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U.S. SECURITIES AND  
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Issue 80-21

January 30, 1980

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## ADMINISTRATIVE PROCEEDINGS

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### INITIAL DECISION IMPOSES SANCTIONS AGAINST HAMMON CAPITAL MANAGEMENT CORPORATION AND GABE HAMMON

Chief Administrative Law Judge Warren E. Blair has filed an initial decision under the Investment Advisers Act of 1940 suspending the investment adviser registration of Hammon Capital Management Corporation of Denver, Colorado, for a period of ninety days, and barring for a like period its president, Gabe Hammon, from association in any proprietary or supervisory capacity with any investment adviser. The decision is subject to review by the Commission either on its own motion or on petition of a party.

Hammon Capital Management was found to have wilfully violated Section 204 of the Advisers Act and Rules 204-1 and 204-2 thereunder because of its failure to file required amendments to correct information that had become inaccurate in its application for registration as an investment adviser and because of its failure to make and keep true, accurate, and current books and records. Mr. Hammon, by reason of his control was found to have wilfully aided and abetted the company's violations. Additionally, it was found that Hammon Capital Management and Hammon violated Section 204 by their refusal to permit staff members of the Commission to make an examination of the company's books and records.

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## COMMISSION ANNOUNCEMENTS

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### DELEGATION OF AUTHORITY TO THE DIRECTOR OF THE DIVISION OF INVESTMENT MANAGEMENT

The Commission is amending Part 200 of Title 17 of the Code of Federal Regulations to delegate to the Director of the Division of Investment Management authority to issue notices of applications for orders, pursuant to Section 26(b) of the Investment Company Act of 1940, permitting the depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security. (Rel. IC-11030)

FOR FURTHER INFORMATION CONTACT: Cathy G. Douglas at (202) 272-3021

### WEEKLY CALENDAR

The following is a schedule of speaking engagements, Congressional testimony, Commission hearings and other public events involving the Commission for the week of February 4, 1980. (Commission Meetings are announced separately in the News Digest.)

#### Monday, February 4

- \* The Commission's fiscal year 1981 Appropriation Hearings will be held before the House Appropriations Subcommittee in Rm. H-310 beginning at 2:00 p.m.

#### Friday, February 8

- \* Chairman Williams will address a luncheon of the University Club of New York in New York City. The subject of his address will be corporate governance.

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## CIVIL PROCEEDINGS

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### AMENDED FINAL JUDGMENT OF PERMANENT INJUNCTION ISSUED AGAINST XONICS, INC.

The Los Angeles Regional Office filed an application seeking further relief against Xonics, Inc. of Van Nuys, California. On April 11, 1977, Xonics consented, without admitting or denying the allegations to issuance of a permanent injunction enjoining it from violations of Section 7(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Simultaneously with the Commission's application for further relief, Xonics, without admitting or denying the allegations consented to the issuance of an Amended Final Judgment of Permanent Injunction, providing for additional relief as set forth in the April 11, 1977 Judgment.

The Amended Judgment requires Xonics to maintain an audit committee, the majority of whose members are not officers or employees of the company. Xonics is also required to file within 60 days an 8-K report with the Commission describing the current status of Xonics Electron Radiography. (SEC v. Xonics, Inc., et al., U.S.D.C. C.D. Cal., Civil Action No. 77-1274-FW). (LR-8983)

### PETRO NATURAL RESOURCE CORPORATION AND EUGENE L. COLMAN ENJOINED

The New York Regional Office announced that on January 17 Lloyd F. MacMahon, District Court Judge in the Southern District of New York, signed final judgments of permanent injunction enjoining Petro Natural Resource Corporation, a Delaware corporation located in New York, New York, and Eugene L. Colman of New York, New York, from violating the registration and antifraud provisions of the securities laws. Petro and Colman consented to the entry of the judgments without admitting or denying the allegations in the Commission's complaint. (SEC v. Petro Natural Resource Corporation and Eugene L. Colman, U.S.D.C. S.D.N.Y., 79 Civil 6977). (LR-8984)

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## INVESTMENT COMPANY ACT RELEASES

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### TRUST FOR U.S. TREASURY OBLIGATIONS

