

sec news digest

Issue 75-137
(SEC Docket, Vol. 7, No. 8 - July 29)

U.S. SECURITIES & EXCHANGE COMMISSION
RECEIVED

July 16, 1975

COMMISSION ANNOUNCEMENTS

REQUEST FOR RECORDS RELATING TO
STIRLING HOMEX INVESTIGATION DENIED

LIBRARY

The Commission has denied the request of Edward H. Kohn for access to certain of the records, including internal memoranda, contained in the Commission's investigatory file relating to Stirling Homes Corporation. The Commission finds that there is a concrete prospect that additional law enforcement proceedings arising from this investigation will be instituted and that it appears that disclosure of the requested records at this time would interfere with such enforcement proceedings. In these circumstances, the records are exempt from disclosure by virtue of the fifth and seventh exemptions from compelled disclosure contained in the Act. (Rel. FOIA-19)

COURT ENFORCEMENT ACTIONS

HOLIDAY MAGIC, INC. CORPORATE DEFENDANTS
PERMANENTLY ENJOINED

The Los Angeles, New York and the San Francisco Offices announced that on July 7 the Honorable Lloyd H. Burke, U.S. District Judge for the Northern District of California, entered final judgments of permanent injunction against all individual defendants in the Commission's action against Holiday Magic, Inc. The individuals against whom the judgments were entered are Roland R. Nocera, Harold A. Lipska, H. K. White, John T. Carr, M. Stanton Thames, Paul F. Skvaril, Alfred W. Pangerl, Eric Alexander, Andrew Berliner, James Hearn, Michael Haburay, and William Dempsey. By the terms of these judgments, the individual defendants, without admitting or denying the allegations of the complaint, are enjoined from violations of the registration and antifraud provisions of the securities laws in connection with the offer, purchase and sale of any security, including but not limited to, stock, promissory notes, and participations in a pyramid-promotion scheme, which the defendants had designated, among other things, as "master distributorships" and "general distributorships." Permanent injunctions were previously entered against the corporate defendants in this action on April 1, 1974 and against the William Penn Patrick Trust on July 18, 1974.

The complaint, filed on June 28, 1973, alleged that the defendants engaged in the fraudulent operation of a pyramid-promotion, or endless-chain scheme, under the guise of marketing various consumer products.

On April 1, 1974, Judge Burke appointed Marvin G. Giometti, Esq. as Special Counsel to supervise the judgments entered against the Holiday Magic corporate defendants, including the funding of a Restitution Fund established for the benefit of investors. The Special Counsel is continuing to process investors' claims on the Restitution Fund. Any inquiries with respect to this Fund should be directed to Marvin G. Giometti, Special Counsel, Box 3269, Main Post Office, San Francisco, California 94119. For further information, see LR-5961 and LR-6314. (SEC v. Holiday Magic, Inc., et al., N.D. CA). (LR-6982)

GULF SOUTH CORPORATION ENJOINED

The Fort Worth Regional Office announced that on July 2 Federal District Judge Fred J. Daugherty, in Oklahoma City, Oklahoma, entered orders of permanent injunction by consent against Gulf South Corporation, Gulf South Mortgage Investors, Gulf South Advisors, Ltd., National Guaranty Insurance Company, Leonard H. Savage, C. Wayne Litchfield, Ann F. Merchant, and Clifford A. Wilson, all of Oklahoma City; Ernest C. Neuman, Mount Pleasant, Texas, formerly of Oklahoma City; and Family Loan, Inc. and Robert R. Piland, Springfield, Missouri, enjoining them from violations of various provisions of the securities laws.

The Commission's complaint alleged that Leonard Savage, Litchfield, Merchant, Wilson, Neuman, Piland, National Guaranty Insurance Company, Gulf South Corporation and Family Loan, Inc. violated the antifraud provisions of the securities laws in connection with the offer for sale, sale and purchase of securities of Standard Life Corporation, Standard Life and Accident Insurance Company, Gulf South Corporation and Family Loan, Inc. The complaint charged that Gulf South Mortgage Investors, Gulf South Advisors, Ltd., Leonard Savage, Litchfield, and Neuman caused Gulf South Mortgage Investors to be operated in a manner contrary to its Declaration of Trust and investment guidelines as represented to the public in its filings with the Commission. Gulf South Corporation, Family Loan, Inc., Litchfield, Neuman, Wilson and Piland were charged with violations of the registration provisions in the offer and sale of subordinated debentures of Family Loan, Inc. Gulf South Mortgage Investors and Gulf South Corporation were also charged with violating the reporting provisions of the securities laws by failing to make and to file the required periodic reports with the Commission.

