

sec news digest

U.S. SECURITIES AND
EXCHANGE COMMISSION

Issue 80-103

May 27, 1980

MAY 28 1980

RULES AND RELATED MATTERS

LIBRARY

INTERPRETIVE VIEWS RELATING TO PROXY RULES

The Commission has authorized the issuance of a release reflecting the views of the Division of Corporation Finance with respect to the disclosure in proxy contests where a principal issue in contention is the disposition of all or part of an issuer's assets or outstanding stock and distribution of the proceeds by dividend, tender offer, merger, exchange or liquidation distribution to shareholders. (Rel. 34-16833)

FOR FURTHER INFORMATION CONTACT: Linda C. Quinn at (202) 272-3208

COMMISSION ANNOUNCEMENTS

PUBLIC REFERENCE ROOM TO OPEN AT 10 AM ON MAY 28 DUE TO WORKSHOP

The Public Reference Section will open one hour later (10:00 a.m.), on Wednesday, May 28, 1980. The Section will conduct a workshop on that date between the hours of 8:30 a.m. and 10:00 a.m., relating to behind the scene activities involved in retrieving data. Members of the public are invited to attend the workshop. Please indicate your desire to participate by calling 523-5530 no later than 12:00 noon, Tuesday, May 27.

CIVIL PROCEEDINGS

BRENDAN CASEY ENJOINED

The Chicago Regional Office announced that on April 7 Brendan Casey was enjoined by the Honorable John Powers Crowley from violation of the antifraud provisions of the Securities Exchange Act of 1934. Casey consented to the injunction without admitting or denying the allegations in the Commission's complaint. The injunction was issued in connection with Casey's participation in a \$25 million inventory and profit inflation scheme at Cenco, Incorporated where Casey was employed as controller of the Central Scientific Division of Cenco. (SEC v. Cenco Incorporated, et al., N.D. Ill. 1976, No. 76C 3258). (LR-9093)

CRIMINAL PROCEEDINGS

F. GAYLORD NANCE AND RICHARD T. FOGLE SENTENCED

The Chicago Regional Office announced that on April 22 Judge Prentice M. Marshall sentenced F. Gaylord Nance to 30 months incarceration and fined Nance \$10,000, and sentenced Richard T. Fogle to 18 months and fined him \$5,000. Both defendants had entered pleas to one count of mail fraud and one count of fraud by wire.

Nance, Fogle, two oil companies they wholly-owned, Arrow Oil Corporation and Texoil Exploration Company, and others were previously enjoined from violations of the antifraud provisions of the securities laws in September, 1978.

Nance and Fogle were indicted for mail and bank fraud in connection with their activities while trust officers of the Continental Illinois National Bank and Trust Company. They were in charge of Continental's Oil and Gas Mineral Section which

invested customers" funds in fractional undivided interests in oil and gas leases, (mineral interests). Nance and Fogle were also indicted for operating racketeer influenced and corrupt organizations, i.e. Arrow and Texoil. (U.S. v. F. Gaylord Nance and Richard T. Fogle.) (LR-9092)

INVESTMENT COMPANY ACT RELEASES

NEUBERGER & BERMAN MANAGEMENT INCORPORATED

A notice has been issued giving interested persons until June 17 to request a hearing on an application filed by Neuberger & Berman Management Incorporated (Management) and Neuberger & Berman (N&B) (collectively, Applicants), each registered as an investment adviser under the Investment Advisers Act of 1940, for an order pursuant to Section 6(c) of the Investment Company Act of 1940, exempting Applicants from the provisions of Section 15(a) of the Act to the extent that certain transactions might result in (1) the termination of the investment advisory contracts between Management and the investment companies it advises, and (2) the termination of certain sub-advisory contracts between Management and N&B. (Rel. IC-11182 - May 23)

HOLDING COMPANY ACT RELEASES

GENERAL PUBLIC UTILITIES CORPORATION

A notice has been issued giving interested persons until June 19 to request a hearing on a post-effective amendment filed by General Public Utilities Corporation, a registered holding company, and its subsidiary, GPU Service Corporation, regarding the proposed issuance and sale by GPU of a first mortgage note, due 2005, of up to \$15,500,000 secured by, and for the purpose of, financing the system's headquarter's office building. (Rel. 35-21589 - May 23)

COLONIAL GAS ENERGY SYSTEM

A notice has been issued giving interested persons until June 18 to request a hearing on a proposal of Colonial Gas Energy System, a holding company, Lowell Gas Company and Cape Cod Gas Company, subsidiaries of Colonial, to solicit approval from Colonial's common shareholders of a recapitalization proposal. If the recapitalization is effected, Colonial will seek to raise approximately \$7 million by a public offering of additional common stock. The net proceeds from such sale would be invested in new common stock of Lowell and Cape Cod. Authorization of such transactions is also sought. (Rel. 35-21590 - May 23)

