

# sec news digest

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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## COMMISSION ANNOUNCEMENTS

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### ASSOCIATE AND ASSISTANT ADMINISTRATORS NAMED FOR NEW YORK REGIONAL OFFICE

New York Regional Administrator Stephen L. Hammerman announced today that Chairman Harold M. Williams has appointed Lawrence J. Toscano as Associate Regional Administrator (Regulation) and Jerome Feller, as Assistant Regional Administrator (Corp. Reg.) of the New York Regional Office.

Lawrence J. Toscano joined the Commission in 1969 in the New York Regional Office as a law clerk pending his admission to the bar. He was admitted to the bar of the State of New York in 1970. In 1974, Mr. Toscano was promoted to Assistant Regional Administrator (Corp. Reg.) and served in that position until September 1979. Since that time he has been Acting Associate Regional Administrator (Regulation). Mr. Toscano graduated from Rockford College in Illinois with a Bachelor of Arts degree in 1968 and received his J.D. degree from Rutgers Law School in 1969. Since joining the Commission's staff, Mr. Toscano has been primarily engaged in enforcement matters arising under the Investment Company and Investment Advisers Acts, as well as representing the Commission in corporate reorganization proceedings under the Bankruptcy Act.

Jerome Feller joined the Commission as a staff attorney in the New York Regional Office in 1969, after working 2-1/2 years as a legal editor for the West Publishing Company. Mr. Feller graduated from Yeshiva University with a Bachelor of Arts degree in 1962 and received his Bachelor of Laws degree from New York Law School in 1966. He was admitted to the bar of the State of New York in 1967. In 1974, Mr. Feller was promoted to Chief, Branch of Legal Counsel, and served in that position until October 1979. Since that time he has been Acting Assistant Regional Administrator (Corp. Reg.). Since joining the Commission's staff, Mr. Feller has been primarily engaged in representing the Commission in corporate reorganization proceedings under the Bankruptcy Act as well as enforcement matters arising under the Investment Company and Investment Advisers Acts.

### ROGER BLANC APPOINTED ASSOCIATE DIRECTOR

Douglas Scarff, Director of the Division of Market Regulation, announced today that Chairman Harold M. Williams has appointed Roger D. Blanc to the position of Associate Director of the Division, in charge of the newly established office of Legal Policy and Trading Practices. Mr. Blanc's office will be responsible for interpretations and other legal and policy matters pertaining to the regulation of the securities markets and will also administer the Commission's trading practice programs and rules under the Securities Exchange Act of 1934.

Mr. Blanc is a member of the New York bar. He graduated from Yale College in 1967 and the Columbia University School of Law in 1970. After practicing law in New York City following his graduation from law school, he joined the Commission staff in March 1974 as a staff attorney in the Division of Market Regulation. Later that year, he became Assistant Chief Counsel to the Division. In 1976, Mr. Blanc became the Division's Chief Counsel. As the Division chief legal officer, he has played a key role in the implementation of the Securities Acts Amendments of 1975.

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## ADMINISTRATIVE PROCEEDINGS

### REGISTRATION OF POTOMAC INVESTMENT ADVISORS, LTD. REVOKED; PRESIDENT AND VICE PRESIDENT BARRED

The Commission has revoked the registration of Potomac Investment Advisors, Ltd., a McLean, Virginia investment adviser, and barred its president, Willard John

Miller, and its vice president, John Scott Miller, Willard's son, from association with any investment adviser. After six months, however, John Miller may apply to become so associated in a non-supervisory position, upon an adequate showing of proper supervision.

Respondents did not dispute the findings of an administrative law judge that, from May 1974 to April 1978, Willard Miller converted clients' funds in Potomac's custody to cover losses on his personal securities transactions and to benefit other clients. Nor did respondents dispute the law judge's findings that they did not maintain required records with respect to accounts in which Potomac had custody of clients' funds or securities, and failed to comply with other recordkeeping requirements.

