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SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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A Daily Summary of
S.E.C. Activities

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DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SEYMOUR VIGMAN BARRED. The SEC has issued an order barring Seymour Vigman, of Newport Beach, Calif., former broker-dealer president, from association with any broker-dealer or investment adviser.

According to the Commission's decision, Vigman, during the period from November 1967 to July 1969, sold unregistered stock of Aero Tech, Inc., Instrument Technology Corporation, Audio Visual International Corporation, Hydro Tech Corporation, Micro Tenna Corporation, Plastic Universal, Inc., Bunnington Corporation, Resort Car Rental Systems, Inc., Aero Systems, Inc., and Osrow Products, Inc., and, in connection with transactions in such securities, quoted the securities at arbitrary prices and failed to disclose material information concerning the persons in control, business operations and financial condition of the issuers.

It was also found that in 1969 Vigman dominated and controlled the market for Instrument Technology stock, placed blocks of such stock with associated persons at arbitrary prices, engaged in transactions intended to reduce its supply, and quoted the stock at prices substantially in excess of those quoted by other dealers and not reasonably related to the actual supply of and demand for it. The Commission further found Vigman responsible in connection with false entries made in the records of a registered broker-dealer to conceal transactions by Vigman in Aero Systems stock.

Vigman, without admitting or denying the charges against him, consented to the Commission's findings and the bar order. (Rel. 34-10000)

NASD ACTION AGAINST FUND SECURITIES, LOUIS PALACE UPHELD. The SEC has issued an order dismissing the application of Fund Securities, Inc., Staten Island, N. Y., and Louis S. Palace, its president, for review of an NASD decision censuring them, suspending them for three days, and fining them \$2,500.

The Commission found, as had the NASD, that applicants violated the NASD's Rules of Fair Practice in that during 1968 the firm had failed to comply with net capital and recordkeeping requirements and to give the required notice to customers with free credit balances. (Rel. 34-9998)

COMMISSION ANNOUNCEMENTS

TRADING SUSPENSION TERMINATED IN MONARCH GENERAL; SEC CITES FLAKS, ZASLOW, OTHERS. The SEC has ordered the termination of the suspension of trading in the securities of Monarch General, Inc. (Monarch), effective at 12:00 midnight (EST) on February 19, 1973. The Commission first ordered the suspension of trading on November 2, 1972, on the basis of information which tended to show that the market price of Monarch's common stock was artificially inflated and quotations in the over-the-counter market may not have been bona fide.

Monarch made a registered public offering of 200,000 shares of its common stock at \$5 per share on September 28, 1972 and was underwritten by Flaks, Zaslow & Co., Inc., New York City broker-dealer and Denis McCauley & Co., Inc., a Minneapolis broker-dealer. The stock traded over-the-counter in excess of \$11 per share on October 20, 1972, the first day of trading, and continued to trade thereafter at prices well in excess of the initial offering price.

On February 16, 1973 public administrative proceedings were ordered against the underwriters of Monarch's stock issue, Flaks, Zaslow and Denis McCauley, based upon allegations by the Division of Enforcement that these two firms and their principals committed violations of the anti-fraud and registration provisions of the Federal securities acts in connection with the public offering and the subsequent trading in Monarch securities. Also named as respondents for alleged violations of the anti-fraud and registration provisions were Stephen Flaks, Stanley Zaslow and Loenard Marans of the Flaks, Zaslow firm and Denis McCauley, Robert Abrams and Philip Schneiderman of the Denis McCauley firm, Amherst Securities Co., Inc., a New York City broker-dealer and its principals Joseph Schachter, Harold and Raymond Bernstein were named as violating the antifraud provisions.

Monarch is presently a defendant along with Flaks, Zaslow and Denis McCauley & Co. in a private lawsuit commenced in the Federal court in the state of Minnesota. The plaintiff in that action is seeking \$2,000,000 in damages from Monarch and the underwriters and alleges that the was induced to purchase shares of Monarch stock by means of a prospectus and/or oral communications which included untrue or misleading statements.

Moreover, Monarch has represented that it issued a release on December 21, 1972 to all its shareholders, broker-dealers who made a market in the company's securities prior to the suspension and news and wire services stating, in addition to the foregoing, that the company had released no information and knew of no facts or transactions that were not contained in its prospectus which would account for the rise in the market price from \$5 to over \$11 per share. (Rel. 34-10010)

COURT ENFORCEMENT ACTIONS

AMERICAN MINING AND SMELTING, JAMES ALLEN ENJOINED. The SEC Chicago Regional Office announced on February 12 that the Federal court for the District of Minnesota, Minneapolis Division, permanently enjoined American Mining and Smelting, Inc. (AMS), and James Allen, both of Bloomington, Minn., from violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of the common stock of AMS. The defendants consented to the court order without admitting or denying the allegations. (LR-5743)

