

# sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION  
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## RULES AND RELATED MATTERS

## LIBRARY

### GUIDE 22 AND GUIDE 1 ADOPTED

The Commission today authorized the adoption of Guide 22, "Summary of Earnings," of the Guides for Preparation and Filing of Registration Statements (Rel. 33-4936 as amended) under the Securities Act of 1933 (Securities Act) and Guide 1, "Summary of Operations," of Guides for Preparation and Filing of Reports and Registration Statements under the Securities Exchange Act of 1934 (Exchange Act). These Guides represent the policies and practices followed by the Commission's Division of Corporation Finance and, in this instance, the Commission's Office of the Chief Accountant in administering the disclosure requirements of the federal securities laws.

Securities Act Guide 22 and Exchange Act 1 require management's textual analysis of material periodic changes in financial data called for by the Summary of Earnings and Statement of Income items of certain forms under the Securities Act and similar summaries required by certain forms under the Exchange Act. In this connection, investors should understand the extent to which accounting changes, as well as changes in business activity, have affected the comparability of year to year financial data and should be in a position to assess the source and probability of recurrence of net income (or loss). Thus, whenever there are material changes in the amount and source of revenues and expenses, including tax expenses, or changes in accounting principles or methods or their application that have a material effect on net income, the Guides require an appropriate analysis and explanation. (Rel. 33-5520)

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

### BROKERS DIVERSIFIED AND WELLESLEY MANAGEMENT REVOKED; JOHN F. CARTER BARRED; EXEMPTION OF DIVERSIFIED SERVICES PERMANENTLY SUSPENDED

The Commission has revoked the broker-dealer registration of Brokers Diversified, Inc. (Brokers), of Boston, and expelled the firm from NASD membership; revoked the investment adviser registration of Wellesley Management Corp., of Wellesley, Massachusetts; and barred John F. Carter, controlling shareholder of both firms, from association with any broker-dealer. At the same time, the Commission permanently suspended the Regulation A exemption from registration under the Securities Act of a proposed offering by Brokers Diversified Services Corp. (BDS), of Worcester, Massachusetts, of 100,000 shares of common stock at \$5.00 per share. BDS is also controlled by Carter.

The sanctions imposed on Brokers, Wellesley and Carter were based on findings that they unlawfully sold unregistered stock of Brokers and Wellesley, and, in the offer and sale of such stock, made material misstatements and omissions concerning the firms' financial condition, the private nature of the stock offerings and the restrictions on the stock sold therein, the misapplication and diversion of sales proceeds, the payment of guaranteed "interest in lieu of dividends" and the source thereof, a prospective increase in the value of the stocks, and a guarantee to exchange Brokers stock for stock in Wellesley.

The permanent suspension of the Regulation A exemption was based on findings that the notification and offering circular filed by BDS contained material misstatements and omissions with respect to unlawful sales of unregistered securities of the issuer and its affiliates, the obligation of the issuer to pay interest on its outstanding common stock, a stockholder's suit against the issuer, an offer to shareholders to exchange their shares in the issuer for shares of an affiliate, and potential competition to the issuer's business. It was also found that the proposed offering by BDS, if made, would have exceeded the applicable ceiling for a Regulation A exemption.

Respondents failed to appear at a hearing in the consolidated broker-dealer and Regulation A proceedings, and were deemed in default. (Rel. 34-10938)

SAM CLAMMER'S RESIGNATION FROM  
COMMISSION PRACTICE ACCEPTED

The Commission has accepted the resignation of Sam Clammer, a Washington, D.C. attorney, from practice before it. A judgment of permanent injunction against Clammer restraining him from violations of the Securities Act's registration and prospectus-delivery provisions led to his temporary suspension from practice before the Commission. At Clammer's request, proceedings were subsequently instituted to determine whether his suspension should be made permanent. To settle those proceedings, Clammer tendered his resignation from the Commission's bar. (Rel. 33-5518)

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## COURT ENFORCEMENT ACTIONS

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### ALAN C. SOLOMON FOUND GUILTY

