

# sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION

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Issue 74-139

(SEC Docket, Vol. 4, No. 17 - July 30)

July 18, 1974

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## COURT ENFORCEMENT ACTIONS

### CANADIAN JAVELIN AND OTHERS ENJOINED

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The SEC announced that on July 17, 1974 the Hon. Lloyd F. McMahon, U.S. District Judge, Southern District of New York, entered final judgments of permanent injunction against Canadian Javelin Ltd. ("Javelin") and John C. Doyle ("Doyle") enjoining them from violations of and ordered a stipulation to be entered against William M. Wismer, ordering him not to violate the anti-fraud and reporting provisions of the federal securities laws and enjoining them from violations of the registration provisions of the Securities Act of 1933.

Among other things, the judgments entered by the court provide:

- (a) that the board of directors of Javelin shall consist of at least 40% outside independent directors who shall meet certain criteria satisfactory to the Commission;
- (b) that Javelin shall establish a standing compliance committee, a majority of which shall consist of the independent outside directors to pass on all information disseminated to the public and designate a public information officer to be responsible and the dissemination of all information for Javelin;
- (c) that Javelin shall name a special outside counsel satisfactory to the Commission to review the dissemination of all information to the public by Javelin or any of its subsidiaries, its officers and directors, and notify the Commission and Javelin's Board of Directors in any respect in which he believes the Judgment is not being carried out and advise the Board as to the steps necessary to cure such failure;
- (d) that no officer of employee of Javelin shall disseminate information to the public except upon the expressed request and prior approval of the Compliance Committee and special counsel;
- (e) that Javelin shall designate and at all times maintain an agent in the U.S. authorized to accept service of civil or administrative process relating to the activities of Javelin, its subsidiaries and affiliates, served by or on behalf of the Commission including subpoenas and complaints;
- (f) that Javelin file within 60 days, or at such a later time as the Commission may permit all necessary reports and all amendments and supplements to which reports on file as may be required.

The defendants consented to the entry of these final judgments and Order without admitting or denying the allegations contained in the Commission's complaint.

These judgments and order resulted from a complaint filed by the Commission on November 29, 1973 initiating action against the above named defendants. Trading in the securities of Canadian Javelin was suspended on November 29, 1973 and is currently still suspended by the Commission. Javelin has yet to file all the information required to be filed by form 10-K which was due to be filed on November 24, 1973. It has not filed any certified financial statements which were due that same day. (LR-6441)

### COMPLAINT NAMES CELANESE CORPORATION

The SEC today announced the filing of a complaint in the Southern District of New York, against Celanese Corporation seeking to enjoin it from violations of the antifraud provisions of the securities laws. Celanese has consented to an injunction without admitting or denying the allegations of the complaint. The Commission's complaint alleged that Celanese violated the antifraud provisions of the securities laws when it disseminated information of a material non-public nature to representatives of certain financial institutions concerning, among other things, an anticipated implementation of a cost reduction program at Celanese which would involve the termination of employees and the shut down of certain operations and that non-recurring costs associated with the terminations and shut downs would be charged against Celanese's second quarter 1972 earnings. It is also alleged that representatives of certain of the financial institutions changed their recommendations concerning the securities of Celanese and their customers sold the securities based on this information. (LR-6440)

## BERNARD DEUTSCH, OTHERS, SENTENCED

The SEC announced that the U.S. District Court for New York sentenced Bernard Deutsch, of Brooklyn, N.Y., and Stanley Duboff, of Rockaway, N.J., to three (3) years and Milton Cohen of St. Paul, Minn., to six (6) months imprisonment on each of four counts, said sentences to run concurrently.

Deutsch and Duboff, two former registered representatives, and Cohen, President of Richard Packing Co., were found guilty on June 8, 1974, after a six and one-half week trial, as charged in the Information filed by the U.S. Attorney for the Southern District of New York. The Information charged that Deutsch, Duboff and Cohen conspired together to manipulate and did manipulate the price of Richard Packing common stock and to mail and did mail a false and misleading circular in violation of the conspiracy law and antifraud and Regulation A provisions of the securities laws.

