

# sec news digest

a daily summary from the securities and exchange commission

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May 25, 1973

## COURT ENFORCEMENT ACTIONS

**COMPLAINT NAMES WEIS SECURITIES, OTHERS.** The SEC New York Regional Office announced the filing of a complaint on May 24 in the Federal court in New York seeking to enjoin Weis Securities, Inc.; Arthur Levine, board chairman; Sol Leit, president; Alan Solomon, vice president; Joel Kubie, former comptroller; and Robert Lynn, comptroller, with violations of the anti-fraud provisions of the Federal securities laws, and Weis Securities, Inc. from violating, and Arthur Levine, Sol Leit, Alan Solomon, Joel Kubie and Robert Lynn from aiding and abetting violations of the Securities Exchange Act of 1934 and Rules 15c3-3, 17a-3, 17a-4, 17a-5 and 17a-11 thereunder involving the customer reserve fund, books and records, financial reporting and supplemental reporting requirements.

The Commission's complaint alleges that Weis Securities has failed to disclose to its customers, broker-dealers, and the investing public its serious financial problems, and particularly the fact that at certain times in the recent past it has been doing business while not in compliance with the financial responsibility rules of the New York Stock Exchange of which it is a member. It is further alleged that the firm's serious financial problems have been masked by a deliberate falsification of the firm's books and records and financial reports since as early as April of 1972. The certified financial report as of May, 1972, was alleged to have contained an overstatement of income after taxes in excess of \$700,000.

The Commission has requested the court to appoint a temporary receiver of the assets and books and records of Weis Securities, Inc., to, among other things, ascertain the true status of the firm's financial condition and records and report to the Court on whatever steps are necessary to protect the investing public including the need to liquidate the firm. (LR-5906)

**PACIFIC WESTERN SECURITIES, INC. PERMANENTLY ENJOINED.** The SEC Los Angeles Regional Office announced that on May 7 the Federal court in Los Angeles permanently enjoined, upon consent, Pacific Western Securities, Inc. of Los Angeles from further violations of the net capital, hypothecation and recordkeeping provisions of the Federal securities laws. Edwin Lamb who was previously appointed trustee for Pacific Western Securities, Inc. under the Securities Investor Protection Act was to continue in his role. (LR-5905)

## COMMISSION ANNOUNCEMENTS

**SIPC ANNUAL REPORT TRANSMITTED.** The Commission released its letter to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, transmitting and commenting upon the 1972 Annual Report of the Securities Investor Protection Corporation ("SIPC").

In its May 18 letter, the Commission expressed the view that, in the past year, SIPC had carried out its difficult functions with efficiency and economy. At the same time, the Commission recognized the problems which face SIPC and the Commission. The Commission took note of its continuing efforts and those of the industry self-regulatory organizations to strengthen the financial responsibility standards of the industry and thereby reduce the number of firms becoming subject to SIPC trusteeships.

The Commission acknowledged that some of the problems pointed out in SIPC's Annual Report might suggest a need to amend the SIPC Act but stated that any amendment would be premature at this time.

**TRADING SUSPENDED IN BBI SECURITIES.** The SEC has announced the suspension of exchange and over-the-counter trading in the securities of BBI, Inc., of Cordova, Tenn. for the ten-day period commencing on May 24, 1973 and continuing through June 2, 1973.

The suspension was requested by the company because it believes that information concerning the recent resignation of certain top level officers of BBI, the installment of new management of BBI and certain other matters has not been adequately disseminated to shareholders. The American Stock Exchange and the PEW Stock Exchange, Inc. halted trading on May 8. BBI is delinquent in filing 10-Q reports for the quarter ended March 31 and the Commission has been informed that BBI auditors recently withdrew its independent auditors. (Rel. 34-10173)

## DECISIONS IN ADMINISTRATIVE PROCEEDING

**DECISION REVOKING PELISSIER ASSOCIATES AND BARRING PRESIDENT FINAL.** The SEC announced that the decision of an administrative law judge revoking the broker-dealer registration of Pelissier Associates, Inc. of New York, and barring its president, Gerald Pelissier, from association with any broker-dealer has become final. After six months, Pelissier may become associated with a broker-dealer in a non-supervisory capacity upon an appropriate showing to the Commission's staff that he will be adequately supervised.

