

sec news digest

a daily summary from the securities and exchange commission

Issue No. 73-78
(SEC Docket, Vol. 1, No. 13 - May 8)

April 23, 1973

COURT ENFORCEMENT ACTIONS

J. SHAPIRO CO. ENJOINED. The SEC Chicago Regional Office announced that on April 13 the Federal court in Minneapolis preliminarily enjoined J. Shapiro Co. from violating the net capital provisions of the Securities Exchange Act of 1934. J. Shapiro Co. consented to the court order without admitting or denying the allegations. Upon application of the Securities Investor Protection Corporation, J. Shapiro Co. on April 13 consented to the appointment of a trustee for the liquidation of J. Shapiro Co. SIPC alleged that J. Shapiro Co. is currently insolvent in that it is unable to meet its debts as they mature. (LR-5859)

COURT OF APPEALS REVERSES COURT ORDER DECLARING UNCONSTITUTIONAL SECTION OF SIPC ACT RE APPOINTMENT OF TRUSTEE. On April 11, 1973, the Court of Appeals for the Second Circuit reversed from the bench an order entered by the United States District Court for the Southern District of New York on January 26, 1973, in Securities and Exchange Commission and Securities Investor Protection Corporation v. Oxford Securities, Ltd., et al. That order had declared unconstitutional a section of the Securities Investor Protection Act, which provides in part that where a securities broker or dealer is to be liquidated under the terms of the Act a district court shall appoint as trustee and as attorney for such trustee "such persons as SIPC shall specify." Following the reversal by the appellate court, the district court appointed, in accordance with the designations of SIPC, Salvator A. Adorno, Esquire, as SIPC trustee and Krause, Hirsch & Gross as counsel for the trustee, all of New York, New York. (LR-5860)

SCHWARTZ, KUSHEL AND SAPERSTEIN SENTENCED IN CATTLE FRAUD. The New York Regional Office announced that on March 14 the Federal court in Manhattan fined Melvin J. Kushel \$5,000 and Ruth Saperstein \$1,000 and placed them on probation for one year or until the fine is paid, whichever comes first. On March 16, 1973 Daniel X. B. Schwartz, a/k/a Dixie Schwartz was sentenced to the Medical Center for Federal Prisons for 90 days. Thereafter, depending upon the medical report, Schwartz was sentenced to serve 5 years concurrently on each of 27 counts and 2 years consecutively on 1 count for a maximum of 7 years. These sentences were imposed in connection with a cattle fraud investment contract case. (LR-5861)

HOLDING COMPANY ACT RELEASES

THE HARTFORD ELECTRIC LIGHT COMPANY. The SEC has issued an order authorizing The Hartford Electric Light Company, Wethersfield, Connecticut, subsidiary of Northeast Utilities, to issue and sell, \$40,000,000 of first mortgage bonds, due 2003, at competitive bidding. The net proceeds will be used to repay portions of the short-term borrowings incurred to finance Hartford's construction program. (Rel. 35-17934)

ALLEGHENY POWER SYSTEM. The SEC has issued a notice giving interested persons until May 21 to request a hearing upon a proposal of Allegheny Power System, Inc. and three of its wholly-owned subsidiaries, Monongahela Power Company, The Potomac Edison Company, and West Penn Power Company, for the subsidiaries to issue and sell to the parent, prior to September 30, 1973, additional shares of their common stock for an aggregate cash consideration of \$20,000,000. Net proceeds, together with other corporate funds, will be used by the subsidiaries to finance their construction. (Rel. 35-17935)

EASTERN UTILITIES ASSOCIATES. The SEC has issued an order authorizing Eastern Utilities Associates, Boston holding company, to amend its Declaration of Trust, subject to shareholder approval, to broaden the indemnification of its trustees and officers against liabilities and expenses. (Rel. 35-17936)

GEORGIA POWER COMPANY. The SEC has issued a notice giving interested persons until May 18 to request a hearing regarding a proposal by Georgia Power Company, Atlanta, Georgia subsidiary of The Southern Company, to issue and sell \$115,000,000 of first mortgage bonds at competitive bidding. The net proceeds, together with other available funds, will be used to finance, in part, Georgia's 1973 construction program (estimated at \$513,760,000), to pay notes payable in the form of bank notes and commercial paper notes incurred for construction purposes and for other lawful purposes. (Rel. 35-17937)

INVESTMENT COMPANY ACT RELEASES

EUGENE C. SIT AND JAMES R. JUNDT. Following entry of an injunction against Eugene C. Sit and James R. Jundt in SEC v. Lums, Inc., et al., the Commission upon application, issued a notice of filing of an application by Eugene C. Sit and James R. Jundt for a final order of exemption from the provisions of Section 9(a) of the Investment Company Act and an order of temporary exemption pending determination of the application. (Rel. IC-7777)

