

# sec news digest

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May 23, 1977

## COURT ENFORCEMENT ACTIONS

## U.S. SECURITIES AND EXCHANGE COMMISSION

### COMPLAINT NAMES WORLD MINT, INC., OTHERS

The Los Angeles Regional Office has announced the conclusion of the Commission's civil injunctive action against World Mint, Inc. and 13 other defendants. On May 20, 1974, the Commission filed a civil injunctive action against World Mint, Inc. of Laguna, California, Ships Stores, Inc. of Garden City South, New York, Alexander "Ozzie" Curtis, Morr Industries, Inc. and Milton Cohn, all of Beverly Hills, California, Nevada Securities Transfer Corporation of Laguna Beach, California, Harold B. Silene and Robert C. Goodwin, both of San Clemente, California, H. Deworth Williams and John Warren Williams, both of Sale Lake City, Utah, Nathan Debin of Westbury, New York, Canon Drive Corporation of Beverly Hills, California, Frances H. Cording of Van Nuys, California and Eugene D. Massaro charging them with violations of the registration and antifraud provisions of the securities laws in the sale of the securities of World Mint, Inc. and Ships Stores, Inc.

On November 30, 1976, the Honorable Robert Firth, U.S. District Judge for the Central District of California, entered orders permanently enjoining Cohn, Goodwin, Debin, Cording, and Canon Drive Corporation, from further violations of the registration provisions of the securities laws and Curtis from further violations of the registration and antifraud provisions of the securities laws. The Court also ordered Curtis to report all of his securities holdings and transactions in public companies to the Los Angeles Regional Office on a quarterly basis. The defendants consented to the entry of the injunctions and the consents of Cording, Debin and Canon Drive Corporation were made without admitting or denying the allegations in the Commission's complaint.

Additionally, on December 23, 1976, Judge Firth entered orders enjoining Morr Industries and Nevada Securities Transfer Corporation from further violations of the registration and antifraud provisions of the securities laws. Both defendants consented to the entry of the permanent injunctions.

On April 18, Judge Firth entered orders as to the remaining three defendants. (On March 18, 1975, Judge Firth entered an order of permanent injunction by consent, without admitting or denying the allegations of the Commission's complaint, against Ships Stores, Inc. and on November 4, 1976, entered default judgments of permanent injunction against World Mint, Inc. and Harold B. Silene.) Under terms of a settlement, H. Deworth Williams and John Warren Williams will remain under a court order proscribing further violations of the securities laws. An order dismissing the action as to Eugene D. Massaro was also entered at the request of the Commission. Massaro is missing and believed to be deceased. (SEC v. World Mint, Inc., et al., C.D. CA., Civil Action No. 74-1378-RF). (LR-7928)

### COMPLAINT NAMES CHARLES A. CARTER, OTHERS

The Atlanta Regional Office announced the filing of a complaint in Federal Court in Jackson, Mississippi on May 13 seeking preliminary and permanent injunctions against Charles A. Carter, of Jackson, Mississippi, C. D. Shields, of Meridian, Mississippi, Ray A. Jones, of Carrollton, Texas and American Savings Insurance Company, Plaza Investment Company and Edwin L. Figg, all of Jackson, Mississippi. The complaint charges Carter, Shields, Jones and American Savings Insurance Company with violations of the antifraud provisions of the securities laws in the offer and sale of savings accounts of Bankers Trust Savings and Loan Association, a savings and loan association chartered by the State of Mississippi. The complaint further charges Carter, Shields, Jones, Plaza Investment Company and Figg with violations of the antifraud provisions of the securities laws in the offer and sale of debentures of Bankers Trust Company, a Jackson, Mississippi corporation now under Chapter X of the Bankruptcy Act. The complaint further charges Carter, Shields and Jones with violations of the antifraud provisions of the securities laws in the offer and sale of promissory notes to Bankers Trust Company. (SEC v. Charles A. Carter, et al., S.D. Miss., J77-0166(R)). (LR-7929)

## COMPLAINT NAMES ANHEUSER-BUSCH, INC.

The SEC announced the filing of a complaint in the U.S. District Court for the District of Columbia seeking injunctive and ancillary relief against Anheuser-Busch, Inc. (A-B), a Missouri corporation with principal offices in St. Louis. The Commission's complaint charges A-B with violations of the securities laws.

The Commission's complaint alleges, among other things, that from 1971 and thereafter, A-B, the largest brewer of beer and malt beverages in the United States, made approximately \$2.7 million of undisclosed payments of money to beer and malt beverage wholesalers, retailers and their agents as inducements to purchase A-B products, in possible violation of federal, state and local liquor laws and regulations.