Each of the defendants consented to the permanent injunctions without admitting or denying the allegations in the Commission's complaint. (SEC v. Standard Life Corp., et al., W.D. Okla.). (LR-6983)

BERNARD H. HOROWITZ AND DAVID J. HOROWITZ
ENJOINED

The SEC announced that on July 7 Judge James Lawrence King of the U.S. District Court for the Southern District of Florida at Miami, entered an order of permanent injunction prohibiting Bernard H. Horowitz and David J. Horowitz from violating the registration and antifraud provisions of the securities laws in connection with the offer, sale, and purchase of the securities of Equitable Development Corporation or any other security. The order was entered under the terms of a stipulation and consent whereby both defendants, without admitting or denying the allegations in the Commission's complaint, consented to the entry of the order. (SEC v. Bernard H. Horowitz and David J. Horowitz, S.D. Fla., Civil Action No. 75-1009-Civ-JLK). (LR-6984)

COLLATERAL ACCOUNTS, INC., AUBREY W. SMITH, SR.
ENJOINED

The Atlanta Regional Office announced that on July 8 the Federal Court in Birmingham, Alabama issued orders permanently enjoining Collateral Accounts, Inc. and its president, Aubrey W. Smith, Sr., both of Huntsville, from violations of the registration and antifraud provisions of the securities laws. The defendants consented to the orders without admitting or denying the allegations of the complaint. (SEC v. Collateral Accounts, Inc. and Aubrey W. Smith, Sr., N.D. Ala., CA75LO758NE). (LR-6985)

CHARLES J. STEEN ENJOINED

The Atlanta Regional Office announced that on July 8 the Federal Court in Birmingham issued an order permanently enjoining Charles J. Steen, of Jackson, Mississippi, from violations of the registration and antifraud provisions of the securities laws. Steen consented to the order without admitting or denying the allegations of the complaint. (SEC v. National Accounts Service Association, Inc., et al., N.D. Ala., CA75LO757NE). (LR-6986)

SANFORD DVORIN ENJOINED

The Fort Worth Regional Office announced the filing of a criminal information in Federal District Court at Dallas, Texas, on July 7 charging Sanford Dvorin, of Dallas, with criminal contempt of an order entered on February 21, 1974, permanently enjoining Dvorin and others from violations of the registration and antifraud provisions of the securities laws. The information alleged that Dvorin, in disobedience of the Court's order, violated the securities registration and antifraud provisions of the securities laws in the offer and sale of fractional undivided working interests in oil and gas leases issued by Independent Energy Corporation. (U.S. v. Sanford Dvorin, N.D. Tex.). (LR-6987)

HOLDING COMPANY ACT RELEASES

EASTERN UTILITIES ASSOCIATES

A supplemental order has been issued authorizing Eastern Utilities Associates, a registered holding company, and its subsidiaries, to increase the number of banks from which they may make short-term borrowings and to change the amounts of borrowings made from particular banks. (Rel. 35-19086 - July 14)

NATIONAL FUEL GAS COMPANY

An order has been issued authorizing National Fuel, a registered holding company to (1) issue and sell up to \$30 million of its short-term unsecured notes to banks and apply the proceeds therefrom to the purchase of a like amount of short-term notes to be issued by Supply Corporation, and (2) issue and sell up to \$12 million short-term notes to a bank under a credit agreement and apply the proceeds therefrom to purchase a like amount of short-term notes to be issued by Distribution Corporation. (Rel. 35-19087 - July 15)

An order has also been issued authorizing proposals of National Fuel and its three subsidiaries, Mars, Sylvania and Supply Corporation for (1) the sale to Mars by Sylvania of assets not employed in Sylvania's natural gas operations and (2) the merger of Sylvania into Supply Corporation. The proposed transactions constitute a plan for simplification of the National Fuel holding company system. (Rel. 35-19088 - July 15)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Equity Funding Corp., and (b) over-the-counter trading in the securities of Industries International, Inc. and Westgate California Corp. for the further ten-day period July 15 - 25, inclusive.

