

C-2

LIBRARY

# sec news digest

U.S. SECURITIES AND EXCHANGE COMMISSION

Issue 30-6

October 9, 1979

## ADMINISTRATIVE PROCEEDINGS

### RICHARD O. BERTOLI AND ARNOLD L. FREILICH BARRED

The Commission has barred Richard O. Bertoli, of Sparkill, New York, and Arnold L. Freilich, of Teaneck, New Jersey, from association with any broker or dealer. Bertoli was president, and Freilich secretary-treasurer, of Executive Securities Corp., formerly a registered broker-dealer.

The Commission found that, during the period from October 1974 to February 1975, respondents engaged in a fraudulent scheme pursuant to which they failed to deliver stock of Centronics Data Computer Corp. to customers who had paid for the stock. In an effort to conceal the fact that Executive did not have the Centronics stock which it had sold to customers, respondents effected a series of contrived bookkeeping maneuvers, and deceived the auditor who had been retained to prepare the annual financial report that Executive was required to file with the Commission.

The Commission also found that Bertoli defrauded other brokers in connection with sales of IBM stock by certain accounts which he controlled. When questioned by various brokers, Bertoli and his agent assured them that the sales in question were long when, in fact, such was not the case. In addition, the Commission found that Bertoli violated short selling provisions. (Rel. 34-16220)

### RICHARD D. HODGIN PERMANENTLY ENJOINED AND SUSPENDED FROM PRACTICE BEFORE THE COMMISSION

The Chicago Regional Office announced that Richard D. Hodgin of Tucson, Arizona, an attorney, consented to a permanent injunction entered by the U.S. District Court for the Southern District of Indiana in SEC v. Asset Management Corp., et al., and to a one year suspension from practice before the Commission pursuant to an administrative proceeding instituted under Rule 2(e) of the Commission's Rules of Practice.

The injunction and the administrative proceeding are based on the staff's allegations that Mr. Hodgin violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder in connection with the sale of limited partnership interest, A.M. Coal Partners -- 1976 A through E. Simultaneous with the institution of the administrative proceeding, the Commission accepted an Offer of Settlement submitted by Mr. Hodgin. Based upon the Order Instituting Proceedings and the Offer of Settlement, in which Hodgin neither admitted or denied the allegations made against him, the Commission found that Hodgin, an attorney experienced in securities law matters, rendered a written legal opinion concerning the availability of certain exemptions from registration under the Securities Act, when, in fact, the exemptions were unavailable. The Commission also found that Hodgin violated the registration and antifraud provisions of the securities laws.

Commissioner Karmel dissented from the institution and settlement of the Rule 2(e) proceeding for the reasons set forth in her opinion which accompanies the order. (Rel. 33-6131)

## COMMISSION ANNOUNCEMENTS

### TABULATIONS OF QUARTERLY INVESTMENT MANAGER REPORTS AVAILABLE

The Commission has announced that tabulations of the reports filed under the institutional investment manager program for the calendar quarter ending June 30, 1979, are now available. These reports, filed under Section 13(f) of the Securities Exchange Act of 1934 by institutional investment managers, list securities over which the manager exercises investment discretion. There are two tabulations: (1) a listing, arranged according to individual security, showing how many shares of that

security are managed by each investment manager; and (2) an abbreviated listing, also arranged according to individual security, showing how many shares of that security are managed by each category of investment manager. These tabulations are available for public inspection and copying in the Commission's Public Reference Room located at 1100 L Street, N.W., Washington, D.C.

---

## CRIMINAL PROCEEDINGS

---

### RICHARD H. SNOOKS PLEADS GUILTY

The Chicago Regional Office announced that on September 28 Richard H. Snooks of St. Joseph, Missouri, entered a plea of guilty to three counts of the fifteen-count indictment, which had been returned on August 20 by a Federal Grand Jury in Kansas City, Missouri. The counts to which he pled guilty involved two counts of securities fraud and one count of mail fraud. Sentencing was deferred pending receipt of the pre-sentence investigation report. (U.S. v. Richard H. Snooks, W.D., Mo. 79-00109-01-CR-W-1). (LR-8887)

---

## INVESTMENT COMPANY ACT RELEASES

---

### FIRST INVESTORS TAX EXEMPT FUND, INC.

A notice has been issued giving interested persons until October 26 to request a hearing on an application of First Investors Tax Exempt Fund, Inc. (Applicant), registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, for an order exempting Applicant from the provisions of Section 22(d) of the Act to permit the sale of Applicant's shares, at a reduced sales charge, to participants in reinvestment programs proposed to be offered to unitholders of Insured Municipals-Income Trust Series 1 and Subsequent Series and Investors' Municipal-Yield Trust Series 1 and Subsequent Series, unit investment trusts which are registered under the Act and sponsored by Van Kampen Sauerman, Inc. (Rel. IC-10892 - Oct. 4)

