

# sec news digest

a daily summary from the securities and exchange commission

Issue 73-147

(SEC Docket, Vol. 2, No. 7 - August 13)

July 31, 1973

## DECISIONS IN ADMINISTRATIVE PROCEEDING

**GELLIS, MUNZER AND SHAPIRO BARRED.** The SEC announced the issuance of an order barring Henry Gellis and Frederick Munzer, of New York City, and Harold Shapiro, of Huntington, New York, from association with any broker or dealer.

Respondents were salesmen for First William Street Securities, Inc., formerly a registered broker-dealer. First William was underwriter for a public offering of 100,000 shares of common stock of Computer Field Express, Inc. pursuant to a Securities Act registration statement which became effective on February 4, 1970. The Commission affirmed the findings of the administrative law judge that respondents made fraudulent representations concerning Computer to numerous customers during the public offering and thereafter, both in an effort to sell the stock and to dissuade customers who had purchased it from selling it. Among other things, each respondent predicted specific and substantial increases within a relatively short period in the price of Computer's stock, a speculative issue, which predictions, the Commission stated, were inherently fraudulent and unjustifiable. (Rel. 34-10294)

**HIGGS, INC. AND OFFICERS SANCTIONED.** The SEC has issued a decision suspending the broker-dealer registration of Higgs, Inc., Knoxville, Tenn. for 15 business days and suspending from association with any broker or dealer for 30 days George M. Gilbert and Donald E. Conner, who were, respectively, registrant's president and vice-president during the relevant period. The suspensions are scheduled to commence August 13, 1973. The decision also censured registrant, Gilbert and Conner.

The Commission found the firm's net capital was insufficient on 9 dates between January and October 1971 and that as of one such date securities had been "parked" with Gilbert and Connor in order to make registrant's net capital appear greater. It was also found that no telegraphic notice of the September and October net capital deficiencies had been given the Commission, and no report of the firm's financial condition for such months had been filed. (Rel. 34-10299)

## COMMISSION ANNOUNCEMENTS

**TRADING SUSPENDED IN TWO COMPANIES.** The SEC has announced the temporary suspension of over-the-counter trading in the securities of I. D. Precision Components Corporation of Jamaica, New York and Syner Data Inc., of Beverly, Massachusetts for a ten-day period commencing at 10:00 a.m. (EDT) on July 31, 1973 and terminating at midnight (EDT) on August 9, 1973.

The Commission initiated the suspensions because the companies failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34-10310)

**STAFF PROMOTIONS.** Bernard Wexler, Director of the Office of Opinions and Review, has announced the appointment of Max O. Regensteiner as Associate Director of that office and of William S. Stern as Special Counsel.

Mr. Regensteiner, who succeeds the recently retired W. Victor Rodin, joined the Office of Opinions and Review in 1956, and became Special Counsel in 1970. Prior to 1956, he was on the editorial staff of the Lawyers Cooperative Publishing Co. Mr. Stern, after serving with the Antitrust Division of the Department of Justice, joined the Office of Opinions and Review in 1963. Both Mr. Regensteiner and Mr. Stern are graduates of the Harvard Law School.

**PERMANENT SUSPENSION OF THE REGULATION A EXEMPTION OF CONSOLIDATED MOGUL MINING CO., INC.** The SEC order of November 8, 1972 temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock of Consolidated Mogul Mining Co., Inc. of Salt Lake City, Utah, has become permanent.

Pursuant to a notification filed on September 7, 1972, Consolidated Mogul proposed to offer 3,000,000 shares of common stock at \$.10 per share. According to the order, the Commission had reason to believe that: (1) the offering circular failed to state the disposition of shares by Gregory Chachas and Charles Foote and the purchase of shares by J. William Pace and Thad B. Emery; the relation between Gregory Chachas and Station Zebra, Inc. and transfers of mining claims between themselves and Consolidated Mogul; and the prior affiliation of Gregory Chachas with Consolidated Mogul as officer, director, promoter and principal security holder; (2) the terms and conditions of Regulation A had not been complied with in that, among other things, the notification failed to describe an injunction against the underwriter. The Regulation A exemption was not available to Consolidated Mogul because the underwriter, V. E. Anderson & Co., was the subject of a permanent injunction for violations of the Federal securities laws. (Rel. 33-5412)  
FULL TEXT.