According to the decision, the firm, which was underwriter for a public offering of 100,000 shares of SEAJAY, Inc. common stock in 1969-70, and Pelissier, aided and abetted the improper action of another broker-dealer, a sub-dealer in that offering by permitting the broker-dealer to retain proceeds of the offering which should have been placed in escrow. It was also found that the firm, aided and abetted by Pelissier, failed to comply with record-keeping and reporting requirements. (Rel. 34-10158)

DECISION SUSPENDING DAVID B. McEWAN FINAL. The SEC announced that the decision of an administrative law judge, suspending the broker-dealer registration of David B. McEwan, of Boston, for 90 days has become final. McEwan did not seek review of the decision which found that he failed to comply with financial reporting requirements. The suspension was declared effective as of June 4, 1973. (Rel. 34-10159)

#### HOLDING COMPANY ACT RELEASES

LOUISIANA POWER & LIGHT COMPANY The SEC has issued an order authorizing Louisiana Power and Light Company, New Orleans, Louisiana, subsidiary of Middle South Utilities, Inc., to issue and sell \$45,000,000 of first mortgage bonds, due 2003, at competitive bidding. Net proceeds will be used to finance, in part, Louisiana's 1973 construction program (estimated at \$174,600,000), to pay outstanding short-term borrowings and for other corporate purposes. (Rel 35-17975)

#### SECURITIES ACT REGISTRATIONS FILED

SELIGMAN & LATZ, INC., 666 Fifth Ave., New York, N.Y. 10019 - 216,427 outstanding common stock purchase warrants, which may be offered for sale from time to time by certain warrant holders at prices current at the time of sale or in private sales at negotiated prices. The company operates beauty salons and fine jewelry departments in department and specialty stores. (File 2-47851 - Apr 27)

INCOME MORTGAGE AND REALTY SHARES, 676 Union Commerce Bldg., Cleveland, Ohio 44115 - \$10,000,000 of convertible subordinated debentures, due 1979, with contingent warrants to purchase shares of beneficial interest. The securities are to be offered for sale in units, each consisting of a \$1000 debenture and unspecified number of shares, at \$1,000 per unit through underwriters headed by Stone & Webster Securities Corp., Hayden Miller Division, 90 Broad St., New York 10004. The Trust is a real estate investment trust which proposes to expand its investment policy to include investments in real estate mortgages as well as estate equities. Net proceeds will be used to reduce short-term bank borrowings (approx. \$14,376,000). Income Advisory Corp. will act as investment adviser. (File 2-47866 - Apr 30)

NORTHWESTERN PUBLIC SERVICE COMPANY, Northwestern National Bank Bldg., Huron, South Dakota - 140,000 shares of common stock to be offered for sale (\*at \$23 per share maximum) by underwriters to be specified later. Net proceeds together with other funds, will be used to repay outstanding bank loans, to pay \$6,275,000 of first mortgage bonds, 3% Series, which mature October 1, 1973, and to provide a portion of the funds for the Company's 1973 construction program. Construction expenditures for the period 1973-77 are estimated at \$63,200,000. (File 2-47864 - Apr 30)

POTOMAC ELECTRIC POWER COMPANY, 1900 Pennsylvania Ave., N.W., Washington, D.C. 20006 - 4,000,000 shares of common stock to be offered for sale (\*at \$14.875 per share maximum), through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc. One Liberty Plaza, New York. Net proceeds will be used to retire short-term borrowings incurred or to be incurred in connection with the company's construction program. Construction expenditures are estimated at \$1,720,000,000 for 1973-77 (File 2-47867 - Apr 30)

CONSUMER MARKETING RESEARCH, INC. 44 ~~Bank~~ St., Hackensack, N.J. 07601 - 150,000 shares of common stock to be offered for sale at \$6 per share by Miraldi Associates, 694 Forest Ave., Staten Island, N.Y. 10310. The company primarily furnishes information, lists and reports setting forth demographic and geographic changes in residential and business populations of specific areas in the U.S. Net proceeds will be used for working capital and other corporate purposes. (File 2-47869 - Apr 30)

NORMAN F. SWANTON ASSOCIATES, INC., 11 Broadway, New York, N.Y. 10004 - 100,000 shares of common stock to be offered for sale at \$6 per share by Shoenberg Hieber, Inc., 120 Broadway, New York 10005. The Company primarily provides management and financial consulting services to the securities and banking industries. Net proceeds will be used for general working capital purposes. (File 2-47870 - Apr 30)

PHILADELPHIA MORTGAGE TRUST, 215 South Broad St., Philadelphia, Pa. 19107 - 500,000 shares of beneficial interest to be offered for sale (\*at \$10 per share maximum) through underwriters headed by Babbitt, Meyers & Waddell, 155 Union Trust Bldg., Pittsburgh, Pa. 15219. The trust primarily invests in long-term first mortgage loans in amounts less than \$1,000,000. (File 2-47874 - Apr 30)

