

# sec news digest

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**U.S. SECURITIES AND  
EXCHANGE COMMISSION**

## **NOTICE OF COMMISSION MEETINGS**

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or tape record Commission meetings must obtain permission in advance from the Secretary of the Commission.

### CLOSED MEETING - MONDAY, SEPTEMBER 12, 1977 - 10:30 A.M.

The subject matter of the September 12 closed meeting will be: Formal orders of investigation; Institution of injunctive actions; Settlement of injunctive actions; Settlement of administrative proceedings; Simultaneous institution and settlement of injunctive actions; Referral of investigative files to Federal, State, or Self-Regulatory authorities; Interim and final allowances in proceeding; Submission of applications of resignation; Rule 2(e) proceedings; Amendment of complaint; Suspension of enforcement actions; Freedom of Information Act Appeal.

### CLOSED MEETING - WEDNESDAY, SEPTEMBER 14, 1977 - following 10 A.M. open meeting

The subject matter of the September 14, 10 a.m. closed meeting will be: Institution of injunctive action.

### CLOSED MEETING - WEDNESDAY, SEPTEMBER 14, 1977 - 2:30 P.M.

The subject matter of the September 14, 2:30 p.m. closed meeting will be: Post-oral argument discussion.

### OPEN MEETING - WEDNESDAY, SEPTEMBER 14, 1977 - 10 A.M.

The subject matter of the September 14 open meeting will be:

- (1) Consideration of an extension of time for Commission action on proposed changes to New York Stock Exchange Rule 405, the "Know Your Customer Rule".
- (2) Proposed Adoption of Rule 17a-4, which concerns the preservation of broker-dealer records prepared or maintained by outside service bureaus.
- (3) Proposed Rule 148 under the Securities Act of 1933, which would establish standards for the resale of securities that were either issued in bankruptcy proceedings by a debtor or were in the debtor's portfolio at the time such proceedings were commenced.
- (4) Consideration of soliciting comments on the re-examination of the Commission's Statement of Policy relating to the sales literature of investment companies.
- (5) Proposed interpretative release to provide guidance for directors of closed-end funds contemplating rights offerings below net asset value.
- (6) Application filed by The Columbia Gas System, Inc. for an order to issue and sell short-term notes and commercial paper and request for hearing by the State of Ohio regarding the application. (Rescheduled from September 8, 1977).
- (7) Consideration of rulemaking proposals which would: (1) exempt mineral resource assets in the oil and gas industry from the replacement cost rule and (2) require disclosure of information on the present value of estimated future net revenues from production of proved oil and gas reserves.

For further information contact: Lawrence A. Horn at (202) 376-8065.

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## COMMISSION ANNOUNCEMENTS

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### JAMES A. CLARKSON, III NAMED DIRECTOR OF REGIONAL OFFICE OPERATIONS

Chairman Harold M. Williams announced the appointment of James A. Clarkson, III, as Director of Regional Office Operations in the Office of the Executive Director. Mr. Clarkson has been acting in that capacity on a part time basis since November, 1976, while also performing his regular responsibilities as Assistant Director of the Division of Enforcement.

As Director of Regional Office Operations, Mr. Clarkson will represent the regions in Washington and direct the Commission's continuing efforts to more fully coordinate regional office regulatory and enforcement programs with the Commission's principal program divisions. Mr. Clarkson will also assist the Commission's Regional Administrators in developing more efficient and effective uses of staff and other resources provided to the regional offices.

Mr. Clarkson joined the Commission in 1969 as an attorney in the Division of Trading and Markets. He served successfully in subsequent assignments as an attorney in the Division of Corporation Finance and as Legal Assistant to both former Commissioner Hugh F. Owens and Commissioner Irving M. Pollack. Mr. Clarkson was appointed as an Assistant Director of the Division of Enforcement in June, 1974.

A graduate of Princeton University, Mr. Clarkson received a Masters Degree in Business Administration from Columbia University and a J.D. degree from the New York University of Law. He is a member of the State Bar of New York.

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## COURT ENFORCEMENT ACTIONS

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### GEOFFREY H. STEINEMANN, OTHERS INDICTED

The New York Regional Office announced that on August 29 a federal grand jury in Manhattan returned a three count indictment charging Geoffrey H. Steinemann, Gabriel T. Podlofsky and Jonas Aircraft and Arms Co. with violations of the securities laws in connection with a \$1,900,000 secondary public offering of the securities of Airways Enterprises, Inc. which became effective on October 25, 1972.

