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LEGISLATIVE PROPOSALS OUTLINED BY CHAIRMAN COOK

Chairman G. Bradford Cook outlined several areas in which the Commission plans to support legislation to strengthen its enforcement programs in an address before the Society of American Business Writers yesterday. Chairman Cook said the SEC would ask Congress to pass legislation to regulate pyramid promotion schemes if the Commission is unsuccessful in its court actions "to stem the tide of these promotions." "The Commission's action last year against the Dare To Be Great pyramid promotion complex did not involve a financial institution but... (an) estimated 150 pyramid promotion schemes are in operation in this country involving some \$300 million," he said. In that action, the court granted a preliminary injunction requiring what is sold in the Dare To Be Great complex to be registered as securities. Dare To Be Great is appealing to the Supreme Court.

Another area in which the Commission anticipates possible legislation is that of municipal bonds. Chairman Cook said he has directed the SEC staff to work on regulatory proposals for municipal bonds which would require legislation to be presented to the Commission for approval. This was a result of evidence the staff has uncovered on boiler room sales schemes involving fraudulent misrepresentations and excessive mark-up in prices of municipal bonds sold to the public. Last year, Chairman Cook pointed out, the SEC moved against nineteen defendants engaged in such activities in Memphis alone. "Current abuses demonstrate that comprehensive legislation is needed," he said.

The Chairman reiterated the plans of the Commission to ask Congress to pass an Institutional Disclosure Act which would give the SEC rule-making authority to require all types of institutional investors--banks, insurance companies, pension funds, and the like--to disclose holdings and transactions in securities over which they have investment authority. "Full disclosure of all institutional activity would go a long way to dispel a growing public concern over institutional domination of market trading in securities--a concern nourished by the lack of easily available facts about what all institutions are really doing," he added.

To fill the regulatory void that now exists in the area of offshore funds, the Commission worked with the Treasury Department in submitting a legislative proposal to Congress which would permit the organization of foreign portfolio sales corporations in the United States for the sale of mutual funds to foreigners. Such proposals would amend both the Investment Company Act and the Internal Revenue Code. "Foreign investor confidence in offshore funds investing in American securities could be bolstered if they were subject to SEC regulation," Chairman Cook reasoned.

Legislation is one of the approaches to the enforcement problems discussed by Chairman Cook. Others were the development of more reporting procedures with built-in enforcement aspects, providing greater dissemination for important disclosures which might otherwise be obscured to the public, and a crackdown on the misuse of inside information.

RULE PROPOSALS AND ADOPTIONS

ADOPTION OF RULE 17a-1 AND AMENDMENT OF RULE 17a-6 PROPOSED. The SEC is releasing for public comment a proposal to adopt a recordkeeping rule under Section 17(a) of the Securities Exchange Act of 1934 ("the Act"), to require every national securities exchange and association to keep on file, for a period of five years, two years in an accessible place, all documents and records which it makes or receives respecting its self-regulatory activity. All records thus kept will be subject to Commission inspection as and where the Commission or its staff requests. The Commission also proposes to amend Rule 17a-6 under the Act by making documents made or received pursuant to Rule 17a-1 subject to the existing provisions of Rule 17a-6 regarding the destruction or other disposition of such documents.

The proposed rule is intended to set forth the recordkeeping obligation of self-regulatory organizations and thereby facilitate implementation of the broad inspection authority given the Commission in Section 17(a) of the Act. The rule will provide the same protection to the self-regulatory organizations as is afforded by the issuance of a case-by-case Commission subpoena and at the same time promote the ends of the Exchange Act's system of cooperative regulation.

All interested persons are invited to submit their views and comments on these proposals in writing to Ronald F. Hunt, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, on or before June 22, 1973. All such communications should refer to File No. S7-482 and will be available for public inspection. (Rel. 34-10140)

DECISIONS IN ADMINISTRATIVE PROCEEDING

ROBERT KISFALUSI SANCTIONED. The SEC has revoked the investment adviser registration of Robert F. Kisfalusi, doing business as American Equity Counseling Service, of Chicago, Ill., and barred him from being associated with a broker, dealer, investment adviser or investment company. The action was based on findings that during 1972-1973 respondent had violated provisions of the Investment Advisers Act by publishing advertisements and causing articles to be published which contained untrue and misleading statements about the amount of money under his management and his success and performance in the management of clients' portfolios. He also failed to make and keep current all required books and records. Respondent consented to the above findings and sanctions, without admitting or denying the allegations in the order for proceedings. (Rel. IA-375)

COMMISSION ANNOUNCEMENTS

REGULATION A EXEMPTION OF KIDSTUF, INC. SUSPENDED. The SEC has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock of Kidstuf, Inc. of Beverly Hills, California.

