



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

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COMMISSION ANNOUNCEMENT

FIFTH ANNUAL ENFORCEMENT SCHOOL TO BE HELD JUNE 19-23. The Fifth Annual Enforcement School conducted by this Commission's Division of Trading and Markets will be held from Monday, June 19, through Friday, June 23, 1972. In addition to the Commission's staff, invitations are extended to members of the staffs of state and foreign securities commissions, as well as to other federal, state and local agencies which participate in the investigation of violations of securities laws to attend. State securities administrators are encouraged to advise us of any local law enforcement agencies in their area which engage in enforcement work in the securities field and which they believe would be interested in being invited to send representatives to the school.

The course will again consist of a one-week, five-day program with lectures and discussion groups planned for every morning and afternoon.

COURT ENFORCEMENT ACTIONS

SEC COMPLAINT NAMES ITT, OTHERS. The SEC announced June 16 that it filed a complaint in the Federal court in New York City seeking to enjoin (a) International Telephone and Telegraph Corporation (ITT) from violations of the registration and antifraud provisions of the Federal securities laws in connection with the sales during July 1971 of some 26,000 shares of ITT stock by a wholly-owned subsidiary of its Hartford Fire Insurance subsidiary (b) (ITT is charged with having failed to disclose in a prospectus in connection with these sales, the material change of the settlement posture of negotiations between itself and the Department of Justice with respect to three anti-trust suits then pending against the company); Howard J. Aibel and John J. Navin, two senior executives of the company, from violations of the antifraud provisions in their sales of ITT stock in June and July of 1971 without making any disclosure of the pending settlement discussions; and (c) ITT, Lazard Freres & Co., a New York securities firm, and Mediobanca of Milan, Italy, from violations of the registration provisions in connection with the distribution of 1,700,000 shares of ITT Series N preferred stock during the period from November 1970 through May 1971. (LR-5431)

M. T. SULLIVAN ENJOINED. The SEC Boston Regional Office and the Security Investor Protection Corporation announced June 13 that the Federal court in Boston had permanently enjoined Maurice Timothy Sullivan, doing business as M. Timothy Sullivan, Boston, Mass. broker dealer, from violating the antifraud, book-keeping and net capital provisions of the Federal securities laws. Michael M. Mary was appointed as trustee pursuant to the provisions of the Security Investor Protection Act. (LR-5430)

HOLDING COMPANY ACT RELEASES

OHIO EDISON COMPANY. The SEC has issued a notice giving interested persons until June 29, to request a hearing on an application of Ohio Edison Company, Akron, Ohio, to issue and sell notes to banks and to guarantee notes of a nonaffiliate coal company. (Rel. 35-17612)

MICHIGAN WISCONSIN PIPE LINE COMPANY. The SEC has issued an order authorizing Michigan Wisconsin Pipe Line Company, a subsidiary of American Natural Gas Company, to extend the maturity date of its \$20 million line of credit with First National City Bank of New York, and the time within which notes may be issued, and sold thereunder until January 1, 1973. (Rel. 35-17606)

COLUMBIA GAS SYSTEM, INC. The SEC has issued an order authorizing The Columbia Gas System, Inc., and two of its wholly-owned non-utility subsidiary companies, Columbia Gas Development Corporation ("Development") and Columbia Gas Development of Canada Ltd. ("Development-Canada") to enter into certain intra-system transactions relating to contracts heretofore executed with Dome Petroleum Limited, a non-affiliated Canadian company, for a joint gas exploration and development project in Canada. Pursuant to its obligations under the Dome contracts, Development has heretofore expended \$10,084,499. In a three-way intra-system transaction, Development's contract rights will be transferred to Development-Canada by means of (1) the payment of a dividend of that amount by Development to Columbia and (2) the issuance to Columbia by Development-Canada of 403,376 shares of its \$25 par value capital stock. As a result, Columbia's investment in Development will be decreased, and its investment in Development-Canada will be increased, by said amount of \$10,084,499. (Rel. 35-17611)

COLUMBIA GAS SYSTEM, INC. The SEC has issued an order authorizing The Columbia Gas System, Inc., a registered holding company, and two of its non-utility subsidiaries, Columbia Gas Transmission Corporation ("Transmission") and Columbia Gas Development of Canada Ltd. ("Development") to enter into certain intra-system transactions relating to a program heretofore undertaken by Columbia in partnership with non-affiliated interests for the exploration and development of additional gas supplies in the Canadian Arctic Islands. Transmission will (1) assign to Development all of its rights and obligations under the program

