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Issue 80-132

U.S. SECURITIES AND
EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDINGS

NYSE SANCTION AGAINST IRWIN SCHLOSS AFFIRMED

The Commission has affirmed the one-year suspension imposed by the New York Stock Exchange (NYSE) on Irwin Schloss of New York City. During the relevant period, Schloss, a member of the NYSE, was president and chief executive officer of Marcus Schloss & Co., Inc. (MSC), a NYSE member firm, which was the NYSE specialist in the securities of APL Corporation. The NYSE suspended Schloss for one year from membership, allied membership, approved person status and employment in any capacity with any NYSE member or member organization.

The Commission found, as had the NYSE, that Schloss failed to exercise proper supervision and control over the activities of MSC's specialist unit and thereby permitted it during November 13-15, 1974, to effect transactions in two series of APL preferred stock which were not reasonably necessary for the maintenance of fair and orderly markets in those securities. The Commission found that during the three days the price of one series rose from 6-3/4 to 9-5/8 and that of the other from 9-5/8 to 12-5/8. Almost every rise in price occurred when MSC was selling for its own account, and was thus setting the prices at which those trades were executed. Moreover, Schloss knew that the purchaser in most of those transactions was his friend, whose orders had previously played an important role in the price rise of APL common. As soon as the prices in the two series hit their highs, Schloss contacted APL and arranged for APL to purchase MSC's holdings and those of his friend as well. The Commission concluded that Schloss was either fully aware of the trading irregularities in the APL preferreds or, at the least, sufficiently alerted to the necessity of making an immediate investigation.

In finding that under the circumstances the one-year suspension was neither excessive or oppressive, the Commission noted that as a specialist, Schloss occupied a position charged with maintaining the highest standards of fair dealing. It found that Schloss failed to meet the responsibilities imposed on him. (Rel. 34-16934)

COMMISSION ANNOUNCEMENTS

DIVISION OF INVESTMENT MANAGEMENT TO HOLD PUBLIC MEETING CONCERNING THE EFFECT OF MONEY MARKET FUNDS OF THE TERMINATION OF CREDIT CONTROLS

On Friday, July 11, at 2:00 p.m., the Commission's Division of Investment Management intends to hold a public meeting in order to obtain the views of interested persons concerning the impact on the operations of "money market" funds of the termination of credit control regulations. As discussed in the SEC News Digest of July 7, the Division intends to request that the Commission consider various issues relating to the action of the Board of Governors of the Federal Reserve System rescinding its credit control regulations and expects to recommend that the Commission issue a general statement of policy concerning the implications of the Board's action under the securities laws.

The public meeting will be held in Room 776 of the Commission's headquarters, 500 North Capitol Street, Washington, D.C. All interested persons are invited to attend.

FOR FURTHER INFORMATION CONTACT: Kenneth S. Gerstein at (202) 272-3023

CIVIL PROCEEDINGS

STANLEY E. WIKLINSKI, OTHERS ENJOINED

The New York Regional Office announced that the Honorable Charles S. Haight, Jr. of the U.S. District Court for the Southern District of New York signed Final Judgments of Permanent Injunction by Consent against Stanley E. Wiklinski, a resident of Rutherford, New Jersey, on February 20, and against L. Henry Sarmiento, a resident of New York, New York, on May 23. Judge Haight also signed Final Judgments of Permanent Injunction by Default against David C. Heenan, a resident of New York, New York, on January 30, Telco Information Services, a Utah corporation on June 2, and Vittorio Widemann International Corporation (VWI), a Delaware corporation on June 2. All the defendants were permanently enjoined from violating the registration and antifraud provisions of the securities laws. Wiklinski and Sarmiento consented to the entry of the permanent injunctions without admitting or denying the allegations of the Commission's complaint.

