

# sec news digest

Issue 78-64

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April 3, 1978

## NOTICE OF COMMISSION MEETINGS

## U.S. SECURITIES AND EXCHANGE COMMISSION

### CHANGES IN THE MEETING

The closed meeting scheduled for Wednesday, April 5 at 10 a.m., will occur at 9 a.m.  
The open meeting scheduled for Thursday, April 6 at 10 a.m., will occur at 9 a.m.

The following additional items will be considered by the Commission at a closed meeting on Thursday, April 6 immediately following the open meeting at 9 a.m.: Freedom of Information Act Appeal; Consideration of request for testimony; Consideration of amicus participation; Other litigation matters.

## ADMINISTRATIVE PROCEEDINGS

### BAR OF RICHARD LEE CHATHAM REAFFIRMED

The Commission has reaffirmed its findings of fact, conclusions of law and order with respect to Richard Lee Chatham, of Aurora, Colorado. In 1976, the Commission barred Chatham from association with any broker or dealer.

The U.S. Court of Appeals for the District of Columbia Circuit remanded the case to the Commission for consideration of Chatham's claim that, in light of the Court's recent decision in the Collins case, the findings against him had to be based on clear and convincing evidence.

The Commission determined that the Collins decision was inapplicable to the case against Chatham. However, after it had again reviewed the record, the Commission concluded that, in any event, the evidence against Chatham was clear and convincing. (Rel. 34-14594)

### REGISTRATION OF DOUGLASS & CO., INC. REVOKED; DONN CHARLES DOUGLASS BARRED

The Commission has revoked the broker-dealer registration of Douglass & Co., Inc., of Denver, expelled the firm from membership in the NASD, and barred Donn Charles Douglass, the firm's president, from association with any broker or dealer. After ten months, Douglass may apply for permission to become associated with a broker-dealer in a non-proprietary, non-supervisory capacity, upon a showing of adequate supervision. After two and one-half years, he may apply to become so associated in the capacity of a trader, without making any showing as to supervision.

The Commission found that the firm engaged in a massive distribution of the unregistered stock of Polaris Mining Company; that it submitted quotations for that stock without possessing the requisite information about the company; and that the firm's salesmen made material misrepresentations to customers in connection with the offer and sale of Polaris stock. In addition, the Commission found that the firm violated net capital, customer protection, recordkeeping and reporting provisions of the securities acts, and failed reasonably to supervise its salesmen with a view to preventing their violations of antifraud provisions.

The Commission found that Douglass aided and abetted the firm's sales of unregistered stock, the improper submission of quotations, and certain of the net capital, recordkeeping and reporting violations. It noted that Douglass engaged in three sham transactions in a deliberate effort to conceal certain of his firm's net capital deficiencies from regulatory authorities. Such deliberate deception, the Commission stated, "would alone justify the bar" imposed on Douglass. (Rel. 34-14596)

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## COURT ENFORCEMENT ACTIONS

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### FEDERAL RESOURCES, INC., OTHERS ENJOINED

The Fort Worth Regional Office announced that on March 23 Federal District Judge Patrick Higginbotham at Dallas, Texas, entered orders of permanent injunction by consent against Federal Resources, Inc., Thomas A. Curry, Thomas A. Curry doing business as Curry Petroleum, Timothy J. Curry, and Timothy J. Curry doing business as Curry Petroleum, all of Dallas, Texas. The order enjoins the defendants from violations of the registration and anti-fraud provisions of the securities laws in the offer and sale of investment contracts comprised of filing programs relating to the awarding of oil and gas leases on federally owned lands by the Bureau of Land Management, and fractional undivided working interests in oil and gas leases and/or wells located in LaSalle Parish, Louisiana; Coleman County, Texas, and elsewhere. The defendants consented to the entry of the permanent injunction without admitting or denying the allegations of the Commission's complaint filed on February 23. (SEC v. Federal Resources, Inc., et al., N.D. Tex., CA3-78-0220-G). (LR-8352)

### COMPLAINT NAMES FRANKLIN JOHNSON AND TRAILERANCHO HOLDING COMPANY

The Los Angeles Regional Office announced on March 9 the filing of a civil injunctive action in the U.S. District Court for the Southern District of California against Franklin Johnson of Salt Lake City, Utah and TraileRancho Holding Company. The Commission's suit charged that Franklin Johnson and TraileRancho Holding Company filed a Schedule 13D in the purchase of 50.3% of the outstanding common stock of TraileRancho Corporation which failed to completely and accurately set forth information required to be disclosed. The complaint further alleged that Franklin Johnson and TraileRancho Holding Company failed to amend their Schedule 13D to report material changes in Franklin Johnson's and TraileRancho Holding Company's plans with respect to TraileRancho Corporation. (SEC v. Franklin Johnson and TraileRancho Holding Company, S.D. Cal., Civil Action No. 78-0154-GT). (LR-8353)

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## INVESTMENT COMPANY ACT RELEASES

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### PLIGROWTH FUND, INC.

