

sec news digest

U.S. SECURITIES AND
EXCHANGE COMMISSION

Issue 81-27

February 10, 1981

FEB 11 1981

RULES AND RELATED MATTERS

LIBRARY

AMENDMENTS TO RULE 144

The Commission has adopted amendments to Rule 144 under the Securities Act of 1933 which provides a safe harbor for the resale of securities to the public. The new amendments will permit persons who have held securities covered by the rule for a period of three years to sell such securities without compliance with the provisions of the rule relating to volume limitation, manner of sale and notice, provided such persons are not affiliates of the issuer and there is current information available to the public concerning the issuer. The purpose of the amendments is to relax restrictions on resales of securities that are more burdensome than necessary. (Rel. 33-6286)

FOR FURTHER INFORMATION CONTACT: Ann M. Glickman at (202) 272-2573

ADMINISTRATIVE PROCEEDINGS

PROCEEDINGS AGAINST JOSEPH T. ZAPPALA DISMISSED

The Commission announced that administrative proceedings against Joseph T. Zappala of Pennsville, New Jersey, the sole remaining respondent in the Matter of Verrilli, Altschuler, Schwartz, Inc., et al., were dismissed on the ground that remedial action against Zappala was not in the public interest. (Rel. 34-17456)

CIVIL PROCEEDINGS

FARADAY LABORATORIES, INC. ENJOINED

The Commission announced that on February 6 the U.S. District Court for the District of Columbia enjoined Faraday Laboratories, Inc. of Hillside, New Jersey, from failing to timely file periodic reports with the Commission and ordered it to comply with certain undertakings.

The Commission's complaint, filed on August 25, 1980, alleged that Faraday failed to timely file certain annual and quarterly reports as part of a continuing course of conduct extending over several years. Faraday, in consenting to entry of Judgment against it, acknowledged failure to timely file reports on 10 separate occasions. (SEC v. Faraday Laboratories, Inc., U.S.D.C. D.C., Civil Action No. 80-2166). (LR-9288)

INVESTMENT COMPANY ACT RELEASES

THE SOUTH BAY CORPORATION

A notice has been issued giving interested persons until March 2 to request a hearing on an application of The South Bay Corporation, for an order declaring that it has ceased to be an investment company. (Rel. IC-11607 - Feb. 5)

CALVERT TAX-FREE RESERVES

A notice has been issued giving interested persons until March 2 to request a hearing on an application filed by Calvert Tax-Free Reserves (Applicant), registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, for an order pursuant to Section 6(c) of the Act, exempting Applicant from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to permit it to use the amortized cost valuation method for the purpose of pricing its shares for sale, repurchase and redemption, subject to specific conditions. (Rel. IC-11608 - Feb. 5)

TRUST FUND SPONSORED BY AMERICAN COLLEGE FOUNDATION, INC.

A notice has been issued giving interested persons until March 2 to request a hearing on a proposal by the Commission to declare by order on its own motion, pursuant to Section 8(f) of the Investment Company Act of 1940, that Trust Fund Sponsored by American College Foundation, Inc., registered under the Act as an open-end, non-diversified, management investment company, has ceased to be an investment company. (Rel. IC-11611 - Feb. 6)

FINANCE FOR INDUSTRY LIMITED

An order has been issued on an application filed by Finance for Industry Limited (FFI), a United Kingdom deposit-taking institution, and FFI (UK Finance) Limited, the wholly-owned, principal asset-holding and operating subsidiary of FFI (collectively, Applicants), conditionally exempting Applicants from all provisions of the Investment Company Act of 1940. (Rel. IC-11613 - Feb. 9)

BENEFICIAL NATIONAL LIFE INSURANCE COMPANY

An order has been issued pursuant to Section 11 of the Investment Company Act of 1940 amending a prior order approving certain offers of exchange proposed by Beneficial National Life Insurance Company, a New York stock life insurance company, The Dreyfus Rainbow Annuity Variable Account A, a separate account of the Beneficial registered as a unit investment trust under the Act, and Cash Reserve Management, Inc., a Maryland corporation registered under the Act as an open-end, diversified, management investment company. (Rel. IC-11614 - Feb. 9)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

A notice has been issued giving interested persons until March 4 to request a hearing on a proposal by Indiana & Michigan Electric Company (I&M), subsidiary of American Electric Power Company, Inc., to issue and sell at competitive bidding up to \$120 million of its first mortgage bonds. (Rel. 35-21914 - Feb. 9)

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; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

(S-18) EXPLORATION SURVEYS, INC., 6440 N. Central Expressway, Dallas, TX 75206 - 700,000 shares of Class A common stock. Underwriter: Faherty & Faherty Inc. The company is engaged in the acquisition and interpretation of geophysical data. (File 2-70778-FW - Feb. 3) (Br. 4)

