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## COMMISSION ANNOUNCEMENTS

### COMMISSION ACTION ON FOIA APPEAL

### ~~U.S. SECURITIES AND~~ ~~EXCHANGE COMMISSION~~

On April 6 the Commission affirmed in part, and denied in part, the initial decision of the Freedom of Information Act Officer. The Commission concluded, *inter alia*, that the documents which were the subject of the appeal, which were letters and supporting documents that disclosed personal securities transactions, were exempt from disclosure pursuant to subsection (b) (7) (C) of the Act as investigatory files the disclosure of which would constitute an unwarranted invasion of personal privacy. The Commission also concluded that the exemption for personnel "and similar filed" the disclosure of which would constitute a clearly unwarranted invasion of personal privacy was available to sustain the FOIA Officer's initial decision.

The Commission released, however, two letters which were of a ministerial character that did not contain any factual statements which would disclose personal information. (FOIA-44)

## COURT ENFORCEMENT ACTIONS

### COMPLAINT NAMES LOCKHEED AIRCRAFT CORPORATIONS, OTHERS

The Commission announced the filing of a complaint in the U.S. District Court for the District of Columbia against Lockheed Aircraft Corporation (Lockheed), Daniel J. Haughton and A. Carl Kotchian.

The Commission's complaint alleges that the defendants and others violated the anti-fraud, reporting and proxy provisions of the Securities Exchange Act of 1934 by filing annual reports and proxy statements with the Commission and Lockheed shareholders, without disclosing that the defendants and others had made or caused to be made payments to officials of foreign governments; payments to consultants without adequate records and controls to insure that the disbursements were actually made for the purposes indicated; and had created and maintained an off-the-books fund for Lockheed corporate monies. Many of these payments were not expended for the purposes indicated on Lockheed's books and records.

The defendants have consented, without admitting or denying the allegations in the Commission's complaint, to the entry of orders of permanent injunction, enjoining them from further violations of the antifraud, reporting and proxy provisions of the Securities Exchange Act of 1934. Additionally, the defendants, have, among other things, been enjoined from making false entries on corporate books and records and from maintaining any secret or unrecorded fund with corporate monies or other assets. Lockheed is also required to create a special committee to investigate and report on the matters alleged in the Commission's complaint, among other things. (SEC v. Lockheed Aircraft Corp., et al., U.S.D.C., D.C.). (LR-7355)

### GEOPHYSICAL SCIENCES CORPORATION, OTHERS ENJOINED

The Fort Worth Regional Office announced that on February 9 Federal District Judge Robert W. Porter, at Dallas, Texas, entered an order of permanent injunction by consent enjoining Geophysical Sciences Corporation from violations of the antifraud provisions of the securities laws. In addition, on March 11, 1976, Judge Porter entered orders of permanent injunction by consent enjoining Oil & Gas Energy, Inc. (now operating as Graford Oil & Gas, Inc.) from further violations of the registration provisions of the securities laws, and Maurice C. Hooker, its president, from violations of the registration and antifraud provisions of the securities laws. Geophysical Sciences Corporation, Oil & Gas Energy, Inc. and Maurice C. Hooker, all of Dallas, all con-

mented to the entry of the permanent injunctions without admitting or denying the allegations contained in the Commission's complaint. (SEC v. Master Drillers, Inc., et al., N.D. Tex.). (LR-7351)

#### BELMONT OIL CO., OTHERS ENJOINED

The Fort Worth Regional Office announced that on April 1 the Federal District Court at Shreveport, Louisiana, entered orders of permanent injunction against Belmont Oil Company, Houston, Texas, Laurel Oil and Gas Company, formerly known as Laurel Energy Company, Tulsa, Oklahoma, Thomas S. Parkman, Robert G. Ralston, and George A. Gray, all of New Orleans, Louisiana. The defendants consented to the orders of permanent injunction without admitting or denying the allegations in the Commission's complaint. On April 2, 1976, an order of preliminary injunction was entered against William L. Franklin of Shreveport, Louisiana, following a hearing. (SEC v. Ascot Oils, Inc., et al., W.D. La.). (LR-7352)

