

# sec news digest

a daily summary from the securities and exchange commission

Issue No. 73-85

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May 2, 1973

## DECISIONS IN ADMINISTRATIVE PROCEEDING

HOWARD B. HERMAN BARRED. The SEC has issued an order barring Howard B. Herman, West Orange, N. J., who was a general partner of Jaffee & Co., then a registered broker-dealer, from association with any broker-dealer or investment adviser, and prohibiting him from serving in various capacities for a registered investment company. The order provided, however, that after 2 years he may apply for Commission permission, upon a showing of proper supervision, to become so associated and serve in such capacities.

The order was based on findings that in 1969-70 Herman violated or aided and abetted violations of the securities laws in connection with, among other things, transactions in the portfolio securities and shares of The Jaffee Fund, Inc. (now The Cambridge Fund, Inc.). Herman was treasurer and chief financial officer of the Fund and of Jaffee Management Company, Inc. (now University Management Company, Inc.), the Fund's investment adviser. According to the decision, Herman failed to disclose to the Fund and its shareholders that Jaffee & Co., acting as principal, engaged in the sale of securities to the Fund and sold to the Fund securities of issuers while acting as principal underwriter of a selling or underwriting syndicate for such issuers, and further failed to disclose that he and Jaffee & Co. had interests materially adverse to those of the Fund and its shareholders. Herman was also found to have participated in the failure to maintain certain Fund records and failed to exercise reasonable supervision to prevent the various violations.

The Commission action was taken pursuant to an offer of settlement in which Herman consented to the findings and sanctions without admitting or denying the charges. (Rel. 34-10124)

COMAC CO., PARSONS, HOLMES, AND DAUGHERTY BARRED; RESIGNATIONS OF PARSONS AND DAUGHERTY FROM PRACTICE ACCEPTED. The SEC has issued an order barring Comac Company, Donald H. Parsons, James C. Holmes, and Gerald H. Daugherty, all of Birmingham, Michigan, from association with any broker-dealer or investment adviser, and prohibiting them from serving in various capacities for a registered investment company. Comac, a partnership, served as investment adviser to Creative Capital Corporation, a registered closed-end investment company and a licensed small business investment company. Parsons was board chairman and Holmes a director of Creative, and both were partners of Comac. Daugherty was executive vice-president of Creative and an employee of Comac. The Commission order also accepted the resignations of Parsons, an attorney, and Daugherty, an accountant, from appearing or practicing before it.

The order was based on findings that in 1968-72 the respondents committed or aided and abetted violations of the Investment Company Act. According to the Commission decision, respondents participated with Creative in arrangements involving a 20-year lease by Creative of office space and a loan by Creative of \$285,000 to American Mobile Home Towns, Inc.; untrue or misleading proxy solicitation materials and reports were filed with the Commission by Creative and mailed to its stockholders; and Comac served as investment adviser to Creative without a written contract comporting with the Act.

The Commission action was taken pursuant to offers of settlement in which the respondents consented to the findings and sanctions without admitting or denying the charges. (Rel. 34-10127)

## COMMISSION ANNOUNCEMENTS

TRADING SUSPENDED IN INVESTORS FUNDING CORP., IFC COLLATERAL; COMPLAINT FILED. The SEC has ordered the temporary suspension of over-the-counter and exchange trading in the securities of Investors Funding Corporation of New York and IFC Collateral, New York, New York for one ten-day period commencing May 1, 1973 and terminating on May 10, 1973 at midnight.

The Commission also announced the filing of a complaint in the Federal court in the District of Columbia on May 1, 1973 seeking an order directing Investors Funding Corporation of New York and IFC Collateral to comply with the reporting provisions of the Securities Exchange Act of 1934.

The Commission ordered the suspension of trading because of the lack of adequate and accurate public information concerning the companies which have failed to timely and properly file their 1972 annual reports with the Commission on Forms 10-K.

Investors Funding recently disclosed that after accounting adjustments the company would show a net loss of \$1.3 million for 1972. The company had earlier projected a profit for the year and had reported a profit of \$925,218 for the first nine months. In 1971 the company earned \$1.6 million. In that year, a loss from discontinued operations and a special charge caused a final net loss of \$10.1 million. The company has stated that its 1972 financial statement will include an auditors report which will be qualified subject to the realization of certain balance sheet items. The company had changed auditors in January 1973. (Rel. 34-10133)

## COURT ENFORCEMENT ACTIONS

TWO INDICTED IN CONTINUING NBL SAGA. The SEC Fort Worth Regional Office announced the return on April 26, 1973 of a 33-count criminal indictment in the Federal court in Dallas, Texas against Jones Quincy Adams and Tom Max Thomas of Dallas, for violations of the registration and anti-fraud provisions of the Federal securities laws in connection with the purchase and sale of the common stock of Master Control, Inc., Dallas, Texas, a spin-off of National Bankers Life Insurance Company. (LR-5872)