- (S-18) AMERICAN FIBER OPTICS CORPORATION, 1196 East Willow St., Signal Hill, CA 90806 - 700,000 shares of common stock. Underwriter: John Muir & Co. The company is a development stage company, organized in April 1980, for the purpose of designing, developing, manufacturing and marketing glass optical fibers and related products. (File 2-70792-LA - Feb. 3) (Br. 8 - New Issue)
- (S-18) PRODIGY SYSTEMS, INC., 497 Lincoln Highway, Iselin, NJ 08830 - 600,000 shares of common stock. D. H. Blair & Co., Inc. The company designs, develops, produces, markets and services microprocessor based computer systems. (File 2-70827-NY - Feb. 6) (Br. 9)
- (S-11) WINTHROP RESIDENTIAL ASSOCIATES I, 225 Franklin St., Boston, MA 02110 - 35,000 units of limited partnership interest. (File 2-70828 - Feb. 6) (Br. 6 - New Issue)
- (N-1) THE DAVIS SKAGGS RESERVE FUND, INC., 160 Sansome St., San Francisco, CA 94104 (415) 392-7700 - an indefinite number of shares of common stock. The company is an open-end diversified investment company. (File 2-70831 - Feb. 6) (Br. 16)
- (S-14) RIGGS NATIONAL CORPORATION, 1503 Pennsylvania Avenue, N.W., Washington, DC 20005 (202) 624-2000 - 2,992,131 shares of common stock. (File 2-70834 - Feb. 6) (Br. 2)
- (S-16) QUOTRON SYSTEMS, INC., 5454 Beethoven St., Los Angeles, CA 90066 (213) 827-4600 - 18,000 shares of common stock. (File 2-70837 - Feb. 6) (Br. 10)
- (S-16) ALABAMA POWER COMPANY, 600 North 18th St., Birmingham, AL 35291 (205) 250-1000 - 1,600,000 shares of Class A preferred stock, cumulative. Underwriters: Morgan Stanley & Co. Incorporated, Kidder, Peabody & Co. Incorporated and Dean Witter Reynolds Inc. (File 2-70838 - Feb. 9) (Br. 8)
- (S-1) SHERWOOD & ROBERTS, INC., 1417 Fourth Ave., Seattle, WA 98111 - \$40 million of debentures, Series B. The company's principal business activities consist of mortgage lending activities. (File 2-70839 - Feb. 9) (Br. 1)
- (S-16) MANUFACTURERS HANOVER CORPORATION, 350 Park Ave., New York, NY 10022 (212) 350-5824 - \$100 million of notes, due February 1, 1991. Underwriters: Merrill Lynch White Weld Capital Markets Group, Goldman, Sachs & Co. and Salomon Brothers. (File 2-70840 - Feb. 9) (Br. 1)
- (S-11) BALCOR PENSION INVESTORS-II, The Balcors Bldg., 10024 Skokie, IL 60077 - 70,000 limited partnership interests. The company intends to make wrap-around mortgage loans. (File 2-70841 - Feb. 9) (Br. 5)
- (S-8) SFE TECHNOLOGIES, 1501 First St., San Fernando, CA 91341 (213) 361-1176 - 462,878 shares of common stock. The company designs, manufactures and markets a number of passive electronic components. (File 2-70842 - Feb. 9) (Br. 7)
- (S-16) CENTRAL AND SOUTH WEST CORPORATION, 2700 One Main Pl., Dallas, TX 75250 (214) 745-3700 - 3,000,000 shares of common stock. (File 2-70844 - Feb. 9) (Br. 8)
- (S-1) GEOVEST DRILLING FUND, LTD. 1981A, 1981B, 1981C and 1981D, 6090 Central Ave., St. Petersburg, FL 33707 - 25,000 units of preformation limited partnership interests. (File 2-70845 - Feb. 9) (Br. 4)

REGISTRATIONS EFFECTIVE

Feb. 2: Illinois Independent Alcohol Producers, Inc., 2-69779-C.

Feb. 3: Buckingham Motor Imports, Ltd., 2-69167; Moran Energy Inc., 2-70692; PHC, Inc., 2-69760; United Mexican States, 2-70553.

Feb. 4: Bowne & Co., Inc., 2-70689; Chem-Lawn Corp., 2-70535; First National Boston Corp., 2-70450; The First Trust of Insured Municipal Bonds, Series 60, 2-69771; Merry Land & Investment Company, Inc., 2-70336; Mission Oil and Gas Program - 1981, 2-69261; Municipal Investment Trust Fund, One Hundred Sixty-Second Monthly Payment Series, 2-70592; Oil and Minerals Quest, 2-70727; Pacific American Liquid Assets, Inc., 2-69264; Rohm and Haas Co., 2-70740; Volt Information Sciences, Inc., 2-70588.

Feb. 5: Chancellor Financial Futures Fund Limited Partnership, 2-70757; General Defense Corp., 2-70496; Hospital Corporation of America, 2-70697; Inter-Tel, Inc., 2-70437; Scan-Optics, Inc., 2-70277.

Feb. 6: Oklahoma Gas and Electric Co., 2-70539.

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, registration statements, and other filings may be ordered by writing to the Public Reference Branch, 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 by registrant name to expedite service. Cost estimates are given on request. Two types of service are available through the Public Reference Branch, one of which (priority service) is also available directly from the SEC's service contractor.

REGULAR SERVICE — The regular service reproduction cost is 10c per page, including applicable sales taxes, plus postage (\$5.00 minimum order). Regular service orders will be shipped within seven calendar days of the receipt by the SEC's service contractor of your request, forwarded from the Public Reference Branch. Slight delays may occur if the materials to be copied are not already in the contractor's master files.

PRIORITY SERVICE — Copies of documents may be ordered by telephone directly from the SEC's service contractor by calling 301/951-1350. The priority reproduction cost is 35¢ per page plus postage and applicable sales taxes (\$10.00 minimum order). Priority service orders will be shipped by 4:00 PM of the working day following the day of your telephoned request for materials already in the contractor's master files. Cost estimates are given on request.

All other reference material is available in the SEC Docket.

SEC NEWS DIGEST is published daily. Subscription rates: \$100.00/yr in U.S. first class mail; \$125.00 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$79.00/yr in U.S. first class mail; \$98.75 elsewhere.

SEC MONTHLY STATISTICAL REVIEW is published monthly. Subscription rates: \$19.00/yr in U.S. first class mail; \$23.75 elsewhere.

The News Digest, the Docket, and the Statistical Review are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.