

sec news digest

Issue 75-148
(SEC Docket, Vol. 7, No. 10 - August 12)

July 31, 1975

RULES AND RELATED MATTERS

REPORTING REQUIREMENTS FOR COMPANIES IN THE DEVELOPMENT STAGE

The Commission today issued for comment proposed amendments to Regulation S-X and various filing forms to conform accounting and reporting requirements for development stage companies to standards recently established by the Financial Accounting Standards Board for such companies. Comments should be submitted by September 15, 1975 and should be referenced to File No. S7-574. (Rel. 33-5601)

TRADING SUSPENSIONS

TRADING SUSPENDED IN CONTINENTAL DYNAMICS, LTD.

The SEC has announced the temporary suspension of over-the-counter trading in all securities of Continental Dynamics, Ltd., effective for a ten-day period beginning on July 30 and terminating at midnight (EDT) on August 8, 1975. The Commission initiated this suspension because of the unavailability of adequate and accurate current information concerning the financial condition and business operations of Continental Dynamics, Ltd. (Rel. 34-11560)

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Equity Funding Corp. for the further ten-day period August 5 - 14, inclusive.

COURT ENFORCEMENT ACTIONS

JOHN C. CARRUTHERS SENTENCED

The Washington Regional Office announced that on June 18 before the federal court in Washington, D.C., John C. Carruthers of Potomac, Maryland was sentenced to imprisonment for a term of one to three years. On June 6, 1975, Carruthers pleaded guilty to a criminal information charging him in a single count with mail fraud in connection with his activities while affiliated with The Inserco Corporation, a now defunct investment adviser formerly registered with the Commission. (U.S. v. John C. Carruthers, U.S.D.C., D.C., Criminal No. 397-75). (LR-7019)

COMPLAINT NAMES JOHN F. ARENS, OTHERS

The Washington Regional Office announced that on July 25 a complaint was filed in the U.S. District Court for the District of Columbia seeking a preliminary and permanent injunction and ancillary relief against John F. Arens (Arens) of Arlington, Virginia; Eric L. Szaloczi (Szaloczi) of Owings, Maryland; Harbinger Oil Corporation (HOC) of Crofton, Maryland; John F. Arens Company (JFAC) of Crofton, Maryland; W. Lyles Carr, Jr. (Carr) of St. Michaels, Maryland; and Paul T. Miller (Miller) of Alexandria, Virginia charging the above defendants with violations of the antifraud and registration provisions of the securities laws in connection with the offer and sale of fractional undivided interests in oil and gas wells.

Misrepresentations and omissions alleged in the complaint, among other things, concern past production history, the establishment of escrow bank accounts, the failure to drill six wells, the commingling of investors' monies and the use to be made of investors' monies, including \$498,978.37, by Arens and JFAC contrary to representations made to investors and without authorization by such investors.

Contemporaneously with the filing of this action, defendants Arens, Szaloczi, HOC and JFAC consented to the entry of a final judgment of permanent injunction without admitting or denying the allegations contained in the Commission's complaint. Arens and JFAC also consented to disgorgement in favor of investors to be accomplished through bankruptcy proceedings now pending in the U.S. District Court for the District of Wyoming. Under such consent, the Honorable Aubrey E. Robinson, Jr., U.S. District Judge for the District of Columbia, entered a final judgment permanently enjoining the said defendants from further violations of the previously mentioned provisions of the securities laws and ordering said disgorgement in favor of investors. (SEC v. John F. Arens, et al., D.C., Civil Action No. 75-1214). (LR-7020)

INVESTMENT COMPANY ACT RELEASES

WELLINGTON FUND

An order has been issued on an application of Wellington Fund, Inc., Windsor Fund, Inc., Ivest Fund, Inc., Exeter Fund, Inc., Explorer Fund, Inc., Trustees' Equity Fund, Inc., Wellesley Income Fund, Inc., W. L. Morgan Growth Fund, Inc., Westminster Bond Fund, Inc., Fund For Federal Securities, Inc., TDP&L Investment Account "A", Inc., and Gemini Fund, Inc., all registered investment companies, Wellington Management Company and Thorndike, Doran, Paine & Lewis, Inc., both registered investment advisers, permitting such applicants to sell jointly certain computer software systems and granting confidential treatment to certain documents relating to such sales. (Rel. IC-8868 - July 30)

