

2 sec news digest

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May 11, 1977

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

MAY 12 1977

CONTEMPORARY SECURITIES CORPORATION, OTHERS

U.S. SECURITIES AND EXCHANGE COMMISSION

Abraham D. Pardes of Fort Lauderdale, Florida and former owner of Contemporary Securities Corporation, a registered broker-dealer, and Gerard F. Lewis of San Diego, California, the former branch manager of Contemporary's San Diego office, failed to answer the order that instituted proceedings and are therefore in default. The Commission has determined the proceedings against those respondents and finds the allegations in the order for proceedings to be true. Accordingly, Abraham D. Pardes and Gerard F. Lewis have been barred from being associated with any broker-dealer. The proceedings were instituted September 29, 1975. (Rel. 34-13492)

NEIL STEPHENS CORP. SANCTIONED; WILLIAM H. DOUGLAS BARRED

The Commission has entered an order limiting the activities of Neil Stephens Corp. (NSI), Providence, Rhode Island, as a broker-dealer exclusively to the offer and sale of investment company shares registered with the Commission; barring William H. Douglas, Murrysville, Pennsylvania, from association with any broker or dealer; and suspending from association with any broker or dealer Michael Doran, Cranston, Rhode Island, for a period of 90 days; Neil L. Cohen, Warwick, Rhode Island, for a period of 60 days; Bernard Cohen, Cranston, Rhode Island, for a period of 30 days; Andrew A. Engel, Reading, Pennsylvania, for a period of 60 days; and Wilbur H. Seward, Shillington, Pennsylvania, for a period of 15 days. Additionally, the order provides for a concurrent suspension of Doran, N. Cohen, B. Cohen, Engel and Seward from selling or soliciting sales of fractional undivided interests in oil or gas wells for a period of 180 days. The sanctions were based on findings that Doran, N. Cohen, Douglas and Engel wilfully violated the antifraud provisions of the securities laws and that NSI and B. Cohen failed reasonably to supervise Doran and N. Cohen and that Seward failed reasonably to supervise Engel. The Commission's action was taken pursuant to offers of settlement submitted by the named respondents in which, without admitting or denying the allegations in the order for proceedings, they consented to the above findings and sanctions. (Rel. 34-13494)

COURT ENFORCEMENT ACTIONS

ORMAND INDUSTRIES, INC., JARRELL D. ORMAND ENJOINED

The Commission announced that on May 9 the U.S. District Court entered a judgment of permanent injunction against Ormand Industries, Inc. (Ormand), a diversified California corporation, restraining and enjoining Ormand from further violations of the anti-fraud, reporting and proxy provisions of the securities laws. The court also entered an order restraining and enjoining Jarrell D. Ormand, Ormand's chief executive officer, from further violations of the reporting and proxy provisions of the securities laws. Ormand and Jarrell D. Ormand (J.D. Ormand) consented to the entry of the orders without admitting or denying the allegations in the Commission's complaint.

The complaint alleges that J.D. Ormand received from Ormand substantial undisclosed benefits, in addition to his stated salary, during the period 1970 to the present. The complaint also alleges that a substantial portion of the additional benefits Ormand conferred on J.D. Ormand were inaccurately or improperly recorded and reflected on Ormand's books and records.

In addition to consenting to the entry of the judgment of permanent injunction, Ormand agreed to certain ancillary relief, including: The expansion of Ormand's board of directors (Board) to include three additional independent directors; the establishment and maintenance of an audit committee of the Board (Audit Committee), composed of three members, including at least two of Ormand's newly-appointed directors; and the appointment of a special counsel to the Audit Committee (Special Counsel) to conduct an investigation, recommend corrective measures, and, with the approval of the Audit Committee, implement corrective measures.

The Special Counsel will conduct a full and complete investigation into the matters set forth in the Commission's complaint and any other matters that the Special Counsel deems appropriate. The Special Counsel will file with the Commission a report of his findings and recommendations, and Ormand will file the report of the Special Counsel as an exhibit to a Current Report on Form 8-K.

Further, Ormand undertook not to make any inaccurate or incomplete entries on its books and records, and to adopt, implement and maintain internal control procedures designed to avoid unauthorized or undisclosed use of corporate assets or other things of value for the benefit of officers, directors or employees of Ormand, its subsidiaries or affiliates.