SAVINGS BANK INVESTMENT FUND. The SEC has issued a notice giving interested persons until May 16 to request a hearing on an application of Savings Bank Investment Fund, Boston, Massachusetts mutual fund, whose securities are sold to Massachusetts savings banks, for a supplementary order declaring that a proposed amendment of the fund's Charter which would permit Massachusetts co-operative banks also to purchase the fund's securities, will have no effect upon the validity of exemptions granted by a prior order. (Rel. IC-7778)

FOUNDERS OF AMERICAN INVESTMENT COMPANY. The SEC has issued an order permitting Modern American Life Insurance Company, Springfield, Missouri, an affiliated person of Founders of American Investment Corporation, a non-diversified, closed end management investment company registered under the Act, to purchase 76.4% of the outstanding shares of Founders Security Life Insurance Company. (Rel. IC-7779)

DIVERSIFIED TAX-EXEMPT BOND FUND, CALIFORNIA SERIES I. The SEC has issued an order on an application of Diversified Tax-Exempt Bond Fund, California Series I (Fund), a unit investment trust registered under the Act, and its sponsor, Blyth Eastman Dillon & Co., Incorporated (Sponsor), permitting the Fund (and all subsequent national or state series of the same or similar title of which Sponsor is a sponsor or co-sponsor), and the Sponsor, to make a public offering of units of the Fund (and units of any subsequent series), subsequent to the exchange by the Sponsor of bonds in the amount of \$10 million for units of the Fund (or for units of any subsequent series), without having made provision for the sale of units in the amount of \$100,000 to not more than 25 investors, and permitting the Fund to make semi-annual distributions of principal and interest, including distributions of capital gains from a series, and permitting the Sponsor, under certain circumstances, to purchase and sell units of a series at prices based on previously determined values. (Rel. IC-7780)

MISCELLANEOUS 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.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated and responding to the item of the Form specified in parentheses. The captions of the items are as follows:

- | | |
|--|---|
| Item 1. Changes in Control of Registrant. | Item 9. Options to Purchase Securities. |
| Item 2. Acquisition or Disposition of Assets. | Item 10. Revaluation of Assets or Restatement of Capital Share Account. |
| Item 3. Legal Proceedings. | Item 11. Submission of Matters to a Vote of Security Holders. |
| Item 4. Changes in Securities. | Item 12. Changes in Registrant's Certifying Accountant. |
| Item 5. Changes in Security for Registered Securities. | Item 13. Other Materially Important Events. |
| Item 6. Defaults upon Senior Securities. | Item 14. Financial Statements and Exhibits. |
| Item 7. Increase in Amount of Securities Outstanding. | |
| Item 8. Decrease in Amount of Securities Outstanding. | |

Copies of the reports may be purchased from the Commission's Public Reference Section (*in ordering, please give month and year of report*). Invoice will be included with the requested material when mailed.

8K REPORTS FOR MARCH 1973

National Car Rental System Inc. (3,14)	0-3473-2	Ohio-Sealy Mattress Mfg Co. (11,14)	1-6878-2
National Mortgage Fund (8)	0-3934-2	Oil Resources Inc. (11)	0-5417-2
National Starch & Chemical Corp (4,7,14)	1-3582-2	Old Equity Financial Corp (1,11,14)	0-4552-2
National Systems Corp (14)	1-6981-2	Oregon Metallurgical Corp (7,11)	0-1339-2
Natural Resources Fund, Inc. (3,13)	2-33470-2	Ozite Corporation (4,14)	0-2138-2
New Jersey Natural Gas Co. (13,14)	0-93-2	Pacific Asbestos Corp (6)	0-1144-2
The New Yorker Magazine Inc. (11,13,14)	0-451-2	Pacific Tel & Tel Co. (11,14)	1-1414-2
Newport Controls Corp (8)	0-6642-2	Package Machinery Company(7)	0-577-2
Norris Oil Co. (7,14)	1-3623-2	Pan American Bancshares Inc. (9,14)	0-4845-2
North Shore Gas Co. (13)	2-35965-2	Pato Consolidated Gold Dredging Ltd. (13)	1-4295-2
Northern Indiana Public Service Co. (3,7)	1-4125-2	Pennsylvania Co. (8)	1-4954-1
Nortrust Corp (11,14)	0-5965-2	Pennsylvania Electric Co. (11,14)	1-3522-2
Northwestern Finance Co. (4,7)	0-1997-2	Peoples Gas Light & Coke Co. (13)	2-26983-2
Norvesco, Inc. (11)	0-2458-2	Perkin-Elmer Corp (13,14)	1-4389-2
Oakmont Corp (7,13)	0-3958-2	Peterson, Howell & Heather Inc. (8)	0-1631-2
Oceanography Mariculture Industries (7,8,12,14)	0-5728-2		

