

sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION

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Issue 74-136

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JUL 16 1974

July 15, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

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DANIEL E. ARMEL BARRED

An order has been issued barring Daniel E. Armel of Gretna, Louisiana, formerly a director and assistant secretary of Commonwealth Securities Corporation, from association with any broker-dealer.

The sanction imposed was based on findings that in March 1968 Armel had been convicted on 22 counts of an indictment alleging violations of the antifraud provisions of the securities laws; that between April 1958 and December 1961, Armel willfully violated antifraud provisions of the securities laws with respect to public offerings of the common stock of Certified Credit and Thrift Corporation, Certified Mortgage Corporation, and Certified Life Corporation. It was further found that between January 1957 and June 1959 Armel willfully violated the registration provisions by unlawfully selling the unregistered stock of Certified Credit Corporation, and that he had willfully aided and abetted violations by Commonwealth Securities Corporation of the net capital, book and recordkeeping provisions. Armel consented to the findings and sanction without admitting or denying the charges against him. (Rel. 34-10905)

TRADING SUSPENSIONS

COMMONWEALTH NATIONAL REALTY TRUST SUSPENSION TERMINATED

The temporary suspension of over-the-counter trading in the securities of Commonwealth National Realty Trust (Commonwealth Trust) of Rockville, Maryland, terminated at midnight (EDT) on July 14, 1974.

The Commission suspended trading initially on June 25, 1974 at the request of Commonwealth Trust because of rumors which were circulating in the market place that Commonwealth Corporation, a sponsor of Commonwealth Trust, located in Tallahassee, Florida, was experiencing cash flow problems and had withdrawn its bank accounts and to permit Commonwealth Trust time to investigate and assess the effect of the financial difficulties of the Commonwealth Corporation on the financial condition of the trust. The Commission initiated a further suspension of trading on July 5, 1974, at the request of Commonwealth Trust to permit additional time to assess the effect upon its financial position of Commonwealth Corporation's petition for reorganization under Chapter X and to permit the trust to make a more definitive public statement regarding its position and thereby clarify any misconceptions that may have resulted from confusing the identities of the Commonwealth Corporation and Commonwealth Trust. On July 11, 1974, Commonwealth Trust issued a press release in which it described the financial effects of the bankruptcy on the trust. (Rel. 34-10916)

WESTERN GENERAL AND UNAC INTERNATIONAL SUSPENDED

The SEC has announced the suspension of over-the-counter trading in the securities of (a) Western General Corp. of Ogden, Utah and (b) UNAC International, Inc., of Indianapolis, Ind., for the ten-day period beginning on July 12. The suspension of UNAC continues through midnight (EDT) on July 21, the Western General suspension terminates at midnight on July 21. The UNAC suspension was ordered because of the unavailability of adequate and accurate information about the company and its financial condition and operations concerning its natural gas explorations in New York State.

The Western General suspension was initiated at the request of the company and because of information received from the company indicating that the Indiana Department of Insurance has advised the company that its reserves for claims may be inadequate.

Western General advised that if the Indiana Department of Insurance is correct in its preliminary examination it would have a significant adverse impact on the company. (Rel. 34-10913 and 34-10914)

ADDITIONAL ACTION ON FOUR TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Stratton Group, Ltd., and over-the-counter trading in the securities of Franklin New York Corp., Franklin National Bank and Continental Vending Machines Inc. for the further ten-day period July 14-23, inclusive.

COURT ENFORCEMENT ACTIONS

PETER CAPLIN AND GOTHAM SECURITIES FILE COMPLAINT AGAINST COMMISSION

The New York Regional Office announced that on June 17 Peter Caplin and Gotham Securities Corp. filed a complaint in the U.S. District Court (S.D.N.Y.) against the Commissioners of the Securities and Exchange Commission alleging violations of Caplin's constitutional rights, namely, due process of law and the involuntary waiver of his Fifth Amendment privilege. In connection with this complaint, Caplin and Gotham sought an injunction precluding the Commission from using certain of his transcripts taken during the course of a Commission investigation and, secondly, enjoining a contemporaneous administrative proceeding in which he and Gotham were named respondents, i.e. In the Matter of Park Securities, Inc., et al.

On June 18, 1974 the Federal Court for New York held an evidentiary hearing to determine if the U.S. District Court had the power to enjoin an administrative proceeding brought by the Commission. The court found that since the plaintiffs Caplin and Gotham suffered no irreparable harm the District Court could not entertain the action and directed that Caplin and Gotham exhaust their administrative remedies.

