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# sec news digest

Issue 75-72  
(SEC Docket, Vol. 6, No. 15 - April 29)

April 14, 1975

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## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

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### JERRY RICHMAN'S SUSPENSION POSTPONED

The effective date of the 30-day suspension from association with any broker-dealer, investment adviser or investment company previously imposed on Jerry Richman of North Woodmere, New York, has been postponed. A prior order (Rel. 34-11314) provided that Richman's suspension was to begin on April 7. The effective date of the suspension has now been postponed to June 30. The Commission took this step on Richman's representation "that a suspension at this particular point in time will impose special hardship on him and on his employer." The Commission's staff raised no objection to the postponement of the suspension. (Rel. 34-11338)

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN STANDARD PRUDENTIAL CORPORATION

The SEC announced the suspension of trading in all the securities of Standard Prudential Corporation for a three-day period April 12, 1975 through midnight (EDT) April 14, 1975.

The Commission initiated the suspension on April 2 because of questions concerning Standard Prudential's announced assignment of its option to acquire 53% of the stock of Talcott National Corp. This initial suspension by the Commission expires on April 11, 1975. The new suspension has been initiated pending dissemination of news concerning a civil injunction action filed today naming Standard Prudential Corporation and the Chairman and Chief Executive Officer, Theodore H. Silbert. (LR-6830)

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## COURT ENFORCEMENT ACTIONS

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### CHARLES DEAN "BO" ADAMS SENTENCED

The Fort Worth Regional Office announced that Federal District Judge William Wayne Justice, Tyler, Texas, on April 4 at Sherman, Texas sentenced Charles Dean "Bo" Adams, Harrison, Arkansas, formerly of Denton, Texas, to three years' imprisonment. Judge Justice sentenced Adams following his plea of guilty to one count of a three-count indictment charging interstate transportation of falsely made and forged securities. The indictment alleged that between April 1970 and October 1972 Adams falsely made and forged six common stock certificates of LSL Corporation, Denton, Texas. The indictment further alleged that Adams then transported the certificates in interstate commerce, selling and pledging them for his benefit. (SEC v. LSL Corporation, U.S.D.C., E.D. Tex.). (LR-6828)

### COMPLAINT NAMES SANITAS SERVICE CORPORATION, OTHERS

The SEC announced the filing of a complaint in the U.S. District Court for the District of Columbia on April 10 charging Sanitas Service Corporation (Sanitas), a Connecticut corporation with corporate headquarters in Hartford, Connecticut, David Weintraub, A. Theodore Barron (Barron), ATB Enterprises, Inc. (ATB) and Alan R. Carp (Carp) with violations of the antifraud, reporting and proxy provisions of the securities laws and charging Abraham Weintraub with violations of the reporting provisions for directors, officers and principal stockholders.

The complaint alleges that Sanitas paid approximately \$1.2 million over a four-year period to ATB, a Massachusetts corporation wholly-owned by Barron, for, among other things, political payments, bribes and kickbacks. The Commission alleges that defendants Carp, David Weintraub and Barron concealed from Sanitas' stockholders and the public the true nature, purpose and amounts of the cash payments funneled through ATB, and the potential adverse impact on Sanitas' earnings if such payments were discontinued. The complaint states that Sanitas distributed to its shareholders and filed with the Commission false and misleading statements with respect to these cash payments.

Additionally, the complaint charges that Sanitas' earnings for the year ended June 30, 1971, were overstated by approximately \$205,850 resulting from Sanitas' improper use of the pooling of interests method of accounting.

The Commission also charged that David Weintraub, Barron and Carp caused Sanitas to issue false and misleading statements to shareholders and the investing public and file with the Commission materially false and misleading statements regarding Sanitas' reported sale in 1972 of its Economy Linen Service operations to a limited partnership comprised of certain Sanitas past and present officers and directors.

The Commission's complaint also alleges that during the period July 1969 through January 1971, Abraham Weintraub purchased and sold shares of Sanitas common stock in the name of a nominee and failed to file required statements with the Commission disclosing these securities transactions.

In addition to injunctive relief, the Commission's complaint seeks other equitable ancillary relief. (LR-6829)

#### ACCURACY IN MEDIA CONSENTS TO ORDER BARRING PROXY RULES VIOLATIONS

The Commission announced the filing of a complaint on April 11 in the U.S. District Court for the District of Columbia against Accuracy in Media, Inc. (AIM).

The Commission's complaint alleged that AIM violated Section 14(a) of the Securities Exchange Act of 1934 and Rules 14a-3, 14a-6, and 14a-9 thereunder, by placing advertisements in the Wall Street Journal and the Palm Beach News which solicited proxies in support of AIM shareholder resolutions contained in the proxy materials of CBS Inc. and RCA Corporation from the shareholders of those two companies.

In its complaint, the Commission requested a permanent injunction enjoining violations of the aforementioned provisions of the securities laws as well as ancillary relief requiring AIM to publish corrective advertisements in the Wall Street Journal and the Palm Beach News. The Commission additionally requested that AIM be required to offer to return all contributions received in response to the initial advertisements.

