

sec news digest

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U.S. SECURITIES & EXCHANGE

RECEIVED

April 12, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

APR 15 1974

ROBERT FEIS SANCTIONED

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An order has been issued revoking the broker-dealer registration of Robert Feis, doing business as Feis Securities Co., of Brooklyn, New York, and barring Feis from association with any registered broker-dealer, investment company or investment adviser. It was found that in July 1973, Feis was convicted, in the U. S. District Court for New York, of fourteen counts of an indictment charging misconduct in his activities as a broker-dealer involving the purchase and sale of a security and violations of the antifraud provisions of Sections 1341 and 1343 of Title 18, U.S. Code. Feis consented to the indicated findings and sanctions, without admitting or denying the charges against him. (Rel. 34-10716)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES PATTERSON CORP.; ITS SUSPENSION TO TERMINATE

The SEC announced the termination of the suspension of trading in the securities of Patterson Corporation, a Nevada corporation with offices in La Jolla, California and Atlanta, Georgia, effective at midnight (EDT) on April 13, 1974. The suspension was initiated on November 21, 1973.

The Commission also announced the filing on April 11, 1974 of a complaint in the U. S. District Court for California alleging that Patterson Corporation, Dalton Carl Smith, Richard B. Anderson, Cleo H. Bullard, Nationwide Registrar & Transfer Agency, Lois Young, Stanley T. Traska, Edward Baranov, David Alvin Topping and Joseph Cono Caggiano violated certain provisions of the securities laws and seeking an injunction against those parties from further violations of the securities laws.

In its complaint the Commission alleged that all of the defendants have offered and sold the common stock of Patterson Corporation in violation of the registration requirements. In addition to injunctive relief, the complaint seeks an order cancelling all Patterson Corporation shares issued to Bullard and Smith or to their nominees. (LR-6316)

LUM'S, INC. ENJOINED

The SEC announced today that the Federal court in Philadelphia, Pennsylvania permanently enjoined Lum's, Incorporated [now named Caesar's World, Inc. (CWI)] and Desert Palace, Inc. (DPI), a wholly-owned subsidiary of CWI, from violations of the antifraud and proxy provisions of the securities laws. The defendants consented to the court order without admitting or denying any of the allegations of the Commission's complaint.

In addition to providing the general injunctive relief referred to above, the judgment also requires that CWI and DPI take certain measures and institute certain procedures regarding the future acquisitions of businesses involving gambling casinos, as well as current and future operation of gambling casinos. Furthermore, in connection with any future acquisition of a gambling business, a written evaluation of the internal controls by the independent public auditors is required and

in the current operation of Caesars Palace internal controls satisfactory to such auditors must be maintained and evaluated annually. Other features of the judgment require CWI to maintain a standing audit committee to function along the lines set forth in SEC Accounting Release No. 123 and to review various evaluations required by the judgment. The Commission also sought disgorgement of profits and monies allegedly unlawfully obtained by the remaining defendants in the action. Since the disgorgement issue has yet to be resolved, the Court ordered CWI not to transfer any of the 1,000,000 shares which may be issued to the remaining defendants without the Court's prior approval.

The action as to thirteen remaining defendants, who were the principal sellers of the Caesars Palace Hotel and Casino to CWI in 1969, remains pending. (LR-6317)

COMMISSION ANNOUNCEMENTS

JACK SCHAEFER SUSPENDED FROM ASSOCIATION WITH ANY BROKER-DEALER FOR SIX MONTHS

Administrative Law Judge Ralph Hunter Tracy has filed an initial decision ordering that Jack Schaefer, formerly a registered representative with Baerwald & DeBoer, New York, New York, be suspended from association with any broker-dealer for six months. The decision is subject to appeal to the Commission.

The administrative law judge found that Schaefer had violated the antifraud provisions of the securities laws by inducing customers to purchase securities on the basis of non-public or inside corporate information.

REGULATION A SUSPENSION ORDER WITHDRAWN

The SEC order of March 28, 1974 stated that the Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of stock of World Wholesale, Incorporated, of Salt Lake City, Utah, had become permanent. Because the underwriter requested a hearing, the Commission has withdrawn the order of permanent suspension. (Rel. 33-5476A)

ORDERS FOR PUBLIC PROCEEDINGS

SEC ORDER CITES SMITH BROS. & CO., WILLIAM T. PHELAN

Public administrative proceedings have been ordered against Smith Bros. & Co., of Chicago, Illinois and William T. Phelan, a general partner. The proceedings are based upon alleged violations of the hypothecation, books and records, and certain financial reporting provisions of the Securities Exchange Act of 1934. A hearing will be scheduled to take evidence on the staff's allegations and to afford any defenses. The hearing is to determine whether the allegations are true; and if so, whether any action of a remedial nature should be ordered by the Commission. (Rel. 34-10734)

TRADING SUSPENSIONS

TRADING SUSPENDED IN 48 COMPANIES

The SEC announced the suspension of over-the-counter trading for a ten-day period beginning on April 11 and terminating at midnight (EDT) on April 20, 1974 in the securities of the following companies which have failed to file annual reports on Form 10-K for fiscal year ended 1972 and thereafter with the Commission and some or all of the reports on Form 10-Q: All State Credit Corp., Valley Stream, NY; Beck Industries, Inc., New York, NY; Brian Lloyd, Inc., New York, NY; Cambridge

