



# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

Washington, D.C. 20549

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FOR RELEASE November 22, 1972

## COMMISSION ANNOUNCEMENTS

**PROJECTION HEARINGS OPEN.** SEC Chairman William J. Casey said Monday that a basic question involved in forecasts and projections is whether the SEC should use its disclosure and reporting provisions to establish reasonable and workable standards for forecasts to which issuers can look for guidance and to which the public can look for fairness.

Speaking to the SEC's public hearings on Estimates, Forecasts and Projections of Economic Performance, he said: "At the outset, all members of the Commission want to correct any impression that the Commission has reached any conclusion that forecasts should be made mandatory or even permitted. The fact is that the Commission has not even formally deliberated on the desirability of either permitting or requiring forecasts."

Casey said the Commission shares the concern of those who feel that forecasting can be misleading, can create new problems, and new liabilities. "But it is not a simple choice between exposure to liability and freedom from liability or between forecasts and no forecasts," he added. "We have forecasts, they are in circulation, they are sometimes misleading and can always affect stock values. We already have litigation as to whether forecasts have been responsibly made or are deliberately misleading."

Chairman Casey alluded to the consideration involved in weighing it's policy on forecasts. "There is the obvious one of the fairness in the dissemination of forecasts as they are put out, concocted and circulated -- to say nothing of their unevenness in quality and reliability," he said, "Then there is the question of whether we can really justify the prohibition of forecasts which are carefully prepared, relied on for budgeting and planning purposes, based on comprehensive data and reasonable assumptions, and well articulated and regularly supplemented to reflect supervening developments and revisions in estimates."

Casey said that the Commission needed maximum input from those who will testify in the hearings. "Our mind is open as to how we should move in this area, if at all," he concluded. "Our only conclusion to date is that the subject is of such importance that a rethinking and re-evaluation of our traditional posture is called for, and we appreciate the help of those who will give testimony in this process."

**SEC ORDER CITES CENTAUR SECURITIES.** The SEC has instituted proceedings against Centaur Securities, Ltd., Centaur Capital Corporation, and Jack Gaylord Ayre, all of Salt Lake City, Utah, based upon allegations that Centaur Securities, Ltd., Centaur Capital Corporation, and Jack Gaylord Ayre violated the Commission's net capital rule and certain bookkeeping and reporting rules promulgated under the Securities Exchange Act of 1934, and failure to supervise and prevent such violations.

A hearing will be scheduled by further order to take evidence on the staff's allegations for the purpose of determining whether the allegations are true and to afford the respondents an opportunity to offer any defenses, and whether any action of a remedial nature should be ordered by the Commission.

## DECISION IN ADMINISTRATIVE PROCEEDING

**KERMIT C. ZIEG, SR. AND KERMIT C. ZIEG, JR. BARRED.** The SEC has revoked the registrations as investment advisers of Kermit C. Zieg, Sr., of Culver, Ind. and Kermit C. Zieg, Jr., of Portage, Mich., and barred them from association with any broker or dealer, investment adviser, or investment company or its affiliated persons.

According to the decision, respondents violated and aided and abetted violations of the Federal securities laws in connection with the offer, sale and purchase of unregistered limited partnership interests in Capital Acceleration Growth Fund and Dyna-Growth Management Fund, for which they acted as depositors or underwriters and which were not registered as investment companies, and made and published advertisements containing false and misleading statements concerning among other things those funds' investments, investment performance, earnings and financial condition. It was also found that respondents caused Capital to make loans to Dyna-Growth when those funds were under common control, that Zieg, Jr. sold securities to capital while he was an affiliated person, and that respondents did not file amendments showing that they were investment advisers to those funds and had authority to obtain and had custody of securities and funds of investment advisory clients.

Under the Commission's order respondents were permitted to continue the liquidations of Capital and Dyna-Growth, which were to be effected expeditiously and completed by no later than June 30, 1973.

