

sec news digest

U.S. SECURITIES AND
EXCHANGE COMMISSION

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May 13, 1980

COMMISSION ANNOUNCEMENTS

LIBRARY

ADDITION TO WEEKLY CALENDAR

A Commission representative will testify on Friday, May 16, before the Subcommittee on Securities of the Senate Committee on Banking, Housing and Urban Affairs regarding the Venture Capital Investment Act and three similar Bills. The hearing is scheduled to begin at 10:00 a.m. in Room 5302 of the Dirksen Senate Office Building.

CIVIL PROCEEDINGS

COMPLAINT FILED AGAINST TELTRONICS SERVICES, INC., OTHERS

The New York Regional Office announced that on May 2 a complaint was filed in the U.S. District Court for the Southern District of New York seeking injunctive and other equitable relief against the following defendants for violating the antifraud and reporting provisions of the Securities Exchange Act of 1934: (1) Teltronics Services, Inc. (TSI), a New York corporation with its principal place of business in New York, New York; (2) Edward Beagan of Brooklyn, New York, the president of TSI and the chairman of its board of directors; (3) Randolph Piechocki of Forest Hills, New York, a vice-president of TSI; and (4) Robert Chanda of Plainfield, New Jersey, a TSI vice-president from November 1978 until March 1979 when he ceased to be associated with TSI.

The Commission's complaint alleged, among other things, that since August 1978, TSI failed to disclose, in various quarterly, annual and current reports required to be filed with the Commission, or otherwise, its seriously deteriorating financial condition. The Commission's complaint further alleged that TSI filed with the Commission a quarterly report on Form 10-Q for the period ended September 30, 1978 which was false and misleading and contained omissions and misstatements of material facts in that it overstated TSI's receivables by at least \$500,000 and failed to disclose the serious fiscal difficulties being experienced by TSI. In addition, the complaint alleged that during the period from January 1, 1979 to the present, TSI failed to file with the Commission the required annual and quarterly reports. Finally, the complaint alleged that during January 1979, Chanda sold 2,400 shares of TSI common stock without disclosing material non-public information concerning TSI's precarious financial condition.

Simultaneously with the filing of the complaint, Chanda consented, without admitting or denying the allegations contained in the Commission's complaint, to the entry of a final judgment of permanent injunction and order directing him to disgorge the profits which resulted from his alleged violative conduct. (SEC v. Teltronics Services, Inc., et al., S.D.N.Y., 80 Civil 2472 RJW). (LR-9082)

STIPULATION AND FINAL ORDER ENTERED AGAINST CHESTER C. DAVIS

The Commission announced that on May 12 Judge Alfonse J. Zirpoli of the U.S. District Court for the Northern District of California issued a final order directing Chester C. Davis of New York City to comply with the antifraud provision of the Securities Exchange Act of 1934. In its complaint the Commission alleged that Mr. Davis, in connection with the acquisition of the assets of Air West, Inc. by the late Howard Hughes, Jr., had engaged in a fraudulent course of conduct and violated the proxy solicitation rules. Davis stipulated to the entry of the order without admitting or denying the Commission's allegations. (SEC v. William R. Lummis, et al., As Administrators of the Estate of Howard R. Hughes, Jr., et al., U.S.D.C. N.D. Cal., Civil Action No. 75-0589 AJZ). (LR-9083)

CRIMINAL PROCEEDINGS

DANIEL KING BRAINARD AND HALTON Q. BITTICK CONVICTED

The Atlanta Regional Office announced that on April 24, following a trial before the Honorable Eugene A. Gordon, U.S. District Judge for the Middle District of North Carolina, Daniel King Brainard was convicted on thirteen counts of mail fraud in connection with the offer and sale of securities, and Halton Q. Bittick was convicted on thirteen counts of mail fraud in connection with the offer and sale of securities and on one count of making a false statement in a report required to be filed with the Commission. The convictions arose out of transactions involving the sale of evidences of indebtedness of Sheldon S. Moss, doing business as Television Marketing and Correlated Equities Corporation.

