

sec news digest

Issue 74-172

(SEC Docket, Vol. 5, No. 4 - Sept. 17)

September 4, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

LOUX, GOSE & CO. AND GALEN GOSE SUSPENDED FROM COMMISSION PRACTICE

The SEC has suspended Loux, Gose & Co., a public accounting firm in Wichita, Kansas, and Galen Lloyd Gose, a partner of the firm, from practicing before the Commission for 18 months. The order is subject to the undertakings that before the resumption of such practice the firm and Gose will request review of their auditing procedures under the AICPA quality review program and correct any deficiencies discovered, and that the firm will give notice of the findings in these proceedings to any client requesting auditing services for the purpose of registration with or reporting to the Commission.

The order was based upon findings that the firm and Gose failed to comply with generally accepted auditing standards and the Commission's instructions in the audit of a broker-dealer's records and the certification of its financial statement which was filed with the Commission. It was found that the accountant conducting the audit lacked adequate training and proficiency as an auditor and was not supervised properly by the firm and Gose, and that the firm and Gose failed to evaluate the effectiveness of the broker-dealer's internal controls to determine the need for extending the scope of the examination, to inquire into material post-statement events, and to obtain sufficient evidence to afford a reasonable basis for the unqualified opinion given to the broker-dealer.

The order was based upon an offer of settlement in which the firm and Gose, without admitting or denying the charges, consented to the above findings and suspension from practice. (ASR-160)

INSERCO CORPORATION REVOKED; JOHN C. CARRUTHERS BARRED

The Commission has revoked the investment adviser registration of The Inserco Corporation, of Washington, D.C., and barred John C. Carruthers, its president, from association with any investment adviser, broker-dealer or investment company. The sanctions were based on findings that the firm and Carruthers, without authority, drew checks payable to certain clients on their accounts and endorsed the clients' signatures, and sent the clients monthly statements of account which did not reflect the unauthorized withdrawals.

The firm and Carruthers, without admitting or denying the charges against them, consented to the above findings and the indicated sanctions. (IA-426)



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.

U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

SEP 5 1974

LIBRARY

COMMISSION ANNOUNCEMENTS

ADVISORY COMMITTEE ON IMPLEMENTATION OF CENTRAL MARKET SYSTEM MEETING ANNOUNCED

The Securities and Exchange Commission Advisory Committee on the Implementation of a Central Market System will conduct an open meeting on September 27, 1974, at the offices of Continental Illinois National Bank and Trust Company, Room 4, 23rd floor, 231 South LaSalle Street, Chicago, Illinois, 60693, beginning at 8:30 A.M. The summarized agenda for the meeting is as follows: (1) Further definition of auction market principles; (2) Discussion of access by participants to customers (New York Stock Exchange Rule 113); (3) Discussion of the operation of a limit order book; (4) Further discussion of capital requirements and use.

Further information may be obtained by writing: Andrew P. Steffan, Director, Office of Policy Planning, Securities and Exchange Commission, 500 North Capitol St., Washington, D.C. 20549.

COURT ENFORCEMENT ACTIONS

ROBERT DALE JOHNSON PLEADS GUILTY

The Washington Regional Office announced that on August 26 before the Federal Court in Alexandria, Virginia, Robert Dale Johnson pleaded guilty to a criminal information involving one count of securities fraud and one count of mail fraud in the offer and sale of unregistered securities involving the purchase and sale of industrial wine.

Sentencing has been scheduled for a later date. (SEC v. Robert Dale Johnson, U.S.D.C., E.D. Va., Alex. Div., Criminal No. 216-74). (LR-6499)

COMPLAINT NAMES CAPITAL GROWTH COMPANY, OTHERS

The New York Regional Office announced that the Commission filed a complaint in the U. S. District Court for the Southern District of New York, naming as defendants Capital Growth Company, S.A. (Costa Rica), Capital Growth Company, S.A. (Panama), New Providence Securities Ltd., S.A., Sheffield Advisory Company, Sheffield Advisory Company, S.A., EHG Enterprises, Inc., Clovis W. McAlpin, Sanford C. Shultes, Ariel E. Gutierrez and Enrique H. Gutierrez, charging them with violating and aiding and abetting violations of the antifraud provisions of the securities laws.