The order was issued pursuant to an offer of settlement in which the respondents, without admitting or denying the allegations in the order for proceedings, consented to the stated findings and sanctions. (Rel. IA-349)

## COURT ENFORCEMENT ACTIONS

**COMPLAINT CITES DAVENPORT HOTEL, OTHERS.** The SEC Seattle Regional Office announced on November 14 the filing of a complaint in the Federal court in Spokane seeking to enjoin Davenport Hotel, Inc., and two of its officers, J. Harlow Tucker and Stanley J. Burke from violations of the reporting and antifraud provisions of the Federal securities laws in the offer and sale of securities. (LR-5632)

OVER

**ECOLOGICAL SCIENCE SHAREHOLDERS' MEETING.** Robert F. Wagner, Jr., the receiver for Ecological Science Corporation (ECO) announced that the Federal court in New York, on November 15 fixed December 22, 1972 as the date for a special meeting of shareholders of ECO to elect a board of directors. At present only one director, Harold P. Koenig, the company's president was elected by the shareholders. June 20, 1972 was fixed as the record date for determining the shareholders entitled to vote at the December 22 meeting. The court order recognized that in connection with the forthcoming shareholders meeting, there would be a proxy contest waged by two contesting groups for control of the board of directors, one led by Mr. Koenig, ECO's president and the other group, known as the ECO shareholders' committee, by Dr. McChesney Goodall, one of the company's largest shareholders.

The court order pointed out that since the last shareholders meeting in April 1970, the company had reported serious financial losses to the Commission for the years 1970 and 1971 and that ECO and Mr. Koenig had been twice enjoined from violating the federal securities laws in actions commenced by the Commission. The court also took steps to preserve the status quo of ECO's business and affairs until ECO has a board of directors duly elected by its shareholders. Trading in ECO's stock was suspended in August 1971 and that suspension remains in effect.

**ROBERT L. TAYLOR, OTHERS INDICTED.** The SEC Washington Regional Office announced that the Federal grand jury in Baltimore, Md. had returned a sealed indictment made public November 13 charging violations of the registration and anti-fraud provisions of the Federal securities laws, mail fraud, fraud by wire, interstate transportation of stolen property, and conspiracy to commit the aforementioned offenses all in connection with the sale of unregistered stock of American Continental Industries, Inc. Named as defendants in the indictment are Robert L. Taylor; formerly of Pikesville, Md.; Michael LaMarca, Freeport, N. Y.; Raymond Weiss, Brooklyn, N. Y.; and Morton Weiman, Philadelphia, Pa. (LR-5636)

**FREDERICK TILNEY SENTENCED.** The SEC Seattle Regional Office announced on November 15 that the Federal court in Anchorage, Alaska sentenced Frederick Tilney of Hicksville, N. Y. to five years' imprisonment and fined \$5,000 following his plea of guilty to one count of a 30-count indictment charging him with fraud in the sale of securities and mail fraud. Tilney's sentence was suspended and he was placed on probation for three years on the condition that he pay his fine within sixty days. (LR-5637)

**APPCA, INC., OTHERS ENJOINED.** The SEC Washington Regional Office announced that on November 14 the Federal court in the District of Columbia entered orders permanently enjoining APPCA, Inc. and two of its former officers, James W. McCrocklin of Alexandria, Va. and William J. McCarthy of Bethesda, Md. from future violations of the registration and anti-fraud provisions of the Federal securities laws in connection with the offer and sale of the securities of APPCA, Inc. or any other securities. The defendants consented to the entry of the order without admitting or denying the allegations. (LR-5638)

**ALAN F. HUGHES PLEADS GUILTY TO CRIMINAL CONTEMPT.** The SEC New York Regional Office on November 13 announced that Alan F. Hughes, of Schenectady, N. Y. plead guilty to charges of criminal contempt of an order enjoining him from violating the bookkeeping, net capital and anti-fraud provisions of the Federal securities laws. Sentencing was deferred until completion of a pre-sentencing report ordered by the Court. (LR-5639)

#### INVESTMENT COMPANY ACT RELEASES

**BRF RESOURCES, INC.** The SEC has issued an order declaring that BRF Resources, Inc. of Dallas, Tex., is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities either directly or through a controlled company and a subsidiary of such controlled company. (Rel. IC-7503)

**CONN. GENERAL LIFE INSURANCE CO.** The SEC has issued a notice giving interested persons until December 18 to request a hearing on an application of Connecticut General Life Insurance Company, CG Fund, Inc., CG Income Fund Inc., and CG Equity Sales Company all of Hartford, for an order permitting the application of amounts payable under insurance contracts issued by Connecticut General Life Insurance Company to the purchase at a reduced sales charge of shares of CG Fund and CG Income Fund. (Rel. IC-7508)

#### HOLDING COMPANY ACT RELEASES

**MIDDLE SOUTH UTILITIES.** The SEC has issued a notice giving interested persons until December 14 to request a hearing upon a proposal of Middle South Utilities, Inc., New York holding company and a New Orleans subsidiary, Louisiana Power & Light Company, that Louisiana (1) issue and sell up to \$50 million of notes to banks and commercial paper, (2) increase the authorized amount of preferred stock by 250,000 shares, (3) sell to Middle South 3,150,000 shares of common stock for \$20,000,000, and (4) to pay a cash dividend to Middle South of \$4,130,000, Middle South to acquire 650,000 shares of Louisiana's common stock for a like amount. (Rel. 35-17773)

