

# sec news digest

a daily summary from the securities and exchange commission

Issue 73-203  
(SEC Docket, Vol. 2, No. 18- Oct. 30)

October 19, 1973

## RULE PROPOSALS AND ADOPTIONS

NONMEMBER BROKER-DEALER RECIPROCAL BROKERAGE RULE ADOPTED. The SEC announced today the adoption of Rule 15b10-10 under the Securities Exchange Act of 1934 to prohibit certain reciprocal brokerage practices by nonmember broker-dealers. The Rule (which is comparable to the NASD's subsection (k) under Section 26 of Article III of its Rules of Fair Practice) is intended to prohibit nonmember broker-dealers from favoring or disfavoring the distribution of shares of open-end investment companies on the basis of "brokerage commissions" received, soliciting or making promises of an amount or percentage of brokerage commissions in connection with the distribution of such investment company shares and seeking orders for the execution of portfolio transactions on the basis of their sales of fund shares. The rule, by its terms, will not apply to possible reciprocal brokerage practices in connection with the distribution of shares of certain types of investment companies, such as closed-end funds, variable annuities, and variable life separate accounts.

The Commission also amended Rule 15b10-1 under the Exchange Act to provide that the definitions in that rule apply to all rules included under the 15b10 rule series unless a separate definition of the same term is provided in a particular rule. (Rel. 34-10439)

## COMMISSION ANNOUNCEMENTS

DECISION CENSURING GOLDY AND BARRING RADLER, CAHEN, STEWART, LEMOINE, FORMAN, GELBER AND YUDIN FINAL. The SEC has made final the decision of an administrative law judge censuring Charles S. Goldy, South Miami, Fla., and barring Stanley Radler, Stephen A. Cahen, Stanley J. Stewart, Eugene F. Lemoine and Robert Forman, Miami, Fla., Sidney Gelber, Miami Beach, Fla., and Calvin Yudin, Coral Gables, Fla., from association with any broker-dealer. Stewart, after three months, and Lemoine, Forman, Gelber and Yudin, after six months, may apply to the Commission for permission to become so associated in a non-supervisory position upon a satisfactory showing of adequate supervision.

According to the decision, Goldy, Radler, Cohen, Stewart, Lemoine, Gelber and Yudin variously made fraudulent statements in the sale of securities of J B & T Co. (formerly Junction Bit & Tool Co.) and S&M Industries, Inc. (formerly S&M Supply Co.), and Forman violated the registration provisions of the Securities Act in the sale of those stocks. (Rel. 34-10433)

TECHNICAL RESOURCES TRADING SUSPENDED. Over-the-counter trading in the securities of Technical Resources Inc. (TRI) of Phoenix, Arizona, was suspended for a ten-day period beginning on October 18 and terminating at midnight (EDT) on October 27, 1973.

The Commission initiated the suspension because of the unavailability of adequate and accurate information on the officers and directors and management of the company.

TRI was purportedly organized to explore for mineral prospects, looking toward the processing of ore. A registration statement covering 450,000 common shares, to be offered for sale at \$1 per share, was filed in September 1969 and declared effective in May 1971. The offering was completed in September 1973. (Rel. 34-10444)

REG. A EXEMPTION OF LE CHATEAU INN & COUNTRY CLUB SUSPENDED. An order has been issued temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 of a public offering of securities by Le Chateau Inn & Country Club, Inc. of Pennsylvania. L. S. Chase Corporation of Reading, Pa., was designated as the underwriter of the offering, which never commenced.

Pursuant to a notification filed on October 27, 1971, Le Chateau proposed to offer 33,800 shares (later increased to 49,475 shares) of common stock at \$10 per share. According to the order, the Commission has reason to believe that: (a) the notification and offering circular was misleading, particularly with respect to the actual amount of monies owed to creditors, the period of time such debts were outstanding, the number of lawsuits pending against it, the amounts involved in such suits and the filing of an involuntary petition for bankruptcy and (b) the offering, if made, would be in violation of the registration provisions of the securities laws. (Rel. 33-5432)

**SEC CITES LEONARD BROS., CHAS. I. LEONARD.** Public administrative proceedings have been ordered against Leonard Brothers, Inc., New York City broker-dealer, and Charles I. Leonard, president. The proceedings are based on allegations by the staff that the respondents violated and aided and abetted violations of the net capital, bookkeeping and anti-fraud provisions of the securities laws in the operation of the broker-dealer firm from December 1971 to August 18, 1972 when the firm closed its doors and ceased operations.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defense. The hearing will determine whether the allegations are true and if any action of a remedial nature should be ordered by the Commission. (Rel. 34-10443)

**SEABOARD CORP. TRADING HALTED.** Over-the-counter trading has been suspended in all securities of Seaboard Corporation of Beverly Hills, California for the ten-day period beginning on October 18 and continuing through October 27, 1973.

