

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 70-116)

FOR RELEASE June 16, 1970

DECISION IN ADMINISTRATIVE PROCEEDING

EXAMINER BARS THOMAS LEDWITH. SEC Hearing Examiner Sidney L. Feiler has filed an initial decision in administrative proceedings under the Securities Exchange Act involving Thomas D. Ledwith, a former official of a New York bank. The decision, which is subject to review by the Commission either on its own motion or on petition of a party, bars Ledwith from association with any broker or dealer, provided that after a period of three months application may be made to the Commission for approval of his employment by a broker or dealer upon assurance as to his assignment and supervision which would avoid a recurrence of the violations found.

The Examiner found that Ledwith, while in charge of the Securities Clearance Department of his employer, violated the anti-fraud provisions of the Federal Securities laws by willfully aiding and abetting violations of those provisions by a group of traders in government securities by affording secret clearance facilities for them at his bank for trades they arranged for their own benefit by misuse of the securities inventories of their employers. The Examiner further concluded that Ledwith by his activities willfully aided and abetted violations of the record-keeping requirements of the Exchange Act.

All members of the group of traders (except one who is deceased) have received sanctions imposed by the Commission for their participation in the scheme.

COURT ENFORCEMENT ACTIONS

T C HORNE CO. ENJOINED; RECEIVER NAMED. The SEC Boston Regional Office announced June 9 (LR-4632) that the Federal court in Boston had preliminarily enjoined T. C. Horne & Co., Inc., and Thomas C. Horne from further violations of the Commission's net capital and record-keeping rules. A temporary receiver for the firm also was appointed.

MANNING, COLOPY AND MAPKA ENJOINED. The SEC Chicago Regional Office announced June 10 (LR-4633) that the Federal court in Detroit had preliminarily enjoined William Manning and James H. Colopy both individually and doing business as MAPKA, from violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of MAPKA investment contracts.

SWAPS ENJOINED. The SEC Fort Worth Regional Office announced June 10 (LR-4634) that the Federal court in San Antonio, on complaint of the Commission, had permanently enjoined violations of the registration and anti-fraud provisions of the Federal securities laws by South West Amalgamated Properties & Securities, Inc., a/k/a SWAPS, Inc., and Ray Edgar Denison, its president, in connection with the offer and sale of spun-off shares of SWAPS.

L H KAPP ASSOCIATES ENJOINED. The SEC Chicago Regional Office announced June 11 (LR-4635) that the Federal court in Cleveland had permanently enjoined violations of the registration and anti-fraud provisions of the Federal securities laws by Louis H. Kapp and Associates, Inc., Louis H. Kapp, Louis H. Kapp, Jr., and Donald C. Colman, in connection with their offer and sale of oil interests. The defendants consented to the court order without admitting or denying the violations.

GOSS, REHART CO. ENJOINED; RECEIVER NAMED. The SEC San Francisco Regional Office announced June 12 (LR-4636) that the Federal court in Los Angeles had permanently enjoined violations of SEC Rule 10b-5 by Goss, Rehart & Co., Inc., (operating a securities firm while insolvent) and had named the Pacific Coast Stock Exchange Clearing Corporation as receiver for the firm.

COMPLAINT NAMES GRAY LINE CORP.; RECEIVER SOUGHT. The SEC announced June 15 (LR-4637) the filing of a complaint in Federal court in New York seeking to enjoin violations of the Investment Company Act by Gray Line Corporation, a New York corporation, and seeking the appointment of a receiver for the firm.

BEN. WERNER CO. ENJOINED. The SEC New York Regional Office announced June 12 (LR-4638) that Benjamin Werner, d/b/a Benjamin Werner Company, a New York broker-dealer firm, had consented to a court order of permanent injunction against the sale of stock of Dyna Ray Corporation in violation of the Securities Act registration requirements.

SECURITIES ACT REGISTRATIONS

INTRAMERICAN DRILLING FUND PROPOSES OFFERING. Intramerican Drilling Fund--1970 Program (the "Partnership"), 700-32 Benjamin Fox Pavilion, Jenkintown, Pa. 19046, filed a registration statement (File 2-37649) with the SEC on June 12 seeking registration of \$5,000,000 of limited partnership interests, to be offered for public sale at \$5,000 per unit with a minimum subscription of two units required. The offering is to be made on an agency and best efforts basis by Janney, Battles, & E. W. Clark, Inc., 1401 Walnut St., Philadelphia, Pa., and through NASD dealers selected by it. The Janney firm will receive a 7½% selling

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commission plus \$15,000 for expenses; it will reallocate a 6% selling commission to participating dealers. The Partnership is being organized for the purpose of oil and gas exploration. Intramerican Funds, Inc., and Intramerican Management Corporation are the general partners. Of the outstanding stock of Intramerican Funds, GeoDynamics Oil and Gas Incorporated owns 46.7%, Albert J. Berkow, board chairman, 23.3%, William Kalellis, vice chairman, 12.5% and the Janney firm 17.5%. Of the outstanding stock of Intramerican Management, GeoDynamics owns 57% and Berkow 40%. Milton A. Dauber is president of both general partners.

