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sec news digest

SECURITIES & EXCHANGE COMMISSION
RECEIVED
JUL 8 1977

Issue 130

July 7, 1977

RULES AND RELATED MATTERS

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RESCISSION OF RULE 458

The Commission announced the rescission of Rule 458 which required corporations to submit to the Commission with an initial filing of a registration statement a brief descriptive summary of the registration statement for the Commission's use. The Rule 458 summaries have been used in the preparation of the notices of filings of registration statements included in the SEC News Digest. Henceforth, the News Digest notices will be written by the staff of the Commission and will be more concise. The rescission of Rule 458 is effective immediately. (Rel. 33-5842)

AMENDMENTS TO RULE 14a-3(d) AND NEW RULE 14b-1 ADOPTED

The Commission adopted amendments to Rule 14a-3(d) and new Rule 14b-1, pertaining to the transmission of proxy materials and annual reports to beneficial shareowners. Rule 14b-1 requires a registered broker-dealer to respond promptly to an issuer's inquiry about the number of its customers who are beneficial owners of the issuer's securities and, if reimbursement of reasonable expenses is assured, to forward proxy materials received from the issuer promptly to such beneficial owners. The amendments to Rule 14a-3(d) require each issuer to make such an inquiry of intermediary-recordholders at least 10 days before the record date for its shareholders' meeting and to supply the requested materials in a timely manner. (Rel. 34-13419)

The Commission also published for public comment a proposed amendment to Rule 14a-3(d) to clarify the issuer's obligation to inquire of an intermediary who becomes a recordholder within 10 days of the record date. Written comments, in triplicate, should be addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, no later than August 15, and refer to File No. S7-581. (Rel. 34-13720)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DISQUALIFICATION OF GRANT C. AADNESEN FROM COMMISSION PRACTICE FINAL

The suspension of Grant C. Aadnesen, an attorney, from appearance or practice before the Commission has become permanent. In October 1975, the Commission temporarily suspended Aadnesen from practice before it on the basis of an injunction entered against him by the U.S. District Court for the District of Montana. That injunction, to which Aadnesen consented without admitting or denying the Commission's charge against him, permanently enjoined him from violation of the registration and antifraud provisions of the securities laws. (SEC v. Jeroboam Winer, Ltd.) Aadnesen did not petition to lift the suspension within the required time, and it therefore became permanent. (Rel. 34-13670)

DISQUALIFICATION OF ERNEST C. NEUMAN FROM COMMISSION PRACTICE FINAL

The suspension of Ernest C. Neuman, a certified public accountant, from appearance or practice before the Commission has become permanent. In September 1975, the Commission temporarily suspended Neuman from practice before it on the basis of an injunction entered against him by the U.S. District Court for the Western District of Oklahoma. That injunction to which Neuman consented without admitting or denying the Commission's charge against him, permanently enjoined him from violation of the registration and antifraud provisions of the securities laws. (SEC v. Standard Life Corp.) Neuman did not petition to lift the suspension within the required time, and it therefore became permanent. (Rel. 34-13677)

The Commission has announced the issuance of an order imposing remedial sanctions upon Life Investors Management Corporation and Ralph M. O'Brien. O'Brien is an officer and director of Life Investors, a registered broker-dealer and investment adviser. The Commission's order was entered pursuant to offers of settlement by which both Life Investors and O'Brien, without admitting or denying the allegations in the order for proceedings, consented to certain findings and sanctions.

The Commission thus found that from February, 1972 through December, 1975, O'Brien wilfully violated and wilfully aided and abetted violations of the antifraud provisions of the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940, as well as provisions of the Investment Company Act of 1940 concerning affiliated transactions in connection with certain securities trading for his own account at or about the time he was purchasing or selling the same securities for clients of Life Investors. The Commission also found that Life Investors violated the reporting and antifraud provisions of the Investment Advisers Act in connection with O'Brien trading.

