

# sec news digest

Issue 74-234

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U.S. SECURITIES & EXCHANGE COMMISSION

December 4, 1974

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## COMMISSION ANNOUNCEMENTS

DEC 6 1974

JAMES E. SIMS NAMED ASS'T.  
REGIONAL ADMINISTRATOR -- HOUSTON

### LIBRARY

Robert F. Watson, Regional Administrator of the Fort Worth Regional Office, today is pleased to announce the promotion of James E. Sims to the position of Assistant Regional Administrator, Houston Branch Office.

Mr. Sims is a graduate of Baylor University School of Law and was admitted to the bar of the State of Texas in 1963. He first became employed by the Fort Worth Regional Office of the SEC in 1964 and was designated Attorney in Charge of the Houston Branch Office in 1969. Since that time Mr. Sims has been primarily responsible for the Commission's activities in the Houston area.

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## COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES WESTERN PACIFIC GOLD AND  
SILVER EXCHANGE CORPORATION, OTHERS

The Denver Regional and the Los Angeles Regional Offices announced that on November 29 a complaint was filed in the U.S. District Court in Las Vegas, Nevada, alleging that Western Pacific Gold and Silver Exchange Corporation, also known as Western Pacific Coin and Silver Exchange Corporation, a Delaware corporation with its principal place of business in Las Vegas, Nevada, Sun-Star Foundation, Las Vegas, Nevada, James Ray Houston, also known as Sun Ray Star, Las Vegas, Nevada, Stanton L. Anondson, Las Vegas, Nevada, and Robert C. Evans violated certain provisions of the securities laws. The complaint seeks a temporary restraining order, preliminary injunction and final judgment against those parties prohibiting them from violating the registration and antifraud provisions of the securities laws.

The complaint alleges, among other things, that the defendants have been and now are offering for sale and selling certain securities issued by Western Pacific Gold and Silver Exchange Corporation and Western Pacific Coin and Silver Exchange Corporation and the defendants, namely investment contracts, certificates of interest or participation in profit sharing agreements, evidences of indebtedness and interests and instruments commonly known as a security in the form of investment interests in gold coin and silver represented by gold coin and silver sales agreements.

The complaint further alleges that the defendants omitted to state, among other things, and the facts were that: (1) Western Pacific Gold and Silver Exchange Corporation and Western Pacific Coin and Silver Exchange Corporation investment agreements are written without acquiring corresponding gold coins and silver, or silver futures contracts for each contract sold to investors; (2) Western Pacific Gold and Silver Exchange Corporation and Western Pacific Coin and Silver Exchange Corporation pay investors by raising funds from other investors; (3) Western Pacific Gold and Silver Exchange Corporation and Western Pacific Coin and Silver Exchange Corporation could not and cannot fulfill their guarantees to repurchase gold coins and silver from investors; and (4) Western Pacific Gold and Silver Exchange Corporation is insolvent. (SEC v. Western Pacific Gold and Silver Exchange Corp., et al., U.S.D.C. Nevada). (LR-6616)

### FOUR SENTENCED IN OREGON

The Seattle Regional Office announced that Fletcher D. Fisher of Clayton, Idaho, Loren W. Schlafke of MacKay, Idaho, Deryl R. Christiansen of Salem, Oregon and Ronald F. Johnston of Sheridan, Oregon were sentenced on November 25 by the U.S. District Court at Portland, Oregon. Each had entered a plea of guilty to one count of selling unregistered securities in violation of the securities laws. The remaining counts of a

16 count indictment, that in addition had charged fraud in the sale of securities, mail fraud and conspiracy, were dismissed at the time of sentencing. The charges arose out of the sale of Clayton Silver Star Mines, Inc., common stock and the securities of two other corporations. Fisher received a sentence of two years confinement and a \$5,000 fine. Schlafke and Christiansen each received a fine of \$2,500, are to serve six months in jail, and be on probation for 2-1/2 years. Johnston received three years probation and a \$1,500 fine. (U.S. v. Fletcher D. Fisher, et al., U.S.D.C. Oregon, CR-73-262). (LR-6612)

