

sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION
RECEIVED

Issue 74-67

APR 8 1974

(SEC Docket, Vol. 4, No. 2 - Apr. 16)

April 5, 1974

RULES AND RELATED MATTERS

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AMENDMENT TO RULE RELATING TO DISCIPLINARY PROCEEDINGS INVOLVING PROFESSIONALS PRACTICING BEFORE THE COMMISSION PROPOSED

The SEC announced today the publication for comment of a proposed change in Rule 2(e)(7) of its Rules of Practice. As proposed, the revised rule would provide that proceedings pursuant to Rule 2(e), including any hearings held in connection with such proceedings, would be public, unless the Commission, on its own motion or at the request of a party, should direct otherwise. This would constitute a reversal of the present provision which provides that such proceedings shall be non-public unless the Commission directs otherwise.

Interested persons are invited to submit their views and comments on whether the proposed change in the Rule should be made. To be considered, written statements of views and comments should be submitted to the Secretary, Securities and Exchange Commission, Washington, D. C. 20549, on or before May 20, 1974. All communications in this regard should refer to File N. S7-520, and will be available for public inspection. (Rel. 33-5477)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

CRAIG T. MUFF SUSPENDED

An order has been issued suspending Craig T. Muff, of Easton, Pennsylvania, from association with any broker or dealer for a period of 30 days. According to the decision, Muff sold unregistered shares of the common stock of International Resources, Inc., and made misrepresentations with respect to the expected price rise for such securities and the ability of purchasers to trade them freely. Muff also aided and abetted the failure to record transactions involving International Resources.

The suspension begins as of the opening of business on April 8, 1974. After the expiration of the 30 day period, Muff may not become associated in the securities business in an ownership or supervisory position or in any capacity in which he is not subject to proper supervision. The Commission's order was based on an offer of settlement in which Muff, without admitting or denying the charges against him, consented to the findings and indicated sanctions. (Rel. 34-10713)

ORDERS FOR PUBLIC PROCEEDINGS

COMMISSION ORDERS PROCEEDINGS AGAINST THREE FIRMS AND FIVE INDIVIDUALS

Public proceedings under the Securities Exchange Act of 1934 have been instituted against First Broward Securities, Inc., Ft. Lauderdale, Florida; I. J. Schenin Company, Inc., Miami Beach, Florida; and D. G. Kalmanson, Inc., Miami, Florida, all broker-dealer firms; and Bob E. Bartels and William E. Sfaelas, Ft. Lauderdale, Florida; I. Jack Schenin, George S. Gordon and David C. Kalmanson of Miami, Florida. Each of the individual respondents is or was associated with one of the respondent firms during the period relative to the proceedings.

The proceedings are based on allegations of the Commission's staff that the respondent firms violated and the respondent associated individuals aided and abetted

violations of the antifraud and bookkeeping provisions of the securities laws in a distribution of unregistered stock of Campco Corporation.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defenses. The hearing will be held to determine whether the allegations are true and, if so, whether any action of a remedial nature should be ordered by the Commission. (Rel. 34-10722)

TRADING SUSPENSIONS

TRADING TO TERMINATE IN BRINCO. LTD., REPUBLIC NATIONAL LIFE INSURANCE CO., AND SEABOARD AMERICAN CORP.

The SEC announced the suspension of over-the-counter trading in the securities of Brinco, Ltd. of Montreal, Quebec and of Republic National Insurance Company of Dallas, Texas will terminate at midnight (EDT) on April 7, 1974, and that the suspension of over-the-counter trading in the securities of Seaboard American Corp., of Somerville, N. J. will terminate at midnight (EDT) on April 6, 1974.

The suspension of Brinco securities was initiated on March 11, 1974 at the request of the Government of Newfoundland, Canada, pending an announcement of a proposed take-over bid by the Province. Brinco is listed on the Montreal and Toronto Stock Exchanges in Canada.

