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PROFESSIONALISM IS THE WAY TO RESTORE INVESTOR CONFIDENCE, COMMISSIONER OWENS SAYS

In an address before the 35th Anniversary Symposium of the NASD, Hugh F. Owens, Senior SEC Commissioner, stressed the need for professionalism to restore investor confidence in the market. "I think that preserving public confidence in the integrity of the investment process may well be the major regulatory challenge that faces us in the 1970s," Mr. Owens averred.

The \$100 billion advisory industry is one area that needs closer Federal regulation, Mr. Owens noted. The Commission is working on a "comprehensive program to tighten regulation of investment advisers." For example, he said, in the advisory industry there is no requirement that advisers file financial statements or other periodic reports; no uniform minimum experience or testing requirements for beginning investment advisers; no federally applied minimum initial capital requirements for advisory firms; and no federal requirements for bonding to protect advisory clients for loss and embezzlement or misplacements of their assets held by advisers. The Commission program would create standards for qualification of investment advisory firms and would require financial responsibility. It would also deal more comprehensively with problems of potential conflicts of interest and other concerns, Mr. Owens stated.

The accounting field is another area in which the Commission is working to encourage total professionalism. In this area, the Commission is drafting a release on "responsibilities of independent public accountants who audit financial statements filed with the SEC," Mr. Owens stated. Independence of the accountant in his relationship with the corporate client has occupied the Commission more than any other concern in its work with the accounting profession, Mr. Owens said. He pointed out that the SEC now requires disclosure of management disagreements with auditors to discourage corporate shopping for accountants who will certify questionable financial statements. In addition, a recent accounting release urges public companies to appoint standing audit committees composed of outside directors. "These audit committees are useful to independent accountants and valuable to management as well because they provide a forum for differences of opinion of professional judgment between the auditors and the company's management," Mr. Owens said.

In another area -- the use and misuse of inside information -- Mr. Owens noted that the staff is looking into the use of material, non-public information in various aspects of the securities industry with a view to the preparation of appropriate guidelines. He said public comments on a variety of issues would be solicited including "procedures used by the financial analysts in researching various corporations; the provisions set up by companies to provide prompt disclosure of material corporate events; and the extent to which members of the securities industry rely on information about positions in stock held by various entities or about impending large trades in making their own investment decisions and advising clients."

COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN FLYING DIAMOND CORP., AND ROYAL PROPERTIES SECURITIES AND CONTINUED IN PARAGON SECURITIES. The SEC today announced the temporary suspension of trading in the securities of Flying Diamond Corp. located in Salt Lake City, Utah, and in the securities of Royal Properties, Inc., of San Diego, each for a ten-day period commencing at 11:00 a.m. (EDT) June 22, 1973 and continuing through July 1, 1973.

The Flying Diamond suspension was requested by the company because it believes that an undetermined number, possibly in excess of 200,000 shares, of its stock were issued without proper authorization and are invalid. The company is investigating the circumstances surrounding the allegedly improperly issued stock and has asked its auditors to audit its stock-transfer records. (Rel. 34-10232)

In the case of Royal Properties securities, the Commission initiated the trading suspension because of the lack of adequate and accurate information regarding the company and its operations. (Rel. 34-10234)

In addition, the Commission ordered the continuation of the suspension of over-the-counter trading in the securities of Paragon Securities Company for the further ten-day period June 23 through July 2, 1973.