8K REPORTS FOR MARCH 1973 CONT'D

Petro-Lewis Fund, Inc. (13)	2-41365-2	The Soundsciber Corp (8)	0-2286-2
Pioneer Natural Gas Co. (7,8)	1-5917-2	Speed Equipment Worlds of America, Inc. (11)	2-42862-2
Ponderosa International, Inc. (7)	0-6445-2	Spiral Metal Company, Inc. (4,13,14)	0-3367-2
Ponderosa System, Inc.(9,13,14)	1-6707-2	Springfield Gas Light Co.(11)	0-721-2
Pope & Talbot, Inc.(8)	1-7084-2	Springs Mills, Inc.(2,14)	1-5315-2
Preferred Risk Life Ins. Co. (7,11,14)	2-22520-2	Square Industries, Inc.(9,11,14)	0-4979-2
Prelude Corp (13)	0-5080-2	Standard Brands Inc.(13)	1-1186-2
Process Systems, Inc.(7,9,13,14)	0-6050-2	Star Realty Fund - 1972 (2)	2-43214-2
Procter & Gamble International Co. (8)	1-5489-2	State Bond & Mortgage Co.(11)	811-407-2
Progressive Industries Corp (7,14)	0-3453-2	State Exploration Co.(11,13)	0-2398-2
Prudent Real Estate Trust (1,2,7,14)	1-5536-2	Sterchi Bros. Stores Inc.(14)	1-2504-2
Public Service Co. of Oklahoma (7)	0-343-2	Sterling Communications Inc. (7,13)	0-3865-2
Publishers Co., Inc.(13,14)	0-1359-2	Sterling Computer Systems Inc. (3)	0-5067-2
Pyramid Oil Company (12,14)	0-5525-2	Storage Technology Corp(13,14)	0-6283-2
Quorum Industries Inc.(7,14)	0-6166-2	Stratoflex Inc.(8)	0-2750-2
Rahall Communications Corp(13)	0-5609-2	Suburban Propane Gas Corp(7,14)	1-4401-2
Ransburg Corp (3)	1-6870-2	Summers Electric Co. (2,14)	0-3034-2
Redwood Bancorp (3,11,14)	0-6501-2	Super Valu Stores, Inc. (4,7,8,14)	1-5418-2
Robert Reis & Co (6)	0-2175-2	Superior Mfg & Instrument Corp (13)	0-2957-2
Rentex Services Corp (7,14)	0-3477-2	The Superior Oil Co. (13)	1-4744-2
Republic Franklin Inc.(7)	0-4771-2	Systematics General Corp(13,14)	0-5536-2
Responsive Environments Corp (2,6,13)	0-3103-2	Taylor International Corp (10)	0-2126-2
Retention Communications Systems Inc. (11)	2-34009-2	Technology Inc. (3)	0-2901-2
Reuter Inc.(9,13,14)	0-1561-2	Technomic Research Associates, Inc. (13)	0-5821-2
Richardson-Merrell, Inc.(3)	1-1029-2	Teeg Research, Inc.(6)	0-3925-2
Ricoh Time Corp (3)	2-42460-2	Telco Marketing Services, Inc. (8)	2-41908-2
Robinex International Ltd., Inc. (2)	2-29880-2	Telecom Corp (2,14)	0-4202-2
Rossmoor Corp (3)	1-6823-2	Telecredit, Inc.(3,13)	0-3934-2
The Rouse Company (7,10,13)	0-1743-2	Teledyne, Inc.(11)	1-5212-2
Rowland Products, Inc.(2,8,14)	1-4402-2	Telephone & Data Systems Inc. (7)	2-34882-2
Royal Crown Cola Co.(11,14)	1-227-2	Tennessee Valley Bancorp, Inc. (7)	0-6368-2
Ryan Homes, Inc.(8)	1-6565-2	Terminal Equipment Corp (7,14)	0-4354-2
Ryder System, Inc.(7,14)	1-4364-2	Texaco Inc. (7,14)	1-27-2
Ryerson & Haynes Inc.(7,14)	1-6260-2	Toledo Edison Company (3,7)	1-3583-2
Safeguard Industries, Inc.(13,14)	1-5620-2	Tool Research & Engineering Corp (7)	1-5308-2
St. Joseph Light & Power Co. (4,7,14)	1-3576-2	Torginol Industries, Inc.(3,13)	0-1977-2
Salant Corp (7,8)	1-6666-2	Torin Corp (11,14)	1-5934-2
Sargent-Welch Scientific Co.(5)	1-4711-2	Trans-Indusdries, Inc.(3)	0-4539-2
Scan-Data Corporation(10,13,14)	0-3077-2	Transocean Oil, Inc.(10)	0-3913-2
F.M. Schaefer Corp (13)	1-5853-2	Transworld Investment Corp (13)	2-42478-2
Earl Scheib Inc. (2,14)	1-4822-2	Tremont Corp (13)	0-1695-2
Scherr-Tumico Inc.(6,7,9,14)	0-2366-2	Tucson Gas & Electric Co. (3)	1-5924-2
Jos. Schlitz Brewing Co. (10)	1-5431-2	Twin Disc Inc. (10)	0-1767-2
Science Management Corp (13)	1-6059-2	UB Financial Corp (7)	0-5475-2
Scot's Inn Management Co.(13)	0-3174-2	UMC Inds., Inc.(13,14)	1-4202-2
Scott & Fetzer Co. (11,14)	1-5629-2	URS Systems Corp (11,13)	1-6067-2
Seaboard Coast Line RR Co. (7,14)	1-3359-2	Unicorn Industries (2)	0-5885-2
G.D. Searle & Co. (13)	1-4841-2	Union Service Industries, Inc. (2,14)	0-5345-2
Season-All Industries(8,13,14)	1-4706-2	United Gas, Inc.(8)	1-6464-2
Seatrain Lines, Inc.(3)	1-5957-2	United Missouri Bancshares, Inc. (7)	0-4887-2
Seligman & Latz Inc.(11)	1-4437-2	U.S. Industries, Inc.(7,8,10,14)	1-3772-2
Shakespeare Co. (13)	1-6851-2	United States Sugar Corp(7,13,14)	0-162-2
Sherwood Diversified Services, Inc. (3)	0-5038-2	United Telecommunications, Inc. (7,14)	1-4721-2
Signode Corp (7)	1-1282-2	Universal Container Corp (7,13,14)	1-4277-2
Simon & Schuster Inc.(13)	0-389-2		

