

# sec news digest

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June 5, 1973

## COMMISSION ANNOUNCEMENTS

**TRADING SUSPENDED IN SECURITIES OF NORTH AMERICAN RESOURCES AND CONSOLIDATED MEDICAL INDUSTRIES.** The SEC announced the temporary suspension for one ten-day period commencing on June 4 and terminating at midnight (EDT) on June 13, 1973 of the securities of North American Resources Corporation and Consolidated Medical Industries, Inc.

The Commission initiated the subject suspensions because the subject issuers failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34-10198)

**SEC CITES QUODAR EQUITIES LTD., LAWRENCE LEVINSON.** The SEC has ordered the institution of administrative proceedings under the Securities Exchange Act of 1934 against Quodar Equities, Ltd. of Great Neck, New York and Lawrence Levinson of Hollywood Hill, Florida, the president, director and 70% owner of Quodar's common stock. The proceedings are based on allegations by the staff that respondents violated or aided and abetted violations of the registration provision of the Securities Act of 1933, anti-fraud, net capital, recordkeeping, supplemental financial reporting provisions of the Securities Exchange Act of 1934 and Section 10(b) of the Securities Investor Protection Act of 1970.

A hearing will be scheduled by further order to take evidence on the staff charges and afford the respondents an opportunity to offer any defense thereto, for the purpose of determining whether the allegations are true and, if so, whether any action of a remedial nature is necessary or appropriate in the public interest. (Rel. 34-10199)

## COURT ENFORCEMENT ACTIONS

**MANOR NURSING CENTERS, OTHERS INDICTED.** The SEC New York Regional Office announced that on May 17 a Federal grand jury in Manhattan filed a 30-count indictment alleging conspiracy, stock fraud and mail fraud against: Manor Nursing Centers, Inc., Tenafly, New Jersey; Ira Feinberg, President, Paramus, New Jersey; Ivan Alan Ezrine, Counsel, Mill Neck, New York; Benjamin Werner, principal of Benjamin Werner & Co., broker-dealer, Far Rockaway, N. Y.; Chris Netelkos, Financial Consultant, Clifton, N. J.; Joseph Delmonico, Financial Consultant, Brooklyn, N. Y.; Jack Naiman, Financial Consultant, Bluebell, Pa., in connection with violations of the antifraud provisions of the Federal securities laws in the offer and sale of stock of Manor. (LR-5913)

**TWO CONVICTED OF SECURITIES FRAUD.** Leslie E. Hynds of Eugene, Oregon and Raymond Whittle of Walla Walla, Washington (both former Idaho residents) were found guilty of selling the common stock of Idaho Investment Corp. in 1972 by false representations in violation of the Washington Securities Act and Grand Larceny statute by the Superior Court of Kittitas County at Ellensburg, Washington on May 23, 1973. The investigation and assistance at the trial were performed by members of the Commission's Seattle office. (LR-5914)

**COURT OF APPEALS AFFIRMS DECISION HOLDING SIDNEY STEIN IN CIVIL CONTEMPT.** The SEC announced that the United States Court of Appeals for the Second Circuit affirmed a decision of the District Court for the Southern District of New York holding Sidney Stein in civil contempt for failure to comply with a reporting provision contained in a preliminary injunction entered in Securities and Exchange Commission v. Radio Hill Mines Co., Ltd., et al. The reporting provision required Stein to submit to the Commission a record of all securities owned by him and thereafter to submit quarterly reports of all of his securities transactions. The court of appeals held that a district court has authority in an appropriate case to impose such a reporting requirement as ancillary equitable relief, that on the facts of this case the reporting provision was an appropriate exercise of that authority, that the reporting provision was neither vague nor overly broad and that the Fifth Amendment privilege against self-incrimination may not be invoked as a basis for noncompliance with the provision. (LR-5915)

