

sec news digest

LIBRARY

*Issue 81-246

DEC 28 1981

December 24, 1981

U.S. SECURITIES AND
EXCHANGE COMMISSION

CIVIL PROCEEDINGS

COMPLAINT FILED AGAINST THOMAS C. REED AND FRANK M. WOODS

The Commission announced on December 23 the filing of a complaint in the U.S. District Court for the Southern District of New York against Thomas C. Reed and Frank M. Woods alleging violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Reed is president of Quaker Hill Development Corporation, a San Rafael, California company. His father, Gordon W. Reed, is a member of the Board of Directors of Amax Corporation and is a consultant of Amax on oil matters. Woods is President of Quaker Hill of Colorado, Inc. and owner of Western Eleven Development Company, also of San Rafael, California.

The Commission's complaint alleges that Reed and Woods purchased call options on Amax common stock while in possession of material non-public information, which they had obtained, directly or indirectly, from persons associated with Amax relating to, among other things, the possible acquisition of Amax or its securities by Standard Oil of California (Socal), without disclosing such information. The Commission alleges that as a result of such transactions, Reed realized a net profit of approximately \$427,000 and Woods realized a net profit of approximately \$49,000.

Simultaneous with the filing of the Commission's complaint, the Commission has entered into Stipulation, Termination, Dismissal and Orders with Reed and Woods. Pursuant to the Stipulations, Reed and Woods have undertaken, and the Court has ordered, that they not purchase or sell any security while in the possession of material non-public information concerning such security or the issuer thereof, without having previously disclosed such information to the public or to the person from whom such security is purchased or to whom it is sold. Reed and Woods have also undertaken, and the Court has ordered, that they place in escrow with an independent escrow agent \$427,000 and \$48,971, respectively, to be used or disposed of in a manner provided in the stipulations. (SEC v. Thomas C. Reed and Frank M. Woods, U.S.D.C., S.D.N.Y., Civil Action No. 81-7984). (LR-9537)

ROCKY MOUNTAIN AIRWAYS, INC. ENJOINED

The Commission announced that on December 21 the U.S. District Court for the District of Columbia entered a Final Judgment of Permanent Injunction against Rocky Mountain Airways, Inc., Stapleton International Airport, Denver, Colorado, operator of a commuter airline in Colorado, restraining and enjoining Rocky Mountain from failing to file timely periodic reports and ordering it to comply with certain undertakings. Rocky Mountain, consenting to entry of the Court's judgment, admitted it had failed to file 12 annual and quarterly reports in a timely fashion. The Commission's complaint was filed on October 22, 1981.

The complaint alleged that Rocky Mountain, as part of a continuing course of violative conduct, failed to file with the Commission its annual report for the fiscal year ended June 30, 1981. Rocky Mountain has agreed to adopt procedures to assure timely filing of reports required to be filed under the Securities Exchange Act of 1934. (SEC v. Rocky Mountain Airways, Inc., U.S.D.C., D.C., Civil Action No. 81-2561). (LR-9536)

* The News Digest of December 23 had an incorrect Issue Number. The Issue Number should have been Issue 81-244.

INVESTMENT COMPANY ACT RELEASES

SCUDDER GOVERNMENT MONEY FUND

A notice has been issued giving interested persons until January 15, 1982 to request a hearing on an application of Scudder Government Money Fund (Fund) (formerly Scudder Cash Investment Trust II), a registered no-load, open-end, diversified management investment company, for an order of exemption from Section 2(a)(41) of the Investment Company Act of 1940 and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to permit the Fund to value its portfolio securities using the amortized cost valuation method, and from Section 10(b)(2) of the Act. (Rel. IC-12126 - Dec. 22)

HOLDING COMPANY ACT RELEASES

WHEELING ELECTRIC COMPANY

An order has been issued authorizing Wheeling Electric Company, subsidiary of American Electric Power Company, to amend its long-term loan agreement with a bank to increase the aggregate amount of its unsecured borrowings from up to \$19 million to up to \$22 million. (Rel. 35-22332 - Dec. 22)

NEW ENGLAND ELECTRIC SYSTEM

An order has been issued authorizing New England Electric System, a registered holding company, to extend through December 31, 1985 the issuance and sale of the remainder of the 1,500,000 shares of common stock previously authorized (HCAR No. 21091) pursuant to its Dividend Reinvestment and Common Share Purchase Plan. Jurisdiction has been reserved over the issuance and sale of an additional 3,000,000 shares of its common stock. (Rel. 35-22333 - Dec. 22)