The Commission initiated the suspension because of questions raised about:

(a) the adequacy and accuracy of disclosures in Seaboard's Form S-1 registration statement covering the sale of 500,000 Seaboard units (consisting of common stock and warrants), effective January 1970, and subsequent filings with the Commission;

(b) certain activities engaged in by Seaboard in connection with its management of four registered investment companies with current net assets of approximately \$90 million (Admiralty Fund, Inc., Competitive Capital Fund, Seaboard Leverage Fund, Inc., and The Income Fund of Boston), and

(c) the possible termination by aforementioned investment companies of their investment contracts with Seaboard, which question, the Commission has been informed, will be determined by the Boards of Directors of the investment companies shortly. If such contracts are terminated, Seaboard will lose its primary source of income. In addition, the Commission has been informed that the investment companies voluntarily terminated sales of new shares as of October 17, 1973. Seaboard was the underwriter for such investment companies. (Rel. 34-10445)

#### COURT ENFORCEMENT ACTIONS

**LEON CHARNEY ENJOINED.** The New York Regional Office announced that on August 23 a Federal Court in New York City permanently enjoined Leon Charney, former Secretary-Treasurer of Jama Productions, Inc., from violations of the prospectus and antifraud provisions of the securities laws. (LR-6106)

#### INVESTMENT COMPANY ACT RELEASES

**CNA ASSOCIATION MEMBERS FUND, INC.** The SEC has issued an order on an application filed by CNA Association Members Fund, Inc., of New York, declaring that it has ceased to be an investment company. (Rel. IC-8041)

#### HOLDING COMPANY ACT RELEASES

**THE SOUTHERN COMPANY.** A notice was issued giving interested persons until November 14 to request a hearing on a proposal by The Southern Company, Atlanta holding company, to sell, at competitive bidding, a sufficient number of shares of common stock to result in net cash proceeds to Southern of \$135 million to \$175 million. Southern will use the net proceeds to reduce the amount of short-term notes payable outstanding at the time of such sale. (Rel. 35-18127)

**CONNECTICUT YANKEE ATOMIC POWER COMPANY.** A notice has been issued giving interested persons until November 12 to request a hearing on a proposal of Connecticut Yankee Atomic Power Company, Hartford subsidiary company of Northeast Utilities and New England Electric System. Connecticut Yankee proposes to issue promissory note in an amount not to exceed \$9 million to the Connecticut Development Authority under a loan agreement to finance pollution control facilities at its Haddam, Conn., plant. The Authority will sell up to \$9 million of pollution bonds, and advance the proceeds to Connecticut Yankee as funds for construction of the facilities. (Rel. 35-18128)

**UTAH POWER & LIGHT COMPANY.** A notice has been issued giving interested persons until November 12 to request a hearing on a proposal of Utah Power & Light Company, Salt Lake City holding company, to sell up to \$58 million of notes to banks and to a dealer in commercial paper. (Rel. 35-18129)

THE CONNECTICUT LIGHT AND POWER COMPANY. A notice has been issued giving interested persons until November 12 to request a hearing on a proposal by The Connecticut Light and Power Company, The Hartford Electric Light Company and the Western Massachusetts Electric Company, subsidiaries of Northeast Utilities, to issue a promissory note, in an amount not to exceed \$11,650,000 to the Connecticut Development Authority under a loan agreement. The purpose of the loan is to finance pollution control facilities at the companies' Millstone Point Nuclear Power Plant, Waterford, Conn. The Authority will sell up to \$11,650,000 pollution control revenue bonds, and to advance the proceeds to the Companies as funds for construction of the facilities. (Rel. 35-18130)

#### SECURITIES ACT REGISTRATIONS FILED

BLACK GIANT OIL COMPANY, 1304 Avenue L, Cisco, Tex. 76437 - 300,000 shares of common stock, to be offered for sale at \$1 per share by Willis E. Burnside & Co., Inc., 40 Exchange Place, New York, N.Y. 10005. Organized in July, the company was formed to acquire and explore for oil and gas, primarily in Australia. (File 2-49190 - Sept. 28)