Simultaneously with the filing of the complaint, without admitting or denying the allegations of the complaint, A-B consented to the entry of a final judgment of permanent injunction against violation of the antifraud, reporting and proxy provisions of the securities laws. In addition, A-B agreed to certain ancillary relief. (SEC v. Anheuser-Busch, Inc., U.S.D.C. D.C., Civil Action No. 77-0845). (LR-7930)

## C. ARNHOLD SMITH ENJOINED

The SEC announced that on May 19 the Honorable Leland C. Nielsen, U.S. District Judge for the Southern District of California, entered a final judgment of permanent injunction against C. Arnhold Smith from violations of the antifraud, reporting and tender offer provisions of the securities laws. Smith consented to the entry of the injunction without admitting or denying the allegations of the Commission's complaint.

On October 28, 1976 the other defendants in the case, Kodiak Industries, Fortuna Corporation, Dominic J. Alessio, Anthony Alessio and Alvin G. Rosa, consented to the entry of similar injunctions against them simultaneously with the filing of the Commission's complaint. (See LR-7622 - October 28, 1976).

The Commission's complaint alleged that since approximately May 1972, the defendants engaged in a scheme to conceal their intentions to effect a merger of Fortuna, a publicly held corporation, into Kodiak, a corporation owned by the Alessios and Rosa. The Commission alleged that the purpose of this merger was to permit the individual defendants to utilize Fortuna's assets and cash flow for their personal benefit. In addition, the complaint alleged that the defendants also engaged in a scheme to conceal Smith's control of, relationship to and business transactions with Kodiak and Fortuna. (SEC v. Kodiak Industries, et al., Civil Action No. 76-983-N, U.S.D.C. S.D. Cal.). (LR-7931)

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## INVESTMENT COMPANY ACT RELEASES

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### FUND FOR MUTUAL DEPOSITORS

A notice has been issued giving interested persons until June 14 to request a hearing on an application of Fund for Mutual Depositors, Inc. (FMD), a registered, open-end diversified management investment company; Mutual Depositors Service Corp. (Service Corp.); and Roger F. Murray, 2nd (Murray), for an order of the Commission (1) permitting an agreement whereby Service Corp. will indemnify FMD up to \$20,000 for certain presently unascertained liabilities, and (2) permitting Murray to provide certain required collateral to secure FMD's indemnity of Scudder, Stevens & Clark Common Stock Fund, Inc., under an Agreement and Plan of Reorganization. (Rel. IC-9774 - May 20)

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## HOLDING COMPANY ACT RELEASES

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### CENTRAL POWER AND LIGHT COMPANY

A notice has been issued giving interested persons until June 16 to request a hearing on proposals of Central Power and Light Company and Public Service Company of Oklahoma, subsidiaries of Central and South West Corporation, to amend their respective articles of incorporation and to solicit proxies in connection therewith. (Rel. 35-20033 - May 20)

### WEST TEXAS UTILITIES COMPANY

A Memorandum Opinion and Order has been issued authorizing the acquisition by West Texas Utilities Company, subsidiary of Central and South West Corporation, of interests in fuel exploration and development activities and denying intervention and requests for hearing and consolidation. (Rel. 35-20034 - May 20)

#### CENTRAL AND SOUTH WEST CORPORATION

A Memorandum Opinion and Order has been issued approving a proposal by Public Service Company of Oklahoma (PSO), subsidiary of Central and South West Corporation, and Transok Pipe Line Company, subsidiary pipe line company of PSO, to acquire interests in coal and lignite acquisition and development projects and denying motions for hearing and consolidation. (Rel. 35-20035 - May 20)

#### CENTRAL POWER AND LIGHT COMPANY

A Memorandum Opinion and Order has been issued approving a proposal by Central Power and Light Company, subsidiary of Central and South West Corporation, for an extension of its fuel exploration and development program and denying motions for hearing and consolidation. (Rel. 35-20036 - May 20)

#### CENTRAL AND SOUTH WEST CORPORATION

A Memorandum Opinion and Order has been issued approving a proposal by Central and South West Corporation, a registered holding company, to amend its charter increasing the authorized shares of common stock from 58,300,000 to 65,800,000 and denying a motion for intervention, hearing and consolidation. (Rel. 35-20037 - May 20)

#### WEST TEXAS UTILITIES

A Memorandum Opinion and Order has been issued approving a proposal by West Texas Utilities, subsidiary of Central and South West Corporation, to amend its charter modifying the deductions utilized in computing earnings coverage and "common stock equity" and denying intervention and motions for hearings and consolidation. (Rel. 35-20038 - May 20)

