

sec news digest

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AUG 8 1975

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

WILLIAM A. JANSSEN SANCTIONED

The Commission has censured William A. Janssen, of Tucson, Arizona, secretary-treasurer of the former broker-dealer firm of L. G. Victors Gold & Co. The sanction was based on findings that, during the period May to October 1971, Janssen unlawfully sold unregistered securities of Techni-Culture, Inc. (TC) and Techni-Culture of Arizona, Inc., and violated antifraud provisions in the offer and sale of TC securities. It was also found that Janssen aided and abetted recordkeeping violations in that false entries were made in a broker-dealer's books and records with respect to transactions in TC stock.

The Commission's action was taken pursuant to an offer of settlement in which Janssen, without admitting or denying the charges against him, consented to the above findings and sanction. (Rel. 34-11549)

FIDELITY PLAN, INC. REVOKED; DANIEL G. GUNTER AND CLAUDE L. DOWNS SANCTIONED

The Commission has revoked the broker-dealer registration of Fidelity Plan, Inc., of East Point, Georgia, and suspended Daniel G. Gunter, its president, and Claude L. Downs, vice-president, from any association with a broker or dealer for 12 months effective August 4. Gunter and Downs were also barred from any such association in a supervisory capacity. After 12 months, each may apply to become associated with a broker or dealer in a supervisory capacity.

The sanctions were based on findings that, during the period from about May 1969 through September 1973, respondents violated antifraud provisions of the securities laws in that, in the offer and sale of various church bonds, they represented to customers that they were buying first mortgage bonds without disclosing that the bonds would not be entitled to such a lien if the sales proceeds of the firm's offering on a best efforts basis were insufficient to retire existing mortgage indebtedness; and failed to disclose that Institutional Finance Corporation (IFC), an affiliate of the firm, had complete control over funds received from bond sales and could invest them without restriction; that IFC would commingle sales proceeds with those of bonds sold for other churches; that IFC retained for its own use and benefit the profits from investments made with custodial funds; that IFC received interest from the various churches on unsold bonds; and that IFC made substantial loans of funds received from bond sales to respondents and to other churches whose bonds had not yet been sold.

It was also found that respondents aided and abetted IFC's failure to register as a broker-dealer as required, failed to maintain a special reserve bank account for the benefit of customers, and failed to comply with credit extension, confirmation and recordkeeping requirements.

The Commission's action was taken pursuant to an offer of settlement in which respondents, without admitting or denying the charges against them, consented to the above findings and the indicated sanctions. (Rel. 34-11550)

PRUDHOMME INVESTOR SERVICE REVOKED, PRESIDENT BARRED

The Commission has revoked the broker-dealer registration of Prudhomme Investor Service, Inc., of Silver Spring, Maryland, and barred its president, Abraham Kaplan, from association with any broker-dealer. The sanctions were based on findings that, during the period October 1974 to April 1975, Prudhomme and Kaplan refused to produce any of the firm's books and records or permit an examination by Commission representatives. It was also found that Prudhomme and Kaplan failed to comply in several respects with the Exchange Act's reporting requirements.

Prudhomme and Kaplan did not answer the charges against them and were deemed in default. (Rel. 34-11551)

The Commission has barred James Richard Read, of Burton, Michigan, from association with any broker-dealer or investment company. The sanction was based on findings that Read, formerly a salesman for a broker-dealer firm, violated antifraud provisions of the securities laws during the period from March through December 1973. Read contacted customers who had purchased in bearer form bonds and debentures issued by various political subdivisions of the State of Michigan. He told the customers that their securities would be safer if they were registered in their individual names and that, if they brought the securities in, he would register them. In fact, Read took the securities to a bank and pledged them as collateral for personal loans. He falsely represented to the bank that the securities were his, and concealed his activities from his employer.

Without admitting or denying the charges against him, Read consented to the above findings and the indicated sanction. (Rel. 34-11552)

COURT ENFORCEMENT ACTIONS

RECEIVER APPOINTED

The Denver Regional Office announced that on July 22 Federal District Judge Alfred A. Arraj at Denver, Colorado entered an order appointing a receiver for Hay Springs Corporation, Cornhusker Associates, Inc., Continental Colorado Corporation, Beran-Kaminski & Associates, Continental Tiele Co. Inc., and Amidon East. Previously, orders of preliminary injunction from violation of the registration and antifraud provisions of the securities laws had been entered against these defendants except Hay Springs Corporation and Cornhusker Associates, Inc. (SEC v. Hay Springs Corporation, et al., D.C. Colo., No. 74-A-401). (LR-7023)

