



Washington, D.C. 20549

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of  
S.E.C. Activities

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(Issue No. 71-222)

FOR RELEASE November 18, 1971

## COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES ECOLOGICAL SCIENCE CORP., OTHERS. The SEC announced November 17 the filing of a complaint in the Federal court in New York, seeking to enjoin the following from violations of the antifraud and filing provisions of the Federal securities laws and alleging the misappropriation of control and a portion of the equity of four of ECO's European subsidiaries to ECO-SAS and SHA and by issuing materially false and misleading statements and reports: Ecological Science Corporation ("ECO") of Miami, Fla.; Harold P. Koenig ("Koenig") of Hallandale, Fla., president and chief executive officer; Cesare De Franceschini of Pieve Ligure, Italy, a director, vice president and the director of ECO's European operations; Ecological Engineering D.I. Harold P. Koenig SAS ("ECO-SAS") an Italian partnership controlled by its general partner, Koenig; and Steinteil Handels Anstatt ("SHA"), a Liechtenstein Corporation owned and controlled by De Franceschini. Trading in ECO's common stock has been suspended by the Commission and is presently halted by the American and Pacific Coast Stock Exchanges. (LR-5220)

RETURN 12 COUNT INDICTMENT AGAINST JOHN BARON. The SEC Seattle Regional Office announced that on October 27 a Federal Grand Jury in Spokane returned a 12 count indictment against John Baron of Minneapolis, charging him with violating the anti-fraud and registration provisions of the Federal securities laws, and mail fraud and conspiracy in the offer and sale of stock of Baron Electronics Corporation (not incorporated) and Dirks Electronic Corporation. (LR-5219)

## INVESTMENT COMPANY ACT RELEASE

DUPONT GLORE FORGAN. The SEC has issued a notice giving interested persons until December 8 to request a hearing upon an application of duPont Glore Forgan Inc. (duPont), New York broker dealer, for an order exempting duPont, Faulkner, Dawkins & Sullivan Securities, Inc., its co-representative, and their co-underwriters from Section 30(f) of the Act to the extent that that Section adopts Section 16(b) of the Securities Exchange Act with respect to their transactions incidental to the distribution of shares of capital stock of C. I. Direct Placement Fund, Inc., a closed-end investment company. (Rel. IC-6821)

## TRUST INDENTURE ACT RELEASE

HAWAIIAN ELECTRIC CO. The SEC has issued a notice under the Trust Indenture Act of 1939 giving interested persons until December 13 to request a hearing upon an application of Hawaiian Electric Company, Inc., seeking a determination that the trusteeship of Bishop Trust Company, Limited, trustee under an indenture of Hawaiian Electric dated March 1, 1967, which was qualified under the Act and the trusteeship of Bishop under a first mortgage indenture dated January 1, 1970 of Hilo Electric Light Company, Ltd., a wholly-owned subsidiary of Hawaiian Electric, under which first mortgage bonds were issued, and which indenture was not qualified under the Act, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Bishop from acting as trustee under both indentures. Certain bonds of Hilo are guaranteed by Hawaiian Electric.

## SECURITIES ACT REGISTRATIONS

ILLINOIS BELL TELEPHONE COMPANY, 225 W. Randolph St., Chicago, Ill. 60606, filed a registration statement on November 12 seeking registration of 7,704,486 shares of common stock. It is proposed to offer these shares to shareholders of record on December 8, 1971, at the rate of one share for each eight shares held, and at a rate of eight rights and \$20 for each share. A subsidiary of AT&T, the company will use the net proceeds of its stock sale to repay advances from the parent and notes payable and the balance for general corporate purposes. (File 2-42370)

NEW YORK TELEPHONE COMPANY, 140 West St., New York 10007, filed a registration statement on November 12 seeking registration of \$200 million of refunding mortgage bonds, Series V, due 2011, to be offered for public sale at competitive bidding. Net proceeds of its bond sale will be applied toward the repayment of outstanding notes payable, which are expected to approximate \$323 million at the time the proceeds are received, the balance of \$12 million will be used to increase the company's investment in its wholly-owned subsidiary, Empire City Subway Company (Limited). Construction expenditures in 1971 are estimated at \$950 million and for 1972 at about \$1.2 billion. (File 2-42371)

ITT VARIABLE ANNUITY INSURANCE COMPANY SEPARATE ACCOUNT-2, 212 S. Central Ave., St. Louis, Mo. 63105, filed a registration statement on November 12 seeking registration of variable annuity contracts sold by ITT Variable Annuity Insurance Company, such contracts being offered to individual purchasers. (File 2-42373)