The New York Regional Office announced that on July 3, 1974 Alan C. Solomon, former treasurer and executive vice president of Weis Securities, Inc., was found guilty of one count of violating the bookkeeping provisions of the Securities Exchange Act of 1934. (U.S. v. Arthur J. Levine, et. al., 73 Crim. - SDNY). Solomon had been indicted on July 16, 1974 along with four other top officers of Weis for their activities in the financial collapse of the brokerage firm. Weis is currently being liquidated under the Securities Investor Protection Act of 1970. All of the Weis defendants have now either pled guilty or been found guilty of violations of the securities laws in connection with the demise of Weis. Sentencing for all of the defendants is scheduled for September 1974. (LR-6472)

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## INVESTMENT COMPANY ACT RELEASES

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### HARTWELL & CAMPBELL FUND

An order has been issued on an application by Hartwell and Campbell Fund, Inc. and Hartwell and Campbell Leverage Fund, Inc. declaring that the presumption of control of the fund's investment adviser, Hartwell and Campbell Management Company, Inc. that has been imputed by the Act to William Campbell by reason of his former ownership of 33% of the outstanding stock of Hartwell and Campbell Management Corporation, the owner of all the outstanding voting securities of the investment adviser to the funds, has been rebutted by the facts stated in the application. (Rel. IC-8453)

### COMPOSITE FUND

An order has been issued exempting Composite Fund, Inc., Composite Bond & Stock Fund, Inc. and Composite Research and Management Co. from the voting requirements of the Act to permit the Management Co. to continue as the Funds' investment adviser under terms of existing contracts from March 11, 1974, to no later than September 30, 1974, when Fund shareholder meetings are to be held. (Rel. IC-8454)

### FEDERAL STREET FUND

An order has been issued on an application of Federal Street Fund, Inc. of Boston, Massachusetts for an exemption from the certain provisions of the Act to permit the Estate of Howard Cullman and a trust under the will of Joseph F. Cullman, Jr. to tender shares of the Fund for redemption in kind. (Rel. IC-8455)

### CAPITAL TRINITY FUND

An order has been issued on an application by Capital Trinity Fund, Inc. declaring that it has ceased to be an investment company. (Rel. IC-8457)

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## HOLDING COMPANY ACT RELEASES

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### NATIONAL FUEL GAS COMPANY

A notice has been issued giving interested persons until September 3 to request a hearing on an application-declaration of National Fuel Gas Company, a registered holding company, and two of its subsidiary companies regarding the proposed issue and sale of commercial paper and notes to a bank by the holding company, the issue and sale of short-term notes to banks and the holding company by the subsidiary companies, and the issue and sale of debentures by the holding company. (Rel. 35-18526)

## SECURITIES ACT REGISTRATIONS

### (S-14) WORCESTER BANCORP, INC.

Worcester Plaza, 446 Main St., Worcester, Mass. 01608 - 219,223 shares of common stock. It is proposed to offer these shares in exchange for the 36,000 outstanding shares of common stock, of Franklin County Trust Company, Greenfield, Massachusetts (the "Bank"), at the rate of 4.25 Worcester shares for each Bank share subject to adjustment if the market value of the common stock is less than \$24 per share. Worcester is a bank holding company which controls two banks and several nonbanking subsidiaries. (File 2-51703 - Aug. 5)

### (S-16) HOERNER WALDORF CORPORATION

2250 Wabash St., St. Paul, Minn. 55114 - 76,722 shares of common stock, (giving effect to stock split effective March 22, 1974) which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. (File 2-51704 - Aug. 5)

In a separate statement the company seeks registration of 50,000 shares of common stock, (giving effect to stock split effective March 22, 1974) which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. (File 2-51705 - Aug. 5)

Hoerner Waldorf is an integrated manufacturer of paperboard and paperboard products.

### (S-1) THE ALLEN GROUP INC.

534 Broad Hollow Rd., Melville, N.Y. 11746 - \$7 million of 11-1/2% convertible subordinated debentures, due 1994. It is proposed to offer approximately \$4 million of these debentures in exchange for the minority held outstanding shares of common stock of Orion Industries, Inc., an 85.5% owned subsidiary of The Allen Group Inc., in the ratio of \$7.647 principal amount of debentures for each Orion common share. It is also proposed to exchange such debentures for any and all of the outstanding 6% convertible subordinated debentures, due 1987, of The Allen Group Inc. at the rate of \$650 of the new debentures in exchange for each \$1,000 of the presently outstanding 6% debentures. The Allen Group Inc. produces a wide range of products used primarily in the automotive after-market, including automotive test and service equipment, accessories, custom truck cabs and other components and van interiors. (File 2-51708 - Aug. 6)