8K REPORTS FOR MARCH 1973 CONT'D

Universal Instruments Corp (11,13)	2-44929-2	Wells, Rich, Greene Inc.(3)	1-6296-2
Utah Power & Light Co.(7)	1-3568-2	West Texas Utilities Co. (11)	0-340-2
Varifab, Inc.(10,14)	0-4634-2	Westchester Corp (7,14)	0-5682-2
Varo, Inc. (3,9)	1-5381-2	Western Harness Racing Inc. (8,13,14)	0-1429-2
Venus Drug Distributors Inc. (13,14)	0-2174-2	Western Massachusetts Electric Co. (11,14)	2-11114-2
Viacom International Inc.(13)	1-6514-2	Wheeling Pittsburgh Steel Corp (3)	1-2394-2
WHDH Corp (13)	0-642-2	White Consolidated Industries Inc. (7)	1-826-2
Sam P. Wallace Co., Inc.(11)	0-3435-2	Whittaker Corp (3,13)	1-5407-2
Warnaco, Inc. (7,14)	1-4718-2	Winslow Technology Inc.(13)	1-6254-2
Washington Bancshares, Inc. (11,12,14)	0-1328-2	Wisconsin Telephone Co. (11)	1-6589-2
Washington Natural Gas Co. (3,13)	0-951-2	Xonics, Inc. (7)	1-7114-2
Washington Trust Co. (7,13)	0-5463-2	Zapata Corp (11,13)	1-4219-2
J. Weingarten, Inc.(4,7)	0-2279-2		
Weiss Pollution Control Corp (4,11,13,14)	0-6055-2		

SECURITIES ACT REGISTRATIONS. Effective April 19: Cordura Corporation, 2-46983. Effective April 20: Bell Telephone Co. of Pennsylvania, 2-47461 and 2-47460; Brown Company, 2-47316; Corn Brothers, Inc., 2-45528 (July 19); Equitable Life Assurance Society of the U.S., 2-47300; Gillette Co., 2-47608; Hexcel Corp. 2-47323 (40 days); Houston Lighting & Power Co., 2-47449; Inexco Oil Co., 2-47341; Polymer Research Corp. of America, 2-46426 (90 days); Pope & Talbot, Inc., 2-47363; Sundial Associates, 2-45433.

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

---oooOooo---

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 (\$33.00 a year, first class mail; \$8.25 additional for foreign mailing; \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail; \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.