

sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

November 8, 1974

RECEIVED

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

NOV 14 1974

DECISION REVOKING PHILIP S. BUDIN & CO. AND BARRING ITS PRESIDENT FINAL

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The decision of an administrative law judge revoking the broker-dealer registration of Philip S. Budin & Co., Inc. of Jersey City, and barring Philip S. Budin, its president, from association with any broker-dealer has become final. After six months, Budin may apply to the Commission to become so associated in a non-supervisory capacity, subject to a showing of adequate supervision.

According to the decision, during the last quarter of 1968, the firm and Budin unlawfully sold unregistered securities and willfully violated the antifraud provisions of the securities laws. (Rel. 34-11074)

EDWARD M. GALLAGHER CENSURED

The Commission has issued an order of censure against Edward M. Gallagher, of Ridgewood, New Jersey, president of Fantastic Fudge, Inc.

The sanction imposed was based on a finding that Gallagher aided and abetted violations of antifraud provisions by transferring to another person some 6,000 shares of Fantastic stock which Gallagher knew or should have known were to be used to compensate a securities salesman for selling Fantastic stock to customers without disclosure of such compensation.

The Commission's action was based on an offer of settlement in which, without admitting or denying the charges against him, Gallagher consented to the above finding and sanction. (Rel. 34-11080)

FIRST DUSO SECURITIES CORP. AND MILES A. BAHL ENJOINED; BAHL ALSO SUSPENDED ADMINISTRATIVELY

The Commission announced that on October 25 the Federal District Court for the District of Columbia permanently enjoined First Duso Securities Corporation, of Poughkeepsie, New York, formerly a registered broker-dealer, and Miles A. Bahl, its board chairman, from violations of prospectus-delivery and antifraud provisions of the securities acts. The defendants consented to the order without admitting or denying the allegations of the Commission's complaint. (SEC v. Allegheny Beverage Corporation, et al., D.D.C.). (LR-6572)

In a related administrative action based on the injunction, the Commission, with Bahl's consent, suspended him from association with any broker-dealer for 9 months effective November 11, and barred him from any such association thereafter except as a supervised person in a non-supervisory capacity. (Rel. 34-11082)

SUSPENSION OF REGULATION A EXEMPTION OF EPOCH CORPORATION MADE PERMANENT

An order has been issued making permanent the suspension of the claimed Regulation A exemption from the Securities Act's registration requirements with respect to an offering of 500,000 shares of the common stock of Epoch Corporation, now known as Osterloh & Durham Insurance Brokers of North America, Inc., of Los Angeles, California.

The Commission's temporary suspension order alleged that Epoch's offering circular failed to state accurately the terms of the offering, to disclose that the securities would be placed in nominee accounts and that a substantial part of the proceeds of the offering would be used to extend a loan, and to list a named person as an underwriter.

It also alleged that Epoch's Form 2-A Report was false, and that copies of a newspaper advertisement were not filed.

The issuer withdrew its request for a hearing and consented to a permanent suspension. (Rel. 33-5535)

ORDERS FOR PUBLIC PROCEEDINGS

D.S.I. INVESTMENT INC., OTHERS

Administrative proceedings have been ordered under the Securities Exchange Act of 1934 involving D.S.I. Investments, Inc. (DSI) of Crescent Springs, Kentucky. Also named as a respondent is Jerome Dennis Warner, the president of DSI.

The proceedings are based upon allegations of the Commission's staff that DSI and Warner variously violated provisions of the Securities Act of 1933; and the antifraud, net capital, confirmations, and the telegraphic notice and reporting provisions of the Exchange Act of 1934.

A hearing will be scheduled by further order to take evidence on the charges against DSI and Warner. (Rel. 34-11090)

TRADING SUSPENSIONS

TRADING SUSPENDED IN GREATER WASHINGTON INVESTORS, INC.

Over-the-counter trading has been suspended in the securities of Greater Washington Investors, Inc., a District of Columbia corporation, of Washington, D.C. for a ten-day period beginning on November 7 and continuing through midnight (EST) on November 16, 1974.

