

sec news digest

SECURITIES & EXCHANGE COMMISSION
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Issue 74-173

(SEC Docket, Vol. 5, No. 4 - Sept. 17)

SEP 9 1974

September 5, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

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HAROLD AND RAYMOND BERNSTEIN SANCTIONED

The Commission, pursuant to their undertaking in an offer of settlement, has imposed sanctions on Harold Bernstein, of Great Neck, New York, and Raymond Bernstein, of Sands Point, New York. The Bernsteins have proprietary interests in the firms of Flaks, Zaslow & Co., Inc., formerly a registered broker-dealer, and Amherst Securities Co., Inc., currently registered as such. The Commission's order provides that, following the liquidation and dissolution of those firms and termination of the Bernsteins interests therein, Harold and Raymond Bernstein will not enter the securities business in any capacity with a broker-dealer, investment adviser or registered investment company without the Commission's prior consent.

The sanctions were based on findings that the Bernsteins improperly purchased shares of Monarch General, Inc. while the Flaks, Zaslow firm was engaged in a distribution of that stock. Without admitting or denying the charges against them, the Bernsteins consented to the findings and sanctions. (Rel. 34-10987)

JERRY MCFARLAND PERMANENTLY SUSPENDED FROM COMMISSION PRACTICE.

Jerry A. McFarland, a Denver accountant, has been permanently suspended from appearing or practicing before the Commission. In February 1974, McFarland was permanently enjoined from violating registration and antifraud provisions of the securities laws. On the basis of the injunction, the Commission temporarily suspended him from practice, and the temporary suspension has now become permanent since McFarland did not petition to lift it.

In the injunctive action, the Commission's complaint had alleged, among other things, that McFarland had violated the above provisions by preparing and certifying materially false and misleading financial statements for Bankers Trust Company, Inc., which were used by Bankers and others in the offer and sale of unregistered securities to the public. The court granted the Commission's motion for summary judgment with respect to those allegations. (Rel. 33-5524)

COURT ENFORCEMENT ACTIONS

MAURICE TIMOTHY SULLIVAN INDICTED

The Boston Regional Office announced that a Federal Grand Jury in Boston, Massachusetts returned an eight count indictment against Maurice Timothy Sullivan, formerly of Boston. Sullivan, former head of M. Timothy Sullivan a registered broker-dealer, was indicted on four counts charging the making of false and misleading statements in reports filed with the Commission and four counts of violations of the antifraud rules in connection with the purchase and sale of securities for customers. Sullivan entered a not guilty plea upon arraignment. (SEC v. M. Timothy Sullivan, U.S.D.C. Mass.). (LR-6500)

SEC
40th
ANNIVERSARY

REMEMBER SEC 40TH ANNIVERSARY

The SEC 40th Anniversary Celebration will be held on October 24, 1974, at the Statler Hilton, 16th and K Sts., N.W., Washington, D.C. For additional information and registration form see page 7 of the Digest.

SAUL H. CUTTER INDICTED

The Boston Regional Office announced that a Federal Grand Jury in Boston, Massachusetts returned a six count indictment against Saul H. Cutter of Newton, Massachusetts. Cutter, former head of Cutter & Co., a registered broker-dealer, was indicted on three counts charging the making of false and misleading statements in a report filed with the Commission and three counts of violations of the antifraud rules in the purchase and sale of securities for customers. Cutter entered a not guilty plea upon arraignment. (SEC v. Saul H. Cutter, dba Cutter & Co., U.S.D.C. Mass). (LR-6501)

COMPLAINT NAMES INTERNATIONAL TELEVISION FILM PRODUCTIONS, INC., OTHERS

The Seattle Regional Office, announced that on August 29 a complaint was filed in the U.S. District Court for the Western District of Washington seeking to enjoin International Television Film Productions, Inc., Donald C. Como and Richard W. Haupt II of the Los Angeles, California area from selling unregistered securities of International Television Film Productions, Inc., in the form of limited partnerships and profit sharing agreements in violation of the registration and antifraud provisions of the securities laws.

The complaint alleges the sale of unregistered securities and the use of false and misleading sales literature and statements concerning the financial condition and experience of International Television Film Productions, Inc., as well as predictions of future profits to be made from investing with the company. (SEC v. International Television Film Productions, Inc., et al., U.S.D.C. W.D. Wash., Civil Action File No. C74-129T). (LR-6503)

FUTURISTIC FOODS, INC., et al.