On June 19, 1974 Caplin and Gotham filed with the Second Circuit Court of Appeals a notice of appeal from the order entered by the District Court dismissing the action. In addition an application for a stay of the administrative proceeding pending the appeal was also filed by Caplin and Gotham claiming the threat of irreparable harm arising from the administrative proceeding. The Court of Appeals dismissed appellants Caplin and Gotham's application for a stay citing once again the failure of appellants to make a clear showing of irreparable harm. (LR-6430)

INVESTMENT SECURITIES CORP. RESTRAINED; RECEIVER APPOINTED

The Chicago Regional Office announced that on July 5 a complaint was filed in the Federal Court at St. Louis, Missouri seeking to enjoin Investment Securities Corporation of St. Louis County, Missouri, from violation of the net capital requirements of the securities laws. The complaint alleged that Investment Securities, a broker and dealer, has been engaged in securities transactions at a time when it was not in compliance with the Commission's financial responsibility provisions. The complaint also alleged that Investment Securities is insolvent and that it is unable to meet its financial obligations as they mature. The court also temporarily restrained the firm from disposing of or otherwise dissipating any of its assets.

On July 8 the Securities Investors Protection Corporation filed an application requesting the court to enter a decree adjudicating that the customers of Investment Securities are in need of protection under the Securities Investor Protection Act of 1970 and that the court appoint a trustee. On that date, with the consent of Investment Securities, the court entered the requested decree and appointed Martin M. Green as SIPC trustee for the firm. The firm consented to the temporary restraining order and the appointment of the trustee without admitting or denying the allegations of the Commission's complaint or SIPC application.

The staff of the National Association of Securities Dealers, Inc., District 4 office, located in Kansas City, Missouri, rendered material assistance to the Commission in this matter. (LR-6428)

A. EARL WALTERS, OTHERS, PLEAD GUILTY; SENTENCED

The Seattle Regional Office announced that on March 25, 1974, A. Earl Walters, Bernard Berman and Pedro Manuel Martinez of Miami, Florida pleaded guilty in the U.S. District Court for Florida to three counts of securities fraud, mail fraud and conspiracy.

Walters received a one year probation on each count, Berman thirty months imprisonment on each count, and Martinez five years imprisonment on each count. All of the sentences are to run concurrently with each other as well as with previously imposed sentences by the same court in 1971 for conspiracy and purchasing and possession of stolen securities. (LR-6429)

INVESTMENT COMPANY ACT RELEASES

THE FIRST TRUST OF INSURED MUNICIPAL BONDS (SERIES 1 AND SUBSEQUENT SERIES)

An order has been issued on an application of The First Trust of Insured Municipal Bonds, formerly First Insured Municipal Trust Fund, registered as a unit investment trust under the Act, exempting the Trust from minimum initial net capital requirements; permitting capital gains distributions more frequently than once per year; and exempting the secondary market operations of the Trust's sponsor from daily pricing requirements. (IC-8424)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

A notice has been issued giving interested persons until August 5 to request a hearing on a proposal of The Southern Company, a registered holding company, to negotiate, under an exemption from the competitive bidding requirements of Rule 50, the sale of its common stock, such sale to result in cash proceeds to Southern of up to \$175 million. The proceeds will be used in part to repay short-term borrowings and to make capital contributions to its operating subsidiaries. (Rel. 35-18493)

THE COLUMBIA GAS SYSTEM

An order has been issued authorizing The Columbia Gas System, Inc., a registered holding company, to negotiate the sale of 1,000,000 shares of its preferred stock (\$50 par), such sale being exempted from competitive bidding. (Rel. No. 35-18494)

SECURITIES ACT REGISTRATIONS

(S-14) RECOGNITION EQUIPMENT INCORPORATED

2701 East Grauwylar Rd., Irving, Tex. 75061 - Up to 119,864 shares of common stock, to be issued in connection with the proposed merger of Corporation S into the Company at the exchange ratio of 1/7 Recognition share for each Corporation S share. The company primarily designs, manufactures, markets, and services optical character recognition systems and equipment. (File 2-51486 - July 1)

