

sec news digest

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(SEC Docket, Vol. 7, No. 11 - August 19)

August 6, 1975

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

EDWARD CURTIN SUSPENDED

The Commission has suspended Edward Curtin, of West Orange, New Jersey, from association with any broker, dealer, or investment company for nine months effective August 11. Curtin was a branch manager of Hale Securities Corp., a former Jericho, New York broker-dealer firm.

The sanction was based on findings that, during the period from about November 1972 to July 1973, Curtin violated antifraud provisions of the securities laws in connection with the offer and sale of common stock of Proof Lock International, Inc. Curtin charged unfair prices and made material misrepresentations concerning the nature and profitability of Proof Lock's business operations, its contracts and the market for its products, the speculative nature of Proof Lock stock and the existence of current and accurate financial information concerning the company. It was also found that Curtin failed to exercise reasonable supervision with a view to preventing violations of credit extension and recordkeeping provisions.

The Commission's action was based on an offer of settlement in which Curtin, without admitting or denying the charges against him, consented to the above findings and the indicated sanction. (Rel. 34-11558)

SUSPENSION OF REGULATION A EXEMPTION OF BENEFICIAL LABS, INC. MADE PERMANENT

An order has been issued making permanent the suspension of a claimed Regulation A exemption from the Securities Act's registration requirements for an offering of 100,000 units by Beneficial Labs, Inc., of Oceanside, New York. Each unit consisted of one share of common stock and a warrant to purchase an additional share.

The permanent suspension order was based on findings that Beneficial's notification and offering circular failed to state accurately the terms of the offering and plan of distribution, and falsely represented that all subscribers' funds would be deposited in a special bank account. In addition, Beneficial's Form 2-A report to the Commission misrepresented the number of shares sold, and failed to indicate that the distribution was continuing after the reported termination date of the offering.

Without admitting or denying the allegations in the temporary suspension order, Beneficial consented to the above findings and an order making the suspension permanent. (Rel. 33-5598)

SUSPENSION OF REGULATION A EXEMPTION OF KIDSTUF, INC. MADE PERMANENT

An order has been issued making permanent the suspension of a claimed Regulation A exemption from the Securities Act's registration requirements for an offering of 100,000 shares of common stock of Kidstuf, Inc., of Beverly Hills, California.

The Commission's temporary suspension order alleged that the issuer's notification and offering circular failed to disclose (1) that unregistered shares of the issuer had been offered to shareholders of another company in connection with, but prior to, the proposed Regulation A filing; and (2) the current occupation of the issuer's president.

The issuer and certain of its officers originally requested a hearing on the Commission's allegations, but subsequently withdrew their requests and consented to a permanent suspension. (Rel. 33-5599)

TRADING SUSPENSIONS

TRADING SUSPENDED IN TR-3 CHEMICAL CORP.

The SEC has announced the temporary suspension of over-the-counter trading in the securities of TR-3 Chemical Corp. (formerly known as TR-3 International Inc.), a Nevada corporation of Bartlesville, Oklahoma, for the ten-day period beginning on August 5 and terminating at midnight (EDT) on August 14, 1975. The suspension was ordered because of the unavailability of adequate and accurate information about the corporation and its financial condition and operations. (Rel. 34-11573)

ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Canadian Javelin Ltd. for the further ten-day period August 7 - 16, inclusive; and (b) exchange and over-the-counter trading in the securities of Continental Vending Machine Corp. for the further ten-day period August 8 - 17, inclusive.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES LEVERAGE FUNDING SYSTEMS, INC. OTHERS

The Los Angeles Regional Office announced the filing of a complaint on July 29 in the U.S. District Court in Los Angeles, California, charging Leverage Funding Systems, Inc., Leverage Funding Development, Inc., Centaur Films, Inc., L-T Films, Inc., Wilhelm Berger, William G. McDonald, Jr., and Peter Stuart Traynor, all of Los Angeles, with violations of the registration and antifraud provisions of the securities laws.

