

sec news digest

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CIVIL PROCEEDINGS

U.S. SECURITIES AND
EXCHANGE COMMISSION

LINK-UP + 1 SECURITIES, INC., OTHERS ENJOINED

The Denver Regional Office announced that on May 25 the Honorable Richard P. Matsch, Judge of the U.S. District Court for the District of Colorado, entered a preliminary injunction against Link-Up + 1 Securities, Inc., Jerome A. Bernstein, Lawrence Bernstein, Bernstein & Bernstein, Inc., and Jerome Bernstein and Lawrence Bernstein, doing business as Continental Concepts; appointed the National Association Securities Dealer as a preliminary receiver for Link-Up and ordered the defendants to account for the proceeds of certain securities transactions.

The order enjoins the defendants from violating the registration and antifraud provisions of the securities laws and the registration, bookkeeping and capital provisions of the securities laws applicable to broker-dealers in securities.

The Commission filed its complaint on May 17 and had obtained a temporary restraining order which expired at 5:00 p.m. on May 25. The provisions of the temporary restraining order largely paralleled those of the preliminary injunctions. (SEC v. Link-Up + 1 Securities, Inc., et al., USDC Colorado, Civil Action No. 79-581). (LR-8783)

CRIMINAL PROCEEDINGS

CRIMINAL CONTEMPT ACTION AGAINST GARY R. PARO

The New York Regional Office announced that on June 4 the Commission presented an Order to Show Cause to the Honorable Howard G. Munson, U.S. District Judge for the Northern District of New York, requesting that Gary R. Paro be punished for criminal contempt of a 1977 injunction. Judge Munson set June 20 as the return date on the Order.

The Commission's criminal contempt proceeding is based on Paro's alleged violations of a Final Judgment of Permanent Injunction and Order of Ancillary Relief, entered against Paro on July 20, 1977 (the 1977 injunction). The 1977 injunction enjoined Paro from further violations of the securities laws in the offer, purchase or sale of securities in the form of investment interests in advertising and promotional campaigns or any other securities. In its moving papers supporting the Order to Show Cause, the Commission alleges that Paro wilfully disobeyed the terms of the 1977 injunctive decree by knowingly engaging in the unregistered offer and sale of securities in the form of co-op advertisements. The Commission contends that the co-op advertisements offered and sold by Paro are investment contracts, and hence securities, in that investors participated in the venture with a reasonable expectation of profits to be derived from the entrepreneurial and managerial skills of others. Furthermore, the Commission alleges that, in the offer and sale of co-op advertisements, Paro made or caused to be made numerous misrepresentations and omissions of material facts, concerning the circulation of the co-op advertisements, the risks of investing in co-op advertisements, the finances of Paro's business and the co-op advertisement venture, the failure of Paro to honor his proffered money-back guarantee, the prior injunctive decree, and various state enforcement actions against him. (U.S. ex rel. SEC v. Gary R. Paro, N.D.N.Y., 79 Misc. 237, HGM). (LR-8780)

INVESTMENT COMPANY ACT RELEASES

INVESTORS MUTUAL, INC.

An order has been issued on an application of Investors Mutual, Inc., Investors Stock Fund, Inc., Investors Selective Fund, Inc., Investors Variable Payment Fund, Inc., IDS New Dimensions Fund, Inc., IDS Progressive Fund, Inc., IDS Bond Fund, Inc., IDS Cash Management Fund, Inc., IDS Tax-Exempt Bond Fund, Inc., and IDS High Yield Tax-Exempt Fund, Inc. (collectively referred to as the Funds), registered open-end,

management investment companies, and Investors Diversified Services, Inc., each Fund's investment adviser and principal underwriter, pursuant to Section 11(a) of the Investment Company Act of 1940, permitting certain transfers among the Funds and IDS Growth Fund, Inc., on a basis other than their relative net asset value per share at the time of transfer and, pursuant to Section 6(c) of the Act, exempting such transfers from the provisions of Section 22(d) of the Act and Rule 22d-1 thereunder. (Rel. IC-10742 - June 20)

HOLDING COMPANY ACT RELEASES

ESTACADO, INC.

An order has been issued authorizing a proposal by Estacado, Inc., a New Mexico corporation, that it acquire two New Mexico public utility companies, and denying a request for a hearing in connection therewith. (Rel. 35-21106 - June 19)

GENERAL PUBLIC UTILITIES CORPORATION

An order has been issued authorizing a proposal of General Public Utilities Corporation, a registered holding company, and three of its subsidiaries concerning the issuance and sale of notes by the holding company and subsidiaries, pledges in connection with the borrowings and a guaranty of the subsidiaries' notes by the holding company. (Rel. 35-21107 - June 19)

ALLEGHENY POWER SYSTEM, INC.