The New York Regional Office announced on August 23 the filing of an injunctive action in the U.S. District Court for the Southern District of New York against Futuristic Foods, Inc. of Rego Park, New York, Irwin Donald Kirschenblatt, also known as Donald Kirsch of Rego Park, New York, William Reichert of Glen Cove, New York, Arthur Shevack, Peter Cancilla and Dennis Schevack, all of Brooklyn, New York, Felix Szymanski, Richard Mulligan and Future Mart, Inc., all of New York. The Commission's complaint charged the defendants with violating the registration and antifraud provisions of the securities laws.

The complaint also alleges that the defendants violated the antifraud provisions of the securities laws in that from approximately January 8, 1973 to date, the defendants, in connection with the offer for sale and sale of securities have been employing a device, scheme, and artifice to defraud investors of Futuristic Foods, Inc. and that the defendants have been obtaining money by untrue statements of material facts and omissions to state material facts required under the circumstances. It is further alleged that the defendants have been operating a pyramid promotion scheme whereby persons who invest substantial sums of money to purchase interests or participations in Futuristic Foods, Inc. will then attempt to locate other prospective investors for the defendants to recruit. It was alleged that as part of the defendants' scheme to defraud and to sell unregistered securities the defendants in the profits derived from investments made by subsequent participants in Futuristic Foods, Inc.

The defendants are also charged with violating the registration provisions in that from approximately January, 1973, to date, the defendants have been offering for sale and selling certain "interests" which constitute investment contracts, certificates of interest or participations in profit sharing agreements and interests commonly known as "securities." Additionally, it is alleged that no registration statement as required under the Securities Act is in effect, nor has any registration statement been filed with respect to the offering or selling of any of these securities by the defendants.

Finally, the complaint requests the appointment of a receiver to marshal and collect all the assets of Futuristic Foods, Inc., in order to prevent waste and dissipation or corporate assets; that an accounting be performed; and that a rescission offer be made to all persons who invested in the Futuristic Foods, Inc. promotional scheme. (SEC v. Futuristic Foods, Inc., et al., U.S.D.C. S.D.N.Y.). (LR-6506)

INVESTMENT COMPANY ACT RELEASES

KEMPER INCOME AND CAPITAL PRESERVATION FUND

A notice has been issued giving interested persons until September 30 to request a hearing on an application by Kemper Income and Capital Preservation Fund, Inc., Supervised Investors Income Fund, Inc., Supervised Investors Growth Fund, Inc., Supervised

Investors Summit Fund, Inc., and Technology Fund, Inc. all mutual funds registered, and Supervised Investors Services, Inc., for an order permitting income dividends of Capital Preservation Fund and of Income Fund to be invested in shares of Growth Fund, Summit Fund, or Technology Fund without a sales charge. (IC-8481 - Sept. 4)

IDS BOND FUND

A notice has been issued giving interested persons until October 1 to request a hearing on an application of IDS Bond Fund, Inc., a mutual fund, for an order declaring that Dr. Paul McCracken, a director of the IDS, shall not be deemed an "interested person" of IDS or Investor's Diversified Services, Inc., IDS's principal underwriter, by reason of his status as a director of Lincoln National Corporation, several of whose wholly-owned subsidiaries are registered broker-dealers. (Rel. IC-8484 - Sept. 5)

HOLDING COMPANY ACT RELEASES

MONONGAHELA POWER COMPANY

An order has been issued authorizing Monongahela Power Company (Monongahela), The Potomac Edison Company (PE), and West Penn Power Company (West Penn), subsidiaries of Allegheny Power System, Inc., for PE to sell up to \$55 million of short-term notes to banks. (Rel. 35-18550 - Sept. 4)

MISSISSIPPI POWER & LIGHT COMPANY

An order has been issued releasing jurisdiction reserved by the Commission in an order issued June 10, 1974 (Rel. 35-18450) regarding the sale of pollution control revenue bonds by Warren County, Mississippi, and the construction by or on behalf of the County of pollution control facilities for Mississippi. The Commission had retained jurisdiction over Mississippi's semi-annual installment payment obligations to the County insofar as such payments are affected by the effective interest rate of said pollution bonds. (Rel. 35-18551 - Sept. 4)

NATIONAL FUEL GAS COMPANY

An order has been issued regarding National Fuel Gas Company, and two of its subsidiaries, authorizing the proposed issue and sale of commercial paper and notes to a bank by the holding company and the issue and sale of short-term notes to banks and the holding company by the subsidiary companies. (Rel. 35-18552 - Sept. 4)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until September 14 to request a hearing on an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of Maremont Corporation (Delaware).