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and (2) make open account advances to Development aggregating approximately \$12.5 million to enable Development to meet its contractual financial obligations under the program. In return, Transmission (through Development, as assignee) will have a first call on specified portions of gas found pursuant to the program, and is to obtain repayment for its advances from proceeds of the exploration and development program. (Rel. 35-17613)

DELMARVA POWER AND LIGHT COMPANY. The SEC has issued a notice giving interested persons until July 7, to request a hearing upon an application of Delmarva Power and Light Company of Virginia, subsidiary of Delmarva Power & Light Company, to issue and sell to the parent company (1) promissory notes, due October 1, 1973, in a total principal amount not exceeding \$750,000, and (2) 7,500 shares of its \$100 par value common capital stock for \$750,000. Proceeds from the proposed transactions will be used by the subsidiary company for capital expenditures (estimated at approximately \$3.5 million in 1972) and for other corporate purposes. (Rel. 35-17614)

INVESTMENT COMPANY ACT RELEASES

JOHN NUVEEN INCOME FUND. The SEC has issued an order to John Nuveen Income Fund Series I and subsequent series granting an exemption from the initial capital requirements of Section 14 of the Act. (Rel. IC-7228)

BABSON INVESTMENT FUND. The SEC has issued an order permitting the David L. Babson Investment Fund, Inc., Kansas City, Mo. to acquire substantially all of the assets of Reed Associates, Inc. (Rel. IC-7229)

SECURITIES ACT REGISTRATIONS

SAMBO'S RESTAURANTS, INC., 3760 State St., Santa Barbara, Calif. 93105, filed a registration statement on June 12 seeking registration of \$4 million of joint venture interests, in two separate programs, one for restaurant managers and one for territory directors. The interests are to be offered for sale to restaurant managers at \$10,000 per 10% interest and awarded to certain territory directors. The company is primarily engaged in the business of developing, operating and managing a chain of coffee shop type restaurants. Net proceeds will be used for general working capital purposes. (File 2-44607)

McMoRan EXPLORATION CO., 4579 First National Bank Bldg., Dallas, Tex. 75202, filed a registration statement on June 14 seeking registration of a non-negotiable, non-assignable promissory note in the principal amount of \$4,457,678 and 228,599 shares of common stock. In May, the company acquired interests in certain oil and gas properties from certain limited partnerships. The note represents the second installment in consideration for the property interests; the shares are to be offered for subscription by the limited partnerships at \$6.50 per share payable by the cancellation by the partnerships of all or a portion of the initial cash obligation of the company to the partnerships for the property interests. The company is engaged primarily in oil and gas exploration, operation and management. (File 2-44630)

WESTERN TRIO CATTLE COMPANY (the General Partner), 118 West 6th St., Guymon, Okla. 73942, filed a registration statement on June 14 seeking registration of \$5,000,000 of partnership interests, to be offered for public sale in \$1,000 units with a minimum required purchase of 5 units. The Partnerships will be formed to engage in cattle feeding programs. (File 2-44635)

NORTHERN ILLINOIS GAS COMPANY, East-West Tollway at Route 59, Aurora, Ill. 60507, filed a registration statement on June 15 seeking registration of \$40 million of first mortgage bonds, due 1997, to be offered for public sale at competitive bidding. Net proceeds of its financing will be used to increase working capital available for construction expenditures (estimated at \$380,000,000 for 1972-1976). (File 2-44647)

MISCELLANEOUS

SECURITIES ACT REGISTRATIONS. Effective June 14: First of Michigan Corp., 2-43649; Effective June 16: Becton, Dickinson & Co., 2-44101 (40 days); Cimarron Corp. of America, 2-41918 (Sept. 17); Fabrics National Inc., 2-42494 & 2-42495; Florida Gas Co., 2-44037; Don Hirschhorn Inc., 2-43591 (90 days); MFY Industries, Inc., 2-43167 (90 days); Market Facts, Inc., 2-44364; Marriott Corp., 2-44554; McCulloch Oil Corp., 2-44209; The Municipal Bond Fund, Series 3, 2-44340; Robertshaw Controls Co., 2-44543; St. Regis Paper Co., 2-44417; Sambo's Group '72 - '73, 2-44346; Signal 1972 Program, 2-43460 (90 days); Waste Management, Inc., 2-44008; Zenith Growth Fund, Inc., 2-38782.

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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