The indictment alleges that in September of 1972 Steinemann agreed with Podlofsky and Marvin F. Rosenbaum, an unindicted co-conspirator and former financial officer of Airways, to purchase 10,000 shares of Airways' common stock in an effort to artificially raise the market price of Airways' common stock that was then currently being traded in order to insure the success of the secondary offering. The indictment charges that Podlofsky and Rosenbaum secretly paid Steinemann for Steinemann's purchase of Airways' common stock. It is further alleged that in return for Steinemann's purchase, Podlofsky and Rosenbaum caused Airways to pay Jonas \$201,000 which Airways then owed Jonas. This sum, it is believed, was paid with the proceeds of Airways' public offering.

In a related civil action brought by the Commission on June 3, 1975, Podlofsky and Rosenbaum consented to the entry of judgments of permanent injunction. (SEC v. Airways Enterprises, Inc., et al., 75 Civil 2635 S.D.N.Y.). (U.S. v. Geoffrey H. Steinemann, et al., 77 Crim. 589, S.D.N.Y.). (LR-8099)

### YIDDY BLOOM, THIRTEEN OTHERS INDICTED

The Washington Regional Office and the Philadelphia Branch Office announced that on September 6 a federal grand jury sitting in Philadelphia, Pennsylvania, returned a thirty-one count indictment against Yiddy Bloom of Miami Beach, Florida; his son, Jerrold Bloom of Coral Gables, Florida; Jack Silbiger of Shawnee Mission, Kansas; Abraham Salaman of Philadelphia, Pennsylvania; Ira Ingerman of Narberth, Pennsylvania; Burton Dubbin of Miami Beach, Florida; Albert London of Lincroft, New Jersey; Bernard Cronin of Magnolia, Massachusetts; Robert Street of Brooklyn, New York; Robert Knoth of North Palm Beach, Florida; Michael Rekoon of Cranford, New Jersey; Joseph Patrick of Glenside, Pennsylvania; Myron Freeman (also known as Mickey Freeman) of Annapolis, Maryland; and Joseph DeLoge of St. Petersburg, Florida. The above named defendants were charged with securities fraud, mail fraud and conspiracy to violate the federal securities laws and mail fraud statutes. Named as unindicted co-conspirators were nine other persons including former National Stock Exchange personnel, former securities salesmen, former stock brokerage firm personnel, a former editor of an investment advisory publication, and a corporate president. The indictment alleges that the

defendants and co-conspirators, consisting of stock exchange personnel (specialist and floor brokers), securities salesmen, corporate officers and others conspired in 1971 and 1972 to manipulate the common stock of Magic Marker Corporation, a security then traded on the National Stock Exchange and over-the-counter. The indictment also alleges a manipulation in 1972 by the defendants of the common stock of Casa Bella Imports, Inc., a publicly owned company, the common stock of which was traded over-the-counter. (U.S. v. Yiddy Bloom, et al., E.D. Pa., Criminal Action No. 77-383). (LR-8103)

#### HARVEY BIRDMAN, OTHERS INDICTED

The Washington Regional and the Philadelphia Branch Offices announced that on September 6 a federal grand jury sitting in Philadelphia, Pennsylvania, returned a twenty-five count indictment against Harvey Birdman of Elkins Park, Pennsylvania; Bernard Cronin of Magnolia, Massachusetts; Alan Hunter of Wyndmoor, Pennsylvania; William Richman of Philadelphia, Pennsylvania, Arthur Salaman of Wyncote, Pennsylvania; and Robert Street of Brooklyn, New York. The indictment charged all of the above named defendants with conspiracy to violate federal securities and mail fraud statutes. Birdman, Cronin, Hunter, Salaman and Street were also charged with violating and aiding and abetting the violation of antifraud provisions of the securities laws and mail fraud statutes. Birdman was also charged with violating the ownership reporting requirements of the securities laws. Also named as unindicted co-conspirators were two former securities salesmen. In the indictment it was alleged that Birdman and the other defendants and co-conspirators conspired in 1972 and 1973 to manipulate the price of the common stock of Uni-Shield International Corporation. (U.S. v. Harvey Birdman, et al., E.D. Pa., Criminal Action No. 77-382). (LR-8104)

