

sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

June 20, 1974

COMMISSION ANNOUNCEMENTS

JUN 21 1974

HEARINGS ON SUGGESTED AMENDMENTS TO NASD ANTI-RECIPROCAL RULE ANNOUNCED

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The Commission today announced that it will hold public hearings beginning September 10, 1974 to review suggested interpretations and amendments of the NASD Anti-Reciprocal Rule. All interested persons are invited to submit their views in writing to the Commission; such persons should state if they wish to appear and make oral statements. Oral statements will be invited from among those who have requested to be heard. Persons submitting comments should supply 20 copies of their submissions to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, no later than August 23, 1974. Such material should be designated "NASD Anti-Reciprocal Rule and Investment Company Brokerage Practices," File No. 4-172. All comments will be available for public inspection in the Commission's Public Reference Room, 6101, 1100 L Street, N.W., Washington, D.C. (Rel. 34-10867)

ROSENFELD APPOINTED DIRECTOR OF PUBLIC INFORMATION

The SEC today announced the appointment of S. James Rosenfeld as Director of the Office of Public Information, effective June 23, 1974. Since April 1 of this year, Mr. Rosenfeld has been a Special Consultant to the Commission, evaluating the Commission's capabilities to disseminate financial and regulatory information to its various constituencies, preparatory to submitting a report with recommendations. (See the March 25th News Digest.) Mr. Rosenfeld resides with his wife, the former Susan D. Katz, and their two children, Seth Warren, age 6, and Howard Phillip, age 4, in Potomac, Maryland.

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

M. BERNSTEIN SECURITIES, INC. AND OFFICERS SANCTIONED

An order has been issued revoking the broker-dealer registration of M. Bernstein Securities, Inc., of Jersey City, New Jersey, barring Marvin S. Bernstein, its president, from association with any broker-dealer, investment adviser or investment company, suspending Jack R. Wagenti, a vice president, from any such association for a period of 180 days, and barring Wagenti after his suspension from any such association in a management or supervisory capacity. After two years, Bernstein may apply to become so associated in a nonsupervisory capacity.

The sanctions were based on findings that respondents failed to comply with net capital, recordkeeping and reporting requirements. The commission's order was based on offers of settlement in which respondents, without admitting or denying the charges against them, consented to the findings and sanctions. (Rel. 34-10847)

NASD FINES AND CENSURE OF SUMNER COTZIN AND ALEXANDER WOOLF AFFIRMED

An order has been issued affirming the NASD's imposition of fines of \$2,500 and \$1,000 respectively, on Sumner B. Cotzin and Alexander Woolf, of Worcester, Massachusetts, and censure of both. A 10-day suspension from NASD membership imposed on Cotzin was set aside since he is no longer an NASD member.

The Commission found as did the NASD, that Cotzin, then doing business as Cotzin, Mangano & Company, failed to comply with net capital requirements from December 1969 to March 1970 and that Cotzin and Woolf, who was then a registered principal of Cotzin's firm, sought to conceal the firm's net capital deficiencies from regulatory authorities by engaging in certain sham transactions.

The Commission's opinion noted that the principal contention on review related to an asserted lack of due process in the NASD's procedures. This was based on counsel's

belief that investigative and decisional functions had been blended at the District Committee level. There being no evidence to support this claim, the Commission considered the question academic on the record before it. However, the Commission went on to observe that the NASD's existing procedures may present some problems. It suggested that the Association "re-examine its procedures to avoid even the appearance of" unfairness. (Rel. 34-10850)

CHARTERED NEW ENGLAND CORP. SANCTIONED

An order has been issued suspending for 10 days, effective June 24, the over-the-counter retail operations of Chartered New England Corp. of New York City, a registered broker-dealer. During the suspension period, the firm may execute unsolicited liquidating transactions for customers whose securities it holds.

The sanction was based on a finding that from September 1971 to June 1972 the firm unlawfully sold unregistered common stock of Accurate Calculator Corp.

The Commission's action was taken pursuant to an offer of settlement in which the firm, without admitting or denying the charges against it, consented to the finding and sanction. (Rel. 34-10853)

MILTON D. STEWART SANCTIONED

An order has been issued sanctioning Milton D. Stewart, of New York City, president of Creative Capital Corporation (now known as Clarion Capital Corporation), a registered closed-end investment company. Stewart was suspended for 60 days from association with any broker-dealer or investment adviser, and prohibited for the same period from serving in various capacities with respect to a registered investment company. During his suspension, he may continue to render services without compensation to certain of Creative's portfolio companies.

The sanction was based on findings that at various times from 1968-1972 Stewart committed and aided and abetted violations of the Investment Company Act. According to the Commission's decision, Stewart participated in certain unlawful joint enterprises of Creative and its then investment adviser, Comac Company, involving a 20-year lease of office space by Creative and a loan of \$285,000 by Creative to American Mobile Home Towns, Inc. In addition, in connection with that lease and loan, materially untrue or misleading proxy solicitation materials and reports were filed with the Commission by Creative and mailed to its shareholders. Stewart was also found in violation in Comac's serving as Creative's investment adviser without a written contract comporting with the Act.

