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SECURITIES & EXCHANGE COMMISSION
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COMMISSIONER SPEAKS

THE DELICATE BALANCE OF REGULATION AND COMPETITION

In a speech entitled, "The Delicate Balance of Regulation and Competition," Commissioner A. A. Sommer, Jr. discussed with the North American Securities Administrators some of the measures which might be taken to simplify government and reduce its burdens. According to Commissioner Sommer, "What is needed is not less vigilance in protecting investors, but less haste in adopting the regulatory remedy, greater caution in assuming regulation's benefits, more sympathetic consideration of the fruits which may accrue from competition, and increased alertness to opportunities to let competition perform in place of regulation. If all of us in this regulation business pursue these paths, I am confident we will be responding to the deeply felt convictions of those all of us serve -- and those who in the final analysis employ us -- and if we balance prudently the roles of competition and regulation, the public will continue to enjoy the protection we have all sought to give it."

COMMISSION ANNOUNCEMENTS

APPOINTMENTS IN DIVISION OF CORPORATION FINANCE

Alan B. Levenson, Director, Division of Corporation Finance, announced the following appointments:

Mrs. Ruth D. Appleton has been named Chief of the newly established Office of Tender Offers, Acquisitions and Small Issues. The functions of the Branch of Small Issues of the Division have been incorporated in the new Office. The Office of Tender Offers, Acquisitions and Small Issues is responsible for (1) filings made with respect to the Williams Act -- the so-called "take-over" legislation -- under the Securities Act of 1934; and (2) filings made by issuers and others under Regulation A adopted by the Commission pursuant to Section 3(b) of the Securities Act of 1933, as amended. Mrs. Appleton received her law degree from Catholic University (Columbus Law School) and is a member of the District of Columbia Bar. Mrs. Appleton joined the staff of the Division in August 1972 as Chief, Branch of Small Issues. Immediately prior to her assignment in the Division of Corporation Finance she was Chief, Interpretations and Small Issues in the Commission's Washington Regional Office.

Mrs. Jean W. Gleason has been appointed Special Counsel to the Director, Division of Corporation Finance. In this position Mrs. Gleason will function as a senior legal adviser to the Director, particularly on matters relating to disclosure policy. Mrs. Gleason joined the staff of the Commission in 1972 as an attorney-adviser in the Division of Corporation Finance. Prior to joining the staff of the Commission she was an attorney in the law firm of Brobeck, Phelps & Harrison in San Francisco. Mrs. Gleason received her undergraduate degree from Wellesley College and her law degree cum laude from Harvard Law School in 1968. She is a member of the California Bar.

TRADING SUSPENSIONS

VICTOR KELLERING, INC. TRADING SUSPENDED

The Commission today announced the temporary suspension of over-the-counter trading in the common stock of Victor Kelling, Inc. located in Brooklyn, New York, for a single ten-day period beginning on September 10 and terminating at midnight (EDT) on September 19, 1975.

The suspension was ordered because of the dissemination by Victor Kelling of apparently false and misleading information regarding the proposed acquisition by Victor

Kellering of Teston Finanz Corp. (Teston), a newly formed Delaware corporation. In particular, this information concerned (1) the type and nature of the business engaged in by Teston, (2) the background of one of the principles of Teston, and (3) the beneficial owners of the common stock of Teston. (Rel. 34-11640)

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of over-the-counter trading in the securities of Royal Properties Inc. for the further ten-day period September 10 - 19, inclusive.

COURT ENFORCEMENT ACTIONS

INJUNCTIVE ACTION AND ADMINISTRATIVE PROCEEDING INSTITUTED AND SETTLED RE LEXTON-ANCIRA INCORPORATED, OTHERS

The Commission announced on September 9 the filing of a complaint for injunctive relief in the U.S. District Court for the District of Columbia against Lexton-Ancira Incorporated (Lexton), its president and chairman of the board, Wade A. Myers (Myers), its executive vice president, Fred L. Stallard (Stallard), M. H. Deckard and Company (Deckard), its former president and chairman of the board, Marion H. Deckard, its former assistant vice president, Ralph D. Calvin (Calvin), and Wespac Realty Corporation (Realty). Judge John H. Pratt, U.S. Judge for the District of Columbia, simultaneously entered orders permanently enjoining all of the defendants from violations of the antifraud provisions of the securities laws.