OVER

CRIMINAL CONVICTIONS ANNOUNCED. The SEC New York Regional Office announced on February 13 the following criminal convictions obtained in the Federal court in Manhattan emanating from the manipulation of the stock of Belmont Franchising Corp., which rose from about \$5 per share in February 1970 to about \$42 per share by May 1970: John Dioguardi d/b/a Johnny Dio, of Point Lookout, N. Y., and Louis Ostrer, Kings Point, N. Y., were found guilty of conspiracy, securities fraud and mail fraud; sentencing was scheduled for March 13. Anthony Soldano, Queens, N. Y., Gary Fredericks, Brooklyn, N. Y., and Richard Greenberg, Massapequa, N. Y. were convicted of conspiracy and securities fraud; Soldano was sentenced to two years imprisonment and Greenberg to 30 days in jail; imposition of a sentence against Fredericks was suspended. George Drykerman, New York, N. Y., was convicted of false testimony and sentenced to four months in jail, probation for four years and eight months and a \$2,500 fine. Harvey Bertram Pollack, East Hampton, N. Y. was convicted of perjury and sentenced to two years probation and a \$1,000 fine. Michael C. Hellerman, Bayside, N. Y., pleaded guilty to securities fraud and to two other charges and was sentenced to two years in prison. Fred Goodman, New York, N. Y. pleaded guilty to conspiracy and is awaiting sentence. Edward Palermo, Huntington, N. Y. pleaded guilty to securities fraud and was sentenced to two years probation. (LR-5737)

J. M. KING, W. V. COFFEY ENJOINED. The SEC Chicago Regional Office announced on February 14 that the Federal court in Columbus, Ohio had permanently enjoined John M. King of Englewood, Colo., and William V. Coffey, of Denver, Colo., from violations of the antifraud provisions of the Federal securities laws in connection with the offer, sale and purchase of promissory notes of King Resources Company. Consolidated Oil & Gas, Inc. (Consolidated), of Denver, Harry A. Trueblood and David R. Kerr, Jr., both of Englewood, were also enjoined from violations of the antifraud provisions in connection with the offer and sale of certain promissory notes. Ronald R. Howard, of Beverly Hills, Calif., was enjoined from violations of the antifraud provisions in connection with the offer, sale and purchase of promissory notes or other securities of Consolidated, Four Seasons Nursing Centers of America, Inc. and King Resources Company. Howard consented to the court order without admitting or denying the allegations. (LR-5742)

INVESTMENT COMPANY ACT RELEASES

THE PAUL REVERE VARIABLE ANNUITY CONTRACT ACCUMULATION FUND. The SEC has issued a notice giving interested persons until March 13 to request a hearing on an application of The Paul Revere Variable Annuity Contract Accumulation Fund and The Paul Revere Variable Annuity Insurance Company, both of Worcester, Mass. for an exemption from Section 22(d) of the Act to permit reductions in sales and administration charges based upon aggregate purchase payments allocated to either or both the variable and/or fixed dollar portions of the Fund's Individual Flexible Purchase Payment Variable Annuity Contracts. (Rel. IC-7674)

BAYCHEM FUNDING CORPORATION. The SEC has issued a notice giving interested persons until March 14 to request a hearing on an application for Baychem Funding Corporation, of New York, N. Y., for an order exempting Applicant from all provisions of the Act. The sole purpose of the Applicant is to serve as a vehicle for facilitating debt financing in the United States for Baychem Corporation, a wholly-owned domestic subsidiary of Bayer Aktiengesellschaft, and all of the Applicant's securities, other than debt securities, would be owned by companies affiliated with Bayer. (Rel. IC-7675)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS CO. The SEC has issued an order authorizing Consolidated Natural Gas Company, New York holding company, to act as surety on a bond to be posted with the Public Service Commission of West Virginia, by Consolidated Gas Supply Corporation, a subsidiary of Consolidated. A bond in the amount of \$7,200,000 is stated to be required in connection with a rate proceeding pending before the State commission. (Rel. 35-17880)

SECURITIES ACT REGISTRATIONS FILED

COLGATE-PALMOLIVE COMPANY, 300 Park Ave., New York 10022 - 1,100,000 shares of common stock, which may be offered for sale by certain shareholders. The offering is to be made (*at \$92.875 per share maximum) through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York 10004, and Dillon, Read & Co. Inc., 46 William St., New York 10005. The company produces and distributes household and personal care products, and through a subsidiary, manufactures and distributes health, hygienic and other products. (File 2-47037 - Feb 14)

THE CONNECTICUT LIGHT AND POWER COMPANY, Selden St., Berlin, Conn. 06037 - \$50 million of first and refunding mortgage bonds, Series Z, to be offered for sale at competitive bidding. Net proceeds, together with other funds, will be used to repay a portion of the company's short-term borrowings (estimated at \$95 million), incurred to finance the company's construction program. Construction expenditures are estimated at \$143 million for 1973. (File 2-47038 - Feb 14)

TVP COMMUNICATIONS, INC., 215 East 49th St., New York 10017 - 150,000 shares of common stock, to be offered for sale at \$5 per share by Mayflower Securities Co., Inc., One State St., Plaza, N. Y. The company produces and distributes television commercials and industrial/public relations films. Of the net proceeds, \$120,000 will be used to open new offices and the balance for working capital and other corporate purposes. (File 2-47039 - Feb 14)

