

# sec news digest

Issue 75-156

(SEC Docket, Vol. 7, No. 12 - August 26)

August 12, 1975

AUG 13 1975

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

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### SEVENTEEN PERSONS BARRED

The Commission has barred the following individuals from association with any broker, dealer or investment company: Timothy A. Murray, of Staten Island, New York, Pericles Constantinou, of New York City, and Harlan J. Sauer, of Livingston, New Jersey, former officers of broker-dealer firms; Morton Blaufarb, of Hollywood, Florida, and David Ourman, of the Bronx, branch office managers; Nicholas Sitnycky, of Jackson Heights, New York, a sales manager; Myron Weiner, of New York City, an assistant syndicate manager; Robert Wuensch, of Livingston, New Jersey, a trader, and the following securities salesmen -- Mahendra J. Amin, of Hoboken, New Jersey, Paul F. Avrin, of the Bronx, Max Braverman, of Brooklyn, Arnold Bruch, of the Bronx, Ghulam Mohamed Chandu, of Flushing, New York, Edward Garelick, of New York City, Alvin Levine, of Bayside, New York, Norman Rosenblum, of Mamaroneck, New York, and Jack Rubin, of Brooklyn.

Blaufarb and Sauer, after two years; Murray, Sitnycky and Weiner, after 18 months; Amin, after 15 months; Ourman, Wuensch, Avrin, Chandu, Garelick, Levine and Rosenblum, after 1 year; and Braverman, Bruck and Rubin, after 6 months, may each apply to the Commission to become associated with a broker or dealer in a non-supervisory, non-proprietary capacity.

The sanctions were based on findings that, during the period 1970-1972, all of the respondents violated antifraud provisions of the securities acts. Murray engaged in a variety of fraudulent and manipulative practices with respect to 35 securities, and the other respondents engaged in similar activities with respect to a lesser number of securities.

Murray effected numerous transactions to give the appearance of active trading in the various securities in order to raise and artificially maintain their price. Such transactions included block swaps of securities and reciprocal repurchase agreements with other broker-dealers, arrangements in which Constantinou, Sauer and Bruck participated.

In addition, Murray encouraged salesmen to give false information to customers, and effect unauthorized transactions in customers' accounts and did other things to encourage purchase of securities and discourage sales. Blaufarb, Ourman, Sitnycky, Weiner, Amin, Avrin, Braverman, Chandu, Garelick, Levine, Rosenblum and Rubin made material misstatements and omissions to customers concerning these practices and their involvement therein.

Sauer and Wuensch created artificial interest in certain securities by requiring customers to purchase them in order to obtain shares of the original offerings of certain securities. They also encouraged salesmen to make false and misleading statements to customers bonuses to salesmen for selling certain securities and low or no commissions on customer sell orders in order to discourage customer sales; and required salesmen to replace securities sold. In addition, Wuensch made material misstatements regarding block swaps and repurchase agreements with other broker-dealers.

Constantinou failed to answer the charges against him and was deemed in default. The Commission's action as to the other respondents was taken pursuant to offers of settlement in which the respondents, without admitting or denying the charges against them, consented to the above findings and the indicated sanctions. (Rel. 34-11572)

## COURT ENFORCEMENT ACTIONS

### NJB PRIME INVESTORS ENJOINED

The SEC announced that on July 25 U.S. District Court Judge Oliver J. Gasch filed a final judgment by consent enjoining NJB Prime Investors (NJB), a Massachusetts real estate investment trust, for a period of twenty-five years from the date of the final

judgment from failing to timely file in proper form current and periodic reports in contravention of Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act) and the rules and regulations thereunder. This injunction may be dissolved or modified by this Court on defendant's application, with notice to the Commission, upon a proper showing and upon a demonstration to the satisfaction of the Court that NJB has for five full years from the effective date of the final judgment filed timely and properly the annual and other periodic and current reports required by the final judgment.