J.D. Ormand will submit to the Special Counsel a written accounting of all monies or other assets or things of value used for his personal benefit between January 1, 1973 and the date of the entry of the Court's order and will return to Ormand all monies and the reasonable value of all assets, property benefits and other things of value which the Audit Committee determines exceeded that to which he was entitled. (SEC v. Ormand Industries, Inc., Jarrell D. Ormand, U.S.D.C. D.C., Civil Action No. 77-0790). (LR-7910)

CONVICTION AND SENTENCING OF FRANK LLOYD PARKS

The Denver Regional Office announced that the Tenth Circuit Court of Appeals on April 27 issued an order affirming the conviction of Frank Lloyd Parks of Newman, Georgia, formerly of West Babylon, New York. Parks was convicted by a jury in Salt Lake City, Utah of nine counts of conspiracy, sale of unregistered stock, and securities fraud in the sale of the common stock of International Chemical Development Corporation, a Nevada corporation. He was sentenced on November 21, 1975 to 18 years in prison and a fine of \$50,000. (U.S. v Richard T. Cardall, et al., D. Utah, CR-74-53). (LR-7911)

WHATCOM COUNTY WATER DISTRICT #13, COMMISSIONERS AND OTHERS ENJOINED

The Seattle Regional Office announced that decrees of permanent injunction were issued on April 27 by the Honorable Walter T. McGovern, Chief Judge, U.S. District Court, Western District of Washington at Seattle, Washington against Whatcom County Water District #13, County of Whatcom, Washington (District), Steven J. Isenhart, Thomas E. Isenhart, Kristine L. Isenhart, all of Sumas, Washington, Harold E. Isenhart of Lynden, Washington and James E. Isenhart, Jr. of Maple Falls, Washington, enjoining them from further violations of the antifraud provisions of the securities laws in the offer and sale of the District's water and sewer revenue bonds. As to the defendant District, the decree orders it to disclose the injunction to existing and future investors and to issue a disclosure statement to existing investors setting forth the substantive and material elements of the bond issue including a correction of the material misrepresentations and omissions alleged in the complaint within 120 days of the date of the decree. The defendants consented to the decrees of permanent injunction without admitting or denying the allegations of the complaint.

The complaint alleged that the defendants misrepresented and failed to disclose matters relating to assessments for repayment of the bond principal and interest, underlying incumbrances against the real property, the marketability of the bonds, the financial condition of the District and the promoters, and, the relationship among the commissioners of Whatcom County Water District #13 and of the commissioners with the promoters. (SEC v. Whatcom County Water District #13, et al., U.S.D.C., Western District of Wash., C77-103). (LR-7912)

ROBERT H. WALTER ENJOINED

The Commission announced that on May 2 an order of final judgment of permanent injunction was entered by U.S. District Court Judge Howard Turrentine against Robert H. Walter. Mr. Walter, who was charged with engaging in a scheme to falsely inflate the earnings of U.S. Financial, Inc., while acting as its Chief Executive Officer and Chairman of the Board of Directors, in violation of the antifraud, reporting, proxy solicitation and antimanipulation provisions of the securities laws, consented to the entry of the order without admitting or denying the allegations in the Commission's complaint. (SEC v. U.S. Financial, Inc., et al., S.D. Cal., Civil Action No. 74-92-T). (LR-7913)

OBSTRUCTION INDICTMENT DISMISSED

The Seattle Regional Office announced that Dean Smith, U.S. Attorney for the Eastern District of Washington, dismissed a two count indictment against Francis D. Duval and Vance D. McCarty, of Spokane, Washington. The indictment involved charges of obstruction of justice for stealing and concealing an accountant's workpapers during a pending SEC civil action. The agreement to dismiss was based upon the defendants' agreement to return the workpapers. (U.S. v. Francis D. Duval and Vance D. McCarty). (LR-7914)

NEWS DIGEST, May 11, 1977

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

An order has been issued authorizing a proposal of American Electric Power Company, Inc. (AEP) and Indiana and Michigan Electric Company (I&M), subsidiary of AEP, that (1) I&M issue and sell at competitive bidding up to 1,600,000 shares of cumulative preferred stock and (2) AEP make cash capital contributions to I&M aggregating \$39 million. (Rel. 35-20020 - May 9)

A supplemental order has been issued approving a proposal of I&M, whereby a new series of pollution control revenue bonds in an aggregate principal amount of up to \$40 million will be issued by the City of Lawrenceburg, Indiana pursuant to an agreement between I&M and that City. (Rel. 35-20021 - May 9)

OHIO EDISON COMPANY

A notice has been issued giving interested persons until June 6 to request a hearing on a proposal of Ohio Edison Company, a registered holding company, that it issue and sell at competitive bidding up to \$75 million of first mortgage bonds and that it issue up to \$510,000 of additional sinking fund bonds. (Rel. 35-20022 - May 10)

SECURITIES ACT REGISTRATIONS

(S-16) HONEYWELL INC.