The complaint, filed on December 6, 1979, alleged that Telco, VWI, Sarmiento, Wiklinski, Heenan and others participated in a scheme to sell unregistered securities in the form of convertible promissory notes of VWI, made or caused to be made material misrepresentations and failed to disclose material facts to investors in the offer and sale of VWI notes and/or the common stock of Telco, and engaged in a concurrent manipulation of the over-the-counter trading market for Telco common stock. Final Judgments of Permanent Injunction by Consent were previously entered against two other defendants, and the action is still pending as to the remaining three defendants. (SEC v. Telco Information Services, et al., 79 Civil 6649 [CSH]). (LR-9124)

CRIMINAL PROCEEDINGS

FIVE INDICTED IN UTAH FOR CONSPIRACY, SECURITIES FRAUD AND INTERSTATE TRANSPORTATION OF MONEY OBTAINED BY FRAUD

The Denver Regional Office announced that on June 19 a federal grand jury in Salt Lake City, Utah returned a 17-count indictment naming Johney B. Kearney and Johney B. Kearney, Jr., both formerly of Phoenix, Arizona and Salt Lake City, and both believed to be presently residing in Los Angeles, California; Stephen R. Gilliland of Salt Lake City; and Richard S. Berry and Richard K. Kerekes of Tempe, Arizona. All of the defendants were charged with conspiracy to violate certain laws of the United States. With respect to the other counts, the defendants were charged as follows: Kearney and Kearney, Jr., nine counts of securities fraud and two counts of interstate transportation of money obtained by fraud; Gilliland, nine counts of securities fraud and one count of interstate transportation of money obtained by fraud; Berry, eleven counts of securities fraud and one count of interstate transportation of money obtained by fraud; and Kerekes, two counts of securities fraud and two counts of interstate transportation of money obtained by fraud. All of the charges were brought against the defendants in connection with the offer and sale and use of the proceeds of sale of Century Capital Notes of Century Mortgage Co., Ltd.

Kearney, Kearney, Jr., and Gilliland previously were permanently enjoined by the U.S. District Court for Utah, from violating the registration and antifraud provisions of the securities laws in the offer and sale of Century Capital Notes of Century Mortgage Co., Ltd., and other securities. (U.S. v. Johney B. Kearney, et al., USDC, UT, Cr-80-83W). (LR-9127)

GRANT H. ROYLANCE INDICTED

The Denver Regional Office announced that on June 19 a federal grand jury in Salt Lake City, Utah returned a 12-count indictment against Grant H. Roylance of Provo, Utah. The indictment charges Roylance with eight counts of mail fraud, two counts of interstate transportation of money obtained by fraud, and two counts of securities fraud. The charges were brought against Roylance in connection with the obtaining of money by issuing notes to fund the alleged purchase and refining of gold ore concentrate.

Roylance, in July, 1979, was permanently enjoined by the U.S. District Court for Utah from violating the registration and antifraud provisions of the securities laws in the offer and sale of the promissory notes, investment contracts, and evidences of indebtedness of G. R. and Associates, Inc. and Metals Exchange. (U.S. v. Grant H. Roylance, USDC, Ut, CR-80-80J). (LR-9123)

INVESTMENT COMPANY ACT RELEASES

INDEPENDENCE FUND, INC.

An order has been issued on an application of Independence Fund, Inc. and Keystone Custodian Funds, Inc., as trustee for Keystone Custodian Funds, Series K-2 (Keystone Fund), granting an exemption from the provisions of Section 17(a) of the Investment Company Act of 1940, to permit Keystone Fund to acquire all of the assets of Independence Fund. (Rel. IC-11245 - July 3)

CONSTITUTION FUND, INC.

An order has been issued on an application of Constitution Fund, Inc. and Keystone Custodian Funds, Inc. as trustee for Keystone Custodian Fund, Series K-2 (Keystone), pursuant to Section 17(b) of the Investment Company Act of 1940, to permit Keystone to acquire all of the assets of Constitution. (Rel. IC-11246 - July 3)

MASSACHUSETTS FUND FOR INCOME

An order has been issued on an application of Massachusetts Fund for Income and Keystone Custodian Funds, Inc., as trustee for Keystone Custodian Fund, Series B-2 (Keystone Fund), granting an exemption from the provisions of Section 17(a) of the Investment Company Act of 1940, to permit the Keystone Fund to acquire all of the assets of the Massachusetts Fund. (Rel. IC-11247 - July 3)

FREEDOM FUND, INC.