DECISIONS IN ADMINISTRATIVE PROCEEDING

EMANUEL FIELDS PERMANENTLY DISQUALIFIED FROM APPEARING OR PRACTICING BEFORE THE S.E.C. Emanuel Fields of 60 East 42nd Street, New York, New York, an attorney now temporarily suspended from appearing or practicing before the Commission, has been permanently disqualified from such practice. The Commission's opinion points out that four different Federal courts have enjoined Fields from violating both the antifraud provisions and the registration requirements of the Federal securities laws. Field's temporary suspension, which has now become permanent, was based on one of those injunctions. But the Commission viewed the other

three as pertinent to the assessment of the sanction to be imposed. After pointing out that Fields has "never even tried to suggest mitigating or extenuating circumstances," the Commission stated that it was "driven to the conclusion that Fields must be permanently disqualified from appearing or practicing before us." The Commission observed that in view of the private practicing lawyer's strategic place in the investment process and of his central position in enforcing the body of Federal law aimed at keeping that process fair the securities bar must be held to rigorous standards of professional honor. (Rel. 33-5404)

COURT ENFORCEMENT ACTIONS

FIRST CALIFORNIA CO. ENJOINED. The SEC has announced that on June 18 the Federal court in California permanently enjoined First California Company from violations of the registration and antifraud provisions of the Federal securities laws. The defendant consented to the court order without admitting or denying the allegations. (Rel. LR-5942)

SMITH BROS. & CO., WILLIAM T. PHELAN ENJOINED. The SEC Chicago Regional Office announced that the Federal court in Chicago on June 18 preliminarily enjoined Smith Bros. & Co., Chicago broker-dealer and a member of the Midwest Stock Exchange, and William T. Phelan, a general partner, from violations of the hypothecation and record keeping provisions of the Federal securities laws and from transferring, selling, or otherwise disposing of the firm's assets and property. The defendants did not oppose the entry of the Court's order. (LR-5940)

SECURITIES ACT REGISTRATIONS FILED

(Note: "Per share maximum" prices referred to in the following summaries of registration statements are prices estimated for the purpose of computing the registration fee and are not necessarily prices at which the securities will be sold.)

GENERAL TELEPHONE COMPANY OF WISCONSIN, 18 South Thornton Ave., Madison, Wis. 53701 - \$25 million of first mortgage bonds, due 2003, to be offered for sale at competitive bidding. Net proceeds will be applied toward the payment of short-term loans owing to banks and commercial paper (expected to aggregate not more than \$37 million at the time of such application) obtained for the purpose of financing the company's construction program. Construction expenditures are estimated at \$36 million for 1973. (File 2-48015 - May 11)

LEXINGTON RESEARCH FUND, INC., 177 North Dean St., Englewood, N. J. 07631 - 85,714 shares of capital stock. It is proposed to offer these shares in exchange for substantially all of the assets of St. Regis Growth Fund, Inc. with such shares to be distributed to stockholders of St. Regis upon its dissolution. Both Funds are diversified open-end investment companies, whose primary investment objective is capital appreciation. (File 2-48018 - May 11)

SPECTRA-PHYSICS, INC., 1250 West Middlefield Rd., Mountain View, Calif. 94040 - 224,187 shares of capital stock of which 104,187 are to be offered for sale from time to time by certain shareholders at prices prevailing at the time of sale (\$18 per share maximum). It is proposed to offer up to 120,000 shares in exchange for the capital stock of Chromatronix Incorporated at a rate to be determined later. Spectra-Physics manufactures and sells gas lasers, laser and optical accessories, ranging and construction alignment equipment, and electronic instrumentation for analytical instruments. Chromatronix manufactures and markets a line of instruments, accessories, and components for use in liquid chromatography and analytical applications. (File 2-48091 - May 21)

LIFE INVESTORS INSURANCE COMPANY OF AMERICA SEPARATE ACCOUNT A, 375 Collins Rd., NE, Cedar Rapids, Iowa 52406 - \$25 million of individual variable annuity contracts. The Separate Account was established by Life Investors Insurance Company of America whereby payments made toward an annuity contract may be separated or segregated from the general accounts of the insurer. The offering will be made by First Midamerica Inc., 1221 N St., Lincoln, Nebraska, as dealer-manager, and other soliciting dealers. Life Investors Management Corporation will act as investment adviser. (File 2-48094 - May 21)

