

sec news digest

Issue 74-176
(SEC Docket, Vol. 5, No. 5 - Sept. 24)

September 10, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DECISION SUSPENDING EDWARD J. MAWOD & CO. AND PARTNERS, AND BARRING JERRY R. ZABRISKIE FINAL

The decision of an administrative law judge suspending the broker-dealer registration of Edward J. Mawod & Co., of Salt Lake City, (formerly known as Parker-Mawod & Co.) for 60 days; suspending Edward J. Mawod, a partner, and Trent J. Parker, a former partner, from association with any broker-dealer for the same period; and barring Jerry R. Zabriskie, of Salt Lake City, who was associated with another broker-dealer firm, from association with any broker-dealer has become final. After one year, Zabriskie may apply to the Commission for permission to become so associated other than in a principal or supervisory capacity. The suspensions of the Mawod firm, Mawod and Parker are effective September 16.

According to the decision, the firm, Mawod and Parker, at various times during 1969-72, unlawfully sold unregistered securities of Com Tel, Inc., and improperly extended credit in connection with those sales. With respect to Zabriskie, the administrative law judge found that, during the same period, he unlawfully sold unregistered securities of Com Tel and Royal Garden Farms, Inc. (now known as Hydroponics, Inc.), and made fraudulent representations in the offer and sale of the latter stock. Zabriskie was also found responsible in connection with his firm's failure to comply with net capital requirements. (Rel. 34-10996)

ORDERS FOR PUBLIC PROCEEDINGS

ASSOCIATED UNDERWRITERS, INC., OTHERS

Public administrative proceedings under the Securities Exchange Act of 1934 have been ordered against Associated Underwriters, Inc. (Associated); Continental Securities, Inc. (Continental); Edward J. Mawod & Company (E. J. Mawod); and Universal Underwriting Service, Inc. (Universal), all registered broker-dealers in Salt Lake City, Utah. Others named are Bruce Allen Jensen, Gordon Smith Crofts, Melvin Haight Kingsbury, Donnell Gary Ramsey, Edward Joseph Mawod, John William Airsman, Grant Eldredge Mann, Gordon O'Dell Bigler, Kenneth Dean Pace, Colonel Scott Burris, Monte Chester Hansen, Allan James McNichol, Carl Wesley Martin, David Rex Yeaman, Michael William Strand, and Joe Cameron O'Quinn.

The proceedings are based upon allegations of the Commission's staff that Allan McNichol, Continental, Crofts, Kingsbury, Ramsey, Universal, Mann, Bigler, Pace, Burris, Hansen, Mawod, E.J. Mawod and Airsman willfully violated, and Carl Martin, Yeaman, O'Quinn and Strand aided and abetted violations of, the registration provisions of the Securities Act; that McNichol, Continental, Crofts, Kingsbury, Ramsey, Universal, Mann, Bigler, Pace, Burris, Hansen, Mawod, E.J. Mawod, Airsman, Associated and Bruce Jensen willfully violated the antifraud provisions of the Securities Act and the Securities Exchange Act and that Associated, Bruce Jensen, Continental, Gordon Crofts, M.H. Kingsbury, E.J. Mawod, Mawod, Universal, Grant Mann and Gordon Bigler violated the books and records provisions of the Securities Exchange Act of 1934 and also violated the provisions of

SEC
40th
ANNIVERSARY

REMEMBER SEC 40TH ANNIVERSARY

The SEC 40th Anniversary Celebration will be held on October 24, 1974, at the Statler Hilton, 16th and K Sts., N.W., Washington, D.C. For additional information and registration form see page 7 of the Digest.

Regulation T. It is also alleged that Continental, Crofts, Kingsbury, Universal, Mann and Bigler failed to reasonably supervise persons subject to their supervision.

A hearing will be scheduled to take evidence on the charges against the respondents.

