

# sec news digest

a daily summary from the securities and exchange commission

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March 9, 1973

## DECISIONS IN ADMINISTRATIVE PROCEEDING

**PATTERSON, MATZKIN & CO. AND OFFICERS OF SUCCESSOR SANCTIONED.** The SEC announced the issuance of an order revoking the broker-dealer registration of Patterson, Matzkin & Co. ("registrant"), Red Bank, N. J., barring Edwin M. Matzkin from association with any broker-dealer, investment company or investment adviser, and suspending George Peck from such association for ninety days commencing March 12, 1973 with the condition that, after such period, he may not become so associated until he makes a proper showing that he will be adequately supervised. Matzkin was a general partner of registrant, and he and Peck are president and vice-president, respectively, of Patterson, Matzkin & Co., Inc. ("PM Inc."), which the Commission found succeeded to registrant's business in July 1969.

The sanctions imposed were based on findings that in 1969-70, in violation of the securities laws, registrant's application for registration was not amended to disclose PM Inc.'s succession, and that PM Inc. conducted business as a broker-dealer without sufficient net capital, made false entries in its books to conceal the insufficiency, made fraudulent representations in effecting securities transactions, and failed to return the proceeds of an unsuccessful offering of the securities of Sea Jay, Inc. to the persons entitled thereto. In addition, according to the Commission decision, Matzkin and Peck variously participated in the violations, and registrant, PM Inc. and Matzkin failed to exercise reasonable supervision to prevent certain of them.

The Commission action was taken pursuant to offers of settlement in which respondents, without admitting or denying the charges, consented to the findings and the sanctions, and which contained an undertaking by registrant, PM Inc., and Matzkin that PM Inc. or its successors will not engage in the broker-dealer business nor seek to register as a broker-dealer, investment company, or investment adviser. (Rel. 34-10027)

**WALSTON & CO., FARBER AND BRENNAN SANCTIONED.** The SEC has issued an order censuring Walston & Co., Inc., a registered broker-dealer in New York City, and suspending Abraham Farber and Thomas J. Brennan, who were registered representatives in a branch office of the firm, for periods of 3 months and 60 days, respectively, from being associated with any broker-dealer, provided with respect to Farber that, upon the expiration of his suspension, he may become so associated in a non-supervisory capacity upon an appropriate showing of adequate supervision. The suspensions are to begin on March 19, 1973.

The Commission order was based on findings that between September 1968 and June 1969, respondents, in connection with transactions in the common stock of Educational Science Programs, Inc., made false and misleading representations concerning the company's financial condition and prospects, a prospective rise in the price of the stock, private placements of the stock, its soundness as an investment, and the likelihood of its becoming listed on the American Stock Exchange. It was also found that the firm failed to exercise reasonable supervision to prevent such representations.

The Commission action was taken pursuant to offers of settlement in which respondents, without admitting or denying the allegations of the order for proceedings, consented to the findings and sanctions, and the firm agreed to donate \$15,000 to the Securities Investors Protection Corporation. (Rel. 34-10028)

## COURT ENFORCEMENT ACTIONS

**P. F. HULL ENJOINED.** The SEC Fort Worth Regional Office announced that the Federal Court at Midland, Texas on February 26 permanently enjoined Perry Frasure Hull of Winter Garden, Florida from violations of the registration and anti-fraud provisions of the Federal securities laws in the offer and sale of the common stock of South Central Industries, Inc. Hull consented to the entry of the order without admitting or denying the allegations. (LR-5774)

**JAMES BREWER PLEADS GUILTY.** The SEC Fort Worth Regional Office announced February 13 that James Brewer, Coral Gables, Florida, pleaded guilty to criminal contempt charges in Federal District Court at Kansas City, Missouri. Brewer had been charged in an information with violating, in the offer and sale of Continental Investment Corporation stock, a previous order of permanent injunction involving violations of the securities laws. (LR-5775)

**FRANK H. JONES ORDERED TO SHOW CAUSE.** The SEC Fort Worth Regional Office announced that the Federal District Court for the Western District of Arkansas on February 23 ordered Frank H. Jones of El Dorado, Arkansas, to show cause why he should not be held in criminal contempt for allegedly violating orders of preliminary and permanent injunction entered by the Court in 1971 and 1972 prohibiting the offer and sale of fractional undivided working interests in oil and gas wells in violation of the registration and anti-fraud provisions of the federal securities laws. (LR-5776)

**CLIFFORD ALTON KNIFFIN, OTHERS ENJOINED.** The SEC Washington Regional Office announced that on March 5 the Federal court in the District of Columbia permanently enjoined Clifford Alton Kniffin, Great Bend Petroleum Associates and Colonial Gas Company, a West Virginia corporation, from violations of the registration and antifraud 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. (LR-5780)