The Commission suspended over-the-counter and exchange trading in the securities of NJB for one ten-day period beginning on March 20, 1975 due to defendant's failure to comply with the reporting provisions of the Exchange Act and advised brokers and dealers that quotations in the securities of NJB subsequent to such trading suspension would be subject to the provisions of Rule 15c2-11 promulgated under Section 15(c)(2) of the Exchange Act. (SEC v. NJB Prime Investors, D.D.C., Civil Action No. 75-0541). (LR-7034)

#### BULL INVESTMENT GROUP, INC., OTHERS

The Boston and Washington Regional Offices jointly announced that on July 22 the Honorable Bailey Aldrich, Senior Circuit Judge signed a decree permanently enjoining Bull Investment Group, Inc., Ronald Kimball, Richard G. Grondin and Richard F. Tosti from violating the registration and antifraud provisions of the securities laws.

The defendants had been engaged in a pyramid marketing scheme until the entry of a preliminary injunction on March 11, 1975. The permanent injunction followed a default judgment entered against Bull, Kimball, Grondin and Tosti on July 2, 1975 in response to the Commission's motion for default judgment grounded on the defendants failure to comply with court orders.

The action is still pending against Golden Book of Values, Inc., now doing business as American Value Club, and its president, James Sanford. Both continue to be subject to the March 11 preliminary injunction, and subsequent orders. For further information with respect to this matter, see LR-6676 and 6813. (SEC v. Bull Investment Group, Inc., et al., U.S.D.C., Mass.). (LR-7035)

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## INVESTMENT COMPANY ACT RELEASES

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#### THE GATEWAY FUND

An order has been issued declaring that The Gateway Fund, Inc. has ceased to be an investment company. (Rel. IC-8883 - Aug. 8)

#### CARDINAL TAX-EXEMPT BOND FUND

An order has been issued on an application by Cardinal Tax-Exempt Bond Fund, First Series (Fund), a unit investment trust, and its sponsor, The Ohio Company (Sponsor), exempting the Fund (and subsequent Series) from the frequency limitations on capital gain distributions and the initial capital requirements of the Act, and exempting the secondary market operations of the Sponsor from the forward pricing requirements of the Act. (Rel. IC-8884 - Aug. 11)

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## HOLDING COMPANY ACT RELEASES

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#### CONNECTICUT LIGHT & POWER COMPANY

A notice has been issued giving interested persons until September 2 to request a hearing on a proposal of Connecticut Light & Power Company, subsidiary of Northeast Utilities, to issue and sell at competitive bidding up to \$50 million of first mortgage bonds and 400,000 shares of preferred stock, par value \$50 per share. The proceeds of the sales will be used to repay short term indebtedness and to finance the company's construction program. (Rel. 35-19123 - Aug. 8)

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## SECURITIES ACT REGISTRATIONS

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#### (S-7) INLAND STEEL COMPANY

30 West Monroe St., Chicago, Ill. 60603 - \$100 million of first mortgage bonds, Series Q, due 2000, to be offered for sale through underwriters headed by Kuhn, Loeb & Co.,

40 Wall St., New York, N.Y. 10005. The company is a fully-integrated steel company.  
(File 2-54355 - Aug. 8)

(S-6) NATIONAL MUNICIPAL TRUST,  
ELEVENTH SERIES

\$7.5 million of units, to be offered for sale through underwriters headed by Thomson & McKinnon Auchincloss Kohlmeier Inc., Two Broadway, New York, N.Y. 10004. The Fund is a unit investment trust to be created by a trust agreement among Thomson & McKinnon Auchincloss Kohlmeier Inc., and Piper, Jaffray & Hopwood Incorporated, as sponsors, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The objective of the Fund are tax-exempt income and conservation of capital through an investment in a diversified portfolio of municipal bonds. (File 2-54357 - Aug. 8)

(S-7) THE TOLEDO EDISON COMPANY

300 Madison Ave., Toledo, Ohio 43652 - 1,500,000 shares of common stock, to be offered for sale by underwriters represented by The First Boston Corporation, 20 Exchange Pl., New York, N.Y. 10005, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, New York, N.Y. 10006. The company is a public utility engaged primarily in the generation, transmission and distribution of electric energy. (File 2-54358 - Aug. 8)

(S-1) BROOKS FASHION STORES, INC.