(S-1) AMERICAN CATTLE COMPANY

Juite C, 2632 South 24th St., Phoenix, Ariz. 85034 - \$6 million of interests in Special Cattle Feeding Programs - 1974 to be offered for sale at a minimum offering price of \$20,000 by officers of American Cattle Co. American Cattle Co. is the agent of investors in managing cattle feeding programs of various types. (File 2-51530 - July 5)

(S-16) MARRIOTT CORPORATION

5161 River Rd., Washington, D.C. 20016 - 290,000 shares of common stock, to be offered for sale from time to time by certain shareholders at prices current at the time of sale. Marriott is in the hotel and food service business. (File 2-51552 - July 11)

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:
Gould Inc., Chicago, Ill. (File 2-51542 - July 9) - 50,600 shares
Xerox Corp., Stamford, Conn. (File 2-51544 - July 9) - 113,043 shares
Valmont Industries, Inc., Valley, Neb. (File 2-51548 - July 11) - 89,950 shares
Vernitron Corp., Great Neck, N. Y. (File 2-51549 - July 11) - 200,000 shares
Cousins Properties Inc., Atlanta, Ga. (File 2-51553 - July 11) - 130,000 shares

REGISTRATIONS EFFECTIVE

July 12: American General Reserve Fund, Inc., 2-50870; Bell Telephone Company of Pennsylvania, 2-51367; Dairy Capital Corp., 2-49021; First National State Bancorporation, 2-51203; General Electric Co., 2-51524; Hochiki Corp., 2-51283; Marathon Manufacturing Co., 2-51328; Metro Goldwyn Mayer Inc., 2-51334; Penaiken Income Properties, Ltd., 2-49897; RK Petroleum Corp., 2-50500; Vernitron Corp., 2-51549.

REGISTRATIONS WITHDRAWN

July 10: Iowa Electric Light and Power Co., 2-51164; National Performance Fund, Inc., 2-33832 (Abandoned); Rittenhouse Fund, 2-13215 (Abandoned).
July 12: Argus Incorporated, 2-49603.

ACQUISITIONS OF SECURITIES

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

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Richard F. Mazur et al	National Retirement Insurance Co. (Dearborn, Mich.) Common Stock - 202,865 shs. Common Stock - 200,000 shs. on exercise of options	7- 1-74
Estate of Dudley Tower	Petrol Industries, Inc. (Shreveport, La.) Common Stock - 10,100 shs. Common Stock - 100,000 shs. on exercise of option	7- 1-74
John T. Dorrance, Jr.	Data-Plex Systems, Inc. (Greenwich, Conn.) Common Stock - 200,000 shs. Common Stock - 100,000 shs. on exercise of Warrant	7- 1-74
* Bessemer Securities Corp.	Advanced Memory Systems, Inc. (Sunnyvale, Calif.) Common Stock - 295,400 shs. on conversion of Preferred	7- 1-74
Mellon Bank, N.A., as Agent & Trustee	Recognition Equipment Inc. (Irving, Texas) Common Stock - 147,696 shs.	7- 1-74
United States Trust Co. of New York as Agent & Trustee	Recognition Equipment Inc. (Irving, Texas) Common Stock - 153,624 shs.	7- 2-74
Brooks-Hamburger Securities Co. Inc.	Omni-Rx Health Systems (Hawthorne, Calif.) Common Stock - 64,000 shs.	7- 3-74
* Berkshire Hathaway Inc.	California Water Service Co. (San Jose, Calif.) Common Stock - 118,787 shs.	7- 3-74
* Berkshire Hathaway Inc.	Blue Chip Stamps (Los Angeles, Calif.) Common Stock - 1,207,233 shs.	7- 3-74

ACQUISITION REPORTS CONT.

