

# sec news digest

Issue 82-245

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## RULES AND RELATED MATTERS

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### ADOPTION OF AMENDMENTS TO ELIMINATE LEGAL SIZE PAPER

The Commission announced the adoption of amendments to 17 CFR 201.22(e), 230.403(a), 240.12b-12(a) and (b), 250.22(d), 260.7a-17, 260.7a-18, 270.0-2(b), 270.8b-12(a) and (b), and 275.0-4(b) which eliminate the use of legal size paper and require the use of 8-1/2 x 11 inch paper for all statements, applications, reports, documents and amendments thereto filed with the Commission. (Rel. 33-6446)

FOR FURTHER INFORMATION CONTACT: Douglas J. Scheidt at (202) 272-2454

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## ADMINISTRATIVE PROCEEDINGS

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### PROCEEDINGS INSTITUTED AGAINST LEBKEUCHER, SPENCER, INC., OTHERS

Public administrative proceedings have been instituted under the Securities Exchange Act of 1934 against Lebkeucher, Spencer, Inc., a registered broker-dealer doing business in Sarasota, Florida, and its principals Ralph Philip Lebkeucher and Robert Sidney Spencer, both of Sarasota, Florida, and who serve as president and vice president, respectively.

The Order alleges that from approximately September 1976 to January 1980, Registrant and its principals violated the registration provisions of the Securities Act of 1933 and the antifraud provisions of both the Securities Act and the Exchange Act in the offer and sale of interests in limited partnership offerings formed to mine and sell coal.

The staff alleges, inter alia, that Registrant and its principals failed to disclose that it owned and controlled the entities which assigned mineral interests to the limited partnerships and failed to disclose the consideration which such controlled entities paid for the mineral rights which were ultimately assigned to the limited partnerships. In addition, it is further alleged that Registrant and its principals made false and misleading statements concerning the amount and quality of coal which could be mined, and the failure of similar ventures to mine coal. It is further alleged that the parties falsely advised investors and prospective investors that the proceeds would be deposited in escrow accounts and failed to state that such proceeds would be commingled. Finally, it is alleged that Registrant violated provisions of the Exchange Act which require that the proceeds of offerings be maintained in separate agency, trustee or escrow accounts prior to the sale of a minimum number of interests in the offering, and failed to reflect the sale of interests in the offerings on Registrant's books and records, including the receipt of commissions.

A hearing will be scheduled to take evidence on the staff's allegations and to afford respondents an opportunity to present any defense thereto and to determine what, if any, remedial action should be ordered by the Commission. (Rel. 34-19324)

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## CIVIL PROCEEDINGS

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### COMPLAINT NAMES MCCORMICK & COMPANY AND DAVID MICHELS

The Commission announced on December 21 the filing of a complaint in the U.S. District Court for the District of Columbia seeking injunctive relief against McCormick & Company, Incorporated and David B. Michels, a former member of McCormick's Board of Directors and the general manager of McCormick's Grocery Products Division since 1978. The complaint alleges that the defendants committed violations of the reporting and accounting provisions of the Securities Exchange Act of 1934.

The Commission alleged that commencing from at least December 1976, McCormick and Michels engaged in a scheme to inflate the company's reported earnings to meet profit objectives mandated by corporate management. The alleged scheme was accomplished by means of the following improper accounting practices: (1) the systematic deferral of the recognition of substantial amounts of promotional and advertising expenses; and (2) the recognition of sales revenue in a fiscal period for goods which were prepared for shipment in that period but not shipped until a later fiscal period. In addition, the complaint alleges that McCormick, among other things, concealed these improper accounting practices from the company's auditors, Deloitte, Haskins & Sells, by the following conduct: (a) McCormick personnel intentionally made false statements to the auditors; (b) McCormick maintained two sets of records in connection with these expenses and only permitted the auditors to review the fictitious records maintained which related to these expenses; and (c) McCormick personnel altered various documents, including shipping invoices and advertising bills. Further, the complaint alleges that as a result of these improper accounting practices, McCormick's annual and quarterly reports filed with the Commission during at least fiscal years 1977 through 1980, variously, contained financial statements in which the company's net income and retained earnings were materially overstated.

The complaint also alleges that McCormick and Michels (a) failed to make and keep books and records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of McCormick, and (b) failed to devise and maintain a system of internal accounting controls sufficient to provide assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and to maintain accountability for assets.