The complaint alleges that, among other things, defendants sold real estate and movie limited partnership interests to medical doctors. It is further alleged that during the course of such sales, defendants made false statements concerning the projected benefits from the projects which they promoted, commingled investor funds, and incurred large cost overruns in the production of the motion pictures which defendants promoted.

The Commission further announced that on July 30 pursuant to a consent entered into by defendants Leverage Funding Systems, Inc., Centaur Films, Inc., L-T Films, Inc., and Traynor whereby these defendants neither admitted nor denied the allegations of the Commission's complaint, the Honorable Warren J. Ferguson, U.S. District Judge for the Central District of California in Los Angeles, entered a final judgment of permanent injunction against them. The action is still pending against defendants Leverage Funding Development, Inc., Berger, and McDonald. (SEC v. Leverage Funding Systems, Inc., et al., CD CA, CV-75-2550-WF). (LR-7026)

WILLIAM G. FISHER ENJOINED

The Fort Worth Regional Office announced that on July 18 Federal District Judge Stephen S. Chandler at Oklahoma City, Oklahoma permanently enjoined William G. Fisher, Oklahoma City, from violations of the antifraud provisions of the securities laws. Fisher consented to the entry of the order without admitting or denying the allegations in the complaint.

According to the complaint, Fisher participated in the implementation of a scheme to defraud which consisted of the creation of a commodity options enterprise and giving it the appearance of legitimacy through regulation by the Oklahoma Securities Commission. The complaint charged that Fisher, a former Administrator of the Oklahoma Securities Commission, utilized the Oklahoma Securities Commission to pressure numerous broker-dealers in the commodity option business in the state of Oklahoma into joining the enterprise and its companion clearing house, although neither performed any legitimate business functions. (SEC v. American Commodity Exchange, Inc., et al., W.D. Oklahoma). (LR-7027)

COMPLAINT DISMISSED AGAINST CHESS WILBURN BARR

The Denver Regional Office announced that on July 28 the Honorable Sherman G. Finesilver, District Judge of the U.S. District Court for the District of Colorado entered orders dismissing the complaint in the action as to defendant Chess Wilburn Barr. The Court found that after diligent efforts the SEC had not been able to serve the summons and complaint upon the defendant Chess Wilburn Barr in that the defendant had left the jurisdiction of the Court and that a federal warrant had issued on his indictment by a federal grand jury sitting in Los Angeles, California. The Court ordered that the

plaintiff's complaint and this action as to the defendant Chess Wilburn Barr be dismissed without prejudice to plaintiff's refiling the complaint at a later date and without prejudice to the equities of the plaintiff in any subsequent action which might be filed. (SEC v. Continental Silver Corporation of Nevada, et al., U.S.D.C., Colo., Civil Action No. 74-F-364). (LR-7028)

ROBERT R. ADLEY, OTHERS ENJOINED

The Fort Worth Regional Office announced that on July 22 Federal District Judge Tom Stagg at Shreveport, Louisiana, preliminarily enjoined Robert R. Adley, Bossier City, Louisiana, and Grover F. Britt, Shreveport, enjoining them from violations of the antifraud provisions of the securities laws. The Commission, in its complaint, alleged that Adley, Britt and others had violated the antifraud provisions in the offer and sale of fractional undivided working interests in Louisiana oil and gas leases issued by E & H Oil Company, Inc. (SEC v. E. & H Oil Company, Inc., W.D. LA.). (LR-7030)

INVESTMENT COMPANY ACT RELEASES

AMERICAN UNION INVESTORS FUND

A notice has been issued giving interested persons until August 29 to request a hearing on the application of American Union Investors Fund, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-8874 - Aug. 5)

HOLDING COMPANY ACT RELEASES

SOUTHWESTERN ELECTRIC POWER COMPANY

An order has been issued authorizing Southwestern Electric Power Company, subsidiary of Central and South West Corporation, to issue and sell \$40 million of first mortgage bonds at competitive bidding and reserving jurisdiction over use of proceeds for a fuel exploration and development program. (Rel. 35-19114 - Aug. 4)

