

sec news digest

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ADMINISTRATIVE PROCEEDINGS

DAVID T. MARANTETTE, III, CITED

Public administrative proceedings have been ordered pursuant to the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 against David T. Marantette, III, a director of OTF Equities, Inc., a registered investment company and investment adviser located in Detroit, Michigan. The Order for Proceedings alleges that Marantette wilfully aided and abetted violations of the Investment Company Act of 1940 and the rules thereunder relating to OTF's investments in contravention of policy and legal restrictions, custody of assets, and disclosure in filings with the Commission and in proxy statements sent to shareholders. The Order also alleges that Marantette wilfully aided and abetted a violation of the provision of the Investment Company Act of 1940 which prohibits an affiliated person of an affiliated person of a registered investment company knowingly to sell property to such investment company.

A hearing will be scheduled in order to take evidence on the staff's allegations and to afford the respondent an opportunity to offer any defenses. The purposes of the hearing is to determine whether the allegations are true and if any remedial action should be ordered by the Commission. (Rel. 34-16161)

COMMISSION ANNOUNCEMENTS

STOCK TRANSACTIONS OF SELECTED FINANCIAL INSTITUTIONS AND FOREIGN INVESTORS, FIRST QUARTER 1979

Private noninsured pension funds, open-end investment companies, life insurance companies and property-liability insurance companies purchased \$12,114 million of common stock and sold \$10,421 million during the first three months of 1979, resulting in net purchases of \$1,693 million. During the first quarter of 1978, their gross purchases were \$7,176 million; gross sales were \$8,120 million; and net sales were \$944 million. Their common stock activity rate was 24.6 percent for the initial quarter of 1979 as compared to 18.7 percent during the first three months of 1978. For further details, see the September issue of the SEC Statistical Bulletin.

CIVIL PROCEEDINGS

SOROS FUND MANAGEMENT, INC. AND GEORGE SOROS ENJOINED

The Commission announced that on September 12 Judge Charles S. Haight, Jr. of the U.S. District Court for the Southern District of New York entered a Final Judgment of Permanent Injunction against Soros Fund Management, Inc. (SFM) and George Soros enjoining them from further violations of the antifraud and antimanipulative provisions of the securities laws in connection with certain activities. SFM is an investment adviser for various foreign investment companies, and George Soros serves as SFM's president. The two defendants consented to the entry of the Final Judgment without admitting or denying the allegations of the Commission's complaint which was filed on May 18.

In addition to the entry of the Final Judgment, certain equitable relief was ordered by the Court, including an order requiring George Soros and SFM to disclose, under certain circumstances, their beneficial interest in a class or series of securities prior to indicating an interest in purchasing such securities during a distribution. Further, the Final Judgment prohibits George Soros and SFM from engaging in certain transactions where there is contemplated a public offering of such securities during the period from five trading days before a registration statement filed with the Commission is declared effective through two trading days

after the completion of any distribution of such securities. SFM was also ordered to adopt, implement and maintain procedures designed to prevent a recurrence of the type of matters alleged in the Commission's complaint. Finally, George Soros and SFM are required to disgorge \$14,500.00 in accordance with a plan of disgorgement. (SEC v. Soros Fund Management, Inc. and George Soros, U.S.D.C. S.D.N.Y., Civil Action No. 79-2641). (LR-8870)

CRIMINAL PROCEEDINGS

FUTURISTIC FOODS DEFENDANTS SENTENCED

The New York Regional Office announced that on September 6 the Honorable William C. Conner, U.S. District Judge for the Southern District of New York, sentenced the four individual defendants who pled guilty to criminal contempt on April 23. Arthur Shevack, Dennis Shevack and Peter Cancilla received 18 months suspended sentence and, Richard Mulligan received a 12 month suspended sentence. All four were placed on five year probation with payment of monies to defrauded investors as a special condition of probation. Judge Conner also placed the defendants' corporations, Futuristic Foods, Inc. and Future Mart Inc., on probation for five years. (U.S. ex rel. SEC v. Futuristic Foods, Inc., et al., 79 Cr. Misc. #1, page 7, WCC). (LR-8868)

GUILTY VERDICT RETURNED AGAINST JEROME CASTLE

The Commission and Robert B. Fiske, Jr., U.S. Attorney for the Southern District of New York, announced that on August 29, a jury, before the Honorable John M. Cannella, Judge of the U.S. District Court for the Southern District of New York, returned a verdict of guilty on all counts as to Jerome Castle, defendant in the action U.S. v. Castle. Castle, former President and Chairman of the Board of Penn-Dixie Industries, Inc., a company engaged in the manufacture of construction materials, was found guilty in mail fraud, wire fraud and conspiracy in connection with a scheme to defraud the shareholders of Penn-Dixie involving a Florida land transaction. Previously, on May 21, Castle's co-defendant, Arnold Y. Aronoff, a Detroit businessman, pleaded guilty to one count of mail fraud stemming from the same indictment. He was sentenced to a prison term of two years and fined \$1,000.

