

# sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION

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RECEIVED

May 8, 1974

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## COURT ENFORCEMENT ACTIONS

MAY 9 1974

### RIO DE ORO MINING, OTHERS INDICTED

### LIBRARY

In a joint announcement with the U. S. Attorney for the District of Utah, the Internal Revenue Service and the Department of Justice, the Commission announced on May 7 that a federal grand jury in Salt Lake City, Utah, had returned a series of indictments stemming from a number of securities cases. The charges ranged from securities fraud and unregistered sales of securities to criminal contempt of an injunction and tax fraud. Indicted were Rio De Oro Mining Company, Carl Powers, Virgil Redmond and Francis Lund in one indictment; Richard T. Cardall, Frank L. Parks, William Allen, International Chemical Development Corporation and Golden Rule Associates in another indictment; and John J. Badger, Jay Victor Miller, Evelyn Mitchener and John Earl Worthen in a third indictment. Jay Victor Miller was also indicted for criminal contempt of an injunction previously entered. Charles P. Murano, Malcolm C. Petrie, David A. Gold and Robert M. Bryson were also indicted by the Grand Jury. Additional indictments are expected in the future. (LR-6355)

### THE INSERCO CORPORATION, OTHERS ENJOINED

The Washington Regional Office announced that the U. S. District Court for the District of Columbia permanently enjoined The Inserco Corporation, a registered investment adviser in Washington, D. C., and John C. Carruthers of Potomac, Maryland, its president and chief executive officer, from violations of the anti-fraud and books and records provisions of the securities laws. It is alleged that the firm and Carruthers, among other things, drew checks on certain clients' account payable to said clients and affixed an endorsement purporting to be that of the client, without his knowledge, consent, or authority and converted said monies to the defendants' own use. The defendants consented to the court order without admitting or denying the allegations. (LR-6352)

### McMAHON AND HOBAN, INC., CITED

The Chicago office announced that the Federal court in Chicago preliminarily enjoined McMahon and Hoban, Inc., from violations of the rules relating to net capital, bookkeeping, and segregation and safeguarding customers funds and securities. At the same time, the Court appointed a SIPC trustee for McMahon & Hoban, Inc. The defendant consented to the court order without admitting or denying the allegations of the Commission's complaint or SIPC's application. (LR-6350)

### COMPLAINT NAMES STEED INDUSTRIES

The Chicago Regional Office announced that on April 16 a complaint was filed against Steed Industries, Inc. and nineteen individual defendants. The defendants are alleged to have sold to the public, by misrepresenting or omitting to state material facts, more than \$13 million in securities in the form of interests in a pyramid promotion scheme. The complaint seeks an injunction, the appointment of a receiver, an accounting, and disgorgement of profits. Steed consented to an order temporarily restraining the disposition of its assets outside of the ordinary course of business. (LR-6351)

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN ELEVEN COMPANIES

Over-the-counter trading in the securities of the following companies has been suspended for a ten-day period beginning May 7 and terminating on May 16, 1974: Caledonia Silver-Lead Mining Co., Judith Gold Corporation, Lookout Mountain Mining & Milling Company, Nancy Lee Mines, Inc., New Era Mines, Inc., Signal Silver-Gold, Inc., Silver Bowl, Inc., United Mines, Inc., and Utah-Idaho Consolidated Uranium, Inc., all of Kellogg, Idaho, (Rel. 34-10779) and Allied Equities Corporation, of Reno, Nev. (Rel. 34-10780), and Sovereign Industries, Inc., of Atlanta, Ga. (Rel. 34-10781). The suspensions were initiated because of the lack of current, adequate and accurate public information concerning the operations and financial condition of each of the companies.