Information leading to the institution of these proceedings was developed by the Joint SEC-NASD Task Force inquiring into abuses in the over-the-counter market. (Rel. 34-11008)

G. M. STANLEY & CO., INC.
AND STANLEY GOLDMAN

On August 28, 1974, the SEC ordered administrative proceedings under the Securities Exchange Act of 1934 against G. M. Stanley & Co., Inc. of New York City and its president Stanley Morton Goldman of Plainview, New York, based upon violations of the anti-fraud, and credit provisions of the securities laws and Regulation T of the Federal Reserve Board.

A hearing will be scheduled by further order to take evidence on charges against the defendants. (Rel. 34-11007)

COMMISSION ANNOUNCEMENTS

BELCO 1971 OIL AND GAS FUND, LTD.

The SEC has issued an order pursuant to Section 12(h) of the Securities Exchange Act of 1934 denying the application of Belco 1971 Oil and Gas Fund, Ltd. (the Fund) for exemption from the reporting requirements of Section 15(d) of the Act. The Fund, a limited partnership, was organized for the purpose of raising money with which to drill for oil and gas. The Fund contends that there is no trading market for the limited partnership interests; that the limited partners have access to adequate information; that the number of investors was not great (though more than 300); that the Fund is obligated to repurchase interests of the limited partners; and that the reporting requirements, under these circumstances are superfluous and impose an undue burden and expense on the Fund.

The Commission does not find the Fund's arguments persuasive and does not consider granting the requested exemption in the public interest or in accord with the protection of investors. (Rel. 34-11005)

TRADING SUSPENSIONS

TRADING SUSPENDED IN WESTGATE
CALIFORNIA CORP.

Over-the-counter trading in all securities of Westgate California Corporation of San Diego, California, has been suspended for a ten-day period beginning on September 9 and continuing through midnight (EDT) on September 18, 1974.

The Commission had announced the termination of a suspension of trading in Westgate at midnight (EDT) on September 6, 1974. Upon the request of the Trustee in bankruptcy for Westgate, the Commission has initiated a further suspension of trading in all securities of Westgate in view of the lack of current financial information about the company. (Rel. 34-11006)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES CHARTER DIVERSIFIED SERVICES,
OTHERS

The Los Angeles Regional Office announced that on August 29 a complaint was filed in the District Court in Los Angeles seeking to enjoin the following persons and entities from violations of the antifraud provisions of the securities laws and several provisions of the Investment Company Act in connection with certain investments made by the Vanderbilt Mutual Fund, The Pegasus Fund, Inc. and Pegasus Income and Capital Fund, Inc. three registered management, open-end diversified investment companies (hereinafter collectively referred to as The Funds), Charter Securities Management Corporation, a registered broker-dealer, Pegasus Management Corporation and Dual-Vest Research Corporation, registered investment advisers, Charter Diversified Services, Inc., Ronald J.

Laraneta, Joseph J. Laraneta, Michael E. Long, Basque Enterprises, Inc., California Bankers Trust Company, Thomas L. Channell, Fred J. Straeter, Burreson & Co., Inc., Commercial Petro-Gas, Inc., North American Credit Corporation, Rodney H. Burreson, and Pietro Vitale, all of Los Angeles, California; Oh Boy! Industries, Inc. of San Fernando, California; and Billy G. Neighbors of Nine Mile Falls, Washington.

On September 3, 1974, the Honorable Albert Lee Stephens entered an order appointing Alan R. Gordon of Fine & Pope, 9800 S. Sepulveda Blvd., Suite 700, Los Angeles, California 90045, as special counsel for The Funds to investigate and to institute appropriate legal actions on their behalf. The Court also provided for the appointment of additional interim directors who will constitute a majority of the boards of directors of The Funds. (SEC v. Charter Diversified Services, et al., C.D. CA., Civil Action No. CV 74-2527). (LR-6507)

