

2 sec news digest

Issue 77-165

AUG 26 1977

August 25, 1977

COURT ENFORCEMENT ACTIONS

U.S. SECURITIES AND EXCHANGE COMMISSION

DENNIS H. MARSHALL SENTENCED

The Washington Regional Office announced that on July 28 Dennis H. Marshall of Washington, D.C., a former Maryland state legislator, was sentenced to two months imprisonment, and an additional four months suspended sentence and ordered to pay a \$500 fine by Judge Donald H. Kent of the Circuit Court of Alexandria, Virginia. Marshall was also placed on three years probation. On May 12, 1977, Marshall pleaded guilty to both counts of a two count indictment charging the defendant with violations of the antifraud provisions of Virginia securities law in his offer and sale of common stock and bonds of Producers and Consumers Cooperative Exchange. (Commonwealth v. Dennis H. Marshall, Circuit Court of Alexandria, Virginia; Criminal Docket #F-3095). (LR-8079)

COMPLAINT NAMES FIRST LIBERTY CORP., OTHERS

The Atlanta Regional Office and the Miami Branch Office announced the filing on August 17 of a Civil Injunctive Action in the U.S. District Court for the Middle District of Florida, Tampa Division, seeking to enjoin First Liberty Corporation (FLC), 700 Westshore Corp. (Westshore), Del DeWitt, Robert C. Johnson, and Richard Lawrence from violations of the registration and antifraud provisions of the securities laws. Injunctive relief is also sought against the defendants DeWitt, Johnson and Lawrence as to further violations of the reporting and ownership provisions of the Securities Exchange Act of 1934.

Specifically, the complaint alleges that the defendants, in a registered public offering of the securities of FLC in 1974, misrepresented that if a minimum portion of the offering were not bona fide sold, all monies paid by the subscribers would be returned. It is alleged, among other things, that the defendants entered into a special arrangement with certain subscribers to make it appear that the minimum portion of the offering was sold, and failed to disclose other contingent liabilities.

The Commission is also seeking an order requiring the defendants to disgorge the proceeds received from the aforesaid public offering. (SEC v. First Liberty Corporation, et al., M.D. Fla., Civil Action No. 77-623-Civ-T.H.). (LR-8080)

ZALE CORP., OTHER ENJOINED

The Fort Worth Regional Office announced that on August 19 Federal District Judge William M. Taylor, Jr. at Dallas, Texas entered orders of permanent injunction by consent against Zale Corporation, Ben A. Lipshy, Donald Zale, and Ronnie Joe Hickerson, all of Dallas, and Marvin Zale, New York, N.Y., enjoining them from violations of the antifraud, periodic reporting, and proxy provisions of the securities laws. The orders were entered without the defendants admitting or denying the allegations contained in the Commission's complaint filed on the same date.

Also named in the complaint for violations of the antifraud, periodic reporting and proxy provisions are Sol Shearn Rovinsky and Joseph D. Underwood, both of Dallas. Rovinsky and Underwood are alleged to have manipulated the financial records of Zale Corporation so that the federal tax liability of the company was understated and earnings per share were overstated.

In addition to the order of permanent injunction, Zale Corporation consented to an Undertaking whereby new independent directors will be elected to its Board of Directors, and its Audit Committee will be restructured.

The complaint alleges that since at least 1959, Lipshy, Donald Zale, and Marvin Zale caused Zale Corporation to maintain an off-books cash account through an agent in Antwerp, Belgium, and that funds generated by the account were used to reimburse members of senior management of Zale Corporation for political contributions and to pay cash compensation to foreign employees in possible violation of foreign tax laws. (SEC v. Zale Corporation, et al., N/D Texas, CA3-77-1119C). (LR-8081)

