

sec news digest

Issue 79-213

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COMMISSION ANNOUNCEMENTS

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COMMISSIONER KARMEK SPEAKS BEFORE THE TREASURER'S CLUB

U.S. SECURITIES AND
EXCHANGE COMMISSION

Commissioner Karmel spoke before the Treasurer's Club in New York, New York on October 31, 1979. The title of her address was "The SEC Disclosure Process in a Changing Environment."

CIVIL PROCEEDINGS

COMPLAINT NAMES SAFETY FINANCE SERVICE, INC., OTHERS

The Atlanta Regional Office announced the filing of a complaint on October 25 in federal court in New Orleans, Louisiana against Safety Finance Service, Inc. (SFSI), a Louisiana corporation; J. A. Porobil, Sr., and J. A. Porobil, Jr., both of New Orleans, the president and executive vice president, respectively, of SFSI; requesting a temporary restraining order, preliminary and permanent injunctions against the defendants, and the appointment of a receiver for SFSI.

The Commission's complaint alleges that the defendants have violated the registration and antifraud provisions of the securities laws by selling numerous types of SFSI securities which were never registered with the Commission and about which the defendants made untrue statements of material facts and omitted to disclose material facts to SFSI investors. In addition, the Commission has alleged that Porobils have embarked upon a course of self-dealing which has dissipated more than \$6 million of the assets of SFSI.

Upon the filing of the Commission's complaint, the Honorable Robert F. Collins, U.S. District Judge in New Orleans, entered a temporary restraining order, requiring the defendants to comply with the provisions of the securities laws and to refrain from further waste of SFSI assets. Judge Collins also appointed a temporary receiver pending the outcome of the hearing on the Commission's motion for preliminary and permanent injunctions, which has been set for hearing in New Orleans on November 7. (SEC v. Safety Finance Service, Inc., et al., E.D. La., Civil Action No. 79-4239). (LR-8907)

CORRECTION RE LA POINTE INDUSTRIES, INC.

In the News Digest dated October 30, 1979 the item which discussed the filing of a civil injunctive action against La Pointe Industries was incorrectly captioned. The caption should have read "Complaint Names La Pointe Industries, Inc." The complaint has not been enjoined.

CRIMINAL PROCEEDINGS

ENDEL PEEDO INDICTED

On October 25 a federal grand jury sitting in Alexandria, Virginia, returned a 15 count indictment charging Endel Peedo of Alexandria, Virginia with three counts of securities fraud, two counts of mail fraud and three counts of making false statements to the U.S. postal authorities, and seven counts of travel in interstate commerce in the execution of a scheme and artifice to defraud.

The indictment charges that beginning on or about December 6, 1975 and continuing thereafter up to and including February 27, 1978, Peedo devised a scheme to defraud and to obtain money and property by means of fraudulent representations and omissions of material facts to various individuals concerning the publication and profitability

(and the profitability of related sales promotion) of Quinto Lingo, a multilingual magazine, and other publications of Language Learning Systems (LLS), a Pennsylvania corporation of which Peedo is an officer, director and major stockholder.

The indictment further charges that Peedo offered and sold securities of LLS, namely joint venture agreements, for proceeds of at least \$53,000, by representing to investors and prospective investors that their funds would be used to finance mail promotion of Quinto Lingo, when in fact the funds were used to pay business debts and Peedo's personal expenses. Additionally, the indictment charged that Peedo represented to the postal service that Quinto Lingo was entitled to a non-profit mailing rate when in fact at the time of these representations it was not. (U.S. v. Endel Peedo, CR-79-171, E.D. Va.). (LR-8916)

INVESTMENT COMPANY ACT RELEASES

ST. PAUL MONEY FUND, INC.

An order has been issued on an application of St. Paul Money Fund, Inc. (Applicant), registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, pursuant to Section 6(c) of the Act, exempting Applicant from the provisions of Rules 2a-4 and 22c-1 under the Act to the extent necessary to permit Applicant to compute its net asset value per share, for the purpose of effecting sales, redemptions and repurchases of its shares, to the nearest one cent on a share value of one dollar. (Rel. IC-10927 - Nov. 1)

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY

The Commission granted an application by Hartford Variable Annuity Life Insurance Company (HVA) and Hartford Equity Sales Company, Inc. (HESCO), pursuant to Section 9(c) of the Investment Company Act of 1940, for exemption from the provisions of Section 19(a) of the Act. In doing so, the Commission made permanent a temporary exemption issued to HVA and HESCO on August 14. (Rel. IC-10928 - Nov. 1)

HOLDING COMPANY ACT RELEASES

SYSTEM FUELS, INC.