Honeywell Plaza, Minneapolis, Minn. 55408 - 1,400,000 shares of common stock, which may be sold from time to time, at prices and at terms then obtainable, on the New York Stock Exchange or other securities exchanges, in the over-the-counter market in negotiated transactions or otherwise by or for the account of General Electric Company. Honeywell is engaged in the manufacture and sale of automation equipment, systems and services, including computers and computer services. (File 2-58811 - Apr. 26)

(S-1) INDUSTRIAL GAS DRILLING PROGRAMS - I AND II

Investment Plaza, Cleveland, Ohio 44114 - 3,800 units of preformation general partnership interests, to be offered for sale at \$5,000 per unit, through Thomson McKinnon Securities Inc., One New York Plaza, New York, N.Y. 10004 and Joseph, Miller & Russell, Inc., Investment Plaza, Cleveland, Ohio 44114. The programs will drill for, produce and sell natural gas to various industries. (File 2-58821 - Apr. 26)

(S-2) FALCON OIL & GAS COMPANY, INC.

236 Denver Club Bldg., 518 Seventeenth St., Denver, Colo. 80202 - \$550,000 of capital stock, to be offered for sale at \$.10 per share through underwriters headed by J. Daniel Bell & Company, Inc., 300 Sussex Bldg., 1430 Larimer St., Denver, Colo. 80202. Falcon is an oil and gas company engaged in the business of exploring for oil and gas. (File 2-58829 - Apr. 27)

(S-14) DAMON CORPORATION

115 Fourth Ave., Needham Heights, Mass. 02194 - 477,288 shares of common stock, to be offered in exchange for substantially all of the assets, properties and business of Center for Laboratory Medicine, Inc., the number of shares to be determined by dividing \$3,168,000 by the average of the closing prices of shares of Damon common stock on the New York Stock Exchange for a specified period. Also included are shares of Damon common stock which may be reoffered for sale from time to time by certain affiliates of Center for Laboratory Medicine, Inc. at prices current at the time of sale. Damon is principally engaged in providing clinical laboratory and other medical services and in the development, manufacture and sale of medical instruments, veterinary products, school and hobby products and electronic monitoring and control systems. (File 2-58930 - May 5)

(S-16) KOLLMORGEN CORPORATION

60 Washington St., Hartford, Conn. 06106 - 168,000 shares of common stock, to be offered for sale by certain selling shareholders through underwriters headed by White, Weld & Co. Inc., One Liberty Plaza, 91 Liberty St., New York, N.Y. 10006. Kollmorgen is a diversified technology company with interests in the fields of printed circuitry and associated technology, special direct current motor and control systems, color and photometry, and major electro-optical systems. (File 2-58935 - May 5)

(S-1) AUTOTROL CORPORATION

5855 North Glen Park Rd., Glendale, Wis. 53209 - 275,000 common shares, of which 200,000 are offered by Autotrol and 75,000 are offered by a selling shareholder through underwriters headed by Donaldson, Lufkin & Jenrette Securities Corp., 140 Broadway, New York, N.Y. 10005 and Frederick & Company, Inc., 925 East Wells St., Milwaukee, Wis. 53202. Autotrol manufactures and sells wastewater treatment equipment and control devices for water treatment systems. (File 2-58937 - May 6)

(S-7) GEORGIA-PACIFIC CORPORATION

900 S. W. Fifth Ave., Portland, Ore. 97204 - obligations of the company under a lease and a guaranty agreement to be entered into in connection with the issuance by the City of Crossett, Arkansas of \$61,700,000 aggregate principal amount of Industrial Development Revenue Refunding Bonds (Georgia-Pacific Corporation Project) Series 1977. Under the lease the company will agree to pay rentals to the city in amounts and at times sufficient to pay principal and interest on the bonds, and under the guaranty agreement the company will guarantee the payment of the principal and interest on the bonds. The bonds will be offered for sale through underwriters in a syndicate managed by E. F. Hutton & Company, Inc., One Battery Park Plaza, New York, N.Y. 10004. The company is engaged in the forest products business. (File 2-58942 - May 6)

(S-1) NEUHOFF BROS., PACKERS, INC.