**SOUTHERN COMPANY.** The SEC has issued a notice giving interested persons until December 12 to request a hearing upon proposals of Alabama Power Company of Birmingham, Ala. subsidiary of The Southern Company: (a) to amend its charter so as to increase the authorized number of shares of its cumulative preferred stock, and (b) until July 1, 1976, to incur unsecured debt in excess of its present charter limitation of 10% of its other capitalization. Alabama proposes to solicit proxies from the holders of its outstanding preferred stock to be voted at a special meeting on February 14, 1973 for approval of the proposed transactions. (Rel. 35-17774)

SECURITIES ACT REGISTRATIONS FILED

CENTENNIAL CORPORATION, 5800 Foremost Dr., S.E. Grand Rapids, Mich. 49508, seeks registration of \$25 million of convertible subordinated debentures, due 1992, to be offered for public sale through underwriters headed by Smith, Barney & Co. Inc., 1345 Ave. of the Americas, N.Y. 10019, and Salomon Brothers, One New York Plaza, N.Y. 10004. The company is engaged in furnishing insurance, finance services and financing primarily to mobile home and recreational vehicle markets. Of the net proceeds, \$10,000,000 will be made available to the company's insurance subsidiaries and \$10,000,000 to its financing and finance service subsidiaries and the balance for general corporate purposes. (File 2-46288 - Nov 13)

DYNA-LEASE CORPORATION, 101 Park Ave., New York 10017 - 140,000 shares of common stock and 140,000 warrants to purchase 70,000 shares, to be offered for sale in units, each consisting of one share and one warrant to purchase one-half share. The offering is to be made (\*at \$8.50 per unit maximum) through underwriters headed by Katzenberg, Sour & Co., 405 Park Ave., New York 10022. Company leases and services copying equipment manufactured by Xerox Corporation. Of the net proceeds, \$300,000 will be reserved for self-financing of equipment and establishment of lines of credit and the balance for working capital and other corporate purposes. (File 2-46289 - Nov 13)

PALM SPRINGS ATAJO 72-4, 1001 S. Palm Canyon Dr., Palm Springs, Calif. 92262 - \$3 million of partnership interests, to be offered for sale at \$500 per unit by Palm Springs Securities Corporation. Dunn-Lively Incorporated is the general partner. The Partnership was formed to purchase and develop unimproved real estate in Palm Springs, Calif. (File 2-46291 - Nov 13)

TESORO PETROLEUM CORPORATION, 8520 Crownhill, San Antonio, Tex. 78209 - 100,000 shares issuable pursuant to stock options or warrants. Tesoro engages in the oil and gas business. (File 2-46292 - Nov 13)

MASSMUTUAL INCOME INVESTORS, INC., 1295 State St., Springfield, Mass. 01101 - 7,000,000 shares of capital stock, to be offered for sale at \$15 per share through underwriters headed by Lehman Brothers, Inc., One William St., New York 10004. The company is a closed-end, diversified management investment company organized under the sponsorship of Massachusetts Mutual Life Insurance Company, which will serve as investment adviser. Its objective is to seek a high level of current income through a diversified portfolio in which marketable debt securities of high quality will predominate. (File 2-46294 - Nov 13)

SUNBEAM CORPORATION, 5400 W. Roosevelt Rd., Chicago, Ill. 60650 - 100,000 shares of common stock may be offered for sale from time to time by selling shareholders (\*at \$33 per share maximum). The company manufactures, sells and services consumer electric products and also commercial and industrial products. (File 2-46298 - Nov 14)

ADRs FOR WESTERN MINING CORP. & BROKEN HILL PROPRIETARY CO. FILED. Chemical Bank, 770 Broadway, New York, N. Y. 10003 - 100,000 American Depositary Receipts for ordinary stock of Western Mining Corporation Limited and 100,000 American Depositary Receipts for ordinary stock of The Broken Hill Proprietary Company, Limited. (File 2-46301 - 2-46302, respectively - Nov 13)

NUVEEN TAX-EXEMPT BOND FUND, Series 46 Check-A-Month Plan, 209 S. LaSalle St., Chicago, Ill. 60604 - \$31,500,000 of units. The Fund is one of a series of similar, but separate investment companies created under an indenture between John Nuveen & Co. Inc., as sponsor, the United States Trust Company of New York, the trustee. The Fund consists of a diversified portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of recognized bond counsel, exempt from all Federal income tax under existing law. (File 2-46303 - Nov 13)