### 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 May 8 - 17, inclusive.

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## SECURITIES ACT REGISTRATIONS

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### (S-1) VIRGINIA HOME INSURANCE COMPANY

18 Koger Executive Center, Norfolk, Va. - 300,000 units, each consisting of one share of common stock and one common stock purchase warrant, to be offered for sale at \$5 per unit through First Securities Company, 18 Koger Executive Center, Norfolk, Va. 23502. The company proposes to engage in the property and casualty lines of insurance. (File 2-50877 - Apr. 26)

### (S-1) MICHIGAN WISCONSIN PIPE LINE COMPANY

One Woodward Ave., Detroit, Mich. 48226 - \$50 million of first mortgage pipe line bonds, due 1994, to be offered for sale at competitive bidding. The company is a natural gas transmission company. (File 2-50880 - Apr. 26)

### (S-1) WESTRANS INDUSTRIES, INC.

250 Park Ave., New York, N. Y. 10017 - 213,571 shares of common stock. It is proposed to offer these shares in exchange for interests in oil and gas drilling programs sponsored by the company at a rate to be determined. The company produces coal, oil and gas and operates a natural gas pipeline. (File 2-50941 - May 1)

### (S-16) SIMMONS COMPANY

280 Park Ave., New York, N.Y. 10017 - 75,000 shares of common stock, to be offered for sale by a shareholder from time to time at prices prevailing at the time of sale. Simmons manufactures and markets Beautyrest mattresses and hide-a-bed sofas and home furnishings. (File 2-50945 - May 1)

### (S-7) THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY

931 Fourteenth St., Denver, Colo. 80202 - 9,754,810 shares of capital stock, which may be offered for subscription by common stockholders of record May 31, at the rate of one share for each six shares held, at a price to be determined. The company furnishes communications services, mainly local and toll telephone service. (File 2-50947 - May 2)

(S-16) SQUARE D COMPANY

205 South Northwest Highway, Park Ridge, Ill. 60068 - 283,445 shares of common stock, which may be offered for sale from time to time by certain selling shareholders at prices current at the time of sale. The company manufactures and sells a broad line of equipment for the control and distribution of electrical power. (File 2-50835 - Apr. 22)

(S-14) CHARTER NEW YORK CORPORATION

One Wall St., New York, N. Y. 10005 - 30,000 shares of common stock. It is proposed to offer these shares in exchange for all of the outstanding capital stock of Peter DePuy State Bank, Nunda, New York, at the rate of 7.50 Charter shares for each DePuy share. Charter is a bank holding company. (File 2-50940 - May 1)

(S-1) ROTEL OF AMERICA, INC.

2642 Central Park Ave., Yonkers, N. Y. 10710 - 100,000 shares of common stock, to be offered for sale at \$2.50 per share through Maynard, Merel & Company, Inc., 160 Broadway, New York, N. Y. 10038. The company sells audio components under an exclusive contract with a Japanese manufacturer. (File 2-50936 - May 1)

(S-5) J. P. CABOT SHORT-TERM FUND, INC.

104 South Central Ave., Valley Stream, N. Y. 11580 - 5,000,000 shares of common stock, to be offered for sale at net asset value with no sales charge. The company is an open-end non-diversified investment company proposing to invest in short-term government securities and bank certificates of deposit. J. P. Cabot Advisory Corp. is the investment adviser. (File 2-50937 - May 1)

(S-6) NATIONAL MUNICIPAL TRUST, THIRD SERIES (the Fund)

\$5 million of units, to be offered for sale through Thomson & McKinnon Auchincloss Kohlmeyer Inc., Two Broadway, New York, New York 10004. The Fund is a unit investment trust created by a trust agreement among Thomson & McKinnon Auchincloss Kohlmeyer Inc., as sponsor, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The objectives of the Fund are tax-exempt income and conservation of capital through an investment in a diversified portfolio of municipal bonds. (File 2-50938 - May 1)

(S-1) HARDEE'S FOOD SYSTEMS, INC.

1233 North Church St., Rocky Mount, N. C. 27801 - 200,000 shares of common stock, which may be offered by the company in acquisitions of business and properties. The company operates and franchises fast food restaurants, and also processes and distributes frozen food products. (File 2-50955 - May 3)

(S-7) ALABAMA POWER COMPANY

600 North 18th St., Birmingham, Ala. 35291 - \$100 million of first mortgage bonds, due 2004, to be offered for sale by the company at competitive bidding. The company is an electric utility company operating in Alabama. (File 2-50956 - May 3)

(S-1) APACHE GAS COMPANY

610 Newport Center Dr., Newport Beach, Cal. - \$15 million of pre-formation partnership interests, to be offered for sale at \$1,000 per interest (with a minimum purchase of five interests) through selected NASD members. The partnerships shall engage in oil exploration and drilling in Israel and the United States. (File 2-50957 - May 3)