The Commission order censures O'Brien and suspends him from association with any broker-dealer, investment company or investment adviser, or any affiliate thereof for a period of thirty calendar days. Under the settlement O'Brien further agrees to reimburse customers of Life Investors Management Corporation for losses sustained as a result of the violations alleged in the order for proceedings. The Commission's order also censures Life Investors and suspends it from all investment advisory activity for ten days, although the suspension will be remitted if Life Investors provides free advisory service during that time. (Rel. 34-13685)

COMMISSION ANNOUNCEMENTS

JACOB H. STILLMAN NAMED
PRINCIPAL ASSISTANT GENERAL COUNSEL

Harvey L. Pitt, the Commission's General Counsel, announced the appointment of Jacob H. Stillman to the position of Principal Assistant General Counsel. In his new position, Mr. Stillman will assume major responsibility for the conduct of complex and novel litigation handled by the Office of the General Counsel. Mr. Stillman joined the Commission as an attorney in the Office of the General Counsel in 1962. Before joining the Commission's staff, Mr. Stillman clerked for Judge Harry E. Kalodner of the U.S. Court of Appeals for the Third Circuit, and served in the Judge Advocate General's Corps of the U.S. Army. Mr. Stillman graduated from the Harvard Law School in 1958. Since joining the Office of the General Counsel, Mr. Stillman has served in progressively more responsible positions in that Office, and in 1968 he was appointed to the position of Assistant General Counsel.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES WESTERN GEOTHERMAL AND POWER
CORPORATION, OTHERS

The Los Angeles Regional Office announced the filing of a complaint in the U.S. District Court in Phoenix against Western Geothermal and Power Corporation (WGP), Colony Stock Transfer Corporation, Robert D. Cornell, David V. Tolle, Frank D. Bryan, Harry Ray Wells and William L. Campbell, Jr. The complaint charges the defendants with violations of the antifraud, registration and antimanipulation provisions of the securities laws. The complaint seeks injunctive orders against the defendants as well as appointment of a Master and a special committee of the Board of Directors of WGP in order to protect the interests of WGP shareholders and to prevent a recurrence of the alleged violations. (SEC v. Geothermal and Power Corp., et al., D. Ariz., CV-77-504 PHX-CAM). (LR-8013)

COMPLAINT NAMES GREAT PLAINS MINERAL BYPRODUCTS,
INC., OTHERS

The Denver Regional Office announced that on June 2 a complaint was filed in the U.S. District Court, Denver, Colorado, against Great Plains Mineral Byproducts, Inc., a Colorado corporation, Steven R. Tomasko, Boulder, Colorado, David D. Duell, Greeley, Colorado, Wayne H. Duell, Kersey, Colorado, and Gerald L. Barker, Evans, Colorado, all former or present officers and directors of Great Plains. The complaint seeks to enjoin the defendants from violations of the registration and antifraud provisions of the securities laws and seeks certain ancillary relief. The complaint alleges,

among other things, that the defendants, in connection with the offer and sale of the securities, made untrue statements to the effect that (1) fly ash, the residue of burning coal, contained significant quantities of precious metal, (2) an investor could realize a return on his investment of \$900 to \$1,000 a day and (3) John B. O'Malley had a process for the extraction of the precious metal in fly ash. The complaint further alleges that the defendants, among other things, omitted to inform investors that John B. O'Malley had been convicted in three separate indictments, all involving fraud and misrepresentations concerning his ability to extract precious metals from various materials. (SEC v. Great Plains Mineral Byproducts, Inc., et al., USDC, Colorado, Civil Action No. 77-M-529). (LR-8014)

INVESTMENT COMPANY ACT RELEASES

ELFUN TAX-EXEMPT INCOME FUND

A notice has been issued giving interested persons until August 1 to request a hearing on an application of Elfund Tax-Exempt Income Fund (Fund), a open-end, diversified management investment company, organized as an employees' securities company, for an order of the Commission pursuant to Section 6(b) of the Investment Company Act of 1940 exempting the Fund from Sections 8(b), 10(a), 13(a)(4), 15(a), 15(c), 16(a), 30(d) and 32(a) of the Act. (Rel. IC-9839 - July 5)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM

An order has been issued authorizing New England Electric System, a registered holding company, to issue and sell at competitive bidding up to 1,250,000 shares of common stock. (Rel. 35-20100 - July 5)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF AMENDED PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed an amended proposed rule change pursuant to Rule 19b-4 (SR-MSRB-76-9) concerning customer confirmations. The amendment relates principally to disclosure of the time of a transaction. Publication of the proposal is expected to be made in the Federal Register during the week of July 11. (Rel. 34-13718)

NOTICE OF EFFECTIVENESS OF A RULE CHANGE

A rule change filed by the Pacific Securities Depository Trust Company (PSDTC) pursuant to Rule 19b-4 (SR-PSD-77-2) has become effective in accordance with Section 19(b)(3) of the Securities Exchange Act of 1934. The rule change amends PSDTC's fee schedule and certain procedures in connection with its stock loan services. Publication of the proposal is expected to be made in the Federal Register during the week of July 11. (Rel. 34-13721)

SECURITIES ACT REGISTRATIONS

(S-2) UTILITY VERIFICATION CORP.

