

# sec news digest

U.S. SECURITIES & EXCHANGE COMMISSION

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Issue 75-2  
(SEC Docket, Vol. 5, No. 20 - Jan. 14)

January 3, 1975

JAN 6 1975

## COMMISSION ANNOUNCEMENTS

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#### INITIAL DECISION BARS RICHARD GREENBERG

Administrative Law Judge Edward B. Wagner has filed an initial decision barring Richard Greenberg, a partner in the firm of Lincoln Securities of Hempstead, New York from association with any broker or dealer.

The decision is based upon findings that Greenberg had been convicted of conspiracy to violate the antifraud provisions of the securities laws in United States v. Soldano, 71 Cr. 499 (D.C.S.D.N.Y.) in 1972 and that he had aided and abetted violations by the firm of the reporting requirements of the Exchange Act. In addition, the Administrative Law Judge took official notice of his own findings in an earlier initial decision (Lincoln Securities, Admin. Proc. File No. 3-2848) that Greenberg had aided and abetted violations of the Net Capital Rule by the firm and had failed reasonably to supervise with respect to violations of Regulation T.

#### DISCUSSION ON CENTRAL MARKET PRINCIPLES OPEN TO PUBLIC

The Executive Secretary of the SEC's Advisory Committee on the Implementation of a Central Market System announced today that the following persons will discuss their views on the Committee's "Preliminary Statement of Characteristics and Principles of the Central Market System":

- James J. Maguire - Vice President, Henderson Brothers, Inc., New York
- Robert E. Mnuchin - Goldman, Sachs & Co., New York
- Charles E. Rickershauser, Jr. - Munger, Tolles, Hills and Rickershauser, Los Angeles
- Donald E. Weeden - Chairman of the Board, Weeden & Co., New York.

This discussion, which is open to the public, will begin at 1:00 on Thursday, January 9, 1975, in Room 776 at 500 North Capitol Street.

## TRADING SUSPENSIONS

#### TRADING SUSPENDED IN AMERICAN AGRONOMICS CORP.

Exchange and over-the-counter trading has been suspended in the securities of American Agronomics Corp., a Florida corporation located in Miami, Florida for a ten-day period beginning on January 3 and terminating at midnight January 12, 1975.

The suspension was initiated because of questions which have arisen recently concerning the market activity in the securities of American Agronomics Corp. (Rel. 34-11164)

#### ADDITIONAL ACTION ON TWO TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of BBI, Inc., and over-the-counter trading in the securities of Nicoa Corp. for the further ten-day period January 4-13, inclusive.

## COURT ENFORCEMENT ACTIONS

#### ISRAEL INTERNATIONAL CORPORATION ENJOINED

The Washington Regional and Philadelphia Branch Offices announced that on December 16 the Honorable J. William Ditter, Jr., U.S. District Judge for the Eastern District of Pennsylvania, entered a default judgment permanently enjoining Israel International

Corporation of Jenkintown, Pennsylvania from violations of the antifraud provisions of the securities laws.

In its complaint, the Commission alleges that Israel International Corporation and the other named defendants violated the antifraud provisions of the securities laws in connection with the offer and sale of short term notes of Mount Everest Corporation, by representing, among other things, that the interest due on the notes would be paid from operating revenues of Mount Everest Corporation, when, in fact, sufficient revenues were never available for this purpose, and by diverting substantial proceeds from the note sales to the management of Mount Everest Corporation for salaries and expenses. For further information see Litigation Release Nos. 6198 and 6221. (SEC v. Mount Everest Corporation, et al., E.D. Pa., Civil Action No. 73-2154). (LR-6656)

#### JAMES E. MIDKIFF, E. LEE FRANKS INDICTED

The Atlanta Regional Office announced that on December 20 a Federal Grand Jury sitting in Tampa, Florida, returned a twenty-three count indictment charging James E. Midkiff and E. Lee Franks, both of St. Petersburg, Florida, with twenty-two criminal violations of the antifraud provisions of the securities laws, and one count of conspiring to violate those same provisions.