Edward J. Robinson, a former Michigan state legislator and real estate entrepreneur, was the third and final defendant in the criminal action. The case against Robinson had been transferred, on his motion, to the Eastern District of Michigan where on March 15, Robinson was found guilty of mail fraud and wire fraud. Robinson was ordered to pay a fine of \$2,000 and sentenced to a five year prison term, four and one-half years of which were suspended.

In connection with the civil action brought by the Commission, the Commission announced that on May 23, the Honorable Charles R. Richey, Judge of the District Court for the District of Columbia, entered Final Judgments of Permanent Injunction and Other Equitable Relief against Aronoff and Castle Bank & Trust, Ltd., a trustee for the JDL Trust, a Cayman Islands trust established and controlled by Aronoff. Both Aronoff and Castle Bank consented to the entry of the judgments without admitting or denying the allegations of the Commission's complaint. The judgments against Aronoff permanently enjoins him from future violations of the antifraud and reporting provisions of the Securities Exchange Act of 1934. The judgment against the Castle Bank permanently enjoins it from future violations of the antifraud provision of the Exchange Act. In addition, the judgments provide for certain other equitable relief.

Pursuant to the terms of the judgment against Castle Bank and its attached Consent and Undertaking, Castle Bank is required to comply in full with the terms of the Contract of Sale of Real Estate which is attached to and incorporated in the judgment. The Contract provides for the payment by Castle Bank to Penn-Dixie of \$4.6 million in cash on or before October 1, 1979 and the conveyance by Penn-Dixie to Castle Bank of the 5,630 acres of land in Putnam County, Florida previously purchased by Penn-Dixie. Castle Bank is further ordered by the judgment to file with the Court proof that it has complied with all of its obligations under the Contract by October 10. Pursuant to the judgment against Aronoff and his attached Consent and Undertaking, Aronoff is required to guarantee unconditionally the obligations of Castle Bank under the Contract. (SEC v. Diversified Industries, Inc., et al., U.S.D.C. D.C., Civil Action No. 76-2114; U.S. v. Castle, U.S.D.C. S.D.N.Y., 78 Crim. 713, JMC). (LR-8869)

INVESTMENT COMPANY ACT RELEASES

MONEY MARKET TRUST

A notice has been issued giving interested persons until October 1 to request a hearing on an application of Money Market Trust (Applicant), a "money market" fund 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, subject to conditions, from the provisions of Section 2(a)(41) of the Act, and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to enable Applicant to utilize amortized cost valuation for the purpose of pricing its shares for sale and redemption. (Rel. IC-10865 - Sept. 11)

MUTUAL OF OMAHA MONEY MARKET ACCOUNT, INC.

An order has been issued pursuant to Section 6(c) of the Act, exempting Mutual of Omaha Money Market Account, Inc., a registered, open-end, diversified, management investment company, from the provisions of Rules 2a-4 and 22c-1 under the Act to the extent necessary to permit it to compute its asset value per share using the amortized cost method of valuing portfolio securities. (Rel. IC-10866 - Sept. 11)

SHEARSON DAILY DIVIDEND, INC.

An order has been issued on an application of Shearson Daily Dividend Inc., a registered, open-end, investment company, exempting the Fund from the provisions of Rule 22c-1 under the Act to the extent necessary to permit the Fund to compute its net asset value per share using a time other than the close of trading on the New York Stock Exchange. (Rel. IC-10867 - Sept. 12)

INVESTORS' MUNICIPALS-INCOME TRUST

A notice has been issued giving interested persons until October 4 to request a hearing on an application of Investors' Municipals-Income Trust, Investors' Municipal-Yield Trust, Investors' Governmental Securities-Income Trust and Investors' Corporate-Income Trust (Trusts), each registered under the Investment Company Act of 1940 as a unit investment trust, their sponsor, Van Kampen Sauerman, Inc. and Dain, Kalman & Quail, Inc., a co-sponsor of one of the Trusts, for an order exempting from the provisions of Section 22(d) of the Act, pursuant to Section 6(c) of the Act, the offer and sale of Trust units pursuant to a conversion option involving the exchange of units of any series of a Trust for units of any other series of the same Trust, at net asset value plus a fixed and reduced sales charge of \$15 per unit, and for an order pursuant to Section 11 of the Act to permit exchanges under the conversion option to be effected on a basis other than the Trusts' respective net asset value per unit at the time of the exchange. (Rel. IC-10868 - Sept. 12)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