Pursuant to a notification filed on August 11, 1972, Kidstuf, Inc. proposed to offer 100,000 shares of its common stock at \$5.00 per share. According to the order the Commission has reason to believe that: (a) the Notification and Offering Circular contain untrue statements of material facts and omit 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 the fact that (1) unregistered shares of Kidstuf, Inc. were offered to the shareholders of Kosmetic Koeds, Inc. in connection with, but prior to, the proposed Regulation A filing of Kidstuf, Inc.; (2) unregistered shares sold at \$1.00 per share to original subscribers to the stock of Kidstuf, Inc. were made on the basis that a proposed Regulation A offering of stock at \$5.00 per share would increase the value of their stock; (3) the current occupations of Maxwell Stitts; (b) the terms and conditions of Regulation A have not been complied with in that, among other things, the offering circular fails to reflect the prior interest of Gary L. Sherwood in Kosmetic Koeds, Inc.; (c) the offering, if made, would be in violation of Sections 5 and 17 of the Securities Act of 1933. (Rel. 33-5393)

INVESTMENT COMPANY ACT RELEASES

SHIELDS SECURITIES CORPORATION. The SEC has issued an order exempting Shields Securities Corporation and its co-underwriters from Section 30(f) of the Act to the extent that such Section adopts Section 16 of the Securities Exchange Act of 1934 with respect to transactions incident to the proposed distribution of shares of common stock of Southern States Fund, Inc., a registered closed-end investment company. (Rel. IC-7806)

HOME LIFE SEPARATE ACCOUNT D. The SEC has issued an order exempting Home Life Separate Account D and Home Life Insurance Company, of New York, from certain provisions of the Act to the extent necessary to permit the purchase, without sales and administrative charges, of single payment variable annuity contracts participating in Account D with amounts derived from values accumulated under various insurance contracts issued by Home Life, or from death benefits payable under such contracts. (Rel. IC-7807)

DIKEWOOD FUND. The SEC has issued an order on an application of The Dikewood Fund, Inc., of Albuquerque, New Mexico, declaring that it has ceased to be an investment company. (Rel. IC-7808)

SECURITIES ACT REGISTRATIONS FILED

BALCOR REALTY INVESTORS, 125 South Clark St., Chicago, Ill. 60603 - 6,250 partnership interests with warrants to purchase 6,250 additional interests, to be offered for sale in units, each consisting of one interest and one warrant. The offering is to be made at \$1,000 per unit with a minimum purchase of five units by Shearson, Hammill & Co. Inc., 14 Wall Street, New York 10005, as dealer manager. The Partnership was organized for the purpose of investing in income-producing real property and unimproved real estate for development. RGF & Associates and FHL Balcors, Inc. are the general partners. (File 2-47605 - Apr 6)

HARTZ MOUNTAIN PET FOODS, INC., 700 South Fourth St., Harrison, N. J. 07029 - 7,475,187 shares of common stock. It is proposed to offer these shares in exchange for Class A stock of Sternco Industries, Inc., at the rate of 1.25 Hartz shares for each Sternco share. Hartz manufactures and distributes pet supply products. Sternco manufactures and distributes aquariums and aquarium supplies and distributes pet supplies and live pets. (File 2-47614 - Apr 6)

HOME BOX OFFICE, INC., Time & Life Bldg., Rockefeller Center, New York, N. Y. 10020 - up to 5,548,695 shares of common stock owned by or issuable to Sterling Communications, Inc. Sterling proposes to distribute such shares to holders of its common stock, at the rate of one Home Box share for each Sterling share held. Time Incorporated, which owns 37.5% of Home Box's outstanding shares, would own 62.5% following the distribution. Home Box offers a television program service, consisting primarily of live sports events and feature films, to cable television systems. (File 2-47615 - Apr 6)

ZENITH UNITED CORPORATION, 120 South Riverside Plaza, Chicago, Ill. 60606 - approximately 673,296 shares of common stock. It is proposed to offer these shares in exchange for the business and assets of Inland National Corporation and assumption by Zenith of the liabilities and obligations of Inland. Zenith and Inland through subsidiaries engage in life insurance business. (File 2-47423 - Mar 30)

J. C. Penney Company, Inc., 1301 Avenue of the Americas, New York, N. Y. 10019 - 866,250 shares of common stock. It is proposed to offer these shares in exchange for the common stock of The Educator & Executive Company, at the rate of .385 Penney share for each Educator share. Penney markets consumer merchandise and services. Educator, through subsidiaries, is engaged in selling insurance. (File 2-47629 - Apr 10)

SOUTHERN NATURAL RESOURCES INC., (Resources), First National - Southern Natural Bldg., Birmingham, Ala. 35203 - 10,051,369 shares of common stock, 691,067 shares of Series 1 cumulative convertible preference stock, and 30,651 shares of Series 2 cumulative convertible preference stock. Resources was formed by Southern Natural Gas Company (Southern) for the purpose of becoming a holding company. It is proposed that Southern be merged into Resources and that each share of common stock, Series 1 and Series 2 preference stock be converted into a similar share of Resources. (File 2-47633 - Apr 10)

PMT TAX-EXEMPT BOND FUND - \$7,875,000 of units. The Fund was created pursuant to a trust agreement between Prescott, Merrill, Turben & Co. and Cohen, Simonson & Rea, Inc., as sponsors, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation as evaluator. The Fund consists of obligations of the State of New York, counties, municipalities, authorities or political subdivisions thereof and certain United States territories or possessions rated "BBB" or better by Standard & Poor's Corporation or "Baa" or better by Moody's Investors Services, Inc. (File 2-47663 - Apr 12)

