

# LIBRARY sec news digest

U.S. SECURITIES AND  
EXCHANGE COMMISSION

Issue 82-60

March 30, 1982

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## NOTICE OF COMMISSION MEETINGS

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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 morning. 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 videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

### CLOSED MEETING - TUESDAY, APRIL 6, 1982 - 10:00 A.M.

The subject matter of the April 6 closed meeting will be: Institution of injunctive actions; Institution and settlement of administrative proceedings of an enforcement nature; Regulatory matters bearing enforcement implications; Opinion.

### OPEN MEETING - WEDNESDAY, APRIL 7, 1982 - 10:00 A.M.

The subject matter of the April 7 open meeting will be:

(1) Consideration of whether to issue a release proposing revisions and amendments to Rule 17f-2 under the Securities Exchange Act of 1934. The proposed revisions and amendments to Rule 17f-2 would clarify the availability of, and grant additional, exemptions from the fingerprinting requirement and would eliminate the requirement to submit Notices claiming exemptions to the Commission for formal staff review and retention. FOR FURTHER INFORMATION, PLEASE CONTACT Thomas V. Sjoblom at (202) 272-2913.

(2) Consideration of whether to authorize the publication of a staff report entitled, An Analysis of The Use of Regulation A for Small Public Offerings. FOR FURTHER INFORMATION, PLEASE CONTACT Hugh Haworth at (202) 523-5629.

AT TIMES CHANGES IN COMMISSION PRIORITIES REQUIRE ALTERATIONS IN THE SCHEDULING OF MEETING ITEMS. FOR FURTHER INFORMATION AND TO ASCERTAIN WHAT, IF ANY, MATTERS HAVE BEEN ADDED, DELETED OR POSTPONED, PLEASE CONTACT: Diane Klinke at (202) 272-2178

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## ADMINISTRATIVE PROCEEDINGS

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### DIVERSIFIED SECURITIES AND FOUR PRINCIPALS SANCTIONED; DISGORGEMENT ORDERED

The Commission has entered an Order Instituting Administrative Proceedings and Imposing Remedial Sanctions upon Diversified Securities, Inc. of Long Beach, California, and four principals of that broker-dealer firm, Robert J. Conway, Joseph W. Conway, Calvin Blakely and Paul Benes. All of the respondents, without admitting or denying the allegations, consented to an order finding that they had violated the antifraud provisions of the securities laws through their failure to make full disclosure of all compensation received in the offer and sale of various limited partnership interests.

The Order directs the respondents to disgorge \$28,000 of undisclosed compensation to the NASD to be used for preparation of educational materials. Each individual respondent is suspended from association with any broker or dealer for 30 days. Diversified must appoint an independent compliance chairman and prepare revised compliance procedures. The firm is also prohibited for a six month period from participating in the underwriting of any limited partnership interests not registered with the Commission. (Rel. 34-18578) [See LR-9631]

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## CIVIL PROCEEDINGS

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### DIVERSIFIED SECURITIES, INCORPORATED, OFFICERS AND DIRECTORS ENJOINED AND SANCTIONED

The Los Angeles Regional Office announced that on March 11 U.S. District Judge A. Wallace Tashima issued final judgments of permanent injunction against Diversified Securities, Incorporated, a California corporation with its principal place of business in Long Beach, Florida, Robert J. Conway, Joseph W. Conway, Calvin Blakely, and Paul Benes, all officers, directors and shareholders of Diversified. Diversified is registered with the Commission as a broker-dealer.

The Commission's complaint, filed on March 11, alleges violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder by each defendant in connection with their offer and sale of limited partnership interests issued by Sun Fruit, Ltd., Rancho Consultants Company, Inc. and I&E Mini-Warehouse partners. The complaint alleges that the defendants entered into an arrangement with Sun Fruit, Rancho and I-E to receive compensation from them in addition to sales commissions; and, that the defendants failed to disclose their receipt of the additional compensation paid by Sun Fruit, Rancho and I-E and falsely represented the total amount of compensation paid to them.

Simultaneously, with the filing of the Commission's complaint, each defendant consented, without admitting or denying any of the allegations of the complaint, to the entry of the final judgments of permanent injunction enjoining them from future violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

In addition, the Commission has entered an Order Instituting Administrative Proceedings and Imposing Remedial Sanctions upon each of the defendants [See 34-18578]. (SEC v. Diversified Securities, Inc., et al., U.S.D.C., CD Cal., Civil Action No. 82-1204 AWT, BX). (LR-9631)

### DAVID R. YEAMAN ADMITS PROXY VIOLATIONS, CONSENTS TO PERMANENT INJUNCTION

The Commission announced that on February 23 the Honorable Vincent L. Broderick, U.S. District Judge for the Southern District of New York, issued a Judgment of Permanent Injunction against David R. Yeaman of Salt Lake City, Utah, and Revest Resources Corporation, a Utah corporation, the president of which is Yeaman.