The Commission's order was issued pursuant to an offer of settlement in which Stewart, without admitting or denying the charges against him, consented to the findings and sanction. (Rel. IC-8383)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES FIRST WISCONSIN

The SEC announced the filing of a complaint in the U. S. District Court for the District of Columbia on June 19 seeking a court order directing First Wisconsin Mortgage Trust of Milwaukee, to comply with the reporting provisions of the Securities Exchange Act of 1934 and seeking a permanent injunction against further such violations.

According to the Commission's complaint, First Wisconsin has failed to file with the Commission and with the New York Stock Exchange its annual report on Form 10-K for its fiscal year ended December 31, 1973, and its quarterly report on Form 7-Q for the quarter ended March 31, 1974. The Commission had also initiated a suspension of trading in the securities of First Wisconsin on June 13, 1974, for one ten day period. (LR-6404)

TRADING SUSPENSIONS

NICOA CORP. TRADING SUSPENDED

Over-the-counter trading in all securities of Nicoa Corporation of Boston, has been suspended for a ten-day period beginning June 18 and terminating at midnight (EDT), June 27, 1974.

The Commission initiated the suspension because of questions about the recent after-market trading activities in the common stock of Niccoa. The company has indicated that there has been no significant change in its business affairs since the public offering of its stock at \$5.00 per share in April of this year. Quotations in the National Quotation Bureau pink sheets for June 13, 1974 were bid 12, ask 14. (Rel. 34-10864)

TRADING SUSPENDED IN MONARCH GENERAL, INC.

Over-the-counter trading in the securities of Monarch General, Inc. of Mineola, New York, has been suspended for a ten-day period beginning at 10:45 a.m. (EDT) June 20 and terminating at midnight (EDT) June 29, 1974.

The Commission initiated the suspension at the request of Monarch because of the lack of accurate and adequate information concerning the company's financial condition. (Rel. 34-10868)

INVESTMENT COMPANY ACT RELEASES

ENGLEWOOD MERGER FUND, INC.

An order has been issued on an application of Englewood Merger Fund, Inc., declaring that the Fund has ceased to be an investment company. (Rel. IC-8391)

HOLDING COMPANY ACT RELEASES

OHIO POWER COMPANY

A supplemental order has been issued authorizing a proposal of Ohio Power Company, subsidiary of American Electric Power Company, Inc., to sell up to \$25 million of short-term notes to additional banks. (Rel. 35-18463)

ARKANSAS-MISSOURI POWER COMPANY

A notice has been issued giving interested persons until July 15 to request a hearing on an application of Arkansas-Missouri Power Company, subsidiary of Middle South Utilities, Inc., to increase from \$12 million to \$16 million the amount of its short-term notes to banks. (Rel. 35-18464)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Boston Stock Exchange for unlisted trading privileges in the common stock of Teleprompter Corp. (Rel. 34-10869)

SECURITIES ACT REGISTRATIONS

(S-7) THE DOW CHEMICAL COMPANY

2030 Dow Center, Midland, Mich. 48640 - 5,000 shares of common stock, to be offered to the employees of Dow Corning Corporation and certain specified subsidiaries via installment purchase. Dow manufactures and sells chemicals, metals, plastic materials and products and pharmaceutical, agricultural and consumer products. (File 2-51339 - June 18)

(S-7) POTOMAC ELECTRIC POWER COMPANY

1900 Pennsylvania Ave., N.W., Washington, D.C. 20006 - 4,000,000 shares of common stock, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated and Goldman, Sachs & Co. The company generates, transmits, distributes and sells electric energy. (File 2-51341 - June 18)

(S-1) ROBLIN INDUSTRIES, INC.

290 Main St., Buffalo, N. Y. 14202 - 236,080 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. Roblin is a diversified manufacturer of steel, building and food handling equipment products. (File 2-51344 - June 18)

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:

- Airpax Electronics Inc., Fort Lauderdale, Fla. (File 2-51340 - June 18) - 67,564 shares
- First Arkansas Bankstock Corp., Little Rock, Ark. (File 2-51342 - June 18) - 50,000 shares
- Lydall, Inc., Manchester, Conn. (File 2-51343 - June 18) - 112,000 shares

REGISTRATIONS EFFECTIVE

- June 18: The Cincinnati Gas & Electric Co., 2-51112; Johns-Manville Corp., 2-50984; Swan Ryan International Ltd., 2-51226.
- June 19: American General Insurance Co., 2-50829; Diversities Tax-Exempt Bond Fund, California Series 1, 2-46107; Fibreboard Corp., 2-51013; Gifford-Hill & Company, Inc., 2-50798; Kansas-Nebraska Natural Gas Company, Inc., 2-51091; Patagonia Corp., 2-51121; J. C. Penney Company, Inc., 2-51265; G. D. Searle & Co., 2-50900; Texas Commerce Bancshares, Inc., 2-50840.

REGISTRATIONS WITHDRAWN

- June 11: Era, Inc., 2-48273; The Zondervan Corp., 2-49167.
- June 14: Hooker Chemical Corp., 2-50402; Southwestern Group, Inc., 2-45709.
- June 17: Autodynamics, Inc., 2-49436.
- June 18: Hair Trigger, Inc., 2-48730 (Abandoned); Pacific Scholarship Fund, Sponsor of Scholarship Trust, 2-41686.
- June 19: Harwyn International, Inc., 2-47114.

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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