

sec news digest

a daily summary from the securities and exchange commission

Issue 73-244

(SEC Docket, Vol. 3, No. 6 - Dec. 26)

December 19, 1973

COMMISSION ANNOUNCEMENTS

ADMINISTRATIVE PROCEEDING INSTITUTED AGAINST BLYTH, EASTMAN DILLON & CO. AND TWO REGISTERED REPRESENTATIVES; SETTLEMENT ACCEPTED. Public administrative proceedings have been ordered against Blyth, Eastman Dillon & Co., Inc., (Blyth) of New York, Alfred B. Veloso and Albert Silberman, two of its registered representatives.

The proceedings were based upon allegations by the Commission's staff that from about January to May, 1973, respondents wilfully violated and wilfully aided and abetted violations of the recordkeeping and antifraud provisions of the securities laws in their activities relative to Kewanee Oil Company's redemption of its Series A \$2 Cumulative Convertible Preferred Stock ("preferred stock") and their use of Kewanee's preferred shareholder list.

Simultaneously the Commission issued an order censuring Blyth, Veloso and Silberman. Veloso and Silberman were also suspended from association with any broker or dealer for 15 days. After their suspensions, they will be under appropriate supervision to assure that their violative activities do not recur.

The action was based on findings that from January 26 to May 1, 1973, the firm and the registered representatives violated antifraud provisions of the securities acts. The Commission found that, pursuant to an investment banking relationship with Kewanee, the firm received the exclusive use of Kewanee's preferred shareholder list for the purpose of assisting Kewanee in ascertaining the geographical concentrations of its preferred shareholders so that newspaper advertisements announcing the redemption of Kewanee's preferred stock could be more effectively placed. Contrary to this understanding, and without disclosing its activities to Kewanee, the firm used the list to generate "leads" for new accounts and commission business.

From about February 5, 1973, Veloso and Silberman telephoned Kewanee shareholders on the list to induce them to make hasty investment decisions to switch their investment to securities of issuers that the firm was underwriting and others. In this connection, and in violation of their obligation to deal fairly with investors, they represented that they were attempting to help the shareholders when in fact they were merely attempting to generate new accounts and commission business for themselves and the firm; failed to disclose the interest of the firm as underwriter in certain of the securities they were recommending; and failed to obtain adequate information as to the financial resources of the shareholders contacted. The firm failed to exercise reasonable supervision over persons under its control with a view to preventing the above violations.

The Commission's order was issued pursuant to offers of settlement in which the respondents, without admitting or denying the charges against them, consented to the above findings and the indicated sanctions. In support of its offer, the firm represented that it will review its existing procedures and, if necessary, supplement them to assure that the violative conduct will not recur. (Rel. 34-10565 and 34-10566)

WORKING CAPITAL OF NONFINANCIAL U.S. CORPORATIONS ROSE IN 3RD QUARTER. The SEC announced that the net working capital of nonfinancial U.S. corporations rose \$4.1 billion in the third quarter of 1973. This gain in working capital compares with \$6.5 billion the previous quarter and \$3.9 billion a year earlier. Net working capital, which represents the excess of business investment in current assets over current liabilities, totaled \$241.9 billion at the end of September, 1973. For further details, refer to the Statistical Bulletin for December 19, 1973 which is available from the Superintendent of Documents.

ORDER GRANTING APPLICATION PURSUANT TO SECTION 12(h) OF THE ACT. An order has been issued granting the application of Armco International Finance Corporation (the Company), a wholly-owned subsidiary of Armco Steel Corporation (Armco), pursuant to Section 12(h) of the Securities Exchange Act of 1934 for an exemption from the reporting provisions of Section 13 of that Act. The Company was organized by Armco for the principal purpose of obtaining funds for the capital requirements of Armco's international operations. The Company's debentures are listed on the New York Stock Exchange but no trading in the debentures has occurred. The order was granted subject to certain conditions including the filing of a Form 8-K to disclose any material change in the legal rights of the debenture holders or in the trading activity in the debentures. (Rel. 34-10562)

TRADING SUSPENDED IN PHOTO MAGNETIC SYSTEMS, TELECHECK INTERNATIONAL. Over-the-counter trading has been suspended for a ten-day period in the securities of Photo Magnetic Systems, Inc. of Chicago and Telecheck International, Inc. of Honolulu for a ten-day period beginning December 18 and terminating at midnight (EST) on December 27, 1973. The Commission initiated the suspensions because the companies failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34-10564)

HOLDING COMPANY ACT RELEASES

AMERICAN NATURAL GAS SERVICE COMPANY. An order has been issued authorizing American Natural Gas Service Company, a non-utility subsidiary service company of American Natural Gas Company, to amend its accounting system by providing for costs to be maintained by department for billing purposes. It is not anticipated that the proposed change will involve a change in service costs to serviced system companies. (Rel. 35-18222)