#### ALAN HUNTER INDICTED

The Washington Regional and the Philadelphia Branch Offices announced that on September 6 a federal grand jury sitting in Philadelphia, Pennsylvania, returned a two count indictment charging Alan Hunter of Wyndmoor, Pennsylvania, with federal income tax violations relating to his former employment as a securities salesman at Delphi Capital Corporation, a former Philadelphia stock brokerage firm. (U.S. v. Alan Hunter, et al., E.D. Pa., Criminal Action No. 77-381). (LR-8105)

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## HOLDING COMPANY ACT RELEASES

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#### OHIO POWER COMPANY

A notice has been issued giving interested persons until September 29 to request a hearing on a proposal by Ohio Power Company, subsidiary of American Electric Power Company, Inc., that it issue and sell up to \$150 million of notes to banks and a dealer in commercial paper and that it be granted an exemption from competitive bidding in connection therewith. (Rel. 35-20161 - Sept. 7)

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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-77-30) to require the semi-annual confirmation of open orders resting in the specialists' books. Publication of the proposal is expected to be made in the Federal Register during the week of September 12. (Rel. 34-13931)

The American Stock Exchange, Inc. (Amex) has filed a proposed rule change under Rule 19b-4 (SR-Amex-76-31) to conform Amex's Rule 5 to the provisions of Rule 19c-1 under the Securities Exchange Act of 1934 by eliminating restrictions on off-board agency transactions. Publication of the proposal is expected to be made in the Federal Register during the week of September 5. (Rel. 34-13932)

#### NOTICE OF FILING OF AMENDMENT NO. 1 OF PROPOSED RULE CHANGE

The Amex has filed an amendment to a proposed rule change under Rule 19b-4 (SR-Amex-76-31) to rescind paragraph (d) of Amex Rule 5 and make minor conforming changes to the remaining provisions of Amex Rule 5. Publication of the proposal is expected to be made in the Federal Register during the week of September 5. (Rel. 34-13933)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by The Depository Trust Company (DTC) pursuant to Rule 19b-4 (SR-DTC-76-8) to expand the depository interface between DTC and the Midwest Securities Trust Company to enable book-entry settlement of securities transactions between participants of the two depositories even though one or both participants may not be a participant in both depositories. (Rel. 34-13934)

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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-7) HOUSEHOLD FINANCE CORPORATION, Prudential Plaza, Chicago, Ill. 60601 (312) 944-7174 - \$100 million of debentures, Series 4F, due 2007. Underwriters: Goldman, Sachs & Co., Dean Witter & Co. Inc. and William Blair & Co. (File 2-59834 - Sept. 7)
- (S-7) HAWAIIAN ELECTRIC COMPANY, INC., 900 Richards St., Honolulu, Hawaii 96813 (808) 548-7771 - 400,000 shares of common stock. Underwriters: Dillon, Read & Co. Inc. and Dean Witter & Co. Inc. (File 2-59835 - Sept. 7)
- (S-8) DI GIORGIO CORPORATION, One Maritime Plaza, San Francisco, Cal. 94111 - 398,667 shares of common stock. (File 2-59836 - Sept. 7)
- (S-1) WOODS 1978 DRILLING PROGRAM, Suite 500, National Foundation West Building, 3555 N.W. 58th St., Oklahoma City, Okla. 73112 - 4,000 units of preorganizational limited partnership interests. Underwriter: Woods Securities Corporation. (File 2-59837 - Sept. 7)
- (S-8) WAL-MART STORES, INC., P.O. Box 116, Bentonville, Ark. 72712 - 100,000 shares of common stock. (File 2-59838 - Sept. 6)

REGISTRATIONS EFFECTIVE

Sept. 2: Bakco Acceptance, Inc., 2-58411 (90 days); Chromalloy American Corp., 2-58968; Friends Co., 2-59626; High Yield Securities Inc., 2-59486; Kansas City Southern Industries Inc., 2-59482; Mark Controls Corp., 2-59789; Savin Business Machines Corp., 2-59745; Utah Power Light Co., 2-59659 & 2-59660.

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 or request. All other reference material is available in the SEC Docket.

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