



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

**COMMAND SECURITIES CENSURED.** The SEC has issued an order instituting proceedings under the Securities Exchange Act of 1934 with respect to Command Securities, Inc. (formerly Cruttenden & Co.), a Los Angeles, Cal. broker-dealer, and censuring the firm in such proceedings. The order for proceedings incorporated charges previously made in injunctive proceedings that respondent violated registration and antifraud provisions of the securities acts in connection with the offer and sale of securities of Paramount General Corporation in 1967-1968. The Commission's action was based on an offer of settlement in which Command, without admitting or denying the allegations of the injunctive complaint filed in October 1968, consented to issuance of a permanent injunction (such injunction was entered by the U.S. District Court for the Central District of California on October 4, 1971), to institution of the administrative proceedings, and to findings based on the charges therein and censure.

According to the Commission's decision, Command offered and sold unregistered common and convertible preferred stock of Paramount and in connection therewith made false and misleading statements concerning, among other things, Paramount's acquisition of certain purportedly highly promising companies, oil drilling interests, mining claims and coal land; projected sales of a Paramount division; the purported invention by a subsidiary of a "proven method" of weight control; the assets of Paramount and the number of its outstanding shares; and the quality and experience of a "new management team." Furthermore, Command manipulated the market price of the Paramount securities through such misrepresentations.

The Commission noted that subsequent to institution of the injunctive proceedings, Command was acquired by a previously unrelated corporation, the two principals of the firm who were named in the injunctive action terminated their association with it, and new management took control. (Rel. 34-9367)

**MAXWELL OHLMAN AND FOUR OHLMAN-CONTROLLED FIRMS SANCTIONED.** The SEC has issued an order revoking the broker-dealer and investment adviser registrations of Maxwell Ohlman & Company and the investment adviser registration of Maxwell Ohlman & Company, Inc.; barring Columbia Management Consulting Corporation from association with any broker, dealer, investment adviser or registered investment company, and effective October 18, suspending the broker-dealer registration of Ohlman, Inc. and the investment adviser registration of Information and Research Services, Inc. for 30 days, following which Ohlman, Inc. shall not resume executing transactions on the Philadelphia-Baltimore-Washington Stock Exchange for 60 days, and suspending Maxwell Ohlman, who was the principal partner of Ohlman Co. and president of the other three firms, from association with any broker, dealer, investment adviser or investment company for 180 days.

According to the decision, the respondents violated or aided and abetted violations of antifraud and conflict of interest provisions of the securities acts from about 1961 to 1971, in that they caused the investment advisers and principal underwriters of various investment companies to direct allocations of brokerage and "give-ups" by their affiliated investment companies to Ohlman Co., Ohlman, Inc. and certain other persons in exchange for undisclosed payments to the advisers and underwriters, for the purpose of securing undisclosed benefits for themselves and such advisers and underwriters, and induced and shared in the acceptance by persons affiliated with registered investment companies and affiliates of such persons, of compensation for the purchase and sale of property to or for such investment companies, other than in the course of such persons' business as underwriters or brokers. In addition, it was found that Information and Research Services failed to disclose in its registration application and reports filed under the Investment Advisers Act that it offered its advisory services on the basis that their cost would be offset through directed brokerage and "give-ups," and failed to make and keep accurate and current certain records, and that Ohlman failed to exercise reasonable supervision.

The action taken by the Commission was pursuant to an offer of settlement in which respondents, without admitting the charges or any violation of law, consented to the indicated findings and sanctions. (Rel. 34-9370)

## COMMISSION ANNOUNCEMENT

**SANTACK MINES LTD.** The Commission on October 7, 1971 added Santack Mines Limited, incorporated in Ontario, Canada, to its Foreign Restricted List. On February 11, 1971 the Ontario Securities Commission suspended trading in this stock and in June renewed the suspension. Information has been received by the staff of the Commission that Joseph Santoro, promoter of the company, and two other directors who are residents of Michigan, have participated in the sale of shares of Santack to other residents of Michigan, and Santack has engaged in sales to residents of Illinois. Inasmuch as the security is not registered under the Securities Act of 1933, and these transactions appear to be in violation of the provisions of that statute, accordingly Santack Mines Limited has been placed on the Foreign Restricted List. (Rel. 33-5202)

## COURT ENFORCEMENT ACTIONS

**SUMMARY JUDGMENT AGAINST GREAT NORTHERN MANAGEMENT GRANTED.** The SEC announced today that the U.S. District Court for the District of Columbia on September 28, 1971 granted the Commission's Motion for summary judgment against Great Northern Management Company, Inc. and ordered that company to file delinquent annual and other reports required to be filed with the Commission pursuant to the Federal securities laws. The parties consented to an order allowing Great Northern Management Company, Inc. until November 15, 1971 to comply with the court order. (LR-5186)