**THE FIRST NATIONAL BANK OF PUEBLO, OTHERS ENJOINED.** The SEC Denver Regional Office announced on April 26 that the Federal Court at Denver, Colorado permanently enjoined Donald H. Peaker and Rexford L. Mitchell from violating the registration and antifraud provisions of the Federal securities laws in the offer and sale of the securities of U. S. Beryllium Corporation and Beryllium International, Inc., and enjoined The First National Bank of Pueblo, Colorado from violating the registration and antifraud provisions of the Federal securities laws in the offer and sale of any securities of U. S. Beryllium Corporation or Beryllium International, Inc. Each of these defendants consented to the entry of the permanent injunctions without admitting or denying the allegations. Mitchell, an attorney, also resigned from practice before the Commission for a period of three years commencing April 25, 1973. (LR-5873)

#### INVESTMENT COMPANY ACT RELEASES

**VENCAP, INC.**, The SEC has issued an order on an application filed by Vencap, Inc., of Wilmington, Delaware, declaring that it has ceased to be an investment company. (Rel. IC-7796)

#### HOLDING COMPANY ACT RELEASES

**COLUMBIA GAS SYSTEM.** The SEC has issued an order authorizing The Columbia Gas System Inc., of Wilmington, Delaware, and its subsidiary, Columbia Gas of New York, Inc., to increase from \$2,500,000 to \$5,000,000, the amount of the subsidiary's long-term promissory notes held by the parent which the subsidiary may prepay during 1973 with temporarily excess cash. (Rel. 35-17941)

**GENERAL PUBLIC UTILITIES CORP.** The SEC has issued an order authorizing General Public Utilities Corp., New York holding company, to make a capital contribution, through December 31, 1973, of \$100,000 to its electric utility subsidiary company, Waterford Electric. The capital contribution to Waterford will increase General Public Utilities' aggregate capital contributions to all of its electric utility subsidiary companies from \$120,000,000 heretofore authorized by the Commission in this proceeding, to \$120,100,000. (Rel. 35-17946)

**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:

TRW Inc., Cleveland, Ohio (File 2-47612) - 1,023,697 shares  
 American Smelting and Refining Company, New York, New York (File 2-47616) - 207,094 shares  
 Avery Products Corporation, San Marino, Calif. (File 2-47617) - 148,752 shares  
 Longs Drug Stores, Inc., Walnut Creek, Calif. (File 2-47618) - 100,000 shares  
 Mid-Continent Telephone Corporation, Hudson, Ohio (File 2-47619) - 200,000 shares  
 Tenneco Inc., Houston, Texas, (File 2-47620) - 7,290 shares  
 McCord Corporation, Detroit, Michigan (File 2-47622) - 75,000 shares  
 Phillips Petroleum Company, Bartlesville, Oklahoma (File 2-47623) - 398,910 shares  
 Holiday Inns, Inc., Memphis, Tennessee (File 2-47624) - 173,176 shares  
 Millipore Corporation, Bedford, Mass. (File 2-47626) - 237,430 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.

ARMSTRONG COKK CU	8	03/73
ASHLAND OIL INC	7,14	03/73
ASPEN SKIING CORP	8,10,14	03/73
ASPRO INC	7,14	03/73
ATHEY PRODUCTS CORP	7,14	03/73
ATLANTIC RICHFIELD CO	7,8,14	03/73
AUTO TRAIN CORP	13	03/73
AUTOMATED DATA ASSOCIATES INC	7,11,14	03/73
BERGEN POLLY CO	2,10,13,14	03/73
CHAMPION PARTS REBUILDERS INC	8	03/73
CONTINENTAL TELEPHONE CO OF CALIFORNIA	7,14	03/73
DISCOVERY OIL LTD	7,14	03/73
DUN & BRADSTREET INC	11	03/73
EAGLE COUNTY DEVELOPMENT CORP	9	02/73
FAS INTERNATIONAL INC	13	03/73