**COMPLAINT CITES NEWPORT INDUSTRIES, OTHERS.** The SEC Los Angeles Regional Office announced on May 31 that a complaint for injunction had been filed in Federal court in Los Angeles alleging violations of the antifraud provisions of the Federal securities laws in the offer and sale of securities, consisting of limited partnerships and fractional undivided working interests in oil and gas leases located in Louisiana by: Newport Industries, Inc., doing business as Allied Petroleum Company, Gulf Exploration Corp., both of Newport Beach, Calif.; Norman R. Lee of Huntington Beach, Calif.; Homer G. Hogan of Palos Verdes, Calif.; Samuel E. Taylor of Palm Desert, Calif.; and Liv R. Larsen of Costa Mesa, Calif. (LR-5917)

**GLENDALE SECURITIES CORPORATION - SIPC TRUSTEE APPOINTED.** The SEC New York Regional Office announced that on May 29 the Federal court in Brooklyn, New York appointed Brian P. McNulty, Esq. as SIPC trustee for Glendale Securities Corporation, a broker-dealer of Ridgewood, New York. The SEC request for an injunction is presently pending before the court. (LR-5919)

**SMITH BROS. & CO. RESTRAINED.** The SEC Chicago Regional Office announced that the Federal court in Chicago on May 29 temporarily restrained Smith Bros. & Co., a registered broker-dealer of Chicago and a member of the Midwest Stock Exchange, from transferring, selling, or otherwise disposing of the firm's assets and property. Smith Bros. & Co. did not oppose the entry of the court's order.

The Commission's complaint filed on May 29 seeks to enjoin Smith Bros. & Co. and William T. Phelan, a general partner, from violations of the hypothecation and record keeping provisions of the Securities Exchange Act of 1934. The complaint alleged that Smith Bros. & Co. was insolvent and the appointment of a temporary receiver was requested pending whether or not the Securities Investor Protection Corporation would apply to the court for the appointment of a trustee to liquidate Smith Bros. & Co. (LR-5920)

#### HOLDING COMPANY ACT RELEASES

**SOUTHERN SERVICES, INC.** The SEC has issued an order authorizing Southern Services, Inc., a wholly-owned service company of The Southern Company, of Atlanta, Georgia to (1) increase the aggregate amount of unsecured promissory notes which may be outstanding at any time from \$9,000,000 to \$14,000,000 and (2) extend from July 1, 1973 to July 1, 1974 the period in which such notes may be issued and sold. Proceeds are to be used by Services to pay for computers and related equipment. (Rel. 35-17981)

**CONSOLIDATED NATURAL GAS COMPANY.** The SEC has issued an order authorizing Consolidated Natural Gas Company, of New York, New York to issue and sell at competitive bidding \$50,000,000 of debentures due, 1998. The bonds will be subject to a sinking fund commencing June 1, 1978, designed to retire 80% of the aggregate principal amount thereof by maturity. Net proceeds will be used to finance, in part, the 1973 capital expenditures of Consolidated's subsidiary companies (estimated at \$167,000,000). (Rel. 35-17982)

**ALLEGHENY POWER SYSTEM.** The SEC has issued an order upon an application of Allegheny Power System, Inc., and three of its wholly-owned subsidiaries, Monongahela Power Company, The Potomac Edison Company, and West Penn Power Company, authorizing the subsidiaries to issue and sell to the parent, prior to September 30, 1973, additional shares of their common stock for an aggregate cash consideration of \$20,000,000. Allegheny is to pledge the acquired shares of stock under its trust indenture. The net proceeds of these issues, together with other corporate funds, will be used by the subsidiaries to finance their construction. (Rel. 35-17979)

#### INVESTMENT COMPANY ACT RELEASES

**LOOMIS-SAYLES CANADIAN AND INTERNATIONAL FUND LTD.** The SEC has issued a notice giving interested persons until June 27 to request a hearing on an application filed by Loomis-Sayles Canadian and International Fund Ltd., of Toronto, for an order of the Commission declaring that the company has ceased to be an investment company. (Rel. IC-7838)

