

# sec news digest

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Issue 77-170

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## RULES AND RELATED MATTERS

### U.S. SECURITIES AND EXCHANGE COMMISSION

#### BENEFICIAL OWNERSHIP DISCLOSURE REQUIREMENTS

The Commission invited comments by interested persons regarding objections raised by certain institutional investors with respect to the new rules governing the disclosure of the beneficial ownership and related information of certain equity securities. Those rules were announced on February 24, 1977 and were originally scheduled to become effective on August 31, 1977. Certain institutions have raised substantial practical and interpretative questions in complying with the new rules. In addition, institutions have objected to the exclusion of certain persons from those permitted to use the short reporting form as well as the duplication of disclosure which they believe would result from the adoption of proposed Rule 13f-1. The Commission therefore acted on August 10, 1977 to postpone the effective date of the new rules until April 30, 1978. While the Commission is not proposing to amend the new rules at this time, it requested public comment with respect to the objections raised by institutional investors in order to assure that its regulatory actions are fully responsive to the public interest.

Comments should be submitted in triplicate, not later than September 30, 1977, to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549. All such communications should refer to File No. S7-714 and will be available for public inspection and copying at the Commission's Public Reference Room, 1100 L St., N.W., Washington, D.C. (Rel. 33-5859)

## COURT ENFORCEMENT ACTIONS

#### LARRY HAMMOND INDICTED

The Atlanta Regional Office and the Miami Branch Office announced that on July 21 a Federal Grand Jury in Miami, Florida returned a four count indictment against Larry Hammond, also known as Larry Hoover (Hammond). The indictment charges Hammond with fraud by wire, and with violations of the securities laws in a scheme to defraud a securities broker in connection with a transaction in I.I., Inc. common stock. A trial date has been scheduled for October 11, 1977. (U.S. v. Larry Hammond, also known as Larry Hoover, S.D. Fla., Civil Action No. 77-319-CR-WMH). (LR-8089)

#### JOSEPH DELORENZO, JR. ENJOINED

The Fort Worth Regional Office and Houston Branch Office announced that on August 25 Federal Judge Carl O. Bue, Jr., at Houston, Texas, entered an Order of Permanent Injunction by Consent against Joseph P. Delorenzo, Jr., Houston, enjoining him from further violations of the antifraud provisions of the Securities Exchange Act of 1934. Delorenzo further agreed to disgorge \$15,000 pursuant to a settlement agreement entered into with the Commission. The Commission had requested in its complaint that Delorenzo be permanently enjoined and that he be required to disgorge all benefits he obtained through the sale of Docutel Corporation stock on insider information. Delorenzo consented to the entry of the permanent injunction without admitting or denying the allegations in the Commission's complaint. (SEC v. Joseph P. Delorenzo, Jr., et al., CA 74-H-1514). (LR-8090)

#### FINANCIAL PLANNING CORPORATION OF AMERICA, INC., WESLEY KARBAN WYATT ENJOINED

The Fort Worth Regional Office announced that on August 19 Federal District Judge Fred Daugherty at Oklahoma City, Oklahoma entered a final order of permanent injunction by consent against Financial Planning Corporation of America, Inc. and Wesley Karban Wyatt, both of Stillwater, Oklahoma, enjoining them from violations of the registration and antifraud provisions of the securities laws and the recordkeeping and antifraud provisions of the Investment Advisers Act of 1940. The order was entered without the defendants admitting or denying the allegations in the Commission's complaint, which was filed on the same date. The complaint alleged that Wyatt sold investment notes by misrepresenting that the proceeds were to be invested in commercial paper held by a Stillwater bank, when in fact the funds were diverted to Wyatt's

own use and benefit. The complaint further alleged that Wyatt misrepresented Financial Planning Corporation of America, Inc. as an investment advisory firm with a committee of investment experts, when it had no employees other than insurance salesmen. (SEC v. Financial Planning Corporation of America, Inc., et al., W.D./Okla., Civil Action File No. CIV-77-0815). (LR-8091)

#### RONALD D. GOLLEHON, OTHERS ENJOINED

The Denver Regional Office announced that on August 9 the Honorable Richard P. Matsch, U.S. District Judge for the District of Colorado, entered Orders of Preliminary Injunction against Ronald D. Gollehon, Ronald O. Nestor, and Echo Heights Associates, a Colorado partnership, preliminarily enjoining them from violating the registration provisions of the securities laws; and against Gollehon and Nestor, preliminarily enjoining them from violating the antifraud provisions. The defendants consented to the entry of the preliminary injunctions without admitting or denying the allegations of the complaint. (SEC v. Ronald D. Gollehon, et al., D. Colorado Civil Action #77-M-140). (LR-8092)

