

sec news digest

Issue 74-109
(SEC Docket, Vol. 4, No. 11 - June 18)

U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

June 5, 1974

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

JUN 6 1974

FIDUCIARY PLANNING, INC., AND ROBERT JOHNSTON SUSPENDED

LIBRARY

An order has been issued suspending the broker-dealer registration of Fiduciary Planning, Inc. of Birmingham, Michigan, for 21 days, suspending the firm from membership in the NASD for the same period, and suspending Robert Johnston, the firm's president, from association with any broker-dealer for the same period.

The sanctions were based on findings that Fiduciary and Johnston unlawfully sold unregistered common stock of International Scanning Devices, Inc., and failed to comply with confirmation and recordkeeping requirements.

The Commission's order was based on an offer of settlement in which Fiduciary and Johnston, without admitting or denying the charges, consented to the findings and sanctions. (Rel. 34-10827)

GLENDOL GRIMES SANCTIONED

An order has been issued suspending Glendol Grimes of Memphis, Tennessee, a vice president and director of a registered broker-dealer, for a period of six months from the date of the order from being associated with any broker or dealer and thereafter barring him from being so associated except as a supervised employee in a non-supervisory capacity upon a showing to the Commission that he will be adequately supervised.

The sanctions were based on findings that Grimes aided and abetted violations of the antifraud provisions of the securities laws in transactions in the common stock of CoSeCo, Inc. Among other things, he failed to exercise due diligence in investigating the adequacy and accuracy of statements in the CoSeCo prospectus about the nature of the underwriting and to disclose the inability of his company to engage in a firm commitment underwriting as represented in the prospectus.

The Commission's order was based on an offer of settlement in which Grimes, without admitting or denying the allegations against him, consented to the findings and specified sanctions. (Rel. 34-10829)

COMMISSION ANNOUNCEMENTS

INFO SOUGHT RE CONSTRUCTION ADVISORS

The accounting firm of Arthur Andersen & Co. has brought to the attention of the SEC that a company which calls itself Construction Advisors and which gives its address as 17272 Dulles International Airport, Washington, D.C. 20041, and its purported president, Jack Wells, have circulated a stockholders' report purported to reflect information regarding the company, when in fact a substantial portion of the information contained in the report is identical to that contained in the stockholders' report of an independent and unrelated company. The financials in the stockholders' report further purport to be certified by an accounting firm, "Arthur Andersen Co. Inc." The Commission knows of no accounting firm by that name. The accounting firm of Arthur Andersen & Co. has informed the Commission that it has no client by the name of Construction Advisors.

The SEC requests that it be notified by any persons who have knowledge and/or communication with such company. Please notify Donald S. Weiss (703-557-8201) at the Securities and Exchange Commission. (Rel. 34-10838)

REGULATION A EXEMPTION OF DELTA STEEL CORPORATION
TEMPORARILY SUSPENDED

An order has been issued suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed offering of securities of Delta Steel Corporation, of Tucson, Arizona 85719. On March 22, 1974, Delta filed a notification under Regulation A for a proposed public offering of 500,000 shares of common stock at \$1 per share. According to the order, the Commission has reason to believe: (a) the offering circular of Delta Steel Corporation, among other things, failed to disclose James N. Concannon as the manager and controlling person of the issuer, failed to state that certain designated directors and/or officers, including the president, the secretary, and the treasurer are not active in the management of the issuer, falsely stated that certain persons were engaged in providing technical advice to Delta; (b) the terms and conditions of Regulation A exemption have not been met in that the notification and offering circular failed to list James N. Concannon as an affiliate of Delta; and (c) the offering would be made in violation of the antifraud provisions of the securities laws. (Rel. 33-5500)

ORDERS FOR PUBLIC PROCEEDINGS

BRUCE W. ZIMMERMAN INVESTMENTS, OTHERS

Public administrative proceedings under the Securities Exchange Act of 1934 have been ordered against Bruce William Zimmerman, doing business as Bruce W. Zimmerman Investments, a registered broker-dealer of Aurora, Colorado, and John Alfred Bennett, a registered representative formerly employed by Zimmerman. The order alleges violations of antifraud provisions of the securities laws and cites Zimmerman for failure to reasonably supervise persons under his supervision. It is also alleged that on April 8, 1974, the U. S. District Court for California permanently enjoined John Alfred Bennett from violating the registration and antifraud provisions of securities laws. The injunction was entered upon the consent of Bennett who neither admitted nor denied the allegations of the complaint.