OVER

**COMPLAINT CITES LAKE HAVASU ESTATES.** The SEC Chicago Regional Office announced that on October 8 a complaint was filed in Federal court in Minneapolis seeking to enjoin Lake Havasu Estates of Phoenix from violating the registration provisions of the Federal securities laws in the offer and sale of investment contracts (i.e., interests in land purchase contracts, the interests being evidenced by an agreement for deed, a purchase money note, an assignment of contract and a deed and assignment. Lake Havasu is an Arizona corporation and is not to be confused with other organizations with somewhat similar names. (LR-5187)

#### HOLDING COMPANY ACT RELEASES

**ALLEGHENY POWER SYSTEM.** The Commission issued an order granting an application of Allegheny Power System, Inc., to act as surety for its electric utility subsidiary, Potomac Edison Company of West Virginia, in connection with placing into effect new rates prior to completion of an investigation by the West Virginia PSC pursuant to new increased rates for electric service in West Virginia filed on May 28, 1971. (Rel. 35-17311)

**NORTHEAST UTILITIES.** The Commission issued a notice giving interested persons until November 15 to request a hearing on application of Northeast Utilities of West Springfield, Mass. to issue and sell at competitive bidding 3.5 million additional shares of common stock, \$5 par. The proceeds of the sale are to be used to reduce short-term borrowings incurred by Northeast, to make investments in subsidiaries and to make a \$15 million capital contribution to Connecticut Light & Power Company. 1/ (Rel. 35-17312)

**HARTFORD ELECTRIC LIGHT COMPANY.** The Commission issued a notice giving interested persons until November 15 to request a hearing on application of The Hartford Electric Light Company to issue and sell at competitive bidding \$30 million of first mortgage bonds, due 2001, and 200,000 shares of preferred stock. The proceeds from the sale of bonds and stock will be used to repay short-term borrowings incurred in financing the company's construction program estimated at \$65 million prior to the time of the proposed sales. 1/ (Rel. 35-17313)

**MIDDLE SOUTH UTILITIES.** The Commission issued an order granting an application of Middle South Utilities, Inc., to purchase an additional 1,852,000 shares of common stock of Louisiana Power & Light Company, a subsidiary, by increasing the aggregate principal amount of short-term notes that may be outstanding with certain named banks at any one time from \$30 million to \$40 million. (Rel. 35-17314)

**UNION BANK/MFRS. HANOVER TRUST.** The Commission issued a notice giving interested persons until October 9 to request a hearing on application of Union Bank of Los Angeles, Manufacturers Hanover Trust Company of New York, and Bank of California, National Association, of Los Angeles, respecting purchase and lease of electric equipment to Consolidated Edison Company of New York, Inc. ConEd entered into purchase agreements with various manufacturers to supply 11 gas turbine generating units and accessory equipment for an aggregate price of \$20,500,000. Subsequently, ConEd assigned its right to buy the units to Bank of California, acting as trustee for the benefit of Union. Bank of California then purchased the units directly from the manufacturers and leased them to ConEd. The application seeks an order declaring that applicants are not electric utility companies under the Holding Company Act. 1/ (Rel. 35-17315)

#### SECURITIES ACT REGISTRATIONS

**THE SYSTEMS CORPORATION,** 1441 Kapiolani Blvd., Honolulu, Hawaii 96814, filed a registration statement on October 6 seeking registration of 300,000 shares of common stock, to be offered for public sale at \$5.50 per share (with a minimum purchase set at 100 shares). No underwriting is involved. Organized in 1970, the company is a computer service company which provides hardware, software, operations, maintenance and training for its customers. Of the net proceeds of its stock sale, \$400,000 will be used for the development of applications software packages for the company's data processing systems and the balance for working capital and other corporate purposes. (File 2-42044)

**WOODMOOR CORPORATION,** 1691 Woodmoor Dr., Monument, Colo. 80132, filed a registration statement on October 4 seeking registration of up to 411 ownerships of townhouses and management agreements, to be offered for public sale at from \$19,750 to \$43,250 per unit plus furnishings. The townhouses are to be located near the ski resort community of Breckenridge, Colorado. Also included in this statement is a rescission offer pertaining to 95 townhouses and 4 townhouse sites sold from December 1, 1970 through July 6, 1971. The company offers to rescind such contracts and to reimburse all funds paid with interest at 6% per year. (File 2-42019)

**ANKONY CATTLE SYSTEMS-1971** (the partnership), 1900 Avenue of the Stars, Los Angeles, Calif. 90067, filed a registration statement on October 5 seeking registration of \$5 million of limited partnership interests, to be offered for public sale at \$2,500 per unit (with a minimum purchase of two units). The offering is to be made on a best efforts basis by EFC Distributors Corporation, wholly-owned subsidiary of Equity Funding Corporation of America (EFGA). The partnership was formed to engage in breeding and sale of Seedstock beef cattle and the feeding of commercial cattle for slaughter. Equity Cattle Management Company is the general partner. (File 2-42038)