INVESTMENT COMPANY ACT RELEASES

MASSACHUSETTS INVESTORS TRUST

An order has been issued on an application of Massachusetts Investors Trust, Massachusetts Investors Growth Stock Fund, Inc., Massachusetts Income Development Fund, Inc., Massachusetts Capital Development Fund, Inc., Massachusetts Financial Development Fund, Inc., Massachusetts Financial Bond Fund, Inc. (Funds), each of which is registered under the Act as a diversified, open-end, management investment company, and Massachusetts Financial Services, Inc., principal underwriter of the Funds, in which the successor to Massachusetts Financial Services, Inc., Massachusetts Financial Services Company (MFS) has joined (MFS together with the Funds are hereinafter referred to as Applicants): (1) pursuant to Section 11(a) of the Act, permitting Applicants to offer shares of the Funds in exchange for shares of MFS Managed Municipal Bond Trust, registered under the Act as a diversified, open-end, management investment company, on a basis other than their respective net asset values per share, and (2) pursuant to Section 6(c) of the Act, exempting Applicants from the provisions of Section 22(d) of the Act in connection with such exchanges. (Rel. IC-9904 - Aug. 24)

FIRST KANSAS FINANCIAL, INC.

An order has been issued on an application of First Kansas Financial, Inc. (now Central National Bancshares, Inc.) declaring that it has ceased to be an investment company. (Rel. IC-9905 - Aug. 24)

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY DC VARIABLE ACCOUNT-II

An order has been issued on an application of Hartford Variable Annuity Life Insurance Company (HVA), a Connecticut stock life insurance company, Hartford Variable Annuity Life Insurance Company DC Variable Account-II (HVA-DC-II), a separate account of HVA registered as a unit investment trust under the Investment Company Act of 1940, Hartford Fund, Inc., a management open-end diversified investment company registered under the Act and Axe Securities Corp., sponsor-depositor and principal underwriter of HVA-DC-II (Applicants), pursuant to Section 6(c) of the Act granting exemptions to the extent requested from Sections 12(d)(1), 26(a)(2), 27(a)(3) and 27(c)(2), and pursuant to Section 11 of the Act approving the offer of exchange and pursuant to Section 9(c) of the Act granting exemption from Section 9(a) to the extent requested. (Rel. IC-9906 - Aug. 24)

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY DC VARIABLE ACCOUNT-I

An order has been issued on an application of Hartford Variable Annuity Life Insurance Company (HVA), a Connecticut stock life insurance company, Hartford Variable Annuity Life Insurance Company DC Variable Account-I (HVA-DC-I), a separate account of HVA registered as a unit investment trust under the Investment Company Act of 1940, Hartford Fund, Inc., a management open-end diversified investment company registered under the Act and Axe Securities Corp., sponsor-depositor and principal underwriter of HVA-DC-I (Applicants), pursuant to Section 6(c) of the Act granting exemptions to the extent requested from Sections 12(d)(1), 22(d), 26(a)(2), 27(a)(3), and 27(c)(2), and pursuant to Section 11 of the Act approving an offer of exchange and pursuant to Section 9(c) of the Act granting exemption from Section 9(a) to the extent requested. (Rel. IC-9907 - Aug. 24)

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY QP VARIABLE ACCOUNT

An order has been issued on an application of Hartford Variable Annuity Life Insurance Company (HVA), a Connecticut stock life insurance company, Hartford Variable Annuity Life Insurance Company QP Variable Account (HVA-QP-VA), a separate account of HVA registered as a unit investment trust under the Investment Company Act of 1940, Hartford Fund, Inc., a management open-end diversified investment company registered under the Act and Axe Securities Corporation, sponsor-depositor and principal underwriter of HVA-QP-VA (Applicants), pursuant to Section 6(c) of the Act granting exemptions to the extent requested from Sections 12(d)(1), 22(d), 22(e), 26(a)(2), 27(a)(3), 27(c)(1), 27(c)(2) and 27(d), and pursuant to Section 11 of the Act approving an offer of exchange and pursuant to Section 9(c) of the Act granting exemption from Section 9(a) to the extent requested. (Rel. IC-9908 - Aug. 24)

HOLDING COMPANY ACT RELEASES

KANEB SERVICES, INC.