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:

M. H. Fishman Co., Inc., New York, N. Y. (File 2-47719) - 50,000 shares
 General Motors Corp., Detroit, Michigan (File 2-47734) - 315,000 shares and (File 2-47735)-600,000 shares
 Baxter Laboratories, Inc., Morton Grove, Ill. (File 2-477948) -250,000 shares
 Goodall Rubber Co., Trenton, N. J. (File 2-47950) - 20,000 shares
 Cobe Laboratories, Inc., Lakewood, Colo. (File 2-47951) - 66,000 shares
 Allied Telephone Co., Little Rock, Arkansas (File 2-47953) - 117,137 shares
 International Foodservice Systems, Inc., New York, New York (File 2-47955) - 100,000 shares
 Clow Corp., Oak Brook, Ill. (File 2-47966) - 100,000 shares

RECENT FORM 8-K 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; and any newly enacted requirements effecting registrant's business.

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

AFFILIATED CAPITAL CORP	11,14	04/73
ALBANY INTERNATIONAL CORP	11,14	04/73
AMINEX CORP	11,14	04/73
ASSOCIATED BANK CORP	11	11/72
ASSOCIATED COMPANIES INC	13	08/72
AVCC FINANCIAL SERVICES INC	7,14	04/73
BAXTER LABORATORIES INC	10	04/73
BITEX CORP	12,14	04/73
BOOTH NEWSPAPERS INC	11	04/73
BROCKWAY GLASS CO INC	11	04/73
BROOKS INDUSTRIES INC	2,7,14	04/73
BROWN & SHARPE MANUFACTURING CO	11	04/73
CHEMICAL PRODUCTS CORP	12,14	04/73
CHUBB CORP	11	04/73
CITY NATIONAL CORP	8	04/73
CLAYTON CORP	11	04/73
CLEVELAND & PITTSBURGH RAILROAD CO	11	04/73
COROMETRICS MEDICAL SYSTEMS INC	11,14	04/73
CORROON & BLACK CORP	11,14	04/73
CRESCENT GENERAL CORP	2,14	04/73
CROSS CO	2,7,14	03/73

8K REPORTS CONT.

DOMAIN INDUSTRIES INC	10	04/73
EDISON BROTHERS STORES INC	2	04/73
EXCHANGE BANCORPORATION INC	11,14	04/73
FAY LESLIE INC	7	03/73
FIRST BANCSHARES OF FLORIDA INC	11,13	04/73
GENERAL AUTOMOTIVE PARTS CORP	11	03/73
GERIATRICS INC	13,14	04/73
GREEN MOUNTAIN POWER CORP	13	03/73
HAMILTON COSCO INC	11,14	04/73
HEALTH DELIVERY SYSTEMS INC	13,14	04/73
HOWARD BROTHERS DISCOUNT STORES INC	3	04/73
IMPERIAL OIL LTD	11	04/73
INDEPENDENT LIFE & ACCIDENT INSURANCE CO	11,14	04/73
ITT THORP CORP	11	04/73
JOSLYN MANUFACTURING & SUPPLY CO	11	04/73
KANSAS CITY LIFE INSURANCE CO	11	04/73
KENTUCKY FINANCE CO INC	7,14	04/73
KIDDE WALTER & CO INC	7,11,14	04/73
LARARGE INC	11	04/73
LEWREN TELEVISION INC	9,11,12,14	03/73
LOVE OIL CO INC	7	04/73
MANKATO CITIZENS TELEPHONE CO	11	04/73
MARINE MIDLAND BANKS INC	11	04/73
MIDWEST MANAGEMENT CORP	13	04/73
NATIONAL BY PRODUCTS INC	3,11,13	04/73
OTTER TAIL POWER CO	11,14	04/73
PACIFIC COAST HOLDINGS INC	11	04/73
PAN AMERICAN BANCSHARES INC	11,14	04/73
PARK INVESTMENT CO	7	03/73
PUBLIC SERVICE CO OF NEW MEXICO	11	04/73
QUASAR MICROSYSTEMS INC	9,13	03/73
RADIATION MEDICAL PRODUCTS CORP	11,14	04/73
RAHALL COMMUNICATIONS CORP	3,4,11,13,14	04/73
RAVEN INDUSTRIES INC	11	04/73
REX NORECO INC	2,14	03/73
RICHARDS AIRCRAFT SUPPLY CO INC	13,14	09/72
RMIC CORP	11	04/73

TRADING SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Star-Glo Industries, Inc. for the further ten-day period May 9-18, inclusive.

SECURITIES ACT REGISTRATIONS. Effective May 8: Alison Mortgage Investment Trust, 2-47306; Baltimore Gas and Electric Co., 2-47732; Black Industries, Inc., 2-46980; California Tax-Exempt Bond Funds Inc., 2-47266; Hamilton Investment Trust, 2-47356; Knickerbocker Toy Co. Inc., 2-47606; Orange and Rockland Utilities, Inc., 2-47654; Southern Bancorporation, Inc., 2-47290.

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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.