The complaint alleges that McAlpin and the other defendants have engaged and are engaging in a scheme to defraud the shareholders of Capital Growth Company, an offshore mutual fund, through a series of self-dealing transactions involving extensive utilization of the jurisdictional means resulting in the depletion of the assets of Capital Growth Company.

The Commission is seeking preliminary and permanent injunctions against all of the defendants enjoining them from engaging in further acts, practices and courses of conduct in violation of the antifraud provisions of the securities laws, the appointment of a receiver, among other things, to seek disgorgement of all misappropriated monies, securities and assets, and pending the hearing for the preliminary relief sought, a temporary restraining order. (SEC v. Capital Growth Company, S.A., et al., U.S.D.C. Southern District of New York). (LR-6502)

TRADING SUSPENSIONS

TRADING SUSPENDED IN SAVOY INDUSTRIES, INC.

Exchange and over-the-counter trading in the common stock of Savoy Industries, Inc., a Delaware corporation located in Long Island City, New York, has been suspended for a ten-day period beginning on September 3 and continuing through midnight (EDT) on September 12, 1974.

The American Stock Exchange previously halted trading in the common stock of Savoy on August 19, 1974. The suspension was initiated at the request of the company because of a concern about the adequacy and accuracy of Savoy's most recent financial information contained in its annual report for its fiscal year ended December 31, 1973 and the

three months report for the period ended March 31, 1974. In addition, Savoy's report on Form 10-Q for the six months ended June 30, 1974 which was due August 14 is delinquent. Finally, questions also exist as to whether a report filed with the Commission in April 1974 on Schedule 13D reflecting a change in control of Savoy contains accurate and adequate information about the agreements which resulted in such change in control. (Rel. 34-10998)

INVESTMENT COMPANY ACT RELEASES

ECKMAR CORP.

An order has been issued on an application of Eckmar Corp., a Delaware Corporation, under certain provisions of the Act determining that Eckmar Corp. controls Health-Med Corporation and declaring that Eckmar Corp. is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities through controlled companies conducting similar types of businesses. (Rel. IC-8477 - Aug. 30)

TECHNIVEST FUND

An order has been issued on an application of Technivest Fund, Inc., declaring that the Fund has ceased to be an investment company. (Rel. IC-8478 - Aug. 30)

ENERGY FUND INCORPORATED

An order has been issued on an application of Energy Fund, Inc., a mutual fund, declaring that Frederick P. Rose, a director of the Fund, is not an "interested person" by reason of his affiliation with Home Life Insurance Company. (Rel. IC-8479 - Aug. 30)

SECURITIES ACT REGISTRATIONS

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:

The Narda Microwave Corporation, Plainview, N.Y. (File 2-51834 - Aug. 27) - 90,954 shares
Hartfield-Zodys, Inc., New York, N.Y. (File 2-51838 - Aug. 28) - 100,000 shares
Tab Products Co., Palo Alto, Cal. (File 2-51841 - Aug. 29) - 82,000 shares
Clevopak Corporation, New York, N.Y. (File 2-51846 - Aug. 29) - 100,000 shares
UGI Corporation, Valley Forge, Penn. (File 2-51848 - Aug. 29) - 294,310 shares
Pizza Corporation of America, Wichita, Kansas (File 2-51850 - Aug. 28) - 30,000 shares
STP Corporation, Fort Lauderdale, Fla. (File 2-51852 - Aug. 29) - 500,000 shares
Savin Business Machines Corporation, Valhalla, N.Y. (File 2-51851 - Aug. 29) - 20,000 shares
Powers Regulator Company, Skokie, Ill. (File 2-51855 - Aug. 29) - 380,000 shares
National Starch and Chemical Corp., Bridgewater, N.J. (File 2-51856 - Aug. 30) - 15,000 shares
Continental Care Centers, Inc., Omaha, Neb. (File 2-51857 - Aug. 29) - 150,000 shares
The Lubrizol Corp., Wickliffe, Ohio (File 2-51859 - Aug. 30) - 75,000 shares

REGISTRATIONS EFFECTIVE

Sept. 3: Dynalectron Corp., 2-51205; Independent Bankshares Corp., 2-51399; MBPXL Corp., 2-51747; Michigan Financial Corp., 2-51232; Pier I Imports, Inc., 2-51651; Supreme Equipment & Systems Corp., 2-51758; Universal Rundle Corp., 2-51749; Mr. Wiggs Department Stores of Piqua, Inc., 2-51748.

