

sec news digest

a daily summary from the securities and exchange commission

Issue 74-9

(SEC Docket, Vol. 3, No. 11 - Jan 29)

January 14, 1974

COMMISSION ANNOUNCEMENTS

SUSPENSION OF TRADING IN OMEGA-ALPHA, INC. TERMINATED. The Commission today announced that the suspension of trading in the securities of Omega-Alpha, Inc. (Omega) of Dallas, Texas, will terminate at midnight (EDT) January 15, 1974. Omega's common stock is traded in the over-the-counter market and its debentures and warrants are listed on the American Stock Exchange.

The Commission initiated the trading suspension on November 7, 1973, pending clarification of the results of Omega's operations for the year ended June 30, 1973, and because the company was delinquent in filing its annual report on Form 10-K for 1973. Omega subsequently filed its Form 10-K for 1973 and its Form 10-Q for the three months ended September 30, 1973, and, in addition, issued a press release attempting to summarize the information contained in the Form 10-K and 10-Q.

Omega has encountered financial difficulties resulting primarily from the maturity of large amounts of debt. The company has stated that its future viability is dependent, among other things, on management's ability to (a) renegotiate, refinance, or convert a substantial amount of its debt, (b) sell certain of its assets at a reasonable price, and (c) develop a profitable operation, none of which can be assured.

Omega reported for the fiscal year ended June 30, 1973 a net loss of \$59 million, and for fiscal 1972 a net loss of \$42 million. Omega has informed the Commission that preliminary figures for the six-month period ended December 31, 1973 now indicate that Omega has a loss from operations of over \$3 million, a negative net worth in excess of \$41 million, a negative cash flow, and a deficit working capital position as of November, 1973, of approximately \$2.2 million.

Form 10-K for fiscal 1973 disclosed the following: (a) Omega had an obligation to pay, by December 31, 1973, \$10 million of a \$20 million bank loan and to reduce other debt by an additional \$10 million; (b) \$5 million of its mortgage debt was to become due February 1, 1974; (c) Transcontinental Music Company (TMC), a majority-owned subsidiary, was continuing to incur losses, was being refused vendor credit and did not have the necessary cash to make adequate inventory purchase; and (d) \$3,150,000 principal amount of its debt had matured on November 30, 1973, although Omega was asserting an offsetting claim which is in litigation.

To make these, as well as other payments, Omega is considering selling its interest in General Felt Industries and has agreed to sell TMC to Pickwick International, Inc. Omega is to retain the accounts receivable of TMC, which are expected to produce from \$4 to \$6 million over the next several months. This sale is expected to result in a \$7.5 million net loss to Omega which was included in computing its negative net worth.

In addition, Omega is contemplating transferring major operating plants, property, machinery and equipment to its subsidiaries, General Felt Industries and Okonite, in exchange for their assuming related debt of approximately \$25 million and issuing notes to Omega.

A failure to meet certain immediate debt obligations could result not only in a default under the related debt instrument but also in defaults under certain other debt instruments. Such defaults could result in the acceleration of all or a significant amount of Omega's debt or in the sale of substantially all of its assets to reduce such indebtedness, although its subsidiaries, Okonite and General Felt Industries, would continue in business. (Rel. 34-10595)

U.S. SECURITIES & EXCHANGE COMMISSION

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COURT ENFORCEMENT ACTIONS

LONDON SECURITIES LTD. TEMPORARILY RESTRAINED. The New York Regional Office announces that on January 4 the Federal court in New York City temporarily restrained London Securities, Ltd., a broker-dealer of New York City, and Joseph C. Caggiano, its president, from violations of the registration, net capital, bookkeeping, supplemental reporting, and margin requirements under the Securities Exchange Act of 1934. (LR-6200)

HOLDING COMPANY ACT RELEASES

UTAH POWER & LIGHT COMPANY. An order has been issued authorizing Utah Power & Light Company, registered holding company, to (1) acquire certain pollution control facilities, (2) lease the facilities to 3 counties, (3) sublease the facilities back from the counties and (4) issue first mortgage bonds and pledge the bonds as security for subrentals due under the sublease of the facilities. (Rel. 35-18523)

INVESTMENT COMPANY ACT RELEASES

THE DREYFUS CORPORATION. An order has been issued on an application by eight unit investment trusts, each registered under the Investment Company Act of 1940, and the Bank of New York, permitting the Bank, as custodian for the trusts, to hold 5% of the assets of each of the trusts as "book shares", i.e. as entries on the records of the transfer agent of the underlying investment company in which the assets of each trust are invested. (Rel. IC-8176)