448 Suffolk Ave., Brentwood, N.Y. 11717 - 2,000,000 shares of common stock, to be offered for sale through First Jersey Securities, Inc., 80 Broad St., New York, N.Y. 10004. The company intends to design and develop, and assuming its development efforts are successful, to market automatic telephone call metering and monitoring devices, and eventually, assuming successful development of these devices, may attempt to design and develop metering and monitoring devices for electric, gas and other energy users. (File 2-59406 - June 30)

(S-1) PATRICK PETROLEUM COMPANY 1977-78 INCOME PROGRAM

744 West Michigan Ave., Jackson, Mich. 49201 - \$15 million of preformation interests convertible into limited partnership interests, to be offered for sale in units at \$500 per unit with a minimum subscription of ten units through underwriters headed by Patrick Programs, Inc., P.O. Box 691, Bloomfield Hills, Mich. 48013. The limited partnerships to be formed under this program will acquire and operate oil and gas producing properties. (File 2-59409 - June 30)

(S-7) COLUMBUS AND SOUTHERN OHIO ELECTRIC COMPANY

215 North Front St., Columbus, Ohio 43215 - \$45 million of first mortgage bonds, due 1985, to be offered for sale at competitive bidding. The company is a public utility engaged in the generation, transmission and sale of electric energy. (File 2-59411 - July 1)

(S-7) MID-CONTINENT TELEPHONE CORPORATION

100 Executive Pkwy., Hudson, Ohio 44236 - 600,000 shares of no par cumulative convertible preferred stock, Series C, which will be issued on conversion of said preferred stock through underwriters managed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 and The Ohio Company, 155 East Broad St., Columbus, Ohio 43215. Mid-Continent Telephone Corporation is a telephone holding company. (File 2-59412 - July 1)

(S-11) MCKEE INCOME REALTY TRUST

431 Burgess Dr., Menlo Park, Cal. 94025 - 389,010 shares of beneficial interest, to be offered for sale at \$11.00 per share through C. S. McKee & Company, Inc., 2900 U.S. Steel Bldg., Pittsburgh, Pa. 15219. The Trust is engaged in making equity investments in income-producing real property. (File 2-59348 - July 1)

(S-16) ITEL CORPORATION

One Embarcadero Center, San Francisco, Cal. 94111 - 110,000 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. ITEL, through subsidiaries, provides specialized financial and other business services, including capital equipment leasing and marketing, and data services. (File 2-59425 - July 5)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

- Mercantile Texas Corp., Dallas, Tex. (File 2-59362 - June 27) - 96,468 shares
- The Gerber Scientific Instrument Co., South Windsor, Conn. (File 2-59365 - June 27) - 69,100 shares
- Keuffel & Esser Co., Morristown, N.J. (File 2-59370 - June 27) - 191,000 shares
- Global Marine Inc., Los Angeles, Cal. (File 2-59373 - June 28) - 250,000 shares
- Wainoco Oil Corp., Houston, Tex. (File 2-59379 - June 28) - 250,000 shares
- Mitchell Energy & Development Corp., Houston, Tex. (File 2-59384 - June 29) - 65,000 shares
- Newbery Energy Corp., Phoenix, Ariz. (File 2-59387 - June 23) - 55,422 shares, and (File 2-59388 - June 23) - 60,000 shares
- The Continental Group, Inc., New York, N.Y. (File 2-59393 - June 29) - 134,831 shares
- MCI Communications Corp., Washington, D.C. (File 2-59398 - June 29) - 500,000 shares
- Trans World Airlines, Inc., New York, N.Y. (File 2-59408 - June 30) - 365,000 shares
- Continental Telephone Corp., Atlanta, Ga. (File 2-59413 - July 1) - 250,000 shares
- Schiller Industries Inc., Cullman, Ala. (File 2-59419 - June 30) - 150,000 shares
- General Exploration Co., Dallas, Tex. (File 2-59420 - July 1) - 150,300 shares
- Moore McCormack Resources, Inc., Stamford, Conn. (File 2-59421 - July 1) - 375,000 shares
- Dyco Petroleum Corp., Minneapolis, Minn. (File 2-59424 - June 30) - 72,000 shares

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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SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.