REGISTRATIONS WITHDRAWN

Aug. 30: DeKalb Agresearch Inc., 2-51780; PCA International, Inc., 2-50483.
Sept. 3: Multivest Real Estate Fund, Ltd., Series VIII, 2-51103; Sport Real Estate Partnership & Development Association, A Ltd. Partnership, 2-50110.

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 August 15-27, 1974.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Small Business Enterprises Co.	Lexitron Corp. (Chatsworth, Calif.) Common Stock - 89,500 shs. Common Stock - 153,226 shs. on exercise of Warrants (Pursuant to a Purchase Agreement SBEC and four other investors purchased a total of 316,000 Common Shares and Warrants to purchase 541,000 shares)	8-15-74
Dreyfus Fund, Inc.	Natomas Co. (San Francisco, Calif.) Common Stock - 228,860 shs.	8-15-74
W. R. Grace & Co. Teal Petroleum Co.	Amini Oil Co. (Houston, Texas) Common Stock - 2,180,478 (98.84%) (372,978 of above shares were purchased pursuant to the Tender Offer by Teal, a wholly-owned subsidiary of Grace)	8-15-74
Litton Industries, Inc.	Compucorp (Los Angeles, Calif.) Common Stock - 530,000 shs. Common Stock - 765,555 shs. on exercise of Warrants and conversion of Notes	8-15-74
* Gulf & Western Industries, Inc.	Brown Co. (Pasadena, Calif.) Common Stock - 2,849,290 shs. Common Stock - 926,087 shs. on exercise of Warrants (315,801 of above were purchased pursuant to the Tender Offer which has been extended to August 30)	8-16-74
* Gulf & Western Industries, Inc.	Madison Square Garden Corp. (New York City) Common Stock - 1,638,270 shs. Common Stock - 550,000 shs. on exercise of Warrants (274,242 of above were purchased by its wholly-owned subsidiary Gulf & Western Realty Corp, pursuant to the Tender Offer which has been extended to August 30)	8-16-74
Petrie Stores Corp.	Winkelman Stores, Inc. (Detroit, Mich.) Common Stock - 52,900 shs.	8-16-74
Jack M. Grossman	Arex Industries, Inc. (Pasadena, Calif.) Common Stock - 302,552 shs. (47.5%) Common Stock - 15,107 shs. on exercise of Option (Mr. Grossman is the President and Chairman of the Board of Arex)	8-19-74
Group of Shareholders	Barber Oil Corp. (New York City) Capital Stock - 247,827 shs.	8-19-74
* Brinco Ltd. (Canada)	Abitibi Asbestos Mining Co. Ltd. (Val D'Or, Quebec) Common Stock - 2,384,475 shs.	8-19-74

ACQUISITION REPORTS CONT.