Simultaneously with the filing of the complaint, the defendants, without admitting or denying the allegations in the complaint, consented to the entry of Final Judgments of Permanent Injunction against them. (SEC v. McCormick & Company, Incorporated, et al., U.S.D.C. D.C., Civil Action No. 82-3614). (LR-9846)

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## INVESTMENT COMPANY ACT RELEASES

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### COMPOUND CASH TRUST

An order has been issued, subject to conditions, pursuant to Section 6(c) of the Investment Company Act of 1940, exempting Compound Cash Trust from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder to the extent necessary to permit it to compute its net asset value per share using the amortized cost method of valuing portfolio securities. (Rel. IC-12910 - Dec. 17)

### WALTER UNTERMAYER, JR.

An order has been issued to permit the withdrawal of an application filed by Walter Untermeyer, Jr., which had requested a Commission determination that two trustees of Fidelity Daily Income Trust were controlled and interested persons of that fund's investment adviser. (Rel. IC-12911 - Dec. 17)

### FIDELITY FUND, INC.

An order, pursuant to Sections 6(c) and 17(b) of the Investment Company Act of 1940, has been issued on an application by Fidelity Fund, Inc. and other funds in the Fidelity group of investment companies (Applicants) exempting Applicants from the provisions of Sections 17(a)(1), 17(a)(2), and 17(e)(1) of the Act with respect to certain securities transactions with affiliated banks. (Rel. IC-12912 - Dec. 21)

### TAX-FREE INSTRUMENTS TRUST

A notice has been issued giving interested persons until January 17, 1983 to request a hearing on an application of Tax-Free Instruments Trust, for an order, pursuant to Section 6(c) of the Investment Company Act of 1940, exempting Applicant from the provisions of Section 12(d)(3) of the Act to the extent necessary to permit Applicant to acquire puts from brokers or dealers for the purpose of facilitating portfolio liquidity. (Rel. IC-12914 - Dec. 21)

## 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; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (S-18) EMPIRE BANCORP, 9310 Base Line Rd., Rancho Cucamonga, CA 91701 (714) 987-2167 - 400,000 to 500,000 shares of common stock. (File 2-80761-LA - Dec. 6) (Br. 1 - New Issue) [S]
- (S-18) ORION BROADCAST GROUP, INC., 10200 East Girard Ave., Building A, Suite 309, Denver, CO 80231 (303) 696-9744 - 30,000,000 units. Underwriter: Blinder, Robinson & Co., Inc. (File 2-80806-D - Dec. 8) (Br. 7 - New Issue)
- (S-18) CABLE WEST CORPORATION, 6767 South Spruce St., Suite 100, Englewood, CO 80112 (303) 741-5881 - 30,000,000 units. Underwriter: Blinder, Robinson & Co., Inc. Since its inception, the company has acquired, developed and operated cable television systems. (File 2-80807-D - Dec. 8) (Br. 8 - New Issue)
- (S-18) ROTORCAM TECHNOLOGY CORP., 652 First Ave., New York, NY 10016 (212) 889-3733 - 750,000 shares of common stock. The company is to produce a prototype of the Murray Rotorcam engine and to arrange for the manufacturing and sale of such engines. (File 2-80810-NY - Dec. 9) (Br. 4 - New Issue)
- (S-18) THE COLORADO RIVER & EAGLE COMPANY, First Bank of Eagle County Bldg., P.O. Box 1199, Eagle, CO 81631 (303) 328-6371 - 2,500 units at \$1,050 per unit, and 100,000 shares of Series A preferred stock at \$8.40 per share. (File 2-80839-D - Dec. 9) (Br. 6 - New Issue)
- (S-8) FOSTER MEDICAL CORPORATION, 990 Washington St., Dedham, MA 02026 (617) 329-6010 - 300,000 shares of common stock. (File 2-80948 - Dec. 17) (Br. 8)
- (S-2) PACIFIC TELECOM, INC., 915 Main St., Vancouver, WA 98668-0014 (206) 696-0983 - 1,793,073 shares of common stock. Underwriters: Dean Witter Reynolds Inc., E. F. Hutton & Company Inc. and Foster & Marshall/American Express Inc. (File 2-80953 - Dec. 20) (Br. 3)
- (S-14) NORTHWEST PENNSYLVANIA CORP., 100 Seneca St., Oil City, PA 16301 (814) 676-7123 - 504,018 shares of common stock. (File 2-80956 - Dec. 20) (Br. 1)
- (S-14) FIRST STATE BANCORP OF PRINCETON, ILLINOIS, INC., 815 South Main, Princeton, IL 61356 (815) 875-2828 - 55,000 shares of common stock. (File 2-80960 - Dec. 20) (Br. 2 - New Issue)
- (S-3) PRECISION CASTPARTS CORP., 4600 SE Harney Dr., Portland, OR 97206 (503) 653-8210 - 10,000 shares of common stock. (File 2-80963 - Dec. 17) (Br. 6) [S]
- (S-6) AMERICAN TAX-EXEMPT BOND TRUST, SERIES 67, 215 North Main St., West Bend, WI 53095 - 7,500 units. Depositor: B. C. Ziegler and Company. (File 2-80968 - Dec. 17) (Br. 16 - New Issue)
- (S-11) LIBERTY REAL ESTATE LIMITED PARTNERSHIP-II, One Federal St., Boston, MA 02110 - 80,000 units of limited partnership interests, \$500 per unit. Underwriter: TMK Securities Corporation. (File 2-80970 - Dec. 20) (Br. 5 - New Issue)