**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:

Cometal Dynamics Corp., Venice, Calif. (File 2-42033) - 56,300 shares  
Washington Homes, Inc., Camp Springs, Md. (File 2-42034) - 25,000 shares  
Leisure Dynamics, Inc., Minneapolis, Minn. (File 2-42035) - 500,000 shares

AVNET, INC., 767 Fifth Ave., New York, N. Y. 10022, filed a registration statement on October 6 seeking registration of 3,000,000 shares of common stock, of which 1,500,000 are to be offered for public sale by the company and 1,500,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$15 per share maximum) through underwriters headed by Kuhn, Loeb & Co., 40 Wall St., New York, N. Y. 10005. The company is a diversified marketer and manufacturer of industrial and consumer products, principally related to the electronic and engineering fields. Of the net proceeds of its stock sale, \$5,000,000 will be applied to retire a like amount of outstanding revolving credit notes, incurred to pay the purchase price of a 70% interest in a Mexican record playing equipment manufacturing company and the balance to be used for general corporate purposes, including possible acquisitions. (File 2-42049)

GULF STATES UTILITIES COMPANY, P. O. Box 2951, Beaumont, Tex. 77704, filed a registration statement on October 6 seeking registration of \$35 million of first mortgage bonds, due 2001, and 2,000,000 shares of common stock, to be offered for public sale at competitive bidding. Net proceeds of its financing will be used by the company to pay off all of its outstanding short-term notes (expected to approximate \$64 million at the time of the sale) and the balance will be added to the company's general funds and used for construction and other corporate purposes. Construction expenditures are estimated at \$91,500,000 for 1971 and \$112,000,000 for 1972. (File 2-42051)

CHART HOUSE ENTERPRISES, 4124 Voltaire St., San Diego, Calif. 92107, filed a registration statement on October 7 seeking registration of 150,000 shares of common stock, of which 75,000 are to be offered for public sale by the company and 75,000 (being outstanding shares) by the holder thereof. The offering is to be made (\* at \$16 per share maximum) through underwriters headed by B/W/A Incorporated, 2375 Huntington Dr., San Marino, Calif. 91108. The company owns and operates "Chart House" restaurants in California. Of the net proceeds of its stock sale, \$250,000 will be used to repay a bank loan and the balance for working capital and other corporate purposes. (File 2-42053)

THE HARTFORD ELECTRIC LIGHT COMPANY, 176 Cumberland Ave., Wethersfield, Conn., filed a registration statement on October 7 seeking registration of \$30 million of first mortgage bonds, due 2001, and 200,000 shares of preferred stock (\$50 par), to be offered for public sale at competitive bidding. A wholly-owned subsidiary of Northeast Utilities, the company will use the net proceeds of its financing, together with a capital contribution of \$10 million from the parent, to repay a portion of its short-term borrowings estimated to total \$65 million immediately prior to such sales and capital contributions. Such short-term borrowings were applied to finance the company's construction program. Construction expenditures are estimated at \$169 million for 1971 and 1972. (File 2-42055)

NORTHEAST UTILITIES, 174 Brush Hill Rd., West Springfield, Mass. 01089, filed a registration statement on October 7 seeking registration of 3,500,000 shares of common stock, to be offered for public sale at competitive bidding. Net proceeds of its stock sale will be used to make a \$15 million capital contribution to The Connecticut Light and Power Company, a subsidiary, and to reduce short-term borrowings (estimated at \$81 million at the time of the sale) incurred to make investments in subsidiaries. (File 2-42056)

#### MISCELLANEOUS

FAS SUSPENSION CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of FAS International, Inc. for the further ten-day period October 14-23, 1971, inclusive.

SECURITIES ACT REGISTRATIONS. Effective October 12: Federal-Mogul Corp., 2-42000; Minbanc Capital Corp., 2-41210. Effective October 13: Able Associates Fund, 2-34936 (90 days); Adventure Exploration & Salvage, Inc., 2-38843 (90 days); American Realty Trust, 2-40876; Brad Ragan, Inc., 2-41327; Consolidated Foods Corp., 2-42001; Datum Inc., 2-41424; Dynallectron Corp., 2-41085; Gifford-Hill & Co., Inc., 2-41784; Gulfstream Land & Development Corp., 2-41157; Intel Corp., 2-41197; Midwestern Fidelity Corp., 2-40907; Publicate Inc., 2-41108 (90 days); Raycomm Industries, Inc., 2-40208; Ring Around Products, Inc., 2-41443; Saxon Industries, Inc., 2-41701; Self-Service Restaurants, Inc., 2-40759; Union Tank Car Co., 2-41695; Work Wear Corp., 2-40461.

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

\* As estimated for purposes of computing the registration fee.

1/ Pending distribution of this release by the Commission to the appropriate mailing lists, interested persons should consult the Federal Register for details of the release.

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