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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

CHARLES PLOHN, SR. SANCTIONED

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The SEC has issued an order suspending Charles Plohn, Sr., of New York City, who was a partner of a registered broker-dealer, from association with any broker-dealer for six months, and providing that he shall not function in a supervisory or proprietary capacity with a broker-dealer at any time. The order is subject to an undertaking by Plohn that he shall not become associated with a broker-dealer in a supervised and non-proprietary capacity without the Commission's prior approval. The suspension is effective on the date of the order.

The sanctions were based upon findings that Plohn violated or aided and abetted violations of the securities laws in the improper hypothecation of customers' securities, the misappropriation of customers' fully-paid securities, and the failure to make certain disclosures.

The Commission's order was based upon an offer of settlement in which Plohn, without admitting or denying the charges, consented to the indicated findings and sanctions. (Rel. 34-10958)

LAWRENCE R. TUREL SANCTIONED

The Commission has barred Lawrence R. Turel of Kingston, Pennsylvania, who was vice-president of Bovers, Parnass & Turel, Inc., formerly a Jersey City broker-dealer, from association with any broker-dealer, investment adviser, or investment company. After six months, Turel may apply to the Commission for permission to become associated with a broker-dealer in a non-supervisory, non-proprietary capacity. If such permission is granted, and Turel does become so associated, then three years thereafter he may apply to become associated with a broker-dealer in a supervisory and/or proprietary capacity.

The sanction was based on findings that Turel aided and abetted his firm's net capital violations, and was enjoined, with his consent, from further net capital violations. It was also found that a trustee has been appointed for his firm under the provisions of the Securities Investor Protection Act.

The Commission's order was issued under an offer of settlement in which Turel, without admitting or denying the charges against him, consented to the above findings and the indicated sanction. (Rel. No. 34-10940)

MAX ZERKIN AND ASSOCIATES REVOKED, ZERKIN BARRED

The Commission has revoked the broker-dealer registration of Max Zerkin and Associates, Inc., of Bethesda, Maryland, and barred Max Zerkin, its president, from association with any broker-dealer, investment adviser or investment company.

The sanctions were based on findings that the firm and Zerkin violated antifraud provisions of the securities laws in their activities involving the common stocks of Penn Metal Fabricators, Inc., U.S. Vinyl Corp. and Montgomery Land Investment and Development Corp. The firm and Zerkin controlled and manipulated the markets for those securities. Among other things, they improperly allocated portions of the stocks' public offerings; inserted artificial quotations in the "pink sheets" published by the National Daily Quotation Service and in newspapers at successively higher prices; effected purchases and sales in pre-arranged share amounts and at pre-arranged prices; and made material misstatements concerning the existence of bona fide independent markets for the stocks. It was also found that, on January 17, 1974, Zerkin pled guilty in the U.S. District Court for the District of Columbia, to charges that he violated antifraud provisions.

The firm and Zerkin, without admitting or denying the charges against him, consented to the above findings and the indicted sanctions. (Rel. 34-10942)

FIRST DETROIT, PRESIDENT AND SALESMAN SANCTIONED

The Commission has suspended the broker-dealer registration of First Detroit Securities Corporation, of Detroit, for thirty days, and suspended its president, Herman F. Zerweck, from association with any broker-dealer for sixty days. During the final 30 days of his suspension, Zerweck may effect liquidating transactions for the firm or its customers. The Commission also barred a former salesman of the firm, Frederic G. Brabander, from association with any broker-dealer. After one year, Brabander may apply to the Commission to become so associated in a non-supervisory capacity, upon a showing of adequate supervision.

The sanctions imposed on the firm and Zerweck were based on findings that they violated antifraud provisions in the offer and sale of various common stocks. The firm sold stock at unfair prices, sent purchase confirmations to customers who had not ordered stock, and filed with the Detroit Stock Exchange requests for extensions of time within which customers could make payment which contained false justifications. It was also found that the firm and Zerweck violated registration and anti-manipulative provisions in the offer and sale of stock of Teeg Research, Inc., and that they failed to comply with provisions governing the extension of credit to customers.