#### COURT ENFORCEMENT ACTIONS

**UNITED AUSTRALIAN OIL FINED.** The Fort Worth Regional Office announced that on July 20 the Federal court in Dallas fined United Australian Oil, Inc. \$85,000 after it had plead guilty to all 42 counts of an indictment charging it with securities fraud, mail fraud, sale of unregistered stock and conspiracy to violate those statutes. The fine is in addition to a \$30,000 fine imposed in 1969 for contempt of a court order, which enjoined United Australian Oil from further violations of the registration provisions of the Securities Act of 1933. (LR-6000)

**MARLIN DUANE CAREY SENTENCED.** The SEC Washington Regional Office announced that on July 27 the Federal court in Alexandria, Virginia sentenced Marlin Duane Carey to four years imprisonment. On June 25 Carey pleaded guilty to one securities fraud count of a 19-count indictment charging violations of the Federal securities laws in connection with the offer and sale of unregistered fractional undivided working interests in oil and gas leases located in and around Warren County, Pennsylvania. (LR-6001)

#### HOLDING COMPANY ACT RELEASES

**ALLEGHENY POWER SYSTEM, INC.** The SEC has issued an order regarding Monongahela Power Company, Potomac Edison Company, and West Penn Power Company, electric utility subsidiaries of Allegheny Power System, Inc., authorizing the proposed issue and sale of short-term notes to banks and commercial paper dealers in the aggregate amount of \$135,000,000. (Rel. 35-18041)

#### SECURITIES ACT REGISTRATIONS FILED

(Note: "Per share maximum" prices referred to in the following summaries of registration statements are prices estimated for the purpose of computing the registration fee and are not necessarily prices at which the securities will be sold.)

**BARUCH-FOSTER CORPORATION** (General Partner), 421 Meadows Building, Dallas, Texas 75206 - \$1,050,000 of limited partnership interests in Baruch-Foster Badger Basin Program (the Partnership to be offered for sale at \$1,000 per unit, with a minimum purchase of five units, by selected NASD members. The Partnership will conduct an oil and gas development program in the Badger Basin Field, Park County, Wyoming. (File 2-48356 - June 20)

TREASURE MOUNTAIN CORPORATION, P. O. Box 39, Park City, Utah 84060 - 132 furnished condominium apartments to be offered for sale with initial sale prices ranging from \$35,500 to \$70,850 by Hal Taylor Associates, P. O. Box 804, Park City, Utah. The apartments are to be constructed on land owned by the company in Park City, Utah. (File 2-48346 - June 18)

HEUBLEIN, INC., 330 New Park Avenue, Hartford, Conn. 06101 - 5,400 shares of common stock which may be offered for sale by Heublein Foundation, Inc. (a private, charitable foundation, which acquired its shares by a contribution from Heublein, Inc.) from time to time on national securities exchanges at prices current at the time of sale. (\$42 per share maximum). (File 2-48350 - June 19)

NATIONAL FARMING PROGRAM/1973 (the Partnership), 3320 Woodrow Wilson Dr., Jackson, Miss. 39207 - \$6 million of limited partnership interests to be offered for sale at \$1,000 per unit with a minimum purchase of five units. The partnership was formed to engage in agricultural activities in connection with the production and sale of shell eggs from partnership flocks. Jefferson County Egg Farms, Inc. is the general partner. (File 2-48352 - June 19)

COCA-COLA BOTTLING COMPANY OF NEW YORK, INC., 425 East 34th St., New York, N.Y. 10016 - 369,048 shares of common stock. It is proposed to offer these shares in exchange for the common stock of Coca-Cola Bottling Company of Southern New England, at a rate of 10.501 New York shares for each Southern New England share. Both companies are engaged in the production and marketing of soft drinks in the territories covered by their franchise agreements. (File 2-48353 - June 19)