* Berkshire Hathaway Inc.	Interpublic Group of Companies, Inc. (New York City) Common Stock - 258,700 shs.	7- 3-74
* Berkshire Hathaway Inc.	Munsingwear Inc. (Minneapolis, Minn.) Common Stock - 172,700 shs.	7- 3-74
* American Home Products Corp.	Green Giant Co. (Le Sueur, Minn.) Common Stock - 289,800 shs.	7- 3-74
Mabel Weiner	Marshall Foods, Inc. (Marshall, Minn.) Common Stock - 104,000 shs.	7- 3-74
Triumph American Inc.	Keystone OTC Fund, Inc. (Boston, Mass.) Common Stock - 79,000 shs.	7- 3-74
* Dr. Ludwig Kuttner et al	Texfi Industries, Inc. (Greensboro, N.C.) Common Stock - 429,500 shs.	7- 3-74
* Bankers Union Life Insurance Co.	Transwestern Life Insurance Co. (Billings, Mont.) Common Stock - 1,945,859 shs.	7- 3-74
* Western Empire Financial, Inc.	Bankers Union Life Insurance Co. (Denver, Colo.) Common Stock - 73,387 shs. (65.36%)	7- 3-74
* EMW Associates Inc.	MSI Data Corp. (Costa Mesa, Calif.) Common Stock - 179,500 shs.	7- 5-74
* EMW Associates Inc.	Cambridge Memories Inc. (Concord, Mass.) Common Stock - 101,000 shs.	7- 5-74
Goldman, Sachs & Co.	National Union Electric Corp. (Greenwich, Conn.) Common Stock - 150,400 shs.	7- 5-74
* South Bay Corp.	Giant Portland Cement Co. (Columbia, S.C.) Common Stock - 287,300 shs.	7- 5-74
Societe de Traction et d'Electricite (Belgium)	Arthur G. McKee & Co. (Independence, Ohio) Common Stock - 100,000 shs.	7- 5-74
Capital Southwest Corp.	American Arts & Crafts, Inc. (Garland, Texas) Common Stock - 71,000 shs.	7- 5-74
* N-REN Corp.	St. Paul Ammonia Products, Inc. (South St. Paul, Minn.) Common Stock - 9,751,313 shs. Common Stock - 4,162,687 shs. on conversion of Preferred Common Stock - 1,161,216 shs. on exercise of Warrants	7- 5-74
Wheeler, Munger & Co.	Mitchum, Jones & Templeton, Inc. (Los Angeles, Calif.) Common Stock - 44,100 shs.	7- 5-74
Denison Mines Ltd.	Fibreboard Corp. (San Francisco, Calif.) Capital Stock - 165,100 shs.	7- 5-74
Comstock Fund, Inc.	International Couriers Corp. (Chicago, Ill) Common Stock - 150,000 shs.	7- 5-74
Enterprise Fund, Inc.	Gulf Life Holding Co. (Jacksonville, Fla.) Common Stock - 1,000,000 shs.	7- 5-74

The following companies have made offers to acquire 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 & NUMBER OF SHARES TO BE TENDERED</u>	<u>DATE FILED</u>
Integon Life Insurance Corp.	Victory Life Insurance Co. (Topeka, Kans.) Common Stock - All outstanding shs. for cash at \$100.00 net per share	7- 1-74
Teal Petroleum Co. (a wholly-owned subsidiary of W.R. Grace & Co.)	Amini Oil Co. (Houston, Texas) Common Stock - 399,167 shs. for cash at \$8.00 net per share (Teal presently owns 1,807,500 shs. (81.9%))	7- 3-74
American Reserve Corp.	Great Equity Financial Corp. (Chicago, Ill.) Common Stock - 180,000 shs. for cash at \$10.00 net per share (ARC has entered into an agreement with its President to purchase from him subject to certain restrictions up to an additional 150,000 shs.)	7- 5-74

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- | | |
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| <i>Item 1. Changes in Control of Registrant</i> | <i>Item 9. Options to Purchase Securities</i> |
| <i>Item 2. Acquisition or Disposition of Assets</i> | <i>Item 10. Revaluation of Assets or Restatement of Capital Share Account</i> |
| <i>Item 3. Legal Proceedings</i> | <i>Item 11. Submission of Matters to a Vote of Security Holders</i> |
| <i>Item 4. Changes in Securities</i> | <i>Item 12. Changes in Registrant's Certifying Accountant</i> |
| <i>Item 5. Changes in Security for Registered Securities</i> | <i>Item 13. Other Materially Important Events</i> |
| <i>Item 6. Defaults upon Senior Securities</i> | <i>Item 14. Financial Statements and Exhibits</i> |
| <i>Item 7. Increase in Amount of Securities Outstanding</i> | |
| <i>Item 8. Decrease in Amount of Securities Outstanding</i> | |