UTAH INTERNATIONAL INC., 550 California St., San Francisco, Cal. 94104 - 1,235,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Ladd Petroleum Corporation, at the rate of 25/100 of a Utah share for each Ladd share. Utah is principally engaged in mining and ocean shipping and, to a lesser extent, in land acquisition and development and commercial construction through a limited partnership. Ladd is principally engaged in the exploration and development of oil and gas properties. (File 2-49191 - Sept. 28)

CONSOLIDATED FOODS CORPORATION, 135 South LaSalle St., Chicago, Ill. 60603 - 64,967 shares of common stock, which may be offered for sale by certain stockholders at prices current at the time of sale. (File 2-49192 - Sept. 28)

FIRST NATIONAL CINCINNATI CORPORATION (Corporation), 111 East Fourth St., Cincinnati, Ohio 45202 - 3,600,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding capital stock of the First National Bank of Cincinnati on a share-for-share basis. Corporation was organized as a bank holding company. (File 2-49193 - Sept. 28)

AFFILIATED BANKSHARES OF COLORADO, INC., 1101 Arapahoe Ave., Boulder, Colo. 80302 - 73,674 shares of common stock, issuable upon the exercise of warrants. The warrants were issued as a result of the merger of Affiliated and First Colorado Bankshares, Inc. (File 2-49194 - Sept. 28)

PHOENIX CAPITAL FUND, INC., One American Row, Hartford, Conn. 06115 - 453,203 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of The Rinfret Fund, Inc., at a rate to be determined later. The Funds are mutual funds, whose principal investment objective is capital appreciation. (File 2-49195 - Sept. 28)

MUNICIPAL INVESTMENT TRUST FUND, EIGHTEENTH MONTHLY PAYMENT SERIES - \$47,250,000 of units. The Fund was created by a trust agreement among Merrill Lynch, Pierce, Fenner and Smith Incorporated, Bache & Co., Incorporated and duPont Walston Incorporated as sponsors, United States Trust Company of New York as trustee and Standard & Poor's Corporation as evaluator. The Fund was formed for the purpose of obtaining tax exempt income through investment in interest-bearing state, municipal and public authority bonds, the interest on which, is in the opinion of counsel, exempt from all Federal income tax under existing law. (File 2-49196 - Sept. 28)

THE OHIO BELL TELEPHONE COMPANY, 100 Erieview Plaza, Cleveland, Ohio 44114 - \$200 million of debentures, due 2013, to be offered for sale at competitive bidding. (File 2-49197 - Sept. 28)

MERCANTILE BANCORPORATION INC., 721 Locust St., St. Louis, Mo. 63101 - 178,336 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Cape State Bank and Trust Company and United Bank of Farmington, at the rate of two shares for each Cape State Bank share and 2.56 shares for each United Bank share. Bancorporation is a bank holding company, which owns substantially all of the outstanding stock of eight banks in Missouri. (File 2-49198 - Sept. 28)

SECURITIES ACT REGISTRATION. Effective October 18: W. R. Berkley Corporation, 2-48298 (Jan. 16); The Christiana Companies, Inc., 2-49185; ILJ Properties/73, 2-48746 (90 days); Inexco Oil Company, 2-48963; Raymer Products Corp. 2-46443; Whitaker Cable Corporation, 2-48929.

Effective October 19: The Proctor & Gamble Company, 2-49095; Potlatch Corporation, 2-49273.

## MISCELLANEOUS

**TRADING SUSPENSIONS CONTINUED.** The SEC has announced the suspension of (a) over-the-counter trading in the securities of Royal Properties, Inc., Pennsylvania Life Company and Penn General Agencies, Inc., for the further ten-day period October 20-29, inclusive, and (b) over-the-counter trading in the securities of Aztec Products, Inc., and Beneficial Laboratories, and exchange and over-the-counter trading in the securities of BBI, Inc., Triex International Corporation and U. S. Financial, Inc. for the further ten-day period October 21-30, inclusive.