**COMPLAINT NAMES IMPERIAL TRUST
COMPANY, OTHERS**

The Los Angeles Regional Office announced the filing of a complaint for injunction in the federal court at Phoenix, Arizona on September 3 against Imperial Trust Company, International Trust Company, Charles A. Fritsinger, Sr. and Charles A. Fritsinger, Jr., all of Phoenix, Arizona, alleging violations of the registration and antifraud provisions of the securities laws in the offer and sale of warrants and common stock of Imperial and International. (SEC v. Imperial Trust Company, et al., D. AZ., Civil Action No. 74-600-Phx. WPC). (LR-6509)

EL GRAN MOTORS CORPORATION ENJOINED

The Los Angeles Regional Office announced that on August 19 the federal Court in Phoenix, Arizona permanently enjoined El Gran Motors Corporation of Tuba City, Arizona from violations of the registration provisions of the securities laws. The defendant consented to the injunction without admitting or denying the Commission's allegations.

The injunction follows the filing of a complaint on November 23, 1970 in which 25 defendants were named. For additional information refer to Litigation Release Nos. 4827 and 5081. (SEC v. Progressive Investment Corporation, et al., D. AZ., Civil Action No. 74-640-Phx. WEC). (LR-6508)

INVESTMENT COMPANY ACT RELEASES

THE SAGITTARIUS FUND

A notice has been issued giving interested persons until October 4 to request a hearing on an application of The Sagittarius Fund, Inc., a mutual fund, for an order of the Commission permitting postponement of payment of a portion of the amount due upon the tender of shares for redemption. A temporary order has been issued granting the Fund permission, as of August 9, 1974 and until further order of the Commission, to postpone payment of a portion of the amount due upon redemption of its outstanding redeemable securities. (Rel. IC-8489 - Sept. 9)

SECURITIES ACT REGISTRATIONS

(S-14) CHEMICAL FUND, INC.

61 Broadway, New York, N. Y. 10006 - 3,300,000 shares of capital stock. It is proposed to offer these shares in exchange for substantially all of the assets and property of Pennsylvania Investment and Real Estate Corporation, a Delaware corporation. Chemical Fund is a registered investment company. (File 2-51870 - Sept. 3)

**(S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS,
SERIES 2 - MONTHLY CHECK PLAN**

300 West Washington St., Chicago, Ill. 60606 - \$5 million of units, to be offered for sale at net asset value (\$1050 maximum). The Fund is one of a series of unit investment trusts created under a trust indenture between Van Kampen, Wauterlek & Brown, Inc. as sponsor and United States Trust Company of New York as trustee. It consists of an insured 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 2-51872 - Sept. 3)

(S-1) INVESTORS SYNDICATE OF AMERICA, INC. (ISA)

IDS Tower, Minneapolis, Minn. 55402 - 100,000 units of single payment certificates SP-74 (\$1,000 minimum purchase), to be distributed through Investors Diversified Services, Inc. ISA is a face-amount certificate investment company. (File 2-51874 - Sept. 3)

(S-7) PORTLAND GENERAL ELECTRIC COMPANY

621 S.W. Alder St., Portland, Ore. 97205 - 1,500,000 shares of common stock, to be offered for sale by underwriters headed by Blyth Eastman Dillon & Co. Incorporated, One Chase Manhattan Plaza, New York, N. Y. 10005, and Dean Witter & Co. Incorporated, 14 Wall St., New York, N. Y. 10005. Portland General Electric Company is an electric utility which generates, purchases, transmits, distributes and sells electricity. (File 2-51881 - Sept. 4)

(S-7) PHILADELPHIA ELECTRIC COMPANY

2301 Market St., Philadelphia, Pa. 19101 - 1,300,000 shares of common stock, to be offered to shareholders through a continuing Dividend Reinvestment Plan. The company is a public utility supplying electric, gas and steam service. (File 2-51887 - Sept. 5)

REGISTRATIONS EFFECTIVE

September 9: Augusta Coca-Cola Bottling Co., 2-50676; Carter Wallace Inc., 2-51604; Gerber Products Co., 2-51811; Petroleum Resources Co., 2-50917 (90 days); Victor Comp-tometer Corp., 2-51725.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown in parentheses after the name of the issuer.

