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COMMISSION ANNOUNCEMENTS

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HERTZ, HERSON & CO. NAMED IN PROCEEDING

The Commission today announced the institution of proceedings under Rule 2(e) of the Commission's Rules of Practice against Hertz, Herson and Company (Hertz, Herson), a partnership engaged in the practice of accounting. The Commission simultaneously issued findings and an order imposing remedial sanctions against Hertz, Herson based upon an offer of settlement in which respondent neither admitted nor denied the Commission's findings.

Respondent's consent emanates from its conduct in connection with the auditing of, and rendering of unqualified opinions with respect to, the false and misleading financial statements of Drew National Corporation (DN) and Drew National Leasing Corporation (DNL) for their fiscal years ended August 31, 1970-1972. The Commission has previously filed and simultaneously settled an injunctive action against DN, DNL and certain of their officers and directors. See Litigation Rel. No. 6995 for a further explanation of the facts surrounding the institution of these proceedings.

The Commission's order provides for the following remedial sanctions:

Hertz, Herson will employ, as consultants, two certified public accountants who are satisfactory to the Chief Accountant of the Commission to review and evaluate the auditing procedures and professional practice of Respondent in connection with its audits of publicly-held companies.

At the conclusion of the review and evaluation, the consultants will report their conclusions to the Commission's Chief Accountant and make recommendations, if needed, to Hertz, Herson for improvements. Respondent will be given a reasonable opportunity to reply in writing to the Consultants' report and to institute any recommended changes.

In addition, Hertz, Herson has undertaken not to accept engagements with any new public clients from the date of the Commission's order until one month after the submission of the Consultants' report to the Chief Accountant, where the engagement is expected to involve filings with, or submissions or certifications to, the Commission.
(Rel. 34-11543)

COURT ENFORCEMENT ACTIONS

FIRST AMERICAN BANK, OTHERS ENJOINED

The Denver Regional Office announced that Federal District Judge Bruce M. Van Sickle at Bismarck, North Dakota, signed a final judgment permanently enjoining First American Bank and Trust Company and Bismarck Investment Corporation (both North Dakota corporations), Robert M. Hart, Robert N. Campbell and Larry Sanders, all of Bismarck, North Dakota, from violating the antifraud provisions of the securities laws in connection with the offer and sale of certificates of deposit, savings deposits and capital notes of First American Bank and Trust Company or any other securities of any issuer. The defendants, without admitting or denying the substantive allegations of the complaint, consented to the entry of the injunction. (SEC v. First American Bank and Trust Company, et al., D. ND Civil No. 1088). (LR-6997)

FAIRFIELD COMMUNITIES LAND COMPANY, OTHERS ENJOINED

The Fort Worth Regional Office and the Arkansas Securities Department today jointly announced that Federal District Judge Thomas Eisele at Little Rock, Arkansas, on July 16 entered orders of permanent injunction by consent against Fairfield Communities Land Company, George H. Jacobus, William R. Vowell and C. Randolph Warner, Jr., all of Little Rock, and Fairfield Green Valley, Inc. and Neal T. Simonson, both of Tucson, Arizona. The complaint was filed as a result of a joint investigation conducted by the staff of the Arkansas Securities Department and the Fort Worth Regional Office. The orders of permanent injunction enjoin the defendants from violations of the antifraud and registration provisions of the securities laws in the offer and sale of investment contracts; namely, condominiums, mobile and modular homes and houses, generally called shelter units, coupled with leaseback agreements.

The complaint alleges that beginning in 1967, Fairfield Communities Land Company, Jacobus, Simonson, Vowell and Warner acquired property at Fairfield Bay, Arkansas and Fairfield Glade, Tennessee, for the purpose of creating resort communities and instituted a "free vacation" sales program which emphasized the purported economic benefits to potential investors, and that the sale program was designed to induce prospective investors to purchase a lot and shelter unit which was simultaneously leased back, purportedly to generate sufficient income to offset the mortgage payments and give the investor a profit. The complaint charges that investors were misled and deceived by, among other things, rental income projections and resale predictions.