An order has been issued on an application of Freedom Fund, Inc. and Keystone Custodian Funds, Inc., as trustee for Keystone Custodian Fund, Series K-1 (Keystone Fund), pursuant to Section 17(b) of the Investment Company Act of 1940, to permit Keystone Fund to acquire all of the assets of Freedom Fund. (Rel. IC-11248 - July 3)

HOLDING COMPANY ACT RELEASES

OHIO POWER COMPANY

A notice has been issued giving interested persons until August 4 to request a hearing on a proposal by Ohio Power Company, subsidiary of American Electric Power Company, Inc., and Central Ohio Coal Company (COCO), subsidiary of Ohio Power, that (1) Ohio Power transfer certain coal lands and related assets to COCO, and (2) the rate of return allowed COCO on its equity be increased from 6% to 13%. (Rel. 35-21651 - July 7)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange, Inc. to strike the convertible special preference stock (par value \$25) of Frontier Airlines, Inc. from listing and registration thereon. (Rel. 34-16954)

WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until July 24 to comment on the application of Filmways, Inc. to withdraw its 6% convertible subordinated debentures, due 1-15-88, from listing and registration on the American Stock Exchange. (Rel. 34-16958)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Incorporated has filed a proposed rule change under Rule 19b-4 (SR-MSE-80-12) to assign certain functions to the Committee on Specialist Assignment and Evaluation. Publication of the proposal is expected to be made in the Federal Register during the week of July 7. (Rel. 34-16959)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the National Association of Securities Dealers, Inc. (SR-NASD-80-5) revising the NASD's By-Laws to generally require that NASDAQ Level 1 service provide subscribers with inside quotations. The rule change also identifies which quotations should be released to the news media. (Rel. 34-16957)

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-18) BEAR LAKE WEST, INC., P.O. Box 396, Fish Haven, Idaho 83261 - 5,000,000 shares of common stock. Underwriter: Bear Lake West Securities, Inc., P.O. Box 396, Fish Haven, Idaho 83261. The company is engaged in the acquisition, development and sale of recreational land and interests in recreational property. (File 2-68320 - June 30) (Br. 6)
- (S-18) SURGERY CENTERS CORPORATION, 6710 East Camelback Rd., Suite 226, Scottsdale, Ariz. 85251 - 4,000,000 shares of common stock. Underwriter: Wall Street West, Inc., 5500 South Syracuse, Suite 114, Englewood, Colo. 80111 (303) 770-6130. The company provides to others on a contract basis all services necessary for them to establish, own and operate surgical centers. (File 2-68340 - July 7) (Br. 6)
- (S-18) SUNFLOWER SOLAR, INC., 1864 Sullivan Rd., College Park, Ga. 30337 - 337,084 shares of common stock. Underwriter: First Citizens Municipal Corporation. The company is engaged in the manufacturing of flat plate solar energy collection panels. (File 2-68341 - July 1) (Br. 9)
- (S-18) NOVAN ENERGY, INC., 1630 North 63rd St., Boulder, Colo. 80301 (303) 447-9193 - 25,000,000 shares of common stock. Underwriter: EJ Pittock & Co. Inc., Suite 610, 817 Seventeenth St., Denver, Colo. 80202 (303) 892-6110. The company is engaged in manufacturing and marketing solar energy systems. (File 2-68343 - June 30) (Br. 10)
- (S-18) THE TELEMINE COMPANY, INC., 888 Seventh Ave., New York, N.Y. 10019 - 325,685 shares of common stock. The company offers for sale or lease a hardware package to cable television companies which includes all equipment necessary for the cable company to transmit scheduled taped program material to its subscribers. (File 2-68352 - June 30) (Br. 7)
- (S-2) VALEX PETROLEUM INC., 1580 Lincoln St., Suite 730, Denver, Colo. 80203 (303) 832-6450 - 4,000,000 shares of common stock. Underwriter: J. Daniel Bell & Company Inc., 1430 Larimer Sq., Suite 300, Denver, Colo. 80202 (303) 623-0777. The company proposes to explore for and develop crude oil and natural gas. (File 2-68367 - July 3) (Br. 4)
- (S-11) WINTHROP ARTERY ASSOCIATES I, 225 Franklin St., Boston, Mass. 02110 - 10,000 units of limited partnership interests. (File 2-68372 - July 3) (Br. 6)
- (S-14) FIRST NATIONAL VERMONT CORPORATION, 56 Main St., Springfield, Vermont 05156 (802) 885-4511 - 250,000 shares of common stock. (File 2-68375 - July 3) (Br. 2)

