

sec news digest

a daily summary from the securities and exchange commission

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March 2, 1973

DECISIONS IN ADMINISTRATIVE PROCEEDING

MIDDENDORF, COLGATE & CO. AND AUSTEN B. COLGATE SANCTIONED. The SEC has announced the issuance of an order suspending Middendorf, Colgate & Co. ("registrant"), New York City, for 5 business days from acting as a market maker in over-the-counter securities and from engaging in any over-the-counter transactions as a broker-dealer except for execution of unsolicited securities transactions for existing customers of the firm without compensation in order to liquidate long positions or cover short positions, suspending Austen B. Colgate from association with any broker, dealer, or investment adviser for 90 calendar days, and prohibiting registrant and Colgate from acting in various capacities for a registered investment company for 12 months, following which period either may apply to the Commission for permission to act in such capacities upon such terms and conditions as the Commission may deem appropriate.

Colgate, the managing partner of registrant, a registered broker-dealer, was chairman of the board of directors of Oceanographic Fund ("fund"), a registered investment company. The sanctions imposed were based on findings that from March 1968 to May 1971 Colgate, aided and abetted by registrant, breached his fiduciary duty to the fund within the meaning of Section 36 of the Investment Company Act by failing to inform the fund's unaffiliated directors of communications from the Commission and its staff concerning the propriety of executing the fund's over-the-counter portfolio transactions regularly through registrant, an affiliated broker, and by failing to inform such directors of the possibility of executing such transactions directly with market makers.

The Commission's action was taken pursuant to an offer of settlement in which respondents consented to the findings and sanctions without admitting or denying the allegations and represented that registrant had ceased effecting transactions for the fund, that virtually all associations between registrant, Colgate and the fund had been severed, and that registrant had agreed to repay part of the commissions collected from the fund in settlement of a private civil action. (Rel. 34-10016)

COURT ENFORCEMENT ACTIONS

IRVING EISENBERGER, ABLE ASSOCIATES ENJOINED; TRADING SUSPENDED IN VETCO OFFSHORE INDUSTRIES STOCK. The SEC announced that the Federal court in the District of Columbia permanently enjoined Able Associates (Able), Santa Monica limited partnership, and Irving Eisenberger, Los Angeles unregistered investment adviser and general partner of Able, from violations of, among other things, the reporting provisions of the Federal securities laws for failing to reflect beneficial ownership of more than 5% of Vetco Offshore Industries, Inc. common stock. The complaint alleged that Eisenberger, Able and Fiduciary Investment Services (FIS), a foreign investment adviser which had given Eisenberger discretionary authority to invest funds of various accounts maintained with FIS, acted as a "group" within the meaning of Section 13(d)(3) of the Securities Exchange Act for the purpose of purchasing, holding and selling Vetco common stock and call options on Vetco common stock. Eisenberger and Able agreed to the permanent injunction and Eisenberger, Able and FIS, on behalf of itself and its clients holding Vetco securities, consented to file with the Commission a plan to be approved by the Commission pursuant to which no sale of Vetco common stock would be made except in accordance with the provisions of such plan, to be effective through December 31, 1974. Able, Eisenberger and FIS on behalf of itself and its clients consented to be permanently enjoined from acquiring additional Vetco common shares or options; Able and Eisenberger from acquiring more than 5% of any equity security of any publicly held company; Eisenberger from acting as a broker or dealer or giving investment advice without prior Commission approval, and Able not to increase its number of partners or contributed capital without prior Commission approval. Eisenberger was ordered to deliver a copy of the court order to his clients which held Vetco common stock and call options, including FIS, and FIS agreed to deliver a copy of the court order to its clients.

The Commission also ordered the temporary suspension of trading of Vetco securities on the American Stock Exchange and otherwise than on a national securities exchange effective for a period beginning March 1 and terminating midnight (EST) March 6, 1973. Trading of Vetco common stock was halted by the American Stock Exchange beginning February 1, 1973, after discussions with the Commission staff regarding the unusual activity in Vetco stock raised questions whether the market in Vetco stock may have been artificially influenced. The Commission ordered the suspension of trading in the securities of Vetco to permit investors to become informed of the Commission's action and the judgment and order and to evaluate this information before trading is resumed.