REGISTRATIONS WITHDRAWN

September 6: Canadian Merrill Ltd., 2-49737.
September 9: Rotel of America, Inc., 2-50936.

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 Aug. 26-Sept. 5, 1974

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Sun Ventures, Inc.	Process Systems, Inc. (Salt Lake City, Utah) Common Stock - 916,294 shs. Common Stock - 300,000 shs. on exercise of Warrants	8-26-74
* Sun Ventures, Inc.	Residex Corp. (Far Hills, N. J.) Common Stock - 4,129,611 shs. (97%) (419,799 shs. of above were purchased pursuant to the Tender Offer)	8-26-74
Harvey's Stores, Inc.	Tropix Togs, Inc. (Miami, Fla.) Common Stock - 501,922 shs. (75%) (Above shs. to be acquired from the principal stockholders of Tropix subject to completion & execution of contracts & approval by stockholders of both companies)	8-28-74
* South Bay Corp.	Giant Portland Cement Co. (Columbia, S. C.) Common Stock - 311,600 shs.	8-28-74
* Ross Bateman Gail E. Boggs	Telcom, Inc. Common Stock - 204,126 shs.	8-29-74

ACQUISITION OF SECURITIES CONT.

* American Reserve Corp.	Great Equity Financial Corp. Common Stock - 480,012 shs. (180,006 shs. were acquired pursuant to the Tender Offer and 120,000 shs. were purchased from the President of American pursuant to an agreement)	8-29-74
* Chloride Inc.	Chloride Connrex Corp. (Tampa, Fla.) Common Stock - 507,623 shs. (Above shs. were acquired pursuant to the Tender Offer)	8-29-74
* Donaldson, Lufkin & Jenrette, Inc.	Meridian Investing & Development Corp. (New York City) Common Stock - 1,293,085 shs. (62%)	8-29-74
* Gulf & Western Realty Enterprises, Inc.	Madison Square Garden Corp. (New York City) Common Stock - 1,666,186 shs. Common Stock - 550,000 shs. on exercise of Warrants (302,158 shs. of above were acquired pursuant to the Tender Offer which has been further extended to September 13)	8-30-74
* Gulf & Western Industries, Inc.	Brown Co. (Pasadena, Calif.) Common Stock - 2,862,680 shs. Common Stock - 926,087 shs. on exercise of Warrants (329,191 shs. of above were acquired pursuant to the Tender Offer which has been further extended to September 13)	8-30-74
Pasco, Inc.	Equity Oil Co. (Salt Lake City, Utah) Common Stock - 77,400 shs.	9- 3-74
Lawrence M. Levinson, as agent for a group of investors	Sonesta International Hotels Corp. (Boston, Mass) Common Stock - 275,863 shs. (Mr. Levinson has the right on behalf of the above Group and certain Pledges to vote a total of 647,328 shs. (28%))	9- 3-74
* Group of Shareholders	United Cable Television Corp. (Tulsa, Okla.) Common Stock - 200,697 shs.	9- 3-74
Goldman, Sachs & Co.	Computax Services Inc. (El Segundo, Calif.) Common Stock - 125,000 shs.	9- 3-74
* 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 & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Korn/Ferry International Korn/Ferry International Stock Bonus Plan & Trust	Korn/Ferry International (Los Angeles, Calif.) Common Stock - 174,535 shs. for cash at \$7.00	8-29-74
North American Philips Development Corp.	Magnavox Co. (Fort Wayne, Ind.) Common Stock - All Outstanding shs. for cash at \$8.00 net per share	8-30-74

ACQUISITION OF SECURITIES CONT.