The indictment charges that Midkiff, president of Gulf Investing Corporation, and Franks, a securities salesman, fraudulently offered and sold approximately 23,000 shares of Gulf's common stock to twenty elderly residents of St. Petersburg, Florida. Prior to being declared insolvent, as a result of an earlier SEC civil action, Gulf was purportedly the owner and operator of two funeral homes in the St. Petersburg area. (U.S. v. James E. Midkiff and E. Lee Franks). (LR-6657)

#### COMPLAINT NAMES HI-SHEAR CORPORATION AND GEORGE S. WING

The Los Angeles Regional Office announced the filing of a complaint in the Federal District Court in Los Angeles on December 19th against Hi-Shear Corporation, a California corporation and George S. Wing, its president and chairman of the board, both of Los Angeles.

The complaint alleges violations of the antifraud and other provisions of the proxy regulations in connection with solicitation of shareholders' votes for a special meeting of Hi-Shear shareholders to be held on December 20, 1974. The complaint seeks an injunction from future violations of proxy regulations. (SEC v. Hi-Shear Corporation, et al., C.A. No. CV 74-3717). (LR-6658)

#### E. JOHN WENTLAND, OTHERS, ENJOINED

The SEC announced that on December 6 the Federal District Court for the Southern District of Florida at Miami, Florida, permanently enjoined by consent E. John Wentland, Continental Land Development One, Inc., Continental Land Management Corporation, Continental Companies Corporation, and Continental Land Corporation. All of the above named defendants consented to the court order without admitting or denying the allegations of the complaint, which charged violations of the registration and antifraud provisions of the securities laws in the offer and sale of the securities of Continental Land Management Corporation, Continental Land Development One, Inc., and Continental Southeast Land Corporation. (See prior Release LR-6339). (SEC v. Continental Land Management Corporation, et al., S.D. Fla., Civil Action No. 74-525-Civ-PF). (LR-6659)

#### CALIFORNIA-HAWAII DEVELOPMENT INC., OTHERS, ENJOINED

The Los Angeles Regional and San Francisco Branch Offices announced that on December 23 the Honorable Charles B. Renfrew, Judge of the U.S. District Court in San Francisco, entered a judgment permanently enjoining California-Hawaii Development Inc. (Cal-Hawaii) and Dewey O. Chapman, Jr., Cal Hawaii's president and chairman of the board, from violations of the registration provisions of the securities laws in connection with the offer and sale of the securities of Papakea Partners, Ltd., in the form of interests in that limited partnership, or any other securities. The court's judgment was issued as the result of the Commission's complaint filed on December 19, to which the defendants consented without admitting or denying the allegations contained therein. (SEC v. California-Hawaii Development Inc., et al., U.S.D.C. N.D. Calif., Civil Action No. 74-2668). (LR-6660)

#### LLOYD DIXON, JR. CONVICTED

The SEC announced the conviction on December 11 of Lloyd Dixon, Jr. by a jury in Buffalo, New York on six counts of violating the securities and mail fraud laws. Dixon was the president and Chief Executive Officer of the AVM Corporation of Jamestown, New York from 1964 to 1973.

Dixon was convicted of conspiring during the period December 1970 to May 1971 to solicit proxies in violation of SEC regulations by failing to advise AVM stockholders of personal loans of over \$67,000 made to Dixon by AVM Corporation during the year 1970. Dixon was also convicted of a substantive count of soliciting shareholder votes by the use of proxy material which failed to disclose the loans and of three mail fraud counts based on mailing and receipt by shareholders of the false proxy material.

The jury further found Dixon guilty of filing a misleading annual report on Form 10-K for AVM Corporation for the year 1970 which failed to disclose the loans.

AVM Corporation, which had been indicted along with Dixon, pleaded nolo contendere on February 7, 1974 to all six counts and was fined \$5,000 by U.S. District Judge John T. Curtin on April 8, 1974. Sentencing for Dixon has been set for January 27, 1975. (LR-6661)

#### THOMAS E. MULLEN INDICTED

The SEC announced that a Federal Grand Jury returned a two-count indictment on December 12 charging Thomas E. Mullen, formerly a marketing executive with Eastern Air Lines, with conspiring with Cortes W. Randell, the former president of National Student Marketing Corporation, and Denis M. Kelly, formerly an executive with Eastern and with National Student Marketing Corporation, to use interstate facilities to promote bribery.