## 8K REPORTS CONT.

FIRST VIRGINIA MORTGAGE & REAL ESTATE IN	13	02/73
FLYING TIGER CORP	7,8	03/73
GENERAL FINANCIAL SYSTEMS INC	14	03/73
HAMILTON INTERNATIONAL CORP	1,7,8,13,14	03/73
HAMMERMILL PAPER CO	7,8	03/73
HEITMAN MORTGAGE INVESTORS	7	03/73
HMT CORP	1,2,7,11,14	03/73
HOSPITAL AFFILIATES INC	8,9	03/73
HOSPITAL TRUST CORP	7	03/73
HYATT INTERNATIONAL CORP	13	03/73
IPCO HOSPITAL SUPPLY CORP	4,7,8,14	03/73
JAEGER MACHINE CO	13	03/73
KRESGE S S CO	7,8	03/73
MAJOR ELECTRONICS CORP	11,13,14	03/73
MARATHON OIL CO	7,14	03/73
MDC CORP	11	03/73
MERRILL BANKSHARES CO	13	03/73
MESON ELECTRONICS CO INC	13	03/73
MINNS L F & CO	11	07/70
MINNS L E & CO	13	04/71
MINNS L E & CO	3,13	07/71
MINNS L E & CO	10	12/71
NATIONAL CENTRAL FINANCIAL CORP	2,7,14	12/72
NATIONWIDE INDUSTRIES INC	3,14	04/73
NEWBERY ENERGY CORP	2,14	03/73
NLT CORP	4,7,13,14	03/73
PALMER BANK CORP	11,14	03/73
PAPERCRAFT CORP	14	03/73
PECKHAM INDUSTRIES INC	7,8,14	03/73
PHILADELPHIA ELECTRIC CO	13	03/73
PRUDENTIAL BUILDING MAINTENANCE CORP	2,4,7,14	03/73
QUOTRON SYSTEMS INC	11,14	03/73
RELiance INSURANCE CO	2,3	03/73
RESPONSIVE ENVIRONMENTS CORP	2,6,13	03/73
ROTHMOOR CORP	14	03/73
PUBINSTEIN HELENA INC	4,14	03/73
SCOTTS LIQUID GOLD INC	13	03/73
SECO LIFE INSURANCE CO	13,14	03/73
SOUTHERN CALIFORNIA GAS CO	11	03/73
SOUTHERN CONNECTICUT GAS CO	7	03/73
SOUTHWESTERN ELECTRIC SERVICE CO	7	03/73
STONE CONTAINER CORP	13	03/73
SUNSHINE MINING CO	13,14	03/73
TAYLOR RENTAL CORP	7,14	03/73
TENNEY ENGINEERING INC	13,14	03/73
UNARCO INDUSTRIES INC	7,14	03/73
UNION PACIFIC RAILROAD CO	7,14	03/73
UNITED NORTH CAROLINA INDUSTRIES INC	11,14	03/73
UNITED OVERTON CORP	4,7,13,14	03/73
UNITED STATES HOME CORP	3,7,8,10,14	02/73
UNITED STATES REDUCTION CO	9	03/73
UNIVERSAL DISCOUNT INC	3,10,14	02/73
VALERON CORP	11,14	03/73
VERNITRON CORP	3,9,14	03/73
VIKOA INC	3	03/73
VIRGINIA CHEMICALS INC	13,14	12/62
VIRGINIA CHEMICALS INC	11,14	03/63
VIRGINIA CHEMICALS INC	13,14	12/66
VIRGINIA CHEMICALS INC	11,14	03/67
VIRGINIA CHEMICALS INC	13,14	10/67
VIRGINIA CHEMICALS INC	11,14	03/68
VIRGINIA CHEMICALS INC	11,14	03/69
VIRGINIA CHEMICALS INC	7,10	04/69
VIRGINIA CHEMICALS INC	6	12/69
VIRGINIA CHEMICALS INC	11,14	03/70
VIRGINIA CHEMICALS INC	7,14	12/70
VIRGINIA CHEMICALS INC	7,14	04/71
VIRGINIA CHEMICALS INC	13,14	07/71
VIRGINIA ELECTRIC & POWER CO	7	03/73
WASTE MANAGEMENT INC	7,9	03/73
WESTERN UNION TELEGRAPH CO	7,8,14	03/73
WESTOURS INC	7	03/73

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Crystalography Corporation for the further ten-day period April 29 through May 8, inclusive.

SECURITIES ACT REGISTRATIONS. Effective April 30: Aluminum Company of America, 2-47793; Amerada Hess Corp., 2-47689; Brush Wellman, Inc., 2-47639; Cities Service Co., 2-47656; Cleanese Corp., 2-47472; Coca-Cola Bottling Co. of N. Y., 2-47740; Ethyl Corp., 2-47549; Exchange Bancorporation, Inc., 2-47611; Ford Motor Co., 2-47743 and 2-47744; Ford Motor Co., 2-47758; Hartz Mountain Pet Foods, Inc., 2-47614; Host International, Inc., 2-47827; Howard Johnson Co., 2-47675; Inexco Oil Co., 2-46694 (90 days); Information Magnetics Corp., 2-47542; McRae Oil Corp., 2-46342 (90 days); Pfizer Inc., 2-47668; Potomac Electric Power Co., 2-47390; Queen Casuals, Inc., 2-47720; Revlon, Inc., 2-47724 and 2-47725; Siliconix Inc., 2-47801; Superior Oil Co., 2-47602; Teradyne, Inc., 2-47497 and 2-47498; Unionamerica, Inc., 2-47728; Union Carbide Corp., 2-47462; United Asbestos Corp. Ltd., 2-47164; Wynn's International, Inc., 2-47350; Xerox Corporation, 2-47609. Effective May 1: Advanced Memory Systems, Inc., 2-47544; Continental Oil Co., 2-47667; Industrial National Corp., 2-47661; Kansas State Network, Inc., 2-47378 and 2-47377; Lone Star Industries, Inc., 2-47632; Louisville Cement Co., 2-47666; Southeast Banking Corp., 2-47810; Toledo Edison Co., 2-47600; Worthington Biochemical Corp., 2-46985.

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.

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Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$33.00 a year, first class mail; \$8.25 additional for foreign mailing; \$25.00 additional for air mail) and the SEC Docket (\$17.00 a year, first class mail; \$4.25 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.