OVER

ALLEGHENY AIRLINES, INC., Washington National Airport, Washington, D. C. 20001, filed a registration statement on November 12 seeking registration of 85,000 shares of \$3 convertible preferred stock, Series C, and warrants to purchase 75,295 shares of common stock. It is proposed to offer these securities in exchange for the 6% convertible subordinated debentures, due 1993 of Mohawk Airlines, Inc., at the rate of 10.625 Allegheny preferred shares and warrants to purchase 9.4118 Allegheny common shares for each \$1,000 principal amount of Mohawk debentures. Acceptance by Allegheny of the Mohawk debentures tendered is conditioned upon the effectiveness of the proposed merger of Mohawk into Allegheny. Eastman, Dillon, Union Securities & Co. Inc. as dealer manager has agreed to use its best efforts to solicit tenders. Allegheny and Mohawk are certificated air carriers. (File 2-42374)

CONDEV CORPORATION (the General Partner), 7240 East Old Cheney Highway, Orlando, Fla. 32807, filed a registration statement on November 15 seeking registration of \$3 million of limited partnership interests in up to seven limited partnerships through Condev 1972 Real Estate Program, to be offered for public sale at \$1,000 per unit and in minimum amounts of ten units. No underwriting is involved. The Partnerships will be formed for the purpose of acquiring real estate and constructing multi-family residential rental projects. (File 2-42375)

COIT INTERNATIONAL, INC., 5200 East Grand Ave., Dallas, Tex. filed a registration statement on November 15 seeking registration of \$25 million of convertible subordinated debentures, due 1996, to be offered for public sale through underwriters headed by R. W. Pressprich & Co., Inc., 80 Pine St., New York 10005. The company is principally engaged in the wholesale and retail sale of sewing fabrics and the retail sale of sewing notions and accessories. Of the net proceeds of its debenture sale, \$9 million will be used to establish additional fabric retail outlets and the balance for working capital and other corporate purposes. (File 2-42376)

MED-I-MARK, INC., 95 Merrick Way, Coral Gables, Fla. 33134, filed a registration statement on November 15 seeking registration of 100,000 shares of common stock, to be offered for public sale at \$5 per share by Brighton Securities Corp., 1703 Monroe Ave., Rochester, N. Y. 14618. The company intends to establish and operate joint venture financing and leasing subsidiaries in cooperation with the manufacturers of hospital and medical related equipment. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-42377)

OZARK AIR LINES, INC., Lambert-St. Louis International Airport, St. Louis, Mo. 63145, filed a registration statement on November 15 seeking registration of 600,000 shares of common stock with warrants to purchase 300,000 common shares, to be offered for public sale in units, each consisting of two shares and a warrant (\*and at \$12.50 per unit maximum). The offering is to be made through underwriters headed by G. H. Walker & Co. Inc., 45 Wall St., and Thomson & McKinnon Auchincloss Inc., 2 Broadway, both of New York 10005. Ozark is engaged in the scheduled air transportation of passengers, property and mail. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-42378)

DREXEL UTILITY SHARES, INC. (the Fund), 1500 Walnut St., Philadelphia, Pa. 19101, filed a registration statement on November 15 seeking registration of 2,400,000 shares of common stock, to be offered for public sale at \$25 per share through underwriters headed by Drexel Firestone, Inc. The Fund is a closed-end, diversified management investment company which proposes to normally invest in the securities of public utilities. Drexel Funds Management Company, a wholly-owned subsidiary of Drexel Firestone, Inc., is investment adviser. (File 2-42379)

ALVARADO CATTLE FUND, INC. (the general partner), 344 Grape St., San Diego, Calif. 92101 filed a registration statement on November 15 seeking registration of \$6 million of pre-organization subscriptions in limited partnerships to engage in cattle feeding programs. (File 2-42380)

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:

Norton Simon, Inc., New York (File 2-42372) - 40,354 shares  
The Manitowoc Company, Inc., Manitowoc, Wis. (File 2-42381) - 106,520 shares

#### MISCELLANEOUS

CONTINENTAL VENDING MACHINE SUSPENSION CONTINUED. The SEC has ordered the suspension of over-the-counter trading in the securities of Continental Vending Machine Corporation for the further ten-day period November 17-26, 1971, inclusive.

SECURITIES ACT REGISTRATIONS. Effective November 16: Alza Corp., 2-41913; Automatic Data Processing, Inc., 2-42247; Basco, Inc., 2-41665 (90 days); The Coca-Cola Bottling Co. of Miami Inc., 2-41605; Courtesy Drug Stores, Inc., 2-41901 (90 days); Delmarva Power & Light Co., 2-42171; First Commerce Corp., 2-41447; Franklin New York Corp., 2-42102; IDS/McCulloch Oil Exploration Program-1972, 2-40975 (90 days); Lin Broadcasting Corp., 2-41409; Roland International Corp., 2-41626 (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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