SECURITIES ACT REGISTRATIONS

(S-9) SOUTHERN NATURAL GAS COMPANY

1900 Fifth Avenue, North, First National-Southern Natural Bldg., Birmingham, Ala. 35203 - \$60 million of sinking fund debentures, due 1985, to be offered for sale at prices current at the time of sale through underwriters headed by Blyth Eastman Dillon & Co. Incorporated, One Chase Manhattan Plaza, New York, N.Y. 10005, Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, New York, N.Y. 10006, and Lehman Brothers Incorporated, One William St., New York, N.Y. 10004. The company is engaged primarily in the business of the interstate transmission and sale of natural gas. (File 2-54192 - July 14)

(S-1) GAMBLE-SKOGMO, INC.

5100 Gamble Dr., Minneapolis, Minn. 55416 - \$19,430,000 of 10% subordinated income capital notes, due 1990, to be offered for sale in exchange for a like amount of outstanding 7% subordinated income notes, due 1977. Gamble-Skogmo is primarily engaged in the retail and wholesale merchandising business. (File 2-54190 - July 14)

(S-7) TUCSON GAS & ELECTRIC COMPANY

220 West Sixth St., Tucson, Ariz. 85702 - 2,600,000 shares of common stock, to be offered for sale through a negotiated sale to underwriters managed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 and Blyth Eastman Dillon & Co. Incorporated, One Chase Manhattan Plaza, New York, N.Y. 10005. The company is an operating public utility engaged in supplying electric and gas service. (File 2-54193 - July 15)

(S-14) WINTERS NATIONAL CORPORATION

Winters Bank Tower, Dayton, Ohio 45402 - 277,866 shares of preferred stock or promissory notes, to be offered for sale under the merger of Euclid National Bank (Bank) into a wholly-owned subsidiary bank of the Corporation, the Corporation will offer the shareholders of the Bank one share of the Corporation's convertible Series A preferred stock, \$10 par, (Preferred Stock) for each share of common capital stock \$5 par, of the Bank held by the shareholders. In lieu of receiving Preferred Stock, shareholders of the Bank may elect to receive payment of \$32.00 per share payable in the form of a 5-year promissory note of the Corporation, with interest at 8% per annum. The company is a bank holding company engaged in full service banking and bank-related activities. (File 2-53903 - June 10)

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:

Newbery Energy Corp., Phoenix, Ariz. (File 2-54134 - July 7) - 75,000 shares, and
(File 2-54135 - July 7) - 48,000 shares
Xerox Corp., Stamford, Conn. (File 2-54137 - July 7) - 109,890 shares
Tennessee Valley Bancorp., Inc., Nashville, Tenn. (File 2-54138 - July 7) - 210,000
shares
American Recreation Group, Inc., New York, N.Y. (File 2-54144 - July 7) - 100,000
shares
Datum Inc., Anaheim, Cal. (File 2-54150 - July 7) - 71,000 shares
North American Philips Corp., New York, N.Y. (File 2-54152 - July 8) - 300,000
shares
Management Assistance Inc., New York, N.Y. (File 2-54154 - July 8) - 600,000 shares
Lennar Corp., Miami, Fla. (File 2-54161 - July 9) - 250,000 shares
Grumman Corp., Bethpage, Long Island, N.Y. (File 2-54162 - July 9) - 200,000 shares
The Signal Companies, Inc., Beverly Hills, Cal. (File 2-54171 - July 10) -
500,000 shares
The Foxboro Co., Foxboro, Mass. (File 2-54178 - July 11) - 100,000 shares
The Newhall Land and Farming Co., Valencia, Cal. (File 2-54180 - July 11) - 250,000
shares
The New York Times Co., New York, N.Y. (File 2-54179 - July 11) - 1,391,873 shares
RSR Corp., Dallas, Tex. (File 2-54183 - July 11) - 281,200 shares
Mountain States Financial Corp., Albuquerque, New Mexico (File 2-54186 - July 11) -
18,000 shares
American States Life Insurance Co., Indianapolis, Ind. (File 2-54188 - July 11) -
100,000 shares
City Stores Co., New York, N.Y. (File 2-54191 - July 11) - 100,000 shares

REGISTRATIONS EFFECTIVE

July 14: The Dean Witter Tax-Exempt Trust, Eighth Series, 2-53222.

July 15: Communications Properties Inc., 2-53728; The Detroit Edison Co., 2-54023;
Duquesne Light Co., 2-54003; Florida Power Corp., 2-53318; General Telephone Co. of
Illinois, 2-53997; Municipal Trust Second National Series, 2-53891; N L Industries,
Inc., 2-54075; Rainier Bancorp., 2-54058; The William Carter Co., 2-53912; Mountain
Fuel Supply Corp., 2-54034.

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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