**HI-PLANES, LTD., OTHERS ENJOINED.** The SEC Denver Regional Office announced that on February 28 the Federal court in Utah issued an order temporarily restraining further sales of securities by Hi-Planes, Ltd., a Nevada corporation doing business in Monrovia, California. Others enjoined were J. Wayne Haws of Huntington Beach, Calif., Irwin M. Haws of Farmington, Utah, Vernon M. Young of Holladay, Utah, James H. Hilbert of La Jolla, Calif., Robert Morgan of Claremont, Calif., Eddie E. Hadsell of Fort Worth, Tex., and Anthony Tjongson of Cerritos, Calif. All defendants, other than Morgan and Tjongson, consented to the court order. The Court appointed Harry L. Nelson, Jr. as receiver of Hi-Planes, Ltd. (LR-5781)

#### INVESTMENT COMPANY ACT RELEASES

**NUVEEN TAX-EXEMPT BOND FUND.** The SEC has issued an order granting the application of Nuveen Tax-Exempt Bond Fund for exemption from the requirement of Rule 19b-1 that long-term capital gains may not be distributed more often than once during any one taxable year. (Rel. IC-7713)

**AMERICAN INVESTMENT COUNSELING FUND.** The SEC has issued an order on an application of American Investment Counseling Fund, Inc., of Los Angeles, Calif., declaring that it has ceased to be an investment company. (Rel. IC-7714)

**MASSACHUSETTS CAPITAL DEVELOPMENT FUND.** The SEC has issued a notice giving interested persons until April 2 to request a hearing on an application of Massachusetts Capital Development Fund, Inc., Massachusetts Financial Development Fund, Inc., Massachusetts Income Development Fund, Inc., Massachusetts Investors Growth Stock Fund, Inc., Massachusetts Investors Trust, Inc., Vance Sanders Common Stock Fund, Inc., Boston Fund, Inc., Vance, Sanders Special Fund, Inc., and Century Shares Trust (Funds), all Boston mutual funds, and Vance, Sanders & Company, Inc., principal underwriter pursuant to a special distributing agreement with each Fund, for an order permitting the applicants to sell shares of the Funds at their respective net asset values, i.e., without sales loads, upon the exercise of reinvestment privileges granted by the Funds to shareholders of the Funds. (Rel. IC-7715)

**NARRAGANSETT CAPITAL CORPORATION.** The SEC has issued an order on an application of Narragansett Capital Corporation (Fund), Providence, R. I. closed-end non-diversified management investment company, permitting American Pepsi-Cola Bottlers, Inc., to exchange one-half share of General Cinema Corporation for each share of American Pepsi held by the Fund, pursuant to a proposed agreement and plan of reorganization between General Cinema and American Pepsi and a proposed agreement of merger between GC-American, Inc., a newly formed, wholly-owned subsidiary of General Cinema, and American Pepsi, and permitting affiliated persons of Fund and affiliated persons of such persons to participate in such merger with all other shareholders of American Pepsi by exchanging the shares of American Pepsi held by them for share of General Cinema on the same basis as the Fund, and by certain of such persons entering into consulting and employment arrangements with General Cinema. (Rel. IC-7716)

#### HOLDING COMPANY ACT RELEASES

**NORTHEAST UTILITIES.** The SEC has issued a notice giving interested persons until April 3 to request a hearing on transactions proposed by Northeast, West Springfield, Mass. holding company, and five of its subsidiaries. The major transaction proposed is the issuance and sale by Rocky River Realty Company, a real estate subsidiary of Northeast, of \$15 million of 30-year notes to institutional investors by direct negotiation. The proceeds will be used by Rocky River to pay off its outstanding bank loans (about \$12 million) and a portion of its five-year subordinated notes held by the parent company. The securities to be repaid had originally been issued to finance the construction of office buildings and other facilities occupied and used by associate companies. (Rel. 35-17903)

**CONNECTICUT LIGHT AND POWER.** The SEC has issued a memorandum opinion and order granting an exception from competitive bidding for the sale of the common stock of Connecticut Gas Company by Connecticut Light and Power, a subsidiary of Northeast Utilities. The sale of stock is incident to Connecticut Light and Power's commitment to dispose of its gas utility properties. The Town of Wallingford, Conn., filed a petition to intervene in the proceeding objecting to an unconditional exception from competitive bidding. The Commission, in denying the imposition of the Town's requested conditions, noted that exceptions of this nature had been previously found appropriate and that since Connecticut Light and Power is obliged to maintain competitive conditions of sale with respect to the gas properties, the essential purpose of the Town's petition, i.e., to enable it to succeed in purchasing certain of the properties, was prematurely raised. (Rel. 35-17905)