#### SOL RAUCH, MARK RAUCH AND LAWRENCE CORSA CONVICTED OF MAIL FRAUD

The New York Regional Office announced that on April 11 after a four week trial, a jury in the Eastern District of New York found Sol Rauch of Bayside, New York; Mark Rauch of Whitestone, New York, and Lawrence Corsa of Bayside, New York, guilty of 14 counts of mail fraud in connection with the offer and sale to the public by the Federal Coin Reserve, Inc. of investment interests in rare coin portfolios. Thereafter, on July 7, 1977 the Honorable George C. Pratt sentenced Sol Rauch to three years imprisonment and a \$14,000 fine (\$1,000 for each count). Mark Rauch and Lawrence Corsa were each sentenced to six months imprisonment, 2-1/2 years of probation, and were fined \$2,800 each (\$200 for each count). (U.S. v. Sol Rauch, et al., 76 Cr. 308, E.D.N.Y.). (LR-8093)

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## HOLDING COMPANY ACT RELEASES

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#### JERSEY CENTRAL POWER & LIGHT COMPANY

An order has been issued authorizing Jersey Central Power & Light Company, subsidiary of General Public Utilities Corporation, to amend its mortgage and deed of trust and solicit the proxies of bondholders in connection therewith. (Rel. 35-20156 - Aug. 31)

#### SOUTHERN COMPANY SERVICES

An order has been issued releasing jurisdiction over a proposal by Southern Company Services, Inc., subsidiary of The Southern Company, whereby Southern Company Services will issue and sell \$22 million of its 8-3/4% unsecured notes due August 1, 1989 to an institutional investor. (Rel. 35-20157 - Aug. 31)

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## TRUST INDENTURE ACT RELEASES

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#### PUBLIC SERVICE ELECTRIC AND GAS COMPANY

An order has been issued under the Trust Indenture Act on application of Public Service Electric and Gas Company, exempting its First and Refunding Mortgage Bonds, Series I, due September 1, 2007, from the provisions of Section 316(a)(1) of the Act. (Rel. TI-482)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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#### UNLISTED TRADING SOUGHT

Notice has been issued giving interested persons until September 13 to request a hearing on an application of the Pacific Stock Exchange Incorporated for unlisted trading privileges in the common stock of the specified company: Lehman Corporation, no par value. (Rel. 34-13907)

Notices have been issued giving interested persons until September 13 to request a hearing on the application of the Philadelphia Stock Exchange, Inc. for unlisted trading privileges in the common stock of the specified companies: Bell & Howell Company (Delaware), no par value; and Lehman Corporation (Maryland), \$1.00 par value. (Rel. 34-13908)

## WITHDRAWAL FROM LISTING GRANTED

Orders have been issued granting the applications of the companies listed below to withdraw from listing and registration on the American Stock Exchange, Inc. the following common stocks: Bell Industries, no par value; Falcon Seaboard Inc., \$1.50 par value; and Milton Roy Company, \$1.00 par value. (Rel. 34-13906)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE AND APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved on an accelerated basis a proposed rule change (SR-MSRB-77-11) filed by the Municipal Securities Rulemaking Board (MSRB) which delays the effective date of subparagraphs (a)(xi)(G) and (a)(xi)(K) of the Municipal Securities Rulemaking Board rule G-8 until October 15, 1977. (Rel. 34-13904)

The Commission has also approved on an accelerated basis a proposed rule change (SR-MSRB-77-10) filed by the MSRB which would deal the effectiveness of the principal substantive provisions of Municipal Securities Rulemaking Board rule G-7 until October 15, 1977. (Rel. 34-13905)

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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; and File number and date filed.