**GOLDMAN, SACHS & CO.** The SEC has issued an order on an application of Goldman, Sachs & Co. (Applicant), a New York broker-dealer and one of the prospective representatives of a group of underwriters to be formed in connection with a proposed public offering of shares of the common stock of Circle Income Shares, Inc. (Company), a closed-end, diversified management investment company, exempting Applicant and its co-underwriters from Section 30(f) of the Act (which incorporates the provisions of Section 16 of the Securities Exchange Act of 1934 that deal with insider trading) in respect of their transactions incident to the distribution of the Company's shares. (Rel. IC-7846)

**PMT TAX-EXEMPT BOND FUND.** The SEC has issued an order on an application by PMT Tax-Exempt Bond Fund, First New York Series, a unit investment trust, and Prescott, Merrill, Turben and Co., and Cohen, Simonson and Rea, Inc., sponsors of the Fund, granting exemptions permitting the following: shares in the First series and in any subsequent series, each of which series will have a portfolio of bonds, to be offered to the public without provision first having been made for the sale of \$100,000 worth of shares of the particular series involved to a limited number of investors; distributions of principal and income from any series to be made quarterly; and purchases and sales of shares of any series to be made in certain circumstances by the sponsors at previously determined prices. (Rel. IC-7847)

#### SECURITIES ACT REGISTRATIONS FILED

**SAPPHIRE HILL VILLAGE, INC., P. O. BOX 3388, and SAPPHIRE CARIBBEAN MANAGEMENT, INC.,** Estate Smith Bay, E. End Quarter, both of St. Thomas, U. S. Virgin Islands - \$14,618,000 of condominium units to be constructed on land located in Estate Smith Bay and \$1,322,000 of interests in the hotel association organized to operate the condominiums as hotel accommodations when the owners are not in residence. (File 2-47952 - May 7)

**ADRS FOR SANTOS, LTD. FILED.** First National City Bank, 111 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary stock units of Santos, Ltd., an Australian corporation. (File 2-47954 - May 7)

**REO PLASTICS, INC.,** 11850 - 93rd Ave. North, Osseo, Minn. 55369 - 504,800 shares of common stock. It is proposed to offer these shares in exchange for the outstanding shares of common stock of New Housing Concepts, Inc. (NHC) at the rate of two shares for each NHC share. Reo manufactures molded plastic parts on a contract basis. NHC constructs and sells middle and low-cost single-family homes using prefabricated wall sections and roof trusses. (File 2-47956 - May 7)

NATIONAL TELEPHONE COMPANY, INC., 100 Prestige Park Road, East Hartford, Conn. 06108 - 260,000 shares of common stock, of which 200,000 are to be offered for sale by the company and 60,000 by certain shareholders. The offering is to be made (\* at \$20 per share maximum) through underwriters headed by Agio Capital Corporation, Two Broadway, New York 10004. The company designs, installs and leases telephone equipment systems to commercial subscribers. Net proceeds will be used for working capital and other corporate purposes. (File 2-47957 - May 7)

CONOCO EXPLORATION, LTD. (the Partnership), 1000 South Pine St., Ponca City, Okla. 74601, and CONTINENTAL OIL LIMITED, (the general partnership), 1300 Main St., Houston, Tex. 77002 - \$25 million of partnership interests in the Partnership, to be offered for sale in minimum amounts of \$10,000 by Morgan Stanley & Co. Inc., as dealer manager, and selected dealers. The Partnership was organized to engage in oil and gas exploration. (File 2-47961 - May 8)

DILLINGHAM-SYSTECH DEVELOPMENT FUND 1973 (the Partnership), 1990 North California Blvd. Walnut Creek, Calif. 94596 - \$15 million of partnership interests, to be offered for sale at \$1000 per unit with a minimum investment of \$10,000 through selected NASD members. The Partnership was organized to own and operate apartments and mobile home parks. Dillingham Corporation and Systech Financial Corporation are the general partners. (File 2-47962 - May 8)