A notice has also been issued giving interested persons until September 20 to request a hearing on an application of the Boston Stock Exchange for unlisted trading privileges in the common stock and other specified security of the following companies: ARA Services, Inc.; Continental Illinois Realty (shares of beneficial interest); Day Mines, Inc.; Diamond Shamrock Corp.; First International Bancharcs, Inc.; First Pennsylvania Corp.; Ideal Basic Industries, Inc.; International Flavors & Fragrances, Inc.; Purolator, Inc.; Rexham Corp.; Rorer-Anchem, Inc.; Southeast Banking Corp.; Squibb Corp.; STP Corporation; United Gas Pipe Line Company. (Rel. 34-11000)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Canadian Javelin Ltd., and over-the-counter trading in the securities of Winner Industries, Inc. and Royal Properties, Inc. for the further ten-day period September 5 - 14, inclusive.

SECURITIES ACT REGISTRATIONS

(S-14) FIRST STEUBEN BANCORP, INC.

401 Market St., First National Bank Bldg., Steubenville, Ohio, 43952 - 151,215 shares of common stock. It is proposed to offer these shares in exchange for the outstanding capital stock of The Farmers National of Canfield, Canfield, Ohio, at the rate of 2.5202473 First Steuben shares for each Farmers National share. (File 2-51771 - Aug. 15)

In a separate statement First Steuben seeks registration of 6,223 shares of common stock. It is proposed to offer these shares in exchange for the outstanding capital stock of The Freeport State Bank, Freeport, Ohio, at the rate of 1.5556847 First Steuben shares for each Freeport State share. The Freeport State Bank, Freeport, Ohio, is being merged with and into Harrison County National Bank, Hopedale, Ohio, under the Charter of Harrison County National Bank, under the title of "Harrison County National Bank", a wholly-owned subsidiary of First Steuben Bancorp, Inc. (File 2-51772 - Aug. 15)

First Steuben is a bank holding company which controls three banks.

(S-1) FAT CITY CATTLE CO., INC.
AND MAVERICK LAND AND CATTLE CO.

2711 Garden Rd., Monterey, Cal. 93940 - \$10 million of investment contracts to be offered for sale at a minimum offering price of \$40,000 per contract. Solicitation of cattle contracts will be made by employees of Fat City Cattle Co., Inc. and Maverick Land and Cattle Co. The companies are primarily engaged in the commercial cattle feeding business. (File 2-51778 - Aug. 16)

(S-16) HARCOURT BRACE JOVANOVIICH, INC.

757 Third Avenue New York, N.Y. 10017 - 17,678 shares of common shares, which may be offered for sale by certain shareholders from time to time on the New York Stock Exchange at prices prevailing at the time of sale. Harcourt Brace Jovanovich, Inc. is one of America's largest publishers: its list includes general books, educational and scientific books and journals, business and farm periodicals, films, filmstrips, audio-visual aids, and tests and testing services. It also engages in periodical advertising and subscription fulfillment, insurance, and printing. (File 2-51792 - Aug. 19)

(S-10) MARK F. PREDDY & ASSOCIATES, INC.

1250 Grimmert Dr. Shreveport, La. 71107 - 100 units of fractional undivided interests in oil and gas leases in Denver-Julesburg Basin Prospect No. 1, to be offered for sale with a minimum unit price of \$5,000 and a maximum unit price of \$10,210.00. Mark F. Preddy & Associates, Inc. is a corporation dealing in independent petroleum exploration and development. (File 2-51800 - Aug. 19)

(S-1) AMERICAN VARIETY INTERNATIONAL, INC.

9220 Sunset Blvd., Los Angeles, Cal. 90069 - 275,000 shares of common stock, to be offered for sale on a "best efforts" basis by the underwriter, Samuel B. Franklin and Company, Inc., 210 West Seventh St., Los Angeles, Cal. 90014; 250,000 if such shares shall be offered for the account of the company and 25,000 of such shares for the account of a selling shareholder. The company is in the music and entertainment business. (File 2-51802 - Aug. 22)

(S-14) SOUTHWEST BANCSHARES, INC.