#### PETER KAUSS SENTENCED FOLLOWING PLEA

The Los Angeles Regional Office announced that Peter Dale Kauss was sentenced to serve three years imprisonment following his plea of nolo contendere on March 25 to three counts of an indictment, originally returned on May 8, 1975, naming him and R. S. Emerson & Co., Inc. as defendants. The three-year sentences, to be served concurrently, were imposed on each of the three counts which charged violations of the securities fraud provisions of the Securities Act, the mail fraud statute, and the false filing statute. The indictment alleged in substance that Kauss violated those statutory provisions in connection with his operation of R. S. Emerson & Co., Inc., a registered broker-dealer in securities, at a time when it was financially incapable of performing its duties and obligations to its customers. (U.S. v. Peter Dale Kauss and R. S. Emerson & Co., Inc., District of Guam, Criminal Action No. 75-012). (LR-7353)

#### GIBBS CONVICTION AFFIRMED

The Denver Regional Office announced that the Court of Appeals for the 10th Circuit on April 2, 1976 affirmed the conviction of John K. Gibbs of three counts of criminal contempt in connection with the offer and sale of securities in violation of an earlier court order. (U.S. v. John K. Gibbs, U.S.D.C., Colo., 75-1568). (LR-7354)

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## HOLDING COMPANY ACT RELEASES

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#### APPALACHIAN POWER COMPANY

An order has been issued authorizing Appalachian Power Company (Appalachian), subsidiary of American Electric Power Company, Inc. (AEP), to issue and sell up to \$60 million of first mortgage bonds at competitive bidding; and to issue and sell 750,000 shares of Appalachian common stock to AEP. (Rel. 35-19478 - Apr. 12)

#### CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until May 7 to request a hearing on a proposal of Consolidated Natural Gas Company, and two of its wholly-owned subsidiaries, CNG Development Company, Ltd. and CNG Producing Company, whereby the companies request an extension, for the years 1976 and 1977, of the Commission's authorization to allocate the group's consolidated income tax liabilities in a manner differing in certain respects from that which is prescribed in Rule 45(b)(6). (Rel. 35-19479 - Apr. 12)

#### THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until May 6 to request a hearing on a proposal of The Columbia Gas System, Inc., a registered holding company, to issue and sell short-term notes to banks and to dealers in commercial paper. (Rel. 35-19480 - Apr. 12)

#### MIDDLE SOUTH UTILITIES

A notice has been issued giving interested persons until May 7 to request a hearing on a proposal by Middle South Utilities, Inc., a registered holding company, to guaranty certain lease obligations relating to a computer of its service subsidiary company. (Rel. 35-19481 - Apr. 12)

## THE COLUMBIA GAS SYSTEM

A notice has been issued giving interested persons until May 6 to request a hearing on a proposal by the Columbia Gas System, Inc., to issue and sell \$75 million of debentures, due May 1996. (Rel. 35-19482 - Apr. 12)

## PENNSYLVANIA ELECTRIC COMPANY

A supplemental order has been issued authorizing Pennsylvania Electric Company, subsidiary of General Public Utilities Corporation, to revise the list of banks from which short-term borrowings may be effected and certain banks' lines of credit. (Rel. 35-19483 - Apr. 12)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-MSE-76-8) to establish a standing committee on market structure matters. The proposed rule change has become effective, pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of April 12. (Rel. 34-12331)

The PBW Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-PBW-76-6) concerning transactions by officers and employees in certain options and securities underlying PBW options. Publication of the proposal is expected to be made in the Federal Register during the week of April 12. (Rel. 34-12232)

The American Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-AMEX-76-12) to expand its options trading program by the addition of forty underlying stocks. Publication of the proposal is expected to be made in the Federal Register during the week of April 12. (Rel. 34-12334)

The PBW Stock Exchange, Inc. has also filed a proposed rule change under Rule 19b-4 (SR-PBW-76-10) to accommodate the trading of put options by amending its Options Rule 999, 1000, 1052, 1029, 1033 and its Pilot Program for Trading Options. Publication of the proposal is expected to be made in the Federal Register during the week of April 12. (Rel. 34-12233)

The Amex has also submitted on April 6 a proposed rule change under Rule 19b-4 (SR-Amex-76-13) to eliminate those provisions establishing minimum commissions which must be charged by members for the execution of business on the Amex for other members. Publication of the proposal is expected to be made in the Federal Register during the week of April 12. (Rel. 34-12336)