CENTRAL UNITED PROPOSES EXCHANGE OFFER. Central United Corporation, 417 Commerce Bldg., Sioux City, Iowa 51101, filed a registration statement (File 2-37650) with the SEC on June 12 seeking registration of 1,569,137 shares of common stock. It is proposed to offer these shares in exchange for shares of outstanding common stock of Circle Key Life Insurance Company, on a share for share basis. Effectiveness of the exchange offer is contingent upon acceptance by holders of at least 80% of the outstanding Circle Key shares.

Central United was organized in December 1969 for the purpose of making the exchange offer. Circle Key is a legal reserve stock company which primarily engages in writing whole life, term, retirement income and annuity policies. Circle Key has outstanding 1,445,137 common shares, of which management officials as a group own 7%. William A. Kirk is president of Central United and of Circle Key.

WORCESTER GAS LIGHT TO SELL BONDS. Worcester Gas Light Company, 130 Austin St., Cambridge, Mass. 02139, filed a registration statement (File 2-37651) with the SEC on June 15 seeking registration of \$8,000,000 of first mortgage sinking fund bonds, Series E, due 1990, to be offered for public sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. The interest rate, offering price and underwriting terms are to be supplied by amendment. A wholly-owned subsidiary of New England Gas and Electric Association, the company will apply \$6,992,000 of the net proceeds of its bond sale (together with \$3,000,000 from the sale of common stock to the parent) to payment in full of short-term bank loans; the balance will be applied to payment in full of advances from the parent. Such short-term loans and advances were incurred for the purpose of financing additions to property made prior to December 31, 1969 and to retiring a long term debt issue of \$1,742,000 which matured on February 1, 1969. Construction expenditures are estimated at \$8,850,000 for the period January 1970 through December 1972.

FOREST GAS TO SELL STOCK. Forest Gas Corporation, 78 Main St., Bradford, Pa. 16701, filed a registration statement (File 2-37653) with the SEC on June 15 seeking registration of 1,600,000 shares of Class A common stock, to be offered for public sale through underwriters headed by Dean Witter & Co. Inc., 2 Broadway, New York 10004. The offering price (\$15 per share maximum*) and underwriting terms are to be supplied by amendment.

The company was organized in June 1970 by Forest Oil Corporation (which owns all of its outstanding stock--1,606,413 Class B common shares) for the purpose of acquiring, exploring, developing and producing oil and natural gas properties in part of the federally controlled continental shelf, offshore western Louisiana, and within and offshore Alaska. Part of the net proceeds of its stock sale, together with \$1,460,806 received from its parent as partial consideration for the 1,606,413 Class B shares, will be applied to the purchase of Louisiana properties and the balance will be available for the acquisition of other oil and gas properties, the drilling and equipping of exploratory wells, the payment of administrative and operating expenses and the drilling and equipping of development wells and for other corporate purposes. David F. Dorn is president of the company and board chairman of its parent.

PROPERTY RESEARCH FUNDS PROPOSE OFFERINGS. Property Research Fund II and Fund III (the "Partnerships"), 1333 Westwood Blvd., Los Angeles, Calif. 90024, filed registration statements (Fund II - File 2-37655 and Fund III - File 2-37656) with the SEC on June 15, each seeking registration of \$3,000,000 of limited partnership interests to be offered for public sale at \$1,000 per unit and in minimum amounts of five units or more. The offerings are to be made on a best efforts basis by Property Research Corporation; it will receive an \$80 per unit selling commission^{and} may reallocate a selling commission to selected NASD members. The Partnerships were organized to provide investors with an opportunity to invest in a professionally managed portfolio of interests in income-producing real property and real property to be developed for the production of income. Property Research Management Corporation is the general partner; it and Property Research Corp. are wholly-owned subsidiaries of Property Research Financial Corporation. Net proceeds of each Partnership's sale of partnership interests will be used primarily for the purchase, construction and development of new apartment house projects in California. Proceeds may also be used to acquire existing revenue producing real property and to purchase, construct and develop new revenue producing real property and for other corporate purposes. Tim E. Smallwood is president of the general partner.

SECURITIES ACT REGISTRATIONS. Effective June 15: Avco Corp., 2-37490 (40 days); Crestmont Oil & Gas Exploration, 2-35135 (90 days); Eastern Gas and Fuel Associates, 2-37315; Imperial-American Resources Fund, Inc., 2-35163; Public Service Co. of New Mexico, 2-37544; Rockower Brothers, Inc., 2-37459; Savin Business Machines Corp., 2-37061; Simplicity Pattern Co., Inc., 2-37238; The Smith Co., 2-36533 (90 days).

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

*As estimated for purposes of computing the registration fee.