

sec news digest

a daily summary from the securities and exchange commission

Issue 73-218
(SEC Docket, Vol. 3, No. 2 - Nov. 27) *

November 12, 1973

COMMISSION ANNOUNCEMENTS

CHICAGO BOARD OPTION EXCHANGE. The Commission issued an order granting the application of Chicago Board Options Exchange, Incorporated and Chicago Board Options Exchange Clearing Corporation exempting them from the provisions of Section 13(a), 13(d), 13(e), 14(d), 15(d) and 16 of the Securities Exchange Act of 1934. The order was granted because the securities that will be the subject of the call option contracts will be issued by persons other than and not affiliated with the Exchange or the Clearing Corp. and the underlying stocks will themselves be registered under the provisions of Section 12 of the Act and the value of the options does not depend upon the business of the Clearing Corp. but instead reflects the value of the underlying stocks. (Rel. 34-10483)

AZTEC PRODUCTS SUSPENSION TERMINATED. The suspension of over-the-counter trading in the securities of Aztec Products, Inc. of East Rutherford, New Jersey, terminated at midnight (EST) November 9, 1973.

The Commission initiated the suspension on July 3, 1973 because of questions about the adequacy and accuracy of certain information on the distribution procedure as set forth in a Regulation A offering circular for Aztec common stock, filed with the Commission on July 31, 1972, and because of the over-the-counter market activity following the offering.

Aztec issued a letter to its shareholders on October 29, 1973, stating the following: (1) Christos L. Netelkos, who in connection with the Regulation A offering initially advised the company about available attorneys and underwriters, had at one time been president of Carlton Cambridge & Co., the underwriter of the offering, and had been enjoined by the courts on three separate occasions from violating the antifraud provisions of the securities laws. (2) That Carlton Cambridge & Co. had been named a defendant in a lawsuit by the Commission alleging violations of the securities laws in another matter. And, (3) between April 3, 1973 and May 31, 1973, the high bid price of the shares rose from the initial offering price of 5¢ per share to 75¢ per share, and the company knows of no single internal circumstance which would account for the rapid rise in the price of the stock.

The letter further noted that if unusual trading patterns in the company's securities develop after trading is resumed, the Commission could again suspend trading.

On November 6, 1973, Aztec mailed to its stockholders a consolidated unaudited financial statement which showed total assets of \$227,109, total liabilities of \$223,212, and Stockholders Equity of \$3,897 as of September 30, 1973; and a net loss of \$56,887 for the nine month period ended September 30, 1973. (Rel. 34-10488)

SEC ORDER CITES JAMES L. CODY, INC. Public Administrative proceedings have been ordered against James L. Cody, Inc., a Fort Worth, Texas registered broker-dealer, James L. Cody, president of the firm, and Clyde E. Skeen of Dallas, a 50% stockholder of the company. The Commission has accepted offers of settlement from James L. Cody, Inc. and Cody individually, barring them from being associated with any broker-dealer. James L. Cody, Inc. and Cody consented to the Commission's findings and order without admitting or denying the charges against them.

The proceedings are based on alleged violations of the net capital, financial reporting, broker-dealer registration and association with disqualified person provisions and the anti-fraud and employee supervision provisions of the securities laws. (Rel. 34-10489)

* During the of November 5-9, the Docket citation Vol. 2, No. 21, was incorrect. It should have read Vol. 3, No. 1. Beginning with that week, each Pocket Volume will contain 20 issues.

COURT ENFORCEMENT ACTIONS

THE CHARTER CORP., OTHERS RESTRAINED. The Denver Regional Office announced that on October 30 the Federal District Court at Denver, Colorado permanently enjoined, and restrained by consent, The Charter Corporation, Adrian Doyle, Michael Smiley, Robert Holler, Douglas DeChant and Intercontinental Equities, Inc. from violating the registration provisions of the securities laws in the sale of limited partnership interests in various limited partnerships and stock in Charter Corporation. The order also prohibited and restrained Charter and Intercontinental from violating the antifraud provisions. (LR-6137)