PAUL T. MILLER ENJOINED

The Washington Regional Office announced that on July 29 the federal court in Washington, D.C. permanently enjoined Paul T. Miller of Alexandria, Virginia from violations of the antifraud provisions of the securities laws in connection with the offer and sale of securities, namely fractional undivided oil and gas interests or any other securities. The defendant consented to the entry of the final judgment without admitting or denying the allegations contained in the Commission's complaint. (SEC v. John F. Arens, et al., D.C., Civil Action No. 75-1214). (LR-7024)

AMERICAN AGRONOMICS DEFENDANTS ENJOINED

The SEC announced that on July 31 the Honorable Aubrey E. Robinson, Jr., U.S. District Judge for the District of Columbia issued an order preliminarily enjoining James E. Corr III, Neica Lee Corr, Alfred L. Hamilton, Clinton Youmans, Joseph Sonberg and Dennis Ormond from violations of the reporting, margin, antimanipulative, registration and antifraud provisions of the securities laws. In addition, the defendants were preliminarily enjoined from disposing of or acquiring American Agronomics stock without prior approval of the Commission, and from exercising any control, voting or otherwise, over American Agronomics.

The complaint, which was filed on March 19, 1975, alleged that the defendants engaged in a scheme to manipulate upwards on the American Stock Exchange the price of the common stock of American Agronomics Corporation, a Tampa, Florida-based orange grove and real estate company. (SEC v. James E. Corr III, et al., D.D.C. 75-0386). (LR-7025)

INVESTMENT COMPANY ACT RELEASES

DELAWARE FUND

A notice has been issued giving interested persons until August 28 to request a hearing on an application of Delaware Fund, Inc., Decatur Income Fund, Inc., Delta Trend Fund, Inc. (the Fund(s)), all open-end diversified management investment companies, and Delaware Management Company, Inc., the Funds' principal underwriter. The requested order would permit the Funds to offer to exchange their shares for shares of Delchester Bond Fund, Inc. (Bond Fund) which were purchased under a sales load schedule lower than that applicable to the other Funds, on the basis of relative net asset values plus an amount equal to the difference between the sales charge as described in the appropriate prospectus for the Fund whose shares are being acquired and the sales charge which was paid on the Bond Fund shares exchanged. (Rel. IC-8871 - Aug. 1)

CROWN WESTERN INVESTMENTS

A notice has been issued giving interested persons until August 25 to request a hearing on an application of Crown Western Investments, Inc. for an order declaring that it has ceased to be an investment company. (Rel. IC-8872 - Aug. 1)

EDIE SPECIAL FUNDS

A notice has been issued giving interested persons until August 25 to request a hearing on an application of Edie Special Growth Fund, Inc. (Growth) and Edie Special Institutional Fund, Inc. (Institutional), registered open-end companies, and Lionel D. Edie & Co., Inc., the funds' investment adviser and a shareholder in both funds, for an order exempting from Section 17(a) and permitting under Rule 17d-1 a proposed merger of Institutional into Growth. (Rel. IC-8870 - Aug. 1)

HOLDING COMPANY ACT RELEASES

JERSEY CENTRAL POWER & LIGHT COMPANY

A notice has been issued giving interested persons until August 28 to request a hearing on a proposal of Jersey Central Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company, subsidiaries of General Public Utilities Corporation, to make the necessary transfers of property interests and to adjust their respective present contractual obligations in order to provide for the ownership, as tenants-in-common, in varying percentage interests of an aggregate of seven proposed sites to be used for generation and related purposes. (Rel. 35-19110 - Aug. 1)

MISSISSIPPI POWER COMPANY

A notice has been issued giving interested persons until August 26 to request a hearing on a proposal of Mississippi Power Company, subsidiary of The Southern Company, to amend its articles of incorporation to allow the board of directors to determine sinking fund provisions for the company's preferred stock. Mississippi also proposes to seek shareholder approval for certain increases in its unsecured long-term debt. Proxies are to be solicited in connection with both transactions. (Rel. 35-19111 - Aug. 1)

DELMARVA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until August 25 to request a hearing on a proposal of Delmarva Power & Light Company, a registered holding company, to organize and acquire, as a wholly-owned subsidiary corporation, Delmarva Energy Company, a Delaware corporation. Delmarva will acquire, for \$10,000, all 1,000 authorized shares of Delmarva Energy Company's no-par common stock, and will provide the new subsidiary with not more than \$1 million in funds over the next three years. (Rel. 35-19112 - Aug. 1)