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:

Avon Products, Inc., New York, N. Y. (File 2-48080) - 360,000 shares
 Iowa Southern Utilities Co., Centerville, Iowa (File 2-48083) - 20,000 shares
 Central National Corp., Richmond, Va. (File 2-48087) - 96,000 shares
 Abbott Laboratories, North Chicago, Illinois (File 2-48088) - 500,000 shares and (File 2-48089) - 70,000 shares
 Gardner-Denver Co., Quincy, Illinois (File 2-48092) - 300,000 shares
 Life Investors, Inc., Cedar Rapids, Iowa (File 2-48093) - 40,000 shares

MISCELLANEOUS

RECENT FORM 8-K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (*i.e.*, collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders; and any newly enacted requirements effecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (*in ordering, please give month and year of report*). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
INTERPROVINCIAL PIPE LINE CO	7,14	05/73
IONICS INC	11	05/73
IRGN MOUNTAIN INC	2,10,14	04/73
ITEK CORP	11,14	05/73
ITT CONSUMER SERVICES CORP	3	05/73
JAYS INDUSTRIES INC	2,4,7,14	05/73
JERRICO INC	3	05/73
JERSEY CENTRAL POWER & LIGHT CO	11,13	05/73
JOHNS MANVILLE CORP	7	05/73
KANE MILLER CORP	7,11,14	05/73
KB MARKETING SYSTEMS INC	11,14	05/73
KIDDIE PRODUCTS INC	8,11,13	06/73
KNUGO CORP	7,8,14	05/73
KRELITZ INDUSTRIES INC	11	05/73
KUHNS BIG K STORES CORP	4,7,13,14	05/73
LEE NATIONAL LIFE INSURANCE CO	11,13	04/73
LINDBERG CORP	11,14	04/73
LONGS DRUG STORES INC	11,13	05/73
LOUISIANA LAND OFFSHORE EXPLORATION CO I	11	05/73
LYNN BARBARA STORES INC	11	05/73
MACMILLAN INC	3	05/73
MADISON SQUARE GARDEN CORP	4,8,11,14	05/73
MARTIN MARIETTA ALUMINUM INC	14	01/73
MERCURY SAVINGS & LOAN ASSOCIATION	9,11	05/73
MERVYNS	11,14	05/73
MESA PETROLEUM CO	7,8,14	05/73
MICHIGAN WISCONSIN PIPE LINE CO	11	05/73
MIDWEST OIL CORP	11,14	05/73
MISSISSIPPI POWER & LIGHT CO	11	05/73
MISSOURI UTILITIES CO	7,14	05/73
MOBIL OIL CORP	11	05/73
MOR FLO INDUSTRIES INC	11	05/73
MULTIBANK FINANCIAL CORP	13,14	05/73
NABISCO INC	11	05/73
NATIONAL LIBERTY CORP	11	05/73
NEW ENGLAND GAS & ELECTRIC ASSOCIATION	11	05/73
NEW JERSEY POWER & LIGHT CO	11,13	05/73
NEW SOUTHLAND NATIONAL INSURANCE CO	7	12/72
NORTHERN VIRGINIA BANKSHARES INC	7,14	05/73
OMEGA ALPHA INC	8,9,14	04/73
P&F INDUSTRIES INC	11	05/73
PASQUALE FOOD CO INC	13	05/73
PENNSYLVANIA POWER & LIGHT CO	7,13,14	05/73
PEPSICO INC	11	05/73
PHOTON INC	2,6,9,14	05/73
PITTSWAY CORP	11,14	05/73
PIZZA HUT INC	13	05/73
PLASTILINE INC	11	05/73
POLYMER MATERIALS INC	2,4,7,11,14	05/73
PREL CORP	3,13,14	05/73
PREMIER MICROWAVE CORP	10	05/73
PROJECT SEVEN INC	13,14	05/73

8K REPORTS CONT.