GOLDSTEIN, SAMUELSON, INC., HAROLD GOLDSTEIN ENJOINED. The Los Angeles Regional Office announced that the U.S. District Court at Los Angeles on October 29 permanently enjoined Harold Goldstein and Goldstein, Samuelson, Inc., both of Beverly Hills, Cal., from the offer or sale of investment contracts, evidences of indebtedness and interests commonly known as a security, which were termed "commodity options," in violation of the registration and antifraud provisions of the securities laws. The defendants consented to the court order without admitting or denying the allegations except that the jurisdiction of the Court was expressly admitted. Previously, on October 11, 1973, Harold Goldstein had stipulated to certain facts pertaining to the offer and sale of "commodity options" offered by Goldstein, Samuelson, Inc. In a related criminal prosecution for mail fraud, the Court set sentencing of Harold Goldstein for November 9, 1973 based upon his guilty plea to three counts of mail fraud. (LR-6138)

CHARLIE F. PARKER SENTENCED. The Fort Worth Regional Office announced the Federal District Court at Alexandria, Louisiana on October 2 sentenced Charlie F. Parker of New Orleans, Louisiana, to three years imprisonment. Parker pled guilty to one count of an eight-count indictment charging him with perjury and false statement and admitted that he was guilty of the charges alleged in the indictment. The sentence is to run concurrently with a previously imposed prison term assessed Parker after he pled guilty to the conspiracy count of a six-count indictment charging him with securities fraud, mail fraud and conspiracy. (LR-6141)

PRUDENT REAL ESTATE TRUST CONSENTS TO PERMANENT INJUNCTION. The SEC announced that on November 9, 1973, the U.S. District Court for the District of Columbia permanently enjoined, by consent, Prudent Real Estate Trust from violating registration and antifraud provisions of the securities laws with respect to securities issued by Prudent. The Order also dismissed the Commission's complaint as to Prudent's Trustees who had been named as defendants only in their representative capacities in order to obtain jurisdiction over Prudent. The Court ordered Prudent to redeem all its then outstanding 7% convertible subordinated debentures no later than February 28, 1974. Prudent consented to the entry of the Order without admitting or denying the allegations in the Commission's complaint. (LR-6143)

SEC ORDER ABROGATING NASD RULE UPHELD. The SEC announced that on November 1, 1973, the U.S. Court of Appeals for the District of Columbia Circuit affirmed, *per curiam* and without opinion, an order of the Commission, dated June 7, 1972 (Rel. 34-9632) abrogating Rule 25 of Article III of the Rules of Fair Practice of the National Association of Securities Dealers, Inc., to the extent that the Rule had been interpreted by the Association to bar receipt by its members of commissions, concessions, discounts or other allowances from non-member brokers or dealers. (LR-6144)

HOLDING COMPANY ACT RELEASES

GEORGIA POWER COMPANY. The Commission has issued an order releasing jurisdiction, heretofore reserved, of certain financial undertakings by Georgia Power Company insofar as these are affected by the interest rate to be borne by \$41 million of revenue bonds to be sold by the Development Authority of Bartow County, Georgia. Proceeds will be used for financing construction of pollution control facilities by the company. The effective interest rate on the tax-free revenue bonds is 6.02% per annum. (Rel. 35-18159)

CONNECTICUT YANKEE ATOMIC POWER COMPANY. A notice has been issued giving interested persons until December 5 to request a hearing on a proposal of Connecticut Yankee Atomic Power Company, subsidiary of Northeast Utilities and New England Electric System, to amend its application-declaration (See Rel. No. 35-18096 of September 14, 1973), involving the issue and sale of up to \$30 million in short-term securities. Connecticut Yankee now proposes to substitute Lehman Commercial Paper, Incorporated, for A. G. Becker & Company, Incorporated, as the dealer to which it will issue and sell its commercial paper as a part of the transaction. (Rel. 35-18160)

INVESTMENT COMPANY ACT RELEASES

STUDENT LOAN MARKETING ASSOCIATION. A notice has been issued giving interested persons until November 29 to request a hearing on an application of Student Loan Marketing Association (SIMA), a U.S. Government-sponsored private corporation, for an order exempting SIMA from the provisions of the Act. (Rel. IC-8077)