As a result of this scheme, three Denver mutual funds lost approximately \$5,100,000. Further, Deutsch and Duboff are currently under indictment in four other cases, all of which resulted from a joint investigation conducted by the Securities and Exchange Commission and the United States Attorney's Office. (LR-6439)

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## TRADING SUSPENSIONS

### GOLDFIELD DEEP MINES COMPANY OF NEVADA SUSPENDED

Over-the-counter trading in the securities of Goldfield Deep Mines Company of Nevada, a Nevada corporation located in Goldfield, Nevada, has been suspended for the ten-day period beginning on July 17 and terminating at midnight (EDT) on July 26, 1974.

Goldfield has recently disseminated an information statement which contains a balance sheet for April 10, 1974. The Commission initiated the suspension because questions have been raised concerning the accuracy and adequacy of the material in the information statement particularly with respect to the value of the company's assets. Goldfield has indicated that it has not conducted mining operations since at least 1959 and has been dormant since that time. A profit and loss statement for 1973 reveals that Goldfield's income totaled \$614.25 with a net operating loss of \$11.17. Goldfield's only income results from stock transfer fees. The company is its own transfer agent. (Rel. 34-10918)

### ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of BBI, Inc., and over-the-counter trading in the securities of Nicco Corp. for the further ten-day period July 18 - 27, inclusive.

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## INVESTMENT COMPANY ACT RELEASES

### WCI COMMERCIAL CORP.

An order has been issued exempting WCI Commercial Corp., a Delaware corporation, from all the provisions of the Act. (Rel. IC-8426)

### THE HORNBLOWER GROWTH FUND

A notice has been issued giving interested persons until August 12 to request a hearing on an application of The Hornblower Growth Fund, Inc. registered as an open-end investment company for an order declaring that it has ceased to be an investment company. (Rel. IC-8427)

### NATIONAL AVIATION CORPORATION

A notice has been issued giving interested persons until August 12 to request a hearing on an application of National Aviation Corporation (National), a registered, closed-end, non-diversified, management investment company, for an order exempting from certain provisions of the Act the sale by Iomec, Inc. of 100,000 shares of its common stock to National, and permitting National to acquire shares of Iomec, a company in which affiliated persons of National have interests. (Rel. IC-8428)

## INVERNESS GROWTH FUND

An order has been issued on an application of Inverness Growth Fund, Inc. (IGF) and Inverness Fund, Inc. (IF), mutual funds which may be deemed under common control, permitting (1) substantially all the assets of IF to be sold to IGF in exchange for shares of IGF and (2) IF and IGF to determine net asset values for purposes of the exchange as of the business day preceding the closing date of the proposed transaction. (Rel. IC-8429)

## SOURCE CAPITAL

An order has been issued on an application by Source Capital, Inc., a registered closed-end investment company, permitting Arnav Industries, Inc., an affiliated person of Source Capital, to purchase some or all of the 180,000 shares of its common stock to be tendered to it by Source Capital under a tender offer made by Arnav to all its shareholders. (Rel. IC-8430)

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## HOLDING COMPANY ACT RELEASES

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### MICHIGAN CONSOLIDATED GAS COMPANY

The SEC has issued an order approving an application filed by Michigan Consolidated Gas Company, a gas utility subsidiary company of American Natural Gas Company, a registered holding company, regarding the proposed issue and sale of \$40 million first mortgage bonds at competitive bidding. (Rel. 35-18501)

### CENTRAL POWER AND LIGHT COMPANY

An order has been issued releasing jurisdiction with respect to fees and expenses to be incurred by Central Power and Light Company, subsidiary company of Central and South West Corporation, in connection with the financing of certain pollution control facilities through an instrumentality of the State of Texas. (Rel. 35-18502)