In affirming the sanctions imposed by the law judge on Potomac and Willard Miller, the Commission stated that "[t]here can be no justification for the deliberate misappropriation of clients' funds." In affirming the sanction imposed on John Miller, the Commission pointed out that, although he was aware of his father's misappropriation of clients' funds, he prepared quarterly statements sent to clients which falsely indicated that their funds were in Potomac's custody. (Rel. IA-716)

#### NASD ACTION AGAINST COOK & CO., INC. AND TWO OFFICERS SET ASIDE

The Commission has set aside disciplinary action taken by the NASD against Cook & Co., Inc., of Honolulu, L. Howard Cook, the firm's president, and Edmund C. H. Hyun, its vice president.

The NASD found that applicants had violated antifraud provisions of the Securities Exchange Act of 1934. According to the NASD, applicants were aware that, because of another broker-dealer's animosity towards Mr. Cook, it would not sell his firm certain hard-to-obtain bonds. Applicants therefore sought to purchase the bonds through nominee accounts. However, when the seller discovered the purchasers' true identities, it cancelled all of the purchases except one.

The Commission stated that, while there are situations in which concealment of a purchaser's true identity may constitute a material misstatement or omission, it was unable to conclude that a material deception had been practiced on the seller here. In its view, "personal prejudice does not fall within the protective net of Rule 10b-5." (Rel. 34-16705)

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## TRADING SUSPENSIONS

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#### TRADING SUSPENDED IN OLYMPIC GAS & OIL, INC. AND SNG & OIL ENERGY COMPANY

The Commission announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Olympic Gas & Oil, Inc., a Washington corporation located in Seattle, Washington and SNG & Oil Energy Company, a Delaware corporation located in Buffalo, New York, for the period beginning on April 11 and terminating at midnight on April 20, 1980.

The Commission ordered the suspension of trading in Olympic's and SNG's securities because of questions concerning the ownership of assets listed in the most recently published balance sheets of both companies. The Commission has learned that certain real estate constituting the majority of the reported assets of both companies was never conveyed to such companies notwithstanding representations to the contrary contained in filings of these companies with the Commission. The Commission has also been informed that questions have arisen with respect to the extent of gas, oil and mineral rights, if any, conveyed to Olympic. The Commission previously ordered a suspension of trading in Olympic's and SNG's securities from March 10, 1980 through March 19, 1980. The Commission ordered that suspension because of (1) unusual and unexplained market activity in the companies' securities and (2) questions concerning each companies' operations and financial condition with respect to the method of recognizing revenues and expenses and the valuation of assets. (Rel. 34-16738)

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## **CIVIL PROCEEDINGS**

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### **COMPLAINT NAMES RANDALL F. PREISER, OTHERS**

The Atlanta Regional Office and the Miami Branch Office announced that on March 21 a complaint was filed seeking to permanently enjoin Randall F. Preiser, Marvin Julius, and Dr. George Marholin, from further violations of the registration and antifraud provisions of the securities laws in the offer and sale of the common stock and options to purchase common stock of Professional Group Programs of Florida, Inc. Preiser and Marholin, without admitting or denying the allegations, consented to the entry of permanent injunctions. (SEC v. Randall F. Preiser, et al., S.D. Fla., Civil Action No. 80-696-CIV-JWK). (LR-9059)

### **TRANS AMERICA PETROLEUM COMPANY, INC., OTHERS ENJOINED**

The Atlanta Regional Office and the Miami Branch Office announced that on March 10 the Honorable Norman C. Roettger issued a Final Judgment of Permanent Injunction against Trans America Petroleum Company, Inc., Daniel J. McCarthy, and Gerald Leon Bloom, based on their consents, without admitting or denying the allegations contained in the Commission's complaint.