The first count of the indictment charges that beginning around September 1968, Mullen conspired with Randell and Kelly to increase artificially and corruptly the size of Eastern's actual and purported purchases of National Student Marketing services, in return for \$25,000 in cash and thousands of shares of National Student Marketing stock secretly funneled to Mullen without Eastern's knowledge and consent. The second count charges Mullen with using interstate facilities in connection with the receipt and distribution of the \$25,000 bribe.

Randell and Kelly, named in the present indictment as co-conspirators have previously pleaded guilty to various violations of the securities laws in United States v. Randell, 74 Crim. 43. Mr. Mullen has not yet pleaded to either of the counts in the present action. (LR-6662)

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## INVESTMENT COMPANY ACT RELEASES

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#### CORRECTION RE FEDERAL STREET FUND, INC.

This is to correct an error made in Release No. 8600, issued December 3, 1974, in the Matter of Federal Street Fund, Inc. (812-3721). Said release stated that the application noticed therein had been filed on July 22, 1974, when in fact such application was filed on November 11, 1974. Therefore, all concerned are advised that the correct date of the filing of application No. 812-3721, in the Matter of Federal Street Fund, Inc. (Rel. IC-8600) is November 11, 1974. (Rel. IC-8600A - Dec. 31)

#### CHESAPEAKE FUND

An order has been issued on the Commission's own motion terminating the registration of Chesapeake Fund, Inc. (Rel. IC-8629 - Jan. 2)

#### GRAY LINE CORP.

An order has been issued on an application of Gray Line Corp. declaring that it has ceased to be an investment company. (Rel. IC-8630 - Jan. 2)

#### CAPITAL RESERVE ASSETS

An order has been issued on an application of Capital Reserve Assets declaring that Capital has ceased to be an investment company. (Rel. IC-8631 - Jan. 2)

#### PACIFIC SCHOLARSHIP FUND

An order has been issued on the Commission's own motion terminating the registration of Pacific Scholarship Fund of Kirkland, Washington. (Rel. IC-8632 - Jan. 2)

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## HOLDING COMPANY ACT RELEASES

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### COLUMBIA COAL GASIFICATION CORPORATION

The SEC has authorized Columbia Gas Transmission Corporation to lease to Columbia Coal Gasification Corporation, both wholly-owned non-utility subsidiaries of The Columbia Gas System, Inc., 300,000 acres of land in West Virginia for the exploration, development and extraction of minable coal thereunder. (Rel. 35-18748 - Dec. 31)

### THE COLUMBIA GAS SYSTEM, INC.

An order has been issued authorizing Columbia Coal Gasification Corporation (CG) to exchange a one-half interest in certain West Virginia coal reserves for a one-half interest in certain Illinois coal reserves held by the Carter Oil Company, an Exxon subsidiary. The West Virginia coal reserves will be jointly developed by CG and Carter for commercial production and sale, at a capital cost of \$96 million, of which CG's share (\$48 million) will be obtained from the sale of its securities to its parent, the Columbia Gas System, Inc. The Illinois coal reserve will be held for future use as feedstock by CG for the gasification of coal. (Rel. 35-18749 - Dec. 31)

### GEORGIA POWER COMPANY

An order has been issued authorizing Georgia Power Company, subsidiary of The Southern Company, to sell a 30% undivided interest as tenant in common in two nuclear and two fossil generating units and a 100% interest in certain transmission facilities associated therewith. The SEC also denied a request for hearing and motion to consolidate this proceeding with another application filed by Georgia regarding the sale and lease-back of the initial core load of nuclear fuel for the nuclear units (File No. 70-5587). (Rel. 35-18750)

### LOUISIANA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until January 27 to request a hearing on a proposal of Louisiana Power & Light Company, an electric utility subsidiary company, and its parent company, Middle South Utilities, Inc., a registered holding company, to engage in certain transactions related to a change in Louisiana Power's state of incorporation to Louisiana. (Rel. 35-18751)

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## SECURITIES ACT REGISTRATIONS

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### REGISTRATIONS EFFECTIVE

December 31: American Home Products Corp., 2-52495; The Goldfield Corp., 2-52298; Imperial Financial Services, Inc., 2-49274; Professional Investors Corp., 2-51418.  
January 2: Central United Corp., 2-49391; Western Massachusetts Electric Co., 2-52392.

### REGISTRATIONS WITHDRAWN

December 31: Stardust Productions Company and Anethyst Distributing Corp., 2-49300 (Abandoned).

### 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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