1210 Bank of the Southwest Bldg., Houston, Tex. 77002 - 44,739 shares of common stock. These shares are proposed to be issued upon the merger of Gulf Freeway National Bank, Houston, Texas, into Gulf Bank, National Association, Houston, Texas, a wholly-owned subsidiary of Southwest Bancshares, Inc., at the rate of 2.128 Southwest Bancshares shares for each Gulf Freeway share. Southwest Bancshares is a bank holding company which controls 14 banks in Texas. (File 2-51808 - Aug. 23)

(S-5) LIQUID DAILY RESOURCES FUND

555 Capitol Mall, Sacramento, Cal. 95814 - 3,000,000 shares of common stock, to be offered for \$25 per share (minimum initial investment \$5,000; minimum additional investment \$1,000). The company is a no-load open-end diversified investment company which intends to invest in obligations of banks, prime commercial paper and securities issued or guaranteed by the U.S. Government. LDR Management Company is the investment adviser. (File 2-51809 - Aug. 23)

REGISTRATIONS EFFECTIVE

Sept. 4: Apache Corp., 2-51290; Buttes Gas & Oil Co., 2-51476; Hayden Stone Inc., 2-51622; RLI Corp., 2-48721.

REGISTRATIONS WITHDRAWN

Aug. 29: E-Systems, Inc., 2-48360.
Sept. 3: How To Get Rid Of It Company, 2-40070.

RECENT 8K 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.

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

COMPANY	ITEM NO.	MONTH
HOLLY CORP	2,14	07/74
ICN PHARMACEUTICALS INC	12,14	07/74
INTERNATIONAL FOODSERVICE CORP	7,13,14	07/74
INTERNATIONAL SCANNING DEVICES INC	13	08/74
LITTON INDUSTRIES INC	3,4,7,8,14	07/74
MISSISSIPPI RIVER TRANSMISSION CORP	8,10	07/74
MONONGAHELA POWER CO	7	07/74
ORMAND COMMUNICATIONS INC	11	07/74
OXFORD FIRST CORP	12,14	07/74
POTOMAC ELECTRIC POWER CO	7,14	07/74
RICO ARGENTINE MINING CO	2	07/74
SANTA FE INDUSTRIES INC	3	07/74
SEARCH INC	2,14	07/74
SECURITY MORTGAGE INVESTORS	3,13,14	07/74
SETON CO	13,14	07/74
SHARE PARTNERS LTD 1973	NO ITEMS	05/74
SKIL CORP	13,14	07/74
SOUTHERN CALIFORNIA EDISON CO	7,13,14	07/74
WILSON LEASING CO	13,14	07/74
AMERICAN CONTINENTAL LIFE INSURANCE CO	7,10,11	02/74
AMERICAN WESTERN CORP	13	07/74
ATLA NATIONAL INVESTMENTS CORP	1,14	07/74
AUTOCOMP INC	13,14	06/73
CASTLE A M & CO	10,13,14	07/74
CNA FINANCIAL CORP	NO ITEMS	07/74
DIVERSIFIED MEDIA INC	13	05/74
FOOD HOST USA INC	6,9,13,14	07/74
FRANKLIN NEW YORK CORP	2,3,10,14	06/74
FRANKLIN NEW YORK CORP	3	07/74
II INC	13	07/74
INSTRUMENT SYSTEMS CORP	3	07/74
INTERSIL INC	13	07/74
LACY MANAGEMENT CO	13,14	08/74
LONG ISLAND LIGHTING CO	13	07/74
PROLER INTERNATIONAL CORP	13	07/74
RETENTION COMMUNICATION SYSTEMS INC	3	07/74
SAFEWAY STORES INC	3	06/74
SIMKINS INDUSTRIES INC	13	07/74
STUDEBAKER WORTHINGTON INC	3	07/74
UTAH POWER & LIGHT CO	3,13	07/74
VALLEY FORGE CORP	3,13,14	07/74
VANDERBILT GLOD CORP	3,7,8,9,12,13,14	07/74