An order has been issued on an application filed by Trust for U.S. Treasury Obligations, formerly Trust for Cash Reserves (Applicant), a "money market" fund registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, pursuant to Section 6(c) of the Act, exempting Applicant, subject to conditions, from the provisions of Section 2(a)(41) of the Act, and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to enable Applicant to utilize amortized cost valuation for the purpose of pricing its shares for sale and redemption. (Rel. IC-11029 - Jan. 29)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-Amex-80-1) to amend Section 122 of the Amex Company Guide. The amendment would define independent director and recommends that listed companies have at least two independent directors and establish audit committees composed solely of independent directors. Publication of the proposal is expected to be made in the Federal Register during the week of February 4. (Rel. 34-16542)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved proposed rule changes filed by the Chicago Board Options Exchange, Inc. (SR-CBOE-79-10) which will eliminate, for a six month period commencing on February 1, 1980 and ending on July 31, 1980, the prohibition against transactions between participants in a joint account. (Rel. 34-16540); and (SR-CBOE-79-13) permitting floor brokers, board brokers and order book officials to convert options orders to sell at the market to limit orders to sell at 1/16th whenever a 1/16th order is displayed on the limit order book, without resubmitting the order to the originating member firm office. (Rel. 34-16541)

## 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-1) BLOCKER ENERGY CORPORATION, 800 Bering Dr., Houston, Tex. 77057 (713) 977-2030 - 1,100,000 shares of common stock. Underwriters: The First Boston Corporation and Rotan Mosle Inc. The company is engaged in onshore contract drilling of oil and gas wells. (File 2-66517 - Jan. 29)
- (S-7) THE UNITED ILLUMINATING COMPANY, 80 Temple St., New Haven, Conn. 06506 (203) 787-7200 - 800,000 shares of common stock. Underwriter: Morgan Stanley & Co. Inc. The company is engaged in the production, purchase, transmission, distribution and sale of electricity. (File 2-66518 - Jan. 29)
- (S-8) THE B.G. GOODRICH COMPANY, 500 South Main, Akron, Ohio 44318 (216) 379-3307 - 82,362 shares of common stock. (File 2-66519 - Jan. 29)
- (S-16) INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION, 320 Park Ave., New York, N.Y. 10022 (212) 752-6000 - \$150 million of sinking fund debentures, due February 1, 2005. Underwriters: Lehman Brothers Kuhn Loeb Inc. and Lazard Freres & Co. The company is engaged in the manufacture of telecommunications and electronics equipment. (File 2-66521 - Jan. 29)
- (S-14) DENTO-MED INDUSTRIES, INC., 1680 N.E. 205th Terrace, N. Miami Beach, Fla. 33179 (305) 652-9766 - 1,198,694 shares of common stock. (File 2-66520 - Jan. 29)
- (S-1) PETROLEUM EXPLORATION & DEVELOPMENT FUNDS, INC., 200 Wall Towers East, Midland, Tex. 79701 - 1,500 units of preformation limited partnership interests in 1980/A Program. (File 2-66522 - Jan. 29)
- In a separate statement the company seeks registration of 800 units of preformation limited partnership interests in 1980/B Program. (File 2-66523 - Jan. 29)
- (S-7) FLORIDA POWER & LIGHT COMPANY, 9250 West Flagler St., Miami, Fla. 33174 (305) 552-3552 - \$125 million of first mortgage bonds. The company is engaged in the electric utility business. (File 2-66524 - Jan. 29)
- (S-18) EMPIRE AIRLINES, INC., Oneida County Airport, Utica-Rome, N.Y. 13424 - 220,000 shares of common stock. Underwriter: First Albany Corporation. The company is a certified air carrier. (File 2-66525 - Jan. 29)
- (S-6) THE MARYLAND TAX-EXEMPT TRUST, SERIES 3, 7 East Redwood St., Baltimore, Md. 21203 - an indefinite number of units. Depositor: Legg Mason Wood Walker, Inc. (File 2-66526 - Jan. 29)
- (S-16) LONG ISLAND LIGHTING COMPANY, 250 Old Country Rd., Mineola, N.Y. 11501 (516) 228-2890 - \$50 million of general and refunding bonds, Series Due 2010. Underwriters: Salomon Brothers, Bache Halsey Stuart Shields Inc., Blyth Eastman Paine Webber Inc. and Lehman Brothers Kuhn Loeb Inc. The company supplies electric and gas service. (File 2-66527 - Jan. 29)
- (S-6) THE MUNICIPAL BOND TRUST, SERIES 64, 140 Broadway, New York, N.Y. 10005 - 14,000 units. Depositor: Paine, Webber, Jackson & Curtis Inc. (File 2-66528 - Jan. 29)
- (S-6) THE MUNICIPAL BOND TRUST, SERIES 65, 140 Broadway, New York, N.Y. 10005 - 14,000 units. Depositor: Paine, Webber, Jackson & Curtis Inc. (File 2-66529 - Jan. 29)
- (S-16) SPERRY CORPORATION, 1290 Avenue of the Americas, New York, N.Y. 10019 (212) 956-2121 - 3,592,814 shares of common stock. Underwriter: Blyth Eastman Paine Webber Inc. (File 2-66530 - Jan. 29)
- (S-8) PENGU INDUSTRIES, INC., 1400 Everman Pkwy., Fort Worth, Tex. 76140 (817) 293-7110 - 325,000 shares of common stock. (File 2-66533 - Jan. 30)