FORT DEARBORN INCOME SECURITIES, INC., 126 S. State St., Chicago, Ill. 60603 - 200,000 shares of capital stock, issuable from time to time in connection with the company's Automatic Dividend Investment Plan. (File 2-47040 - Feb 14)

ITEK CORPORATION, 10 Maguire Rd., Lexington, Mass. 02173 - 29,891 shares of common stock, which may be offered for sale from time to time by certain shareholders (*at \$36.88 per share maximum). (File 2-47041 - Feb 14)

NJB PRIME INVESTORS (the Trust), 950 Clifton Ave., Clifton, N. J. 07013 - \$25 million of subordinated debentures, due 1980, with warrants to purchase an unspecified number of shares, to be offered for sale in units, each consisting of a \$100 debenture and an unspecified number of shares. The offering is to be made at \$100 per unit through underwriters headed by E. F. Hutton & Co. Inc., One Battery Park Plaza, New York 10004, and John J. Ryan & Co. Inc., 744 Broad St., Newark, N. J. 07102. The Trust invests in a diversified portfolio of mortgage loans and real estate equities. NJB Prime Advisors is investment adviser. (File 2-47043 - Feb 14)

NIAGARA MOHAWK POWER CORPORATION, 300 Erie Blvd. West, Syracuse, N. Y. 13202 - 3,000,000 shares of common stock, to be offered for sale at competitive bidding. Net proceeds will be used to reduce outstanding short-term debt (estimated at \$94 million) incurred for construction purposes. Construction expenditures are estimated at \$262 million for 1973. (File 2-47044 - Feb 14)

DANIEL WOODHEAD, INC., 3411 Woodhead Dr., Northbrook, Ill. 60062 - 206,250 shares of common stock, of which 125,000 are to be offered for sale by the company and 81,250 by certain shareholders. The offering is to be made (*at \$26.50 per share maximum) through underwriters headed by Blunt Ellis & Simmons Inc., 111 W. Monroe St., Chicago, Ill. 60603. The company manufactures and sells devices for the control and distribution of power and material for industry. Of the net proceeds, \$1 million will be used for additions to plant and equipment and the balance to repay debt and for other corporate purposes. (File 2-47046 - Feb 15)

HARRIS BANKCORP, INC., 111 W. Monroe St., Chicago, Ill. 60690 - \$50 million of notes, due 1980, to be offered for sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York. The company is a bank holding company, whose only subsidiary is Harris Trust and Savings Bank. Net proceeds may be used for advances to or investment in the Bank or new affiliates which may be formed or acquired to engage in activities permitted to bank holding companies. (File 2-47047 - Feb 15)

COLWELL MORTGAGE TRUST, 3223 W. Sixth St., Los Angeles, Calif. 90020 - \$25 million of senior subordinated notes, due 1980, to be offered for sale through underwriters headed by Dean Witter & Co. Inc., 800 Wilshire Blvd., Los Angeles, Calif. 90017, and Smith, Barney & Co. Inc., 1345 Avenue of the Americas, New York 10019. The Trust invests primarily in first mortgage construction and development loans, short-term loans and intermediate-term loans. Colwell Management Company is investment adviser. (File 2-47048 - Feb 15)

MISCELLANEOUS

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of exchange and over-the-counter trading in the securities of (a) Goodway, Inc. for the further ten-day period February 17-26, inclusive, and over-the-counter trading in the securities of (b) DCS Financial Corporation for the further ten-day period February 17-26, inclusive, (c) Crystalography Corporation, Minute Approved Credit Plan, Inc. and Star-Glo Industries, Inc. for the further ten-day period February 18-27, inclusive, (d) Continental Vending Machine Corporation for the further ten-day period February 19-28, inclusive and (e) Meridian Fast Food Services, Inc. for the further ten-day period February 20-29, inclusive, and (f) Clinton Oil Company and Management Dynamics, Inc. for the further ten-day period February 16-25, inclusive.

SECURITIES ACT REGISTRATIONS. Effective February 14: Pizza Corporation of America, 2-46629. Effective February 15: BMA Corporation, 2-46234; Craig Corporation, 2-46943; Institutional Investors Trust, 2-46835; International Harvester Co., 2-46881; E. F. Hutton Tax-Exempt Fund, National Series 10, 2-46823; Lynch Communication Systems, Inc., 2-46617; MPS International Corp., 2-45237; Municipal Investment Trust Fund, Eleventh Monthly Payment Series, 2-46899; Mylan Laboratories Inc., 2-46722; Reliance Electric Co., 2-46733; Scientific-Atlanta, Inc., 2-46774; United Brands Co., 2-46846; Volt Information Sciences, Inc., 2-39320.

*As estimated for purposes of computing the registration fee.

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The SEC News Digest is for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402. All other referenced material, except registration statements, is available in the SEC DOCKET which may be ordered from the GPO. Copies of registration statements may be ordered from the Commission's Public Reference Section.