The sanction imposed on Brabander was based on findings that he induced customers to purchase various speculative securities by guaranteeing that they would not lose money, by predicting that the market prices of the securities would rise, by falsely representing that he had access to vital inside information concerning the issuers and that a large, well-known brokerage firm was buying the same securities that he was recommending, and by failing to disclose the adverse financial condition of the issuers. Brabander also effected transactions in customers' accounts without their consent; caused false confirmations of purchases and sales to be sent to customers; caused false entries to be made in the firm's books and records; and caused to be filed with the Detroit Stock Exchange requests for extensions of time within which customers could make payment which contained false justifications.

The Commission's order was issued under offers of settlement in which the firm and Zerweck, without admitting or denying the charges against them, consented to the findings and sanctions. (Rel. 34-10943)

JOHN E. SCHUMACHER BARRED

An order has been issued barring John E. Schumacher, of San Diego, from association with any broker-dealer. The order was based on findings that, from April 1971 to February 1973, Schumacher unlawfully sold unregistered common stock of Computer Consultants, Inc. and made material misstatements in the offer and sale of that stock. Schumacher represented that the stock being sold would be issued directly by Computer, when in fact it was owned by officers of the company; and that investors would be able to sell their stock publicly after Computer filed a registration statement, when in fact the statement, as filed, did not cover shares held by existing shareholders. He also represented that Computer was a new company with no operating history, when in fact it had operated for six years with a loss each year; and that, when Computer's registration statement became effective, investors would be able to sell their stock, for which they had paid \$2.25 per share, for \$6 to \$8 per share in the over-the-counter market. On February 2, 1973, Schumacher, with his consent and without his admitting or denying the allegations of the complaint was permanently enjoined from violations of the registration and antifraud provisions of the securities laws.

Schumacher, without admitting or denying the charges against him, consented to the findings and sanction. (Rel. 34-10945)

COMMISSION ANNOUNCEMENTS

WILLIAM C. WOOD NAMED ASSISTANT DIRECTOR

Alan B. Levenson, Director, Division of Corporation Finance, today announced the appointment of William C. Wood to the position of Assistant Director. This Assistant Directorship was left vacant by the untimely death of Sidney J. Scanlan.

Mr. Wood joined the staff of the Commission in October 1956 and the staff of the Division of Corporation Finance July, 1957 as a financial analyst. He has served in progressively more important positions and at the time of his appointment to the position of Assistant Director was Chief of one of the Division's Branches of Corporate Analysis and Examination. Mr. Wood attended American University in Washington, D.C., graduating in 1957 with a B.A. in economics.

REGULATION A EXEMPTION OF ACME INTERNATIONAL CORPORATION TEMPORARILY SUSPENDED

An order temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of securities of Acme International Corporation, Los Angeles, California. Koss Securities Corporation of Brooklyn, New York was the named underwriter of this offering.

Under a notification filed February 26, 1973, Acme offered 200,000 shares of its common stock at \$2.50 per share. According to the order, the Commission has reason to believe that: (a) the notification and offering circular of Acme contain untrue statements of material facts and omitted to state material facts necessary in order to make the statements made not misleading, particularly with respect to the failure to disclose the extent of dependence of one of its subsidiaries upon any one customer or group of customers for a significant portion of its revenues; the failure to disclose the business activities, operating methods and profit or loss experience of another subsidiary; the failure to disclose in the offering circular the right granted the underwriter under the terms of the underwriting agreement to place a nominee on Acme's board of directors for the next five years; the failure to disclose that Acme entered into merger negotiations in the summer of 1973 with NACA Manufacturing Corporation, a Las Vegas, Nevada company; and the failure to accurately state those jurisdictions in which the securities were proposed to be offered; (b) Koss Securities Corporation, which was named as the underwriter for this offering, has been indicted in an unrelated matter for criminal conduct involving the purchase or sale of a security and, pursuant to Rule 261(a)(6), such indictment constitutes grounds for suspension of Acme's Regulation A exemption; (c) Acme has failed to cooperate with the Commission in that Acme failed or refused to reply to its April 18, 1973 comment letter and three telephone requests from the Commission's staff with respect to the amending of the Notification and Offering Circular or its withdrawal; and (d) the offering, if allowed to commence, would be made in violation of the antifraud provisions of the securities laws. (Rel. 33-5521)