U.N. BANCSHARES, INC., P. O. Box 1157, S.S.S., Springfield, Missouri 65805 - 73,800 shares of common stock. It is proposed to offer these shares in exchange for the outstanding equity securities of Pulaski County Bank and Bank of Taney County at the following rates: (a) 24 shares for each share of Pulaski County Bank and (b) 3.75 shares for each share or each \$100 principal amount of convertible capital notes of Bank of Taney County. U.N. Bancshares, Inc. is a bank holding company owning all of the stock of two banks. (File 2-47881 - Apr 27)

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:

Riviana Foods, Inc., Houston, Texas (File 2-47848) - 244,787 shares  
 Standard Oil Company, Cleveland, Ohio (File 2-47853) - 307,500 shares  
 Intel Corporation, Santa Clara, California (File 2-47856) - 75,000 shares  
 Oceanic Exploration Company, Denver, Colorado (File 2-47857) - 278,200 shares  
 Republic Franklin Incorporated, Columbus, Ohio (File 2-47861) - 33,600 shares  
 Interpublic Group of Companies, Inc., New York, N. Y. (File 2-47863) - 100,000 shares  
 Mickelberry Corporation, New York, N. Y. (File 2-47866) - 60,000 shares  
 Tiffany and Company, New York, N. Y. (File 2-47868) - 140,000 shares  
 Lionel Corporation, New York, N. Y. (File 2-47873) - 100,000 shares  
 Stepan Chemical Company, Northfield, Illinois (File 2-47875) - \$1,160,000 of Common stock  
 Continental Investment Corporation, Boston, Massachusetts (File 2-47877) - 300,000 shares  
 Logistics Industries Corporation, Barrington, New Jersey (File 2-47879) - 173,000 shares

## MISCELLANEOUS

ROCKWELL INTERNATIONAL CORPORATION. The SEC has issued a notice giving interested persons until May 31 to request a hearing on an application by Rockwell International Corporation, a Delaware corporation, pursuant to the Trust Indenture Act of 1939 declaring that the trusteeship of Bankers Trust Company under two indentures of Rockwell is not so likely to involve a material conflict of interest as to make it necessary to disqualify Bankers Trust Company from acting as trustee. (Rel. 39-338)

RECENT FORM 8-K FILINGS

Form 8-K 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 affecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8-K form specified in the middle column. 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.

NEUTROGENA CORP	1,13	04/73
NORFOLK & WESTERN RAILWAY CO	7	04/73
NORTH ATLANTIC INDUSTRIES INC	13,14	04/73
NORTH SHORE GAS CO ILLINOIS	7,13	04/73
NORTHERN HOLDING & DEVELOPMENT CO	2	04/73
OFFSHORE LOGISTICS INC	7,14	04/73
OIL SHALE CORP	7	04/73
OLYMPIA BREWING CO	7,14	04/73
ORBANCO INC	13	04/73
PANAX CORP	3	04/73
PARGAS INC	13	04/73
PENN CENTRAL CO	6	04/73
PENN DIXIE CEMENT CORP	3,11,14	04/73
PENOBSCOT SHOE CO	11	04/73
PHILADELPHIA NATIONAL CORP	11,14	04/73
PHOENIX STEEL CORP	14	04/73
PIEDMONT MANAGEMENT CO INC	11,14	04/73
PIZZA CORP OF AMERICA	13	04/73
PORTEC INC	11	04/73
PORTLAND GENERAL ELECTRIC CO	4,7,14	04/73
PROJECT SEVEN INC	1,7,13,14	04/73
PUBLIC SERVICE CO OF COLORADO	11,14	04/73
PUBLIC SERVICE ELECTRIC & GAS CO	3	04/73
PULLMAN INC	10,14	04/73
QUESTOR CORP	11,14	04/73
RATNER CORP	11,13,14	04/73
REECE CORP	11	04/73
RELIABLE STORES CORP	13,14	04/73
REPUBLIC SYSTEMS & PROGRAMMING INC	6	04/73
RHEINGOLD CORP	1,14	04/73
ROPER CORP	11,14	04/73
ROSARIO RESOURCES CORP	11,14	04/73
ROSES STORES INC	11	04/73
RT SYSTEMS INC	7,14	04/72
RUSSELL MILLS INC	11,14	04/73
SCHERING PLOUGH CORP	11,14	04/73
SCHLITZ JOSEPH BREWING CO	11	04/73
SCHWAB SAFE CO INC	9,11	04/73
SCIENTIFIC TEXTILE SYSTEMS INC	2	04/73
SCRIVNER BOGGAART INC	4,7,14	04/73
SEARLE G D & CO	11,14	04/73
SIMON & SCHUSTER INC	11,14	04/73
SMITH INTERNATIONAL INC	11	04/73
SONOMA INTERNATIONAL	12,13,14	04/73
SOUTHERN CALIFORNIA EDISON CO	3,10,14	04/73
STARCH DANIEL & STAFF INC	3,7,8,9,13,14	04/73
STATE STREET BOSTON FINANCIAL CORP	8	04/73
STAUFFER CHEMICAL CO	11	04/73
SUPERCRETE LTD	11	04/73
TAPPAN CO	4,8,14	03/73
TASTY BAKING CO	13	04/73

