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RULES AND RELATED MATTERS

COMMISSION AMENDS RULE 134, PERMITS MORE
LIBERAL INVESTMENT COMPANY ADVERTISING

LIBRARY

The SEC on June 16 adopted amendments to Rule 134 under the Securities Act of 1933 which should permit more interesting and attractive ads by investment companies. The amendments expand the material that may be included in investment company advertisements and permit additional classes of investment companies to take advantage of the changes. As a result, pictures which are appropriate for inclusion in investment companies' prospectuses and "descriptive material" relating to economic conditions, retirement plans, or other goals to which such an investment could be directed will now be allowed in investment company advertisements so long as they do not relate to past performance or imply achievement of investment objectives.

Bond funds, variable annuities, unit investment trusts, and other investment companies which issue redeemable securities under an effective registration statement, in addition to mutual funds, will now have the opportunity to advertise under liberalized portions of the Rule. The legend which must be a part of any investment company ad which uses the new material was also simplified and shortened by the Commission's action and may now be set in a size type, different from, but at least as prominent as, that used in the major portion of the ad. For radio and television advertisements the legend must be given emphasis equal to that used in the major portion of the ad. (Rel. 33-5591)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

KOSS SECURITIES REVOKED; THEODORE KOSS BARRED

The Commission has revoked the broker-dealer registration of Koss Securities Corporation, of New York City, and has barred its president, Theodore Koss, from association with any broker-dealer. The sanctions were based upon the 1974 convictions of both the firm and Koss of felonies involving securities fraud, mail fraud and conspiracy. In addition, Koss was found guilty of submitting false documents to the Commission (See SEC News Digest, July 16, 1974, p. 2). Koss was sentenced to one year in prison and three years' probation, and the firm was fined \$1,500.

Respondents failed to answer the charges against them and were deemed in default. (Rel. 34-11459)

AMERICAN NATURAL GAS COMPANY

An order has been issued (1) approving the proposed distribution to the stockholders of American Natural Gas Company, a registered holding company, of all the outstanding common stock of its utility subsidiary, Wisconsin Gas Company; and (2) effective upon carrying out the distribution, granting American Natural exemption from all provisions of the Holding Company Act except Section 9(a)(2) thereof. (Rel. 35-19038)

ORDERS FOR PUBLIC PROCEEDINGS

ADMINISTRATIVE PROCEEDINGS AGAINST SEATTLE,
WASHINGTON INVESTMENT ADVISER

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934, the Investment Advisers Act of 1940 and the Investment Company Act of 1940 against The Stephens Co., Inc., an investment adviser, and Daniel Ernest Stephens, its president and controlling stockholder, both of Seattle, Washington.

The proceedings are based on staff allegations of violations of the antifraud and recordkeeping provisions of the securities laws, and Stephens' conviction on a charge that he violated state law in the sale of a security. (Rel. 34-11480)

INVESTMENT COMPANY ACT RELEASES

INVESTORS SYNDICATE OF AMERICA

An order has been issued on an application of Investors Syndicate of America, Inc., a registered face-amount certificate company, approving an amendment to a depository agreement to cover a new series of face-amount certificates. (Rel. IC-8821 - June 13)

INVESCO INCOME FUND

A notice has been issued giving interested persons until July 8 to request a hearing on the application of Invesco Income Fund, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-8822 - June 13)

INVESCO EQUITY FUND

A notice has been issued giving interested persons until July 8 to request a hearing on the application of Invesco Equity Fund, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-8823 - June 13)

HOLDING COMPANY ACT RELEASES

GEORGIA POWER COMPANY

A notice has been issued giving interested persons until July 9 to request a hearing on a proposal of Georgia Power Company, a subsidiary of The Southern Company, to issue and sell at competitive bidding, up to \$100 million of first mortgage bonds. The net proceeds of the sale will be used to finance, in part, Georgia's 1975 construction program and applied to the payment of short-term indebtedness incurred to finance Georgia's construction program. (Rel. 35-19042 - June 13)

SECURITIES ACT REGISTRATIONS

(S-6) CARDINAL TAX-EXEMPT BOND FUND, FIRST SERIES

51 North High St., Columbus, Ohio 43215 - \$5 million of units of beneficial interest. The Fund, a unit investment trust, will be created under a trust agreement among The Ohio Company, as sponsor, the United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator, on the date of deposit of the municipal bonds in the portfolio of the Fund. The Fund will be formed for the purpose of obtaining interest income free from Federal income taxes while conserving capital through investment in a diversified portfolio of municipal bonds. (File 2-53925 - June 12)

(S-7) CONSUMERS POWER COMPANY

212 West Michigan Ave., Jackson, Mich. 49201 - \$75 million of first mortgage bonds, due 2000, to be offered for sale through underwriters headed by Morgan Stanley & Co., Incorporated, 1251 Avenue of the Americas, New York, N.Y. 10020. The company is an electric and gas utility. (File 2-53937 - June 12)

(S-1) AMAREX, INC.