The complaint also charges that Fairfield Communities Land Company, Fairfield Green Valley, Inc., Jacobus, Simonson, Vowell and Warner, since 1968 caused Fairfield Communities Land Company and Fairfield Green Valley, Inc. to offer and sell unregistered securities at Fairfield Bay, Fairfield Glade and Fairfield Green Valley, Arizona, in the form of investment contracts evidenced by shelter units, coupled with leaseback agreements. (SEC v. Fairfield Communities Land Company, et al., E.D. Ark.). (LR-6998)

ALBERT F. GIBSON, OTHERS ENJOINED

The Boston Regional Office announced that on July 11 a Federal Judge for the U.S. District Court for Massachusetts entered a final judgment, to which the defendants consented, permanently enjoining the following from violations of the registration and antifraud provisions of the securities laws in the distribution of the securities of H. F. Systems, Inc., and Telemetrische Systeme Aktiengesellschaft and "participating units" in a deposit at the Bank Robinson Ltd., Basil Switzerland, the deposit allegedly consisting of stock of Telemetrische and H. F. Systems; and options of Gibson to purchase common stock of H. F. Systems; Albert F. Gibson of Taunton, Massachusetts; Telemetrische Systeme Aktiengesellschaft, a Liechtenstein corporation, allegedly organized by Gibson, Byron W. Hodges of Wolcott, Connecticut, and Peter J. Frey of West Hartford, Connecticut, president and board chairman, respectively, of H. F. Systems, Inc.; and H. F. Systems, Inc., of Farmington, Connecticut. (SEC v. Albert F. Gibson, et al., U.S.D.C., MA). (LR-6999)

HYNES AND HOWES SECURITIES COMPANY,
OTHERS ENJOINED

The Chicago Regional Office announced that on July 10 the Honorable William C. Hansen of the Federal Court in Des Moines entered an order permanently enjoining Hynes and Howes Securities Company, Willis A. Schramper, Jack Silverman and John R. Howes from violating or aiding and abetting violations of the antifraud and net capital provisions of the securities laws. All defendants consented to the permanent injunctions without admitting or denying the allegations of the Commission's complaint. (SEC v. Hynes and Howes Securities Company, et al., S.D. Iowa, Civil Action No. 35-36-D). (LR-6992)

LOUIS C. SCHIESS AND JACK SMOCK ENJOINED

The Denver Regional Office announced that on July 1 the Honorable Sherman G. Finesilver, District Judge of the U.S. District Court for the District of Colorado entered orders by consent permanently enjoining Louis C. Schiess and Jack Smock from selling unregistered securities in the form of silver investment agreements or any other security whatsoever absent and available exemption and from making any misleading statements or omitting material facts necessary in order to make the statements made in light of the circumstances under which they were made not misleading with respect to the purchase or sale of any security. The orders also permanently enjoined both defendants from altering, destroying, or disposing of any books, records, documents, correspondence, funds or assets within the care, custody, or control of defendants Continental Silver Corporation of Nevada, Continental Silver Corporation of Colorado and Continental Silver Corporation. The Commission agreed to dismiss that portion of the prayer of the complaint asking for restitution and disgorgement against both defendants in view of accountings furnished to the Court by Schiess and Smock.

The orders and stipulations stemmed from a complaint filed on April 22, 1974, charging Schiess and Smock, among others, with having violated the securities laws with respect to the offer for sale, sale, offer to purchase, and purchase of securities of Continental Silver Corporation of Nevada in the nature of silver investment agreements. (SEC v. Continental Silver Corporation of Nevada, et al., U.S.D.C., Colo., Civil Action No. 74-F-364). (LR-6993)

GABRIEL T. PODLOFSKY ENJOINED

The New York Regional Office announced that the Honorable Lee P. Gagliardi, Judge, U.S. District Court, Southern District of New York, entered an order of permanent injunction by consent against Gabriel T. Podlofsky (Podlofsky) of New York, New York and San Juan, Puerto Rico, former president and director of Airways Enterprises, Inc. (Airways). Podlofsky, who consented to the entry of permanent injunction without admitting or denying the allegations of the Commission's complaint was enjoined from violations of the antifraud, proxy and reporting provisions of the securities laws.

The Commission's complaint, filed on June 3, 1975, alleged that Airways failed to disclose material facts and events in proxy, periodic, quarterly and annual reports required to be filed with the Commission. (SEC v. Airways Enterprises, Inc., et al., Civil No. 75-2635, S.D.N.Y.). (LR-6994)

SOUTHWESTERN RESEARCH CORPORATION ENJOINED

The SEC announced that on June 12 U.S. District Court Judge Aubrey E. Robinson, Jr., filed a final order by consent permanently enjoining Southwestern Research Corporation (Southwestern), City of Industry, California, from failing timely to file in proper form periodic reports in contravention of the reporting provisions of the securities laws.