* Atlantic Realty Co.	Great Southern Enterprises, Inc. (Atlanta, Ga.) Common Stock - 239,190 shs. Common Stock - 68,918 shs. on exercise of Opts. (Atlantic purchased 181,540 shares of above pursuant to the Tender Offer and presently owns 87% of the outstanding shares)	8-20-74
Keystone Custodian Fund, Series S-4	Molycorp, Inc. (White Plains, N. Y.) Common Stock - 116,500 shs.	8-21-74
* Dr. Wolfgang Forster (West Germany)	R. D. Products, Inc. (Victor, N. Y.) Common Stock - 583,334 shs.	8-21-74
Prudential Insurance Co. of America	Rollins, Inc. (Atlanta, Ga.) Common Stock - 1,293,750 shs.	8-21-74
Cargill, Inc.	Summit National Holding Co. (Akron, Ohio) Common Stock - 911,241 shs.	8-22-74
Peter Gilbert	Valmac Industries, Inc. (Memphis, Tenn.) Common Stock - 80,100 shs.	8-22-74
David Halper	National Packaging Corp. (St. Paul, Minn.) Common Stock - 75,000 shs. (Above shares are a portion of 1,500,000 shs. subject to a Voting Trust Agreement representing 71.74% of the outstanding Common Stock)	8-23-74
Robert H. Kieckhefer	Belco Petroleum Corp. (New York City) Common Stock - 272,893 shs.	8-23-74
Metz Baking Co.	Interstate Brands Corp. (Kansas City, Mo.) Common Stock - 115,600 shs.	8-23-74
* Hambro Canada Ltd.	Peel-Elder Ltd. (Toronto, Canada) Capital Shares - 3,178,961 shs. (94.45%) (1,541,983 shares of above were purchased pursuant to the Tender Offer)	8-26-74
* La Jolla 1980 Corp.	Intermark, Inc. (La Jolla, Calif.) Common Stock - 222,933 shs. Common Stock - 23,400 shs. on exercise of Warrants attached to Debentures	8-26-74
Moore Foundation	College University Corp. (Indianapolis, Ind.) Common Stock - 285,916 shs.	8-26-74
Sherman Fairchild Foundation Inc.	Fairchild Camera & Instrument Corp. (Mountain View, Calif.) Common Stock - 663,804 shs.	8-26-74
Sherman Fairchild Foundation, Inc.	Leisure Dynamics, Inc. (Minneapolis, Minn.) Common Stock - 195,820 shs.	8-26-74
Ampco-Pittsburgh Corp.	Pittsburgh Forgings Co. (Pittsburgh, Pa.) Common Stock - 453,196 shs.	8-26-74
Prudential Insurance Co of America	Texas Instruments (Dallas, Texas) Common Stock - 1,325,000 shs.	8-26-74
HMO Shareholders Committee	HMO International, Inc. (Los Angeles, Calif.) Common Stock - 388,128 shs. (Individual members of the Committee who own above shares have agreed to vote their shareholdings as a block)	8-26-74

ACQUISITION REPORTS CONT.

Creusot-Loire (France)	Alan Wood Steel Co. (Conshohocken, Pa.) Common Stock - 78,000 shs. Common Stock - 44,400 shs. on exercise of Option	8-26-74
Sherman Fairchild Foundation, Inc.	Conrac Corp. (New York City) Common Stock - 64,385 shs. Common Stock - 9,290 shs. on conversion of Preferred	8-26-74
Jet Oil Co.	Aberdeen Petroleum Corp. (Tulsa Okla.) Class A Common - 32,200 shs.	8-26-74
National Bank of Commerce of Dallas	Dallas Business Capital Corp. (Dallas, Texas) Common Stock - 57,200 shs.	8-26-74
Mutual of Omaha Insurance Co.	United Benefit Life Insurance Co. (Omaha, Nebr.) Capital Stock - 511,382 shs. (71.03%)	8-27-74

* 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>
Sun Ventures, Inc., a wholly-owned subsidiary of Sun Oil Co.	Residex Corp. (Far Hills, N. J.) Common Stock - All outstanding shs. for cash at \$2.00 net per share (Sun presently owns approximately 87% of the outstanding Common Shares)	8- 7-74
Jefferson Smurfit Group Ltd. (Ireland)	Time Industries, Inc. (Chicago, Ill.) Common Stock - 240,000 shs. for cash at \$10.875 less applicable stock transfer taxes (The above 240,000 and the 300,000 shares Time has agreed to sell Smurfit represents approximately 40% of the outstanding shares)	8-21-74
Newmont Mining Corp.	Foote Mineral Co. (Exton, Pa.) Common Stock - All outstanding shs. for cash at \$18.50 net per share Preferred Stock - All outstanding shs. for cash at \$28.50 net per share (Newmont presently owns approximately 33% of the outstanding Common Shares)	8-22-74

SEC 40TH ANNIVERSARY CELEBRATION

The SEC wishes to invite all past employees to attend its 40th Anniversary Celebration to be held on October 14, 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 purchaser.

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.

SEC NEWS DIGEST is published daily. Subscription rates: \$35.45/yr in U.S. first class mail; \$44.35 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$21.35/yr in U.S. first class mail, \$26.70 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.