SECURITIES ACT REGISTRATIONS FILED

(S-7) NORTHRUP, KING & CO., 1500 Jackson St., N.E., Minneapolis, Minn. 55413 - 600,000 common shares, of which 400,000 shares are to be offered by the company and 200,000 by a shareholder through underwriters headed by The First Boston Corporation, 20 Exchange Place, New York, N. Y. 10005 and Piper, Jaffray & Hopwood Incorporated, 115 South Seventh St., Minneapolis, Minn. 55402. The company develops, produces, purchases, handles and markets a wide variety of farm, field and vegetable seeds. (File 2-49787 - Dec 4)

(S-16) AIRWICK INDUSTRIES, INC., 111 Commerce Rd., Carlstadt, N. J. 07072 - 27,210 shares of common stock which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. Airwick manufactures and markets specialty chemical products. (File 2-49788 - Dec 4)

(S-14) FIRST MELVILLE BANCORP, 545 Pleasant St., New Bedford, Mass. 02741 - 263,886 shares of common stock. These shares are issuable in the proposed bank holding company formation and merger of The First National Bank of New Bedford into a national bank, also to be called The First National Bank of New Bedford, recently organized for this purpose. The shares would be issuable at the rate of one share for each share of The First National Bank of New Bedford. (File 2-49790 - Dec 3)

(S-7) HALLIBURTON COMPANY, 3211 Southland Center, Dallas, Tex. 75201 - 1,000,000 shares of common stock, to be offered for sale through underwriters headed by Lehman Brothers Incorporated, One William St., New York, N. Y. 10004. The company renders oil field, engineering, construction and other services both onshore and offshore to energy related industries, principally the petroleum and electric utility industries. It also performs industrial and civil engineering and construction services generally. (File 2-49792 - Dec 3)

(S-1) FARMLAND INDUSTRIES, INC., 3315 North Oak Trafficway, Kansas City, Mo. 64116 - 7% five-year subordinated certificates of investment - \$4,000,000; 7-1/2% ten-year subordinated certificates of investment - \$14,250,000; 7-1/2% five-year subordinated certificates of investment - \$1,000,000; 8-1/2% ten-year subordinated certificates of investment - \$2,000,000 - these certificates sold in units of \$100 -- 7-1/2% ten-year subordinated monthly interest certificate - \$6,000,000 - this certificate sold in units of \$5,000 with increments of \$1,000 -- 6% preferred stock (\$25 par value), 30,000 shares - common stock (\$25 par value), 400 shares. The preferred and common stock offered at par value. The company is a farm supply and marketing cooperative. (File 2-49793 - Dec 3)

(S-1) SYSCO CORPORATION, 800 Capital National Bank Building, 1300 Main St., Houston, Tex. - 38,000 shares of common stock, which may be offered for sale by selling stockholders from time to time on the American Stock Exchange at prices to be determined at the time of sale. Sysco is principally engaged in the wholesale distribution of foods and related products to the food service and retail food industry. (File 2-49794 - Dec 4)

(S-14) AMERICAN FINANCIAL CORPORATION, One East Fourth St., Cincinnati, Ohio 45202 - \$145,438,000 of 9-1/2% debentures due 1989. It is proposed to exchange these securities for common stock of National General Corporation at the rate of \$44.75 of debentures for each share in a merger of National General Corporation into American Financial. American Financial is a diversified, financial holding company engaged in insurance, residential construction, publishing, leasing, savings and loan and banking operations through subsidiaries. (File 2-49795 - Dec 4)

(S-14) USLIFE CORPORATION, 125 Maiden Lane, New York, N. Y. 10038 - 3,343,533 shares of common stock. It is proposed that these shares will be offered to the stockholders of All American Life & Financial Corporation at the rate of .55 USLIFE share for each outstanding share of common stock of All American under a merger agreement providing for the merger of AALFCO Corporation, a wholly-owned subsidiary of USLIFE into All American. USLIFE, through subsidiaries, engages primarily in life and accident and health insurance, consumer credit, savings and loan and title insurance. (File 2-49796 - Dec 4)

(S-14) SOUTHWEST SUBSIDIARY, INC., 712 Lincoln Liberty Life Bldg., 711 Polk, Houston, Tex. 77002 - 1,989,210 shares of common stock. It is proposed to offer these shares, representing the entire issued capital of Subsidiary, in a transaction pursuant to which Subsidiary will acquire a significant portion of the assets and liabilities of Southwest Realty and Development Company, Inc. of Houston, Texas, as follows: (a) 140,000 shares to Realty; (b) 1,046,711 shares in exchange for the 1,046,711 outstanding shares of Realty common stock; and (c) up to 802,499 additional shares in exchange for additional shares of Realty common stock issued prior to the consummation of the transaction on conversion of outstanding shares of Realty preferred stock. Thereafter, Subsidiary will assume the name "Southwest Realty and Development Company, Inc." and will be in the business of owning real estate. (File 2-49797 - Dec 4)