A hearing will be scheduled to take evidence on the charges against the defendants. (Rel. 34-10839)

COURT ENFORCEMENT ACTIONS

RECEIVER APPOINTED FOR FINANCIAL FUND

The Seattle Regional Office has announced that on the Commission's motion the Federal Court in Seattle, Washington, on May 24 appointed Lloyd Shorett of Seattle as receiver of Financial Fund, Inc. No action was taken with respect to the Commission's motion that defendant also be enjoined from violations of certain provisions of the Investment Company Act of 1940. (LR-6383)

KENNETH R. LAVIN SENTENCED

The Chicago Regional Office announced that on May 20 Kenneth R. Lavin, former executive vice-president and president of Lake Havasu Estates, an Arizona corporation, was sentenced to two years imprisonment and fined \$5,000 after a plea of guilty (on April 26) to a criminal information charging violations of the antifraud provisions of the securities laws. Lake Havasu Estates, an Arizona corporation, is not to be confused with other organizations with somewhat similar names. (LR-6384)

EDMOND H. RANDLE, JR. SENTENCED

The Washington and Atlanta Regional Offices announced that on May 17 the Federal Court in Alexandria, Virginia sentenced Edmond H. Randle, Jr., of Birmingham, Alabama, to a term of two years imprisonment, thirty days of which he is to serve, on his plea of *nolo contendere* to one count of a twenty-two count securities fraud, mail fraud and conspiracy indictment charging fraudulent offers and sales of promissory notes of Continental Marketing Associates, Inc., a now defunct Birmingham corporation. (LR-6385)

COMPLAINT NAMES PHILLIP A. MICHAEL SECURITIES, INC., OTHERS

The New York Regional Office announced that on May 17 a complaint was filed in the U. S. District Court in New York, seeking to enjoin Phillip A. Michael Securities, Inc., a broker-dealer of New York City, Michael A. Schaffer, its president, and Paul

I. Ferber, its secretary, from violating and aiding and abetting violations of the margin, net capital, bookkeeping, supplemental reporting and registration requirements of the securities laws. (LR-6386)

COMPLAINT NAMES TIMOTHY J. PETERSEN, OTHERS

The Chicago Regional Office announced the filing of a complaint on May 30 in Federal District Court, Minneapolis, Minnesota, seeking to enjoin Timothy J. Petersen, Edward P. Roitenberg, and Richard M. Meshbesher from violations of the registration provisions of the securities laws in the offer and sale of common stock of A.I.D. Inc. of Colorado. The complaint further seeks to enjoin Timothy J. Petersen from violations of the antifraud provisions of the securities laws in the offer and sale of common stock of A.I.D. Inc. of Colorado. (LR-6387)

HOLDING COMPANY ACT RELEASES

PENNSYLVANIA ELECTRIC COMPANY

An order has been issued authorizing Pennsylvania Electric Company (Penelec), subsidiary of General Public Utilities Corporation, to sell \$50 million of first mortgage bonds at competitive bidding. Penelec will use the net proceeds for construction and sinking fund purposes, and to refund at maturity Northern Pennsylvania Power Company first mortgage bonds, due 1975. (Rel. 35-18434)

OHIO EDISON COMPANY

An order has been issued authorizing Ohio Edison Company and Pennsylvania Power Company, its subsidiary, for Ohio Edison to sell 3,000,000 shares of common stock and for Pennsylvania to sell to Ohio Edison 340,000 shares of common stock. The companies will use the net proceeds for the construction and acquisition of their respective new facilities. (Rel. 35-18436)

MIDDLE SOUTH UTILITIES, INC.

An order has been issued approving proposals of Middle South Utilities, Inc. (MSU), its principal subsidiaries, and Middle South Energy, Inc. (MSEI), a newly organized subsidiary of MSU, under which MSU will purchase \$40 million of MSEI's common stock, MSEI will acquire a two-unit nuclear generating facility yet to be constructed, and MSEI will enter into a loan agreement with banks for borrowings of up to \$308.5 million. Several other proposals are included in the joint filing and involve financing, operating and service agreements by and between the companies, all of which are related to the nuclear facility. (Rel. 35-18437)

DELMARVA POWER & LIGHT COMPANY

An order has been issued authorizing Delmarva Power & Light Company, a registered holding company, to sell \$35 million of first mortgage bonds at competitive bidding. The proceeds will be used primarily to retire short-term unsecured notes. (Rel. 35-18438)

MIDDLE SOUTH UTILITIES, INC.