On February 28 Judge Roettger issued a Temporary Restraining Order and froze the assets of the defendants. On March 17 Judge Roettger appointed Bruno DiGiulian, Esquire of Ft. Lauderdale, Florida, as Receiver for Trans America Petroleum Company, Inc. (SEC v. Trans America Petroleum Company, Inc., et al., S.D. Fla., Civil Action No. 80-6107-CIV-NCR). (LR-9060)

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## **CRIMINAL PROCEEDINGS**

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### **JAMES K. DEUTSCH SENTENCED**

The Atlanta Regional Office and the Miami Branch Office announced that on December 13, 1979, James K. Deutsch pled guilty to three counts of an indictment filed in the U.S. District Court for the Southern District of Florida, alleging violations of the mail fraud statutes, securities fraud, and income tax violations. On March 12, 1980, Deutsch was sentenced to eighteen months imprisonment on each count, sentence to run concurrently. (U.S. v. James K. Deutsch, S.D. Fla., Criminal Action No. 78-362-CR-EPS). (LR-9058)

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## **INVESTMENT COMPANY ACT RELEASES**

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### **SWISS BANK CORPORATION**

A notice has been issued giving interested persons until May 5 to request a hearing on an application of Swiss Bank Corporation, a Swiss commercial bank, and its subsidiary, SBC Overseas Finance N.V. (Applicants), which presently propose to make an offering of commercial paper in the United States, for a conditional order pursuant to Section 6(c) of the Investment Company Act of 1940 exempting Applicants from all provisions of the Act. (Rel. IC-11125 - Apr. 10)

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## **HOLDING COMPANY ACT RELEASES**

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### **BLACKSTONE VALLEY ELECTRIC COMPANY**

A notice has been issued giving interested persons until May 6 to request a hearing on a proposal by Blackstone Valley Electric Company, subsidiary of Eastern Utilities Associates, to increase its short-term borrowing authorization of \$4,700,000. (Rel. 35-21518 - Apr. 9)

## ALABAMA POWER COMPANY

A supplemental order has been issued granting an amended application filed by Alabama Power Company, subsidiary of The Southern Company, regarding an installment sale agreement with an agency of the City of Mobile, Alabama, whereby the agency is constructing for the company pollution control facilities heretofore financed by the agency's issuance and sale of \$40,300,000 of pollution control revenue bonds. To meet increased costs of construction, it is now proposed that the agency issue and sell up to an additional \$5 million of such revenue bonds. Alabama will acquire the facilities upon completion thereof pursuant to said installment sale agreement. (Rel. 35-21519 - Apr. 9)

## MIDDLE SOUTH UTILITIES, INC.

A supplemental order has been issued regarding Middle South Utilities, Inc., a registered holding company, its subsidiaries, and System Fuels, Inc., subsidiary and the supplier of fuel for the Middle South holding company system, authorizing the proposed issuance and sale by System Fuels of up to \$40 million of bank notes outstanding at any one time for an additional period of one year. (Rel. 35-21520 - Apr. 9)

A notice has been issued giving interested persons until May 7 to request a hearing on a proposal of Middle South to issue and sell up to 2,000,000 additional shares of its common stock pursuant to its dividend reinvestment and stock purchase plan. (Rel. 35-21521 - Apr. 10)

## CONNECTICUT YANKEE ATOMIC POWER COMPANY

A notice has been issued giving interested persons until May 5 to request a hearing on a proposal by Connecticut Yankee Atomic Power Company, subsidiary of Northeast Utilities and New England Electric System, whereby Connecticut Yankee proposed to make a negotiated private placement of up to \$60 million of debentures with a group of institutional investors. The proceeds of the sale will be used by Connecticut Yankee to repay short-term borrowings and term loans and to finance construction. (Rel. 35-21522 - Apr. 10)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### WITHDRAWAL GRANTED

An order has been issued granting the application of Dynamics Research Corporation to withdraw its common stock (\$.10 par value) from listing and registration on the Boston Stock Exchange, Inc. (Rel. 34-16734)

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## MISCELLANEOUS

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### LEE NATIONAL CORPORATION

An order has been issued granting the application of Lee National Corporation, under Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Applicant from the reporting provisions of Sections 13 and 15(d) of the Act. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-16737)