2821 Alamo St., Dallas, Tex. 75201 - 434,492 shares of Series A non-voting cumulative preferred stock, to be offered in exchange, on a share-for-share basis, for the 434,492 outstanding shares (40%) of common stock of Neuhoff Bros., Packers, Inc. held by holders, other than Mickelberry Corporation, which owns 651,622 shares (60%) of the company's outstanding common stock. The company is a full-line meat packer engaged in processing beef, pork and processed meat products, which it sells through its own sales organization to commercial customers. (File 2-58943 - May 6)

(S-7) MICHIGAN BELL TELEPHONE COMPANY

444 Michigan Ave., Detroit, Mich. 48226 - \$150 million of thirty-eight year debentures, due 2015, to be offered for sale at competitive bidding. The company is engaged in the business of furnishing communications services, mainly local and toll telephone service. (File 2-58944 - May 6)

**(S-6) THE CORPORATE INCOME FUND,
NINTH PREFERRED STOCK SERIES**

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The Fund, a unit investment trust, is to be created by a trust indenture among Merrill Lynch, Pierce, Fenner & Smith Inc., Bache Halsey Stuart Inc. and Reynolds Securities Inc., as sponsors, The Bank of New York and Shawmut Bank of Boston, N.A., as trustee and Interactive Data Services, Inc., as evaluator. The Fund's primary objective is providing a high level of current income constituting dividends for Federal income tax purposes which are eligible for the \$100 dividends - received exclusion for individuals and the 85% dividends - received reduction for corporations through investment in a fixed portfolio consisting of cumulative preferred stocks, debt obligations and units of previously-issued Preferred Stock Series and Monthly Payment Series of The Corporate Income Fund. (File 2-58947 - May 6)

(S-14) THE L. E. MYERS CO.

550 West Jackson Blvd., Chicago, Ill. 60606 - 184,255 shares of common stock. It is proposed to offer these shares in a statutory merger of Hoosier Engineering Company, Dublin, Ohio, into a wholly-owned subsidiary of Myers. Each share of Hoosier common stock would be convertible into 0.286 of a Myers share or \$3.00 in cash, at the election of each Hoosier stockholder (subject to limitations under specified circumstances). Myers is principally engaged in the construction for electric utilities of transmission lines, distribution systems and substations. Hoosier's principal business is the construction and maintenance of electric power systems. (File 2-58951 - May 6)

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:

- Felmont Oil Corp., New York, N.Y. (File 2-58924 - May 4) - 105,000 shares
- J. C. Penny Company, Inc., New York, N.Y. (File 2-58925 - May 5) - 2,200,000 shares
- Ryan Homes, Inc., Pittsburgh, Pa. (File 2-58927 - May 5) - 300,000 shares

STOCK PLANS FILED

First Oklahoma Bancorporation, Inc., Oklahoma City, Okla. (File 2-58931 - May 5) - 500,000 shares
United States Gypsum Co., Chicago, Ill. (File 2-58932 - May 5) - 300,000 shares
South Carolina Electric & Gas Co., Columbia, S.C. (File 2-58933 - May 6) - 750,000 shares
Kraft, Inc., Glenview, Ill. (File 2-58939 - May 6) - 300,000 shares
Irwin Union Corp., Columbus, Ind. (File 2-58940 - May 6) - 40,000 shares
F. W. Woolworth Co., New York, N.Y. (File 2-58941 - May 6) - 750,000 shares
Capital Cities Communications, Inc., New York, N.Y. (File 2-58945 - May 6) - 60,000 shares
Analog Devices, Inc., Norwood, Mass. (File 2-58946 - May 6) - 168,000 shares
Gannett Co., Inc., Rochester, N.Y. (File 2-58948 - May 6) - 987,676 shares
Coherent, Inc., Palo Alto, Cal. (File 2-58953 - May 9) - 449,901 shares
Supron Energy Corp., Dallas, Tex. (File 2-58958 - May 6) - 15,000 interests
Peninsula Resources Corp., Corpus Christi, Tex. (File 2-58959 - May 6) - 30,000 shares
AMBAC Industries, Inc., Carle Place, N.Y. (File 2-58960 - May 9) - 250,000 shares
Groman Corp., Chicago, Ill. (File 2-58963 - May 9) - 75,000 shares
Huyck Corp., Wake Forest, N.C. (File 2-58964 - May 9) - 54,929 shares and (File 2-58965 - May 9) - 67,850 shares
Simplicity Pattern Co. Inc., New York, N.Y. (File 2-58966 - May 9) - 650,000 shares