#### ALABAMA POWER COMPANY

A notice has been issued giving interested persons until June 16 to request a hearing on the proposal of Alabama Power Company, subsidiary of The Southern Company, to issue and sell at competitive bidding up to \$100 million of first mortgage bonds. (Rel. 35-20040 - May 20)

#### MIDDLE SOUTH UTILITIES

A notice has been issued giving interested persons until June 13 to request a hearing on a proposal of Middle South Utilities, Inc., a registered holding company, to issue and sell short-term bank notes up to \$218.5 million outstanding at any one time. (Rel. 35-20041 - May 20)

#### ARKANSAS POWER & LIGHT COMPANY

A notice has been issued giving interested persons until June 14 to request a hearing on a proposal of Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., whereby Arkansas Power & Light will sell a 35% undivided interest in its White Bluff electric generating facility, which is currently under construction, to the Arkansas Electric Cooperative Corporation for approximately \$59 million. Arkansas will use the proceeds of the sale to repay, in part, short-term indebtedness incurred to finance its construction program. (Rel. 35-20042 - May 20)

#### LOUISIANA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until June 13 to request a hearing on proposals of Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., to enter into transactions related to the financing of pollution control facilities and industrial development facilities. (Rel. 35-20043 - May 20)

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## SELF-REGULATORY ORGANIZATIONS

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#### NOTICE OF PROPOSED RULE CHANGE

The TAD Depository Corporation has filed a proposed rule change pursuant to Rule 19b-4 (SR-TAD-77-1) relating to the establishment of an interface with The Depository Trust Company for the receipt and delivery of securities through book-entry procedures. Publication of the proposal is expected to be made in the Federal Register during the week of May 23. (Rel. 34-13553)

The American Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-Amex-77-8) to amend its option rules to accommodate the trading of put and call options on certain debt securities. Publication of the proposal is expected to be made in the Federal Register during the week of May 23. (Rel. 34-13559)

The National Association of Securities Dealers, Inc. has filed a proposed rule change under Rule 19b-4 (SR-NASD-77-2) regarding options last sale reporting in connection with its proposal to list options on the NASDAQ System. Publication of the proposal is expected to be made in the Federal Register during the week of May 23. (Rel. 34-13560)

The Pacific Stock Exchange Incorporated has filed a proposed rule change under Rule 19b-4 (SR-PSE-77-11) to establish new maximum position limits for put and call options. Publication of the proposal is expected to be made in the Federal Register during the week of May 23. (Rel. 34-13561)

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## SECURITIES ACT REGISTRATIONS

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### (S-14) ROSARIO RESOURCES CORPORATION

375 Park Ave., New York, N.Y. 10022 - 860,030 shares of capital stock, to be offered in exchange for 955,589 shares of common stock of The Fresnillo Company at the rate of 0.9 Rosario shares for each Fresnillo share. Rosario is a mining company. (File 2-59047 - May 18)

### (S-7) MCMORAN EXPLORATION CO.

3400 The Plaza Tower, New Orleans, La. 70113 - 1,500,000 shares of common stock, to be offered for sale through underwriters represented by Lehman Brothers Inc., One William St., New York, N.Y. 10004. MCMoRan is engaged in the exploration for, development and production of, oil and natural gas. (File 2-59054 - May 19)

### (S-16) KANSAS-NEBRASKA NATURAL GAS COMPANY, INC.

300 North St. Joseph Ave., Hastings, Neb. 68901 - 138,518 shares of common stock, which may be offered for sale from time to time by selling shareholders at prices current at the time of sale. Kansas-Nebraska is primarily an integrated natural gas enterprise. (File 2-59055 - May 19)

### (S-6) INSURED MUNICIPALS-INCOME TRUST, SERIES 15

208 South LaSalle St., Chicago, Ill. 60604 - \$5 million of units, to be offered for sale at net asset value (\$1060 maximum). The Fund is one of a series of unit investment trusts created under a trust indenture between Van Kampen Sauerman Inc., as sponsor and Bradford Trust Company as trustee. It consists of an insured portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. MGIC Indemnity Corporation has insured the prompt payment of interest and principal, when due, on the bonds in the portfolio of the Fund. (File 2-59056 - May 19)

### (S-16) STONE & WEBSTER, INCORPORATED

90 Broad St., New York, N.Y. 10004 - 2,580 shares of common stock, which may be offered for sale from time to time by certain stockholders at prices current at the time of sale. Stone & Webster, through its subsidiaries, is principally engaged in service of activities and offers engineering services and management and financial consulting services. (File 2-59059 - May 19)

#### 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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