NORTHERN STATES POWER COMPANY

An order has been issued authorizing Northern States Power Company, an exempt holding company, to acquire the shares of outstanding common stock of Lake Superior District Power Company, through an offer to shareholders of Lake Superior to exchange 0.48 shares of Northern States common stock for each share of Lake Superior common stock. Northern States' exemption pursuant to Section 3(a)(2) of the Public Utility Holding Company Act of 1935 is continued, subject to appropriate action to eliminate any minority interest created by the exchange offer. (Rel. 35-22334 - Dec. 22)

PENNSYLVANIA ELECTRIC COMPANY

A supplemental order has been issued regarding Pennsylvania Electric Company, subsidiary of General Public Utilities Corporation, authorizing the extension until December 31, 1986, of the time to make and the maturity of loans to two non-associated coal mining companies. (Rel. 35-22235 - Dec. 22)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING ACTIONS

An order has been issued granting the applications of the Cincinnati Stock Exchange for unlisted trading privileges in two issues which are listed and registered on one or more other national securities exchanges and are reported on the consolidated transaction reporting system. (Rel. 34-18365)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the American Stock Exchange, Inc. (SR-Amex-81-13) to amend Commentary .05 of Amex Rule 155 relating to notice and confirmation requirements with regard to transactions by specialists acting as principal. (Rel. 34-18351)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved, on an accelerated basis, proposed rule changes filed by the following: The Philadelphia Stock Exchange, Inc. (SR-Phlx-81-21) to adopt, on a temporary basis, Phlx Rule 933 concerning the sale and subordination of a membership subject to a lease. The proposed rule would help to assure the financial responsibility of members with leased seats and enable the exchange to enforce its by-laws relating to contractual agreements of such members. (Rel. 34-18356); and The National Association of Securities Dealers, Inc. (SR-NASD-81-22) which deletes monthly reporting by members of certain uncovered short options positions. (Rel. 34-18367)

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

A rule change filed by National Securities Clearing Corporation (SR-NSCC-81-17), pursuant to Rule 19b-4, has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The rule change provides specific procedures relating to NSCC's signature card distribution service. Publication of the proposal is expected to be made in the Federal Register during the week of December 21. (Rel. 34-18359)

NOTICE OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed an amendment to a proposed rule change pursuant to Rule 19b-4 (SR-MSRB-81-18) to amend MSRB Rule G-12 on uniform practice to require that for "good delivery" securities must be identical to their inter-dealer confirmation description with respect to any applicable call features. Publication of the proposal is expected to be made in the Federal Register during the week of December 28. (Rel. 34-18370)

CORRECTION RE SR-NYSE-81-27

In the News Digest of December 23, under the heading "Self-Regulatory Organizations," the Commission approved a proposed rule change of the New York Stock Exchange, Inc. (SR-NYSE-81-27) to extend the effectiveness of NYSE's Rule 103A. The dates of the extension (January 15, 1981 to January 15, 1982) were erroneously stated. The correct dates should have been January 15, 1982 to January 15, 1983.

TRUST INDENTURE ACT RELEASES

UNITED BANK CORPORATION OF NEW YORK

A notice has been issued giving interested persons until January 18, 1982 to request a hearing on an application by United Bank Corporation of New York (UBNY), pursuant to Section 310(b)(1)(ii) of the Trust Indenture Act of 1939, declaring that the trusteeship of Morgan Guarantee Trust Company of New York under four indentures of UBNY is not so likely to involve a material conflict of interest as to make it necessary to disqualify Morgan Guaranty Trust Company from acting as trustee. (Rel. TI-682)

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; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

(S-18) DIGITAL DATACOM, INC., 27721 S. La Paz Rd., Laguna Niguel, CA 92677 - 600,000 shares of common stock. Underwriter: Summit Investment Corporation, One Hundred North Sixth St., Minneapolis, MN 55403. The company is engaged in developing, manufacturing and marketing factory management information systems and intelligent data collection products using computer technology. (File 2-75090-LA - Nov. 25) (Br. 9 - New Issue)