WITHDRAWALS SOUGHT

A notice has been issued giving interested persons until October 7 to comment on the applications requesting withdrawals of the following debentures and common stock of the following companies from listing and registration on the American Stock Exchange, Inc.: - Jones & Laughlin Industries, Inc., 6-3/4% subordinated debentures, due April 1, 1994 and 6-1/2% subordinated debentures, due September 15, 1988; Vought Corporation, 6-3/4% subordinated debentures, due August 15, 1988; Wilson Foods Corporation, 9-1/2% sinking fund debentures, due January 1, 1984; 8-3/8% sinking fund debentures, due June 1, 1997; and 7-7/8% sinking fund debentures, due March 1, 1997; and Family Dollar Stores, Inc., common stock par value \$.10. (Rel. 34-16190)

LISTING ACTIONS

Orders have been issued pursuant to Section 12(d) of the Securities Exchange Act of 1934 granting the applications of the following companies to list the specified securities on the following stock exchanges: American Stock Exchange, Inc. - Dorchester Gas Corp., common stock; Quality Inns International Inc., common stock (both effective as of July 30, 1979); Knogo Corp., common shares (effective as of August 1, 1979); Charter Medical Corp., 12-5/8% sinking fund debentures, due July 1, 1997 (effective as of August 6, 1979); Petro Lewis Corp., \$1.65 cumulative preferred stock (effective as of August 3, 1979); Key Pharmaceuticals Inc., common stock

(effective as of August 8, 1979). New York Stock Exchange, Inc. - First Bank System Inc., \$125 million of floating rate notes, due 1989 (effective as of June 12, 1979); General Motors Acceptance Corp., 9.40% debentures, due July 15, 2004 and 9-1/4% senior subordinated notes, due July 15, 1989; Gulf Oil Corp., variable fixed rated debentures, due 2009; Honeywell Inc., 9-3/8% sinking fund debentures, due 2009; Paine Webber Inc., 11-1/2% sinking fund debentures, due July 15, 1999 (all effective as of August 3, 1979); Lionel Corp., 10-5/8% subordinated sinking fund debentures, due 1999; PSA Inc., 11-1/8% convertible subordinated debentures, due 2004 (both effective as of August 8, 1979); Family Dollar Stores Inc., common stock (effective as of August 9, 1979). Pacific Stock Exchange, Inc. - American Stores Inc., \$5.51 cumulative preferred stock (effective as of July 26, 1979). Philadelphia Stock Exchange, Inc. - Argo Petroleum Corp., 10% convertible subordinated debentures, due 1999 (effective as of August 9, 1979).

MISCELLANEOUS

NOTICES OF APPLICATIONS PURSUANT TO SECTION 12(h)

Notices have been issued giving interested persons until October 1 to request a hearing on applications of the following companies, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting them from the reporting requirements of the specified Sections of the Act:

[Sections 13 and 15(d)] - Nationwide Homes, Inc. (Rel. 34-16169); Arden-Mayfair, Inc. (Rel. 34-16170); Maple Corporation (Rel. 34-16171); The Starr Broadcasting Group, Inc. (Rel. 34-16172); Tratec Incorporated (Rel. 34-16174); Campbell Chain Co. (Rel. 34-16175); Penn Corporation (Rel. 34-16176); College University Corporation (Rel. 34-16177); Telenet Corporation (Rel. 34-16178); Friendly Ice Cream Corporation (Rel. 34-16182); Data Documents, Inc. (Rel. 34-16184); Southern Industries Corporation (Rel. 34-16185); Detecto Scales, Inc. (Rel. 34-16187).

[Section 15(d)] - Universal Instruments Corporation (Rel. 34-16186); Sambo's Restaurants, Inc. (Rel. 34-16188); Pioneer Food Industries Inc. (Rel. 34-16183).