Nuclear Corp., Billerica, MA; Cassette Cartridge Corp., New York, NY; Compuguide Corp., Cliffside Park, NJ; Data Industries Corp. of Texas, Houston, TX; Datatronics, Inc., Waltham, MA; Dextra Corp., Little River, Miami, FL; Dialscan Systems, Inc., New York, NY; Diversa, Inc., Dallas, TX; Dumont Corp., Fort Lee, NJ; Durst S.F. & Company, Inc., Philadelphia, PA; Ebinger Baking Co., Brooklyn, NY; Empire International, Inc., Denver, CO; Environmental Dynamics, Inc., Tulsa, OK; EPG Computer Services, Inc., New York, NY; Fall River Industries, Inc., Irvine, CA; Goodway Copy Centers, Inc., Westminster, CA; Guenther Systems, Inc., Buchanan, NY; Heidler Corp., Tulsa, OK; Hemisphere Hotels Corp., Coral Gables, FL; International Hydrolines, Inc., Washington, D.C.; Juness Industries, Inc., Chicago, IL; Life of Kentucky Financial Corp., Louisville, KY; Mega Systems, Inc., Bala Cynwyd, PA; Metromodular Systems, Inc., Springfield, IL; R. T. National Corp., Atlanta, GA; National Identification Card Co., Inc., Ward, PA; National Radio Company, Inc., Melrose, MA; Photosystems Corp., Hauppauge, NY; Ram Tool Corp., Chicago, IL; Republic Color, Inc., New York, NY; Sawyer-Adecor International, Inc., Los Angeles, CA; Scooper Dooper, Inc., Pennsauken, NJ; Sheffield Watch Corp., New York, NY; Shore-Calnevar, Inc., Paramount, CA; Site-Pac Industries, Inc., Laguna Beach, CA; Ski Park City West, Inc., San Clemente, CA; Spencer Kennedy Laboratories, Inc., Winchester, MA; Spokane National Mines, Inc., Spokane, WA; Symmar, Inc., Fullerton, CA; Taxtronics, Inc., New York, NY; Teletronics Industries, Inc., Dallas, TX; United States Crown Corp., Norwood, NJ; Universal Airlines Co., Oakland, CA; Weissberg H. R. Corp., New York, NY; and Hydro Ski International Corp., Port Everglades, FL.

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. 34-10732)

ADDITIONAL ACTION TAKEN ON FIVE TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Equity Funding Corp., and over-the-counter trading in the securities of Industries International, Inc. for the further ten-day period April 12 - 21, inclusive; and (b) exchange and over-the-counter trading in the securities of Stratton Group, Ltd., and over-the-counter trading in the securities of Home-Stake Production Co. and Continental Vending Machines, Inc. for the further ten-day period April 15 - 24, inclusive.

HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until May 3 to request a hearing on a proposal of The Columbia Gas System, Inc., a registered holding company, to sell \$40 million of debentures at competitive bidding. (Rel. 35-18372)

ARKANSAS POWER & LIGHT COMPANY

A notice has been issued giving interested persons until May 6 to request a hearing on a proposal of Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., to sell \$20 million of common stock to Middle South. (Rel. 35-18373)

INVESTMENT COMPANY ACT RELEASES

GENERAL AMERICAN LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until April 29 to request a hearing on an application of General American Life Insurance Company and General American Separate Account No. 2 for an order permitting (1) owners of annuity contracts to transfer amounts from the fixed portion of the contract to the variable portion, during the accumulation period, without any additional sales charges, and

(2) a proposed schedule of sales charges which vary with the accumulated amount of purchase payments made by a contract owner during each contract year. (IC-8304)

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until May 8 to request a hearing on an application of Hartford Variable Annuity Life Insurance Company (Insurance Company) and Hartford Variable Annuity Life Insurance Company - Separate Account, an open-end investment company registered under the Act, for an order permitting sales of variable annuity contracts (1) without sales and administrative charges when such contracts are purchased with proceeds derived from Insurance Company products and (2) with reduced sales and administrative charges when such contracts are purchased with proceeds derived from products of affiliated companies of Insurance Company. (IC-8305)

SECURITIES ACT REGISTRATIONS

(S-1) McCULLOCH PROPERTIES CREDIT CORPORATION

6740 East Camelback Rd., Scottsdale, Ariz. 85251 - \$20 million of debentures, due 1984, to be offered for sale through underwriters headed by Halsey, Stuart & Co. Inc., affiliate of Bache & Co. Incorporated, 100 Gold St., New York, N. Y. The company provides financing to McCulloch Oil Corporation and other McCulloch Oil subsidiaries through acquisition of installment receivables arising from retail land sales of McCulloch Oil. (File 2-50667 - Apr. 5)

(S-6) NUVEEN TAX-EXEMPT BOND FUND, Series 57 Check-A-Month Plan

209 South LaSalle St., Chicago, Ill. 60604 - \$10 million of units, to be offered for sale at net asset value. The Fund is one of a series of unit investment trusts created under a trust indenture between John Nuveen & Co. Incorporated as sponsor and United States Trust Company of New York as trustee. It consists of a portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-50677 - Apr. 5)

REGISTRATIONS EFFECTIVE

April 11: Charter New York Corp., 2-50393; Exxon Corp., 2-50585, 2-50586, & 2-50587; First Maryland Bancorp, 2-50235; First New Mexico Bankshares Corp., 2-50298; Fujita Corp., 2-49844; General Electric Company, 2-50572; Hi-Plains Cattle Fund, Inc., 2-50179; Leslie Gold Mines Ltd., 2-50665; Palmer Bank Corp., 2-50435; Pennsylvania Power & Light Company, 2-50488; The Annie Company, Ltd., 2-50056; The LTV Corp., 2-50388.

April 12: Weeden & Co., 2-50256.

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 12¢ per page plus postage for mailing within four days (\$2 minimum) and 25¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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