SECURITIES ACT REGISTRATIONS FILED

(S-7) THE CLEVELAND CLIFFS IRON COMPANY, 1460 Union Commerce Bldg., E. Ninth St. and Euclid Ave., Cleveland, Ohio 44115 - 125,000 shares of common stock, to be offered for sale by certain stockholders through underwriters headed by The First Boston Corporation. The company is principally engaged in the iron ore business. (File 2-49420 - Oct. 25)

(S-16) ITEK CORPORATION, 10 Maguire Rd., Lexington, Mass. 02173 - 28,505 shares of common stock, which may be offered for sale from time to time by certain shareholders. (File 2-49421 - Oct. 24)

(S-6) MUNICIPAL INVESTMENT TRUST FUND, NINETEENTH MONTHLY PAYMENT SERIES - \$36,750,000 of units. The Fund was created by a trust agreement among Merrill Lynch, Pierce Fenner & Smith Incorporation, Bache & Co. Incorporated and duPont Walston Incorporated, as sponsors, The Bank of New York as trustee and Standard & Poor's Corporation as evaluator. The Fund was formed to obtain tax exempt income through investment in long term state, municipal and public authority bonds rated BBB or better by Standard & Poor's Corporation or Baa or better by Moody's Investors Service. The interest on such bonds is exempt in most cases from all Federal income tax under existing law in the opinion of counsel. (File 2-49424 - Oct. 25)

(S-14) WARNACO INC., 350 Lafayette St., Bridgeport, Conn. 06602 - 12,000 shares of common stock and 319,014 shares of convertible subordinated preferred stock, Series A. It is proposed to offer these shares in exchange for the outstanding shares of Day's Inc., at the rate of one Warnaco common share for each Day Class A share and one Warnaco preferred share for each three Day's Class B shares and Class C shares.

Also included in the statement are 19,700 shares of Warnaco common stock and 36,583 shares of Warnaco preferred stock. It is proposed to offer these shares in exchange for all the outstanding shares of capital stock of CanaDay's Apparel Ltd., at the rate of 1.64176 Warnaco common shares for each CanaDay's Class A share and 1.64176 Warnaco preferred shares for each three CanaDay's Class B share. Warnaco principally manufactures and sells wearing apparel to retail stores. Day's designs and sells casual and sportswear. (File 2-49427 - Oct. 25)

(S-7) THE TOLEDO EDISON COMPANY, 300 Madison Ave., Toledo, Ohio 43652 - \$40 million of first mortgage bonds, due 2003, to be offered for sale at competitive bidding. (File 2-49428 - Oct. 26)

(S-7) THE SOUTHERN COMPANY, an electric utility holding company, Perimeter Center East, P. O. Box 70071, Atlanta, Ga. 30346 - 10,500,000 shares of common stock, to be offered for sale at competitive bidding. (File 2-49429 - Oct. 26)

(S-1) LDDC, INC., P. O. Box 146, Sun Valley, Idaho 83353 - \$5,995,000 of condominium units and rental pool agreements, to be offered for sale at \$59,950 per unit. The units are to be constructed in a resort condominium development within an area known as The Ranch at Sun Valley. (File 2-49430 - Oct. 26)

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:

Milton Roy Company, St. Petersburg, Fla. (File 2-49414) - 25,000 shares
 Meredith Corporation, Des Moines, Iowa (File 2-49418) - 65,000 shares
 Southland Financial Corporation, Wilmington, Del. (File 2-49422) - 200,000 shares
 The Houston Complex, Inc., Houston, Tex. (File 2-49423) - 400,000 shares
 Jackson National Life Insurance Company, Jackson, Mich. (File 2-49425) - 130,000 shares
 Donaldson, Lufkin & Jenrette, Inc., New York, N. Y. (File 2-49426) - 1,447,666 shares

SECURITIES ACT REGISTRATIONS. Effective November 9: Alabama Bancorporation, 2-49124, 2-49125 and 2-49126; W. R. Grace & Co., 2-49340; John Hancock Bond Fund, Inc., 2-48925; New England Telephone and Telegraph Co., 2-49367; Unionamerica, Inc., 2-49087; Union Bancorp, Inc., 2-49088; Wallace Business Forms, Inc., 2-49353.