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:

Sav-A-Stop Incorporated, Jacksonville, Fla. (File 2-49769) - 605,616 shares
 Applied Power Inc., Menomonee Falls, Wis. (File 2-49771) - 40,000 shares
 Westvaco Corporation, New York, N. Y. (File 2-49774) - \$24,981,000 of interests
 United States Envelope Company, Springfield, Mass. (File 2-49775) - 10,626 shares
 National CSS, Inc., Norwalk, Conn. (File 2-49778) - 70,000 shares
 Modular Computer Systems, Inc., Fort Lauderdale, Fla. (File 2-49780) - 330,330 shares
 Kennedy and Cohen, Inc., Miami Lakes, Fla. (File 2-49781) - 97,500 shares
 Medco Jewelry Corporation, Kansas City, Mo. (File 2-49783) - 50,000 shares
 United Parcel Service of America, Inc. and Service Plants Corporation, New York, N. Y. (File 2-49784) - 976,569 shares
 Anderson Jacobson, Inc., Sunnyvale, Cal. (File 2-49789) - 50,000 shares
 Cambridge Computer Corporation, Saddle Brook, N. J. (File 2-49791) - 201,000 shares
 Gould Inc., Chicago, Ill. (File 2-49798) - 200,000 shares

SECURITIES ACT REGISTRATIONS. Effective December 18: Arizona Public Service Co., 2-49597; Green Mountain Power Corp., 2-49697; The LTV Corp., 2-48202; Reading & Bates Offshore Drilling Co., 2-49813.

MISCELLANEOUS

TRADING SUSPENSIONS. The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Canadian Javelin, Ltd., and over-the-counter trading in the securities of Royal Properties, Inc., for the further ten-day period December 19-28, inclusive.

UNLISTED TRADING SOUGHT. A notice has been issued giving interested persons until December 29 to request a hearing on an application of the PBW Stock Exchange, Inc. for unlisted trading privileges in the common stocks of the following companies: Crystal Oil Company; Edgington Oil Company; GTI Corporation; Ionics, Incorporated; Southeast Banking Corporation. (Rel. 34-10567)

RECENT FORM 8-K 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, and any newly enacted requirements effecting registrant's business.

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
NORTHERN CORP	13	11/73
NORTHRUP KING & CO	7,11,14	11/73
NORTHWEST BANKCORPORATION	14	11/73
NOCXELL CORP	13	11/73
NUMERAX INC	13,14	11/73
OAK INDUSTRIES INC	14	11/73
ODYSSEY INC	8	11/73
OMNI RX HEALTH SYSTEMS	13	11/73
ON GUARD CORP OF AMERICA	11,13	11/73
ON LINE SYSTEMS INC	10	10/73
ONEAL JONES & FELDMAN INC	3	11/73
PACASETTER INDUSTRIES INC	7,9,14	11/73
PAMEX FUNDS INC	8,13,14	11/73
PARKER PEN CO	13,14	11/73
PATHFINDER MOBILEHOME INC	2,14	11/73
PEACHTREE DOORS INC	4,7,14	11/73
PENNSTAR CO	13	11/73
PENNSYLVANIA POWER & LIGHT CO	7	11/73
PERKIN ELMER CORP	11,13,14	11/73
PETRO LEWIS FUNDS INC	13	11/73
PFIZER INC	3	11/73
PHILIPS INDUSTRIES INC	7,14	11/73
PIZZA HUT INC	13,14	11/73
PLAYERS GROUP COMPANIES INC	2,3,13,14	10/73
PGST CORP	10,14	10/73
PROCESS SYSTEMS INC	7,13,14	11/73
QUAKER OATS CO	11,14	11/73
RAYBESTUS MANHATTAN INC	3	11/73
RAYMOND INTERNATIONAL INC	14	11/73
REAL ESTATE DATA INC	11	11/73
REDKEN LABORATORIES INC	3,11	11/73
REVENUE PROPERTIES CO LTD	7,8,13,14	11/73
REYNOLDS METALS CO	14	11/73
RICHMOND CORP	13,14	11/73
RICH TIML CORP	13	11/73
RINN CORP	11	11/73
SALANT CORP	8	11/73
SANITAS SERVICE CORP	3	11/73
SAUL B F REAL ESTATE INVESTMENT TRUST	7,13	11/73
SCUA INDUSTRIES INC	13,14	11/73
SCUTCE DATA COM INC	8	11/73
SCRIPTC INC	13,14	11/73
SECURITY INVESTING CO LTD	1	04/73
SEDOO INC	11,14	11/73

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.