### POSTIPANKKI

An order has been issued on an application of Postipankki, a Finnish bank wholly owned by the Republic of Finland, exempting it from all provisions of the Act. (Rel. IC-10893 - Oct. 4)

### THE NASSAU FUND

A notice has been issued giving interested persons until October 29 to request a hearing on an application of The Nassau Fund for an order pursuant to Section 8(f) of the Act declaring that it has ceased to be an investment company. (Rel. IC-10894 - Oct. 4)

---

## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

---

### DELISTING GRANTED

An order has been issued granting the application of Cook, Paint & Varnish Company to strike the common stock (par value \$15) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-16238)

---

## 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-1) ASSOCIATED WHOLESALERS, INC., P.O. Box 1928, 600 Arsenal Rd., York, Pa. 17405 - \$400,000 of long-term renewable notes; \$400,000 of fixed-rate short-term renewable notes; 100 shares of Class A common stock, \$500 par value; and 15,000 shares of Class B common stock, \$50 par value. The company is a wholesale grocery purchasing cooperative. (File 2-65649 - Oct. 3)
- (S-1) THE EXPLORATION COMPANY, Suite 2010, Energy Center One, 717 - 17th St., Denver, Colo, 80202 - 2,750,000 shares of common stock. Underwriter: Hanifen, Imhoff & Samford, Inc. (File 2-65661 - Oct. 4)
- (S-1) CONTICAPITAL FUND, 1020 South Wabash Ave., Chicago, Ill. 60605 - 5,000 units of limited partnership interest. Underwriters: ContiSecurities, Inc. and Wheat, First Securities, Inc. (File 2-65664 - Oct. 4)
- (S-7) MIDDLE SOUTH UTILITIES, INC., 225 Baronne St., New Orleans, La. 70112 - 7,000,000 shares of common stock. (File 2-65665 - Oct. 4)
- (S-14) UNITED BANK CORPORATION OF NEW YORK, 75 State St., Albany, New York 12207 (518) 447-4121 - 369,140 shares of Series E convertible preferred stock. (File 2-65666 - Oct. 4)
- (S-16) PUREX INDUSTRIES, INC., 5101 Clark Ave., Lakewood, Cal. 90712 (213) 634-3300 - 936,319 shares of common stock. (File 2-65667 - Oct. 5)
- (S-1) FIRST NORTHWEST INDUSTRIES OF AMERICA, INC., 419 Occidental South, Seattle, Wash. 98104 - 400,000 shares of common stock. Underwriter: Bateman Eichler, Hill Richards Inc. and MacDonald, Krieger, Bowyer & Beyenka Incorporated. The company owns and operates the Seattle SuperSonics professional basketball franchise, among other things. (File 2-65668 - Oct. 5)
- (N-1) SCUDDER SHORT TERM MUNICIPAL TRUST, 175 Federal St., Boston, Mass. 02110 (617) 482-3990 - an indefinite number of shares of common stock. Underwriter: Scudder Fund Distributors, Inc. (File 2-65669 - Oct. 5)
- (S-7) COMMUNITY PUBLIC SERVICE COMPANY, 501 West Sixth St., Fort Worth, Tex. 76102 (817) 335-3311 - 200,000 shares of common stock. Underwriter: A. G. Edwards & Sons, Inc. The company is engaged in furnishing electric and gas services. (File 2-65670 - Oct. 5)
- (S-14) COBB NUCLEAR CORPORATION, 20 First Plaza, Suite 404, Albuquerque, New Mexico 87102 (505) 883-7333 - 369,667 shares of common stock. (File 2-65671 - Oct. 5)
- (S-1) NATIONAL RAILWAY UTILIZATION CORPORATION, 1100 Centre Square East, 1500 Market St., Philadelphia, Pa. 19102 - 2,000 boxcars. Underwriters: Legg Mason Wood Walker Inc. and J. C. Bradford & Co. (File 2-65672 - Oct. 5)
- (S-14) INTERNATIONAL BANK, 1701 Pennsylvania Ave., N.W., Washington, D.C. 20006 (202) 452-6500 - 5,136,146 shares of Class A common stock. (File 2-65674 - Oct. 5)
- (S-7) NORTHWESTERN PUBLIC SERVICE COMPANY, Northwestern National Bank Bldg., Huron, S.C. 57350 (605) 352-8411 - 300,000 shares of common stock. Underwriter: Merrill Lynch White Weld Capital Markets Group. The company is engaged in generating, transmitting, distributing and selling electric energy. (File 2-65675 - Oct. 5)



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*.

*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 STATISTICAL BULLETIN* is published monthly.

Subscription rates: \$15.00/yr in U.S. first class mail;  
\$18.75 elsewhere.

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