With respect to non-exchange trading, brokers and dealers should be alert to the fact that pursuant to Rule 15c2-11 under the Exchange Act, no quotations may be entered in a quotation medium unless and until all of the provisions of said rule are strictly complied with. If any broker or dealer has any question as to whether or not such rule has been complied with, he should not enter any quotation but should immediately contact the staff of the SEC, Division of Enforcement. (LR-5765)

FORMA SECURITIES, JOHN FORMA ENJOINED. The SEC New York Regional Office announced that on February 9 the Federal court in New York preliminarily enjoined Forma Securities, Incorporated, New York City broker-dealer, and John Forma, its president, of Brooklyn, N. Y., from violations of and aiding and abetting violations of the net capital, bookkeeping and record keeping provisions of the Federal securities laws and appointed Prof. Lawrence P. King as SIPC trustee. The defendants consented to the court order without admitting or denying the allegations. (LR-5744)

APPEAL OF PATRICK R. REYNAUD DE ST. OYANT LTD., OTHERS DISMISSED. The SEC New York Regional Office announced that the Federal Court of Appeals dismissed an appeal filed on behalf of Patrick R. Reynaud de St. Oyant Ltd. (Oyant), Patrick R. Reynaud (Reynaud) and Dunhill Securities Corporation (Dunhill) from a Commission Opinion and Order revoking the broker-dealer registration of Dunhill, denying the application of Oyant for registration as a broker-dealer and barring Reynaud from association with any broker-dealer based upon findings of violations by Reynaud and Dunhill of the registration, antifraud, bookkeeping, net capital and supervision provisions of the Federal securities laws. Subsequently, Reynaud and Dunhill were adjudged in criminal contempt of injunctive orders of the Federal court in New York and Reynaud was sentenced to four months imprisonment and Dunhill fined \$10,000. (LR-5761)

WILLIS A. WHITE AND CHARLES F. GORMAN PERMANENTLY ENJOINED. The SEC Seattle Regional Office announced that on February 20 and 23, the Federal court at Boise, Idaho permanently enjoined Willis A. White and Charles F. Gorman, both formerly of Boise, from further violations of the Federal securities laws in connection with the offer and sale of securities of Delfont Minerals, Inc., an Oklahoma corporation or Willis A. White. Gorman, who now lives in Colusa, Calif., consented to the entry of an injunction. White, who now lives in Happy Camp, Calif., did not consent, but failed to appear for the trial. (LR-5762)

JACKSON MUNICIPALS INC., OTHERS ENJOINED. The SEC announced on February 28 that the Federal court in Tennessee had permanently enjoined Jackson Municipals, Inc., a municipal bond dealer located in Jackson, Miss., and Cecil Lamerson, officer of Jackson, from violations of the antifraud provisions of the Federal securities laws in transactions in municipal bonds. Investors Associates of America, Inc., a Memphis, Tenn. municipal bond dealer (formerly known as Hamilton Securities, Inc., Liberty National Securities, Inc. and Harper Investment Company); Investors Associates of America, an Arizona partnership; Investors Associates of Mississippi, Inc.; Clarence H. Hamilton; Jerry R. Hamilton; Bill H. Harper and Edward J. Blumenfeld were preliminarily enjoined for similar violations. Each defendant consented to the court order without admitting or denying the allegations. (LR-5763)

DRUMMOND LEE SCOTT, OTHERS ENJOINED. The SEC Washington Regional Office announced on February 26 that the Federal district court in the District of Columbia permanently enjoined De La Warr Associates, CSC Enterprises of Washington, D. C. and A & P Drilling Company, Roy Proffitt of Racine, Ohio from violations of the registration provisions of the Federal securities laws in the offer and sale of undivided fractional interests in oil and gas leases involving gas wells in Ohio and West Virginia. The defendants consented to the court order without admitting or denying the allegations. In the same case Drummond Lee Scott of La Plata, Md. was permanently enjoined by default judgment from violations of the Federal securities laws in the sale of fractional undivided working interests in oil and gas leases or any other securities. (LR-5764)