MISSION EQUITIES CORPORATION, 2601 Wilshire Blvd., Los Angeles, California 90057 - 8,649 shares of capital stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale (\* \$21-1/8 per share maximum). (File 2-47963 - Apr 26)

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:

Caltex Petroleum Corp., New York, N. Y. (File 2-47938) - \$5 million of participations in Employees Savings Plan  
 Corning Glass Works, Corning, N. Y. (File 2-47939) - 20,000 shares  
 Amterre Development Inc., Bala Cynwyd, Pa. (File 2-47942) - 175,000 shares  
 Kane-Miller Corp., New York, N. Y. (File 2-47943) - 200,000 shares  
 Certain-teed Products Corp., Valley Forge, Pa. (File 2-47944) - 516,000 shares  
 Great Equity Financial Corp., Chicago, Illinois (File 2-47958) - 90,000 shares  
 MSL Industries, Inc., Chicago, Illinois (File 2-47964) - 75,000 shares

#### MISCELLANEOUS

UNLISTED TRADING. The SEC has issued an order upon an application of the American Stock Exchange, Inc., determining that the 4-1/2% preferred stock (\$100 par) of Kansas Gas and Electric Company, a Kansas corporation, is substantially equivalent to the 4-1/2% preferred stock (\$100 par) of Kansas Gas and Electric Company, a West Virginia corporation, heretofore admitted to unlisted trading privileges on the AMEX. (Rel. 34-10197)

COMPANIES WHICH RECENTLY ACQUIRED STOCK OF OTHER COMPANIES. The following companies or individuals acquired or proposed to acquire the stock of companies listed below as reported to the Commission on Schedule 13D.

Companies or individuals must report the acquisition of 5% or more of the stock of another company within 10 days of the acquisition. The following companies or individuals acquired stock of other companies during the period May 24-29:

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
Leonard Fruchtman	Santa Fe Downs, Inc. Common Stock - 153,670 shs. Common Stock - 200,000 shs. on exercise of option	5-24-73
Revlon, Inc.	Del Laboratories, Inc. Common Stock - 55,066 shs. Common Stock - 110,134 shs. on exercise of option	5-24-73
Ronald M. Ansin	Consolidated National Shoe Corp. Class A Common Stock - 26,800 shs.	5-29-73

Andrew N. Heine	Tenney Engineering, Inc. Common Stock - 3,600 shs. Common Stock - 1,600 shs. on exercise of option Common Stock - 51,666 shs. on exercise of warrants	5-29-73
Benson A. Selzer	Tenney Engineering, Inc. Common Stock - 3,600 shs. Common Stock - 1,600 shs. on exercise of option Common Stock - 51,667 shs. on exercise of warrants	5-29-73
Garrett Corporation	Hi-Shear Corporation Common Stock - 58,600 shs.	5-29-73
MLS Industries, Inc.	Lakewood Hospital Association, Inc. Common Stock - 16,656 shs.	5-29-73
New Jersey Zinc Company	Ray Resources Corporation Common Stock - 1,100,000 shs. Common Stock - 200,000 shs.	5-29-73

TRADING SUSPENSIONS CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of First Leisure Corporation and Pelorex Corporation for the further ten-day period June 5-14, inclusive.

SECURITIES ACT REGISTRATIONS. Effective June 1: American Electric Power Company, Inc., 2-48081. Effective June 4: Commonwealth Edison Company, 2-48130; Consolidated Natural Gas Co., 2-48021; ADR's for Gestetner Ltd., 2-47987; ICB Corporation, 2-47236; Mercantile Bankshares Corp., 2-48029; National Investment Properties, 2-46002 (Sept 2); Reserve Oil and Gas Co., 2-48035; Squibb Corp., 2-48170; Velo-Bind, Inc., 2-47787; Vision Cable Communications, Inc., 2-46181 (90 days).

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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