

# sec news digest

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## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

GREGERSEN & CO., INC. BARRED

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Gregersen & Co., Inc., a securities firm that formerly did business in Salt Lake City and withdrew its registration as a broker-dealer before proceedings were instituted with respect to it, has been barred from association with any broker or dealer. The bar was based on findings that at various times during the period August 1971 to February 1974, the firm offered and sold the common stock of Silver Exploration, Inc. and Fabri-Glas, Inc. in violation of the registration and antifraud provisions of the securities laws. No registration statement was in effect with respect to those stocks. Moreover, Gregersen had no reasonable basis for recommending Silver Exploration's speculative and unseasoned stock. With regard to the common stock of Fabri-Glas, Gregersen failed to disclose that the proceeds of the offering would not be used in the manner set forth in the offering circular. It also made deceptive assurances about the market for the stock and quoted it when it lacked the information about Fabri-Glas required by the Commission's Rule 15c2-11 under the Exchange Act.

Finally, the firm failed to maintain required net capital; make accurately, keep current and preserve certain books and records; give telegraphic notice of deficiencies; file required and accurate reports; and amend promptly its broker-dealer application.

Respondent failed to appear at the hearing and was therefore deemed in default. Accordingly, the Commission's findings were based on its staff's allegations. (Rel. 34-11387)

DECISION BARRING RICHARD GREENBERG FINAL

The decision of an administrative law judge barring Richard Greenberg, of Massapequa, New York, from association with any broker-dealer has become final. Greenberg, who has been convicted of criminal conspiracy to violate antifraud provisions of the securities acts, has previously been barred from such association in two other recent proceedings (See, SEC News Digest, February 18, 1975).

According to the decision, Greenberg violated antifraud provisions in the offer and sale of common stock of Proof Lock International, Inc. In addition, it was found that Greenberg aided and abetted violations of the recordkeeping and credit extension provisions. (Rel. 34-11403)

DIXON, DOLCE & CO., INC. REVOKED;  
PRESIDENT, OTHERS BARRED

The Commission has revoked the registration of Dixon, Dolce & Co., Inc., a New York City broker-dealer for which a trustee in bankruptcy has been appointed. It also barred Ronald E. Dixon, who was president of Dixon Co., Joseph S. Dolce and John M. Verdi, who were vice-presidents, Vincent F. Naddeo, who was a controlling person of Dixon Co., and VFN Associates, Inc., a New York City firm through Naddeo, its sole stockholder, traded in securities, from association with any broker, dealer, investment adviser or investment company. Verdi, after two years, may apply to become so associated in a non-supervisory capacity and, after five years, may apply to become so associated in a supervisory capacity.

The sanctions were based on findings that from January to July 1972 Dixon Co., Dolce, VFN and Naddeo violated the antifraud provisions of the Securities Exchange Act. VFN and Naddeo gave indications of interest to underwriters for the purchase of certain stocks covered by registration statements under the Securities Act which had not yet become effective. Thereafter VFN and Naddeo sold through Dixon Co. outstanding shares of the same classes short. The short sales caused or contributed to causing the market prices of the stocks to fall, depressing the prices at which the shares covered by the registration statements were sold to the public. There was no disclosure that the sales were short sales which would be covered with registered securities acquired from underwriters. It was also found that Dixon Co., Dolce, VFN and Naddeo improperly extended (Dixon Co. and Dolce) and received (VFN and Naddeo) credit in connection with

the short sales, and that Dixon Co. and Dolce falsely recorded VFN's short sales as transactions effected for Dixon Co.'s own account.

It was further found that Dixon Co., Dixon, Dolce, Verdi and Naddeo accepted orders for securities transactions when Dixon Co. was insolvent, and failed to comply with the net capital, recordkeeping and reporting requirements of the Exchange Act.

Without admitting or denying the charges, the trustee in bankruptcy of Dixon Co. and the respondents other than Dixon Co. consented to the above findings and sanctions.  
(Rel. 34-11404)

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## COMMISSION ANNOUNCEMENTS

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### FINAL HEARING DATES SCHEDULED ON POSSIBLE ENVIRONMENTAL AND SOCIAL DISCLOSURE

The final hearing dates in the Commission's public proceeding concerning possible disclosure of environmental and other socially significant matters will convene on Tuesday, May 13, 1975 at 10:00 AM, in Room 776, at the Commission's offices at 500 North Capitol St., Washington, D.C. 20549. In these proceedings, which were originally announced on February 11, 1975 (Rel. 33-5569, 34-11236), the Commission seeks to determine whether its present disclosure rules are adequate in view of the provisions of the National Environmental Policy Act (NEPA) and, if not, what further rulemaking action should be taken. The Commission also seeks information concerning the nature and extent of investor interest in corporate disclosures in registration statements, reports and other documents filed with the Commission or furnished to investors of environmental and other matters of primarily social rather than financial concern, including equal employment matters.