INVESTMENT COMPANY ACT RELEASES

NEW AMERICA FUND. The SEC has issued an order exempting from Section 17(a) the sale by New America Fund, Inc., Los Angeles closed-end fund, of an aggregate of 13,203 shares of Under Sea Industries, Inc., common stock to certain employees of Under Sea. (Rel. IC-7700)

CNA-LARWIN INVESTMENT CO. The SEC has issued a notice giving interested persons until March 23 to request a hearing upon an application by CNA-Larwin Investment Company, Beverly Hills, Calif. closed-end management investment company and CNA Financial Corporation, of Chicago, the parent of CNA-Larwin's investment adviser, for an order permitting CNA Financial to sell CNA-Larwin certain securities at CNA's Financial's cost upon CNA-Larwin's exercise of an option to purchase such securities which has been granted by CNA Financial to CNA-Larwin. (Rel. IC-7702)

SECURITIES ACT REGISTRATIONS FILED

JOHN O. BUTLER COMPANY, 540 N. Lake Shore Dr., Chicago, Ill. 60611 - 200,000 shares of common stock, to be offered for sale (*at \$7 per share maximum) through underwriters headed by Rothschild Securities Corp., 135 S. LaSalle St., Chicago, Ill. 60603. The company distributes and sells preventive dentistry aids including toothbrushes and dental floss. Net proceeds will be used for working capital and other corporate purposes. (File 2-47143 - Feb 28)

PARKER DRILLING COMPANY, 518 National Bank of Tulsa Bldg., Tulsa, Okla. 74103 - 58,000 shares of \$5.20 cumulative convertible preferred stock, Series A (convertible into 348,000 common shares), which may be offered for sale by the holder thereof (The Williams Companies) (*at \$216 per share maximum). Parker is engaged in the contract drilling business for the oil and gas industry. (File 2-47144 - Feb 28)

NORTHERN INDIANA PUBLIC SERVICE COMPANY, 5265 Hohman Ave., Hammond, Ind. 46320 - 300,000 shares of cumulative preferred stock, to be offered for sale (*at \$102 per share maximum) through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Calif. 94106. Net proceeds will be applied to additions to the company's utility properties. Construction expenditures are estimated at \$147,889,000 for 1973. (File 2-47145 - Feb 26)

DLG ENTERPRISES, INCORPORATED, 768 Fifth Ave., New York 10019 - 185,000 shares of common stock, to be offered for sale at \$5 per share by Charles Beck & Co., Inc., 51 East 42nd St., New York. The company primarily produces and distributes airwave and cable television programs. Net proceeds will be used for production costs and other corporate purposes. (File 2-47149 - Feb 28)

CADCOM, INC., 2024 West St., Annapolis, Md. 21401 - 100,000 shares of common stock, to be offered for sale at \$6 per share through underwriters headed by Hay, Fales & Co., Inc., 50 Broadway, New York 10004. The company provides computer related services. Net proceeds will be used for working capital and other corporate purposes. (File 2-47150 - Feb 28)

FINANCIERA METROPOLITANA, S. A., Avenida Juarez No. 42, Mexico 1, D.F., Mexico - \$16 million of financial certificates, Series F, maturing in two to five years, to be offered for sale at 100% of principal amount. DuPont Glove Forgan Inc., One Wall St., New York 10005, has agreed to sell the certificates in certain states. A Mexican corporation, the company engages in financing industrial and commercial enterprises and lending money to agencies of the Mexican government. Net proceeds will be used for general corporate purposes. (File 2-47151 - Feb 28)

BEAUTY BONUS CLUB, INC., 30 Clinton Rd., West Caldwell, N. J. 07006 - 150,000 shares of Class A common stock (each share convertible into 1-1/2 shares of common stock), to be offered for sale at \$10 per share through underwriters headed by Hay, Fales & Co., Inc., 50 Broadway, New York 10004. The company intends to sell cosmetics and related beauty products through a mail order club plan. Of the net proceeds, \$400,000 will be used for advertising and the balance for other corporate purposes. (File 2-47153 - Feb 28)