#### GEORGE LEE CONWAY ENJOINED

The Fort Worth Regional Office announced that on November 20 an order of permanent injunction by consent was entered in Federal District Court at Houston against George Lee Conway, New York City, formerly of Houston, Texas, forbidding future violations of the registration and antifraud provisions of the securities laws with respect to certificates of deposit and letters of credit issued by SVEA Trust Company (formerly Societe Anonyme de Refinancement and Northern Trust Company, S. A.). (SEC v. SVEA Trust Company, S. A., et al., S.D. Texas, Civil Action No. 73-H-1585). (LR-6613)

#### COMPLAINT NAMES HIRSCHFELD BANK OF COMMERCE

The Washington Regional Office announced that on November 27 a complaint was filed in the U.S. District Court in Norfolk, Virginia seeking to enjoin Hirschfeld Bank of Commerce of Virginia Beach, Virginia from violating the antifraud provisions of the securities laws in the offer and sale of \$76 million in common stock of Hirschfeld Bank of Commerce.

The Commission's complaint alleges that the defendant made false and misleading statements concerning, among other things, the exclusivity of the rights offering, endorsements of the merits of the offering by certain companies, and inspections and issuance of insurance by the Federal Deposit Insurance Corporation. Alleged omissions of material facts include, among other things, certain significant risk factors, the intended use of proceeds and the financial condition of Hirschfeld Bank of Commerce. (SEC v. Hirschfeld Bank of Commerce, E.D. Va., Norfolk Division, Civ. Action No. 74-533-N). (LR-6614)

#### LESLIE ZACHARIAS, OTHERS, INDICTED

The Boston Regional Office announced that on November 26 the grand jury in Boston returned a 59-count indictment against: (1) Leslie Zacharias, currently incarcerated in the Lewisberg Penitentiary; (2) Louis Martino of Winter Park, Florida, former president of Pollution Dynamics Corp. of Rochester and Hollywood, Florida; (3) Norman Brodsky of Glen Beach, New York, former attorney for Pollution Dynamics Corp.; (4) Albert Rubenstein, an attorney, of Miami, Florida; (5) Arthur Souretis, Marshfield, Mass., a former salesman for Security Planners Associates of Boston, Mass.; and (6) Fritz Johnson, of Staten Island, N.Y., a former salesman and trader for Russell & Saxe. The defendants were charged with mail fraud, violations of the registration and antifraud provisions of the securities laws and conspiracy in connection with an unlawful scheme to distribute large quantities of unregistered stock of Pollution Dynamics Corp. (U.S. v. Leslie Zacharias, et al., U.S.D.C. Mass.). (LR-6615)

#### MARTIN D. NASS INDICTED

The Atlanta Regional Office announced that on November 22 a Federal Grand Jury sitting in Orlando, Florida, filed a thirteen count indictment against Martin D. Nass of Daytona Beach, Florida. The defendant, formerly vice president and resident manager of the Thomson & McKinnon, Auchincloss Kohlmeier, Inc.'s Daytona Beach, Florida Branch Office, was charged with violations of the antifraud provisions of the securities laws, as well as interstate transportation of fraudulently obtained bank drafts. (U.S. v. Martin D. Nass, U.S.D.C., M.D. Fla. Criminal No. 74-218). (LR-6617)

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## INVESTMENT COMPANY ACT RELEASES

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#### AXE-HOUGHTON FUND B

An order has been issued on an application of Axe-Houghton Fund B, Inc., and Axe-Houghton Stock Fund, Inc., both mutual funds. The order exempts from the certain provisions of the Act the purchase by Presidential Life Corporation of 70,912 shares of its common stock presently held by the Funds and permits the joint sale by the Funds of the above-described securities to Presidential. (Rel. IC-8597 - Dec. 2)

HEARING SET RE INTERNATIONAL  
FUNERAL SERVICES OF CALIFORNIA, INC.

A notice has been issued setting January 21, 1975, as the date for a hearing on an application by International Funeral Services of California, Inc., an Iowa corporation, which proposes to offer for sale \$10 million of 20 year 4 1/2% debentures in connection with the sale of its pre-need funeral service contracts, for an order exempting it from all the provisions of the Investment Company Act of 1940. (Rel. IC-8598 - Dec. 3)

CAPITAL RESERVE ASSETS

A notice has been issued giving interested persons until December 30 to request a hearing on an application of Capital Reserve Assets, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-8599 - Dec. 3)

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## HOLDING COMPANY ACT RELEASES