### (S-1) TENNESSEE FORGING STEEL CORPORATION

U.S. Highway No. 27, Harriman, Tenn. 37748 - \$10 million of floating rate subordinated notes, due 1982, and 200,000 shares of common stock, to be offered for sale through underwriters represented by Wheat, First Securities, Inc., 801 East Main St., Richmond, Va. 23219. The company is engaged in the business of manufacturing and selling light structural steel and fabricating structural steel assemblies. (File 2-51711 - Aug. 7)

### (N-5) STRUTHERS CAPITAL CORPORATION

630 Fifth Ave., New York, N.Y. 10020 - Maximum of 550,000 shares of common stock of Struthers Capital, a wholly-owned subsidiary of Struthers Wells Corporation, to be distributed, pro rata, to the common stockholders of Struthers Wells on the basis of one share of Struthers Capital for each four shares of Struthers Wells. Struthers Capital is a licensed Small Business Investment Company and provides long term loans and equity capital to small business concerns. (File 2-51713 - Aug. 7)

### (S-14) INDEPENDENT BANK CORPORATION

230 West Main St., Ionia, Mich. 48846 - 31,860 shares of common stock. These shares are to be offered in connection with the proposed consolidation of FSN Bank, Newaygo, Michigan, a wholly-owned subsidiary (in organization) of Independent Bank Corporation, into First State Bank of Newaygo, Newaygo, Michigan. The conversion ratio will be 3.54 Independent Bank shares for each First State Bank of Newaygo share. When the proposed consolidation becomes effective, First State Bank of Newaygo will be a wholly-owned bank subsidiary of Independent Bank Corporation. (File 2-51714 - Aug. 7)

### (S-14) GREAT NORTHERN NEKOOSA CORPORATION

75 Prospect St., Stamford, Conn. 06901 - 28,565 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Marplex

Products Co., Inc. at the approximate rate of one Great Northern share for two Marplex shares. Great Northern is a paper manufacturer. (File 2-51715 - Aug. 7)

(S-12) MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK

23 Wall St., New York, N.Y. 10015 - seeks registration of 100,000 American Depositary Receipts of ordinary shares of Witwatersrand Nigel Limited, a South African corporation. (File 2-51721 - Aug. 8)

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:

- Minnesota Mining and Manufacturing Company, St. Paul, Minn. (File 2-51690 - Aug. 1) - 1,000,627 shares
- Advent Management Performance Share Plan, Cambridge, Mass. (File 2-51700 - Aug. 5) - 20,000 shares
- National Computer Systems, Inc., Edina, Minn. (File 2-51706 - Aug. 5) - 79,705 shares
- Shop & Go, Inc., Mango, Fla. (File 2-51709 - Aug. 6) - 50,000 shares
- Products Research & Chemical Corporation, Burbank, Cal. (File 2-51710 - Aug. 6) - 200,000 shares
- Rollins Burdick Hunter Co., Chicago, Ill. (File 2-51707 - Aug. 5) - 150,000 shares
- American Airlines, Inc., New York, N.Y. (File 2-51716 - Aug. 7) - 400,000 shares
- Westmoreland Coal Co., Philadelphia, Penn. (File 2-51717 - Aug. 7) - 100,000 shares
- Sierracin Corporation, Sylmar, Cal. (File 2-51718 - Aug. 8) - 37,947 shares
- H. J. Heinz Company, Pittsburgh, Penn. (File 2-51719 - Aug. 8) - 366,475 shares
- Dresser Industries, Inc., Dallas, Tex. (File 2-51720 - Aug. 8) - 33,680 shares
- Victor Comptometer Corporation, Chicago, Ill. (File 2-51725 - Aug. 8) - 444,444 shares
- Flagship Banks Inc., Tampa, Fla. (File 2-51729 - Aug. 8) - 412,000 shares

REGISTRATIONS EFFECTIVE

Aug. 9: Dover Corp., 2-51592; Gulf Oil Corp., 2-51348; National Telephone Co., Inc., 2-51562; Ohio Edison Co., 2-51613; Penn Virginia Corp., 2-51317; Pennwalt Corp., 2-51455; Soundesign Corp., 2-51554; Ward Foods, Inc., 2-51217.