LOUISIANA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until August 28 to request a hearing on a proposal of Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., to issue and sell at competitive bidding up to \$50 million of first mortgage bonds. The net proceeds of the sale will be used to finance, in part, Louisiana's construction program and to repay short-term borrowings. (Rel. 35-19113 - Aug. 4)

SECURITIES ACT REGISTRATIONS

(S-7) SHELL OIL COMPANY

One Shell Plaza, Houston, Tex. 77002 - 2,200,000 shares of common stock, issuable under its dividend reinvestment and stock purchase plan. The company is an integrated oil enterprise. (File 2-54312 - Aug. 1)

In a separate statement, the company seeks registration of 3,800,000 shares of common stock, issuable from time to time by the Shell Stock Fund. (File 2-54313 - Aug. 1)

(S-7) PACIFIC POWER & LIGHT COMPANY

920 S. W. 6th Ave., Portland, Ore. 97204 - 3,000,000 shares of common stock, to be offered for sale at competitive bidding. The company is an electric utility company. (File 2-54318 - Aug. 1)

(S-1) CYPRESS SEARCH FUND, INC.

Suite 400, 1901 Avenue of the Stars, Los Angeles, Cal. 90067 - \$2,500,000 of partnership interests in Southwest Natural Gas Exploration and Development Program '75 (the Partnership), to be offered for sale in multiples of \$5,000 with a minimum investment of \$5,000. The Partnership sponsors oil and gas exploration programs. (File 2-54309 - July 31)

(S-7) NORTHERN STATES POWER COMPANY

414 Nicollet Mall, Minneapolis, Minn. 55401 - up to 400,000 shares of common stock, issuable pursuant to its dividend reinvestment plan. (File 2-54310 - Aug. 1)

(S-1) WISCONSIN GAS COMPANY

626 East Wisconsin Ave., Milwaukee, Wis. 53202 - 640,000 shares of preferred stock, to be offered for sale through underwriters headed by Dillon Reed & Co. Inc., and Robert W. Baird & Co. Incorporated, c/o Dillon Reed & Co. Inc., 46 William St., New York, N.Y. 10005. The company is a distributor of natural gas. (File 2-54317 - Aug. 1)

(S-7) LOUISIANA POWER & LIGHT COMPANY

142 Delaronde St., New Orleans, La. 70174 - \$50 million of first mortgage bonds, to be offered for sale at competitive bidding. The company is engaged in the electric utility business. (File 2-54321 - Aug. 1)

(S-1) FIRST NATIONAL BANKSHARES OF FLORIDA, INC.

2400 East Atlantic Blvd., Pompano Beach, Fla. 33062 - 175,000 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common stock of First National Bank of New Smyrna Beach, New Smyrna Beach, Fla., at the rate of 7 shares for each Bank share. First National Bankshares of Florida, Inc., is a bank holding company which controls 6 banks and a data processing subsidiary. (File 2-54322 - Aug. 1)

(S-7) LONG ISLAND LIGHTING COMPANY

250 Old Country Rd., Mineola, N.Y. 11501 - approximately 4,000,000 shares of common stock, to be offered for subscription by common stockholders of record August 26, 1975, at the rate of one share for each seven shares held and at a price to be determined. Shares not subscribed for are to be offered for sale by underwriters headed by Paine, Webber, Jackson & Curtis, Inc., 140 Broadway, New York, N.Y. The company supplies electric and gas service. (File 2-54324 - Aug. 1)

REGISTRATIONS EFFECTIVE

July 31: First Bancgroup Alabama Inc., 2-53032; Georgia Power Co., 2-53946.
Aug. 1: A. P. Green Refractories Co., 2-53957; Central Soya Co. Inc., 2-52934; Commercial Credit Co., 2-54095; Gabriel Industries Inc., 2-54111; Kollmorgen Corp., 2-54207; New Jersey Bell Telephone Co., 2-54181; Revlon Inc., 2-54051; Schiller Industries, Inc., 2-54060; Western States Life Insurance Co., 2-53627.

REGISTRATIONS WITHDRAWN

July 21: Atlantic Bancorporation, 2-54073.
July 25: ERC Corp., 2-52579; Maenner/American Properties Ltd., 2-49534.
July 29: Continental Investment Corp., 2-51252; Scan Optics Inc., 2-50141.
July 30: Northwestern Financial Corp., 2-52170; Riverdale Athletic Club, 2-51900.
July 31: Genesco Inc., 2-52757.
Aug. 1: Genstar Ltd., 2-52674.

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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