An order has been issued authorizing Middle South Utilities, Inc., a registered holding company, to increase from \$103,700,000 to \$143,700,000 the maximum aggregate amount of short-term notes it may sell to a group of commercial banks. The proceeds will be used to purchase 40,000 shares of common stock of Middle South Energy, Inc., a Middle South subsidiary, for a total of \$40 million. (Rel. 35-18440)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of BBI, Inc., for the further ten-day period May 29-June 7, inclusive.

SECURITIES ACT REGISTRATIONS

(S-1) PETRO-LEWIS FUNDS, INC.

1600 Broadway, Suite 1400, Denver, Colo. 80802 - \$40 million of preformation limited partnership interests in Petro-Lewis Oil Income Program partnerships, to be offered for sale through Petro-Lewis Securities Corporation by selected NASD members in minimum amounts of \$5,000. The partnerships will be formed to purchase and operate producing oil and gas properties. (File 2-51038 - May 10)

(S-11) MULTIVEST REAL ESTATE FUND, LTD., SERIES VIII

22255 Greenfield Rd., Southfield, Mich. 48075 - 30,000 of partnership interests, to be offered for sale at \$500 per unit by underwriters headed by Multivest Securities, Inc., 22255 Greenfield Rd., Southfield, Mich. 48075. The Partnership proposes to invest in improved real property. (File 2-51103 - May 15)

(S-14) MERCANTILE NATIONAL CORPORATION

1704 Main St., Dallas, Tex. 75201 - 4,000,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Mercantile National Bank at Dallas, Dallas, Texas, at the rate of one Mercantile share for each Bank share. Mercantile is a newly organized Texas corporation that will be a bank holding company. (File 2-51126 - May 20)

(SCHEDULE B) THE MANITOBA HYDRO-ELECTRIC BOARD

The Province of Manitoba (Guarantor), Winnipeg, Manitoba, Canada - \$75 million (U.S.) of bonds, Series 3E, due 2004, unconditionally guaranteed as to principal, redemption premium, if any, and interest by the Province of Manitoba, to be offered for sale by several underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated. The Board is engaged in the generation, distribution and sale of electric power throughout the Province of Manitoba. (File 2-51158 - May 23)

(S-14) CONNECTICUT NATURAL GAS CORPORATION

233 Pearl St., Hartford, Conn. 06103 - 167,024 shares of common stock and 13,738 shares of Serial preferred stock (\$100 par). It is proposed to offer the common shares in exchange for the outstanding common shares of The Greenwich Gas Company, Greenwich, Connecticut, at the rate of two Connecticut shares for three Greenwich Gas shares, and to offer the preferred shares in exchange for 28,400 outstanding shares of cumulative prior preferred stock and 26,553 outstanding shares of \$1.50 preferred shares of Greenwich at the rate of one Connecticut share for four Greenwich Gas shares. The preferred shares offered are in three series with a different series being offered for each of the three classes of Greenwich Gas preferred. The company is a natural gas distributor in central Connecticut. (File 2-51162 - May 24)

(S-14) HEUBLEIN, INC.

Munson Rd., Farmington, Conn. 06032 - 85,937 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of Zapata Foods, Inc., according to a formula set forth in the registration statement. Heublein produces and distributes alcoholic beverages including distilled spirits and wines and processes and sells fried chicken through retail fast food outlets and other food products. (File 2-51171 - May 24)

(S-14) FIRST NATIONAL STATE BANCORPORATION

550 Broad St., Newark, N. J. 07102 - 153,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Egg Harbor Bank and Trust Company, Egg Harbor City, New Jersey, at the rate of 8.5 First National shares for each Egg Harbor share outstanding. First National is a bank holding company which controls nine commercial banks. (File 2-51203 - May 31)

(S-14) T.N.B. FINANCIAL CORP.