### REGISTRATIONS EFFECTIVE

Dec. 15: AFC Industries, Inc., 2-80514; American Bancorp, Inc., 2-80678; Aviall, Inc., 2-76825; Commonwealth Edison Company, 2-80697; Duquesne Light Company, 2-80836; Fidelcor, Inc., 2-80871; Fingermatrix, Inc., 2-80576; General Host Corporation, 2-80762; Genisco Technology Corp., 2-80610; Guaranteed Mortgage Corporation, 2-80426; Home Health Care of America, Inc., 2-80673; Liz Clairborne, Inc., 2-80626; Lodgistix, Inc., 2-74314-FW; Maine National Corp., 2-80241; Martin Marietta Corporation, 2-80710; Quest Medical, Inc., 2-80421; Republic of Austria, 2-79810; Scudder Target Fund, 2-73371; T. Rowe Price Growth and Income Fund, Inc., 2-79190; U. S. Home Corporation, 2-80328.

## ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the prior percent owned; and Column 7 - the status of the filing, i.e., new, update, or revision.

		FORM	EVENT DATE	SHRS (000) / % OWNED	CUSIP / PRIOR %	FILING STATUS
A I C PHOTO INC PIONEER INTL CORP	COM	13D	12/13/82	416 29.5	00134810 28.4	UPDATE
AMERICAN FIBER OPTICS CORP SIERRA VENTURES	COM	13D	11/ 8/82	542 25.3	02590010 14.4	UPDATE
AMERICAN FIBER OPTICS CORP SIERRA VENTURES	COM	13D	11/ 8/82	542 25.3	02590010 14.4	RYSION
APACHE PETE CORP DDM CHEMICAL	DEPOSITARY UNIT	13D	12/ 7/82	7,400 29.6	03746320 36.1	UPDATE
CANAL RANDOLPH CORP SCOTTISH CITIE INVST TRT ET AL	COM	13D	12/17/82	153 9.9	13705110 0.0	NEW
CANAL RANDOLPH CORP SCOTTISH & MERCANTILE INVST CO	COM	13D	12/17/82	85 5.5	13705110 0.0	NEW
HMG PPTY INVS INC TRANSCO RLTY TR	COM	13D	12/ 2/82	388 31.8	40423210 31.1	UPDATE
INFLIGHT SVCS INC SHERWOOD NORMAN S	COM	13D	5/15/80	237 8.9	45663210 0.0	RYSION
MILLER HENRY S RLTY TR PILOT INDUSTRIES INC	COM	13D	12/ 3/82	0 0.0	60059110 10.0	UPDATE
MILLER HENRY S RLTY TR SCHWARTZ BERNARD LEE EST ET AL	COM	13D	12/ 3/82	56 10.0	60059110 0.0	NEW
MORTGAGE GROWTH INVS RELIANCE FINANCIAL SVCS CORP	COM	13D	12/ 9/82	181 6.1	61910310 0.0	NEW
NEVADA NATL BANCORPORATION FARRIS LOUIS JR	COM	13D	11/24/82	442 21.4	64138410 41.8	UPDATE
NEVADA NATL BANCORPORATION MURCHISON C W JR	COM	13D	11/24/82	426 20.6	64138410 0.0	NEW
TOYS R US DEVINE WILLIAM JOHN ET AL	COM	13D	12/ 7/82	1,080 3.3	89233510 4.9	UPDATE
TOYS R US LAZARUS CHARLES	COM	13D	12/ 7/82	1,629 4.9	89233510 7.4	UPDATE
TOYS R US PETRIE STORES CORP	COM	13D	12/ 7/82	7,298 22.0	89233510 20.6	UPDATE
TRANSCO REALTY TR COURTLAND PROP ADVISORY	SH BEN INT	13D	12/ 7/82	50 5.6	89353510 5.6	UPDATE