## SECURITIES ACT REGISTRATIONS FILED

UNITED ASBESTOS CORPORATION LIMITED and ALLIED MINING CORPORATION, both Canadian corporations, 1155 Dorchester Blvd. West, Montreal 102, Quebec, Canada - 7,039,913 shares of capital stock of United Asbestos, to be issued in connection with the proposed merger of Allied Mining into United Asbestos. United Asbestos and Allied Mining both explore for, develop and operate mines, mineral lands and deposits. (File 2-47164 - Feb 28)

AVX CERAMICS CORPORATION, an 84% owned subsidiary of Aerovox Corporation, 10 Forbes Rd. at Route 128, Box 620, Braintree, Mass. 02184 - 955,155 shares of common stock. It is proposed to issue these shares in exchange for the outstanding shares of Aerovox Corporation common stock, at the rate of 0.9 AVX share for each Aerovox share. Aerovox is then to merge with and into AVX. AVX primarily manufactures and sells ceramic capacitors. In January, Aerovox sold the bulk of its operating assets to Belleville Industries, Inc. It retained its stock in AVX and certain furniture and equipment and other items. (File 2-47200 - Mar 6)

ITEL CORPORATION, One Embarcadero Center, San Francisco, Calif. 94111 - 300,000 shares of common stock. It is proposed to issue these shares in connection with the proposed acquisition of FNIC Investors, Inc. ITEL markets and leases computer equipment, provides computer services and financing services and leases maritime cargo containers for the transportation of freight. (File 2-47206 - Mar 7)

IDS REALTY TRUST, IDS Tower, Minneapolis, Minn. 55402 - \$25 million of Series B subordinated debentures, to be offered for sale by Investors Diversified Services, Inc. (IDS), 800 Investors Bldg., Minneapolis 55402. The Trust was organized in 1971 to invest in a portfolio of real property investments. IDS Mortgage Corporation, wholly-owned subsidiary of IDS, is the originator of most of the Trust's portfolio. (File 2-47208 - Mar 7)

NORDSON CORPORATION, Jackson St., Amherst, Ohio 44001 - 373,000 shares of common stock, of which 280,000 are to be offered for sale by the company and 93,000 by a selling shareholder. The offering is to be made (\* at \$15 per share maximum) through underwriters headed by McDonald & Co., 2100 Central National Bank Bldg., Cleveland, Ohio 44114. The company manufactures and markets equipment for the application of thermoplastic adhesives used in industrial processes. Of the net proceeds, \$1 million will be used for additions and improvements to the company's Amherst, Ohio facilities and the balance for other corporate purposes. (File 2-47209 - Mar 7)

MARCOR INC., Edgemart Bldg., 4 Denny Rd., Wilmington, Del. 19809 - 356,424 shares of common stock. It is proposed to issue these share in exchange for the outstanding shares of Jefferson Stores, Inc., in connection with the proposed merger of Jefferson into Montgomery Ward & Co. Incorporated, wholly-owned subsidiary of Marcor, at the rate of .421 Marcor share for each Jefferson share. Marcor through subsidiaries engages in merchandising and packaging. Jefferson operates seven department stores. (File 2-47210 - Mar 7)

JONES & VINING, INCORPORATED, 118 Sawtell Ave., Brockton, Mass. 02403 - 400,000 shares of common stock, of which 250,000 are to be offered for sale by the company and 150,000 by certain shareholders. The offering is to be made (\* at \$12 per share maximum) through underwriters headed by New York Securities Co. Inc., One New York Plaza, New York 10004. The company manufactures and sells shoe lasts and unit soles for the footwear industry and, through a subsidiary, sells promotional devices, exhibits and presentations and institutional exhibits. Of the net proceeds, \$1,500,000 will be used to reduce outstanding borrowings under a revolving credit agreement and the balance for working capital and other corporate purposes. (File 2-47212 - Mar 7)

THE SPECTRUM FINANCIAL COMPANIES (the general partner), Alcoa Bldg., One Maritime Plaza, San Francisco, Calif. 94111 - \$5 million of partnership interests in Spectrum Oil and Gas Program-73, to be conducted through one or more partnerships. The offering is to be made at \$2,500 per unit with a minimum subscription of two units by Spectrum Financial Group, Inc. and selected NASD members. The Partnerships are to be formed for the purpose of oil and gas exploration. (File 2-47213 - Mar 8)

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:

United Carolina Bancshares Corporation, Whiteville, N. C. (File 2-47205) - 137,500 shares

American Standard Inc., New York, N. Y. (File 2-47207) - 66,844 shares

McCormick & Company, Incorporated, Hunt Valley, Md. (File 2-47211) - 419,516 shares