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ALABAMA POWER COMPANY

A notice has been issued giving interested persons until December 30 to request a hearing on proposals of Alabama Power Company, Gulf Power Company, Georgia Power Company, and Mississippi Power Company, subsidiaries of The Southern Company, to issue first mortgage bonds for sinking fund purposes. (Rel. 35-18684 - Dec. 2)

GEORGIA POWER COMPANY

A notice has been issued giving interested persons until December 27 to request a hearing on proposals of Georgia Power Company, subsidiary of The Southern Company, to sell a 30% undivided interest as tenant in common in two nuclear and two fossil generating units and a 100% interest in certain transmission facilities associated therewith. (Rel. 35-18685 - Dec. 3)

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## DELISTING AND UNLISTED TRADING ACTIONS

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UNLISTED TRADING PRIVILEGES  
GRANTED

An order has been issued granting the application of the Pacific Stock Exchange, Inc. for unlisted trading privileges in the common stocks of the following companies: American Electric Power Company, Inc., American Home Products Corporation; Beatrice Foods Company; Chase Manhattan Corporation; Coastal States Gas Corporation; Colgate-Palmolive Company; Duke Power Company; Houston Lighting & Power Company; Howard Johnson Company; The Louisiana Land and Exploration Company; Manufacturers Hanover Corporation; J. P. Morgan & Co., Incorporated; Philadelphia Electric Company; Public Service Electric and Gas Company; Virginia Electric and Power Company. (Rel. 34-11122)

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## TRADING SUSPENSIONS

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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 December 4 - 13, inclusive.

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## SECURITIES ACT REGISTRATIONS

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(S-12) FIRST NATIONAL CITY BANK

111 Wall St., New York, N.Y. 10015 - seeks registration of 100,000 American Depositary Receipts for dollar validated common stock of OJI Paper Co., Ltd., a Japanese corporation. (File 2-52426 - Nov. 27)

(S-1) TEXAS COMMERCE BANCSHARES

712 Main St., Houston, Tex. 77002 - 1,750,000 shares of common stock, to be issued from time to time in connection with acquisitions of banks or businesses closely related to banking at prices to be determined, for all or part of the stock or assets of such banks or businesses. Texas Commerce is a bank holding company with twenty-two banking subsidiaries. (File 2-52429 - Nov. 29)

OTHER REGISTRATION STATEMENTS FILED

During the period of Oct. 1 - 31, the following companies filed registration statements but did not submit summaries pursuant to Rule 458:

- (S-11) Verdi Investor Partners, Ltd., Beverly Hills, Cal. (File 2-52082 - Oct. 1) - 14,000 units of limited partnership interests
- (S-7) Kansas City Power & Light Co., Kansas City, Mo. (File 2-52094 - Oct. 3) - \$25,000,000 of first mortgage bonds, due 2004
- (S-1) American Gold Bullion Fund, Inc., New York, N.Y. (File 2-52205 - Oct. 24) - 2,000,000 of capital stock

REGISTRATIONS EFFECTIVE

Dec. 3: Municipal Investment Trust Fund, Thirty-first Monthly Payment Series, 2-52335; Pioneer Hi Bred International, Inc., 2-52299; The Sherwin Williams Co., 2-52343; Southern New England Telephone Co., 2-52296, 2-52297; Southland Bancorporation, 2-52127; Standard Brands Inc., 2-52389; Union Electric Co., 2-52218.

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## ACQUISITIONS OF SECURITIES

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Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the equity securities of another company within 10 days of the acquisition. The following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies during the period Nov. 7-14, 1974

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Recognition Equipment Inc.	Corporation S (Dallas, Texas) Common Stock - 10,000 shs. Class B Stk. - 648,539 shs.	11- 7-74
* Montana Corp.	Treasure State Industries, Inc. (Great Falls, Mont.) Common Stock - 451,082 shs. (287,732 of above shares were acquired pursuant to the Tender Offer)	11- 7-74
Group of Shareholders	Interway Corp (New York City) Common Stock - 323,500 shs.	11- 8-74
Ampco-Pittsburgh Corp.	Pittsburgh Forgings Co. (Pittsburgh, Pa.) Common Stock - 465,296 shs.	11- 8-74
Owen F. Shevlin, Jr.	Varisystems Corp. (Plainview, N.Y.) Common Stock - 400 shs. Common Stock - 100,000 shs. on exercise of Options	11- 8-74
Keystone Custodian Fund Series S-4	Gelco Corp. (Hopkins, Minn.) Common Stock - 197,000 shs.	11- 8-74
* Harold S. Brady Ben Schwartz Eli Rosenman	Bache & Co., Inc. (New York City) Common Stock - 404,800 shs.	11- 8-74
* Robert W. Halliday	Allied Equities Corp. (Reno, Nev.) Common Stock - 12,548 shs. Common Stock - 150,000 shs. on exercise of Warrants	11- 8-74