RECENT FORM 8-K FILINGS. Form 8-K is used by companies to file current reports on the following events

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| Item 1. Changes in Control of Registrant. | Item 9. Options to Purchase Securities. |
| Item 2. Acquisition or Disposition of Assets. | Item 10. Revaluation of Assets or
Restatement of Capital Share Account. |
| Item 3. Legal Proceedings. | Item 11. Submission of Matters to a Vote of Security Holders. |
| Item 4. Changes in Securities. | Item 12. Changes in Registrant's Certifying Accountant. |
| Item 5. Changes in Security for Registered Securities. | Item 13. Other Materially Important Events. |
| Item 6. Defaults upon Senior Securities. | Item 14. Financial Statements and Exhibits. |
| Item 7. Increase in Amount of Securities Outstanding. | |
| Item 8. Decrease in Amount of Securities Outstanding. | |

The companies listed below have filed 8-K reports for the month indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
AADAN CORP	9,13,14	06/73
AADAN CORP	3	07/73
ADAMS RUSSELL CO INC	2,7,13,14	07/73
ALLEN OIL CO	11,14	09/73
AMERICAN INVESTORS LIFE INSURANCE CO INC	13	09/73
AMERICAN PACIFIC HOLDING CORP	13,14	09/73
AMERICAN REALTY TRUST	2,14	10/73
ANDERSEN LABORATORIES INC	13	09/73
APEXCO INC	2,8	08/73
ATLANTIC BANCORPORATION	7,14	09/73
BANKERS TRUST	3,14	09/73
BURGESS INDUSTRIES INC	13	09/73
CABLECOM GENERAL INC	3,10,14	09/73
CALUMET INDUSTRIES INC	11	07/73
CAROLINA PIPELINE CO	7	09/73
COMPUTAMP INC	13,14	09/73
COOK INDUSTRIES INC	13	10/73
CORNWALL INTERNATIONAL INDUSTRIES INC	11,14	09/73
CORTERRA CORP	13,14	10/73
DELEHANTY EDUCATIONAL SYSTEMS INC	13,14	09/73
DELTA DATA SYSTEMS CORP	7,9	09/73
DYNASCNICS CORP	11,12	09/73
FIRST NATIONAL LINCOLN CORP	2,7,14	09/73
GATEWAY SPORTING GOODS CO	1,7,8,13,14	09/73
GENERAL TELEPHONE CO OF THE SOUTHWEST	7,14	10/73
GEORGETOWN RACING INC	12	09/73
GEUTEL INC	2,6	09/73
GIANT FOOD INC	11	09/73
GOLDEN CYCLE CORP	3	09/73
GOLDFIELD CORP	13,14	05/73
GPI INC	11,13	10/73
GREENMAN BROTHERS INC	11	07/73
HALBERN INDUSTRIES INC	1,13	09/73
HYDRO SKI INTERNATIONAL CORP	3,13,14	09/73
INSTRUMENT SYSTEMS CORP	3,13,14	09/73
INTEGLN CORP	8,13	09/73
INTERNATIONAL EDUCATION & TRAINING INC	2,14	09/73
INTERNATIONAL INVESTORS LIFE INSURANCE C	13	09/73
INVESTORS TAX SHELTERED REAL ESTATE LTD	7,13,14	07/73
KAPPA FRUCKS INC	1,8	10/73
KROGER CO	13	09/73

IMPORTANT NOTICE

Many requests for copies of documents referred to in the daily SEC News Digest have erroneously been directed to the Government Printing Office. They should be addressed Public Reference Section, Securities and Exchange Commission, Washington, D. C. 20549. The reproduction cost will approximate 12¢ per page, plus postage, for mailing within four days, to 25¢ per page, plus postage, for overnight mailing. Cost estimates given on request.

Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail, \$8.25 additional for foreign mailing; \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail, \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.