In a related civil injunctive action, Brainard has consented to the entry of an order preliminarily enjoining him from violating and aiding and abetting violations of various provisions of the securities laws. Litigation in this matter is continuing. (U.S. v. Daniel King Brainard, M.D. North Carolina, Criminal Action No. 80-176). (LR-9081)

HOLDING COMPANY ACT RELEASES

MIDDLE SOUTH UTILITIES, INC.

A notice has been issued giving interested persons until June 5 to request a hearing on a proposal by Middle South Utilities, Inc., a registered holding company, and its subsidiaries, to allocate their consolidated Federal income tax liability by a method other than specified by Rule 45(b)(6). (Rel. 35-21565 - May 12)

A supplemental order has been issued authorizing 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. 35-21566 - May 12)

NEW ENGLAND ELECTRIC SYSTEM

An order has been issued granting New England Electric System (NEES), a registered holding company, and its fuel subsidiary, New England Energy Incorporated, an exception from the consolidated tax allocation provisions of Rule 45(b)(6) for the tax years 1980 and 1981. (Rel. 35-21567 - May 12)

An order has also been issued authorizing NEES and Yankee Atomic Electric Company, subsidiary of NEES and Northeast Utilities, to issue and sell 100,000 shares of NEES common stock through December 31, 1984 to the trustee for Yankee Atomic's employee thrift plan. (Rel. 35-21568 - May 12)

APPALACHIAN POWER COMPANY

A notice has been issued giving interested persons until June 5 to request a hearing on a proposal by Appalachian Power Company, subsidiary of American Electric Power Company, Inc., to issue, from time to time through June 30, 1983, not in excess of \$100 million of unsecured promissory notes. (Rel. 35-21569 - May 12)

COOL WATER COAL GASIFICATION PROGRAM

A notice has been issued giving interested persons until June 3 to request a hearing on an application for exemption under Section 2(a)(3) of the Public Utility Holding Company Act of 1935 filed on behalf of Cool Water Coal Gasification Program an unincorporated venture, by its sponsors. (Rel. 35-21570 - May 12)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

The New York Stock Exchange, Inc. has filed a proposed rule change which became effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934 (SR-NYSE-80-18) to prohibit use of carbon paper in machine order forms used on the trading

floor after May 1, 1980. Publication of the proposal is expected to be made in the Federal Register during the week of May 12. (Rel. 34-16798)

NOTICE OF AMENDMENT TO A PROPOSED RULE CHANGE

The National Association of Securities Dealers, Inc. has filed an amendment to its proposed rule change (SR-NASD-78-8) pertaining to access to the NASDAQ system by non-Level III subscribers. Publication of the proposal is expected to be made in the Federal Register during the week of May 12. (Rel. 34-16799)

NOTICE OF PROPOSED RULE CHANGES

The following have filed proposed rule changes pursuant to Rule 19b-4: The Boston Stock Exchange, Inc. (SR-BSE-80-4) to provide that trading through superior ITS markets would be inconsistent with just and equitable principles of trade, and to require that the best ITS bid or offer must be satisfied. (Rel. 34-16797); The New York Stock Exchange, Inc. (SR-NYSE-80-16) to modify NYSE Rules 109, 110 and 112 as they apply to Competitive Traders. (Rel. 34-16800); The Chicago Board Options Exchange, Incorporated (SR-CBOE-80-7) to modify its rules to provide for trading of options on Government National Mortgage Association modified pass-through certificates. (Rel. 34-16801); and The Pacific Stock Exchange Incorporated (SR-PSE-80-3) to amend certain of its rules regarding trading of options on the floor of the exchange. (Rel. 34-16803)

Publication of the above proposals are expected to be made in the Federal Register during the week of May 12