The Commission's complaint alleges that Lexton filed registration statements with the Commission between 1971 and 1974 for six public offerings of real estate limited partnership interests. These offerings, which were underwritten or distributed by Deckard, were offered as unspecified property offerings. The complaint charges that in connection with the offer, sale and distribution of these limited partnership interests, Lexton disseminated false and misleading information to investors concerning, among other things, the manner and timing of property acquisitions, the underlying performance of the properties acquired, cash distributions to limited partners and sales commissions.

All of the defendants consented to the entry of the injunction without admitting or denying the allegations of the complaint.

Myers and Stallard have further agreed to refrain from practicing before the Commission as an attorney and as an independent accountant, respectively, for a period of twelve months. Stallard has further agreed to notify the Chief Accountant of the Commission if he determines to practice as, or be employed with, an independent accountant during said twelve month period.

The Commission also issued an order instituting proceedings, findings and order imposing remedial sanctions in a related public administrative proceeding against Deckard, Marion H. Deckard and Calvin pursuant to Sections 16(b), 15A and 19(h) of the Securities Exchange Act of 1934 (See 34-11637). (SEC v. Lexton-Ancira Incorporated et al., D.C. Civil Action No. 75-1466). (LR-7077)

GERSON BLATT, OTHERS ENJOINED

The SEC announced that on August 8 the Honorable James Lawrence King, Judge, U.S. District Court for the Southern District of Florida signed a final judgment permanently enjoining Gerson Blatt, Barton S. Udell and John Pullman from violations of the anti-fraud provisions of the securities laws. The judgment followed a two-week trial in April, 1975. Three other defendants in the case, Milton Pepper, Herbert Rubin and Benjamin Sigelbaum were found by the court not to have violated the securities laws as alleged.

The Court also ordered John Pullman to disgorge \$315,377.50 profit realized from the sale by him of 47,730 shares of Corporation of Americas, Ltd. (COAL). Judge King appointed a trustee to collect and distribute the funds, the defendants to bear the costs of the collection and distribution. (SEC v. Gerson Blatt, et al., S.D. Fla., Civil Action No. 74-1139-M-Civ.-JLK). (LR-7073)

VIP CLUB, OTHERS ENJOINED

The Washington Regional Office announced that on September 2 the federal court in Alexandria, Virginia entered an order of permanent injunction against VIP Club, Intermediary Associates, and Harold F. Kenny, all of Arlington, Virginia, enjoining them from violations of the registration and antifraud provisions of the securities laws

in connection with the offer and sale of securities, namely investment contracts, certificates of interest or participations in profit-sharing agreements and instruments commonly known as securities in the form of participations in certificates of deposit or any other securities. (SEC v. VIP Club, et al., U.S.D.C., E.D. Va., Alex. Div., Civil Action No. 75-752A). (LR-7074)

BLAZON CORPORATION, OTHERS ENJOINED

The Los Angeles Regional and the San Francisco Branch Offices announced that on August 27 the Honorable Stanley Weigle, U.S. District Judge for the Northern District of California made findings of fact and conclusions of law and entered an order of preliminary injunction against Blazon Corporation, Arthur E. Lloyd, Gary B. Larson, Utah Capital Corporation and Glenn W. McMurray.

The Commission's complaint alleged that the defendants violated the registration and antifraud provisions of the securities laws in connection with a public offering of Blazon pursuant to Regulation A of the Securities Act.