- (S-18) ARIZONA PACIFIC INC., 1500 East Tropicana Ave., Suite 114, Las Vegas, NV 89109 - 4,800,000 shares of common stock. The company plans to engage in the transportation of passengers and freight by air as a regional airline. (File 2-75136-IA - Dec. 1) (Br. 3 - New Issue)
- (S-18) NU-TECH INDUSTRIES CORPORATION, 100 South Vermont, Oklahoma City, OK 73107 - 1,750,000 shares of common stock. Underwriter: Park Avenue Securities, Inc., 140 Park Ave., Oklahoma City, OK 73102 (405) 236-1900. The company is engaged in research and development activities concerning measurement equipment and related technology regarding the flow of gases and liquids in the petroleum, chemical and manufacturing industries. (File 2-75437-FW - Dec. 22) (Br. 8 - New Issue)
- (S-1) SOLAR SYSTEMS BY SUN DANCE, INC., 13939 N.W. 60th Ave., Miami Lakes, FL 33014 - 2,652,317 shares of common stock. The company designs and distributes solar water heating systems for commercial and residential applications. (File 2-75430 - Dec. 22)
- (S-15) TRUST COMPANY OF GEORGIA, One Park Place, N.E., Atlanta, GA 30303 (404) 588-7711 - 416,400 shares of common stock. (File 2-75438 - Dec. 22) (Br. 2)
- (S-8) IPM TECHNOLOGY, INC., 6851 West Imperial Highway, Los Angeles, CA 90045 (213) 646-2994 - 100,000 shares of common stock. (File 2-75442 - Dec. 22) (Br. 6)
- (N-1) WAYNE HUMMER MONEY FUND TRUST, 175 West Jackson Blvd., Chicago, IL 60604 (312) 431-1700 - an indefinite number or amount of shares of beneficial interest. (File 2-75443 - Dec. 22) (Br. 17 - New Issue)
- (S-15) MERCANTILE TEXAS CORPORATION, 1500 Mercantile Bank Bldg., Dallas, TX 75201 (214) 698-5000 - 116,000 shares of common stock. (File 2-75449 - Dec. 23) (Br. 2)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 30 West Broadway, New York, NY 10015 - 100,000 American Depositary Receipts for ordinary shares of Sydney Oil Company Limited. (File 2-75450 - Dec. 22) (Br. 99 - New Issue)
- (S-15) NATIONAL BANCSHARES CORPORATION OF TEXAS, 300 National Bank of Commerce Bldg., San Antonio, TX 78205 (512) 225-2511 - 499,022 shares of common stock. (File 2-75451 - Dec. 23) (Br. 1)
- (S-15) CULLEN/FROST BANKERS, INC., 100 West Houston St., San Antonio, TX 78205 (512) 220-4011 - 194,312 shares of common stock. (File 2-75452 - Dec. 23) (Br. 1)
- (S-7) JEFFERSON BANCSHARES, INC., 3525 North Causeway Blvd., Metairie, LA 70002 (504) 837-3333 - 123,350 shares of common stock. The company is engaged in commercial, consumer and mortgage banking and other financial activities. (File 2-75453 - Dec. 23) (Br. 2)
- (S-1) AUTO-TROL TECHNOLOGY CORPORATION, 12500 North Washington St., Denver, CO 80233 - 640,000 shares of common stock. (Rights Offering) The company develops, manufactures, markets and services interactive graphics systems. (File 2-75454 - Dec. 23) (Br. 8)
- (S-15) SOUTHWEST BANCSHARES, INC., 20th Floor, Southwest Tower, 707 McKinney, Houston, TX 77002 (713) 751-7800 - 300,000 shares of common stock. (File 2-75456 - Dec. 23) (Br. 1)
- (S-7) CONNECTICUT NATURAL GAS CORPORATION, 100 Columbus Blvd., Hartford, CT 06103 (203) 727-3000 - 700,000 shares of common stock. Underwriters: Blyth Eastman Paine Webber Incorporated, Kidder, Peabody & Co. Incorporated and Advest, Inc. The company is engaged in the distribution and sale of natural gas. (File 2-75457 - Dec. 23) (Br. 7)
- (S-16) COLONIAL GAS COMPANY, 73 East Merrimack St., Lowell, MA 01853 (617) 459-2312 - 200,000 shares of common stock. (File 2-75458 - Dec. 23) (Br. 7)

REGISTRATIONS EFFECTIVE

Dec. 18: Advance Circuits, Inc., 2-74724; Allied Bancshares, Inc., 2-74769; BSD Bancorp., 2-74752; Beltran Corporation, 2-74655; Consolidated Capital Properties IV, 2-74353; Farm House Foods Corporation, 2-75220; Fiduciary Capital Growth Fund, Inc., 2-73468; First Burlington Corporation, 2-75005; General Production Company, Inc., 2-74477; Peoples Restaurants, Inc., 2-74810; Second National Corporation, 2-75127; Southeastern Michigan Gas Enterprises, Inc., 2-75133; TIE/Communications, Inc., 2-75271; Universal Resources Corporation, 2-75257.