Sabine Royalty Corp.	Aberdeen Petroleum Corp. (Tulsa, Okla.) Class A Stock - All Outstanding shs. for cash at \$4.00 net per share Class B Stock - All Outstanding shs. for cash at \$7.50 net per share (All of the Class B shares are owned of record by Harlequin Management Corp. which is wholly-owned by John Hurwitz, the father of the President of the Company)	9- 3-74
Al-Aquitaine Exploration, Ltd., a wholly-owned subsidiary of Aquitaine Co. of Canada Ltd.	Thermal Power Co. (San Francisco, Calif.) Common Stock - All Outstanding shs. for cash at \$13.00 net per share (Societe Nationale des Petroles d'Aquitaine, a French corporation owns 74.7% of the outstanding capital stock of Aquitaine Canada)	9- 5-74

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
UNITED GAS PIPE LINE CO	3	07/74
UNIVERSAL GAS & OIL CO INC	11	07/74
UNIVERSAL TELEPHONE INC	3,6	07/74
UTAH INTERNATIONAL INC	13,14	07/74
VAIL ASSOCIATES INC	13,14	07/74
VARI CARE INC	7,13,14	07/74
WALTER ENTERPRISES INC	2,11	03/74
WARDS CO INC	11,13,14	07/74
WASTE MANAGEMENT INC	7,14	07/74
WELLINGTON MANAGEMENT CO	13	07/74
WETTERAU INC	7	06/74
AERO RESOURCES INC	13	07/74
AMERON INC	14	07/74
CIP CORP	3	07/74
COMPUTER OPTICS INC	10,14	06/74
GULF ENERGY CORP	1	07/74
LUKENS STEEL CO	3	07/74
MCRAE CONSOLIDATED OIL & GAS INC	13	07/74
PETRO LEWIS OIL INCOME	2,13,14	07/74
PETRO LEWIS OIL INCOME PROGRAM 72 6 73 3	NO ITEMS	07/74
PHILIPS INDUSTRIES INC	11	07/74
PUBCO CORP	3	07/74
REPUBLIC ALUMINUM CO	12	12/73
SMOKE CRAFT INC	10,14	07/74
STAGE INDUSTRIES INC	3	07/74
UNICARE SERVICES INC	8,14	07/74
UNITED HAWAIIAN INVESTMENT CORP	3	07/74
AMENDMENTS TO REPORTS ON FORM 8-K		
ANHEUSER BUSCH INC	13	06/74
CAROLINA CARIBBEAN CORP	2,6	07/74
UNION INVESTMENT CO	10	07/74

SEC 40TH ANNIVERSARY CELEBRATION

The SEC wishes to invite all past employees to attend its 40th Anniversary Celebration to be held on October 24, 1974, at the Statler Hilton in Washington. The price will be \$25 per person for all former employees. The dress is optional.

Many past staff members may wish to sit together as a group, or even reserve an entire table for 12. Priority will be given to requests for such special arrangements whenever possible. To avoid confusion, however, only one of such group should request the special seating arrangement--but each person in a group should be identified and in the manner in which his or her name should appear in the Anniversary Program. You may use the registration form on this page. We cannot finalize our plans with the Hotel until we have rather definite information as to the number expected to attend, so we request that you make your reservation as soon as possible. Tickets will be mailed to the purchasers.

Please notify any past SEC friends, get together a group, and come help us celebrate!

DINNER RESERVATION & REGISTRATION FORM

To The SEC Anniversary Committee:

Herewith is my check or money order in the amount of \$_____ for which please issue _____ tickets to the SEC 40th Anniversary Celebration for the following persons (please PRINT names as they should appear in the Anniversary Program, listing married couples as "Mr. and Mrs."):

Please send the tickets to:

(Name) _____
(Address) _____

Please seat the persons listed above with the following additional persons (please PRINT names):

Make checks or money orders payable to "SEC Anniversary Committee," and mail to

SEC Anniversary Committee, Room 856
Securities and Exchange Commission
Washington, D. C. 20549

Present staff members and employees may make payment to Lawrence A. Friend, Treasurer, in Room 502.

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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