OHIO ELECTRIC COMPANY

A supplemental order has been issued authorizing Ohio Electric Company, an electric generating subsidiary of Ohio Power Company, an electric utility subsidiary of American Electric Power Company, Inc., to increase the amount of attorneys' fees to be paid in connection with the issuance and sale of up to \$75 million of first mortgage bonds. (Rel. 35-19115 - Aug. 4)

MONONGAHELA POWER COMPANY

A notice has been issued giving interested persons until August 27 to request a hearing on a proposal by Monongahela Power Company and West Penn Power Company, subsidiaries of Allegheny Power System, Inc., and Ohio Power Company and Wheeling Electric Company, subsidiaries of American Electric Power Company, Inc., that certain utility assets be sold between the companies. (Rel. 35-19116 - Aug. 4)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Cincinnati Stock Exchange for unlisted trading privileges in the common stocks of the following companies: Dresser Industries, Inc.; Eastern Gas & Fuel Associates; Halliburton Company; McDermott, (J. Ray) & Co., Inc.; Pittston Co. (The); Schlumberger Ltd.; and Utah International Inc. (Rel. 34-11574)

SECURITIES ACT REGISTRATIONS

(S-7) LONG ISLAND LIGHTING COMPANY

250 Old Country Rd., Mineola, N.Y. 11501 - \$90 million of general and refunding bonds, to be offered for sale at competitive bidding. The company supplies electric and gas service. (File 2-54325 - Aug. 1)

(S-12) FIRST NATIONAL CITY BANK

111 Wall St., New York, N.Y. 10015 - seeks registration of 100,000 American Depositary Receipts for ordinary shares of Blue Circle Cement Ltd., a South African corporation. (File 2-54327 - Aug. 4)

(S-10) BTA OIL PRODUCERS

104 S. Pecos, Midland, Tex. 79701 - \$780,000 of units of fractional undivided interest in oil and gas leases, each consisting of \$7,800 per the smallest fractional interest. The company is an independent oil producer, engaged in the exploration for and production of oil and gas. (File 2-54330 - Aug. 4)

(S-14) PIONEER CORPORATION

301 South Taylor St., Amarillo, Tex. 79163 - up to 149,500 shares of common stock. It is proposed to offer these shares in exchange for substantially all the assets of GEO Industries Inc. (GEO). GEO will then be merged into a wholly-owned subsidiary of Pioneer, Pioneer Uravan, Inc. Pioneer is a diversified company engaged in the transmission and distribution of natural gas liquids; selling, leasing and servicing heavy construction equipment; in the exploration for, mining and processing of uranium ore; and drilling services to the oil and gas industry. (File 2-54335 - Aug. 4)

(S-1) GRAY TOOL COMPANY

7135 Ardmore St., Houston, Tex. 77021 - 225,000 shares of common stock, of which 200,000 shares are to be offered for sale by the company and 25,000 shares by certain shareholders through underwriters headed by Rotan Mosle Inc., 2200 Bank of the South-west Bldg., Houston, Tex. 77002. (File 2-54336 - Aug. 5)

(S-7) WHIRLPOOL CORPORATION

Benton Harbor, Mich. 49022 - \$75 million of sinking fund debentures, due 2000, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004. Whirlpool is a manufacturer of major household appliances. (File 2-54337 - Aug. 5)

CORRECTION RE SUNBEAM CORPORATION

Sunbeam Corporation filed a registration statement (File 2-54296) on July 30 on Form S-16 not S-1 as reported in the August 1 News Digest.

REGISTRATIONS EFFECTIVE

July 29: Amax Inc., 2-54286.

Aug. 1: Allied Bancshares Inc., 2-54215; Balcor Realty Investors Ltd-75, 2-53087; The Coleman Co. Inc., 2-54090; Inland Heritage Corp., 2-53577; The Madison Co., 2-53791; Prentice Hall Inc., 2-53960; Ryder Systems, Inc., 2-54205; Skaggs Companies Inc., 2-54101.

Aug. 4: Cooper Tire & Rubber Co., 2-54113; Crocker National Corp., 2-54199; Grumman Corp., 2-54162; Southwestern Electric Power Co., 2-54105.

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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