RECENT 8K REPORTS FILED

ALLIANCE MEDICAL INDUSTRIES INC	1	07/74
AMERICAN LIST CORP	11	07/74
AMERICAN MEDICORP INC	7,8,13	06/74
AMERICAN PROTECTION INDUSTRIES INC	4,11	07/74
ANDERSON INDUSTRIES INC	7,8	04/74
ASSOCIATED TRUCK LINES INC	13,14	07/74
ATLANTIC INDUSTRIES INC	3,13	07/74
BOHACK CORP	10	07/74
BOTANY INDUSTRIES INC	2,13,14	07/74
BROADVIEW FINANCIAL CORP	13	07/74
BURLINGTON INDUSTRIES INC	10,14	07/74
CALIFORNIA SHOPPING CENTERS INC	12,14	07/74
CAPTAIN INTERNATIONAL INDUSTRIES LTD	3,6,13	07/74
CHATTEM DRUG & CHEMICAL CO	13	07/74
COACHES OF AMERICA INC	12,13	07/74
COASTAL INDUSTRIES INC	13,14	07/74
COMMERCE BANCSHARES INC	4,14	08/74
COMPONENTS CORP OF AMERICA	4,7,8,14	07/74
COMPUTER SCIENCES CORP	13	07/74
CONTINENTAL REAL ESTATE PARTNERS LTD	7	07/74
COTTON PETROLEUM CORP 1974 OIL & GAS PRO	7,13	03/74
DATA ACCESS SYSTEMS INC	13	05/74
DATAFLO INC	NO ITEMS	07/74
DIVERSIFIED MEDIA INC	13	06/74
DIVERSITRON INC	13,14	07/74
ENERGY SOURCES INC	2,7,9,14	07/74
GENERAL AIRCRAFT CORP	11,13	07/74
GENWAY CORP	12,14	07/74
GERBER PRODUCTS CO	11	08/74
GERIATRICS INC	1,4,8,11,14	08/74
GOLDFIELD CORP	3,10,14	07/74
GRUMMAN CORP	13,14	07/74
GUARDIAN DEVELOPMENT CORP	7,14	07/74
HECLA MINING CO	13	08/74
INDIANA LIMESTONE CO INC	10,14	07/74
INTERNATIONAL VIDEO CORP	7	07/74
INVESTORS REIT ONE	13	07/74
JBS BIG BOY FAMILY RESTAURANTS INC	2	07/74
JUPITER INDUSTRIES INC	3	06/74
KEENE CORP	7,8,14	07/74
KEYSTONE CONSOLIDATED INDUSTRIES INC	10	07/74
KINEMOTIVE CORP	1,7,8	07/74
LABARGE INC	13	07/74
LACY MANAGEMENT CO	2,14	07/74
LAFAYETTE FUNDS DRILLING PROGRAM	7	07/74
LIFE RESOURCES INC	1,8	07/74
MASCO CORP	13	07/74
MICRONETIC SYSTEMS INC	11,13	07/74
MID AMERICA GREAT PLAINS FINANCIAL CORP	3,14	08/74
MIDWEST CORP	13,14	04/74
MISSISSIPPI VALLEY GAS CO	13	08/74
NATIONAL INDUSTRIES INC	10,14	07/74
NORSUL OIL & MINING LTD	11	07/74
NORTH AMERICAN DEVELOPMENT CORP	6,13,14	07/74
PALM BEACH CO	4,7,14	07/74
PHELPS DODGE CORP	10	07/74
POLLUTION RESEARCH & CONTROL CORP	7,14	07/74
POLORON PRODUCTS INC	13,14	07/74
READING CO	3,10	07/74
RIPLEY CO INC	10	12/73
SANITAS SERVICE CORP	13,14	07/74
SHELL OIL CO	3	07/74
SOLIDYNE INC	2	07/74
SUPER SERVICE DRUG INC	13	08/74
SUPERIOR OIL CO	13	07/74
TELE COMMUNICATIONS INC	11	07/74
TEXAS AMERICAN OIL CORP	3,14	07/74
TUTAG S J & CO	12	08/74
UNAC INTERNATIONAL CORP	3	08/74

SEC 40TH ANNIVERSARY CELEBRATION

The SEC wishes to invite all past employees to attend its 40th Anniversary Celebration to be held on October 14, 1974, at the Statler Hilton in Washington. The price will be \$25 per person for all former employees. The dress is optional.

Many past staff members may wish to sit together as a group, or even reserve an entire table for 12. Priority will be given to requests for such special arrangements whenever possible. To avoid confusion, however, only one of such group should request the special seating arrangement--but each person in a group should be identified and in the manner in which his or her name should appear in the Anniversary Program. You may use the registration form on this page. We cannot finalize our plans with the Hotel until we have rather definite information as to the number expected to attend, so we request that you make your reservation as soon as possible. Tickets will be mailed to the purchaser.

Please notify any past SEC friends, get together a group, and come help us celebrate!

DINNER RESERVATION & REGISTRATION FORM

To The SEC Anniversary Committee:

Herewith is my check or money order in the amount of \$_____ for which please issue _____ tickets to the SEC 40th Anniversary Celebration for the following persons (please PRINT names as they should appear in the Anniversary Program, listing married couples as "Mr. and Mrs."):

Please send the tickets to:

(Name) _____
(Address) _____

Please seat the persons listed above with the following additional persons (please PRINT names):

Make checks or money orders payable to "SEC Anniversary Committee," and mail to

SEC Anniversary Committee, Room 856
Securities and Exchange Commission
Washington, D. C. 20549

Present staff members and employees may make payment to Lawrence A. Friend, Treasurer, in Room 502.

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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