- (S-16) PARKER-HANNIFIN CORPORATION, 17325 Euclid Ave., Cleveland, Ohio 44112 - 113,713 common shares. The company is a manufacturer of fluid power systems and related components. (File 2-68386 - July 3) (Br. 9)
- (S-16) NORTHWEST ENERGY COMPANY, 315 East 200 South, Salt Lake City, Utah 84111 (801) 534-3600 - 2,400,000 shares of cumulative convertible preference stock, Series A. Underwriters: Lehman Brothers Kuhn Loeb Incorporated, Goldman, Sachs & Co. and Shearson Loeb Rhoades Inc. The company is engaged in natural gas transmission and other energy-related activities. (File 2-68388 - July 3) (Br. 8)
- (S-6) MUNICIPAL SECURITIES TRUST, SERIES 5, 55 Water St., New York, N.Y. 10041 - 12,000 units. Depositor: Bear, Stearns & Co. (File 2-68389 - July 3) (Br. 18)
- (S-16) AMAX INC., AMAX Center, Greenwich, Conn. 06830 (203) 622-3000 - \$100 million of notes, due July 15, 1990. Underwriter: Lehman Brothers Kuhn Loeb Incorporated. The company is engaged in the exploration for and mining of ores and minerals and the smelting, refining and other treatment of minerals and metals. (File 2-68391 - July 7) (Br. 6)
- (S-14) SCURRY-RAINBOW OIL LIMITED, 2300 Home Oil Tower, 324 Eighth Avenue S.W., Calgary, Alberta T2P 2Z5 (403) 232-7101 - 225,000 Amalco redeemable preferred shares. (File 2-68394 - July 7) (Br. 3)
- (S-16) THE COLUMBIA GAS SYSTEM, INC., 20 Montchanin Rd., Wilmington, Del. 19807 (302) 429-5000 - \$100 million of debentures, Series due August 2000. (File 2-68395 - July 7) (Br. 7)
- (S-16) THE CHARTER COMPANY, 21 W. Church St., Jacksonville, Fla. 32202 (904) 358-4111 - 50,000 units and 1,250,000 shares of common stock. Underwriter: E. F. Hutton & Company Inc. The company is a diversified corporation having its primary revenue and asset base in the petroleum industry, with operations also in communications and insurance. (File 2-68401 - July 8) (Br. 3)

REGISTRATIONS EFFECTIVE

June 24: J. E. Sirrine Co., 2-67974.

June 25: American Tax-Exempt Bond Trust, Series 44, 2-67990; Empire State Municipal Exempt Trust, Series 21, 2-67689; Kemper Tax Exempt Income Trust, Series 13, 2-67888; Magnuson Computer Systems, Inc., 2-67862; Noran Bros., Inc., 2-68027; Southwest Georgia Financial Corp., 2-67127; Tomlinson Oil Co., Inc., 2-67064; Tucker Drilling Co., Inc., 2-67938.

June 26: Bankers Trust New York Corp., 2-68158; Clements Energy 1980, 2-67576; Minnesota Mining and Manufacturing, 2-67660; Municipal Investment Trust Fund, One Hundred Thirty-Eighth Monthly Payment Series, 2-68051; Nuveen Tax-Exempt Bond Fund, Multi-State, Series 9, 2-66494.

June 27: Asset Reserves, Inc., 2-68011; Atlantic Richfield Co., 2-66244; The Equity Income Fund, Second Utility Common Stock Series, 2-68016; First Jersey National Corp., 2-68185; Municipal Securities Trust, Series 4, 2-68167; Patrick Petroleum Co., 2-67738; South Jersey Industries, Inc., 2-68038; Sperry Corp., 2-68191; Texas Commerce Bancshares, Inc., 2-67590; Virginia Electric and Power Co., 2-67981.

June 30: Bank Corporation of Georgia, 2-66999.