PORT PENN MARINA COMPANY (the Partnership), 1608 Farmers Bank Bldg., Wilmington, Del. 19801 - \$3,669,000 of partnership interests, to be offered for sale at from \$10,750 to \$14,750 per unit. No underwriting is involved. The Partnership intends to invest in the construction and operation of a marina for pleasure craft. Samuel R. Russell and Robert J. DuHadaway are the general partners. (File 2-46305 - Nov 14)

MCCULLOCH PROPERTIES CREDIT CORPORATION, 6740 E. Camelback Rd., Scottsdale, Ariz. 85251 - \$30 million of debentures, due 1982, to be offered for sale at 100% of principal amount through underwriters headed by Bache & Co. Inc., 100 Gold St., New York 10038. A subsidiary of McCulloch Oil Corporation, the company provides financing to the parent. Net proceeds will be used for general corporate purposes. (File 2-46313 - Nov 15)

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Colgate-Palmolive Company, New York, N. Y. (File 2-46274) - 117,000 shares  
 The Pay-O-Matic Corp., New York, N. Y. (File 2-46287) - 75,000 shares  
 Leslie Fay, Inc., New York, N. Y. (File 2-46293) - 176,095 shares  
 Masoneilan International, Inc., Norwood, Mass. (File 2-46297) - 66,000 shares  
 National Starch and Chemical Corporation, New York, N. Y. (File 2-46300) - 462,318 shares  
 Raychem Corporation, Menlo Park, Calif. (File 2-46304) - 83,002 shares  
 Lightolier Incorporated, Jersey City, N. J. (File 2-46309) - 75,000 shares  
 Savin Business Machines Corporation, Valhalla, N. Y. (File 2-46310) - 145,000 shares

OVER

MISCELLANEOUS

UNLISTED TRADING. The SEC has issued orders under the Securities Exchange Act of 1934 giving interested persons until December 3 to request a hearing upon applications of the following exchanges for unlisted trading privileges in the common stocks or specified securities of the names companies:

Boston Stock Exchange - Microwave Associates, Inc., Warnaco, Inc.  
Philadelphia-Baltimore-Washington Stock Exchange - Continental Illinois Realty (Shares of Beneficial Interest), CNA Financial Corporation, Hartz Mountain Pet Foods, Inc., Microwave Associates, Inc., MPS International Corp., Merrill Lynch, Pierce, Fenner & Smith, Inc., Southland Corp., Warnaco, Inc., and Wheelabrator-Frye, Inc.

In addition, the Commission has issued an order granting an application of the Boston Stock Exchange for unlisted trading privileges in the common stock of Burndy Corporation. (Rel. 34-9872)

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Monarch General Inc. and Meridian Fast Food Services, Inc. for the further ten-day period November 22 through December 1 inclusive.

RECENT FORM 8-K FILINGS. The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. 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 several items of the form was included in the November 2 News Digest.

8K Reports For Jul 72

Int'l Dairy Queen Inc (8)	0-6116-2	Dana Corp Aug 72 (8)	1-1063-2
New York Asset Mgt Inc		General Portland Inc (3)	1-3438-2
May 72 (2,7,11,14)	2-44704-2		
Minbanco Corp (13,14)	0-5381-2	Edmos Corp (7,13)	1-6323-2
Westchester Corp (7,14)	0-5682-2	S-G Metals Inds Inc (7)	0-4391-2
		Val D'Or Inds Inc (13)	1-6923-2
Manhattan Inds Inc (1,13,14)	1-241-2		

Amended 8K Reports

American Fletcher Corp		Standard Kollsman Inds Inc	
(2,7,14)	1-6718-2	#1 for Jun 72 (10)	1-3600-2
Basic Earth Science Systems Inc			
May 72 (2)	2-39329-2		
Jun 72 (2)	2-39329-2		
Jul 72 (2)	2-39329-2		

SECURITIES ACT REGISTRATIONS. Effective November 20: Duke Power Co., 2-46208; Eastern Gas and Fuel Associates, 2-45980; Flexsteel Industries, Inc., 2-46241; The B. F. Goodrich Co., 2-44547; Outdoor Sports Industries, Inc., 2-46117; Patrick Oil and Gas Corp., 2-45219; Revco D.S., Inc., 2-46114; Telesciences, Inc., 2-45814; Vornado Inc., 2-45279; ADRs of Western Mining Corporation Limited, 2-46301.

\*As estimated for purposes of computing the registration fee.

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