## ACQUISITION REPORTS CONT.

Helen C. Marlas	Mickelberry Corp. (New York City) Common Stock - 29,715 shs.	11-11-74
M. C. Peterson	Sky City Stores, Inc. (Asheville, N.C.) Common Stock - 283,559 shs. Common Stock - 134,000 shs. on exercise of an Option granted by B. A. Bower, the former Chairman of Sky City (Mr. Peterson is the President and Chief Executive Officer of Sky City)	11-11-74
Bear, Stearns & Co.	Wells, Rich, Greene, Inc. (New York City) Common Stock - 122,300 shs.	11-11-74
* Superior Oil Co. Canadian Superior Oil Ltd. Superior Farming Co.	Tejon Ranch Co. (Lebec, Calif.) Common Stock - 139,360 shs.	11-11-74
Comity Corp.	Banks of Iowa, Inc. (Cedar Rapids, Iowa) Common Stock - 81,925 shs.	11-11-74
Group of Shareholders	Royal Operating Corp. (New York City) Common Stock - 544,909 shs.	11-11-74
* D. G. Seago, Jr.	Southwest Scottish Inns, Inc. (Little Rock, Ark.) Common Stock - 53,000 shs.	11-11-74
* Blue Chip Stamps	Source Capital, Inc. (Los Angeles, Cal.) Common Stock - 1,238,127 shs.	11-11-74
Carlton E. and Shirley A. Gregory	Hi-Shear Corp. (Torrance, Calif.) Common Stock - 48,000 shs.	11-11-74
* Zacks-Streim-Melton Group	R. G. Barry Corp. (Columbus, Ohio) Common Stock - 371,510 shs.	11-11-74
Victor Comptometer Corp.	Victor Graphic Systems, Inc. (Chicago, Ill.) Common Stock - 2,691,352 shs. (88%)	11-11-74
* Bass Brothers Enterprises, Inc.	Development Corp. of America (Hollywood, Fla.) Common Stock - 164,700 shs.	11-11-74
* Sun Ventures, Inc.	Plastics Development Corp. of America (Phila., Pa.) Common Stock - 648,916 shs.	11-11-74
George S. Wing Henry Ugarto	Hi-Shear Corp. (Torrance, Calif.) Common Stock - 99,845 shs. (Mr. Ugarto owns no shares but holds options to purchase 7,500 shares of Common Stock. In addition, they are holders of a proxy to vote 25,000 shs. owned by Caspian, a California Company)	11-11-74
* Central Mutual Insur. Co.	Kansas Security Life Insurance Co., Inc. (Topeka, Kans.) Common Stock - 79,515 shs.	11-11-74
* Central Mutual Insur. Co.	Central United Corp. (Sioux City, Iowa) Common Stock - 1,168,780 shs.	11-11-74
* Lenox, Inc.	John Roberts Inc. (Austin, Texas) Common Stock - 199,671 shs.	11-12-74
PHC, Inc.	Southern Diversified Industries, Inc. (Miami, Fla.) Common Stock - 417,000 shs.	11-12-74

ACQUISITION REPORTS CONT.

* Hillman Coal & Coke Co.	Amarex, Inc. (Oklahoma City, Okla.) Common Stock - 820,000 shs. (45%)	11-12-74
* Hillman Coal & Coke Co.	Dahlstrom Corp. (Jamestown, N.Y.) Common Stock - 153,214 shs. (41%)	11-12-74
RHF Trust Bruce R. Davis (Donor)	Invesco International Corp. (Las Vegas, Nev.) Common Stock - 140,950 shs. (15%)	11-12-74
Troy Post Corp.	Academy Insurance Group, Inc. (King of Prussia, Pa.) Common Stock - 700,000 shs. (17%) Common Stock - 100,000 shs. on exercise of Option	11-13-74
Jimmie L. Pfeffer	Academy Insurance Group, Inc. (King of Prussia, Pa.) Common Stock - 350,000 shs. (8.5%) Common Stock - 50,000 shs. on exercise of Option	11-13-74
William M. Allen	Academy Insurance Group, Inc. (King of Prussia, Pa.) Common Stock - 709,000 shs. (17%) Common Stock - 100,000 shs. on exercise of Option	11-13-74
Madison Fund, Inc.	Tenneco Offshore Co., Inc. (Houston, Texas) Common Stock - 337,000 shs.	11-14-74