1391 Main St., Springfield, Mass. 01103 - 40,500 shares of common stock. It is proposed to offer these shares in exchange for the outstanding capital stock of Ware Trust Company, Ware, Massachusetts, at the rate of 27 T.N.B. shares for each Bank share. T.N.B. is a one-bank holding company. (File 2-51219 - May 31)

(S-1) THE CATTLEMEN'S GROUP/WESPAC ASSOCIATES (General Partner)

1020 Prospect St., La Jolla, Cal. 92037 - \$10 million of pre-organization subscriptions for limited partnership interests, to be offered for sale on a best efforts basis through selected NASD members. The minimum subscription is \$2,500, and additional purchases of \$500, or integral multiples thereof, may be made. The limited partnerships will engage in the feeding and breeding of cattle and other activities related thereto. (File 2-51220 - June 3)

(S-1) TCA/CATTLEMEN'S GROUP ASSOCIATES (General Partner)

1020 Prospect St., La Jolla, Cal. 92037 - \$10 million of pre-organization subscriptions for limited partnership interests, to be offered for sale on a best efforts basis through selected NASD members in minimum amounts of \$2,500. The limited partnerships will engage in the feeding and breeding of cattle and other related activities. (File 2-51221 - June 3)

(S-7) WISCONSIN PUBLIC SERVICE CORPORATION

700 North Adams St., Green Bay, Wis. 54305 - 1,000,000 shares of common stock, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N. Y. 10006 and Robert W. Baird & Co. Incorporated, 777 East Wisconsin Ave., Milwaukee, Wis. 53201. The company is an electric and gas utility. (File 2-51222 - June 3)

(S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK

23 Wall St., New York, N. Y. 10015 - seeks registration of 100,000 American Depositary Receipts for ordinary shares of Free State Development and Investment Corporation Limited, a South African corporation. (File 2-51224 - May 31)

(S-12's) IRVING TRUST COMPANY

One Wall St., New York, N. Y. - seeks registration of 1,000,000 American Depositary Receipts for Ryan-Traders Distribution Limited and Swan Ryan International Limited. (File 2-51225 and 2-51226 - June 3)

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:
Transcontinental Gas Pipe Line Corporation and Transco Companies, Inc., Houston, Tex. (File 2-51194 - May 30) - 740,467 shares of common stock of Transco Companies, Inc. and 605,896 shares of cumulative preferred stock of Transcontinental Gas Pipe Line Corporation
Union Camp Corporation, Wayne, N. J. (File 2-51209 - May 31) - 390,000 shares
Robintech Incorporated, Fort Worth, Tex. (File 2-51223 - June 3) - 5,907 shares
Idaho Power Company, Boise, Idaho (File 2-51228 - June 3) - 25,000 shares

REGISTRATIONS EFFECTIVE

May 31: Charter New York, Corp., 2-50940; Mercantile Bancorporation, 2-51083.
June 4: Bucyrus Erie Co., 2-50961; Central Illinois Light Co., 2-51023; Delmarva Power & Light Co., 2-50830; Dun & Bradstreet Companies, Inc., 2-50672; Educational Book Publishers, Inc., 2-49177; General Motors Acceptance Corp., 2-51087; Municipal Investment Trust, 2-51097; Northwestern Public Service Co., 2-50729; The Seagrave Corp., 2-51025; Wheelabrator Frye Inc., 2-50966.

REGISTRATIONS WITHDRAWN

May 31: PEC Industries, Inc., 2-50277.
June 4: Hermes Fund, 2-40153 (ABANDONED).

