

sec news digest

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(SEC Docket, Vol. 6, No. 9 - March 18)

U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

March 7, 1975

RULES AND RELATED MATTERS

MAR 10 1975

EXTENSION OF TIME FOR COMMENTS ON PROPOSED
RULES RELATING TO PUBLIC AVAILABILITY OF
CORRESPONDENCE

LIBRARY

The Commission has extended until March 31, 1975 the period for submitting comments on proposed rules relating to public availability of staff letters of comment and most correspondence and procedures for requesting confidential treatment of sensitive information revealed in correspondence. See Securities Act Release No. 5561, January 24, 1975. (Rel. 33-5573)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

LEONARD MARANS SANCTIONED

The Commission has suspended Leonard Marans, of Briarwood, New York, from any association with a broker-dealer, investment adviser or investment company for twelve months, and barred him thereafter from any such association in a supervisory or proprietary capacity. Marans was a vice-president of Flaks, Zaslow & Co., Inc., formerly a New York City broker-dealer.

The sanctions were based on findings that, during the period from about September to November 1972, Marans violated antifraud provisions of the securities laws in a public offering of common stock of Monarch General, Inc., of which Flaks was co-underwriter, and transactions in the common stocks of Monarch, Econetics, Inc. and Faraday Laboratories, Inc. In order to obtain Monarch shares at the offering price of \$5 per share, customers were required to purchase Monarch shares in the aftermarket, or to purchase shares of Econetics or Faraday. Thereafter, a series of transactions was effected in Monarch stock to raise and maintain its price artificially, and the stock was sold at excessive and unreasonable prices. Salesmen were paid exceptionally high commissions to induce them to buy or sell Monarch, Econetics and Faraday stocks for their customers as Flaks' interests dictated, and customers were not informed of such commissions. In addition, material misstatements were made in the Monarch prospectus and otherwise concerning the manner and method of the Monarch distribution, the existence of a bona fide independent market for Monarch stock, prospective increases in its price, the arbitrary nature of the price at which it was offered in the aftermarket, the demand for the stock and the availability of shares remaining to be sold at the public offering price.

The Commission's order was based on an offer of settlement in which Marans, without admitting or denying the charges against him, consented to the above findings and sanction. (Rel. 34-11269)

STERLING, GRACE & CO., INC. CENSURED

The Commission has censured Sterling, Grace & Co., Inc., a New York City broker-dealer. The censure was based on findings that offers and sales of SaCom stock were made under a registration statement which recited that the firm, a member of the underwriting group, had agreed to buy 8,500 shares whereas, in fact, it had an understanding with the managing underwriter that it would not be required to honor this commitment. It was also found that SaCom stock was delivered after sale without its being accompanied or preceded by a proper prospectus.

Without admitting or denying the charges, the firm consented to the above findings and sanction. (Rel. 34-11271)

**COMMISSION REAFFIRMS APPROVAL OF CHRISTIANA -DU PONT
MERGER**

A motion to adduce additional evidence about the asserted unfairness of the proposed merger of Christiana Securities Company into E. I. Du Pont De Nemours & Company, which the Commission had previously found fair and approved under the Investment Company Act, has been denied. Motions seeking reconsideration of the Commission's earlier decision were also denied. (Rel. IC-8692)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES PHILLIPS PETROLEUM COMPANY, OTHERS

The SEC announced the filing of a complaint and entry of orders of permanent injunction in the U.S. District Court for the District of Columbia against Phillips Petroleum Company, William W. Keeler, William F. Martin, John M. Houchin and Carstens Slack. In essence, the Commission's complaint alleges that the defendants violated Section 13(a) and 14(a) of the Securities Exchange Act and certain rules promulgated thereunder by filing with the Commission annual reports and soliciting proxies from shareholders of Phillips Petroleum Company which failed to disclose that the defendants and others had created a secret fund of corporate monies which was used for unlawful political contributions and other purposes, and, additionally, that Phillips Petroleum Company financial statements filed with the Commission falsely stated the income and expense of the company and understated its assets. (SEC v. Phillips Petroleum Company, et al., U.S.D.C., D.C.). (LR-6770)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION

A notice has been issued giving interested persons until April 4 to request a hearing in connection with a proposal by Central and South West Corporation, a registered holding company, that it amend its charter to increase the authorized amount of its common stock from 51,500,000 to 56,500,000 shares. An order has been issued authorizing the solicitation of proxies in connection with the proposed charter amendment. (Rel. 35-18848 - Mar. 6)

TRADING SUSPENSIONS

ADDITIONAL ACTION OF FIVE TRADING SUSPENSIONS

The SEC has announced the suspension of (a) exchange and over-the-counter trading in the securities of Equity Funding Corp., and over-the-counter trading in the securities of Zenith Development Corp., Industries International, Inc. and Westgate California Corp. for the further ten-day period March 8 - 17, inclusive; and (b) over-the-counter trading in the securities of Continental Vending Machine Corp. for the further ten-day period March 11 -20, inclusive.

SECURITIES ACT REGISTRATIONS

(S-1) MICHIGAN WISCONSIN PIPELINE COMPANY

One Woodward Ave., Detroit, Mich. 48226 - \$50 million of first mortgage pipe line bonds, due 1995, to be offered for sale at competitive bidding. Michigan Wisconsin, a wholly owned subsidiary of American Natural Gas Company, owns and operates an extensive natural gas transmission and underground storage system. (File 2-52937 - Mar. 4)

(S-6) THE MUNICIPAL BOND FUND, SERIES 19

c/o Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005 - \$5 million of units. The Fund will be created under a trust indenture among Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005, as sponsor, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Fund will consist of interest bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United

States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers of such obligations, exempt from Federal income tax. (File 2-52944 - Mar. 3)

(S-14) NANA REGIONAL CORPORATION, INC.

