

# sec news digest

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## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

REGISTRATIONS OF THE FORUM CORPORATION AND  
FORUM INVESTMENT COUNSEL, INC. REVOKED;  
JOHN I. DICKERSON SUSPENDED

In connection with public administrative proceedings commenced on April 21 in the matter of The Forum Corporation, et al., The Forum Corporation (Forum), Forum Investment Counsel, Inc. (FIC) and John I. Dickerson, without admitting or denying the allegations, have submitted offers of settlement which the Commission has determined to accept, which offers provide that: (1) the investment adviser registrations of Forum and FIC are revoked; (2) Dickerson is suspended from association with an investment adviser and a broker or dealer for a period of four weeks; (3) Dickerson is suspended from affiliation in a supervisory position with any investment adviser or broker or dealer for a period of one year; and (4) Dickerson is suspended from association with a registered investment company for a period of one year. Without admitting or denying the allegations, respondents consented to wilful violations of Section 17(e) of the Investment Company Act, which concerns certain proscribed transactions between affiliated persons of investment companies. (Rel. 34-13898)

## COURT ENFORCEMENT ACTIONS

### THOMAS A. FRANK INDICTED

The Atlanta Regional Office announced that on August 12 a Jefferson County Grand Jury in Birmingham, Alabama returned three separate indictments against Thomas A. Frank of Gardendale, Alabama charging him with grand larceny in the operation of College Foundation of America, Inc. of Birmingham, an organization which specialized in selling scholarship programs to the public several years ago. Upon being arrested, Frank was placed in the Jefferson County Jail under \$5,000 bond on each of the charges. (State of Alabama v. Thomas A. Frank, Tenth Judicial Circuit of Alabama, Indictment Nos. 01697, 01700 and 01701). (LR-8096)

### JAMES EDWARD HOLLENSWORTH ENJOINED

The Fort Worth Regional and the Houston Branch Offices announced that on August 18 Federal District Judge Woodrow Seals, Houston, Texas, entered an order of permanent injunction by consent against James Edward Hollensworth, Cisco, Texas, individually and doing business as Hollensworth Oil Company, enjoining him from violations of the registration and antifraud provisions of the securities laws. Hollensworth, individually and on behalf of Hollensworth Oil Company, consented to the order without admitting or denying the allegations contained in the plaintiff's complaint, filed on June 30, which alleged that he had violated these provisions of the securities laws in the offer and sale of unregistered securities in the form of fractional undivided working interests in oil and gas leases located in Eastland, Palo Pinto and Stephens Counties, Texas, issued by Hollensworth Oil Company. (SEC v. James Edward Hollensworth, S.D. Tex.). (LR-8097)

### COMPLAINT NAMES TOLCHIN INSTRUMENTS, INC., OTHERS

The New York Regional Office announced the filing on August 23 of a complaint in the U.S. District Court for the Southern District of New York, charging Tolchin Instruments, Inc. (Tolchin), a New York corporation located in Melville, New York, Martin Tolchin (M. Tolchin) of Lawrence, New York, the Chairman of the Board of Directors, former president, and chief financial officer of Tolchin, and Hugo Schreiber of Nauheim, West Germany, a vice-president, Director and the European Operations Manager of Tolchin, with violations of and participating in violations of the antifraud, reporting, and proxy provisions of the securities laws.

The complaint, which seeks final judgments of permanent injunction and ancillary relief against the three defendants, alleges that M. Tolchin and Schreiber knew or should have known that from September, 1969 to April, 1976, Tolchin filed with the

Commission, and the AMEX or the NSE, or disseminated to securities holders, banks, insurance companies and others, a news release dated April 1, 1976, Tolchin's periodic reports, and its consolidating or consolidated financial statements for the period 1969 to 1975 which contained false and misleading statements and which omitted to state material facts concerning the company's net profits and net worth. Concurrent with the filing of the complaint, defendants Tolchin, M. Tolchin and Schreiber consented, without admitting or denying the substantive allegations contained in the complaint, to the entry of judgments of permanent injunction, prohibiting further violations of the antifraud, reporting, and proxy provisions of the securities laws.

In addition to the injunctive relief against Tolchin, the consent judgment provides that Tolchin shall direct its independent auditors to review its books and records and, if possible, restate, within one year from the date of entry of the consent judgment, the financial statements contained in its annual reports on Form 10-K which were filed with the Commission and the national securities exchanges during the period August 31, 1970 through August 31, 1975. Further, the consent judgments as to M. Tolchin and Schreiber provide that, for a period of two years from the date of entry of the consent judgments, they shall not engage in any action, through the voting of their shares or otherwise, either to alter the obligations of Tolchin with respect to the restatement of its financial statements for the period 1970 to 1975, or to dissolve Tolchin's existing directors audit committee or alter its membership without first obtaining the prior written consent of the Commission's New York Regional Office staff. (SEC v. Tolchin Instruments, Inc., et al., 77 Civil 4155, S.D.N.Y.). (LR-8100)

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## INVESTMENT COMPANY ACT RELEASES

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### AGEC SECURITY CORPORATION

A notice has been issued giving interested persons until September 25 to request a hearing on an application of AGESEC Securities Corporation (Applicant) for an order pursuant to Section 6(c) of the Act exempting Applicant from all provisions of the Act. (Rel. IC-9917 - Sept. 2)