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) ENERCORP, INC., 666 Sherman St., Suite 110, Denver, Colo. 80203 (303) 831-0240 - 16,000,000 shares of common stock. (File 2-65431 - Sept. 6)
- (S-8) PACIFIC GAS AND ELECTRIC COMPANY, 77 Beale St., San Francisco, Cal. 94106 (415) 781-4211 - \$250 million of interests and 10,000,000 shares of common stock. (File 2-65455 - Sept. 12)
- (S-7) BOISE CASCADE CORPORATION, One Jefferson Sq., Boise, Idaho 83728 (208) 384-6161 - \$100 million of notes, due 1986. Underwriters: The First Boston Corporation and Lazard Freres & Co. The company is an integrated forest products company. (File 2-65457 - Sept. 12)
- (S-16) ARCHER-DANIELS-MIDLAND COMPANY, 4666 Faries Pkwy., Decatur, Ill. 62525 (217) 424-5200 - \$100 million of convertible subordinated debentures, due July 1, 2009. Underwriters: Goldman, Sachs & Co., Kidder, Peabody & Co., Inc. and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the business of buying, storing, processing and merchandising agricultural products. (File 2-65458 - Sept. 12)
- (S-1) WOODS 1980 DRILLING PROGRAM, Suite 500, National Foundation West Bldg., 3555 N.W. 58th St., Oklahoma City, Okla. 73112 - 6,000 units of preorganizational limited partnership interests. Underwriter: Woods Securities Corporation. (File 2-65459 - Sept. 12)

- (S-7) PHILADELPHIA ELECTRIC COMPANY, P.O. Box 8699, 2301 Market St., Philadelphia, Pa. 19101 (215) 841-4000 - \$100 million of first and refunding mortgage bonds, due 2005. The company provides electric, gas and steam service. (File 2-65460 - Sept. 12)
- (S-8) FEDERAL MOGUL CORPORATION, 26555 Northwestern Highway, Southfield, Mich. 48034 (313) 354-9465 - \$1,600,000 and 90,000 shares of common stock. (File 2-65461 - Sept. 11)
- (S-16) THE KANSAS POWER AND LIGHT COMPANY, 818 Kansas Ave., Topeka, Kan. 66612 (913) 296-6300 - 1,800,000 shares of common stock. Underwriters: Dean Witter Reynolds Inc. and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the generation, transmission, distribution and sale of electric energy. (File 2-65462 - Sept. 12)
- (S-8) FIRST NATIONAL BOSTON CORPORATION, 100 Federal St., Boston, Mass. 02110 (617) 434-2136 - 500,000 shares of common stock and \$48,291,143.81 of interests. (File 2-65463 - Sept. 12)
- (S-16) UNITED BANKS OF COLORADO, INC., 1700 Broadway, Denver, Colo. 80217 - \$20 million of convertible subordinated debentures, due 2004. Underwriters: The First Boston Corporation and Keefe, Bruyette & Woods, Inc. (File 2-65464 - Sept. 12)
- (S-16) GARFINCKEL, BROOKS BROTHERS, MILLER & RHOADS, INC., 1629 K Street, N.W., Washington, D.C. 20006 (202) 828-1800 - 46,100 shares of common stock. (File 2-65465 - Sept. 12)
- (S-8) ADVANCED MICRO DEVICES, INC., 901 Thompson Pl., Sunnyvale, Cal. 94086 (408) 732-2400 - 250,000 shares of common stock. The company designs, develops, manufactures and markets complex monolithic integrated circuits. (File 2-65466 - Sept. 12)
- (S-1) ELSINORE CORPORATION, 202 East Fremont St., Las Vegas, Nev. 89101 (702) 385-4011 - \$35 million of subordinated debentures, due 1996. Underwriter: Drexel Burnham Lambert Inc. (File 2-65467 - Sept. 12)
- (S-6) MASSACHUSETTS TAX EXEMPT UNIT TRUST, SERIES 12, 60 State St., Boston, Mass. 02109 - 7,000 units. Depositor: Moseley, Hallgarten, Estabrook & Weeden Inc. (File 2-65468 - Sept. 12)

REGISTRATIONS EFFECTIVE

Aug. 30: IPB Inc., 2-65261; Ideal Basic Industries, Inc., 2-65210; The Louisiana Land & Exploration Co., 2-65224; Texas Oil & Gas Corp., 2-65281; Tobin Packing Co., Inc., 2-65346; UMC Industries, Inc., 2-65174; W. R. Grace & Co., 2-65072.
 Aug. 31: Anacomp, Inc., 2-65306; The Andersons, 2-64907; Boston Edison Co., 2-65191; Pamida Inc., 2-65030; Superior Oil Co., 2-65380; Wisconsin Gas Co., 2-65287.

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