

# sec news digest

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JUN 30 1977 June 29, 1977

## RULES AND RELATED MATTERS

## U.S. SECURITIES AND EXCHANGE COMMISSION

### COMMENT PERIOD EXTENDED ON SHAREHOLDER PROPOSALS

In Securities Exchange Act Release No. 13482 (April 28, 1977), the Commission had requested the submission by July 1, 1977 of written statements from interested members of the public on the subjects of shareholder communications, shareholder participation in the corporate electoral process and corporate governance. The Commission had requested the submission of such written statements preparatory to holding public hearings. The Commission, having considered a number of requests to extend the comment period, has extended the comment period as follows: (1) Any person who wishes to have his views considered by the Commission in connection with its formulation of specific issues to be explored at the public hearings must submit on or before August 1, a written statement of such views, which may be in summary or outline form; (2) Any person who wishes to testify at the public hearings is encouraged to submit on or before August 1 a written statement outlining the issues as to which such person intends to testify. The Commission will issue an order at a later date specifying procedures for the hearings, and failure to submit a written statement by August 1 will not foreclose an interested person from testifying at the hearings in accordance with such procedures; and (3) All other persons who wish to submit written statements may do so at any time prior to the termination of this proceeding and such statements will be made part of the public record of the proceeding. (Rel. 34-13686)

### RULE 15b7-1 PROPOSED

The SEC announced a proposal to adopt new Rule 15b7-1 under the Act which would establish minimum qualification requirements for all registered broker-dealer and their persons associated consistent with the Commission's expanded authority in this area as a result of the Securities Acts Amendments of 1975. All comments on the proposal should be submitted on or before August 10 to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 and should refer to File No. S7-709. (Rel. 34-13679)

## 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 - Wednesday, July 6, 1977 - 10:00 a.m.

The subject matter of the July 6 closed meeting will be: Formal orders of investigation; Amendment of formal order of investigation; Institution of injunctive actions; Settlement of injunctive actions; Institution of administrative proceedings; Settlement of administrative proceedings; Simultaneous institution and settlement of injunctive actions and/or administrative proceedings; Referral of investigative files to Federal, State or Self Regulatory authorities; Referral of transcript to Federal, State or Self Regulatory authorities; Regulatory matters arising from or bearing enforcement implications; Other litigation matters.

Open Meeting - Wednesday, July 6, 1977 - 2:30 p.m.

The subject matter of the July 6 open meeting will be:

(1) Consideration of Chicken Unlimited Enterprises, Inc.'s petition for Commission review of staff denial of an application, pursuant to Rule 12b-25 under the Securities Exchange Act, requesting an exemption of time in filing its quarterly report on Form 10-Q for the period ending March 31, 1977.

(2) Consideration of application of The Vanguard Group, Inc. and the Vanguard Funds for an order which would permit the investment companies to assume the responsibility for and the expenses of the distribution of their shares.

For further information contact: Angela M. Desmond: (202) 755-1173 or Linda W. Jarett: (202) 755-1183.

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN CAL-AM CORPORATION

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Cal-Am Corporation (Cal-Am), a New York corporation located in Sherman Oaks, California, for the period beginning on June 28 and terminating at midnight (EDT) on July 7.

The Commission ordered the suspension of trading in Cal-Am's securities because of the lack of current adequate and accurate public information about the company's operations and financial condition. (Rel. 34-13693)

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## COURT ENFORCEMENT ACTIONS

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### HIGHLAND-DUNES SCOTCH INVESTORS, FEDERAL INC.; JOHN G. MERZ, OTHERS ENJOINED

The New York Regional Office announced that on May 20 the Honorable Miles W. Lord, U.S. District Judge in the District of Minnesota, signed a final judgment of permanent injunction enjoining Highland-Dunes Scotch Investors, Federal Inc. (Highland-Dunes) of Minneapolis, Minnesota; John G. Merz and Carla Merz of Minneapolis, Minnesota and Alice Jensen of New Brighton, Minnesota from further violations of the registration and anti-fraud provisions of the securities laws in the offer and sale to the public of investment interests in scotch whisky. The aforementioned defendants consented to the entry of the final judgment of permanent injunction without admitting or denying the allegations in the Commission's complaint. In addition, Judge Lord signed an order appointing a receiver for Highland-Dunes. The order empowers the receiver, Robert M. Bowen, Esq. of the law firm of Levitt, Palmer, Bowen, Bearmon & Rotman of Minneapolis, Minnesota to, among other things, assist investors in the resale of their investments in scotch whisky. (SEC v. Highland-Dunes Scotch Investors, Federal Inc., et al., 4-75 Civil 21 (D. Minn.)). (LR-7995)

### LOUIS H. KAPP, JR., JAMES EVANOS ENJOINED

The Chicago Regional Office announced that on June 10 a preliminary injunction by consent was entered against Louis H. Kapp, Jr. by Judge Hubert L. Will of the U.S. District Court for the Northern District of Illinois. At the same time, a permanent injunction by consent was entered against James Evanos. Both defendants were enjoined from further violations of the registration and antifraud provisions of the securities laws. Evanos was also ordered to file an accounting with the Court. The complaint alleged that the defendants engaged in interstate sales of unregistered fractional interests in oil and gas leases and employed false and misleading statements and omissions in the offer and sale of such fractional interests. (SEC v. Louis H. Kapp, Jr., et al., N.D. Ill., 77C580). (LR-7994)