An order has been issued terminating certain conditions imposed on Kaneb Services, Inc. (formerly Kaneb Pipe Line Company) as owner of 19.5% of the outstanding voting stock of Kansas-Nebraska Natural Gas Company. (See Rel. 35-16250 and 16284, dated December 24, 1968 and February 7, 1969). Kaneb has disposed of its entire interest in the stock of Kansas-Nebraska. The conditions previously imposed on Kaneb are, accordingly, terminated. (Rel. 35-20147 - Aug. 24)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING SOUGHT

A notice has been issued giving interested persons until September 20 to request a hearing on applications of the following stock exchange to strike from listing and registration thereon the common stock, \$.10 par value of the following company: Intermountain Stock Exchange - Love Oil Company, Inc. (Rel. 34-13885)

DELISTING AND UNLISTED TRADING PRIVILEGES GRANTED

An order has been issued granting application of the Pacific Stock Exchange Inc. to strike from listing and registration the common stock, \$1.00 par value of General Exploration Company. An order has also been issued granting the Pacific Stock Exchange Inc. unlisted trading privileges in the above mentioned security. (Rel. 34-13884)

An order has been issued, effective nunc pro tunc on August 9, 1977, granting the application of New York Stock Exchange, Inc. to strike from listing and registration the specific security of the following company: Plantation Pipe Line Company, common stock, 3-1/2 sinking fund debentures, series due April 1, 1986. (Rel. 34-13885)

LISTING ACTIONS

Orders have been issued granting the applications of the following stock exchanges to list the common stock and other specified securities of the following companies: New York Stock Exchange, Inc. - Trans World Airlines, Inc., Series B \$1.90 cumulative preferred stock; Measurex Corp (effective as of July 15); Michigan Bell Telephone Co., 8-1/8% Thirty-Eight Year Debentures, due June 1, 2015; Consolidated Natural Gas Co., 8-1/8% debentures, due June 1, 1997; Santa Fe Natural Resources, Inc., 8.35% debentures, due 2002 (effective as of July 18); Standard-Pacific Corp. (effective as of July 21); Essex Chemical Corp. (effective as of July 25); Commonwealth Edison Co., 8-1/8% first mortgage bonds, Series 36 due June 1, 2007; European Investment Bank, 9% bonds, due May 15, 1997; Shaklee Corp.; Citicorp, 8-1/8% notes, due July 1, 2007 (effective as of July 27); The Western Pacific Railroad Co., 9-1/8% first mortgage bonds, Series B, due 2002; Walter Kidde & Company Inc., \$1.64 convertible cumulative preference shares Series D; Occidental Petroleum Corp., \$2.125 cumulative preferred stock; Republic of Venezuela, 7-7/8% notes, due 1982; Portland General Electric Co., 8-3/4% first mortgage bonds, Series due June 1, 2007 (effective as of July 29); Ramada Inns, Inc., 10% convertible subordinated debentures, due July 1, 2000 (effective August 1); Burlington Northern Inc., \$2.85 no par value convertible preferred stock; Montgomery Ward Credit Corp., 8-1/4% sinking fund debentures, due June 30, 2002; Philadelphia Electric Co., 8-5/8% first and refunding mortgage bonds, Series due 2003; APL Corp., 10-3/4% subordinated sinking fund debentures, due August 1, 1997; Indiana & Michigan Electric Co., \$2.25 cumulative preferred stock, par value \$25 per share; Public Service Electric & Gas Co., 8-1/4% first 7 refunding mortgage bonds, Series H, due 2007 (effective August 5); Electricite de France (EDF) Service National, 8-1/2% guaranteed External notes due June 1, 1987; Ohio Edison Co., 8-3/8% first mortgage bonds Series of 1977 due 2007 (effective August 8). American Stock Exchange, Inc. - Thomson Industries Ltd.; Sandgate Corp.; Mariners Financial Corp., capital stock (effective July 19); Work Wear Corporation, Inc. (effective July 26); Chilton Corp.; Macks Stores Inc. (effective July 28); Blessings Corp., 10% subordinated sinking fund debentures, due 1992 (effective August 3); Audiotronics Corp. (effective August 5). Pacific Stock Exchange, Inc. - Measurex Corp. (effective July 19); General Foods Corp.; Technical Tape, Inc. (effective July 22); General Telephone Company of California, 8-1/2% first mortgage bonds, Series Y, due 2007 (effective July 26); The Western Pacific Railroad Co., 9-1/8% first mortgage bonds, Series B, due 2002 (effective July 29); Burlington Northern Inc., \$2.85 convertible preferred stock (effective August 5). Midwest Stock Exchange, Inc. - Burlington Northern Inc., \$2.85 convertible preferred stock (effective August 5).