NEW ENGLAND POWER COMPANY

A notice has been issued giving interested persons until June 17 to request a hearing on a proposal by New England Power Company (NEP), subsidiary of New England Electric System, to amend its charter for the purpose of extending its short-term debt authorization and increasing authorized preferred stock. An order has been issued authorizing NEP to solicit proxies in connection with the proposed charter amendment. (Rel. 35-21591 - May 23)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until June 13 to comment on the Midwest Stock Exchange's application for unlisted trading privileges in the common stock of Dome Petroleum, Ltd., \$2.50 par value. (Rel. 34-16834)

WITHDRAWAL GRANTED

An order has been issued granting the application of U.S. Home Corporation to withdraw their common stock (\$.10 par value and 5-1/2% convertible subordinated debentures, due 1996) from listing and registration on the Pacific Stock Exchange. (Rel. 34-16835)

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) NORTH AMERICAN PHILIPS CORPORATION, 100 East 42nd St., New York, N.Y. 10017 (212) 697-3600 - \$100 million of notes, due 1987. Underwriter: Morgan Stanley & Co. Incorporated. The company is engaged in the manufacture and sale of a broad range of products and services. (File 2-67847 - May 21) (Br. 7)
- (S-1) MAGNUSON COMPUTER SYSTEMS, INC., 2902 Orchard Park Way, San Jose, Cal. 95134 (408) 946-8100 - 1,100,000 shares of common stock. Underwriters: Blyth Eastman Paine Webber Incorporated and Hambrecht & Quist. The company designs, develops, manufactures, markets and services general purpose computers. (File 2-67862 - May 22)
- (S-6) CORPORATE SECURITIES TRUST, LONG-TERM DEBT SERIES 18, 1345 Avenue of the Americas, New York, N.Y. 10019 - 14,000 units. Depositors: Smith Barney, Harris Upham & Co. Incorporated, 1345 Avenue of the Americas, New York, N.Y. 10019, Paine, Webber, Jackson & Curtis Incorporated and Drexel Burnham Lambert Incorporated. (File 2-67863 - May 22) (Br. 16)
- (S-16) CONSUMERS POWER COMPANY, 212 West Michigan Ave., Jackson, Mich. 49201 (517) 788-1030 - \$75 million of first mortgage bonds, Series due June 15, 2010. Underwriter: Morgan Stanley & Co. Incorporated. The company is engaged in the generation, purchase, transmission, distribution and sale of electricity. (File 2-67865 - May 22) (Br. 8)
- (S-8) ROWAN COMPANIES, INC., 1900 Post Oak Tower, 5051 Westheimer Rd., Houston, Tex. 77056 (713) 621-7800 - 500,000 shares of common stock. (File 2-67866 - May 22) (Br. 3)
- (S-8) SPECTRUM CONTROL, INC., 8061 Avonia Rd., Fairview, Pa. 16415 (814) 474-1571 - 78,800 shares of common stock. (File 2-67867 - May 22) (Br. 7)
- (S-6) INSURED MUNICIPALS-INCOME TRUST, SERIES 40, 208 South LaSalle St., Chicago, Ill. 60604 - 7,500 units. Depositor: Van Kampen Filkin & Merritt Inc. (File 2-67870 - May 23) (Br. 17)
- (S-8) NBI, INC., 1695 38th St., Boulder, Colo. 80301 (303) 444-5710 - 250,000 shares of common stock. (File 2-67876 - May 23) (Br. 7)
- (S-16) GULF STATES UTILITIES COMPANY, 285 Liberty Ave., Beaumont, Tex. 77701 (713) 838-6631 - 3,000,000 shares of common stock. Underwriters: Kidder, Peabody & Co. Incorporated, E.F. Hutton & Company Inc., Merrill Lynch White Weld Capital Markets Group and Dean Witter Reynolds Inc. The company is engaged in generating and purchasing electric energy and transmitting, distributing and retailing such energy. (File 2-67877 - May 23) (Br. 8)
- (S-7) GNAC, CORP. AND GOLDEN NUGGET, INC., Boston at Pacific Ave., Atlantic City, N.J. 08401 (609) 347-7111 and 129 Fremont St., Las Vegas, Nev. 89101 (702) 385-7111 - \$15 million of subordinated debentures, due June 15, 1995. Underwriter: Drexel Burnham Lambert Incorporated. GNAC is constructing a casino-hotel complex; the company (Golden Nugget, Inc.) owns and operates the Golden Nugget gaming casino. (File 2-67880 - May 23) (Br. 3)



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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