The companies listed below have filed 8-K reports for the month indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
AERONIX INC	1,2,4,8,11,13,14	05/74
ALPHA INDUSTRIES INC	2,14	03/74
AMERICAN BANCORP	11,14	04/74
AMERICAN RECREATION GROUP INC	11	06/74
AMERICAN UNITED INNS INC	13,14	05/74
CENTRAL MINNESOTA TELEVISION CO	2	06/74
CONTAINERFREIGHT CORP	12	12/73
CREATIVE MANAGEMENT ASSOCIATES INC	2,8,11,13,14	06/74
DIGITAL INFORMATION DEVICES INC	2,6,13	05/74
DOYLE DANE BERMBACH INC	13	05/74
DYNAIR ELECTRONICS INC	12,13	04/74
DYNAMIC SECURITY CORP	2,12,14	05/74
EQUITY FUNDING CORP OF AMERICA	NO ITEMS	05/74
ESQUIRE RADIO & ELECTRONICS INC	11,13	05/74
FARMLAND INDUSTRIES INC	8	05/74
FLORIDA GAS CO	7,11	05/74
HANDOVER PLANNING CO INC	7,8,13,14	05/74
HERS APPAREL INDUSTRIES INC	3,13,14	05/74
HOLLY RESOURCES CORP	10	06/74
HUBBELL HARVEY INC	11,14	05/74
INTER REGIONAL FINANCIAL GROUP INC	2,4,7,13,14	06/74
LEE ENTERPRISES INC	13,14	06/74
LIFE OF PENNSYLVANIA FINANCIAL CORP	11	04/74

RECENT 8K FILINGS CONT.

MACK TRUCKS INC	7,14	05/74
MARIFARMS INC	4,9,11,14	05/74
MATERIALS RESEARCH CORP	4,13,14	06/74
MCGRAW HILL INC	13,14	05/74
MICROMATION SYSTEMS INC	12,14	03/74
MOUNTAIN STATES FINANCIAL CORP	13	02/74
NATIONAL CAN CORP	7,14	05/74
NOLEX CORP	14	05/74
NORTHERN RESEARCH & ENGINEERING CORP	3,14	05/74
OMEGA EQUITIES CORP	2,3,14	05/74
ORBITEX INC	13	01/74
OVERSEAS SECURITIES CO INC	1,7,11,14	05/74
PLAYERS GROUP COMPANIES INC	12,14	06/74
RESERVE OIL & MINERALS CORP	2,14	05/74
ROYAL LAND & DEVELOPMENT CORP	8	05/74
RTE CORP	11	06/74
SAUL B F REAL ESTATE INVESTMENT TRUST	7	06/74
SCHJELDAHL G T CO	3	06/74
SCIENTIFIC INC	2,7,14	05/74
SEVERSKY ELECTRONATOM CORP	2,14	01/73
SHUR GRO INDUSTRIES INC	11	05/74
SOUTHERN CALIFORNIA GAS CO	13	05/74
STERNER LIGHTING INC	11,14	05/74
SUSQUEHANNA CORP	6,11,13,14	05/74
TECHNOLOGY INC	10	05/74
TODHUNTER INTERNATIONAL INC	13,14	05/74
TROPICANA PRODUCTS INC	11	05/74
UNITED NUCLEAR CORP	13,14	05/74
WIENER CORP	11,13	05/74
WOODS COMMUNICATION CORP	2,14	06/74
YALE EXPRESS SYSTEM INC	11	05/74
FRAMINGHAM FINANCIAL CORP	2	04/74

AMENDMENTS TO REPORTS ON FORM 8-K

ADAMS DRUG CO INC	14	05/74
AMERICAN EQUITY INVESTMENT TRUST	14	04/74
ARPEJA CALIFORNIA INC	3	04/74
CARIBBEAN LEISUREWEAR INC	14	03/74
CAVITRON CORP	7	03/74
CENTRAL HUDSON GAS & ELECTRIC CORP	14	04/74
CITIZENS BANCORP	14	04/74
CODI CORP	1,8	12/73
COMMERCIAL BANCORPORATION OF COLORADO	2,14	03/74
COMPUTER CONGENERICS CORP	2,7,14	10/73
COMPUTER OPTICS INC	13,14	04/74
FLORIDA POWER & LIGHT CO	14	05/74
IEC ELECTRONICS CORP	13	05/74
MARINE EXPLORATION CO INC	13	03/74
MICKELBERRY CORP	14	12/73
MOBIL OIL CORP	14	05/74
MOUNTAIN FUEL SUPPLY CO	14	04/74
SOUTHERN PACIFIC TRANSPORTATION CO	11	05/74
UNITED NUCLEAR CORP	14	05/74

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 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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