The Commission has designated Mr. William F. Bavinger to preside at these hearings. Written communications with respect to the proceedings should be addressed to Mr. Bavinger, Room 730, Securities and Exchange Commission, Washington, D.C. 20549. Telephone inquiries may be directed to Mr. Bavinger, 202/755-1387, or Daniel L. Goelzer, 202/755-1119.

Copies of the transcript of these hearings may be purchased through Columbia Reporting Co., Inc. at a price of \$.12 per page. Requests should be made directly through Mr. Frank McCabe, Columbia Reporting Co., Inc., 300 Seventh Street, S.W., Washington, D.C. (202/737-8333).

The schedule of witnesses for the final two days of hearings appears below:

#### Monday, May 12

NO HEARINGS SCHEDULED

#### Tuesday, May 13

AM: Maragret Cox Sullivan, President, Shareholders of America, Inc.

G. Brockwel Haylin, Labor Relations Attorney, Chamber of Commerce of the United States

PM: Terry W. McAdam, Community Funds, Inc.

Daniel C. Smith, Esq., Vice President and General Counsel, Weyerhaeuser Company

Peter C. Robertson, Office of Federal Liaison, Equal Employment Opportunity Commission

#### Wednesday, May 14

AM: James VanR. Springer, Esq., American Civil Liberties Union Fund

Marshall A. Petersen, Chairman, Government Affairs Committee  
Ridge L. Harlan, Laurence F. Farrell, Executive Director, National Investor Relations Institute

PM: Rodney Harris, Chairman, Securities Committee, American Society of Corporate Secretaries, Inc.

James Needham, President, New York Stock Exchange

Wednesday, May 14, cont.

Roger S. Foster, Esq., Edward L. Strohbehn, Esq., J. G. Speth, Esq.,  
Glenn Stover, Attorneys for Natural Resources Defense Council, and  
Center for Law and Social Policy

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN VALLEY AIRLINES, INC.

Over-the-counter trading has been suspended in the securities of Valley Airlines, Inc., a Utah corporation located in San Francisco, California, beginning on May 7 and terminating at midnight (EDT) on May 16, 1975.

The suspension was initiated with Valley's concurrence because of the lack of adequate and accurate information concerning the financial condition and business operations of Valley. The Commission has received information which indicates that Valley is not currently providing air service and that none of Valley's aircraft are certified for operation. Certain questions have also been raised as to the manner in which Valley became a publicly traded corporation. (Rel. 34-11407)

### ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of exchange and over-the-counter trading in all securities of Canadian Javelin Limited for the ten-day period May 9 - 18, inclusive.

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## COURT ENFORCEMENT ACTIONS

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### BURNEY ACTON, OTHERS SENTENCED

The New York Regional Office announced that the following sentences were imposed by the Honorable Lloyd F. MacMahon in the case of United States v. Acton, et al., Crim. 908 (S.D.N.Y.): (a) on January 13, 1975 Burney Acton was sentenced to two years, 3 months to be served in jail with the remaining 21 months suspended while Acton is on probation; Michael Clegg was sentenced to two years; Joseph Azzerone was sentenced to two years suspended sentence; and (b) on March 31, 1975 Howard Finklestein was sentenced to two years; Anthony Scardino was sentenced to two years; Alan Segal was sentenced to three years; and Edward Zuber was sentenced to two years and six months.