The Commission initiated the suspension because of questions which have arisen in connection with the unavailability of adequate and accurate information about the evaluation of portfolio securities and the financial and operating conditions of Greater Washington Investors, Inc. (Rel. 34-11091)

ADDITIONAL ACTION TAKEN ON FIVE TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Equity Funding Corp., and over-the-counter trading in the securities of Zenith Development Corp., Industries International, Inc. and Westgate California Corp. for the further ten-day period November 8 - 17, inclusive; and (b) over-the-counter trading in the securities of Bio-Medical Sciences, Inc. for the further ten-day period November 10 - 19, inclusive.

COURT ENFORCEMENT ACTIONS

L.B. NELSON CORP. ENJOINED

The SEC announced that on October 26 Judge Oliver Gasch filed a final order in the U.S. District Court for the District of Columbia permanently enjoining L. B. Nelson Corporation (L.B. Nelson) from failing to file with the Commission timely and proper periodic and current reports in contravention of Section 13(a) of the Securities Exchange Act of 1934 and the rules thereunder. The order requires L. B. Nelson to file its delinquent Form 10-K by November 19, 1974 and its delinquent quarterly reports on Form 10-Q by December 4, 1974, for addition, the order requires L. B. Nelson to file within seven days of the filing of this order a letter and a written statement by its present independent accountants which details the reasons for the delay in the filing of defendant's Form 10-K report for the fiscal year ended December 31, 1973.

Finally, the order provides for L. B. Nelson to file a report on Form 8-K for January 1975 disclosing material steps taken regarding filing Form 10-K for the fiscal year ended December 31, 1974. For further details, see Litigation Release No. 6478. (SEC v. L. B. Nelson Corporation, U.S.D.C. D.C., Civ. Action No. 74-1224). (LR-6576)

INVESTMENT COMPANY ACT RELEASES

SOHIO-BP TRANS ALASKA PIPELINE FINANCE, INC.

A notice has been issued giving interested persons until November 27 to request a hearing on an application of Sohio-BP Trans Alaska Pipeline Finance, Inc., a Delaware corporation, for an order exempting it from all provisions of the Act. (Rel. IC-8577 - Nov. 7)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY, ALABAMA POWER COMPANY

A supplemental order has been issued authorizing The Southern Company, and its subsidiary, Alabama Power Company, to increase the aggregate principal amounts of short-term borrowing that may be outstanding at any one time through March 31, 1975, from \$160 million to \$200 million in the case of Southern and from \$80 million to \$135 million in the case of Alabama. (Rel. 35-18645 - Nov. 7)

WEST PENN POWER COMPANY

An order has been issued authorizing West Penn Power Company, subsidiary of Allegheny Power System, Inc., to issue and sell up to \$40 million of first mortgage bonds at competitive bidding. (Rel. 35-18644 - Nov. 6)

SECURITIES ACT REGISTRATIONS

(S-16) BAXTER LABORATORIES, INC.

6301 Lincoln Ave., Morton Grove, Ill. 60053 - 4,900 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. Baxter principally manufacturers and sells a diversified line of medical care requirements. (File 2-52149 - Oct. 11)

(S-11) FEDERAL REAL ESTATE INVESTMENT TRUST

9410 Kenwood Rd., Cincinnati, Ohio 45202 - 500,000 shares of beneficial interest, to be offered for sale by Federal Securities, Inc., 9410 Kenwood Rd., Cincinnati, Ohio. Federated Real Estate is a real estate investment trust engaged principally in the business of making investments in real estate equities and in other types of real estate interests. (File 2-52155 - Oct. 15)

(S-16) THE WICKES CORPORATION

110 West A St., San Diego, Cal. 92101 - 50,000 shares of common stock, to be offered for sale from time to time by American Affiliates, Inc., a shareholder of The Wickes Corporation, at prices current at the time of sale. The Wickes Corporation retails lumber, plywood and related building materials and home furniture and furnishings; wholesales lumber and lumber products, manufactures various shelter and other products; processes, stores and sells agricultural products; and provides certain financial services. (File 2-52159 - Oct. 15)