REGISTRATIONS EFFECTIVE

May 2: Commonwealth Edison Co., 2-58666; IC Industries, Inc., 2-58658; Merck & Co., Inc., 2-58844; R. J. Reynolds Industries, Inc., 2-58713; Ramada Inns, Inc., 2-58691.
May 4: Four-Phase Systems Inc., 2-58532.
May 5: Corning Glass Works, 2-58819; Brock Exploration Corp., 2-58370 (90 days); Midland-Guardian Co., 2-58530 & 2-58531; Panhandle Eastern Pipe Line Co., 2-58672.
May 6: Associated Grocers, Inc., 2-58376; Belden & Blake & Co. Ltd. Partnership No. 64, 2-58165; Commodity Futures, Ltd., 2-57495; Eastern Utilities Associates, 2-58625; Hadson Ohio 1977 Oil & Gas Program, 2-58220 (90 days).

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events: ^{*/}

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	DATE	
ADVENTURE LANDS OF AMERICA INC	11	04/77	*
AILEEN INC	11	04/77	*
AMECO INC	2	04/04/77	
AMERICAN PIONEER CORP	5	04/22/77	
ASSOCIATED FREIGHTWAYS INC	1,6	03/31/77	
BUILDING & LAND TECHNOLOGY CORP	5	03/77	
CAMPBELL INDUSTRIES	5	04/26/77	
CANNON MILLS CO	5	04/12/77	
COOK INDUSTRIES INC	13,14	04/77	*
EQUIPMENT CO OF AMERICA	5	04/08/77	
FIRST NEWPORT REALTY INVESTORS	2,5	04/28/77	

RECENT 8K FILINGS CONT.

GARSITE PRODUCTS INC	2,7,13	01/77	*
GROMAN CORP	5,6	04/20/77	
GRUMMAN CORP	5	04/77	
HEXCEL CORP	5	04/04/77	
HOWELL CORP	5	04/77	
IMPERIAL CORP OF AMERICA	5	04/26/77	
LEE ENTERPRISES INC	2,5,6	04/05/77	
LOVE OIL CO INC	1,5	05/02/77	
MACK TRUCKS INC	5	04/77	
MANHATTAN INDUSTRIES INC	2,14	04/77	*
METALLURGICAL PROCESSING CORP	2,4	06/30/76	
MORRIS INDUSTRIES INC	5,6	04/77	
NORTHERN STATES MORTGAGE & REALTY INVEST	5	04/25/77	
OPEN ROAD INDUSTRIES INC	1,5	04/13/77	
OWENS CORNING FIBERGLAS CORP	2,6	04/20/77	
SANDGATE CORP	13	04/21/77	*
SCHOTT INDUSTRIES INC	2,14	12/76	*
SCHOTT INDUSTRIES INC	2,14	01/77	*
SKYLINE OIL CO	1,6	04/29/77	
STA RITE INDUSTRIES INC	14	04/77	*
STYLEX HOMES INC	4,6	04/19/77	
TOOTSIE ROLL INDUSTRIES INC	7,10	04/77	*
TWO HUNDRED OFFICE PARK DRIVE INC	2,5,6	04/18/77	
UNION CAMP CORP	5	04/26/77	
UTAH SHALE LAND & MINERALS CORP	2,6	04/20/77	
VETCO INC	1,13	04/77	*
VICTORIA STATION INC	2	04/21/77	
WASHINGTON NATURAL GAS CO	5	04/01/77	

/ The Form 8-K was amended (Rel. 34-13156, January 13, 1977) effective for all events which occur subsequent to February 28, 1977. Those companies above which are noted with an asterisk () have filed pursuant to the old Form 8-K; the captions of the item numbers under which such reports are filed are as follows:

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| <i>Item 1. Changes in Control of Registrant</i> | <i>Item 9. Options to Purchase Securities</i> |
| <i>Item 2. Acquisition or Disposition of Assets</i> | <i>Item 10. Extraordinary items, other material charges and credits and capital restatements</i> |
| <i>Item 3. Legal Proceedings</i> | <i>Item 11. Submission of Matters to a Vote of Security Holders</i> |
| <i>Item 4. Changes in Securities</i> | <i>Item 12. Changes in Registrant's Certifying Accountant</i> |
| <i>Item 5. Changes in Security for Registered Securities</i> | <i>Item 13. Other Materially Important Events</i> |
| <i>Item 6. Defaults upon Senior Securities</i> | <i>Item 14. Financial Statements and Exhibits</i> |
| <i>Item 7. Increase in Amount of Securities Outstanding</i> | |
| <i>Item 8. Decrease in Amount of Securities Outstanding</i> | |

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. 20549. The reproduction cost is 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.

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