An order has been issued authorizing a proposal of System Fuels, Inc. (SFI), subsidiary of Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company and New Orleans Public Service Inc. (collectively the Parent Companies), all subsidiaries of Middle South Utilities, Inc., whereby SFI will lease 600 rail hopper cars and the Parent Companies will guaranty the performance of SFI's obligations under and related to such lease. (Rel. 35-21277 - Nov. 1)

NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until November 27 to request a hearing on a proposal of New England Electric System, a registered holding company, that its short-term borrowing authorization be extended from December 31, 1979 to December 31, 1980. (Rel. 35-21278 - Nov. 1)

LOUISIANA POWER & LIGHT COMPANY

An order has been issued authorizing a proposal of Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., to issue and sell at competitive bidding up to \$55 million of first mortgage bonds. (Rel. 35-21279 - Nov. 1)

ARKANSAS POWER & LIGHT COMPANY

An order has been issued approving a proposal of Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., whereby the amount of money which may be borrowed under a credit agreement with a bank to finance the procurement and processing of nuclear fuel will be increased from \$100 million to \$130 million. (Rel. 35-21280 - Nov. 1)

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) COMPUTERPHONE INTERNATIONAL CORPORATION, 1582 South Parker Rd., #306, Denver, Colo. 80231 (303) 750-6907 - 1,500,000 shares of common stock. Underwriter: Neidiger/Tucker/Bruner, Inc., Financial Center, 1825 Lawrence, Denver, Colo. 80202 (303) 825-1825. The company designs, develops and markets telecommunications systems. (File 2-65840 - Oct. 29)
- (S-8) BOLT BERANEK AND NEWMAN INC., 50 Moulton St., Cambridge, Mass. 02238 (617) 491-1850 - 200,000 shares of common stock. The company is engaged in providing technical consulting, research, and development services. (File 2-65857 - Nov. 1)
- (S-14) THE PUTNAM INCOME FUND, INC., 265 Franklin St., Boston, Mass. 02110 (617) 423-4960 - 1,150,000 shares of common stock. (File 2-65877 - Oct. 31)
- (S-16) BALLY MANUFACTURING CORPORATION, 2640 West Belmont Ave., Chicago, Ill. 60618 (312) 267-6060 - 103,484 shares of common stock. (File 2-65878 - Nov. 1)
- (S-1) LAGUNA 80, LTD., 370 One Marienfeld Pl., Midland, Tex. 79701 - 1,000 limited partnership interests. (File 2-65879 - Nov. 1)
- (S-16) WISCONSIN POWER AND LIGHT COMPANY, 222 West Washington Ave., Madison, Wis. 53703 (608) 252-3311 - 500,000 shares of common stock. The company is engaged in generating, purchasing, distributing and selling electric energy. (File 2-65881 - Nov. 1)
- (S-16) WARNER COMMUNICATIONS INC., 75 Rockefeller Plaza, New York, N.Y. 10019 (212) 484-8000 - 78,747 shares of common stock. The company is engaged in communications and entertainment businesses. (File 2-65882 - Nov. 1)
- (S-8) LINCOLN FIRST BANKS INC., One Lincoln First Sq., Rochester, N.Y. 14643 (716) 262-2000 - 4,000 shares of common stock. (File 2-65883 - Nov. 1)
- (S-1) MERCANTILE BANKSHARES CORPORATION, 2 Hopkins Plaza, Baltimore, Md. 21201 - 524,570 shares of common stock. (File 2-65884 - Nov. 1)
- (S-16) THE CHARTER COMPANY, 208 Laura St., Jacksonville, Fla. 32202 (904) 358-4111 - 1,025,641 shares of common stock. The company is engaged in petroleum, communications and insurance industries. (File 2-65885 - Nov. 1)
- In a separate statement the company seeks registration of 1,350,000 shares of common stock. (File 2-65886 - Nov. 1)

REGISTRATIONS EFFECTIVE

- Oct. 23: The Mountain States Telephone and Telegraph Co., 2-65617.
Oct. 25: R.I.C. 79, Ltd., 2-63929.
Oct. 29: Ball Corp., 2-65638; Coldwell, Banker & Co., 2-65685; LaQuinta Motor Inns, Inc., 2-65645; The Options Clearing Corp., 2-65256; Patrick Petroleum Co., 2-65518; Sci-Med Life Systems, Inc., 2-65358.
Oct. 30: Carolina Power & Light Co., 2-65514; The Corporate Income Fund, Ninety-Third Monthly Payment Series, 2-65540; Doral Industries, Inc., 2-63667; Federal Discount Corp., 2-65308; General Refractories Co., 2-65598; General Signal Corp., 2-65742; Long Island Lighting Co., 2-65615; Nicolet Instrument Corp., 2-65654; United Services Life Insurance Co., 2-65321; Varco International, Inc., 2-65721.
Oct. 31: Cameron Iron Works, Inc., 2-65723; Norstan, Inc., 2-65613.

REGISTRATION WITHDRAWN

- Oct. 31: The Foothill Group, Inc., 2-65660.

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