REGISTRATIONS EFFECTIVE

Jan. 16: Knudsen Corp., 2-66340.  
 Jan. 25: Alaska Northwest Properties, Inc., 2-65926; NRM 80, Ltd., 2-66117; Nevada National Bancorporation, 2-66245; Zapata Corp., 2-66498.  
 Jan. 28: Laguna 80, Ltd., 2-65879; Rampart General, Inc., 2-65794; Saxon Funds 1980 Program, 2-65845; Squibb Corp., 2-66336; Thermo Electron Corp., 2-66333.  
 Jan. 29: The Cincinnati Gas & Electric Co., 2-66282; The Corporate Income Fund, Forty-Ninth Short Term Series, 2-66207; Grumman Corp., 2-66500.

**ACQUISITIONS OF SECURITIES**

Companies and individuals must report to the Commission within 10 days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds 5%. Persons eligible to use the short form (Form 13-G) may in lieu of filing a Schedule 13D file a Form 13-G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period January 14 - 17, 1980. The number of shares of the security which are beneficially owned, and the number of shares concerning which there is a right to acquire are sent forth for each beneficial owner. \*Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
Southeastern Public Service Co. DWG Corporation Security Management Corp. Victor Posner, Parent	Dynamics Corporation of America (Greenwich, CT) Common Stock - 313,200 shs.	1-14-80
Bache Group Inc. Bache Halsey Stuart Shields Inc.	ERC Corporation (Kansas City, MO) Common Stock - 36,233 shs.	1-14-80
* American General Insurance Co.	ERC Corporation (Kansas City, MO) Common Stock - 428,242 shs.	1-14-80
* Philip Dezwirek	Fifth Avenue Card Shops, Inc. (NYC) Common Stock - 62,062 shs.	1-14-80
* Louis Berkman Louis Berkman Company	First Dyna-Corp. (Washington, PA) Common Stock - 99,447 shs. (34%)	1-14-80
Washington Industrial Bank Adams Industries Bank Jefferson Industrial Bank, et al	First Golden Bancorporation (Golden, CO) Common Stock - 4,884 shs.	1-14-80
* Abbey J. Butler Neil S. Leist	Friendly Frost, Inc. (Westbury, NY) Common Stock - 471,398 shs. (41.5%)	1-14-80
* Lane Processing, Inc.	General Bancshares Corp. (St. Louis, MO) Common Stock - 295,700 shs.	1-14-80
William E. Simon	Geotel Inc. (Amityville, NY) Common Stock - 142,275 shs. Common Stock - 238,681 shs. on conversion of Bonds Common Stock - 6,051 shs. on exercise of warrants	1-14-80
Great American Plastics Co.	Great American Chemical Corp. (Fitchburgh, MA) Common Stock - 669,220 shs. (95.5%) (99,142 of above shares were acquired pursuant to the Tender Offer.)	1-14-80
* H. K. Porter Company, Inc.	MacMillan, Inc. (NYC) Common Stock - 1,950,200 shs. (15.6%)	1-14-80