The Pacific Stock Exchange has filed a proposed rule change under Rule 19b-4 (SR-PSE-76-5) to amend Rule VII of the Exchange to adopt the Financial and Operational Combined Uniform Single (FOCUS) Report. Publication of the proposal is expected to be made in the Federal Register during the week of April 19. (Rel. 34-12335)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the National Association of Securities Dealers, Inc. (NASD) (SR-NASD-76-3). The rule change relates to various amendments to Schedule D of the NASD By-laws. (Rel. 34-12337)

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## DELISTING AND UNLISTED TRADING ACTIONS

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### DELISTING GRANTED

An order has been issued granting the applications of the following stock exchanges to strike the common stock and other specified security from listing and registration: Detroit Stock Exchange - INA Investment Securities, Inc.; DWG Corporation (\$.60 cumulative convertible preferred stock); American Stock Exchange, Inc. - Avien, Inc.

The delisting application for INA and DWG were made at the request of the issuer. The common stock of INA remains listed and registered on the New York and PBW Stock Exchanges. The common stock of DWG remains listed and registered on the Pacific Stock Exchange, Inc.

On February 19 Avien was adjudicated bankrupt and liquidation of the company has been authorized by the Bankruptcy Court. (Rel. 34-12340)

## UNLISTED TRADING PRIVILEGES SOUGHT

A notice has been issued giving interested persons until April 23 to request a hearing on the applications of the following stock exchanges for unlisted trading privileges in the common stock and other specified securities of the companies listed below: Boston Stock Exchange - Central Telephone & Utilities Corp.; Gibraltar Financial Corp. of California (capital stock - \$1.00 par value); Houston Oil & Mineral Corp.; Kennametal, Inc.; MCA, Inc.; Whittaker Corp., Tandy Crafts, Inc. - PBW Stock Exchange, Inc. - Gulf & Western Industries, Inc. ("New" Warrants (expiring January 31, 1978)). (Rel. 34-12341)

## SECURITIES ACT REGISTRATIONS

### (S-7) GELCO CORPORATION

One Gelco Dr., Eden Prairie, Minn. 55343 - \$20 million of convertible subordinated debentures, due 1996 (including common stock issuable upon conversion), to be offered for sale at par through a group of underwriters headed by Paine, Webber, Jackson & Curtis Incorporated, 28th Floor, 140 Broadway, New York, N.Y. 10005; and Dain, Kalman & Quail, Incorporated, 100 Dain Tower, Minneapolis, Minn. 55402. Gelco Corporation is engaged primarily in the business of providing transportation and vehicle management services to corporate clients. (File 2-55992 - Apr. 9)

### (S-7) NATIONAL FUEL GAS COMPANY

30 Rockefeller Plaza, New York, N.Y. 10020 - 1,200,000 shares of cumulative preferred stock (\$25 par), to be offered for sale at competitive bidding on May 20, 1976 at a price of \$25 per share. The company is a public utility holding company which owns 100% of the capital stock of three operating companies engaged in the production and distribution of natural gas. (File 2-55996 - Apr. 9)

### (S-6) THE MUNICIPAL BOND FUND, SERIES 29

c/o Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005 and Hornblower & Weeks - Hemphill, Noyes Incorporated, 8 Hanover St., New York, N.Y. 10005 - 5,000 units. The Trust will be created under a trust indenture among Paine, Webber, Jackson & Curtis Incorporated and Hornblower & Weeks - Hemphill, Noyes Incorporated, as sponsors, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Trust will consist of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuer of such obligations, exempt from Federal income tax. (File 2-55998 - Apr. 9)

### (S-16) PIONEER CORPORATION

301 South Taylor St., Amarillo, Tex. 79163 - up to 65,625 shares of common stock, to be offered for sale by certain shareholders of the company. Pioneer is a diversified company engaged in the transmission and distribution of natural gas liquids; selling, leasing and servicing heavy construction equipment; exploration for, and production of oil and gas, mining and processing of uranium ore; drilling services for the oil and gas; selling oil field equipment and supplies in the international market; and end finishing of tubular goods for the oil and gas industry. (File 2-56006 - Apr. 12)

### 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. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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