DECISION DATA COMPUTER CORPORATION, 100 Witmer Rd., Horsham, Pa. 19044 - 500,000 shares of common stock, of which 400,000 are to be offered for sale by the company and 100,000 by certain shareholders. The offering is to be made (*at \$21.50 per share maximum) through underwriters headed by Bache & Co., 100 Gold St., New York. The company manufactures, sells and leases computer equipment. Net proceeds will be used to finance equipment leased to customers and foreign operations, to repay short-term indebtedness and for working capital purposes. (File 2-47154 - Feb 28)

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:
 The General Tire & Rubber Company, Akron, Ohio (File 2-47146) - 299,465 shares
 Air Products and Chemicals, Inc., Allentown, Pa. (File 2-47147) - 300,000 shares
 Gelman Instrument Company, Ann Arbor, Mich. (File 2-47152) - 62,700 shares

MISCELLANEOUS

RECENT FORM 8-K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders; and any newly enacted requirements effecting registrant's business.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item on the 8K form numbered in the parentheses. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the several items of the form was included in Monday's News Digest.

8K REPORTS FOR JANUARY 1973

Ideal Basic Industries Inc.(13,14)	1-4070-2	Investment Corp of Florida (13)	1-6835-2
Illinois Central Industries, Inc.		Investors Funding Corp of NY (7,12)	1-4600-2
(3)	1-4710-2	Ion Equipment Corp (1)	0-6126-2
Imperial Corp of America (13,14)	1-4215-2	Ionics Inc.(3)	0-630-2
Inland Credit Corp (1)	1-4390-2	Iowa Electric Light & Power Co. (7,14)	1-4117-2
Inflight Motion Pictures Inc.(11)	1-5245-2	Iowa Power & Light Co. (13,14)	1-3567-2
Integrated Resources, Inc.(13)	1-7030-2	Iowa Southern Utilities Co. (14)	0-849-2
Intercontinental Trailsea Corp		Iroquois Industries, Inc.(3)	1-5387-2
(7,14)	2-35209-2	Ivac Corp (3)	0-5275-2
Inter-Island Mortgage Corp(3,13)	0-5774-2	F.L. Jacobs Co. (11)	0-3139-2
International Recreation Corp (13)	0-5343-2	Jacobson Stores, Inc.(4)	0-6319-2
International Telephone & Telegraph		Jervis Corp (3)	1-5073-2
Corp (14)	1-5627-2	Jet Air Freight (2,14)	0-3025-2
		Jetric Industries Inc.(2,7,14)	1-4124-2