Judge Weigle's order temporarily enjoined the defendants from further violations of the registration, selling and antifraud provisions of the securities laws. (LR-7076)

HOLDING COMPANY ACT RELEASES

PENNSYLVANIA ELECTRIC COMPANY

A notice has been issued giving interested persons until October 6 to request a hearing on a proposal of Pennsylvania Electric Company, a subsidiary of General Public Utilities Corporation, to issue and sell up to 320,000 shares of cumulative preferred stock at competitive bidding. (Rel. 35-19159 - Sept. 9)

INDIANA & MICHIGAN ELECTRIC COMPANY

A notice has been issued giving interested persons until October 6 to request a hearing on a proposal by Indiana & Michigan Electric Company, a subsidiary of American Electric Power Company, Inc., that it acquire 600 coal cars by lease. (Rel. 35-19160 - Sept. 9)

MISCELLANEOUS

CORRECTION RE ANNOUNCEMENT OF MUNICIPAL SECURITIES RULEMAKING BOARD APPOINTMENTS

The SEC News Digest of September 8 inadvertently omitted under "Public Members" the name of Richard R. West. Public Members should read as follows:

Mr. Harlan E. Boyles, Deputy Treasurer of North Carolina, Raleigh, North Carolina; Mr. Roswell C. Dikeman, Partner with Sykes, Galloway & Dikeman, New York, New York; Mr. Harry B. Gilmore, Jr., consultant for the New Hampshire Insurance Company, Manchester, New Hampshire; Mr. Lennox L. Moak, Director of Finance for the City of Philadelphia, Pennsylvania; Mr. Richard R. West, Dean of the College of Business and Professor of Finance at the University of Oregon, Eugene, Oregon.

SECURITIES ACT REGISTRATIONS

(S-14) SOLON AUTOMATED SERVICES, INC.

115 L St., S.E., Washington, D.C. 20003 - \$3,590,950 of convertible subordinated debentures, due 1985. It is proposed to offer these debentures in connection with the acquisition of the common stock of United Coin Services, Inc., at the rate of a \$5 debenture for each United Coin share. Solon supplies laundry equipment services to multi-family housing. (File 2-54562 - Sept. 5)

(S-7) HOSPITAL CORPORATION OF AMERICA

One Park Plaza, Nashville, Tenn. 37203 - \$41 million of first mortgage bonds, due 1995, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, 165 Broadway, New York, N. Y. 10006. The company is an investor-owned hospital management company engaged in the ownership, operation and development of hospitals. (File 2-54568 - Sept. 8)

(S-1) CENTENNIAL CORPORATION

5800 Foremost Dr., S.E., Grand Rapids, Mich. 49508 - \$12,500,000 of convertible subordinated debentures, due 1985 ("new debentures") and underlying common shares. It is proposed to offer the new debentures in exchange for the company's outstanding 4% convertible subordinated debentures, due 1992, ("old debentures"), at the rate of \$500 of new debentures for each \$1,000 of outstanding old debentures. Smith, Barney & Co. Inc., 1345 Avenue of the Americas, and Salomon Brothers, One New York Plaza, both of New York, are the dealer managers. Centennial is principally engaged in providing insurance and financial services, primarily to the mobile home and recreational vehicle markets. (File 2-54569 - Sept. 8)

(S-1) REX COMPANY

Richard Adler (General Partner), 40th floor, 1515 Broadway, New York, N. Y. - \$750,000 of limited partnership interests in Rex Company, to be offered for sale in 50 units at \$15,000 each, or fractional units at proportionate selling prices. The Partnership was formed for the purpose of producing a dramatico-musical play titled "Rex." The music is to be written by Richard Rodgers and the lyrics by Sheldon Harnick. (File 2-54371 - Aug. 11)

(S-7) INTERSTATE POWER COMPANY

1000 Main St., Dubuque, Iowa 52001 - 190,000 shares of preferred stock (\$50 par) to be offered for sale at competitive bidding. The company is an electric and gas utility. (File 2-54573 - Sept. 9)

(S-7) INTERSTATE POWER COMPANY

1000 Main St., Dubuque, Iowa 52001 - \$10 million of first mortgage bonds, due 2005, to be offered for sale at competitive bidding. The Company is an electric and gas utility. (File 2-54574 - Sept. 9)

REGISTRATIONS EFFECTIVE

Sept. 5: Fairchild Industries Inc., 2-54204; First Bank System Inc., 2-54422; The Journal Employees' Stock Trust, 2-54297; Mountain States Financial Corp., 2-54186; Russell Corp., 2-54271.

NOTE TO DEALERS: The 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

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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