

# sec news digest

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Issue 78-120

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## COMMISSION ANNOUNCEMENTS

### U.S. SECURITIES AND EXCHANGE COMMISSION

HEMISPHERE FUND, INC., OTHERS NOTIFIED  
UNDER SECTION 8(e)

The Commission has notified by letter Hemisphere Fund, Inc., Manhattan Fund, Inc. and Fundex, Inc., registered investment companies, pursuant to Section 8(e) of the Investment Company Act of 1940, of their failure to file their annual reports for the fiscal year ended December 31, 1977 and has set July 21, 1978 as a date by which these companies must file their annual reports. The letter of notification further advises Hemisphere, Manhattan and Fundex that if they fail to file their annual reports by July 21, or any extension thereof, the Commission, after appropriate notice and opportunity for hearing, and upon such conditions and with such exemptions as it deems appropriate for the protection of investors, may by order suspend or revoke the registration of such companies, or may take other action it may deem appropriate. (Rel. IC-10284)

## ADMINISTRATIVE PROCEEDINGS

DERAND INVESTMENT CORPORATION OF AMERICA, OTHERS

The Commission has ordered public administrative proceedings under the Securities Exchange Act of 1934 against DeRand Investment Corporation of America, located in Arlington, Virginia; William A. Conway of McLean, Virginia, secretary, treasurer, director and a registered principal of DeRand; and Randall N. Smith of Washington, D.C., chairman of the board of directors, vice president and a registered principal of DeRand.

The proceedings are based upon allegations that respondents failed adequately to disclose that DeRand dominated and controlled the market for securities of DeRand Real Estate Investment Trust (Trust). Furthermore, under the facts of this case, it is alleged that respondents failed adequately to disclose the role DeRand played with respect to the market for such securities and the liquidity of the market for securities of the Trust.

Respondents have submitted an offer of settlement which the Commission has decided to accept. Pursuant to the offer, DeRand is censured, and Conway and Smith are suspended for a period of three business days from association with any broker or dealer. (Rel. 34-14847)

## COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES WITS, INC., OTHERS

The Seattle Regional Office announced the filing of a complaint in the U.S. District Court for the Western District of Washington, Northern Division, on June 9 against WITS, Inc., a Washington corporation; William H. Moultrie, the president of WITS and Henry M. Sullivan, both of Seattle, Washington. The Commission's complaint alleges that WITS, Inc., under the direction of Moultrie and Sullivan, violated the reporting, proxy, and antifraud provisions of the securities laws in connection with the filing of materially false and misleading annual and quarterly reports with the Commission, and in connection with the dissemination of proxy statements and related material to shareholders. All three defendants have consented to the entry of decrees of permanent injunction and orders for ancillary relief without admitting or denying the allegations of the complaint. (SEC v. WITS, Inc., et al., W.D. Wash., Northern Division, Civil Action No. C78-352M). (LR-8436)

**PETER F. CROSBY ENJOINED; HAROLD RUSSELL HILL AND  
COMPUTER RESOURCES CORPORATION'S ACTION DISMISSED**

The Fort Worth Regional Office and the Houston Branch Office announced that on March 20 Federal District Judge William M. Taylor, Jr., Dallas, Texas, entered an order granting the Commission's Motion for Summary Judgment and permanently enjoining Peter Frances Crosby from further violations of the registration and antifraud provisions of the securities laws. The Court also entered an order on April 20 dismissing the action as to Harold Russell Hill and Computer Resources Corporation on its own motion. The Commission's complaint alleged that Crosby and others had devised a scheme to sell unregistered stock of Picture Island Computer Corporation through fraud. (SEC v. Picture Island Computer Corporation, et al., N.D. Tex., Civil Action No. 3-4249-C). (LR-8437)

**WALTER WENCKE SENTENCED**

The Los Angeles Regional Office announced that on June 12 the Honorable Leland C. Nielsen, U.S. District Judge for the Southern District of California, sentenced Walter Wencke of San Diego to five years imprisonment and a fine of \$31,000. In addition, Wencke was placed on five years probation and ordered to make restitution. Wencke was convicted on April 28 by a jury on 13 counts of mail fraud and securities fraud. Wencke's conviction arose from his activities in connection with Sun Fruit, Ltd., a Nevada corporation he controlled. Certain other defendants in the case, Paul Potter, John Dees, Richard Mets and Warren Wood, previously had entered pleas of guilty and were sentenced to varying prison terms by Judge Nielsen. (U.S. v. Walter Wencke, et al., S.D. Cal., Criminal Action No. 77-0539). (LR-8438)

**TEMPORARY RESTRAINING ORDER ISSUED AGAINST  
WESTERN GEOTHERMAL AND POWER CORP., OTHERS**

The Los Angeles Regional Office announced that on June 6 the Honorable Carl Muecke, U.S. District Judge for the District of Arizona after a hearing on the matter issued a temporary restraining order against Western Geothermal and Power Corporation, David V. Tolle, its president, Robert D. Cornell, a consultant to the company, all of Scottsdale, Arizona and Frank D. Bryan, the former secretary-treasurer of Reno, Nevada. The order restrains the defendants from future violations of the registration and antifraud provisions of the securities laws in the offer and sale of the securities of Western Geothermal and Power Corporation. It was also announced that on January 16 Gilbert N. Freeman and Harry Wells, both former directors of Western Geothermal and both of Phoenix, Arizona consented, without admitting or denying the allegations in the complaint, to the Court's entry of a permanent injunction for violations of the registration and antifraud provisions. A hearing for the Commission's motion for a preliminary injunction is set for July 19. (SEC v. Western Geothermal and Power Corp., et al., D.C. Ariz. No. 77-504-PHX-CAM). (LR-8439)