## ACQUISITION REPORTS CONT.

* Piper Jaffray Inc. 1975 Amended Employee Stock Ownership Trust	Piper Jaffray Inc. (Minneapolis, MN) Common Stock - 634,247 shs. (55.3%)	1-14-80
USLIFE Corp.	Security of America Life Insurance Co. (Reading, PA) Common Stock - 1,992,156 shs. (97%) (Above shares were acquired pursuant to the Tender Offer.)	1-14-80
* Arab Investors Group S.A. (Luxembourg) Clematis N.V. (Netherland Antilles) (Wholly-owned subsidiary of Arab Investors Group)	Sunshine Mining Company (Dallas, TX) Common Stock - 1,029,800 shs. (19.4%) Common Stock - 500,000 shs. on exercise of option	1-14-80
* Barry F. Cohen	Synalloy Corporation (Spartanburg, SC) Common Stock - 230,000 shs.	1-14-80
* Hudson Bay Mining and Smelting Co., Ltd. (Canada)	Terra Chemicals International, Inc. (Sioux City, IA) Common Stock - 2,841,949 shs. (53.57%)	1-14-80
* Maurice Wiener	Transco Realty Trust (Boston, MA) Shares of Beneficial Interest - 58,549	1-14-80
* Clift C. Lane Dorothy P. Lane	Valmac Industries, Inc. (Memphis, TN) Common Stock - 330,401 shs.	1-14-80
* Lane Processing, Inc.	Valmac Industries, Inc. (Memphis, TN) Common Stock - 287,450 shs.	1-14-80
Pierpont Barney & Co., Inc.	Western Management Corp. (Albuquerque, NM) Common Stock - 85,013 shs. (11.9%)	1-14-80
American Financial Corporation Carl H. Lindner Robert D. Lindner	Wilson Freight Company (Cincinnati, OH) Common Stock - 300,000 shs. on exercise of options	1-14-80
Telvest, Inc. Telco Leasing, Inc. Technical Equipment Leasing Corp. Libco Corp. Clyde Wm. Engle	Wisconsin Real Estate Investment Trust (Milwaukee, WI) Common Stock - 97,400 shs.	1-14-80
Ivan F. Boesky and Co.	Wylain, Inc. (Dallas, TX) Common Stock - 368,300 shs.	1-14-80
* Charles F. Haverty	Xonics, Inc. (Des Plaines, IL) Common Stock - 149,125 shs. Common Stock - 100,000 shs. on exercise of option	1-14-80
Robert F. Keatley	Ameribanc, Inc. (St. Joseph, MO) Common Stock - 158,725 shs. (12.83%)	1-15-80
* Joseph W. Rose	CLC of America, Inc. (Houston, TX) Common Stock - 310,000 shs.	1-15-80
* Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	Celina Financial Corp. (Celina, OH) Class A Common Stock - 478,800 shs. (31.41%)	1-15-80
* Lincoln National Corp.	ERC Corp. (Kansas City, MO) Common Stock - 264,200 shs. Common Stock - 45,535 shs. on conversion of Debentures	1-15-80

## ACQUISITION REPORTS CONT.

Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	Federal Paper Board Co. Inc. (Montvale, NJ) Common Stock - 883,000 shs. Common Stock - 91,226 shs. on conversion of Preferred Stock	1-15-80
Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	Imperial Corporation of America (San Diego, CA) Common Stock - 3,523,000 shs. (24.82%)	1-15-80
W. D. Child, Jr. Herman E. Mulder Wai Mun Chung G. William Paulson, et al	InterIsland Resorts, Inc. (Honolulu, HI) Common Stock - 537,274 shs. (30%)	1-15-80
* Cornwall Equities, Ltd. Sol Kittay	King's Department Stores, Inc. (Newton, MA) Common Stock - 873,644 shs. (11.8%)	1-15-80
Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	Midwestern Distribution, Inc. (Fort Scott, KS) Class A Common Stock - 357,800 shs. (20.31%)	1-15-80
Threshold Development Co. W H D, Inc.	Nord Resources Corporation (Albuquerque, NM) Common Stock - 250,000 shs.	1-15-80
Roland International Corp.	Republic Mortgage Investors (Coral Gables, FL) Shares of Beneficial Interest - 106,600	1-15-80
Ivan F. Boesky and Co.	Reserve Oil & Gas Company (Denver, CO) Common Stock - 556,800 shs. Common Stock - 243,188 shs. on conversion of Preferred Stock	1-15-80
* Loyal American Life Insurance Co.	Riviere Realty Trust (Washington, DC) Shares of Beneficial Interest - 68,050	1-15-80
* S. H. Scheuer Estate Leon Meyers Donald E. Peiser, et al	Rouse Company (Columbia, MD) Common Stock - 1,004,900 shs.	1-15-80
* Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	San Juan Racing Association, Inc. (Rio Piedras, PR) Common Stock - 264,920 shs.	1-15-80
* Chris-Craft Industries Inc.	Twentieth Century-Fox Film Corp. (Los Angeles, CA) Common Stock - 1,248,300 shs. Common Stock - 1,200 shs. on conversion of Preferred Stock	1-15-80
* Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	United Fire & Casualty Co. (Cedar Rapids, IA) Common Stock - 156,973 shs. (11.22%)	1-15-80
* Olayan Investments Company Establishment (Liechtenstein)	Whittaker Corp. (Los Angeles, CA) Common Stock - 325,000 shs. Common Stock - 1,775,000 shs. on conversion of Note	1-15-80
* AAR Corp.	Brooks & Perkins, Inc. (Southfield, MI) Common Stock - 164,100 shs. (13.6%)	1-16-80
* Orion Capital Corp. Bankers National Life Insurance Co. Security Insurance Co. of Hartford	Chase Convertible Fund of Boston, Inc. (Boston, MA) Common Stock - 692,200 shs. (12.5%)	1-16-80
* V. R. Colton	Monetary Realty Trust (Southfield, MI) Shares of Beneficial Interest - 65,235	1-16-80