### HEARING ORDERED RE LOUIS H. KAPP, JR.

The Chicago Regional Office announced that on May 25 an application was filed and on May 31 Judge Frank J. Battisti of the U.S. District Court for the Northern District of Ohio entered an order setting a date for a hearing to show cause why Louis H. Kapp, Jr. should not be punished for contempt of the injunction entered by Judge Battisti against, among others, Kapp, Jr. in SEC v. Louis H. Kapp and Associates, Inc., et al. (C-70-517). That 1970 injunction permanently enjoined Kapp, Jr. from further violations of the registration and antifraud provisions of the securities laws. The application alleged that Kapp, Jr., from 1974 to the present, engaged in interstate sales

of unregistered fractional interests in oil and gas leases and made use of misstatements and omissions of material facts in the offer and sale of such interests. (SEC v. Louis H. Kapp, Jr., N.D. Ohio, CR-77-131). (LR-7993)

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## INVESTMENT COMPANY ACT RELEASES

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### EDPR SHAREHOLDERS' RETENTION TRUST

A notice has been issued giving interested persons until July 22 to request a hearing on an application of EDPR Shareholders' Retention Trust (Applicant), for an order exempting from the provisions of Section 17(a) of the Act a certain transaction extending the period of and modifying the terms of an option held by Applicant and permitting said transaction pursuant to Rule 17d-1 under the Act. (Rel. IC-9827 - June 27)

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## MISCELLANEOUS

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### LOCAL FINANCE CORPORATION

A notice has been issued giving interested persons until July 25 to request a hearing on an application of Local Finance Corporation (Applicant), pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Applicant from the reporting requirements of Section 15(d) of the Act, commencing with the annual report on Form 10-K for the period ended December 31, 1976. The company believes that since all outstanding subordinated capital notes, Series A, B, C, and D (the notes) were called for redemption as of January 28 since there were only 31 holders of the notes with an amount of \$182,000 as of the date of the application, and since there is no trading or trading interest in the notes, the filing of Section 13 reports is not necessary for the public interest or the protection of investors. (Rel. 34-13696)

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## SECURITIES ACT REGISTRATIONS

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### (S-1) TRINITY OIL CORPORATION

4255 LBJ Freeway, Suite 130, Dallas, Tex. 75234 - 800,000 shares of common stock to holders of units in Trinity Drilling Fund, to holders of units in Trinity Drilling Program II (Trinity II) on which two installments of the purchase price were paid, to holders in Trinity II on which three installments of the purchase price were paid, to holders of units in Trinity II on which all four installments of the purchase price were paid, in exchange for all such units, subject to the terms and conditions of the Exchange Offer. (File 2-59248 - June 10)

### (S-2) PEOPLES PUBLISHING CORPORATION

208 West Main St., Morristown, Tenn. 37814 - 45,000 shares of common stock. The corporation is being formed to publish a daily newspaper in Morristown, Hamblen County and surrounding counties of East Tennessee, to disseminate news and related matters of public interest to the people of this area. (File 2-59285 - June 13)

### (S-6) THE DEAN WITTER TAX-EXEMPT TRUST, THIRTIETH SERIES

c/o Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Cal. 94106 - \$7,500,000 of units. The Trust will be created under a trust indenture among Dean Witter & Co. Inc., as sponsor, United States Trust Company of New York, as trustee, and Standard & Poor's Corp., as evaluator. The Trust will consist of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers of such obligations, exempt from Federal income tax. (File 2-59358 - June 24)

### (S-1) TRANS WORLD COMMODITY FUND II

Suite 2600, 135 South LaSalle St., Chicago, Ill. 60603 - \$5 million of units of limited partnership interest, to be offered for sale to the public. The partnership, to be organized as an Illinois limited partnership when the minimum number of units are subscribed, will be managed by Commodity Partners International, Inc., its general partner, as a commodity pool. (File 2-59361 - June 27)

(S-1) THE MAURICE L. BROWN COMPANY

9229 Ward Parkway, Kansas City, Mo. 64114 - \$1 million of preformation limited partnership interest in the MLBCO Limited Partnership 1977-1, to be offered for sale in units, each consisting of \$6,250 with a minimum initial investment of \$12,500. The selling agent, on a best efforts basis, is Weinrich-Zitzmann-Whitehead, Inc., Suite 116, 1900 West 47th Pl., Shawnee Mission, Kansas 66205. (File 2-59363 - June 27)

(S-1) FINANCIAL SERVICES CORPORATION OF THE MIDWEST

230 18th St., Rock Island, Ill. 61201 - 45,268 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of record on August 17, 1977 at the rate of one share for each four shares held. The shares are expected to be offered at the estimated book value per share on August 31, 1977. The offering will be made by the company and will not be underwritten. The company is a bank holding company with one bank subsidiary and which expects to acquire a finance company subsidiary. (File 2-59364 - June 27)

(S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK

23 Wall St., New York, N.Y. 10015 - seeks registration of 100,000 American Depositary Receipts for ordinary shares of Dowty Group Limited, an English corporation. (File 2-59368 - June 27)

(S-2) INTERNATIONAL TECHNOLOGY RESOURCES, INC.

3333 Quebec St., Denver, Colo. 80207 - \$1,125,000 maximum (\$562,500 minimum) of units, each unit consisting of one share of common stock and one common stock purchase warrant, to be offered for sale at \$1.50 per unit on a best efforts basis through underwriters headed by American Western Securities, Inc., 2403 San Mateo Blvd., N.E., Albuquerque, New Mexico 87110. The company was organized for the principal purpose of providing services to companies with products or services with new or unique technological applications to market and manufacture. (File 2-59369 - June 27)

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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