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## **INVESTMENT COMPANY ACT RELEASES**

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**PROVIDOR INVESTORS FUND**

A notice has been issued giving interested persons until July 13 to request a hearing on an application of Providor Investors Fund, an open-end, diversified management investment company, declaring that it has ceased to be an investment company. (Rel. IC-10281 - June 19)

**PROVIDOR GROWTH FUND**

A notice has been issued giving interested persons until July 13 to request a hearing on an application of Providor Growth Fund, an open-end, diversified management investment company, declaring that it has ceased to be an investment company. (Rel. IC-10282 - June 19)

**MUNICIPAL EXEMPT TRUST, NEW YORK EXEMPT SERIES 1**

A notice has been issued giving interested persons until July 14 to request a hearing on an application of Municipal Exempt Trust, New York Exempt Series 1 and other State, National, Similar, and Subsequent Series (Applicant), for an order exempting Applicant from the initial net worth requirements of Section 14(a), exempting certain pricing practices in the offering of units of Applicant from the provisions of Section 22(d), exempting Applicant from the limitations on distributions of capital gains contained in Rule 19b-1, and exempting from Rule 22c-1 the proposed secondary market operations of Applicant's sponsors. (Rel. IC-10283 - June 20)

## 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-8) CARNATION COMPANY, 5045 Wilshire Blvd., Los Angeles, Cal. 90036 (213) 931-1911 - 1,200,000 shares of common stock. (File 2-61911 - June 19)
- (S-16) C. R. BARD, INC., 731 Central Ave., Murray Hill, N.J. 07974 (201) 277-8000 - 70,000 shares of common stock. The company is engaged in the design, manufacture, packaging, distribution and sale of specialized medical, surgical, diagnostic and patient care devices. (File 2-61916 - June 19)
- (S-8) MCDOWELL ENTERPRISES, INC., 301 Plus Park Blvd., P.O. Box 149, Nashville, Tenn. 37202 (615) 244-9750 - 125,000 shares of common stock. (File 2-61917 - June 19)
- (S-11) CALPLANS AGRICULTURAL FUND-II, 460 Hegenberger Rd., Oakland, Cal. 94621 (415) 638-1800 - \$20 million of limited partnership interests. Underwriter: Calplans Securities, Inc. (File 2-61918 - June 20)
- (S-14) FIRST CITY BANCORPORATION OF TEXAS, INC., 1001 Main St., Houston, Tex. 77002 (713) 658-6873 - 430,100 shares of common stock. (File 2-61919 - June 20)
- (S-14) PIONEER FUND, INC., 60 State St., Boston, Mass. 02109 (617) 742-7825 - 2,500,000 shares of common stock. (File 2-61920 - June 20)
- (S-16) CITIZENS BANCORPORATION, 636 Wisconsin Ave., Sheboygan, Wis. 53081 - 30,000 shares of common stock. The company is a bank holding company. (File 2-61921 - June 20)
- (S-8) BIG THREE INDUSTRIES, INC., 3535 West Twelfth St., Houston, Tex. 77008 (713) 868-0352 - 200,000 shares of capital stock. (File 2-61922 - June 16)
- (S-7) PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, 1000 Elm St., Manchester, N.H. 03105 (603) 669-4000 - 300,000 shares of common stock. (File 2-61924 - June 20)
- (S-6) NUVEEN TAX EXEMPT BOND FUND, SERIES 110, 209 South La Salle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: John Nuveen & Co. Inc. (File 2-61925 - June 19)
- (S-8) FIRST ALABAMA BANCSHARES, INC., First Alabama Plaza, P. O. Box 1448, Montgomery, Ala. 36102 (205) 832-8450 - 20,000 shares of common stock. (File 2-61926 - June 19)
- (S-8) MESA PETROLEUM CO., Vaughn Bldg., P.O. Box 2009, Amarillo, Tex. 79189 - 1,000,000 shares of common stock. (File 2-61927 - June 19)

### REGISTRATIONS EFFECTIVE

June 14: Bangor Hydro-Electric Co., 2-61589; Beatrice Foods Co., 2-61608; Central Illinois Public Service Co., 2-61730; Cobe Laboratories, Inc., 2-61797; Computer-vision Corp., 2-61578; Corroon & Black Corp., 2-61652; Covington Brothers, 2-61115; Crystal Oil Co., 2-61463; Harcourt Brace Jovanovich, Inc., 2-61680; Kaman Corp., 2-61636; Med General, Inc., 2-61430; New Mexico Financial Corp., 2-60945; Pennsylvania Insured Municipal Bond Trust, Series 8, 2-61441; Revell, Inc., 2-61723; Service Merchandise Co., Inc., 2-61697; Tax Exempt Securities Trust, Series 19, 2-61385; Washington Energy Co., 2-61719.

**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.

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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SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in U.S. first class mail; \$18.75 elsewhere.

The News Digest, the Docket, and the Statistical Bulletin are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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