An order has been issued on an application of Pligrowth Fund, Inc., Plitrend Fund, Inc. and Pliyfield Fund, Inc., registered under the Act as open-end, diversified management investment companies, and Philadelphia Life Asset Management Company, investment adviser to each of the above Funds, temporarily exempting the Applicants from the provisions of Section 15(a) of the Act to permit the adviser to continue to render services to the above Funds after termination of its present investment advisory contracts with them. (Rel. IC-10185 - Mar. 30)

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## HOLDING COMPANY ACT RELEASES

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### NATIONAL FUEL GAS COMPANY

A notice has been issued giving interested persons until April 24 to request a hearing on proposals of National Fuel Gas Company, a registered holding company, and two of its subsidiaries, National Fuel Gas Distribution Corporation and National Fuel Gas Supply Corporation, whereby (1) National will issue and sell up to \$22 million of short-term notes at any one time outstanding to The Chase Manhattan Bank of New York and issue and sell up to \$40 million at any one time outstanding of other short-term unsecured notes to banks and (2) Distribution Corporation and Supply Corporation will make related borrowings from the holding company. (Rel. 35-20475 - Mar. 30)

### PUBLIC SERVICE COMPANY OF OKLAHOMA

A supplemental order has been issued extending until April 15 the existing authorization previously granted to Public Service Company of Oklahoma (PSO), subsidiary of Central and South West Corporation, to make short term loans to Ash Creek Mining Company, its subsidiary, and also extending until the same date the authorization of Ash Creek to engage in coal exploration and development activities. (Rel. 35-20476 - Mar. 30)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### LISTING ACTIONS

Orders have been issued, pursuant to Section 12(d) of the Securities Exchange Act of 1934, granting the applications of the following companies to list the specified securities on the following stock exchanges: American Stock Exchange, Inc. - Arrow Automotive Industries, Inc., common stock; and Tannetics, Inc., common stock and 10-1/2% senior sinking fund debentures, due 1992 (both effective as of March 27, 1978). New York Stock Exchange, Inc. - Beneficial, Corp., 8.35% debentures, due February 1, 1988; and Kingdom of Norway, 8-1/8% notes, due January 15, 1983 (both effective as of March 27, 1978).

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF FILING OF AMENDMENT TO PROPOSED RULE CHANGE

The Cincinnati Stock Exchange has filed an amendment to a proposed rule change (SR-CSE-77-1) to clarify how its Multiple Dealer Trading System will work, specify the responsibilities of participants in the system, and provide that the system is a temporary pilot program, including no more than 200 issues. Publication of the proposal is expected to be made in the Federal Register during the week of April 3. (Rel. 34-14620)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the American Stock Exchange, Inc. (Amex). The rule change (SR-Amex-78-3) permits Amex members to accept orders for the sale (writing) of call options from an affiliate of the issuer of the underlying stock. The rule change also permits Amex members to accept "restricted stock" or stock held by or for the account of an affiliate, or stock subject to the resale provisions of Rule 145(d), for the purpose of covering a short position in call option contracts and for the purpose of satisfying exercise notices of option positions. (Rel. 34-14621)

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## SECURITIES ACT REGISTRATIONS

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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-1) E. H. CRUMP COMPANIES, INC., 5350 Poplar Ave., Memphis, Tenn. 38117 - 101,732 shares of common stock. The company is engaged in general insurance brokerage. (File 2-61079 - Mar. 30)
- (S-8) TYLER CORPORATION, 3100 Southland Center, Dallas, Tex. 75201 - \$10 million of participations and 625,000 shares of common stock. (File 2-61083 - Mar. 31)
- (S-8) WHITTAKER CORPORATION, 10880 Wilshire Blvd., Los Angeles, Cal. 90024 (213) 475-9411 - 500,000 shares of common stock. (File 2-61089 - Mar. 31)
- (S-8) FIRST FINANCIAL GROUP OF NEW HAMPSHIRE, INC., 1100 Elm St., Manchester, N.H. 03105 - 33,000 shares of common stock. (File 2-61092 - Mar. 30)

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