SENTRY LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until August 25 to request a hearing on an application of Sentry Life Insurance Company, Sentry Variable Annuity Account 1 (Account), a unit investment trust, and Sentry Equity Services, Inc., the Account's principal underwriter, for certain exemptions from Section 22(d), 26(a), and 27(c)(2). (Rel. IC-8869 - July 30)

HOLDING COMPANY ACT RELEASES

EASTERN GAS AND FUEL ASSOCIATES

A supplemental order has been issued releasing jurisdiction heretofore retained in orders relating to the proposed acquisition by Eastern of Brockton-Taunton Gas Company and reinstating Eastern's exemption under Section 3(a)(1) without conditions (Rel. 35-12807, February 28, 1955). Eastern has sold all of its stock interest in Brockton's successor, Bay State Gas Company. (Rel. 35-19100 - July 29)

OHIO ELECTRIC COMPANY

An order has been issued authorizing Ohio Electric Company (Ohio Electric), subsidiary of Ohio Power Company, subsidiary of American Electric Power Company, Inc., to issue and sell up to \$75 million of first mortgage bonds at competitive bidding. Ohio Electric will use the net proceeds to pay construction costs of its 2 unit Gavin plant. (Rel. 35-19101 - July 30)

SECURITIES ACT REGISTRATIONS

(S-14) GREAT NORTHERN NEKOOSA CORPORATION

75 Prospect St., Stamford, Conn. 06901 - 554,384 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of Pak-Well Corporation, at the rate of one Great Northern share for each 2.67 Pak-Well shares, except that certain affiliated stockholders of Pak-Well have agreed to an exchange ratio of one Great Northern share for each 2.8148 Pak-Well shares. Great Northern Nekoosa Corporation is a paper manufacturer. (File 2-54145 - July 7)

(S-7) J. P. MORGAN & CO. INCORPORATED

23 Wall St., New York, N.Y. 10015 - \$150 million of notes, due 1982, to be offered for sale through underwriters headed by Morgan Stanley & Co. Incorporated, 1251 Avenue of the Americas, New York, N.Y. 10020. J. P. Morgan is a holding company which owns all the outstanding stock of Morgan Guaranty Trust Company of New York, a trust company which conducts a commercial banking and trust business. (File 2-54281 - July 29)

(S-7) THE DAYTON POWER AND LIGHT COMPANY

25 North Main St., Dayton, Ohio 45401 - \$45 million of first mortgage bonds, due 2005, to be offered for sale through underwriters headed by Morgan Stanley & Co. Incorporated, 1251 Avenue of the Americas, New York, N.Y. 10005. The company is a utility, primarily engaged in supplying electric energy and natural gas. (File 2-54282 - July 29)

(S-7) IOWA SOUTHERN UTILITIES COMPANY

300 Sheridan Ave., Centerville, Iowa 52544 - 200,000 shares of common stock, to be offered for sale at a price not yet determined. The managing underwriter is Dean Witter & Co. Inc., 33 North Dearborn St., Chicago, Ill. 60602. The company is an electric and gas utility. (File 2-54285 - July 29)

(S-14) AMAX INC.

Amax Center, Greenwich, Conn. 06830 - 1,506,031 shares of common stock, to be offered in connection with the proposed merger of Copper Range Company into Amax Michigan, Inc., a wholly-owned subsidiary of Amax Inc. Each share of common stock of Copper Range Company will, upon the effectiveness of the merger, be converted into 0.8 Amax share. Amax Inc. is engaged in the exploration for and mining of ores and minerals. (File 2-54286 - July 29)

(S-13) THE NEW HAMPSHIRE JOCKEY CLUB, INC.

Kenneth F. Graf, John J. Hurley and Edward J. Haseltine as voting trustees, Rockingham Park, Salem, N.H. 03079 - 100,000 shares of voting trust certificates. It is proposed to offer these shares on a share for share basis in exchange for the outstanding capital stock of The New Hampshire Jockey Club, Inc., a company engaged in conducting horse racing. (File 2-54288 - July 29)

(S-7) PFIZER INC.