According to a joint release by Brinco, Ltd. and the government of Newfoundland and Brinco's letter of March 29, 1974 to its shareholders, under the terms of an agreement between Brinco and the government of Newfoundland, Brinco will sell its 57% interest in Churchill Falls (Labrador) Corp. together with the other Labrador water power rights owned by Brinco for \$160 million. In addition, Brinco will use its best efforts to assure the continued services of a skilled staff for the completion of the Churchill Falls hydroelectric project in Labrador and to carry on in 1974 its current program for development of the lower Churchill Falls power site at Gull Island; and subsequent to a special meeting of shareholders to consider the agreement, if ratified, Brinco will make an offer to its shareholders of \$7.07 a share so that each shareholder will have a choice of remaining a shareholder in Brinco or receiving cash in payment for his shares. Brinco's letter to shareholders also stated that Rio Tinto-Zinc Corp., Bethlehem Steel Corp., and Marubeni Corp., which together own more than 54% of Brinco's outstanding shares, have indicated their intention to vote their shares in favor of the agreement, to remain as shareholders of the company, and to reject the cash offer with respect to their shares. (Rel. 34-10718)

The Republic suspension was initiated on February 7, 1974 because of the lack of accurate and adequate information available to the public concerning the Company's operations and current and past financial statements of the Company.

On March 8, 1974, the Commission filed a complaint in the Federal court in New York seeking the appointment of receivers for Realty Equities Corporation of New York and for Republic. In addition, the complaint seeks to enjoin Realty, Republic, Westheimer, Fine, Berger and Co. (WFB), Peat, Marwick, Mitchell & Co. (PMM) and 11 individuals including officers of Republic from violations of the securities laws. WFB audited Realty's financial statements for the fiscal year ending March 31, 1971, 1972 and 1973. PMM audited Republic's financial statements for 1970, 1971 and 1972. (See LR-6273)

In an 8-K report for the month of February 1974 filed with the Commission, Republic reported the following information: On February 27, 1974, the Commissioner of Insurance of the State of Texas issued an Order under the Texas Insurance Code placing Republic in a "State of Supervision". The order states that in the opinion of the Commissioner the Company, "has exceeded its powers and has failed to comply with law in regard to the acquisition of certain investments". On February 28, 1974 the Commissioner appointed John D. Melton, Supervisor. The order and the state of supervision created therein does not restrain Republic or its management from conducting its affairs except for the specific prohibitions provided for nor does it prohibit

Republic or its management from conducting other ordinary business activities consistent with certain limitations. The Commissioner has notified Republic that on April 29, 1974, a hearing will be held to determine whether it has complied with his lawful requirements so that the order placing Republic in a "State of Supervision" may be terminated.

Republic also stated that it is in compliance with the order and is preparing the necessary materials and information to be presented at the hearing and that it knows of no reason why the order of supervision should not be terminated at the conclusion of the hearing.

As a result of the company's review in February 1974, statutory net income previously reported to shareholders for the three years ended December 31, 1972 of \$4,083,000, \$8,617,000 and \$10,382,000 have been restated as \$3,686,000, \$6,340,000 and \$7,459,000 respectively for year end 1970, 1971 and 1972. (Rel. 34-10719)

The Commission initiated the suspension in Seaboard American on November 28, 1973 because Seaboard American had failed to file with the Commission a Form 10 which was due at the end of June 1973. In addition, the Commission has also raised questions concerning the recent market activity in Seaboard American's stock.