Box 49, Kotzebue, Alaska 99752 - 446,600 shares of Class A common stock, to be offered to stockholders of eleven village corporations formed in the Region under the Alaska Native Claims Settlement Act (P.L. 92-203, 85 Stat. 688) under an agreement and plan of merger between the company and such village corporations at a rate of one share for each share of village corporation stock. The company is one of twelve regional corporations organized under the Alaska Native Claims Settlement Act. (File 2-52945 - Mar. 3)

(S-2) CUMBERLAND FARMS, INC.

10 West Packsaddle, Rolling Hills, Cal. 90274 - 350,000 shares of common stock, to be offered for sale at \$10 per share through TCA Management Corporation, 2441 Honolulu Ave., Montrose, Cal. 91020 as agent and underwriter on a best efforts basis. The company intends to engage in the business of developing a purebred herd of Simmental cattle. (File 2-52949 - Mar. 5)

(S-14) AIR MICHIGAN INCORPORATED

29200 Southfield, Suite 210, Southfield, Mich. 48076 - 549,678 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Professional Health Systems, Inc., at the rate of 7.608 Air Michigan shares for each Professional Health Systems share. Air Michigan has not been active in business for the last two years. Prior to that time, it was engaged in the operation of a commuter air line. As of the filing, Air Michigan is engaged only in the investment of its liquid assets in certificates of deposit. (File 2-52950 - Feb. 28)

(S-7) PHILIP MORRIS INCORPORATED

100 Park Ave., New York, N.Y. 10017 - \$125 million of notes, due 1985, to be offered for sale through underwriters headed by Lehman Brothers Incorporated, One William St., New York, N.Y. 10004, Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004 and Kuhn, Loeb & Co., 40 Wall St., New York, N.Y. 10005. Philip Morris is a diversified company with extensive international operations engaged primarily in the manufacture and sale of cigarettes and beer. (File 2-52952 - Mar. 5)

In a separate statement the company seeks registration of 2,000,000 shares of common stock, to be offered for sale through the same underwriters named above. (File 2-52953 - Mar. 5)

(S-1) DOMINION BANKSHARES CORPORATION

201 South Jefferson St., Roanoke, Va. 24040 - \$25 million of notes, due 1983, to be offered for sale through underwriters represented by The First Boston Corporation, 20 Exchange Place, New York, New York 10005 and Wheat, First Securities, Inc., Ross Bldg., 801 East Main St., Richmond, Va. 23219. Dominion Bankshares is a registered bank holding company. At February 14, 1975 the company had ten commercial banking subsidiaries and other subsidiaries principally engaged in real estate mortgage lending and receiving, leasing personal property and certain insurance agency businesses. (File 2-52954 - Mar. 5)

REGISTRATIONS EFFECTIVE

March 4: Dyco Oil and Gas Program 1975, 2-51804.

March 5: Beatrice Foods Co., 2-52916; De Anza Properties 74, 2-52093; Granger Associates, 2-52620 and 2-52618; E.F. Hutton & Co. Inc., 2-52745; The International Nickel Company of Canada, Ltd., 2-52875; Narragansett Electric Co., 2-52775; The Procter & Gamble Co., 2-52828; Rochester Telephone Corp., 2-50804; United Banks of Wisconsin Inc., 2-52755; Van Kampen, Wauterlek & Brown Inc., 2-51877.

RECENT 8K 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.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. 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 items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
ICB CORP	2	01/75
LAFAYETTE FUNDS DRILLING PROGRAM	7	01/75
LAFAYETTE FUNDS EXPLORATORY DRILLING PRO	7	01/75
LBE CO	11,13,14	12/74
MID ATLANTIC REAL ESTATE INVESTMENT TRUS	3,10,13	01/75
MPB CORP	7	09/74
NATIONAL ENVIRONMENTAL CONTROLS INC	13,14	01/75
NATIONAL HEALTH ENTERPRISES INC	2,10,14	01/75
NELSON L B CORP	7,8,13,14	01/75
NEUTROGENA CORP	11	02/75
RESIDEX CORP	13,14	08/74
RESIDEX CORP	1,2,3,4,7,8,13,14	09/74
SHEARSON HAYDEN STONE INC	3	12/74
SIGNODE CORP	13,14	01/75
STONE OIL CORP 1974 PARTICIPATING PROGRA	7,14	01/75
SUBURBAN WATER SERVICE INC	11,14	01/75
VISTA INTERNATIONAL CORP	13	02/75
YOSEMITE PARK & CURRY CO	2,8	12/74
AMERICAN DISTRICT TELEGRAPH CO	3,13	01/75
BARNETT WINSTON INVESTMENT TRUST	13,14	01/75
CFS CONTINENTAL INC	7	01/75
CGS SCIENTIFIC CORP	4,7,14	01/75
COLUMBIA SCIENTIFIC INDUSTRIES CORP	12,14	01/75
CONTINENTAL MANAGEMENT INC	12,14	01/75
DELHI INTERNATIONAL OIL CORP	14	01/75
DIGI LOG SYSTEMS INC	7,14	01/75
FOOTE CONE & BFLDING COMMUNICATIONS INC	NO ITEMS	01/75
GATEWAY TRANSPORTATION CO INC	10,13,14	02/75
GENERAL BANCSHARES CORP	13	02/75
GENERAL REFRACTORIES CO	7,8,14	01/75
GIANT FOOD INC	11,13	01/75
GREAT MARYLAND DEVELOPMENT CORP	3,7	01/75
GROW CHEMICAL CORP	7,13,14	01/75
HOME INVESTORS TRUST	2,8,11,13,14	02/75

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. 20519. 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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