235 East 42nd St., New York, N.Y. 10017 - \$100 million of sinking fund debentures, due 2000, and \$100 million of notes, due 1985, to be issued under separate indentures in denominations of \$1,000 and integral multiples thereof, to be offered for sale through underwriters headed by Lazard Freres & Co., One Rockefeller Plaza, New York, N.Y. 10020. The company manufactures and sells a wide variety of pharmaceutical, health care, agricultural, chemical, consumer and other products. (File 2-54289 - July 29)

(S-7) NIAGARA MOHAWK POWER CORPORATION

300 Erie Blvd. West, Syracuse, N.Y. 13202 - 300,000 shares of preferred stock, (\$100 par), to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 30 Pine St., New York, N.Y. 10005. The company is engaged in the electric and gas utility business. (File 2-54292 - July 29)

(S-14) WIEN AIR ALASKA, INC.

4100 International Airport Rd., Anchorage, Alaska 99502 - units consisting of warrants expiring December 31, 1987, to purchase 334,884 shares of common stock and \$2,350,000 of subordinated notes, due 1986. It is proposed to amend the note and warrant purchase agreements of November 26, 1968, to attach warrants, to the 6% subordinated notes, due 1986, held by the prospective holders of the warrants. This offer is contingent upon acceptance by 100% of the present warrant holders. Wien is an air carrier of passengers, freight and mail. (File 2-54068 - June 30)

REGISTRATIONS EFFECTIVE

July 29: Baltimore Gas & Electric Co., 2-54143; Commonwealth Edison Co., 2-54194; D L Saslow Co., Inc., 2-54024; The First Trust of Insured Municipal Bonds, Series 7, 2-54070; Florida Bankshares Inc., 2-51889; Hydro Quebec (Province of Quebec), 2-54172; McGraw Edison Co., 2-53973; Mid Continent Telephone Corp., 2-54088; National Medical Enterprises, Inc., 2-54121; Natomas Co., 2-53753; North American Philips Corp., 2-53966; Schlumberger Ltd., 2-54103; Xerox Corp., 2-53981.
July 30: Chart House Inc., 2-54013; General Telephone & Electronics Corp., 2-54125; Niagara Frontier Services, Inc., 2-52626; Ohio Electric Co., 2-54129; Rollins Inc., 2-54148.

RECENT 8K 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.

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
ADAMS MILLIS CORP	2,10,14	06/75
ALLIED ARTISTS PICTURES CORP	13,14	06/75
ALTEC CORP	7,8,14	06/75
ATHLONE INDUSTRIES INC	4,7,14	06/75
ATLANTA NATIONAL REAL ESTATE TRUST	6,14	06/75
ATLANTIC IMPROVEMENT CORP	13,14	06/75
ATLAS HOTELS INC	2,13,14	06/75
BELL & HOWELL CO	3	06/75
BETHLEHEM CORP	11	06/75
CHEMEX INDUSTRIES INC	3,6	01/75
CLEVELAND CLIFFS IRON CO	3	06/75
COMPUTER ELECTION SYSTEMS INC	9,10,14	06/75
COUSINS MORTGAGE & EQUITY INVESTMENTS	3,6,10,14	06/75
COUSINS PROPERTIES INC	7,14	06/75
E SYSTEMS INC	4,14	06/75
FEDERAL REAL ESTATE INVESTMENT TRUST	7	06/75
FOREST OIL CORP	7,14	06/75
GENERAL MOTORS ACCEPTANCE CORP	7,14	06/75
HOSPITAL AFFILIATES INTERNATIONAL INC	13,14	06/75
IOWA ILLINOIS GAS & ELECTRIC CO	3	06/75
KIMBALL INTERNATIONAL INC	13	06/75
MAYER OSCAR & CO INC	13,14	06/75
NEWBERRY J J CO	6	06/75
PUNTA GORDA ISLES INC	3	06/75
PUREPAC LABORATORIES CORP	11,14	06/75
SENECA FOODS CORP	13,14	06/75
STANWOOD CORP	1,3,4,6,8,11,13,14	06/75
TELEPHONE & DATA SYSTEMS INC	3,7	06/75
TEXAS AMERICAN OIL CORP	13,14	06/75
TROPICANA POOLS INC	11	06/75

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.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45/yr in U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.