Yeaman and Revest admitted that they violated the proxy provisions of the Securities Exchange Act of 1934 in connection with their seeking shareholder ratification for a transaction in 1980 that involved Revest and benefitted Yeaman. The Judgment permanently enjoins them from violating such provisions in the future. In addition, Yeaman and Revest were also permanently enjoined from future violations of the anti-fraud, periodic reporting, and securities transactions reporting provisions. Yeaman and Revest consented, without admitting or denying any substantive violations, to a permanent injunction against future violations of the provisions described above.

In addition, the Judgment also directs Yeaman to file securities transactions reports pertaining to his ownership of Revest shares, and Yeaman and Revest to take certain steps to cause Revest's officers, directors and 10 percent shareholders to file such reports. The Judgment also requires Yeaman and Revest to send a statement describing the allegations of the Commission's complaint and the terms of the consent judgment of permanent injunction to Revest's current shareholders and to all persons who purchased Revest shares during the relevant period [March 1, 1979 to March 4, 1980]. (SEC v. David R. Yeaman, et al., 81 Civil 7790, SDNY). (LR-9630)

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## INVESTMENT COMPANY ACT RELEASES

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### INTERCAPITAL DIVIDEND GROWTH SECURITIES INC.

A notice has been issued giving interested persons until April 21 to request a hearing on an application by InterCapital Dividend Growth Securities Inc., InterCapital High Yield Securities Inc., InterCapital Industry-Valued Securities Inc., InterCapital Liquid Asset Fund Inc., InterCapital Natural Resource Development Securities Inc., InterCapital Tax-Exempt Securities Inc., InterCapital Tax-Free Daily Income Fund Inc., and Sears U.S. Government Money Market Trust (collectively, the Funds), registered, open-end, diversified, management investment companies and Dean Witter Reynolds Inc. (collectively with the Funds, Applicants), for an order pursuant to Section 11(a) of the Investment Company Act of 1940 permitting the Funds to make certain offers of exchange on a basis other than the relative net asset values of the shares involved in the exchange and pursuant to Section 6(c) of the Act exempting Applicants from the provisions of Section 22(d) of the Act in connection with such exchanges. (Rel. IC-12334 - Mar. 29)

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## HOLDING COMPANY ACT RELEASES

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### THE SOUTHERN COMPANY

An order has been issued authorizing The Southern Company, a registered holding company, and two subsidiaries, Georgia Power Company and Mississippi Power Company, to issue and sell short-term notes to banks and commercial paper to dealers prior to April 1, 1983. The authorized maximum aggregate principal amounts of borrowings by company are: Southern \$100 million; Georgia \$375 million; and Mississippi \$40 million. Authorizations for Georgia and Mississippi will be automatically reduced by the amount of net cash proceeds received from the sale of long-term debt and preferred stock. Jurisdiction has been reserved over borrowings requested by Georgia and Mississippi in excess of the authorized amounts. Southern proposes to make capital contributions through March 31, 1983 of \$280 million to Georgia and \$8 million to Mississippi, as well as \$140 million to Alabama Power Company and \$8 million to Gulf Power Company, two other subsidiaries of Southern. (Rel. 35-22433 - Mar. 29)

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

- (S-1) EQUITEC 82 LEASING INVESTORS, 3732 Mount Diablo Blvd., P.O. Box 1109, Lafayette, CA 94549 - 50,000 units of limited partnership interest, \$500 per unit. (File 2-76669 - Mar. 26) (Br. 5 - New Issue)
- (S-11) COAST FEDERAL SAVINGS AND LOAN ASSOCIATION, 855 South Hill St., Los Angeles, CA 90014 - \$5 million (approximate) of second mortgage participation certificates, Series 1982B, % certificate rate. (File 2-76674 - Mar. 26) (Br. 2 - New Issue)
- (S-14) PHENIX MORTGAGE AND REALTY CORPORATION, 1100 Franklin Ave., Garden City, NY 11530 (516) 747-5000 - 1,650,000 shares of common stock. (File 2-76677 - Mar. 26) (Br. 5 - New Issue)
- (S-16) PENNSYLVANIA POWER & LIGHT COMPANY, Two North Ninth St., Allentown, PA 18101 (215) 770-5151 - \$100 million of first mortgage bonds, % Series, due 1992. (File 2-76678 - Mar. 26) (Br. 7)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, TWO HUNDRED TWENTY-SECOND MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, NY 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, NY 10080, Dean Witter Reynolds Inc., Bache Halsey Stuart Shields Incorporated, and Shearson/American Express Inc. (File 2-76679 - Mar. 26) (Br. 17 - New Issue)