BK REPORTS FOR JANUARY 1973

Jewelcor Inc.(13)	1-6745-2	McCrory Corp (3,7,8)	1-2759-2
Kar Products Inc.(13,14)	2-41502-2	Medallion Leisure Corp (13)	1-7027-2
Kaiser Aluminum & Chemical Corp (3,14)	1-3605-2	Medequip Corp (13,14)	0-4688-2
Kaiser Cement & Gypsum Corp (7,14)	1-4598-2	Media Horizons Inc.(9,13)	0-6165-2
Kaiser Industries Corp (3,14)	1-3340-2	Medline Inds., Inc.(12)	2-44427-2
Kaiser Steel Corp (7,8,10)	0-433-2	Mego International, Inc.(3)	1-6573-2
Keebler Co. (13)	1-2336-2	Metrocare Inc.(2,7,10,14)	1-6656-2
Keene Corporation (4,7,9,13,14)	1-6911-2	Mid-America Industries Inc.(2,13,14)	2-43508-2
Knickerbocker Toy Co., Inc.(4,7,11,14)	1-7028-2	Miller Oil Co. (13)	0-6694-2
Koppers Co., Inc.(8)	1-3224-2	Mobile Home Communities (13,14)	0-5308-2
LFE Corporation (4,7,14)	1-4571-2	Mobile Waste Controls Inc.(13)	0-4313-2
LSB Industries, Inc.(7,10)	1-6137-2	Monogram Industries Inc.(13)	1-6174-2
Landco Inc. (11)	0-4263-2	Montgomery Ward Credit Corp(13)	1-4326-2
Leadville Corp (7,13)	0-1519-2	Moog Inc. (11,14)	1-5129-2
Leasco Financial Services Corp(7,8)	1-7080-2	Mostek Corp (7,8)	2-43416-2
Leeds Shoes Inc.(3,6,7,8)	0-2216-2	Murphy Oil Corp (7,8)	1-4857-2
Leggett & Platt Inc.(7)	0-3087-2	Mystic Valley Gas Co.(11,14)	2-10637-2
Lehigh Coal & Navigation Co.(6,7)	0-1760-2	NVF Company (7,8)	1-3290-2
Lehigh Valley Inds. Inc. (13)	1-155-2	National Community Builders (3,7)	0-6227-2
Levingston Shipbuilding Co.(7,8,9)	0-2891-2	National Distributing Co., Inc. (13,14)	1-7095-2
Lincoln American Corp (3)	1-4730-2	National General Corp (1,3,7,8)	1-3675-2
Lockheed Aircraft Corp (7)	1-2193-2	National Rural Utilities Cooperative (7,13)	1-7102-2
Louisiana-Pacific Resources Inc. (1,4,7,9,13,14)	1-98-2	Nationwide Inds., Inc.(7)	0-3626-2
Lydall Inc.(10)	0-1137-2	Nationwide Nursing Centers, Inc.(3)	0-4370-2
Lynch Communications Systems, Inc. (13,14)	1-6794-2	Natural Gas Pipeline Co. of America (13)	1-6559-2
Lynch Corp (2,10,14)	1-106-2	Natural Resources Fund (1970)(3)	2-36792-2
Mack Financial Corp (7,14)	1-6294-2	Natural Resources Fund, Inc.(3)	2-33470-2
MacMillan Inc. (8)	1-3911-2	Niagara Frontier Services Inc. (8,13)	1-5915-2
Madison Square Garden Corp (3)	1-1144-2	Nolox Corp (7,9,14)	2-45852-2
Mammoth Mart Inc. (7,8,14)	1-6027-2	North Shore Gas Co. (13)	2-35965-2
Mangel Stores Corp (13,14)	1-1118-2	North Shore Gas Co. (11,14)	2-12013-2
Marathon Mfg. Co. (8)	1-6617-2	Northern Indiana Public Service Co. (3,7,13)	1-4125-2
Maremont Corp (3)	1-4232-2	Northern States Financial Corp(13)	0-6886-2
Marine International Corp (6)	2-39727-2	Northwest Inds., Inc.(8)	1-5509-2
Maritime Fruit Carriers Co., Ltd. (2,4,14)	0-2690-2	Nuclear Data Inc.(2,10,14)	1-5779-2
Mark IV Homes, Inc.(13)	0-6403-2	Numerax Inc.(11)	2-3503-2
Marquette Cement Mfg. Co.(13)	1-3780-2		

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of (a) Meridian Fast Food Services, Inc. for the further ten-day period March 2-11, inclusive, and (b) Nova Equity Ventures, Inc. for the further ten-day period March 4-13, inclusive.

CORRECTION RE FUNDAMATIC INVESTORS, INC. The release number cited for the recent SEC notice involving Fundamatic Investors, Inc. should have been IC-7692, not IC-7292 as reported in the News Digest of February 27.

SECURITIES ACT REGISTRATIONS. Effective March 1: Communications Properties, Inc., 2-45262; Imperial Income Fund, Inc., 2-46686; Inn of the Seventh Mountain, 2-46939 (90 days); Pennsylvania Power Company, 2-47033; Power-Ski Corp., 2-46781 (90 days); State of Israel, 2-47012; UMF Systems, Inc., 2-46046 (90 days); Valley Forge Fund, Inc., 2-43674.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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