Suite 200, 200 North Harvey, Oklahoma City, Okla. 73102 - 151,526 shares of common stock, to be offered in exchange for the limited partnership interests of the limited partners in Amarex Drilling Fund, Ltd. to the extent they are affected participants in Amarex Drilling Partnership: No. A-1, Amarex Drilling Partnership: No. A-2, and Amarex Drilling Partnership: No. A-3, organized by Amarex, Inc., during the years 1970, 1971 and 1972. An exchange value will be assigned to the affected participants' interest in reserves, determined in part on the basis of data prepared by independent petroleum engineers, and the exchange value will be divided by the average of the mean between bid and asked prices of Amarex, Inc.'s common stock for each day during the period commencing March 2, 1975 and ending April 30, 1975. Amarex, Inc. is engaged in

exploration and development of oil and gas on its own behalf and through programs involving public and private investors and sale of oil and gas. (File 2-53942 - June 13)

(S-14) ZOECON CORPORATION

975 California Ave., Palo Alto, Cal. 94304 - 453,051 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of Harvest Industries, Inc., on the basis of a .34 of a share of Zoecon shares for each Harvest share, 9.751 Zoecon shares for each Harvest share Series A convertible preferred stock and 4.738 Zoecon shares for each Harvest share Series B convertible preferred stock. Zoecon is engaged in research development and manufacture of new types of insect control products and the manufacturing and marketing of conventional insect and other pest control products. (File 2-53944 - June 13)

(S-7) INTERSTATE POWER COMPANY

1000 Main St., Dubuque, Iowa 52001 - 1,000,000 shares of common stock. It is proposed to offer these shares through negotiated offering with a group of underwriters; the representative and manager of the group is Kidder, Peabody & Co. Incorporated. The underwriters intend to offer the additional shares of common stock to the public. The company is an electric and gas utility operating in certain counties in Iowa, Minnesota and Illinois. (File 2-53945 - June 13)

(S-7) GEORGIA POWER COMPANY

270 Peachtree St., N.W., Atlanta, Ga. 30303 - \$100 million of first mortgage bonds, due 1980, to be offered for sale by the company at competitive bidding. The company is an electric utility company. (File 2-53946 - June 13)

(S-1) COOK · TREADWELL & HARRY, INC. (CTH)

855 Ridge Lake Blvd., Memphis, Tenn. 38117 - 278,919 shares of common stock. CTH is making offers (a) to purchase any and all shares of its common stock originally offered and sold to the public under its 1972 public offering from persons who purchased shares either initially in or subsequent to that public offering, and (b) to allow former stockholders of CTH who accepted an offer similar to that described in (a) made by CTH under its offering circular dated November 14, 1974, to reacquire their shares upon payment to CTH of the amounts received under that offer. CTH is principally engaged in the insurance agency-brokerage and insurance underwriting businesses. (File 2-53951 - June 13)

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:

- J. P. Morgan & Co., Inc., New York, N.Y. (File 2-53874 - June 5) - 800,000 shares
- Diagnostic, Inc., St. Paul, Minn. (File 2-53875 - June 5) - 75,000 shares
- New Jersey National Corp., Trenton, N.J. (File 2-53876 - June 5) - 50,000 shares
- Fibreboard Corp., San Francisco, Cal. (File 2-53877 - June 6) - 200,000 shares
- Bethlehem Steel Corp., Bethlehem, Pa. (File 2-53880 - June 6) - 1,500,000 shares
- Curtiss-Wright Corp., Wood-Ridge, N.J. (File 2-53885 - June 6) - 267,858 shares, and (File 2-53886 - June 6) - 355,000 shares
- Stokely-Van Camp, Inc., Indianapolis, Ind. (File 2-53889 - June 6) - 100,000 shares
- The Liberty Corp., Greenville, S.C. (File 2-53890 - June 6) - 200,000 shares
- Pamida, Inc., Omaha, Neb. (File 2-53892 - June 6) - 175,000 shares
- Reed Tool Co., Houston, Tex. (File 2-53894 - June 9) - 196,000 shares
- Binks Manufacturing Co., Franklin Park, Ill. (File 2-53895 - June 9) - 109,285 shares
- Clevetrust Corp., Cleveland, Ohio (File 2-53897 - June 9) - 199,890 shares
- Prime Computer, Inc., Framingham, Mass. (File 2-53898 - June 9) - 150,000 shares
- Family Dollar Stores, Inc., Matthews, N.C. (File 2-53899 - June 9) - 100,000 shares
- Waste Management, Inc., Oak Brook, Ill. (File 2-53901 - June 10) - 500,000 shares
- Great Lakes Chemical Corp., West Lafayette, Ind. (File 2-53909 - June 10) - 598,500 shares
- United States Fidelity and Guaranty Co., Baltimore, Md., (File 2-53910 - June 10) - 500,000 shares
- The William Carter Co., Needham Heights, Mass. (File 2-53912 - June 10) - 50,000 shares
- Sullair Corp., Michigan City, Ind. (File 2-53913 - June 11) - 83,333 shares
- Western Financial Corp., Phoenix, Ariz. (File 2-53915 - June 11) - 190,000 shares
- West Rand Consolidated Mines Ltd., New York, N.Y. (File 2-53917 - June 11) - 1,000,000 shares
- Eastern Transvaal Consolidated Mines Ltd., New York, N.Y. (File 2-53920 - June 11) - 1,000,000 shares
- Stilfontein Gold Mining Co., Ltd., New York, N.Y. (File 2-53921 - June 11) - 1,000,000 shares

STOCK PLANS CONT.

East Rand Proprietary Mines Ltd., New York, N.Y. (File 2-53922 - June 11) -
1,000,000 shares
Durban Roodepoort Deep Ltd., New York, N.Y. (File 2-53923 - June 11) - 1,000,000
shares
Houston Oil & Minerals Corp., Houston, Tex. (File 2-53926 - June 12) - 473,328
shares

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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