ADRS FOR THE RANK ORGANISATION FILED. Morgan Guaranty Trust Company of New York, 23 Wall St., New York, N. Y. 10015, filed a registration statement seeking registration of 500,000 American Depository Receipts for "A" Ordinary Registered Shares of The Rank Organisation Limited, a British corporation. (File 2-47214 - Mar 7)

PIEDMONT NATURAL GAS COMPANY, INC., 4301 Yancey Rd., Charlotte, N. C. 28209 - 300,000 shares of common stock, to be offered for sale through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005. Net proceeds will be used for construction expenditures and other corporate purposes. Construction expenditures are estimated at \$13,192,000 for 1973 and \$8,500,000 for 1974. (File 2-47215 - Mar 8)

## 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

<u>NAME OF ISSUER</u>	<u>FILE NO.</u>	<u>NAME OF ISSUER</u>	<u>FILE NO.</u>
Private & Computer Schools, Inc. (2,8)	0-3347-2	Sossin System, Inc.(1)	2-30606-2
Profit By Air Inc.(8,13)	0-5233-2	Speed Equipment Worlds of America, Inc. (13)	2-42862-2
Progressive Inds., Corp (2,7)	0-3453-2	Sperti Drug Products, Inc.(13)	0-5282-2
Property Trust of America(2,14)	0-4254-2	Springs Mills, Inc.(2)	1-5315-2
Providence & Worcester Co. (13)	0-3960-2	Square Industries, Inc.(1,14)	0-4979-2
Pullman, Inc.(2,14)	1-172-2	Standard Oil Co. (OHIO) (10)	1-580-2
Pyramid Communications Inc.(3,12,14)	2-41234-2	Storer Broadcasting Co. (13)	1-3872-2
Qatron Corp (2)	0-4014-2	Swift Industries Inc.(2,7,9,10,14)	0-3906-2
RAI Research Corp (2,7,14)	2-28033-2	Systems Associates, Inc.(6)	0-4169-2
Ray Proof Corp (8)	0-3891-2	Systems Engineering Laboratories, Inc. (9)	1-5635-2
Revere Copper & Brass Inc.(10)	1-2351-2	Taconic Racing & Breeding Association, Inc.(1,2)	2-20525-2
John Roberts Inc.(13,14)	1-6893-2	Testex Industries, Inc.(8)	0-5940-2
Robintech, Inc.(2,7,13,14)	1-7113-2	Tenna Corp (3)	1-5913-2
Rucker Pharnacal Co., Inc.(4)	0-6651-2	Thermex Inc.(3,14)	2-40744-2
SI Handling Systems, Inc.(13)	0-3362-2	Transitron Electronic Corp (13)	0-5836-2
STP Corp (13,14)	1-5836-2	Truck-O-Matic Inc.(6,12)	2-43633-2
Safetech Inc. (11)	2-35052-2	UMC Inds., Inc. (8,13)	1-4202-2
Sandgate Corp (3,14)	0-4164-2	Unionamerica Mortgage & Equity Trust (7,8)	1-6456-2
Santa Fe International Corp (7)	1-4827-2	United Technology Laboratories, Inc. (11,14)	0-5184-2
Scientific Software Corp (10,13)	0-4882-2	Universal Container Corp(3,7,8,14)	1-4277-3
Servamerica, Inc.(1,4,7,8,9,10,14)	0-5619-2		
Shur-Gro Industries, Inc.(1)	2-34766-2		
Silver Bell Inds., Inc.(9)	0-5054-2		
Sonderling Broadcasting Corp(7,13)	1-6151-2		

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of (a) exchange and over-the-counter trading in the securities of Goodway, Inc. and over-the-counter trading in the securities of DCS Financial Corporation for the further ten-day period March 9-18, inclusive, and over-the-counter trading in the securities of (b) Star-Glo Industries and Crystalography Corporation for the further ten-day period March 10-19, inclusive, and (c) Continental Vending Machine Company for the further ten-day period March 11-20, inclusive.

SECURITIES ACT REGISTRATIONS. Effective March 8: The Bancapital Financial Corp., 2-47072; Centronics Data Computer Corp., 2-46768; First Pioneer Bancorp, Inc., 2-46696 (90 days); General Cinema Corp., 2-46549; Greater Jersey Bancorp, 2-46996; Harris Bancorp, Inc., 2-47047; Leasco Corp., 2-46751; Multivest Real Estate Fund, Ltd., Series V, 2-46599; Niagara Mohawk Power Corp., 2-47044; Oppenheimer Special Fund, Inc., 2-45272; The Western Union Telegraph Co., 2-47065.

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.

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 and the SEC Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402.