ACQUISITION REPORTS CONT.

* Lottie S. Colton	Monetary Realty Trust (Southfield, MI) Shares of Beneficial Interest - 65,235	1-16-80
* CTU of Delaware, Inc. United Technologies Corp.	Mostek Corporation (Carrollton, TX) Common Stock - 6,000,000 shs. (100%)	1-16-80
* Nefibouw B.V. (Netherlands)	Susquehanna Corp. (Englewood, CO) Common Stock - 2,798,341 shs. (46.5%) Conv. Preferred Stock - 755,280 shs. (47.8%)	1-16-80
* Milton S. Cohn	United Aircraft Products Inc. (NYC) Common Stock - 218,580 shs. (17.8%) Common Stock - 4,590 shs. on exercise of options	1-16-80
* Maury L. Spanier	United Aircraft Products, Inc. (NYC) Common Stock - 258,072 shs. (21%) Common Stock 4,844 shs. on exercise of options	1-16-80
Merrill Lynch, Pierce, Fenner & Smith, Inc. Merrill Lynch & Co., Inc.	Wylain Corporation (Dallas, TX) Common Stock - 235,000 shs.	1-16-80
* First Ohio Investment Group, Inc.	Americare Corp. (Columbus, OH) Class A Common Stock - 454,314 shs. (41%) Class A Common Stock - 45,000 shs. on conversion of Note	1-17-80
* Telvest, Inc. Telco Leasing, Inc. Technical Equipment Leasing Corp. Libco Corporation Clyde Wm. Engle	American Furniture Co., Inc. (Martinsville, VA) Common Stock - 280,000 shs.	1-17-80
Ronald D. Ordway	Delta Data Systems Corp. (Cornwell Heights, PA) Common Stock - 246,803 shs.	1-17-80
Harry J. Fallon	Federated Purchaser, Inc. (Springfield, NJ) Common Stock - 121,715 shs. (13.8%)	1-17-80
* Mario J. Gabelli, Indivi- dually and Trustee	GI Export (Woodbury, NY) Common Stock - 197,850 shs.	1-17-80

Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1. The following companies or individuals filed Schedule 14D-1's during the period January 16-17, 1980. \*Amended Tender Offers.

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER &amp; NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
H B Holdings Inc. (Wholly-owned subsidiary of Hudson Bay Mining and Smelting Co. Ltd. (Canada)	Rosario Resources Corporation (NYC) Capital Stock - All outstanding shares for cash at \$65.00 (U.S.) net per share (Hudson Bay presently owns 597,600 shares.)	1-16-80
PNW Inc. (Wholly-owned subsidiary of Pay Less Drug Stores North- west, Inc.) Pay Less Drug Stores Northwest Inc.	Pay Less Drug Stores (Oakland, CA) Common Stock - All outstanding shares for cash at \$22.50 net per share (PNW presently owns 269,000 shares (12.2%))	1-17-80

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