Listing Actions, Cont.

The SEC has also announced that the following securities have been listed on the following stock exchanges: New York Stock Exchange, Inc. - Plantronics, Inc., common stock (effective August 1); The LTV Corp., 11% subordinated debentures, due July 15, 2007 (effective August 4); Bell & Howell Co., common stock (effective August 4). Pacific Stock Exchange, Inc. - Bell & Howell Co., common stock (effective July 30). Midwest Stock Exchange, Inc. - Bell & Howell Co., common stock (effective July 30).

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; and File number and date filed.

- (S-6) THE CORPORATE INCOME FUND, SIXTY-FIRST MONTHLY PAYMENT SERIES - 25,000 units. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006; Bache Halsey Stuart Shields Inc.; Reynolds Securities Inc. (File 2-59736 - August 23)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, FIFTEENTH INTERMEDIATE TERM SERIES, 25,000 units. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006; Bache Halsey Stuart Shields Inc.; Reynolds Securities Inc. (File 2-59737 - August 23)
- (S-6) E. F. HUTTON TAX-EXEMPT FUND, NATIONAL SERIES 34, One Battery Park Plaza, New York, N.Y. - 22,500 units. Depositor: E. F. Hutton & Company, Inc. (File 2-59741 - Aug. 23)
- (S-8) EL CHICO CORPORATION, 1925 Valley View Lane, Dallas, Tex. 75234 - 46,567 shares of common stock (File 2-59742 - August 24)
- (S-8) AEGIS CORPORATION, Suite 705, 250 Catalonia Ave., Coral Gables, Fla. 33134 - 89,235 shares of common stock (File 2-59743 - August 24)
- (S-1) GRAYBAR ELECTRIC COMPANY, INC., 420 Lexington Ave., New York, N.Y. 10017 - 350,000 shares of common stock (File 2-59744 - August 24)
- (S-8) SAVIN BUSINESS MACHINES CORP., Valhalla, N.Y. 10595 - 20,000 shares of common stock (File 2-59745 - August 24)
- (S-8) KING'S DEPARTMENT STORES, INC., 150 California St., Newton, Mass. 02158 - 75,000 shares of common stock (File 2-59746 - August 24)
- (S-7) BANGOR HYDRO-ELECTRIC COMPANY, 33 State St., Bangor, Maine 04401 - 250,000 shares of common stock. Underwriter: Smith Barney, Harris Upham & Co. Inc. (File 2-59747 - August 24)
- (S-7) HOUSTON LIGHTING & POWER COMPANY, 611 Walker Ave., Houston, Tex. 77002 - \$125 million of first mortgage bonds, due 2007 (File 2-59478 - August 25)
- (S-6) E. F. HUTTON CORPORATE INCOME TRUST, SECOND INTERMEDIATE SERIES, One Battery Park Plaza, New York, N.Y. 10004 - 15,000 of units. Depositor: E. F. Hutton & Company Inc. (File 2-59740 - August 23)

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 or request. All other reference material is available in the SEC Docket.

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