## 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-16) THE BELL TELEPHONE COMPANY OF PENNSYLVANIA, One Parkway, Philadelphia, Pa. 19102 (215) 466-9900 - \$250 million of forty year debentures, due May 1, 2020. Underwriters: Salomon Brothers, Morgan Stanley & Co., Inc., The First Boston Corporation, Goldman, Sachs & Co. and Merrill Lynch White Weld Capital Markets Group. The company is engaged in furnishing communications services. (File 2-67292 - Apr. 10)
- (S-8) GROWTH REALTY COMPANIES, One Century Plaza, 2029 Century Park East, Los Angeles, Cal. 90067 (213) 277-3110 - 295,875 shares of common stock. (File 2-67293 - Apr. 10)
- (S-14) DIAMOND INTERNATIONAL CORPORATION, 733 Third Ave., New York, N.Y. 10017 (212) 697-1700 - 2,580,088 shares of common stock. (File 2-67294 - Apr. 10)
- (S-8) TENNECO INC., Tenneco Bldg., Houston, Tex. 77002 (713) 757-2131 - 3,243 shares of common stock. (File 2-67295 - Apr. 10)
- In a separate (S-16) statement the company seeks registration of 400,000 shares of common stock. (File 2-67296 - Apr. 10)
- In a second (S-8) statement the company seeks registration of 5,455 shares of common stock. (File 2-67302 - Apr. 10)
- In a third (S-8) statement the company seeks registration of 4,849 shares of common stock. (File 2-67303 - Apr. 10)
- In a fourth (S-8) statement the company seeks registration of 22,728 shares of common stock. (File 2-67304 - Apr. 10)
- In a fifth (S-8) statement the company seeks registration of 4,455 shares of common stock. (File 2-67306 - Apr. 10)
- (S-8) AMDAHL CORPORATION, 1250 East Arques Ave., Sunnyvale, Cal. 94086 (408) 746-6000 - 2,718,038 shares of common stock. (File 2-67298 - Apr. 10)
- (S-8) WELLS FARGO & COMPANY, 420 Montgomery St., San Francisco, Cal. 94104 (415) 396-0123 - 231,214 shares of common stock. (File 2-67299 - Apr. 10)
- (S-8) AVANTEK, INC., 3175 Bowers Ave., Santa Clara, Cal. 95051 (408) 727-0700 - 200,000 shares of common stock. (File 2-67301 - Apr. 10)
- (S-8) FRED. S. JAMES & CO., INC., 230 West Monroe St., Chicago, Ill. 60606 (312) 726-4080 - 600,000 shares of common stock. (File 2-67308 - Apr. 10)
- (S-8) BUTTES GAS & OIL CO., 1221 Broadway, Oakland, Cal. 94612 (415) 839-1600 - 260,416 shares of common stock. (File 2-67309 - Apr. 10)
- In a separate statement the company seeks registration of 225,000 shares of common stock. (File 2-67310 - Apr. 10)
- (S-16) GETTY OIL COMPANY, 3810 Wilshire Blvd., Los Angeles, Cal. 90010 (213) 381-7151 - 4,000,000 shares of common stock. Underwriter: Morgan Stanley & Co., Inc. The company is an integrated oil company. (File 2-67312 - Apr. 10)
- (S-8) AMERICAN GENERAL INSURANCE COMPANY, 2727 Allen Pkwy., Houston, Tex. 77019 (713) 522-1111 - 1,055,203 shares of common stock. (File 2-67313 - Apr. 10)