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 (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 June 11 - 13, 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>
* Helen R. Scheuer, Individually, Executor & Trustee Alexander Abraham, Individually and Trustee Donald E. Peiser George H. Heyman, Jr., Individually and Trustee, et al	Southdown, Inc. (Houston, TX) Common Stock - 995,460 shs. (28.56%)	6-11-80
Arthur Ross Central National Corporation Cenro Corporation Gottesman & Company, Inc., et al	Stokely-Van Camp, Inc. (Indianapolis, IN) Common Stock - 220,884 shs.	6-11-80
Bradbury Dyer, III	U. S. Realty Investors (Cleveland, OH) Shares of Beneficial Interest - 185,100	6-11-80
Harry Popkin	Ampal-American Israel Corp. (NYC) Class A Stock - 317,928 shs.	6-12-80
Elyria Company	Atlanta/La Salle Corporation (Chicago, IL) Common Stock - 297,800 shs. (12.95%)	6-12-80
* SDK Industrial Parks	BankAmerica Realty Investors (San Francisco, CA) Shares of Beneficial Interest - 223,000	6-12-80
* Ecointech Ltd. (Canada) 85719 Canada Ltd. (Canada) Camp Investments Ltd. (Canada) E. Leo Kolher (Canada), et al	Bow Valley Industries Ltd. (Calgary, Alberta, Canada) Common Stock - 4,013,730 shs. (11.6%) 7% Convertible Preferred Stock - 106,000 shs. (10.6%)	6-12-80
* Loews Corporation	CNA Financial Corp. (Chicago, IL) Common Stock - 41,900,392 shs. (86.5%) Common Stock - 6,432,856 shs. on conversion of Preferred Stock	6-12-80
* Dayton-Walther Corporation	Citation Companies, Inc. (Grand Rapids, MI) Common Stock - 476,482 shs. (30%)	6-12-80
* Anatar Industries, Inc. Anatar Industries, Inc. Voting Trust Douglas A. P. Hamilton	Classified Financial Corp. (Waukesha, WI) Common Stock - 56,244 shs.	6-12-80
David A. Wolf Robert M. Blatt David A. Wolf Associates	Flatley Realty Investors (Braintree, MA) Shares of Beneficial Interest - 133,828 (13.38%)	6-12-80
* American Financial Corp. Carl H. Lindner Robert D. Lindner	Gulf United Corp. (Jacksonville, FL) Common Stock - 1,783,346 shs. Common Stock - 3,428,000 shs. on exercise of option	6-12-80
Exeter Company (Wholly-owned subsidiary of Peoples Energy Corp.)	Henderson Petroleum Corp. (Denver, CO) Common Stock - 607,000 shs.	6-12-80
Rolim, Inc. (Wholly-owned subsidiary of Rol, Inc.)	Intermedics, Inc. (Freeport, TX) Common Stock - 793,000 shs. (14.2%)	6-12-80
Carlson Companies, Inc.	Modern Merchandising Inc. (Minnetonka, MN) Common Stock - 696,212 shs.	6-12-80
* Rubinstein & Company Building Corporation Ltd. (Israel)	Multi-Tex Products Corp. (Kearny, NJ) Common Stock - 28,298,400 shs. (74%)	6-12-80
Shimon Horn (Israel) Alice H. Horn (Israel) Ud Horn (Israel)	Multi-Tex Products Corp. (Kearny, NJ) Common Stock - 2,901,600 shs.	6-12-80

ACQUISITION REPORTS CONT.

* ROL, Inc.	Rollins, Inc. (Atlanta, GA) Common Stock - 3,473,000 shs. (25.5%)	6-12-80
Bob Magness	Tele-Communications, Inc. (Englewood, CO) Class A Common Stock - 32,203 shs. Class B Common Stock - 755,717 shs. (13.5%)	6-12-80
Betty Ruth Magness	Tele-Communications, Inc. (Englewood, CO) Class A Common Stock - 145,865 shs. Class B Common Stock - 419,980 shs.	6-12-80
* Jet Capital Corporation	Texas International Airlines, Inc. (Houston, TX) Common Stock - 799,880 shs. Common Stock - 1,020,000 shs. on conversion of Series C Stock	6-12-80
Siemens Corporation (Wholly-owned subsidiary of Siemens AG (West Germany))	Threshold Technology Inc. (Delran, NJ) Common Stock - 362,500 shs. Common Stock - 200,000 shs. on exercise of warrant Common Stock - 200,000 on conversion of Debentures	6-12-80
Henry Alan Pattiz	Beneficial Standard Corp. (Los Angeles, CA) Class A Common Stock - 73,468 shs. Class B Common Stock - 111,645 shs.	6-13-80
* AAR Corp.	Brooks & Perkins, Inc. (Southfield, MI) Common Stock - 288,700 shs. (23.8%)	6-13-80
* De Rance, Inc.	Gould Investors Trust (Great Neck, NY) Shares of Beneficial Interest - 74,600	6-13-80
* De Rance, Inc.	Grey Advertising, Inc. (NYC) Common Stock - 56,700 shs.	6-13-80



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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