PULLMAN INC	11,13,14	05/73
RAYMOND CORP	11	04/73
RAYTHEON CO	11,14	05/73
READING & BATES OFFSHORE DRILLING CO	7,14	05/73
RECORD RETENTION & RETRIEVAL CORP	12	05/73
REEVES BROTHERS INC	13,14	05/73
RELIANCE INSURANCE CO	2,3	05/73
REVERE RACING ASSOCIATION INC	8	05/73
REYNOLDS METALS CO	7,14	05/73
REYNOLDS R J INDUSTRIES INC	3,14	05/73
RHEINGOLD CORP	11	05/73
ROCKWER BROTHERS INC	8	05/73
RUSCO INDUSTRIES INC	1,3,13	05/73
SAFEWAY STORES INC	11,14	05/73
SAN DIEGO GAS & ELECTRIC CO	7	05/73
SAUL B F REAL ESTATE INVESTMENT TRUST	13	05/73
SCHERING PLOUGH CORP	7,10	05/73
SEVEN UP CO	2,7,14	05/73
SHULMAN TRANSPORT ENTERPRISES INC	13	04/73
SIKES CORP	14	04/73
SKELLY OIL CO	13	05/73
SMITHFIELD FOODS INC	14	05/73
SOUTHERN CO	3,11,13,14	05/73
SOUTHERN SCOTTISH INNS INC	2,7,14	05/73
SOUTHLAND EQUITY CORP	4,7,11,13,14	05/73
SQUIBB CORP	11	05/73
STANDARD SECURITY LIFE INSURANCE CO OF N	11,14	05/73
STANDARD THOMSON CORP	9,14	05/73
STRATFORD OF TEXAS INC	4,13,14	05/73
STRATOFLEX INC	8	05/73
SUPRACOR MANUFACTURING CORP	11,14	05/73
TALCOTT NATIONAL CORP	2,14	05/73
TECHNICAL TAPE INC	3	05/73
TECHNOMIC RESEARCH ASSOCIATES INC	13	05/73
TELECOMMUNICATIONS INDUSTRIES INC	13	05/73
TELEPHONE & DATA SYSTEMS INC	11	05/73
TESORO PETROLEUM CORP	7,14	05/73
TEXAS GAS TRANSMISSION CORP	11,13,14	05/73
THERMODYNE INTERNATIONAL LTD	12	12/72
THOMAS & BETTS CO	13	05/73
THOMPSON J WALTER CO	11,14	05/73
TOUTSIE ROLL INDUSTRIES INC	11	05/73

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of (a) exchange and over-the-counter trading in the securities of BBI Inc. and U. S. Financial Corp., and the over-the-counter trading in the securities of Beneficial Laboratories Inc., Proof Lock International Corp., and Triex International Corp. for the further 10-day period June 23-July 2, inclusive; (b) over-the-counter trading in the securities of Orecraft Inc., Photon Inc., and Textured Products, Inc. for the further 10-day period June 24-July 3, inclusive; and (c) over-the-counter trading in the securities of Coastal States Gas Corp., First Leisure Corp., and Pelorex Corp. for the further 10-day period June 25-July 4, inclusive.

SECURITIES ACT REGISTRATIONS. Effective June 20: Jim Walter Corp., 2-48264. Effective June 21: Amerace Corp., 2-48107; American Family Corp., 2-48053; Amtel, Inc., 2-47481; Circle Income Shares, Inc., 2-47312 (Sept.20); John Colter Development Co., Ltd., 2-46938 (90 days); Gilbert Associates, Inc., 2-47424; W. R. Grace & Co., 2-48247; Intercontinental Growth Plans, Inc., 2-47470; MPY Industries, Inc., 2-47717; Michigan Tax Exempt Bond Fund, 2-48301; T. Rowe Price Associates, Inc., 2-47530; Warner Communications Inc., 2-48110.

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

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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.