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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 July 31-August 6.

| <u>REPORTING COMPANY<br/>OR INDIVIDUAL</u>                         | <u>ISSUER &amp; NUMBER OF SHARES</u>   | <u>DATE FILED</u> |
|--|--|-------------------|
| * Martin J. Wygod<br>Merchant Investors<br>Corp.                   | Hickory Furniture Co. (Hickory, N.C.)<br>Common Stock - 80,197 shs.  | 7-31-74           |
| * Martin J. Wygod<br>Albert M. Weis<br>Merchant Investors<br>Corp. | Susquehanna Corp. (Los Angeles, Calif.)<br>Common Stock - 82,800 shs.<br>Preferred Stock - 110,800 shs.              | 7-31-74           |
| Harold L. Oshry  | Sandgate Corp. (New York City)<br>Common Stock - 125,400 shs.<br>Common Stock - 35,000 shs.<br>on exercise of Option | 7-31-74           |
| Group of Shareholders  | Founders Real Estate Investment Trust<br>(Bloomfield, Ind.)<br>Shs. of Beneficial Interest - 25,922 shs.             | 7-31-74           |
| * Philip Messinger,<br>Individual and<br>Trustee                   | New Yorker Magazine, Inc. (New York City)<br>Common Stock - 18,672 shs.  | 8-1-74            |

ACQUISITION REPORTS CONT.

|  |  |        |
|--|--|--------|
| Irwin C. Roll<br>William R. Henderson<br>Warner Loeb                       | Listfax Corp. (New York City)<br>Class A Stock - 211,310 shs.  | 8-1-74 |
| Jerry DiGeronimo   | Educasting Systems, Inc. (New York City)<br>Common Stock - 316,833 shs.<br>Common Stock - 7,000 shs.<br>on exercise of Option  | 8-1-74 |
| Multiple Access Ltd.   | TCC, Inc. (Dallas, Texas)<br>Common Stock - 4,005,530 shs.<br>Common Stock - 854,126 shs.<br>on conversion of Debenture  | 8-2-74 |
| * St. Regis Paper Co.  | Michigan Carton Co. (Battle Creek, Mich.)<br>Common Stock - 399,940 shs. (99.99%)  | 8-2-74 |
| Merrill C. Berman,<br>et al  | Hipotronics, Inc. (Brewster, NY)<br>Common Stock - 55,400 shs.   | 8-2-74 |
| * Chloride Inc.  | Chloride Connrex Corp. (Tampa, Fla.)<br>Common Stock - 450,850 shs.<br>(Above shares acquired pursuant to the<br>Tender Offer)   | 8-2-74 |
| Teal Petroleum Co.,<br>a wholly-owned<br>subsidiary of W.R.<br>Grace & Co. | Amini Oil Co. (Houston, Texas)<br>Common Stock - 2,160,618 shs. (97.9%)<br>(353,118 shs. of above were purchased<br>pursuant to the Tender Offer)                            | 8-2-74 |
| * South Bay Corp.  | Giant Portland Cement Co. (Columbia, S.C.)<br>Common Stock - 292,400 shs.  | 8-5-74 |
| * EMW Associates Inc.  | Cambridge Memories, Inc. (Concord, Mass.)<br>Common Stock - 109,000 shs.   | 8-5-74 |
| * EMW Associates Inc.  | I.M.S. International Inc. (New York City)<br>Common Stock - 248,000 shs.   | 8-5-74 |
| Paul D. Dunlap<br>Iowa Banco Corp.   | Hawkeye Bancorporation (Des Moines, Iowa)<br>Common Stock - 199,728 shs.<br>Common Stock - 240,000 shs.<br>on exercise of Warrants   | 8-5-74 |
| * Tweedy, Browne &<br>Knapp  | Cambridge Fund, Inc. (New York City)<br>Capital Stock - 190,557 shs. (36.5%)   | 8-5-74 |
| Richard W. Evans<br>(England)  | Delos International Group, Inc.<br>(Waltham, Mass.)<br>Common Stock - 68,500 shs.  | 8-5-74 |
| * International Minerals<br>& Chemical Corp.                               | Commercial Solvents Corp. (New York City)<br>Common Stock - 1,426,873 shs.<br>(284,327 shs. of above were purchased pursuant<br>to the Tender Offer which expired August 2.) | 8-5-74 |
| * Hambro Canada Ltd.   | Reel-Elder Ltd. (Toronto, Canada)<br>Capital Stock - 3,077,042 shs. (91.9%)<br>(1,444,964 shs. of above were purchased<br>pursuant to the Tender Offer)                      | 8-5-74 |
| * American General<br>Insurance Co.  | United Fire and Casualty Co.<br>(Cedar Rapids, Iowa)<br>Common Stock - 33,000 shs.   | 8-5-74 |