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## HOLDING COMPANY ACT RELEASES

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### GENERAL PUBLIC UTILITIES CORPORATION

A supplemental order has been issued authorizing General Public Utilities Corporation, a registered holding company, to issue and sell to oversubscribing shareholders and/or to one or more broker dealers approximately 15,000 shares of common stock not sold pursuant to an underwritten rights offering. (Rel. 35-20159 - Sept. 6)

### ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, to issue and sell up to 500,000 shares of preferred stock, with a par value of \$100 per share. The proceeds together with other funds will be applied to Alabama's 1977 construction program, to the payment of a portion of notes payable for such purpose, and to the retirement of \$10,740,000 of first mortgage bonds. Jurisdiction is reserved as to the proposed issuance and sale of up to \$200 million of first mortgage bonds as to which the record is not yet complete. (Rel. 35-20160 - Sept. 6)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING GRANTED

An order has been issued granting the application of the Philadelphia Stock Exchange, Inc. for unlisted trading privileges in the common stock, \$1.00 par value, of International Couriers Corporation. (Rel. 34-13921)

An order has been issued granting the application of the Cincinnati Stock Exchange for unlisted trading privileges in the common stock of the specified companies: Atlantic City Electric Company, \$3.00 par value; Central Maine Power Company, \$5.00 par value; Duquesne Light Company, \$1.00 par value; Northeast Utilities Service Company, \$5.00 par value; Potomac Electric Power Company, \$10.00 par value; and Public Service Company of New Hampshire, \$5.00 par value. (Rel. 34-13922)

An order has been issued granting the application of the Midwest Stock Exchange, Inc. for unlisted trading privileges in the common stock, \$1.00 par value, of The Lehman Corporation (Maryland). (Rel. 34-13928)

## DELISTING GRANTED

Orders have been issued granting the applications of the American Stock Exchange, Inc. to strike from listing and registration the specified securities of the following companies: AIC Photo, Inc., common stock, \$1.00 par value; and Plaza Realty Investors, shares of beneficial interest, \$1.00 par value and Warrants, expiring November 22, 1977. (Rel. 34-13923)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The Depository Trust Company (DTC) has filed a proposed rule change pursuant to Rule 19b-4 (SR-DTC-77-8) to permit the inclusion of municipal bonds in DTC. In connection with the proposed rule change, DTC requested that the Commission act on the proposed rule change prior to the thirtieth day after publication in the Federal Register. Publication of the proposal is expected to be made in the Federal Register during the week of September 5. (Rel. 34-13929)

The New York Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-NYSE-77-25) to lower the minimum capital requirements for specialists, permit one or two-member specialist units, and permit specialist units registered in the same stocks to maintain a combined limit order book. Publication of the proposal is expected to be made in the Federal Register during the week of September 5. (Rel. 34-13930)

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## SECURITIES ACT REGISTRATIONS

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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) HEINOLD/DUNN COMMODITY FUND, 141 West Jackson Blvd., Suite 2040, Chicago, Ill. 60604 - 5,000 units of limited partnership interest. Underwriter: Heinold Securities, Inc. (File 2-59828 - Sept. 6)
- (S-7) INDIANA BELL TELEPHONE COMPANY, INC., 240 North Meridian St., Indianapolis, Ind. 46204 (317) 265-2266 - \$90 million of thirty-seven year debentures, due 2014. (File 2-59829 - Sept. 6)
- (S-8) SUNDANCE OIL COMPANY, 1776 Lincoln St., Suite 510, Denver, Colo. 80203 - 25,595 shares of common stock. (File 2-59830 - Sept. 6)
- (S-6) THE CORPORATE INCOME FUND, SIXTY-SECOND MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006, Bache Halsey Stuart Shields Inc. and Reynolds Securities Inc. (File 2-59831 - Sept. 6)
- (S-7) SOUTHERN CALIFORNIA GAS COMPANY, 810 South Flower St., Los Angeles, Cal. 90017 (213) 689-2345 - \$50 million of first mortgage bonds, Series L, due 1997. (File 2-59832 - Sept. 6)
- (S-7) PUBLIC SERVICE COMPANY OF INDIANA, INC., 1000 East Main St., Plainfield, Ind. 46168 (317) 839-9611 - \$85 million of first mortgage bonds, Series Z, due 2007. (File 2-59833 - Sept. 7)

### REGISTRATIONS EFFECTIVE

Sept. 1: Arizona Public Service Co., 2-59644; Belden & Blake and Co. Ltd. Partnership No. 67 & 66, 2-59045 & 2-59044; Binney & Smith, Inc., 2-59754; CCI Corp., 2-59601; Diamond Laboratories Co., 2-58886; Decision Data Computer Corp., 2-59495; Hartford Fund, Inc., 2-57609; Hartford Variable Annuity Life Insurance Company, Inc. DC Variable Account II, 2-59009; Hartford Variable Annuity Life Insurance Company, Inc. DC Variable Account (HVA-DC-VA), 2-56264; Hartford Variable Annuity Life Insurance Company, Inc. QP Variable Account (HVA-QP-VA), 2-57757; Interstate Power Co., 2-59557 & 2-59556;

Nicolet Instrument Corp., 2-59764; Prudential Annuity Plan Account-2, 2-59232; Public Service Electric & Gas Co., 2-59676 & 2-59675.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

**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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.*

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