The order required Southwestern to file with the Commission on or before July 15, 1975, its delinquent annual report on Form 10-K for its fiscal year ended May 31, 1974, and its delinquent quarterly reports on Form 10-Q for its fiscal quarters ended August 31, 1974, November 30, 1974 and February 28, 1975 on or before July 31, 1975.

The Commission suspended over-the-counter trading in the securities of Southwestern for one ten-day period beginning on March 20, 1975. (SEC v. Southwestern Research Corporation, D.C., Civil Action No. 75-0401). (LR-6996)

INVESTMENT COMPANY ACT RELEASES

SCHICK INVESTMENT COMPANY

A notice has been issued giving interested persons until August 11 to request a hearing on an application by Schick Investment Company for an order temporarily exempting it from certain provisions of the Act until such time as its status has been determined under its prior application under Sections 3(b)(2) and 6(c) of the Act. (Rel. IC-8860-July 18)

EVEREST FUND

An order has been issued on an application by Everest Fund, Inc. (Everest) and Fidelity Convertible & Senior Securities Fund, Inc. (Convertible), mutual funds, and Fidelity Management & Research Company (Fidelity), the investment adviser to, and a shareholder of, Everest and Convertible, permitting a proposed merger of Convertible into Everest and the participation therein of Fidelity. (Rel. IC-8861 - July 18)

THE PAUL REVERE LIFE INSURANCE COMPANY

An order has been issued on an application of Paul Revere Investors, Inc. (Fund), a closed-end, non-diversified management investment company, and The Paul Revere Life Insurance Company (Insurance Company), parent of the Fund's investment adviser, amending a Commission order issued September 30, 1971, which permits an arrangement under which the Insurance Company and the Fund invest concurrently in all issues of securities suitable for purchase by the Fund which are purchased by the Insurance Company or the Fund at direct placement, so as to permit the Fund to elect not to participate in direct placements in which the Insurance Company wishes to invest when insufficient cash is available to the Fund and the Fund's directors have determined that liquidation of portfolio securities to obtain cash to make the investment would not be in the best interests of the Fund. (Rel. IC-8862 - July 18)

SECURITIES ACT REGISTRATIONS

(S-14) XEROX CORPORATION

Stamford, Conn. 06904 - 90,000 shares of common stock. It is proposed to offer shares to the shareholders of Daconics Corporation to effect a statutory merger of Daconics into a wholly-owned subsidiary of Xerox. The actual exchange ratio will be based upon 4.350562 divided by the mean price of Xerox shares on the trading day immediately preceding the effective date of the merger. Xerox Corporation is primarily engaged in the business of developing, manufacturing and marketing business products, principally xerographic copiers and duplicators and related supplies and services. In addition, the company develops, produces and markets educational materials and information services and computer products. (File 2-54219 - July 18)

(S-1) ALASKA INTERNATIONAL INDUSTRIES, INC.

Fairbanks International Airport, P. O. Box 60029, Fairbanks, Alaska 99701 - 700,000 shares of common stock, 500,000 of which will be sold by the company and 200,000 by certain selling stockholders through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York, N. Y. 10005 and Foster & Marshall, Inc., 205 Columbia St., Seattle, Wash. 98104. The underwriters may also purchase an additional 70,000 shares from one of the selling stockholders to cover over allotments. The company, through its subsidiaries, is principally engaged in the operation of a commercial all-cargo charter, contract airline, and a heavy construction business within Alaska. (File 2-54221 - July 18)

REGISTRATIONS EFFECTIVE

July 17: Borg - Warner Corp., 2-54035; Cedar Point Inc., 2-54098; The Corporate Income Fund 21st Monthly Payment Series, 2-53612; Husky Oil Ltd., 2-53968; McDonald's Corp., 2-53958; United Hardware Distributing Co., 2-53797; VSC Inc., 2-52597 & 2-52598.

July 18: Edgcomb Steel of New England Inc., 2-54112; Honeywell Inc., 2-54074; Mission Equities Corp., 2-53719; Newbery Energy Corp., 2-54134 & 2-54135; Winters National Corp., 2-53903.

Correction Re: Registrations Effective.

The effective dates for two companies were incorrectly reported in the News Digest dated July 21 and should be corrected to read as follows:

Tannetics, Inc., 2-53933 - Effective July 16.
Keystone Foods Corp., 2-53939 - Effective July 15.

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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