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## RECENT 8K FILINGS

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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
ALUMINUM SPECIALTY CO	8	06/74
AMERICAN ALLIED LIFE INSURANCE CO	11	05/74
AMERICAN MEDICAL INTERNATIONAL INC	7	06/74
AMERICAN QUASAR PETROLEUM CO	13,14	06/74
ANACONDA CO	14	05/74
ANADITE INC	11,13	03/74
ATLANTA BRAVES INC	13,14	05/74
ATLANTIC IMPROVEMENT CORP	11	06/74
ATLANTIC STEEL CO	7,8,14	05/74
BENEFICIAL NATIONAL LIFE INSURANCE CO	11	06/74
BROWNING	2	06/74
CABLECOM GENERAL 'INC	3	06/74
CLEAR CREEK CORP	6	06/74
COMMERCIAL STATE CORP	11	06/74
COX BROADCASTING CORP	13	06/74
DELMARVA POWER & LIGHT CO	7,14	06/74

RECENT 8K FILINGS CONT.

EDWARDS ENGINEERING CORP	13,14	06/74
EQUITABLE LIFE MORTGAGE & REALTY INVESTO	7,14	06/74
FAMILY LIFE INSURANCE CO	7	06/74
FIDELITY AMERICAN BANKSHARES INC	7	06/74
GERBER SCIENTIFIC INSTRUMENT CO	3	05/74
GNB CORP	7	06/74
GREAT ATLANTIC & PACIFIC TEA CO INC	11,14	06/74
GREEN MOUNTAIN POWER CORP	14	06/74
ILC INDUSTRIES INC	11	05/74
INTERCO INC	11	06/74
INTERNATIONAL LIFE HOLDING CORP	11,14	06/74
INTERPUBLIC GROUP OF COMPANIES INC	7,8	05/74
MANHATTAN INDUSTRIES INC	7	06/74
MANN MANUFACTURING INC	7,14	06/74
MARLINE OIL CORP	11,14	06/74
MAULE INDUSTRIES INC	7,8	05/74
MCDONALDS CORP	3	06/74
MOTOR CLUB OF AMERICA	11	06/74
MOTOR CLUB OF AMERICA INSURANCE CO	11	06/74
NORTH ATLANTIC INDUSTRIES INC	11,13	06/74
NUCOR CORP	7,8,14	06/74
PENN DIXIE INDUSTRIES INC	7,8,10	06/74
PEPSI COLA BOTTLING CO OF WASHINGTON D C	3	06/74
PUTNAM GELLMAN CORP	2,14	05/74
REIS ROBERT & CO	6	06/74
RIVERSIDE REAL ESTATE INVESTMENT TRUST	3	05/74
RPM INC	3	05/74
RUST CRAFT GREETING CARDS INC	11	06/74
SELECT THEATRES CORP	3	06/74
SELF SERVICE RESTAURANTS INC	7,14	06/73
SHIRE NATIONAL CORP	11	06/74
SOUTH JERSEY INDUSTRIES INC	13	06/74
STANDARD METALS CORP	11,13	06/74
SUTRO MORTGAGE INVESTMENT TRUST	11,14	06/74
TEJAS GAS CORP	9,14	06/74
UNION TRUST INC	7,14	06/74
UNITED JERSEY BANKS	13	06/74
UNIVERSAL TELEPHONE INC	4,7,8	04/74
VIKING GENERAL CORP	7,8,14	06/74
VISUAL GRAPHICS CORP	7,14	05/74
WASHINGTON GROUP INC	3,4	06/74
WEIL MCLAIN CO INC	7,11	05/74

## SECURITIES ACT REGISTRATIONS

### REGISTRATIONS EFFECTIVE

July 17: Black and Decker Manufacturing Co., 2-51460; Chicago Co., Ltd., 2-51369; Conrac Corp., 2-51099; Consumers Power Co., 2-51508; Coquina Oil Corp., 2-51057; Dennison Manufacturing Co., 2-51007; Equitable Bancorporation, 2-50699; G. Heilman Brewing Company, Inc., 2-51490; Gamble Skogmo, Inc., 2-51316; Lenox, Inc., 2-51523; Monitor Labs, Inc., 2-51245.

#### 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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