Simultaneous with the filing of the complaint, AIM consented, without admitting or denying the allegations in the complaint, to the entry of a final judgment of permanent injunction and other ancillary relief enjoining it from future violations of the aforementioned provisions of the securities laws and requiring AIM to undertake the ancillary relief requested by the Commission in its complaint. (SEC v. Accuracy in Media, Inc.). (LR-7831)

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## INVESTMENT COMPANY ACT RELEASES

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### SUN LIFE INSURANCE COMPANY OF AMERICA

A notice has been issued giving interested persons until May 7 to request a hearing on an application filed by Sun Life Insurance Company of America, - The Series Accounts, for an order declaring that it has ceased to be an investment company. (Rel. IC-8753 - Apr. 11)

## LIONEL D. EDIE CAPITAL FUND, INC.

A notice has been issued giving interested persons until May 2 to request a hearing on an application of Lionel D. Edie Capital Fund, Inc. (Fund) and Lionel D. Edie Ready Assets Trust (Trust), mutual funds, for an order permitting the Fund to offer to exchange its shares for shares of the Trust on the basis of relative net asset value per share plus an amount equal to the difference between the sales charge described in the prospectus of the Fund and the sales charge that was paid on the Trust Shares being exchanged and exempting the Fund and the Trust from certain provisions of the Act in connection with such exchange. (Rel. IC-8754 - Apr. 11)

## PUTNAM CONVERTIBLE FUND

An order has been issued on an application of Putnam Convertible Fund, Inc., Putnam Equities Fund, Inc., The George Putnam Fund of Boston, The Putnam Growth Fund, The Putnam Income Fund, Inc., Putnam Investors Fund, Inc., Putnam Mariner Fund, Inc., Putnam Vista Fund, Inc. and Putnam Voyager Fund, Inc. (collectively the Applicants), all mutual funds, declaring that Avery Rockefeller, Jr. (Rockefeller), a nominee for director of each of the Applicants, shall not be deemed an "interested person" of the Applicants, The Putnam Management Company, investment adviser to the Applicants, or Putnam Fund Distributors or Putnam Financial Services, principal underwriters of the Applicants, by reason of his being a director of The Home Insurance Company, a wholly-owned subsidiary of which, Home Capital Services, Inc., is a registered broker-dealer under the Securities Exchange Act of 1934. (Rel. IC-8755 - Apr. 11)

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## HOLDING COMPANY ACT RELEASES

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### APPALACHIAN POWER COMPANY

A notice has been issued giving interested persons until May 6 to request a hearing on a proposal by Appalachian Power Company, subsidiary of American Electric Power Company, that it acquire coal cars by lease and that it sublease certain of those cars to a railway company. (Rel. 35-18928 - Apr. 11)

### THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until May 8 to request a hearing on a proposal of The Columbia Gas System, a registered holding company, and 14 of its wholly-owned subsidiary companies whereby the subsidiary companies propose to issue and sell, and Columbia proposes to acquire, unsecured installment notes in the aggregate amount of \$186,850,000 and common stock of certain of the subsidiaries in the aggregate amount of \$48,400,000. Columbia also proposes to make open account advances to certain subsidiaries in the aggregate amount of \$156,000,000. The subsidiary companies will use the proceeds from the issue and sale of their notes and common stock to finance their respective construction programs and other corporate needs. The proceeds of the open account advances will be used by the subsidiary companies to finance the purchase of gas inventories and for short-term seasonal purposes. (Rel. 35-18929 - Apr. 11)

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## SECURITIES ACT REGISTRATIONS

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### (S-5) COMPANION INCOME FUND, INC.

900 Cottage Grove Rd., Bloomfield, Conn. 06002 - 2,500,000 shares of common stock, to be offered for sale through CG Equity Sales Company, 900 Cottage Grove Rd., Bloomfield, Conn. 06002, as principal underwriter. Companion Income Fund is a diversified, open-end, management investment company. (File 2-53116 - Mar. 26)

### (N-5) A.T.A. INDUSTRIES, INC.

67-38 171st St., Fresh Meadows, N.Y. 11365 - 1,000,000 shares of Class A common stock, to be offered for sale by the company. Subsequent to the completion of the offering, the issuer proposes to operate as a minority enterprise small business investment company. (File 2-53165 - Mar. 28)

(S-1) SHELDON PETROLEUM COMPANY

Lubbock National Bank Bldg., Lubbock, Tex. 79401 - 1,294,810 common stock purchase warrants and 129,481 shares of common stock, to be offered for sale by the company to its stockholders. The shares will be issuable upon the exercise of such warrants. The company is engaged primarily in acquiring domestic oil and gas properties and drilling exploratory and development wells thereupon. (File 2-53190--Mar--31)

REGISTRATIONS EFFECTIVE

Apr. 11: BankAmerica Corp., 2-53068; Burriss Industries, Inc., 2-52983; Dominion Bankshares Corp., 2-52954; Millican Oil Co., 2-52430; Northern Illinois Gas Co., 2-53079; Tratec Inc., 2-53037.

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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