COURT ENFORCEMENT ACTIONS

ROBERT B. POTTS, VITO J. CARUSO,
ALFRED KOHN ENJOINED

The New York Regional Office announced that Judge Milton Pollack has entered final judgments of permanent injunction against the following defendants in SEC v. Canusa Holdings, Ltd., et al. (74 Civ. 30): Robert B. Potts and Vito J. Caruso on June 3, 1974 and Alfred Kohn on July 16, 1974. The orders, entered in the U.S. District Court for the Southern District of New York, permanently enjoined the defendants from violations of the registration and antifraud provisions of the securities laws. All three defendants consented to the entry of the orders without admitting or denying the allegations contained in the Commission's complaint. The Commission's action, which has now been concluded, involved the unlawful distribution of approximately 850,000 shares of common stock of Canusa Holdings, Ltd. (Canada) and Canusa Holdings, Ltd. (Delaware). (LR-6471)

INVESTMENT COMPANY ACT RELEASES

IDS LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until September 6 to request a hearing on an application of IDS Life Insurance Company and IDS Life Variable Annuity Fund A and IDS Life Variable Annuity Fund B, both of which are mutual funds, for an exemption from certain provisions of the Act to allow the insurance company and its parent, Investors Diversified Services, Inc. (IDS), to continue to act as investment advisers to the funds on the same terms and conditions as stated in their investment advisory agreements from the time of the proposed reincorporation of IDS in Delaware until the next annual stockholder meeting of each fund. (Rel. IC-8458)

VANGUARD FUND

A notice has been issued giving interested persons until September 6 to request a hearing on an application of Vanguard Fund, Inc. for an order declaring that it has ceased to be an investment company as defined in the Act. (Rel. IC-8459)

HOLDING COMPANY ACT RELEASES

OHIO EDISON COMPANY

An order has been issued authorizing Ohio Edison Company, a registered holding company and an electric utility company, to acquire utility assets in the cities of Norwalk, Salem, and Akron, Ohio. (Rel. 35-18527)

MIDDLE SOUTH UTILITIES; SYSTEM FUELS, INC.

A notice has been issued giving interested persons until September 3, 1974 to request that a hearing be held regarding a proposal of System Fuels, Inc., subsidiary of Middle South, to make prepayments aggregating up to \$67,500,000 for future deliveries of fuel oil from a new refinery under construction by ECOL Ltd., a non-affiliate. The prepayments, to be stretched over a period of about 2 years, will constitute part of the total financing required to construct the refinery. (Rel. 35-18528)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of over-the-counter trading in the securities of Franklin National Bank, Franklin New York Corp. and Continental Vending Machines Inc. for the further ten-day period August 13 - 22, inclusive.

CORRECTION RE AMERICAN ALL-SERVUS CORP. TRADING SUSPENSION

On August 8 it was correctly reported in the News Digest that the suspension of over-the-counter and exchange trading in the securities of American All-Servus Corp., of Hempstead, N.Y., would terminate at midnight August 8. In the News Digest of August 9 it was incorrectly reported that the suspension would be continued for a further ten-day period. The latter report was in error.

SECURITIES ACT REGISTRATIONS

REGISTRATIONS EFFECTIVE

Aug. 12: NVF Co., 2-50868.

REGISTRATIONS WITHDRAWN

Aug. 8: Tassaway Inc., 2-49927.

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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