-49810; Western Investment Real Estate Trust, 2-49699 (40 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.

MISCELLANEOUS

TRADING SUSPENSION. The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Omega Alpha Inc., and over-the-counter trading in the securities of Seaboard Corp. for the further ten-day period December 27-January 5, inclusive.

COMPANIES WHICH RECENTLY ACQUIRED STOCK OF OTHER COMPANIES. Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the stock of another company within 10 days of the acquisition. During the period December 7-13 the following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies.

| <u>REPORTING COMPANY OR INDIVIDUAL</u> | <u>ISSUER & NUMBER OF SHARES</u> | <u>DATE FILED</u> |
|---|---|-------------------|
| * First Manhattan Co. | I. L. C. Industries, Inc. Common Stock - 36,105 shs. | 12- 7-73 |
| * Geneve Corp. | Cable Funding Corp. Common Stock - 405,043 shs. | 12-10-73 |
| Neil A. McConnell | Pan Ocean Oil Corp. Common Stock - 1,593,600 shs. | 12-10-73 |
| * Pricel S.A. Prixilla S.A. | Dymo Industries, Inc. Capital Stock - 410,700 shs. | 12-10-73 |
| * United Fund Inc. | Fairchild Camera & Instrument Corp. Common Stock - 169,400 shs. | 12-10-73 |
| Koffman Group | BFL Communications, Inc. Common Stock - 1,275,000 shs. | 12-10-73 |
| Tradacomp, Inc. | Transdata Corp. Common Stock - 157,500 shs. | 12-10-73 |
| Volta Inc. | Keltec Inc. Common Stock - 312,237 shs. | 12-10-73 |
| * Marlow Enterprises Ltd. | Scan-Optics, Inc. Common Stock - 19,600 shs. | 12-11-73 |
| * Frandevcor Ventures Ltd. | Scan-Optics, Inc. Common Stock - 14,000 shs. | 12-11-73 |
| * Chemical Bank, as Trustee of the Chemical Bank Commingled Employee Benefit Special Fund | Scan-Optics, Inc. Common Stock - 106,400 shs. | 12-11-73 |
| * CBT Corp. | Scan-Optics, Inc. Common Stock - 122,842 shs. Common Stock - 15,184 shs. on exercise of Warrants | 12-11-73 |

13D REPORTS CONT.

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| * United States & Foreign Securities Corp. | Scan-Optics, Inc. Common Stock - 93,333 shs. | 12-11-73 |
| * Cockaigne Ltd. | Scan-Optics, Inc. Common Stock - 30,053 shs. | 12-11-73 |
| International Mining Corp. | Kawecki Berylco Industries, Inc. Common Stock - 138,479 shs. (An additional 148,659 shs. are held by a 66.4% owned subsidiary) | 12-12-73 |
| Source Capital, Inc. | Jewelcor Inc. Common Stock - 255,900 shs. | 12-12-73 |
| Jack Farber, Individual Phila. Industries, Inc. | PP&C Companies, Inc. Common Stock - 45,705 shs. | 12-13-73 |
| Larry L. Phillips et al | Family Record Plan, Inc. Common Stock - 350,500 shs. | 12-13-73 |
| Laurence A. and Preston R. Tisch | Loews Corp. Common Stock - 5,409,250 shs. | 12-13-73 |
| Loews Corp. | Walter Kidde & Company, Inc. Common Stock - 496,900 shs. | 12-13-73 |
| Meshulam Riklis Isidore A. Becker | Interstate Stores, Inc. Common Stock - 600,000 shs. on exercise of Warrants | 12-13-73 |
| Agnes M. Chisholm and Harry T. Devine - Co-Trustees of Marital Trust and the Residuary Trust | Teleflex Inc. Common Stock - 50,267 shs. | 12-13-73 |
| Cavenham(Overseas) Ltd. (England) | Grand Union Co. Common Stock - 3,200,000 shs. (Above shs. acquired in tender offer and constitute approximately 51% of the outstanding shares) | 12-13-73 |
| * Amended Acquisition Report | | |

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.