FILING OF PROPOSED AMENDMENT TO CONSOLIDATED TAPE PLAN

The Commission has made available for public comment a proposed restatement and amendment of the joint industry plan governing the consolidated transaction reporting system filed with and declared effective pursuant to Rule 17a-15 under the Securities Exchange Act of 1934, the predecessor to Rule 11Aa3-1. The proposed amendment would effect many technical changes. In addition, the proposed amendment would effect various substantive changes, including changes to certain aspects of the voting arrangements under the plan. (Rel. 34-16802)

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) MAPCO INC., 1800 South Baltimore Ave., Tulsa, Okla. 74119 (918) 584-4471 - \$125 million of convertible subordinated debentures, due May 15, 2005. Underwriters: Bear, Stearns & Co. and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the exploration for and production of coal, oil, natural gas and natural gas liquids. (File 2-67706 - May 9) (Br. 7)
- (S-16) NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY, 185 Franklin St., Boston, Mass. 02107 (617) 743-9800 - \$300 million of thirty-seven year debentures, due May 15, 2017. Underwriters: Salomon Brothers, The First Boston Corporation, E. F. Hutton & Company Inc., Kidder, Peabody & Co. Incorporated and Merrill Lynch White Weld Capital Markets Group. The company is engaged in furnishing communications services. (File 2-67707 - May 9) (Br. 7)
- (S-16) WESTERN BANCORPORATION, 707 Wilshire Blvd., Los Angeles, Cal. 90017 (213) 614-3001 - \$50 million of debentures, due 1990 and \$100 million of debentures, due 2010. Underwriters: Goldman, Sachs & Co. and Blyth Eastman Paine Webber Incorporated. The company is engaged in the general banking business. (File 2-67712 - May 9) (Br. 1)