(S-6) E. F. HUTTON TAX-EXEMPT FUND, NATIONAL SERIES 16

One Battery Park Plaza, New York, N.Y. 10004 - \$7,500,000 of units. The Fund is one of a series of unit investment trusts created under a trust indenture and agreement among E. F. Hutton & Company Inc., as sponsor, United States Trust Company of New York, as trustee and Standard & Poor's Corporation, as evaluator. The Fund consists of interest-bearing obligations of states, counties, territories and municipalities of the United States and authorities or political subdivisions thereof, the interest on which is in the opinion of bond counsel, exempt from Federal income tax under existing law. (File 2-52178 - Oct. 18)

(S-7) AGWAY INC.

333 Butternut Dr., DeWitt, N.Y. 13214 - \$20 million of 8 1/2% subordinated debentures, due 1999; \$5 million of 8% subordinated debentures, due 1999; \$1 million of 6 1/2% subordinated debentures, due 1987; \$5 million of 7.64% of variable rate Agway savings debenture bonds, due 1980; \$5 million of 7.77% variable rate Agway savings debentures bonds, due 1985; \$5 million of 7.90% variable rate Agway savings debenture bonds, due 1990; \$15 million of 8.38% variable rate Agway savings debenture bonds, due 1995; 10,000 shares of 6% cumulative preferred stock; and 8,000 shares of membership common stock. The subordinated debentures and the variable rate Agway savings debenture bonds are to be offered for sale in units of \$100 per unit. The preferred stock is to be offered at \$100 per share. The common stock is to be offered at \$25 per share. The company functions as an agricultural cooperative directly engaged in product manufacturing, processing and distribution, wholesales purchasing and the manufacturing of commodities for its farmer members and other patrons. (File 2-52179 - Oct. 18)

(S-16) PEPSICO, INC.

Anderson Hill Rd., Purchase, N.Y. 10577 - 334,665 shares of capital stock, which may be offered for sale by certain selling stockholders from time to time in negotiated transactions or otherwise at market prices prevailing at the time of sale or at negotiated prices. PepsiCo is engaged in a number of business activities, principally soft drinks, snack foods, athletic equipment and transportation. (File 2-52182 - Oct. 18)

(S-1) CHICAGO BOARD OPTIONS EXCHANGE CLEARING CORPORATION

141 West Jackson Blvd., Chicago, Ill. 60604 - \$10 million of call option contracts, to be offered for sale in transactions on the Chicago Board Options Exchange, Inc., 141 West Jackson Blvd., Chicago, Ill. 60604 and the American Stock Exchange, Inc., 86 Trinity Pl., New York, N.Y. 10006. (File 2-52275 - Nov. 4)

(S-14) COLORADO CONSOLIDATED MINES COMPANY

1114 Walker Bank Bldg., 175 South Main, Salt Lake City, Utah 84111 - 724,033 shares of common stock. It is proposed to offer the shares in exchange for the common stock of Sioux Mines Company, Salt Lake City, Utah at the rate of 1.0716 Colorado shares for each Sioux Mines share. Colorado is engaged in holding and leasing mineral properties. (File 2-52284 - Nov. 6)

REGISTRATIONS EFFECTIVE

Nov. 7: Armstrong Cork Co., 2-52209; Bache & Co. Inc., 2-51833; Cameron Iron Works, Inc., 2-51995; Caterpillar Tractor Co., 2-52198, 2-52199; Dominguez Water Corp., 2-51944; E. I. Du Pont De Nemours and Co., 2-52186; Fat City Cattle Co. and Maverick Land and Cattle Co., 2-51778; General Tire & Rubber Co., 2-51983; Honeywell Finance Inc. 2-52202; Long Island Lighting Co., 2-52138; Montana-Dakota Utilities Co., 2-52223; Ormont Drug & Chemical Co. Inc., 2-49986; Puget Sound Power & Light Co., 2-52145; Saga Corporation 1972, 2-52161.

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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