- (S-14) MARK CONTROLS CORPORATION, 1900 Dempster St., Evanston, Ill. 60204 (312) 864-9100 - 1,300,000 shares of Series A preferred stock. (File 2-59789 - Aug. 31)
- (S-1) SIERRA RESOURCES, INC., Suite 1150, Three Park Central, Denver, Colo. 80202 - 1,000,000 shares of common stock, 1,000,000 shares of common stock purchase warrants and underlying common stock. Underwriter: Blinder, Robinson & Co., Inc. (File 2-59790 - Aug. 31)
- (S-B) EUROPEAN INVESTMENT BANK, 2, Place de Metz, Luxembourg, Grand Duchy of Luxembourg - \$75 million of notes, due 1984 and \$100 million of bonds, due 1992. Underwriters: First Boston Corp., Merrill Lynch, Pierce, Fenner & Smith Inc., Kuhn Loeb & Co. Inc. and Lazard Freres & Co. (File 2-59791 - Aug. 31)
- (S-8) AMERICAN ELECTRIC POWER COMPANY, INC., 2 Broadway, New York, N.Y. 10004 - 1,776,666 shares of common stock. (File 2-59792 - Aug. 31)
- (S-1) MIDWEST COMMODITIES, LTD., SERIES I, 703 West Towers Bldg., 1200 - 35th St., West Des Moines, Iowa 50265 - 2,000 units of limited partnership interest. Underwriter: TMI Securities, Inc. (File 2-59793 - Aug. 31)
- (S-7) THE TOLEDO EDISON COMPANY, 300 Madison Ave., Toledo, Ohio 43652 (419) 259-5000 - 1,400,000 shares of cumulative preferred stock. Underwriters: The First Boston Corp. and Merrill Lynch, Pierce, Fenner & Smith Inc. (File 2-59794 - Aug. 31)
- (S-14) EATON CORPORATION, 100 Erieview Plaza, Cleveland, Ohio 44114 (216) 523-5000 - 12,125,000 shares of common stock. (File 2-59795 - Aug. 31)
- (S-14) INA CORPORATION, 1600 Arch St., Philadelphia, Pa. 19101 (215) 241-4000 - 1,950,000 shares of common stock. (File 2-59796 - Aug. 31)
- (S-8) THE LOUISIANA LAND AND EXPLORATION CO., Suite 1200, 225 Baronne St., New Orleans, La. 70112 - 8,250 shares of capital stock. (File 2-59797 - Aug. 31)
- (S-14) ELI LILLY AND COMPANY, 307 East McCarty St., Indianapolis, Ind. 46225 (317) 636-2211 - 1,533,000 shares of common stock. (File 2-59798 - Aug. 31)
- (S-14) OLD KENT FINANCIAL CORPORATION, One Vandenberg Center, Grand Rapids, Mich. 49503 - (616) 774-5000 - \$10,750,000 of five-year 8% installment notes. (File 2-59799 - Aug. 31)

## RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events: <sup>\*/</sup>

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	DATE
AETNA PROPERTIES INC	5	08/19/77
AMREP CORP	5	08/08/77
ASTRODATA INC	2,6	08/11/77
BARNETT MORTGAGE TRUST	5,6	08/17/77
BASIC FOOD INDUSTRIES INC	5	06/13/77
BROSS UTILITIES SERVICE CORP	1,6	08/08/77
CHC CORP	2,5,6	08/11/77
CIP CORP	14	07/77 *
EAC INDUSTRIES INC	5	08/16/77
FIRST NATIONAL INVESTORS CORP INC	4	08/09/77
FIRST NORTHWEST INDUSTRIES OF AMERICA IN	2,6	07/08/77
HALCO PRODUCTS CORP	2,6	08/09/77
HICO CORP OF AMERICA	14	07/77 *
ICH CORP	5,6	08/15/77
INTERNATIONAL COURIERS CORP	1,2	08/01/77
MAYS J W INC	5,6	07/31/77
MERCHANTS PETROLEUM CO	5	08/01/77
MINER INDUSTRIES INC	3,14	08/22/77 *
MOVIE STAR INC	5,6	08/09/77
NORRIS INDUSTRIES INC	5	07/01/77
ORATRONICS INC	5	08/10/77
OWENS MINOR & BODEKER INC	2	08/08/77
SCHERR TUMICO INC	1,2,6	08/16/77

<sup>\*/</sup> The Form 8-K was amended (Rel. 34-13156, January 13, 1977) effective for all events which occur subsequent to February 28, 1977. Those companies above which are noted with an asterisk (\*) have filed pursuant to the old Form 8-K; the captions of the item numbers under which such reports are filed are as follows:

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|---|---|
| Item 1. Changes in Control of Registrant              | Item 9. Options to Purchase Securities  |
| Item 2. Acquisition or Disposition of Assets          | Item 10. Extraordinary items, other material charges and credits and capital restatements |
| Item 3. Legal Proceedings                             | Item 11. Submission of Matters to a Vote of Security Holders                              |
| Item 4. Changes in Securities                         | Item 12. Changes in Registrant's Certifying Accountant                                    |
| Item 5. Changes in Security for Registered Securities | Item 13. Other Materially Important Events  |
| Item 6. Defaults upon Senior Securities               | Item 14. Financial Statements and Exhibits  |
| Item 7. Increase in Amount of Securities Outstanding  |   |
| Item 8. Decrease in Amount of Securities Outstanding  |   |

### 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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