

# sec news digest

U.S. SECURITIES AND  
EXCHANGE COMMISSION

Issue 81-4

JAN 8 1981

January 7, 1981

## COMMISSION ANNOUNCEMENTS

## LIBRARY

### CHAIRMAN WILLIAMS ANNOUNCES INTENTION TO RESIGN MARCH 1

Chairman Harold M. Williams said today he intends to resign from the Commission effective March 1, 1981. Mr. Williams stated his intentions in a letter to President-elect Reagan, dated December 31, 1980.

Mr. Williams, 53, was appointed to the Commission by President Carter in March 1977, for a statutory term as Commissioner which expires June 5, 1982. He took office on April 21, 1977, and has served as Chairman longer than all but two of his 20 predecessors.

Following is the text of Mr. Williams' letter to President-elect Reagan:

Dear President-elect Reagan:

The conflicting press reports and other speculation regarding my future intentions and desires as Chairman and as Commissioner of the Securities and Exchange Commission require clarification.

When I accepted President Carter's invitation to serve as Chairman of the Commission, I committed myself to serve a full term as Chairman -- until June 5, 1982. My leadership of the Commission has been premised on the assumption that I would serve the full term, and I am fully prepared to honor the balance of my commitment if that is your desire. It was a commitment I did not undertake lightly when I made it to the President of the United States. I did so intending to fulfill it to the best of my ability.

At the same time, I recognize that the Chairman of the Securities and Exchange Commission serves in that capacity at the pleasure of the President. The position of Chairman of the Commission is, in my view, an important one -- particularly since the Commission is independent, in law and in fact. For that reason, I fully expect that you will wish to make your own selection for this important position.

In order then for you to have a vacancy on the Commission to nominate a Commissioner of your choice who you could designate as Chairman, to assure an orderly transition of leadership, and to enable me to make my own plans with some certainty, I intend to resign effective March 1, 1981. The period of time following the inauguration should be adequate for the nomination and confirmation process and an orderly transition.

It has been my great privilege and pleasure to serve as Chairman of the Securities and Exchange Commission, lead an outstanding agency and be of service to my Country.

Respectfully yours,

Harold M. Williams  
Chairman

### WEEKLY CALENDAR

The following is a schedule of speaking engagements, Congressional testimony, Commission hearings and other public events involving the Commission for the week of January 11, 1981. (Commission Meetings are announced separately in the News Digest)

Tuesday, January 13

- \* Chairman Williams will be the luncheon speaker at the AICPA National Conference on Current SEC Developments in Washington, D.C.

## ADMINISTRATIVE PROCEEDINGS

### LESTER WITTE & CO. CENSURED AND JOHN P. SHEA SUSPENDED FOR CONDUCT OF DEFICIENT AUDIT

The Commission has issued an Opinion and Order in administrative proceedings instituted pursuant to Rule 2(e) of its Rules of Practice against Lester Witte & Co., a partnership engaged in the practice of public accounting, and John P. Shea, a partner in the firm's New York City office.

In its Opinion and Order, the Commission concluded that the 1977 financial statements of J.B. Lippincott Company, contained in Lippincott's 1977 Annual Report on Form 10-K, as originally filed on March 31, 1977, were not prepared in accordance with generally accepted accounting principles and were therefore false and misleading. (Two former officers of Lippincott were enjoined from violating the periodic reporting provisions of the Securities Exchange Act of 1934 by the United States District Court for the District of Columbia in November 1980 in an action instituted by the Commission. See Litigation Release No. 9227/November 4, 1980.) The Commission also concluded that the initial audit performed by Lester Witte on Lippincott's 1977 financial statements, was not conducted in accordance with generally accepted auditing standards. The Commission noted that Lester Witte failed to obtain sufficient competent, evidential matter to afford a reasonable basis for its opinion, failed to complete certain critical audit procedures, overlooked significant indicators that the financial statements contained possible misstatements, failed to properly plan and supervise the audit staff in the conduct of the engagement, and failed, in its "concurring partner" review to discover the deficiencies in the audit.

Lester Witte and Shea submitted offers of settlement in which they consented to the issuance of the Opinion and Order without admitting or denying the findings or conclusions set forth therein. The Commission censured Lester Witte and ordered the firm to adopt, implement and maintain additional quality control policies and procedures. The Commission also ordered that Lester Witte undergo a review within one year, of the manner in which the firm conducts its audit practice with respect to clients filing reports with the Commission.

Within three years of the completion of the initial review, Lester Witte will undergo another review, to determine whether Lester Witte has adopted and implemented the previous recommendations.