(S-1) TENNESSEE FORGING STEEL CORPORATION

U. S. Highway No. 27, Harriman, Tenn. 37748 - 215,769 shares of common stock. These shares are issuable on conversion of outstanding 8-1/2% convertible subordinated debentures, due 1985, at a conversion price of \$13 per share. The company plans to call the debentures and will employ Wheat, First Securities, Inc., 801 East Main St., Richmond, Va. 23219, to solicit debentureholders to convert rather than surrender debentures for redemption. The company manufactures and sells light structural steel and fabricating structural steel assemblies. (File 2-50960 - May 3)

(S-9) BUCYRUS-ERIE COMPANY

P. O. Box 56, South Milwaukee, Wis. 53172 - \$50 million of sinking fund debentures, due 1999, to be offered for sale through underwriters headed by Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N. Y. 10005. Bucyrus-Erie Company manufactures mining and construction machinery and industrial products. (File 2-50961 - May 3)

(S-7) ARIZONA PUBLIC SERVICE COMPANY

411 North Central Ave., Phoenix, Ariz. 85004 - 1,000,000 shares of common stock, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005. The company is a public utility. (File 2-50963 - May 3)

(S-1) THE TEXSTAR CORPORATION

802 Avenue J East, Grand Prairie, Tex. 75050 - \$5,193,750 of subordinated debentures, due 1989, and common stock purchase warrants, expiring 1980, to be offered in exchange for the company's 6-1/2% convertible subordinated debentures, due 1984, at the rate of \$750 principal amount of new debentures and a number of warrants, to be determined later, for each \$1,000 principal amount of outstanding debentures. Faulkner, Dawkins & Sullivan Securities Corp., One New York Plaza, New York, N. Y. 10004 will act as dealer manager for the exchange offer. The company manufactures and distributes a diversified line of automotive products. (File 2-50967 - May 3)

(S-1) GAMBLE-SKOGMO, INC.

5100 Gamble Dr., Minneapolis, Minn. 55416 - \$65 million of subordinated income capital notes, due 2004, to be offered for sale through selected NASD members. Gamble-Skogmo is in the retail and wholesale merchandising business. (File 2-50979 - May 6)

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:

- D.H. Baldwin Company, Cincinnati, Ohio (File 2-50927 - May 2) - 150,792 shares
- Cluett, Peabody & Co., Inc., New York, N. Y. (File 2-50939 - May 1) - 400,000 shares
- Armstrong Cork Company, Lancaster, Pa. (File 2-50942 - May 1) - 375,000 shares
- American District Telegraph Company, New York, N. Y. (File 2-50943 - May 1) - 300,000 shares
- Marine Colloids, Inc., Rockland, Maine (File 2-50944 - May 1) - 30,000 shares
- Equitable Bancorporation, Baltimore, Md. (File 2-50946 - May 2) - 70,000 shares
- Berven Carpets Corp., Fresno, Cal. (File 2-50948 - May 2) - 25,000 shares
- Agrico Chemical Company, Tulsa, Okla. (File 2-50949 - May 2) - 100,000 shares
- Arthur G. McKee & Company, Independence, Ohio (File 2-50950 - May 2) - 20,000 shares
- Milton Bradley Company, Springfield, Mass. (File 2-50951 - May 1) - 200,000 shares
- ITEK Corporation, Lexington, Mass. (File 2-50952 - May 1) - 125,000 shares

## STOCK PLANS CONT.

J. C. Penney Company, Inc., New York, N. Y. (File 2-50953 - May 2) - 881,000 shares  
Hyster Company, Portland, Ore. (File 2-50954 - May 2) - 489,230 shares  
San Diego Gas & Electric Company, San Diego, Cal. (File 2-50959 - May 3) - 225,000 shares  
Dictaphone Corp., Rye, N. Y. (File 2-50964 - May 3) - 195,000 shares  
Wheelabrator-Frye Inc., New York, N. Y. (File 2-50966 - May 3) - 28,250 shares  
Otis Elevator Company, New York, N. Y. (File 2-50970 - May 6) - 400,000 shares  
Electronic Engineering Company of California, Santa Ana, Cal. (File 2-50972 - May 6) - 80,000 shares  
Riviana Foods Inc., Houston, Tex. (File 2-50974 - May 6) - 395,760 shares  
McDonnell Douglas Corp., St. Louis, Mo. (File 2-50975 - May 6) - 666,666 shares, (File 2-50976 - May 6) - 666,666 shares, (File 2-50977 - May 6) - 4,666,666 shares & (File 2-50978 - May 6) - 2,000,000 shares