Acton, Clegg and Azzerone had previously pleaded guilty to charges of conspiracy to violate and substantive violations of the securities laws. Finklestein, Scardino, Segal and Zuber were found guilty, after a jury trial, of mail fraud, conspiracy to violate and substantive violations of the securities laws. The defendants were indicted on September 24, 1974 in connection with transactions in the common stock of Pioneer Development Corporation. (U.S. v. Acton, et al., S.D.N.Y., 74 Crim. 908). (LR-6869)

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## INVESTMENT COMPANY ACT RELEASES

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### HORACE MANN LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until May 29 to request a hearing on an application of Horace Mann Life Insurance Company (Horace Mann), an Illinois stock life insurance company, Educators Life Insurance Company, a California stock life insurance company, Life Insurance Company of North America, a Pennsylvania stock life insurance company, all directly or indirectly under the control of INA Corporation, and certain of such companies' respective separate accounts, i.e., Horace Mann Life Insurance Company Separate Account (HM-SA), Horace Mann Life Insurance Company Separate Account B (HM-SAB), Educators Life Separate Account A (ELSA), and The Life Insurance Company of North America Separate Account A (LINSA), unit investment trusts registered under the Investment Company Act of 1940. The application seeks an order by the Commission permitting (a) the applicants' participation in, and the effectuation of an exchange of a new series of variable annuity contracts to be issued by Horace Mann relating to HM-SAB for certain variable annuity contracts relating to ELSA, LINSA or HM-SAB, (b) an exchange of an older series of variable annuity contracts relating to HM-SA for more recently created variable annuity contracts relating to HM-SA, and (c) no load transfers of funds from fixed to variable accounts in connection with contracts relating to ELSA, HM-SA and HM-SAB. (Rel. IC-8781 - May 7)

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## HOLDING COMPANY ACT RELEASES

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### APPALACHIAN POWER COMPANY

An order has been issued authorizing Appalachian Power Company, subsidiary of American Electric Power Company, to acquire coal cars by lease and to sublease certain of those cars to a railway company. (Rel. 35-18971 - May 7)

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## MISCELLANEOUS

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### CONNECTICUT MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until June 2 to request a hearing on an application of Connecticut Mutual Life Insurance Company (CM), a registered investment adviser, for an order of exemption from certain provisions of the Act so as to permit CM to enter into a proposed advisory contract with CM Properties, a limited partnership, under a compensation arrangement which may involve performance fees prohibited by the Act. (Rel. IA 459 - May 7)

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## SECURITIES ACT REGISTRATIONS

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### (S-14) STEADMAN AMERICAN INDUSTRY FUND, INC.

919 18th St., N.W., Washington, D.C. 20006 - 2,000,000 shares of common stock. It is proposed to offer these shares to the stockholders of Inventure Capital Corp. (Inventure), 414 Stuart St., Boston, Mass., in connection with an agreement and plan of Reorganization under the terms of which the assets of Inventure will be acquired by Steadman in exchange for shares of Steadman common stock, such exchange to be based on relative net asset values. Steadman is a diversified, open-end investment company investing primarily in common stocks for possible capital appreciation. (File 2-53447 - Apr. 23)

### (S-1) ASSOCIATES FIRST CAPITAL CORPORATION

1 Gulf + Western Plaza, New York, N.Y. 10023 - \$100 million of investment notes, due 18 months, 3, 5, or 10 years from issue date, to be offered for sale at par in any denomination of \$500 or more by AFC Securities Inc., South Bend, Indiana, an indirect subsidiary of the company. The company primarily provides financial and insurance services through various subsidiary corporations. (File 2-53448 - Apr. 23)

### REGISTRATIONS EFFECTIVE

May 5: Cornelius Co., 2-53041.

May 6: American Re-Insurance Co., 2-53397; Caterpillar Tractor Co., 2-53483; Cincinnati Gas & Electric Co., 2-53156; Continental Telephone Corp., 2-53329; Fisons Ltd., 2-53424; Genuine Parts Co., 2-53480; Gulf Resources & Chemical Corp., 2-53258; Iowa Public Service Co., 2-53149; McGraw Hill, Inc., 2-53487; Municipal Bond Fund, Series 19, 2-52944; National Starch & Chemical Corp., 2-53348; Norton Co., 2-53212; Pfizer Inc., 2-53331; Revlon Inc., 2-53363; San Diego Gas & Electric Co., 2-53373 & 2-53374; Square Two Gulf Corp., 2-51788; Sybron Corp., 2-53408; Tasty Baking Co., 2-53525 & 2-53158; Texaco Inc., 2-53027; Transco Companies Inc., 2-53268; Utah Power & Light Co., 2-53141; Warner Lambert Co., 2-53423.

May 7: Asarco Inc., 2-53357; Northern Natural Gas Co., 2-53316; Province of Newfoundland, 2-53142; Sybron Corp., 2-53215; Rohm & Haas Co., 2-53516; V. F. Corp., 2-53349.

### 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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