## 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
ACE INDUSTRIES INC	3,13,14	09/73
AMERICAN INDEMNITY FINANCIAL CORP	2,7,14	09/73
BLESSING CORP	13	09/73
DEWEY ELECTRONICS CORP	11,14	11/72
LANDMARK BANKING CORP OF FLORIDA	13	09/73
REGAL BELOIT CORP	13	09/73
SEABOARD OIL & GAS CO	3,4,7,10	09/73
MEDIAN MORTGAGE INVESTORS	2,14	09/73
MEDICAL COMPUTER SYSTEMS INC	13	09/73
MEDLINE INDUSTRIES INC	2,14	09/73
MEM CO INC	8	09/73
MESA PETROLEUM CO	7,14	09/73
METKO GOLDWYN MAYER INC	13,14	09/73
MID CONTINENT INDUSTRIES INC	8,9,10,11,14	09/73
MISSISSIPPI RIVER CORP	3,8,14	09/73
MOBILE HOME COMMUNITIES INC	3	09/73
MODULAR AMBULANCE CORP	13	09/73
MOLEX INC	11	09/73
MONTANA CORP	8	09/73
MONTANA DAKOTA UTILITIES CO	13	09/73
MOOG INC	2	09/73
MORRIS PHILIP INC	7,14	09/73
MORRISON KNUDSEN CO INC	7,9	09/73
MORTGAGE INVESTORS OF WASHINGTON	2,7,8,14	09/73
MOUNTAIN BANKS LTD	1	09/73
MSL INDUSTRIES INC	8	09/73
NARCO SCIENTIFIC INDUSTRIES INC	7,14	09/73
NATIONAL INFUKONDUCTOR SYSTEMS CORP	13	09/73
NATIONAL SEMICONDUCTOR CORP	11,14	09/73
NATURAL GAS PIPELINE CO OF AMERICA	7,13	09/73
NL INDUSTRIES INC	13	09/73
NMS INDUSTRIES INC	2,14	09/73
NORTH SHORE GAS CO ILLINOIS	13	09/73
NORTHERN ILLINOIS GAS CO	13,14	09/73
NORTHERN PRECISION LABORATORIES INC	11	09/73
NORTHWEST ENGINEERING CO	14	09/73
NORTHWESTERN PUBLIC SERVICE CO	3,14	09/73
NUCLEAR DATA INC	6,9,14	09/73
OCEANOGRAPHY MARICULTURE INDUSTRIES INC	13	09/73
OCTAGON ASSOCIATES INC	1,14	09/73
OHIO EDISON CO	7,14	09/73

OPELIKA MANUFACTURING CORP	13	09/73
OPTICAL RADIATION CORP	3	09/73
PABST BREWING CO	3	09/73
PACIFIC GAS & ELECTRIC CO	13,14	09/73
PANDICK PRESS INC	11,14	09/73
PARKWOOD HOMES INC	3	09/73
PAYSAVER CATALOG SHOWROOMS INC	11	09/73
PENNSYLVANIA CO	13	09/73
PENNSYLVANIA CO	8	09/73
PEOPLES GAS LIGHT & COKE CO	13	09/73
PETERSON HOWELL & HEATHER INC	8	09/73
PETRO SEARCH EXPLORATION & DEVELOPMENT P	13	09/73
PETRO SEARCH EXPLORATION CORP	13	09/73
PETRO SEARCH INCOME PROGRAMS SERIES I	13	09/73
PETRO SEARCH OIL & GAS FUND INC	13	09/73
PHOENIX STEEL CORP	6,8	09/73
PICKWICK INTERNATIONAL INC	11	09/73
PILLSBURY CO	11,14	09/73
PIIONEER SYSTEMS INC	13,14	09/73
PIZZA CORP OF AMERICA	13	09/73
PLANET OIL & MINERAL CORP	8	09/73
PONY VILLAGE INVESTMENT CO	2	09/73
PREL CORP	2,14	09/73
PROVIDENCE & WORCESTER CO	3,14	09/73
PUBLIC SERVICE CO OF COLORADO	7,14	09/73
PVO INTERNATIONAL INC	13	09/73
KAYGO INC	7	09/73
KAYMOND INTERNATIONAL INC	13,14	09/73
READING & BATES OFFSHORE DRILLING CO	7,14	09/73
RECRION CORP	8	09/73
REDFERN FOODS CORP	2,7,14	09/73
REDMAN INDUSTRIES INC	10,14	09/73
RESDEL INDUSTRIES	13,14	09/73
RESOURCE MANAGEMENT CORP	7,14	09/73
RESTAURANT ASSOCIATES INDUSTRIES INC	3,8	09/73
RETENTION COMMUNICATION SYSTEMS INC	3,13,14	09/73
REYNOLDS METALS CO	13	09/73
RLC INVESTMENTS INC	11	09/73
ROLAND INTERNATIONAL CORP	7,8,14	09/73
ROUSE CO	7	09/73
ROYAL AMERICAN INDUSTRIES INC	7,14	09/73
SALANT CORP	13,14	09/73
SANTA FE INDUSTRIES INC	3	09/73
SASLOW D L CO INC	4,7,14	09/73
SCHAEFLER F & M CORP	13	09/73
SCHICK INC	3	09/73
SCHJELDAHL G T CO	3	09/73
SEAPORT CORP	13,14	09/73
SHELLER GLOBE CORP	7,14	09/73
SINCLAIR VENEZUELAN OIL CO	13	09/73
SIPPICAN CORP	2,14	09/73
SMD INDUSTRIES INC	11,14	09/73
SOUTHERN BELL TELEPHONE & TELEGRAPH CO	7	09/73
SOUTHERN CALIFORNIA EDISON CO	13	09/73
SOUTHERN REALTY & UTILITIES CORP	7,14	09/73
SOUTHLAND EQUITY CORP	13	09/73
SOUTHLAND INVESTMENT CORP	11	09/73
SPECTOR INDUSTRIES INC	13,14	09/73
SPECKY & HUTCHINSON CO	3	09/73
SPRINGS MILLS INC	7	09/73
SQUIBB CORP	3	09/73
STANDARD OIL CO OF CALIFORNIA	7,14	09/73
STANDARD OIL CO OF INDIANA	3	09/73
SUPERIOR FOODS INC	8	09/73
SUPERSCOPE INC	13	09/73
SUPREME EQUIPMENT & SYSTEMS CORP	13,14	09/73
TAFT BROADCASTING CO	4,7,13,14	09/73
TAYLOR RENTAL CORP	7,8	09/73
TDA INDUSTRIES INC	7,13,14	09/73
TECHNICON CORP	3	09/73
TELESCIENCES INC	7,13	09/73
TENNESSEE VALLEY BANCORP INC	2,7,13,14	09/73