## REGISTRATIONS EFFECTIVE

May 6: Pennsylvania Enterprises, Inc., 2-50734; Vernitron Corp., 2-50240

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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 April 19-May 1, 1974.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Teachers Insurance and Annuity Assn. of America	Wiltek, Inc. (Norwalk, Conn.) Common Stock - 342,364 shs. on conversion of Notes	4-19-74
* Liquifin Aktiengesellschaft	Ronson Corp. (Woodbridge, N.J.) Common Stock - 1,539,011 shs.	4-22-74
Joel A. Montgomery	Southeastern Inns. Corp. (Murfreesboro, Tenn.) Common Stock - Under an agreement, \$500,000 of a loan to the issuer is convertible into 51% of the total common stock	4-24-74
* Himmelberger-Harrison Lumber Co.	Highland Inns Corp. (Nashville, Tenn.) Common Stock - 79,350 shs.	4-24-74
Establishments Machkin, Enkas, Opil and Norima (Liechtenstein)	Israel Hotels International, Inc. (New York City) Common Stock - 1,256,530 shs.	4-25-74
Frank L. Burrell, Jr. et al	Allied Properties (San Francisco, Cal.) Common Stock - 29,461 shs. Conv.Pfd. Stock- 17,233 shs.	4-25-74
Purnell and Sons Ltd. (England)	Harver Educational Services Inc. (Freeport, NY) Common Stock - 68,917 shs.	4-26-74
* U.B. (Holdings) U.S., Ltd.	Keebler Co. (Elmhurst, Ill.) Common Stock - All outstanding shs. (Through a merger of a wholly owned subsidiary into Keebler)	4-26-74

ACQUISITION REPORTS CONT.

New America Fund, Inc.	CapTech, Inc. (Long Beach, Calif.) Common Stock - 56,100 shs.	4-26-74
Shouky A. Shaheen	Consolidated Equities Corp. (Atlanta, Ga.) Common Stock - 46,384 shs.	4-29-74
Whittaker Corp.	Dynasciences Corp. (Los Angeles, Calif.) Common Stock - 1,862,352 shs. (100%) (Through a merger of a wholly owned subsidiary into Dynasciences)	4-29-74
Irwin L. Jacobs	Grain Belt Breweries, Inc. (Minneapolis, Minn) Common Stock - 54,090 shs.	4-29-74
* Hillman Coal & Coke Co.	Amarex, Inc. (Oklahoma City, Okla.) Common Stock - 691,400 shs. Common Stock - 100,000 shs. on exercise of Warrant	4-29-74
* Interstate Securities Co. Employees' Thrift Plan	ISC Industries Inc. (Kansas City, Mo.) Common Stock - 159,244 shs.	4-29-74
* Blue Chip Stamps	Wesco Financial Corp. (Pasadena, Calif.) Common Stock - 1,377,042 shs. (58%) (319,000 shs. of above were purchased pursuant to the New Tender Offer which expired February 25, 1974)	4-29-74
Frank A. Klaus	Hi-Shear Corp. (Torrance, Calif.) Common Stock - 172,225 shs.	4-29-74
* David H. Murdock	Pacific Holding Corp. (Los Angeles, Calif.) Common Stock - 434,617 shs. Conv. Preferred- 3,912 shs.	4-30-74
* Alleghany Corp.	USM Corp. (Boston, Mass.) Common Stock - 1,237,000 shs.	4-30-74
Triad Holding Corp., S.A. (Luxembourg)	Arizona-Colorado Land and Cattle Co. (Phoenix, Ariz.) Common Stock - 500,00 shs.	5- 1-74
* Amended Acquisition Report		

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER &amp; NUMBER OF SHARES TO BE TENDERED:</u>	<u>DATE FILED</u>
Cerro Corp.	Golconda Corp. (Chicago, Ill.) Common Stock - All outstanding shares for cash at \$8.375 net per share Preferred Stock - All outstanding shares for cash at \$16.25 net per share (Cerro presently owns 38.3% of the outstanding common stock)	5- 2-74

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