ACQUISITION REPORTS CONT.

|   |  |        |
|---|--|--------|
| * Brinco Ltd.                             | Abitibi Asbestos Mining Co. Ltd.<br>(Val D'or, Quebec)<br>Common Stock - 1,486,975 shs. (29.1%)                                    | 8-5-74 |
| * Provac Associates                       | IVAC Corp. (San Diego, Calif.)<br>Common Stock - 45,493 shs.   | 8-5-74 |
| * Japan International<br>Technology Corp. | IMC Magnetics Corp. (Westbury, N.Y.)<br>Common Stock - 88,200 shs.   | 8-5-74 |
| Foxley and Co.                            | Flavorland Industries Inc. (Sioux City, Iowa)<br>Common Stock - 125,000 shs.   | 8-5-74 |
| Group of Shareholders                     | Liberty National Corp. (Oklahoma City, Okla.)<br>Common Stock - 49,459 shs.<br>Common Stock - 2,200 shs.<br>on exercise of Options | 8-5-74 |
| * Amended Acquisition Report              |  |        |

The following 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 &amp; NUMBER OF SHARES TO BE PURCHASED</u>   | <u>DATE FILED</u> |
|------------------------------|--|-------------------|
| Argent Corp.                 | Recrion Corp. (Las Vegas, Nev.)<br>Common Stock - 963,492 shs.<br>for cash at \$44.00 net per share  | 8-2-74            |
| Blue Chip Stamps             | Wesco Financial Corp. (Pasadena, Calif.)<br>Common Stock - 150,000 shs.<br>for cash at \$14.00 net per share<br>(Blue Chip presently owns 58% of the outstanding shares)   | 8-2-74            |
| Sierra Pacific<br>Industries | Sierra Pacific Industries (Walnut Creek, Calif.)<br>Common Stock - 703,436 shs. (20%)<br>for cash at \$18.00 net per share<br>(1,403,663 and 1,402,901 shs. are held by Chairman<br>John B. Crook and President A.A. Emmerson respectively.<br>The remaining 703,436 shs. are owned by public<br>shareholders) | 8-6-74            |

## RECENT 8K FILINGS

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

- |  |   |
|--|---|
| <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 |
|-------------------------------------|-------------|-------|
| AMREP CORP                          | 8           | 03/74 |
| ARA SERVICES INC                    | 8           | 06/74 |
| ARROW AUTOMOTIVE INDUSTRIES INC     | 7,14        | 06/74 |
| CANDLER CO                          | 13          | 06/74 |
| CAROLINGIAN CORP                    | 13          | 06/74 |
| CENTRAL WISCONSIN BANKSHARES INC    | 13          | 07/74 |
| COLISEUM PROPERTIES INC             | 13          | 06/74 |
| GENERAL BANCSHARES CORP             | 11          | 04/74 |
| HANLEY CONSOLIDATED INC             | 13          | 06/74 |
| HOLOGRAPH CORP                      | 13          | 07/74 |
| HOUSING SYSTEMS INC GEORGIA         | 3,13        | 06/74 |
| HOWARD CORP OF OREGON               | 1           | 02/74 |
| INVESTMENT ANNUITY INC              | 7,14        | 05/74 |
| ONEAL JONES & FELDMAN INC           | 13,14       | 06/74 |
| RT NATIONAL CORP                    | 13          | 06/74 |
| MANAGEMENT ASSISTANCE INC           | 14          | 06/74 |
| PSA INC                             | 13,14       | 07/74 |
| AMERICAN GUARANTY CORP RHODE ISLAND | 2,3,6,10,13 | 04/74 |
| AMERICAN GUARANTY CORP RHODE ISLAND | 6,13        | 05/74 |
| AMERICAN GUARANTY CORP RHODE ISLAND | 2,13        | 06/74 |
| METRIX INC                          | 11          | 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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