OPPENHEIMER SYSTEMATIC CAPITAL ACCUMULATION PROGRAM. An order has been issued on an application by Oppenheimer Systematic Capital Accumulation Program, Oppenheimer Time Fund Capital Accumulation Program, and Capital Accumulation Program of Shares of Oppenheimer A.I.M. Fund, each of which is a registered unit investment trust, and Oppenheimer Management Corporation, depositor of the trusts, permitting plans issued by the trusts to be exchanged, under certain conditions, for plans issued by the other trusts without any deductions for sales or administrative expenses. (Rel. IC-8177)

MISCELLANEOUS

SECURITIES ACT REGISTRATIONS. Effective January 11: American Financial Corp., 2-49885; American Reserve Corp., 2-49983; Cambridge Memories, Inc., 2-49868; Connecticut Bancshares Corp., 2-49148; First Melville Bancorp, Inc., 2-49790 (90 days); Peterson, Howell & Heather, Inc., 2-49361; Wilson & Co., Inc., 2-49848; Wyoming Bancorporation, 2-49743.

Effective January 14: Charter New York Corp., 2-49371; ADRs for Fisons Limited, 2-49993.

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

TRADING PRIVILEGES GRANTED. An order has been issued granting an application of the PBW Stock Exchange, Inc. for unlisted trading privileges in the common stocks of the following companies: Crystal Oil Co.; Den-Tal-Ez, Inc.; Edgington Oil Co.; Ionics, Inc.; Southeast Banking Corp. (Rel. 34-10596)

IMPORTANT NOTICE

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed: Public Reference Section, Securities and Exchange Commission, Washington, D. C. 20549. The reproduction cost will approximate 12¢ per page, plus postage, for mailing within four days, to 25¢ per page, plus postage, for overnight mailing. Cost estimates given on request.

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8K REPORTS CONT.

OMEGA EQUITIES CORP	2,14	11/73
PARAMOUNT LEASING CORP	13	11/73
PARKVIEW GEM INC	2,10	11/73
PIC N PAY STORES INC	11	11/73
PITTSBURGH TESTING LABORATORY	13	11/73
PRODUCTS RESEARCH & CHEMICAL CORP	13	11/73
RADICE REALTY & CONSTRUCTION CORP	7,13,14	08/73
REX NORECO INC	11	11/73
RICO ARGENTINE MINING CO	13,14	12/73
RUSCO INDUSTRIES INC	3,13	11/73
SERVO CORP OF AMERICA	7,8,13	11/73
SIEGEL HENRY I CO INC	8	10/73
SOLID STATE SCIENTIFIC INC	8	11/73
SOUTHLAND RACING CORP	13	11/73
SUAVE SHOE CORP	10	11/73
SYRACUSE SUPPLY CO	10,14	10/73
TECHNOLOGY TRANSFER LTD	1,14	11/73
THIOKCL CORP	11,13,14	11/73
UNITED TELECOMMUNICATIONS INC	2,14	11/73
VISUAL ELECTRONICS CORP	3,11,13,14	11/73

AMENDMENTS TO REPORTS ON FORM 8-K

ANIXTER BROTHERS INC	14	10/73
ARTS WAY MANUFACTURING CO INC	14	09/73
BLOUNT INC	2,14	04/73
CAMERON BROWN INVESTMENT GROUP	13	08/73
FLORIDA POWER & LIGHT CO	3	11/73
GLOBE UNION INC	13,14	11/73
GUARDIAN DEVELOPMENT CORP	14	11/73
HODGSON HOUSES INC	2,14	09/73
IDEAL BASIC INDUSTRIES INC	14	10/73
LINDSEY GEORGE INTERNATIONAL INC	10	09/73
OPTICS TECHNOLOGY INC	9	10/73
SHOWBOAT INC	13	11/73
UIP CORP	14	10/73
AD PRESS LTD	8	10/73
ALPHA INDUSTRIES INC	14	10/73
CAROLANDO CORP	14	10/73
DELTA AIR LINES INC	7	11/73
EARTH RESOURCES CO	14	10/73
GENERAL CARE CORP	2,14	11/73
MASTER CRAFT LITHOGRAPHERS INC	14	10/73
OHIO REAL ESTATE EQUITIES CO	14	10/73
OHIO REAL ESTATE INVESTMENT CO	14	10/73
USP REAL ESTATE INVESTMENT TRUST	2,14	07/73
AMINEX CORP	8,14	10/73
BANTAM BOOKS INC -	3	10/73
FIRST NORTHWEST INDUSTRIES OF AMERICA IN	14	01/73
GREAT NORTHERN MANAGEMENT CO INC	3,13	08/73
HEINZ H J CO	14	09/73
MAYFLOWER CO	1,4	09/73
PENN TECH CORP	2,13	11/73
REALTY & MORTGAGE INVESTORS OF THE PACIF	4,7,14	10/73
SHOREWOOD CORP	3	10/73
WOMETCO ENTERPRISES INC	13	11/73

Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$35.45 a year, first class mail; \$8.90 additional for foreign mailing) and the SEC Docket (\$21.35 a year, first class mail; \$5.35 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.