The Commission suspended Shea, the audit partner assigned to the Lippincott engagement, from appearing or practicing before the Commission for one year. (Rel. 34-17423)

## INVESTMENT COMPANY ACT RELEASES

### DEN MANAGEMENT, INC.

A notice has been issued giving interested persons until January 30 to request a hearing on a proposal by the Commission to declare by order on its own motion, pursuant to Section 8(f) of the Investment Company Act of 1940, that Den Management, Inc., registered under the Act as an open-end, non-diversified, management investment company, has ceased to be an investment company. (Rel. IC-11531 - Jan. 5)

### NEW YORK BANK TRUST SHARES

A notice has been issued giving interested persons until January 30 to request a hearing on a proposal by the Commission to declare by order on its own motion, pursuant to Section 8(f) of the Investment Company Act of 1940, that New York Bank Trust Shares, registered under the Act as a unit investment trust, has ceased to be an investment company. (Rel. IC-11532 - Jan. 5)

### FEDERATED CASH MANAGEMENT TRUST

A notice has been issued giving interested persons until January 30 to request a hearing on an application of Federated Cash Management Trust (Applicant), a registered, open-end, diversified, management investment company, for an order declaring that Applicant has ceased to be an investment company. (Rel. IC-11533 - Jan. 5)

## BULLOCK FUND, LTD.

A notice has been issued giving interested persons until January 30 to request a hearing on an application of Bullock Fund, Ltd., Canadian Fund, Inc., Dividend Shares, Inc., Monthly Income Shares, Inc., Nation-Wide Securities Company, Inc., High Income Shares, Inc., Bullock Tax-Free Shares, Inc., and Money Shares, Inc., each registered under the Investment Company Act of 1940 as a diversified, open-end, management investment company, and Calvin Bullock, Ltd., principal underwriter for the other Applicants, requesting an order, pursuant to Section 11(a) of the Act, permitting certain proposed exchanges of shares between the above investment companies on a basis other than their relative net asset values per share at the time of the exchange, and pursuant to Section 6(c) of the Act exempting such exchanges, to the extent necessary, from the provisions of Section 22(d) of the Act. (Rel. IC-11534 - Jan. 5)

## FLORIDA MUTUAL U.S. GOVERNMENT SECURITIES FUND, INC.

A conditional order has been issued pursuant to Section 6(c) of the Investment Company Act of 1940 exempting Florida Mutual U.S. Government Securities Fund, Inc. (Applicant), a registered open-end, diversified, management investment company, from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to permit Applicant to compute its net asset value per share by use of the amortized cost method of valuation. (Rel. IC-11535 - Jan. 5)

---

## HOLDING COMPANY ACT RELEASES

---

### THE COLUMBIA GAS SYSTEM, INC.

A supplemental order has been issued authorizing The Columbia Gas System, Inc., a registered holding company, and Columbia Gas of New York, Inc., one of its subsidiaries, to engage in certain intrasystem financing. The proceeds of the transactions will be used by the subsidiary in connection with its construction and gas supply programs. (Rel. 35-21877 - Jan. 6)

### PROVIDENCE ENERGY CORPORATION

An order has been issued authorizing Providence Energy Corporation, a Rhode Island corporation, to acquire the common stock of Providence Gas Company, a gas utility company. (Rel. 35-21878 - Jan. 6)

---

## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

---

### UNLISTED TRADING GRANTED

Orders have been issued granting applications for unlisted trading in the issues listed below which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system: Midwest Stock Exchange - Moran Energy Incorporated, common stock (\$.25 par value) and BankAmerica Reality Investors, shares of beneficial interest (\$1 par value); Pacific Stock Exchange - United Inns, Inc., common stock (\$1 par value); and Philadelphia Stock Exchange - Quaker State Oil Refining Corp., common stock (\$.25 par value). (Rel. 34-17419)

---

## SECURITIES ACT REGISTRATIONS

---

The following registration statements have been filed with the SEC pursuant to the Securities Act of 1933. The information noted below has been taken from the cover page and the facing sheet of the prospectus and registration statement and will appear as follows: Form; Name, address and phone number (if available) of the issuer of the security; Title and the number or face amount of the securities being offered; Name of the managing underwriter (if applicable); Whether the offering is a rights offering; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