- (S-8) BETHLEHEM STEEL CORPORATION, Bethlehem, Pa. 18016 (215) 694-2582 - 2,000,000 shares of common stock. The company is engaged in the manufacture and sale of steel and steel products. (File 2-67314 - Apr. 10)
- (S-8) HONEYWELL INC., Honeywell Plaza, Minneapolis, Minn. 55408 (612) 870-6875 - 60,000 shares of common stock and \$5 million of participations. (File 2-67315 - Apr. 10)
- (S-8) PFIZER INC., 235 East 42nd St., New York, N.Y. 10017 (212) 573-2323 - 1,500,000 shares of common stock. (File 2-67316 - Apr. 10)
- (S-8) CONRAC CORPORATION, Three Landmark Sq., Stamford, Conn. 06901 (203) 348-2100 - 16,950 common shares. (File 2-67318 - Apr. 10)
- (S-8) XEROX CORPORATION, Stamford, Conn. 06904 (716) 423-9200 - \$1,508,000 of interests. (File 2-67319 - Apr. 10)
- (S-8) BARRY WRIGHT CORPORATION, 680 Pleasant St., Watertown, Mass. 02172 (617) 523-5700 - 175,000 shares of common stock. (File 2-67321 - Apr. 10)
- (S-8 and S-16) TOSCO CORPORATION, 10100 Santa Monica Blvd., Los Angeles, Cal. 90067 (212) 425-5200 - 1,867,765 shares of common stock. (File 2-67322 - Apr. 9)
- (S-8) AMERICAN BRANDS, INC., 245 Park Ave., New York, N.Y. 10017 (212) 880-4200 - \$13,200,000 of employee deposits and contributions and 223,255 shares of common stock. (File 2-67324 - Apr. 10)
- (S-8) ICX INCORPORATED, 510 East 51st Ave., Denver, Colo. 80216 (303) 825-7011 - \$700,000 of participation interests. (File 2-67326 - Apr. 10)
- (S-16) COMMONWEALTH EDISON COMPANY, 37th Floor, One First National Plaza, P.O. Box 767, Chicago, Ill. 60690 (312) 294-4321 - 10,000,000 shares of common stock. The company is engaged in the production, transmission, distribution and sale of electricity. (File 2-67325 - Apr. 10)
- (S-8) KROY INDUSTRIES INC., 1728 Gervais Ave., St. Paul, Minn. 55109 - 50,000 shares of common stock. (File 2-67331 - Apr. 10)
- (S-8) FUQUA INDUSTRIES, INC., 3800 First National Bank Tower, Atlanta, Ga. 30303 (404) 658-9000 - 282,700 shares of common stock. (File 2-67332 - Apr. 10)
- In a separate statement the company seeks registration of 223,608 shares of common stock. (File 2-67333 - Apr. 10)
- (S-16) MISSOURI PACIFIC CORPORATION, 990 Clayton Rd., St. Louis, Mo. 63124 (314) 991-9900 - 61,300 shares of common stock. The company is engaged in the railroad transportation business. (File 2-67336 - Apr. 10)

#### REGISTRATIONS EFFECTIVE

- Mar. 31: Shearson Cash Reserve Inc., 2-67009.
- Apr. 1: Forest 1980 Drilling Program, 2-66384.
- Apr. 2: Belden & Blake and Company Limited Partnership No. 74, 2-66639; General Motors Acceptance Corp., 2-66836; Municipal Investment Trust Fund, One Hundred Twenty-Eighth Monthly Payment Series, 2-66918.
- Apr. 3: CMA Asset Trust, 2-67013; Celanese Corp., 2-66970, 2-66971 & 2-66973; Current Interest Second Fund, Inc., 2-67010; The Delta Queen Steamboat Co., 2-66622; Grumman Corp., 2-66894; Hughes Tool Co., 2-66984; Intermountain Energy, Inc., 2-66535; Mountain Financial Co., 2-66702; Paine Webber Income Properties, 2-65435; Texas Gas Thrift Plan, 2-66938.
- Apr. 4: First Commercial Bancorp, 2-66883; IDS Cash Management Fund II, Inc., 2-67005; Trans Carib Air, Inc., 2-65050; Varco International, Inc., 2-66830.
- Apr. 7: The Marley Co., 2-67212.

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**NOTICE**

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*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. When you are ordering more than one, we prefer that the documents be listed in alphabetical order to expedite service. The reproduction cost is 10c per page plus postage (\$3.50 minimum); 20c per page plus postage for expedited service (\$5.00 minimum) and 30c per page plus postage for priority service (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.*

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