TERREBONNE CORP		09/73
TEXACO INC	3	09/73
TEXAS GULF INC	3,8	09/73
TEXTRON INC	14	09/73
TIPPERARY CORP	13	09/73
TRANSUNIO FINANCIAL CORP	13,14	10/73
TREADWAY COMPANIES INC	11,14	09/73
TRW INC	3	09/73
TYCO LABORATORIES INC	13	09/73
TYLER CORP	7,8,14	09/73
TYMSHAKÉ INC	3	09/73
UNICUM INSURANCE GROUP INC	4,9,13,14	09/73
UNION ELECTRIC CO	3	09/73
UNION INVESTMENT CO	4,7,14	09/73
UNION PACIFIC CORP	3	09/73
UNITED STATES HOME CORP	7,8,13,14	09/73
UNITED STATES REDUCTION CO	3	08/73
VACCO INDUSTRIES	11	09/73
WAXMAN INDUSTRIES INC	2,14	09/73
WEST PENN POWER CO	3	09/73
WESTERN ELECTRIC CO INC	7	09/73
WESTERN MICROWAVE LABORATORIES INC	13	09/73
WETTERAU INC	7	09/73
WHEELING PITTSBURGH STEEL CORP	3,13	09/73
WHITAKER CABLE CORP	11,14	09/73
WHITEHALL CORP	8	09/73
WISCONSIN FINANCE CORP	4,11,14	09/73
WITTER DEAN & CO INC	3,13	09/73
ZALE CORP	13	09/73
ZAPATA CORP	7,8,14	09/73

## AMENDMENTS TO REPORTS ON FORM 8-K

APEXCO INC	7	05/73
FOOD TOWN STORES INC	14	04/73
GENERAL CAPITAL CORP	9	08/73
LIL CHAMP FOOD STORES INC	2,14	07/73
RAYCO INC	14	07/73
UNITED STATES HOME CORP	4	07/73
WHITTAKER CORP	10,14	08/73
CUNNINGHAM DRUG STORES INC	13,14	07/73
NATIONAL DATA COMMUNICATIONS INC	9	01/73
ORANGE CO INC	14	08/73
SOUTHWEST SCOTTISH INNS INC	13	08/73
WASHINGTON NATURAL GAS CO	13	08/73
ASTRONICS CORP	14	06/73
COQUINA OIL CORP	12	09/72
ESTERLINE CORP	10,14	07/73
HALLIBURTON CO	3	09/73
LITTON INDUSTRIES INC	10,14	05/73
MGF OIL CORP	12	09/72
NURSUL OIL & MINING LTD	10	07/73
POPULAR BANGSHARES CORP	14	07/73
SANTA ANITA CONSOLIDATED INC	14	08/73
VIDEO SYSTEMS CORP	2,10,14	07/73

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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.