**STOCK PLANS FILED.** The following have filed Form S-8 registration statement with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Ups 'N Downs, Inc., New York, N. Y. (File 2-48335) - 50,000 shares  
 Comten, Inc., St. Paul, Minn. (File 2-48336) - 150,000 shares  
 Cooper Industries, Inc., Houston, Texas (File 2-48338) - 250,000 shares  
 Inforex, Inc., Burlington, Mass. (File 2-48339) - 50,000 shares  
 Borg-Warner Corp., Chicago, Ill. (File 2-48341) - 450,000 shares and (File 2-48342) - 60,000 shares  
 Weyenberg Shoe Manufacturing Company, Milwaukee, Wis. (File 2-48343) - 25,000 shares  
 Standard-Thomson Corp., Waltham, Mass. (File 2-48345) - 80,000 shares

#### MISCELLANEOUS

**COMPANIES WHICH RECENTLY ACQUIRED STOCK OF OTHER COMPANIES.** The following companies or individuals acquired or proposed to acquire the stock of companies listed below as reported to the Commission on Schedule 13D.

Companies or individuals must report the acquisition of 5% or more of the stock of another company within 10 days of the acquisition. The following companies or individuals acquired stock of other companies during the period July 17 through July 24:

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
Essex Chemical Corp.	Racon Inc. Common Stock - 304,100 shs.	7-17-73
Wheelabrator-Frye Inc. and its wholly owned subsidiary, Sinclair Valentine & Frye Inc.	A. L. Garber Company Inc. Common Stock - 360,105	7-18-73
Compagnie de Saint-Gobain- Pont-a-Mousson *	Certain-Teed Products Corp. Common Stock - 3,303,843 shs. Common Stock - 409,394 shs. on conversion of Preferred	7-19-73
Yale University	Deltona Corp. Common Stock - 250,000 shs.	7-20-73

Star-Kist Foods, Inc.	Ocean Fisheries, Inc. Common Stock - 266,980 shs.	7-20-73
Sears, Roebuck and Co. and its wholly owned subsidiary, Allstate Insurance Co. *	Hospitality Motor Inns, Inc. Common Stock - 84,600 shs.	7-23-73
Universe Tankships, Inc.	St. John D'el Rey Mining Co., Ltd. Ordinary Shares - 307,908 shs. on exercise of Rights	7-23-73
Norbat Corp. *	General Battery Corp. Common Stock - 2,283,813 shs.	7-23-73
Thomas J. Broyhill et al	Imperial '400' National, Inc. Common Stock - 187,500 shs.	7-24-73
Franklin New York Corp. *	Talcott National Corp. Common Stock - 1,664,561 shs. on execution of Agreements	7-24-73

\* Amended 13D Acquisition Report

The following companies have acquired stock of companies listed below pursuant to tender offers as reported to the Commission on Schedule 13D:

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER AND NUMBER OF SHARES TO BE TENDERED:</u>	<u>DATE FILED</u>
Stephen A. Wynn et al	Golden Nugget, Inc. Common Stock - 225,000 shs. for cash at \$7.50 net per share	7-23-73
Coaxial Communications, Inc.	Cable Funding Corp. Common Stock - 325,000 shs. for cash at \$8.50 net per share	7-23-73
Utilities & Industries Corp.	Colonial Sand & Stone Co., Inc. Common Stock - 1,076,532 shs. for cash at \$12.00 net per share	7-23-73
Canada Development Corp.	Texasgulf Inc. Common Stock - 10,000,000 shs. for cash at \$29.00 net per share	7-24-73

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Pacer Corp. for the further ten-day period July 31 through August 9, inclusive.

SECURITIES ACT REGISTRATIONS. Effective July 30: Alabama Power Co., 2-48578; Clow Corp., 2-48268; First International Bancshares, Inc., 2-48560 and 2-48562; Pier One Imports, Inc., 2-48070; Placer Development Limited, 2-48522; Wyoming Bancorporation, 2-48382.  
Effective July 31: American Hospital Supply Corp., 2-48520; The Kroger Co., 2-48572; MEI Corp., 2-48671; NVDH Corp., 2-48421; Nalco Chemical Co., 2-48539.

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