\* Amended Acquisition Report

## 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
AMERICAN CYANAMID CO	3	10/74
BEHAVIORAL RESEARCH LABORATORIES INC	7,14	10/74
FEDERATED ENTERPRISES CORP	1,2,3,12,13,14	08/74
KAISER RESOURCES LTD	NO ITEMS	10/74
LAIGLON APPAREL INC	14	09/74
MARYLAND OLD LINE CORP	12	10/74
MULTIVEST REAL ESTATE FUND LTD SERIES IV	14	04/73
NATIONAL HOME PRODUCTS INC	10,14	10/74
PENNRAM MOTOR INNS INC	2,3,13	10/74
SELECT THEATRES CORP	13,14	10/74
SOO LINE RAILROAD CO	7,14	10/74
STIRLING HOMEX CORP	3	10/74
UNITED FINANCIAL CORP OF CALIFORNIA	3,13,14	10/74

CARLSBERG MOBILE HOME PROPERTIES LTD 73	2,3,13,14	10/74
ELECTRONIC ENTERPRISES INC	14	11/74
GENESEE BREWING CO INC	11	10/74
MAREMONT CORP	4,14	10/74
SURGICOT INC	3,12	10/74
CHESAPEAKE INSTRUMENT CORP	2,14	11/74
FED MART CORP	7,14	03/74
GENSTAR LTD	13	10/74
LAWN A MAT CHEMICAL & EQUIPMENT CORP	3	10/74
MAGNAVEST CORP	7,9,14	11/74
ZENITH AMERICAN LAND & DEVELOPMENT CORP	3	10/74

AMENDMENTS TO REPORTS ON FORM 8-K

BIO MEDICAL SCIENCES INC	13	09/74
BLISS & LAUGHLIN INDUSTRIES INC	8	10/74
CAMERON BROWN INVESTMENT GROUP	7,8	09/74
LIBERTY LOAN CORP	13	08/74
MULTIVEST REAL ESTATE FUND LTD SERIES 5	14	11/73
MULTIVEST REAL ESTATE FUND LTD SERIES 5	14	05/74
SONESTA INTERNATIONAL HOTELS CORP	3,7	10/74
STANDARD CONTAINER TRANSPORT CORP	2,9	06/74
STRATFORD OF TEXAS INC	3	10/74
VALLEY FORGE CORP	2,13	08/74
KAISER INDUSTRIES CORP	14	09/74
KAISER STEEL CORP	14	09/74
KLEEP PAK CORP	11	08/74
LTV CORP	13	09/74
MCNEIL PACIFIC INVESTORS FUND 1972	3,14	05/74
UNAC INTERNATIONAL CORP	10	09/74
WASTE MANAGEMENT INC	13,14	10/74
ALODEX CORP	13	08/74
AMERICAN BIO CULTURE INC	2,13	02/74
AMERICAN EAGLE PETROLEUMS LTD	1	08/74
BALDWIN D H CO	NO ITEMS	10/74
CNA FINANCIAL CORP	10	09/74
GREEN GIANT CO	14	11/74
HEALTH INDUSTRIES INC	7	10/74
INTERNATIONAL MINING CORP	2,10	06/74
JAMES RIVER CORP OF VIRGINIA	2	09/74
JERRICO INC	3,11	10/74
KDI CORP	3	10/74
RESORT OF THE WORLD N V	3,13,14	10/74
SPECTRA PHYSICS INC	14	09/74
TEJON AGRICULTURAL PARTNERS	13,14	09/74
THERMAL POWER CO	3,13,14	10/74
ALASKA PETROLEUM & MINING INC	2	10/74
AMERICAN MARINE LTD	7,8	03/74
LTV AEROSPACE CORP	13	09/74
MAGNETIC TAPE ENGINEERING CORP	2	08/74
NATIONAL AIRLINES INC	7	07/74
NORTON CO	7	09/74

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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