- (S-18) COLLECTORS' GUILD INTERNATIONAL, INC., 601 West 26th St., New York, NY 10001 - 650,000 shares of common stock. Underwriter: Werbel-Roth Securities, Inc. The company is engaged in a variety of art and art-related businesses. (File 2-70346-NY - Dec. 19, 1980) (Br. 7 - New Issue)
- (S-8) UNITED PARCEL SERVICE OF AMERICA, INC. AND SERVICE PLANTS CORPORATION, Greenwich Office Park 5, Greenwich, CT 06830 (215) 988-2476 - 1,526,234 shares of capital stock. The company is engaged in providing specialized transportation services. (File 2-70463 - Jan. 5) (Br. 3)
- (S-8/S-16) HCC INDUSTRIES, 16311 Ventura Blvd., Suite 1180, Encino, CA 91436 (213) 995-4131 - 165,000 shares of common stock. The company designs, manufactures and markets broad lines of state of the art, high precision electronic connection devices and electromechanical sensing devices. (File 2-70469 - Jan. 6) (Br. 8)
- (S-16) DIGICON INC., 3701 Kirby Dr., Houston, TX 77098 (713) 526-5611 - 610,169 shares of common stock. The company is engaged in the acquisition and processing of seismic data for use by the petroleum industry. (File 2-70470 - Jan. 6) (Br. 9)
- (S-16) MOHAWK DATA SCIENCES CORP., Seven Century Dr., Parsippany, NJ 07054 (201) 540-9080 - 1,500,000 shares of common stock. Underwriters: Lehman Brothers Kuhn Loeb Incorporated and Allen & Company Incorporated. The company is engaged in the design, development, manufacture and sale or rental of MDS data entry and distributed data processing (DDP) systems. (File 2-70471 - Jan. 6) (Br. 10)
- (S-16) THE TOLEDO EDISON COMPANY, 300 Madison Ave., Toledo, OH 43652 (419) 259-5000 - 300,000 shares of % cumulative preferred stock, \$100 par value. Underwriters: The First Boston Corporation and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the generation, transmission, distribution and sale of electric energy. (File 2-70472 - Jan. 6) (Br. 8)
- (S-16) DIGITAL EQUIPMENT CORPORATION, 146 Main St., Maynard, MA 01754 (617) 897-5111 - 5,526,013 shares of common stock. Underwriter: Lehman Brothers Kuhn Loeb Incorporated. (File 2-70473 - Jan. 6) (Br. 10)
- (S-7) RECOGNITION EQUIPMENT INCORPORATED, 2701 East Grauwylor Rd., Irving, TX 75061 (214) 579-6000 - \$20 million of convertible subordinated debentures, due December 31, 2005. Underwriter: Lehman Brothers Kuhn Loeb Incorporated, New York, NY. The company designs, manufactures, markets and services information processing systems which are used for data entry, document processing and management of information. (File 2-70474 - Jan. 6) (Br. 10)
- (S-1) FEDERAL EXPRESS CORPORATION, Memphis International Airport, Memphis, TN 38194 (901) 369-3600 - 1,000,000 shares of common stock. Underwriters: Kidder, Peabody & Co. Incorporated, Merrill Lynch White Weld Capital Markets Group and New Court Securities Corporation. The company is an air cargo carrier whose principal business activity is the door-to-door delivery of packages. (File 2-70475 - Jan. 6) (Br. 4)
- (S-14) E & J PROPERTIES, LTD., 555 Capitol Mall, Suite 1425, Sacramento, CA 95814 (916) 444-6620 - 3,924,635 units of limited partnership; unit purchase warrant to purchase 402,893 units of limited partnership. (File 2-70477 - Jan. 6) (Br. 6 - New Issue)
- (S-14) NEWCASTLE HOUSING CORPORATION, 17752 Sky Park Circle, Suite 180, Irvine, CA 92714 (714) 549-0155 - 402,893 shares of common stock. (File 2-70478 - Jan. 6) (Br. 6 - New Issue)

#### CORRECTION RE UNITED STATES AIRCRAFT CORPORATION

In the News Digest of January 5, 1981 under the heading "Securities Act Registrations," the file number for the registration statement United States Aircraft Corporation was erroneously stated. The correct file number should have been 2-70341-LA, not 2-70340-LA.

#### REGISTRATIONS EFFECTIVE

Dec. 31: Intelligent Systems Corp., 2-69960; Leasco Corp., 2-69741.  
 Jan. 2: Fidelity Medical Services, Inc., 2-69627; Raybestos-Manhattan, Inc., 2-70406; Southwest Bancshares, Inc., 2-69543; Standard Havens, Inc., 2-70354.

## ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within 10 days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds 5%. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period December 12 - 15, 1980. The number of shares of the security which are beneficially owned, and the number of shares concerning which there is a right to acquire are set forth for each beneficial owner. \*Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
Sol Goldman	Katy Industries, Inc. (Elgin, IL) Common Stock - 253,000 shs.	12-12-80
* Henry L. Selzer Trust John A. Selzer Herbert S. Meeker, Individually and as Trustees	Mallory Randall Corp. (NYC) Common Stock - 206,220 shs.	12-12-80
* Harry Weinberg	Maui Land & Pineapple Co., Inc. (Maui, HI) Common Stock - 415,325 shs.	12-12-80
* Courtland-Transco, Inc. Courtland Properties Advisory Corp.	Transco Realty Trust (Boston, MA) Shares of Beneficial Interest - 19,069	12-12-80
* Maurice Wiener	Transco Realty Trust (Boston, MA) Shares of Beneficial Interest - 64,010	12-12-80
* American International Group Inc. National Union Fire Insurance Co. of Pittsburgh, PA New Hampshire Insurance Co.	United Guaranty Corp. (Greensboro, NC) Common Stock - 1,214,500 shs. (24.98%)	12-12-80
* Telvest Inc. Telco Leasing, Inc. Technical Equipment Leasing Corp. Libco Corporation Clyde Wm. Engle	Wisconsin Real Estate Investment Trust (Milwaukee, WI) Common Stock - 373,300 shs. (24.7%)	12-12-80
Frank H. Weibel Marie Louise Blinoff (France) Individually and as Trustees Bank of New York Co., Inc., Trustee	Alcolac, Inc. (Baltimore, MD) Common Stock - 703,984 shs.	12-15-80
Gerald R. Sprong	Ameribanc, Inc. (St. Joseph, MO) Common Stock - 98,428 shs.	12-15-80
Gerald R. Sprong I. B. Hyde W. F. Yates, Jr. W. F. Enright, Jr., et al	Ameribanc, Inc. (St. Joseph, MO) Common Stock - 366,808 shs. (25.9%)	12-15-80
* Life Investors Insurance Company of America	American Equity Investment Trust (Cedar Rapids, IA) Shares of Beneficial Interest - 218,836	12-15-80
Carl H. Lindner Robert D. Lindner Carl H. Lindner, III Robert D. Lindner, Jr., et al	American Financial Corp. (Cincinnati, OH) Common Stock - 5,162,122 shs. (45.5%)	12-15-80
* Life Investors Insurance Company of America	Baldwin & Lyons, Inc. (Indianapolis, IN) Common Stock - 132,890 shs. (13.25%)	12-15-80

## ACQUISITION REPORTS CONT.

Elmslie Limited (Cayman Islands)	Bengal Oil & Gas Corp. (Midland, TX) Common Stock - 240,000 shs. Common Stock - 1,920,000 on exercise of options	12-15-80
Jasper W. R. Larken (Cayman Islands)	Bengal Oil & Gas Corporation (Midland, TX) Common Stock - 240,000 shs. Common Stock - 1,920,000 shs. on exercise of options	12-15-80
Starfish Limited (Cayman Islands)	Bengal Oil & Gas Corporation (Midland, TX) Common Stock - 520,000 shs. Common Stock - 4,160,000 shs. (19.2%) on exercise of options	12-15-80
J. D. Guffey	Bronco Oil & Gas Co. (Denver, CO) Common Stock - 1,423,732 shs.	12-15-80
First City Trust Co. (Canada) (Controlled by Samuel, William and Human Belzberg (Canada)	Clarion Capital Corp. (Cleveland, OH) Common Stock - 391,699 shs. (49.99%) (First City has entered into an agreement to acquire above shares.)	12-15-80
* ARB Associates NOVCO, Inc. Marvin H. Coleman, Trustee Si Richard Wynn, Trustee, et al	Continental Materials Corp. (Chicago, IL) Common Stock - 711,334 shs.	12-15-80
* Philip Greer Western Investment Associates II WestVen Frederick K. Fluegel	Cronus Industries, Inc. (Dallas, TX) Common Stock - 132,675 shs. Common Stock - 136,364 shs. on conversion of Debentures	12-15-80
* Sprout Capital III Sprout IV - Cato Capital Sprout Investment N.V. (Netherlands Antilles) Donaldson, Lufkin & Jenrette, Inc.	Envirotech Corp. (Menlo Park, CA) Common Stock - 318,500 shs.	12-15-80
Robert J. Keller	Financial Security Insurance Co. Ltd. (Honolulu, HI) Common Stock - 207,750 shs. (51.94%) (Mr. Keller has the right to acquire above shares pursuant to a Stock Purchase Agreement.)	12-15-80
* H. A. Pope & Sons, Inc.	Forum Restaurants, Inc. (Kansas City, MO) Common Stock - 374,578 shs.	12-15-80
* Mario Gabelli	G I Export (Woodbury, NY) Common Stock - 258,400 shs. (13.5%)	12-15-80
* Warren E. Buffett Berkshire Hathaway Inc. National Indemnity Co. National Fire & Marine Insurance Co.	GEICO Corp. (Washington, DC) Common Stock - 7,030,200 shs. (35%)	12-15-80
* Unicorp Financial Corp. (Canada) George S. Mann (Canada)	GREIT Realty Trust (Warrington, PA) Shares of Beneficial Interest - 475,400 (47.7%)	12-15-80

ACQUISITION REPORTS CONT.

Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1. The following companies or individuals filed Schedule 14D-1's during the period November 28 - December 15, 1980.

\*Amended Tender Offers.

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER &amp; NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Apache Corporation, G.P. Apache Petroleum Company, L.P.	Apache Oil and Gas Programs 1974-II, 1975-II, 1975-III, 1976-II, 1976-III, 1976-IV, 1977-I, ;977-II, 1977-III, 1977-IV, 1978-I and 1978-II (Minneapolis, MN) (Apache offers to exchange for each \$20 - one Depository Unit per Option A. Option B- offers for each \$20 - \$5 cash and \$15 in nontransferable notes. In addition, Investors having debt outstanding may acquire Depository Units.)	11-28-80
KC Development Inc. (Wholly-owned subsidiary of Kennecott Corporation)	Curtiss-Wright Corporation (Wood-Ridge, NJ) Common Stock - 4,100,000 shares for cash at \$40.00 net per share	11-28-80
Nationale-Nederlanden U.S. Corp. (Wholly-owned subsidiary of Nationale-Nederlanden N.V. (Netherlands))	Security Life and Accident Co. (Denver, CO) Series A Common Stock - All outstanding shares for cash at \$25.00 net per share (Nationale-Nederlanden presently owns 1,143,312 shares (87.7%).	12-3-80
K-N Holdings Inc. (Wholly-owned subsidiary of Kearney-National Inc.)	Wabash, Inc. (Palatine, IL) Common Stock - All outstanding shares for cash at \$30.50 net per share	12-3-80
M I Acquisition Corp. (Wholly-owned subsidiary of Maislin Transport of Delaware, Inc.)	Gateway Transportation Co., Inc. (La Crosse, WI) Common Stock - All outstanding shares for cash at \$11.34 net per share	12-5-80
Ashland Enterprises, Inc. (Wholly-owned subsidiary of Ashland Oil, Inc.)	Integon Corporation (Winston-Salem, NC) Common Stock - 2,840,000 shs. for cash at \$40.00 net per share	12-9-80
GW Properties, a Joint Venture between Goldberg Inc. and WI Investments, Inc.	Affiliated Capital Corporation (Houston, TX) Common Stock - 125,000 shs. for cash at \$12.00 net per share	12-12-80
CPE Acquisition Co. (Wholly-owned subsidiary of Canadian Pacific Ltd. (Canada))	Hobart Corporation (Troy, OH) Common Stock - All outstanding shares for cash at \$32.50 net per share	12-15-80

**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, registration statements, and other filings may be ordered by writing to the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. When you are ordering more than one, we prefer that the documents be listed in alphabetical order by registrant name to expedite service. Two types of service are available.

**REGULAR SERVICE** — The regular service reproduction cost is 10¢ per page, including applicable sales taxes, plus postage (\$5.00 minimum order). Regular service orders will be shipped within seven calendar days of the receipt by the SEC's service contractor of your request. Slight delays may occur if the materials to be copied are not already in the contractor's master files.

**PRIORITY SERVICE** — Copies of documents may be ordered by telephone directly from the SEC's service contractor by calling 301/951-1350. The priority reproduction cost is 35¢ per page plus postage and applicable sales taxes (\$10.00 minimum order). Priority service orders will be shipped by 4:00 PM of the working day following the day of your telephoned request for materials already in the contractor's master files. Cost estimates are given on request.

All other reference material is available in the SEC Docket.

**SEC NEWS DIGEST** is published daily. Subscription rates: \$100.00/yr in U.S. first class mail; \$125.00 elsewhere.

**SEC DOCKET** is published weekly. Subscription rates: \$79.00/yr in U.S. first class mail; \$98.75 elsewhere.

**SEC MONTHLY STATISTICAL REVIEW** is published monthly. Subscription rates: \$19.00/yr in U.S. first class mail; \$23.75 elsewhere.

The News Digest, the Docket, and the Statistical Review are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.