An order has been issued approving a proposal of Allegheny Power System, Inc., a registered holding company, and The Potomac Edison Company, subsidiary of Allegheny, whereby Potomac Edison will borrow from time to time through June 1, 1980 up to \$30 million at any one time outstanding from Allegheny. The proposed borrowings will be evidenced by notes of Potomac Edison which will be subordinate to Potomac Edison's outstanding cumulative preferred stock. (Rel. 35-21108 - June 19)

PUBLIC SERVICE COMPANY OF OKLAHOMA

A notice has been issued giving interested persons until July 12 to request a hearing on a proposal of Public Service Company of Oklahoma (PSO), subsidiary of Central and South West Corporation, that authorization for short-term borrowings from PSO to Transok Pipe Line Company, subsidiary of PSO, be extended through December 31, 1980. Further, it is proposed there be an increase in the aggregate limitation on such borrowings, and that the interest rate to such be amended. (Rel. 35-21109 - June 20)

TRUST INDENTURE ACT RELEASES

EATON CORPORATION

A notice has been issued giving interested persons until June 19 to request a hearing on an application of Eaton Corporation, pursuant to Section 310(b)(1)(ii) of the Trust Indenture Act of 1939, declaring that the trusteeship of Citibank, National Association under two indentures is not so likely to involve a material conflict of interest as to make it necessary to disqualify Citibank, National Association from acting as trustee. (Rel. TI-529)

A notice has also been issued giving interested persons until July 5 to request a hearing on an application of Eaton pursuant to Section 310(b)(1)(ii) of the Trust Indenture Act of 1939 declaring that the trusteeship of Chase Manhattan Bank, National Association under two indentures is not so likely to involve a material conflict of interest as to make it necessary to disqualify Chase Manhattan Bank, National Association from acting as trustee. (Rel. TI-531)

PACIFIC GAS AND ELECTRIC COMPANY

An order has been issued under the Trust Indenture Act of 1939 on an application of Pacific Gas and Electric Company, exempting its first and refunding mortgage bonds, Series 79A, due August 1, 2012, from the provisions, Subsections 316(a)(1), 316(b) and 317(a)(2) of the Act. (Rel. TI-530)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application of SPR Fund, Inc. (formerly Spartek, Inc.) to strike the common stock (\$5 par value) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-15935)

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-11) CONVENTIONAL MORTGAGE CORPORATION, 1888 Century Park East, Los Angeles, Cal. 90067 (213) 556-2000 - \$100 million of mortgage-backed certificates. Underwriter: Lehman Brothers Kuhn Loeb Inc. (File 2-64801 - June 20)
- (S-2) CARIBOU ENERGY, INC., 695 Denver Club Bldg., 518 Seventeenth St., Denver, Colo. 80202 - 20,000,000 shares of common stock. Underwriter: E.J. Pittock & Co., Inc., Suite 610, 817 Seventeenth St., Denver, Colo. 80202 (303) 892-6110. (File 2-64802 - June 20)
- (S-16) HONEYWELL INC., Honeywell Plaza, Minneapolis, Minn. 55408 (612) 870-5200 - \$150 million of sinking fund debentures, due 2009. Underwriter: Morgan Stanley & Co. Inc. The company provides a wide variety of computer and control products and services. (File 2-64803 - June 20)
- (S-8) UNITED STATES SURGICAL CORPORATION, 2051 West Main St., Stamford, Conn. 06902 (203) 357-1414 - 525,000 shares of common stock. (File 2-64804 - June 20)
- (S-8) GMR PROPERTIES, 100 Federal St., Boston, Mass. 02110 - 300,000 common shares of beneficial interest. (File 2-64805 - June 20)
- (S-6) E. F. HUTTON CORPORATE INCOME TRUST, TWENTIETH SERIES, One Battery Park Plaza, New York, N.Y. 10004 - 15,000 units. Depositor: E. F. Hutton & Company Inc. (File 2-64806 - June 20)
- (S-6) THE MUNICIPAL BOND TRUST, MULTI-STATE PROGRAM, SERIES 2, 140 Broadway, New York, N.Y. 10005 - 8,000 units of California Trust 2, 1,300 units of Minnesota Trust 2, 4,000 units of New York Trust 2. Depositor: Paine, Webber, Jackson & Curtis Inc. (File 2-64807 - June 20)

REGISTRATIONS EFFECTIVE

June 14: Comdisco, Inc., 2-64330; Metropolitan Bancorp., 2-63865.

June 15: Amrep Corp., 2-62805; Foote, Cone & Belding Communications, Inc., 2-64587; The Foxboro Co., 2-64690; Hartford National Corp., 2-64760; High Voltage Engineering Corp., 2-64376; Iroquois Brands, Ltd., 2-64470; Medford Corp., 2-64487; WT 1979, Ltd. Drilling Partnership, 2-63310; Warner Communications Corp., 2-64276; Warner Communications, Inc., 2-64433; Westates-Italo Co., 2-64755.

June 18: American Security Corp., 2-64642; Barry Wright Corp., 2-64525; Natomas Co., 2-64551; Storage Technology Corp., 2-64711.

June 19: Municipal Investment Trust Fund, One Hundred Eighth Monthly Payment Series, 2-64474.

REGISTRATIONS WITHDRAWN

May 16: Morse Electro Products Corp., 2-63177.

May 18: Display Data Corp., 2-62826.

May 22: International Security Group, Inc., 2-63263.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

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