Seaboard American Corporation on February 13, 1974, filed a registration statement on Form 10, including financial statements through February 28, 1973, with the SEC pursuant to Section 12(g) of the Securities Exchange Act of 1934. As stated in Seaboard American's consolidated statement of income, there were losses of \$1,723,200, \$493,510 and \$200,033, respectively, for years ending 1970, 1971 and 1972. Seaboard American's management also stated that it has signed an agreement to acquire the distribution rights to a just completed, unreleased concert film of the Rolling Stones' 1972 American concert tour. However, Seaboard American stated that it has never been engaged in any facet of the movie industry. In addition, Seaboard American announced in a recent press release, that for the ten months ended December 31, 1973 it had unaudited consolidated net losses of \$248,253 including the unaudited losses of \$466,076 during the same period related to discontinued food operations of two subsidiaries. The Commission has not passed upon any of the foregoing financial information. (Rel. 34-10720)

ADDITIONAL ACTION ON SEVEN TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Stratton Group, Ltd., and over-the-counter trading in the securities of Home-Stake Production Co. and Continental Vending Machines, Inc. for the further ten-day period April 5 - 14, inclusive; (b) exchange and over-the-counter trading in the securities of National Alfalfa Dehydrating & Milling Co. for the further ten-day period April 6 - 15, inclusive; (c) over-the-counter trading in the securities of Technical Resources, Inc. for the further ten-day period April 7 - 16, inclusive; and (d) exchange and over-the-counter trading in the securities of Canadian Javelin, Ltd., and over-the-counter trading in the securities of Royal Properties, Inc. for the further ten-day period April 8 - 17, inclusive.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES STONEHENGE INDUSTRIES, INC., OTHERS

The New York Regional Office and the Division of Enforcement announced the filing of a complaint on March 29 in New York seeking injunctions against violations of the registration and antifraud provisions of the securities laws by, and the appointment of a receiver for, Stonehenge Industries, Inc., a Delaware Corporation and 24 Connecticut limited partnerships (Stonehenge Limited Partnerships), of which Stonehenge is the general partner. The complaint alleges that the defendants materially misstated or omitted to state, in the sales brochures distributed to the public, material facts relating to the sales of limited partnership interests in real estate syndications. (LR-6307)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES

The SEC has authorized Northeast Utilities, a registered holding company, to increase its authorized common stock from 53 million to 75 million shares. The Commission has previously authorized Northeast to solicit by proxy the consents of the holders of its currently outstanding common stock in connection with the proposed charter amendment. (Rel. 35-18362)

APPALACHIAN POWER COMPANY

The SEC has authorized Appalachian Power Company, subsidiary of American Electric Power Company, and Southern Appalachian Coal Company, a mining subsidiary of Appalachian, to purchase the capital stock of two coal mining companies and to make a cash capital contribution in connection therewith. (Rel. 35-18363)

INVESTMENT COMPANY ACT RELEASES

AMERICAN TAX-EXEMPT BOND TRUST, SERIES 1

A notice has been issued giving interested persons until April 26 to request a hearing on an application of American Tax-Exempt Bond Trust, Series 1, a registered unit investment trust, and its sponsor, B. C. Ziegler and Company, for an order of the Commission permitting applicants and all subsequent series: (1) to offer units in the first and subsequent series to the public without having first sold \$100,000 worth of units of a series to a limited number of investors; (2) to make distributions at least semi-annually from any series of principal and income, including any capital gains; and (3) to enable the sponsor, in certain circumstances, to purchase and sell units of any series at prices based upon values previously determined on a weekly basis. (IC-8299)

SECURITIES ACT REGISTRATIONS

REGISTRATIONS EFFECTIVE

April 4: Data Pathing Inc., 2-50071; Heineken N.V., 2-50440; Province Of Quebec, 2-50425; Public Service Company Of New Mexico, 2-50338; Scholastic Magazines, Inc., 2-50279.

REGISTRATIONS WITHDRAWN

April 3: Industries Stock Average, Inc., 2-35727; Portfolio Performance Fund, Inc., 2-30339.

April 4: Chief Industries, 2-45566; Justice Mortgage Investors, 2-49464; The Okonite Company, 2-48011.

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 12¢ per page plus postage for mailing within four days (\$2 minimum) and 25¢ per page plus postage for over-night mailing (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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