- (S-6) THE CORPORATE INCOME FUND, ONE HUNDRED FIFTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Incorporated, Dean Witter Reynolds Inc. and Shearson Loeb Rhoades Inc. (File 2-67727 - May 9) (Br. 18)
- (S-7) INDIANA & MICHIGAN ELECTRIC COMPANY, 2101 Spy Run Ave., Fort Wayne, Ind. 46801 (219) 422-3456 - \$80 million of first mortgage bonds. (File 2-67728 - May 9) (Br. 8)
- (S-8) FIRSTMARK CORPORATION, 135 Delaware Ave., Buffalo, N.Y. 14202 (716) 854-2480 - 53,509 shares of common stock. (File 2-67729 - May 9) (Br. 10)
- (S-8) UNIVERSAL SECURITY INSTRUMENTS, INC., 10324 South Dolfield Rd., Owings Mills, Md. 21117 (301) 752-4567 - 73,975 shares of common stock. (File 2-67730 - May 9) (Br. 7)
- (S-14) NATIONAL DETROIT CORPORATION, 611 Woodward Ave., Detroit, Mich. 48226 (313) 225-1000 - \$14 million of 9% installment notes. (File 2-67731 - May 9) (Br. 1)
- (S-8) ASARCO INCORPORATED, 120 Broadway, New York, N.Y. 10005 (212) 732-9500 - \$21,600,000 of participations. (File 2-67732 - May 9) (Br. 6)
- (S-1) BLACK DOME ENERGY CORPORATION, 575 Union Blvd., Suite 105, Silver Hill #1, Lakewood, Colo. 80228 - 2,000,000 shares of common stock. Underwriter: Blinder, Robinson & Co., Inc., 55 Post Ave., Westbury, N.Y. 11590 (212) 895-9535. The company was formed to engage in the exploration for, development of, and the sale of oil, gas, and other minerals. (File 2-67734 - May 12)
- (S-8) MEASUREX CORPORATION, One Results Way, Cupertino, Cal. 95014 (415) 442-0900 - 250,000 shares of common stock. (File 2-67736 - May 12) (Br. 9)
- (S-8) COMMERCE CLEARING HOUSE, INC., 4025 West Peterson Ave., Chicago, Ill. 60646 (312) 583-8500 - 180,995 shares of common stock. (File 2-67737 - May 12) (Br. 2)
- (S-16) PATRICK PETROLEUM COMPANY, 744 West Michigan Ave., Jackson, Mich. 49201 (517) 787-6633 - 27,110 shares of common stock and 15,074 warrants convertible into common stock. The company is engaged in oil and gas exploration, development and production. (File 2-67738 - May 9)
- (S-1) BROCK HOTEL CORPORATION, 2209 West 29th St., Topeka, Kan. 66611 - 874,500 shares of common stock. Underwriters: E. F. Hutton & Company Inc., R. G. Dickinson & Co. and Montgomery Securities. The company is an independent operator of Holiday Inn hotels. (File 2-67739 - May 12) (Br. 5)
- (S-2) ENERGY PRODUCTION COMPANY, 1660 Lincoln St., Denver, Colo. 80264 (303) 831-0187 - 8,000,000 shares of common stock. Underwriter: J. Daniel Bell & Company Inc., 1430 Larimer Sq., Suite 300, Denver, Colo. 80202 (303) 623-0777. The company was organized to engage in the exploration for, and where warranted, the development of oil and gas properties. (File 2-67740 - May 12) (Br. 3)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 30 West Broadway, New York, N.Y. 10015 - 100,000 American Depositary Receipts for Singapore One Dollar shares of The Development Bank of Singapore Limited. (File 2-67741 - May 9); 100,000 American Depositary Receipts for ordinary shares of Ashton Mining N.L. (File 2-67742 - May 9); and 100,000 American Depositary Receipts for shares of Ferrovandium Corporation N.L. (File 2-67743 - May 9)
- (S-16) CENTRAL ILLINOIS LIGHT COMPANY, 300 Liberty St., Peoria, Ill. 61602 (309) 672-5271 - 1,000,000 shares of common stock. The company is engaged in the generation, distribution and sale of electric energy. (File 2-67744 - May 12) (Br. 8)
- (S-16) ALLIED CHEMICAL CORPORATION, P.O. Box 4000R, Morristown, N.J. 07960 (201) 455-2000 - 69,000 shares of common stock. The company's operations comprise five business segments: oil and gas; chemicals, fibers and plastics; electrical; and other operations. (File 2-67746 - May 12) (Br. 1)

(S-8) EMERSON ELECTRIC CO., 8100 West Florissant Ave., St. Louis, Mo. 63136 (314)
553-2536 - 38,706 shares of common stock. (File 2-67747 - May 12) (Br. 8)

(S-8) CLABIR CORPORATION, 1455 East Putnam Ave., Old Greenwich, Conn. 06870 (203)
637-3600 - 208,373 shares of common stock. (File 2-67756 - May 12) (Br. 6)

REGISTRATIONS EFFECTIVE

Apr. 30: Northern Indiana Public Service Co., 2-67177 (Corrected Order).

May 2: International Minerals & Chemical Corp., 2-67564.

May 6: American Tax-Exempt Bond Trust, Series 42, 2-66608; Applied Materials, Inc., 2-66848; Massachusetts Tax-Exempt Unit Trust, Series 14, 2-66486; Midland-Ross Corp., 2-67622; Pacific Northwest Bell Telephone Co., 2-67549; Sierra Pacific Power Co., 2-67371.

May 7: Atlantic Research Corp., 2-66850; The Bendix Corp., 2-67636; Carter Hawley Hale Stores, Inc., 2-67586; The Cleveland Electric Illuminating Co., 2-67221; Florida Power Corp., 2-67396; Municipal Investment Trust Fund, One Hundred Thirty-Second Monthly Payment Series, 2-67461; Tri-South Investments Inc., 2-67621.