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 May 23-30, 1974.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Indian Head Inc.	Tri-Wall Containers Inc. (Woodbury, NY) Common Stock - 760,699 shs.	5-23-74
* Home Oil Company Ltd.	Scurry-Rainbow Oil Ltd. (Calgary, Canada) Common Stock - 1,675,918 shs. (44%) (1,200,066 shs. of above were purchased under the Tender Offer thru May 21)	5-24-74
* Crane Co.	CF&I Steel Corp. (Pueblo, Colo.) Common Stock - 3,720,119 shs. (93.3%) (100,510 shs. of above were purchased pursuant to the Tender Offer)	5-24-74
H.L. Erickson Group	American Bankshares Corp. (Milwaukee, Wisc.) Common Stock - 161,425 shs.	5-28-74
Herbert Arnold, III	Data Automation Co., Inc. (Dallas Texas) Common Stock - 603,411 shs. Conv. Preferred- 23,995 shs.	5-28-74
RCA Corp.	Advanced Memory Systems, Inc. (Sunnyvale, Calif.) Ser. C Pfd. Stock - 20,000 shs. convertible on a share for share basis into Ser. B Pfd. which in turn is convertible into 20 shares of Common Stock	5-28-74
James K. Devlin	Data Automation Co., Inc. (Dallas Texas) Common Stock - 454,336 shs. Conv. Preferred- 16,296 shs.	5-28-74
John Richard Barnes	Data Automation Co., Inc. (Dallas Texas) Common Stock - 454,336 shs. Conv. Preferred - 16,296 shs.	5-28-74
* United Brands Co.	Foster Grant Co., Inc. (Lowminster, Mass.) Common Stock - 1,512,245 shs. (69.1%) (339,429 shs of the above were purchased pursuant to the Tender Offer and have been transferred to a wholly-owned subsidiary)	5-28-74
Gene W. Schneider Group	LVO Cable, Inc. (Tulsa, Okla) Common Stock - 103,697 shs. (Mr. Schneider is the President of LVO)	5-28-74
* Fayer Sarofim	Callahan Mining Corp. (New York City) Capital Stock - 122,100 shs.	5-28-74
Loyse E. Caldwell	Data Automation Co., Inc. (Dallas Texas) Common Stock - 923,076 shs. Conv. Preferred- 29,217 shs.	5-28-74
Bill E. Brice	Data Automation Co., Inc. (Dallas Texas) Common Stock - 911,917 shs. Conv. Preferred- 28,244 shs.	5-28-74

ACQUISITION REPORTS CONT.

First Pennsylvania Banking & Trust Co.	General Datacommon Industries, Inc. (Wilton, Conn.) Common Stock - 75,000 shs. on exercise of Warrants	5-29-74
Marketime Corp. wholly-owned by Natl Computer Corp.	Sovereign American Arts Corp. (New York City) Common Stock - 142,250 shs.	5-29-74
Savers Club of America, Inc. wholly-owned by Diane L. Ackerman	Common Stock - 44,311 shs.	5-29-74
Joseph H. Lama Anthony E. Lama, Jr. Louis R. Lama Bruce W. Faulkner Anthony J. Caruso Teresa Lama Bean (All of above are officers and directors of the company)	Tony Lama Company, Inc. (El Paso, Texas) Common Stock - 170,669 shs. Common Stock - 142,910 shs. Common Stock - 177,467 shs. Common Stock - 177,465 shs. Common Stock - 177,466 shs. Common Stock - 177,466 shs.	5-29-74
Sutter Hill Ventures	Advanced Memory Systems, Inc. (Sunnyvale, Calif.) Common Stock - 40,000 shs. on conversion of Ser. B Pfd.	5-29-74
* Irwin Jacobs	Grain Belt Breweries, Inc. (Minneapolis, Minn.) Common Stock - 57,090 shs.	5-29-74
Sol Kittay	Slater, Walker of America Ltd. (New York City) Common Stock - 705,480 shs.	5-29-74
Mutual of Omaha Insurance Co.	United Benefit Life Insurance Co. (Omaha, Nebr.) Capital Stock - 510,410 shs. (70.99%)	5-30-74
Keystone Custodian Fund Series S-4	Conroe Corp. (New York City) Common Stock - 63,500 shs.	5-30-74
Ampco-Pittsburgh Corp.	Pittsburgh Forgings Co. (Pittsburgh, Pa.) Common Stock - 446,696 shs.	5-30-74
* Federated Capital Management Associates, Inc.	Bates Manufacturing Co., Inc. (New York City) Common Stock - 14,700 shs. Common Stock - 592,592 shs. on conversion of Debentures Common Stock - 102,125 shs. on conversion of Preferred	5-30-74

* Amended Acquisition Report

statistical bulletin

Beginning in June, 1974, the SEC Statistical Bulletin will be published monthly instead of on the present weekly schedule.

The contents of the Statistical Bulletin includes the following items :

- **STATISTICAL SERIES RELEASES** -- This series includes data on round-lot and odd-lot share volume in stock exchanges, OTC volume in selected securities, block distributions, securities registrations and offerings, net changes in corporate securities outstanding, working capital of U. S. corporations, and assets of non-insured pension funds.
- **144 FILINGS** -- Form 144 is a notice of the proposed sale in ordinary trading transactions of limited amounts of securities owned by persons controlling, controlled by or under common control with the issuer, and by persons who have acquired restricted securities of the issuer.
- **8K REPORTS** -- These must be filed with the Commission when material corporate developments such as changes in control of a registrant, acquisition or disposition of assets, or legal proceedings have occurred in the past month.

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