- (S-6's) THE CORPORATE INCOME FUND, ONE HUNDRED EIGHTY-NINTH SHORT TERM SERIES; THE GOVERNMENT SECURITIES INCOME FUND, GNMA SERIES F; AND MUNICIPAL INVESTMENT TRUST FUND, SEVENTH CALIFORNIA SERIES, One Liberty Plaza, 165 Broadway, New York, NY 10080 - an indefinite number of units of beneficial interest (each Series). Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, NY 10080, Dean Witter Reynolds Inc., Bache Halsey Stuart Shields Incorporated, and Shearson/American Express Inc. (File 2-76680, 2-76681 and 2-76682 - Mar. 26) (Br. 17 - New Issues)
- (S-11) BRAUVIN REAL ESTATE FUND II, 11 South LaSalle St., Suite 3000, Chicago, IL 60603 - 12,000 units of limited partnership interests. (File 2-76683 - Mar. 26) (Br. 6 - New Issue)
- (S-8) THE BROOKLYN UNION GAS COMPANY, 195 Montague St., Brooklyn, NY 11201 (212) 643-2000 - 250,000 shares of common stock. (File 2-76684 - Mar. 26) (Br. 7)
- (S-16) TENNECO INC., Tenneco Bldg., Houston, TX 77002 (713) 757-2131 - 600,000 shares of common stock. (File 2-76685 - Mar. 29) (Br. 6)
- (S-8) NALCO CHEMICAL COMPANY, 2901 Butterfield Rd., Oak Brook, IL 60521 (312) 887-7500 - 250,000 shares of common stock. (File 2-76686 - Mar. 29) (Br. 2)
- (S-16) PEPSICO CAPITAL RESOURCES, INC., Frito-Lay Tower, Exchange Park, Dallas, TX 75235 (214) 351-7000 - \$850 million of zero coupon guaranteed serial debentures, due 1988-2012. The company is a subsidiary of PepsiCo, Inc. (File 2-76687 - Mar. 29) (Br. 1)
- (S-1) THE COLONIAL BANCGROUP, INC., 671 South Perry St., Montgomery, AL 36102 - 154,316 shares of common stock. (File 2-76688 - Mar. 29) (Br. 2)
- (S-16) STANDARD BRANDS PAINT COMPANY, 4300 West 190th St., Torrance, CA 90509 (213) 542-5901 - 110,000 shares of common stock. The company is a service oriented, mass merchandiser of paint and home decorating products. (File 2-76689 - Mar. 29) (Br. 10)
- (S-8) GRUMMAN CORPORATION, Bethpage, Long Island, NY 11714 (516) 575-3344 - 2,000,000 shares of common stock. (File 2-76690 - Mar. 29) (Br. 2)
- (S-8's) MOBIL CORPORATION, 150 East 42nd St., New York, NY 10017 (212) 883-4242 - \$300 million of interests and 13,043,478 shares of common stock; 5,283,276 shares of common stock; and \$3 million of interests and 130,435 shares of common stock. (File 2-76692, 2-76693 and 2-76694 - Mar. 29) (Br. 3)
- (S-16) NICOR INC., 1700 West Ferry Rd., P.O. Box 200, Naperville, IL 60566 (312) 242-4470 - 1,500,000 shares of common stock. The company is a holding company and through its subsidiaries is engaged in the distribution and sale of natural gas, among other things. (File 2-76695 - Mar. 29) (Br. 7)
- (S-8) MONSANTO COMPANY, 800 North Lindbergh Blvd., St. Louis, MO 63167 (314) 694-1000 - 250,000 shares of common stock. (File 2-76696 - Mar. 29) (Br. 2)
- (S-3) AMERICAN EXPRESS COMPANY, American Express Plaza, New York, NY 10004 (212) 323-2000 - 900,000 common share purchase warrants to purchase 900,000 common shares. Underwriters: Shearson/American Express Inc. and Bear, Stearns & Co. The company is engaged in providing a variety of travel related, insurance, international banking and investment services. (File 2-76698 - Mar. 29) (Br. 2)
- (S-8) PHILLIPS PETROLEUM COMPANY, Phillips Bldg., Bartlesville, OK 74004 (918) 661-6130 - 13,675 shares of common stock; and 1,709,401 shares of common stock. (File 2-76699 and 2-76701 - Mar. 29) (Br. 4)
- (S-15) CHEMICAL FINANCIAL CORPORATION, 127 Townsend St., Midland, MI 48640 (517) 631-3310 - 48,000 shares of common stock. (File 2-76702 - Mar. 29) (Br. 1)
- (S-8) SAVIN CORPORATION, Valhalla, NY 10595 (914) 769-9500 - 100,000 shares of common stock. (File 2-76703 - Mar. 29) (Br. 8)
- (S-16) GENERAL GROWTH PROPERTIES, 215 Keo, Des Moines, IA 50306 (515) 281-9100 - 1,256,440 common shares of beneficial interest. (Rights Offering). (File 2-76704 - Mar. 29) (Br. 5)