370 Seventh Ave., New York, N.Y. 10001 - 500,000 outstanding shares of common stock, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10005, by certain stockholders. Brooks operates a chain of women's junior apparel specialty stores. (File 2-54360 - Aug. 8)

(S-7) AMERICAN MAIZE-PRODUCTS COMPANY

250 Park Ave., New York, N.Y. 10017 - 300,000 outstanding shares of Class A common stock, to be offered for sale by certain stockholders through underwriters represented by Kidder, Peabody & Co. Incorporated, 10 Hanover Sq., New York, N.Y. 10005 and Hoppin, Watson Inc., One State Street Plaza, New York, N.Y. 10005. American Maize is a corn refiner, a manufacturer of cigars, coffee and candy and engages in the building materials business. (File 2-54361 - Aug. 8)

REGISTRATIONS EFFECTIVE

Aug. 7: Erie Corp., 2-53128; The Foxboro Co., 2-54178; Louisville Cement Co., 2-53947.  
Aug. 8: Boise Cascade Corp., 2-54229; Independent Bank Corp., 2-53836.

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## RECENT 8K FILINGS

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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.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. 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 items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
AMERON INC	14	07/75
ANGELICA CORP	4,14	07/75
ARMOUR & CO	3	06/75
BASIC INC	7	07/75
BI LO INC	1	07/75
BIG V SUPERMARKETS INC	7,14	07/75
BOOTHE COMPUTER CORP	13,14	07/75
BOOZ ALLEN & HAMILTON INC	13	07/75
BOURNS INC	3,7,13	07/75

RECENT 8K FILINGS CONT.

BURNHAM AMERICAN PROPERTIES	2	07/75
BURTON HAWKS INC	11	07/75
CLEAR CREEK CORP	6	07/75
DOMINION HOLDINGS INC	3,6	07/75
ENTEX INC	7	07/75
FAYS DRUG CO INC	3	07/75
FIRST BANK SYSTEM INC	7	07/75
FIRST NATIONAL CHARTER CORP	7	07/75
GAYNOR STAFFORD INDUSTRIES INC	6	07/75
GULF SOUTH CORP	14	06/75
HARLYN PRODUCTS INC	7,14	07/75
HAVATAMPA CIGAR CORP	11	05/75
HUMANA INC	7	07/75
KATY INDUSTRIES INC	13,14	06/75
MAGNAVOX CO	11	07/75
MAUI LAND & PINEAPPLE CO INC	10	07/75
MICHIGAN NATIONAL CORP	3	07/75
MICROBIOLOGICAL SCIENCES INC	11,14	07/75
NATIONAL PATENT DEVELOPMENT CORP	13,14	07/75
NATIONAL SEMICONDUCTOR CORP	9	03/75
NORTHERN RESEARCH & ENGINEERING CORP	11,13	06/75
ORBANCO INC	3,13	07/75
PACIFIC INTERNATIONAL EQUITIES INC	11,13	07/75
PONDEROSA SYSTEM INC	11,13,14	07/75
PUBLIC SERVICE CO OF INDIANA INC	3,7,8,13	07/75
PUBLICKER INDUSTRIES INC	13	07/75
RADIATION INTERNATIONAL INC	13,14	07/75
RANSBURG CORP	13	07/75
REIS ROBERT & CO	6,14	07/75
REPUBLIC AUTOMOTIVE PARTS INC	7	07/75
RESORTS INTERNATIONAL INC	13	07/75
RICHFORD INDUSTRIES INC	7,8,14	07/75
RIEGEL TEXTILE CORP	13,14	07/75
ROCKWOOD NATIONAL CORP	14	07/75
RUSCO INDUSTRIES INC	11	07/75
SATURN AIRWAYS INC	13	07/75
SCOTTS LIQUID GOLD INC	13,14	07/75
SOUTHDOWN INC	3,13	06/75
STEAK & ALE RESTAURANTS OF AMERICA INC	11	07/75
STONE & WEBSTER INC	3	07/75
SYCOR INC	7,8,14	07/75
TECH SERV INC	3,14	07/75
TOPPS CHEWING GUM INC	3	07/75
UNITED CABLE TELEVISION CORP	3	07/75
UNITED ILLUMINATING CO	7,14	07/75
VAHLSING INC	3,6	06/75
VANDUSEN AIR INC	3	07/75
WAGNER E R MANUFACTURING CO	4,7,8,14	07/75
WEST CO INC	7	06/75
WESTMINSTER CORP	11,13	07/75
WHITING CORP	11	07/75

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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