8-K REPORTS CONT.

TCI TRAVEL CORP	7,14	04/73
TCR SERVICE INC	13	04/73
TDA INDUSTRIES INC	13,14	04/73
TECHNOMIC RESEARCH ASSOCIATES INC	1,13	04/73
TERRANAV CORP	7,14	04/73
TEXTRON INC	11,14	04/73
TELEDC EDISON CO	11,14	04/73
TOOTSIE ROLL INDUSTRIES INC	7	04/73
TRANE CO	13,14	04/73
TREASURE ISLE INC	13	04/73
TRUST MORTGAGE CORP	8,13	04/73
UNION COMMERCE CORP	7,13,14	04/73
UNION FIDELITY CORP	11	04/73
UNION PACIFIC RAILROAD CO	7,14	04/73
UNITED BANKS OF COLORADO INC	11,14	04/73
UNITED STATES GYPSUM CO	3	04/73
UNITED STATES SUGAR CORP	7,14	04/73
UP RIGHT INC	11,14	04/73
VALSPAR CORP	2,14	04/73
VANDERHOUT ASSOCIATES LTD	2,14	04/73
VERMONT AMERICAN CORP	4,11,14	04/73
VETCO OFFSHORE INDUSTRIES INC EMPLOYEES	7,13,14	04/73
VICTORY MARKETS INC	11	04/73
VIEWLEX INC	13	04/73
VIRGINIA ELECTRIC & POWER CO	11,14	04/73
VOGUE INSTRUMENT CORP	11,14	04/73
WASTE MANAGEMENT INC	7,14	04/73
WEIGHT WATCHERS INTERNATIONAL INC	3,13	04/73
WESCO FINANCIAL CORP	7	04/73
WESTCALING CORP	13	04/73
WESTERN CORP	2,14	03/73
WESTERN UNION TELEGRAPH CO	11,14	04/73
WESTOURS INC	1	04/73
WETSCONS CORP	6	04/73
WEYERHAEUSER CO	11,13	04/73
WIEBOLDT STORES INC	7,10	04/73

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of (a) over-the-counter trading in the securities of Accurate Calculator Corporation, Logos Development Corporation, Orecraft, Inc., Photon, Inc. and Textured Products, Inc. for the further ten-day period May 25 through June 3, inclusive, (b) over-the-counter trading in the securities of First Leisure Corporation and Pelorex Corporation for the further ten-day period May 26 through June 4, inclusive, (c) exchange and over-the-counter trading in the securities of Equity Funding Corporation and over-the-counter trading in the securities of Giant Stores Corporation, Industries International, Inc., and Trionics Engineering Corporation for the further ten-day period May 27 through June 5, inclusive, (d) over-the-counter trading in the securities of Aadan Corporation and exchange and over-the-counter trading in the securities of Goodway, Inc. for the further ten-day period May 28 through June 6, inclusive, (e) over-the-counter trading in the securities of Star-Glo Industries, Inc. for the further ten-day period May 29 through June 7, inclusive, and (f) over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period May 30 through June 8, inclusive.

SECURITIES ACT REGISTRATIONS. Effective May 24: Avon Products, Inc., 2-48080; General American Transportation Corp., 2-47931; General Portland Inc., 2-47802; Geon Industries, Inc., 2-47526; First National City Corporation, 2-48017; Lindner Fund, Inc., 2-41903; Louisiana Power & Light Company, 2-47753; Polumbus Corporation, 2-46479 (Aug 23); Singer Company, 2-47828; Sybron Corporation, 2-48034; Twin Fair, Inc., 2-47678.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

\* As estimated for purposes of computing the registration fee.

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