May 8: Dayton-Hudson Corp., 2-67613; Empire Airlines, Inc., 2-66525; First National Bancorp of The South, Inc., 2-65179; Florida Power & Light Co., 2-67239; Peoples Energy Corp./Peoples Drilling Corp., 2-67097; Public Service Electric and Gas Co., 2-67482.

REGISTRATIONS WITHDRAWN

Apr. 7: Conti Capital Fund, 2-65664.

Apr. 28: Commerce Southwest Inc., 2-65609.

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 there beneficial interest therein exceeds 5%. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G 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 April 24 - 28, 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 set forth for each beneficial owner. *Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Richard O. Rush	Southern Educators Life Insurance Co. (Baton Rouge, LA) Common Stock - 211,415 shs. (33%)	4-24-80
* John G. Good, Jr., Trustee	Michael Baker Corporation (Beaver, PA) Common Stock - 320,623 shs. (34.5%) (Included above are 68,889 shares through revokable proxies only.)	4-25-80
* Hatleigh Corporation (Canada) North Canadian Oils Ltd. (Canada) James F. Kay (Canada)	Lane Bryant, Inc. (NYC) Common Stock - 492,400 shs. (10.8%)	4-25-80
* Neuberger & Berman	CL Assets, Inc. (NYC) \$2.10 Preference Stock - 150,634 shs. (21.7%)	4-25-80
American Financial Corp. Carl H. Lindner Robert D. Lindner	Chase Manhattan Mortgage & Realty Trust (NYC) Convertible Debentures - \$24,164,500	4-25-80
* Jakob Muller Research and Finance Ltd. (Switzerland)	Crompton & Knowles Corp. (NYC) Common Stock - 189,800 shs.	4-25-80

ACQUISITION REPORTS CONT.

Gulf & Western Industries Inc. Charles G. Bluhdorn	General Tire & Rubber Company (Akron, OH) Common Stock - 2,053,200 shs.	4-25-80
* David W. Grainger Lee J. Flory Max E. Meyer, Individually and Trustees	W. W. Grainger, Inc. (Skokie, IL) Common Stock - 3,416,866 shs. (24%)	4-25-80
* Compagnie Generale de la Ceramique du Batiment, S.A. (France) Ceramac America, Inc. Societe Chimique Routiere et d'Entreprise Generale, S.A. (France), Parent	Monarch Tile Manufacturing Inc. (San Angelo, TX) Common Stock - 1,200,000 shs. (50.3%)	4-25-80
George T. Smith (Canada)	Overseas Securities Co., Inc. (NYC) Common Stock - 130,000 shs.	4-25-80
Stryker Oil Corp.	Alaska Airlines, Inc. (Seattle, WA) Common Stock - 291,670 shs.	4-28-80
Michael H. Steinhardt Steinhardt Partners	Arlen Realty & Development Corp. (NYC) Common Stock - 1,228,100 shs.	4-28-80
John E. Jensen	Aztech International, Ltd. (Albuquerque, NM) Common Stock - 23,833 shs.	4-28-80
* Barry F. Cohen	Barden Corporation (Danbury, CT) Common Stock - 120,570 shs.	4-28-80

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 April 18 - 28, 1980. *Amended Tender Offers.

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
GM Sub Corporation (Wholly-owned subsidiary of Grand Metropolitan Ltd. (U.K.))	Liggett Group Inc. (Montvale, NJ) Common Stock - All outstanding shares for cash at \$50.00 net per share \$5.25 Convertible Preference Stock - All outstanding for cash at \$114.94 net per share 7% Preferred Stock - All outstanding shares for cash at \$67.50 net per share (Grand Met presently owns 802,000 shares of Common Stock.)	4-18-80
Clausing Corporation	Fife Corporation (Oklahoma City, OK) Common Stock - 180,000 shares for cash at \$13.50 net per share (Clausing presently owns 160,000 shares of Common Stock (20.1%).	4-28-80



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. 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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