

sec news digest

Issue 77-189

September 29, 1977

RULES AND RELATED MATTERS

QUARTERLY REPORTING REQUIREMENTS FOR LIFE INSURANCE COMPANIES

The Commission is further deferring, until 1979, the effective date of the quarterly reporting requirements for life insurance companies whose shares are not actively traded. Such additional delay is necessary to allow sufficient time for the Commission to fully consider the recommendations of its Advisory Committee on Corporate Disclosure regarding the special problems of smaller companies. (Rel. 33-5870 and ASR-228)

NOTICE OF COMMISSION MEETINGS

CHANGES IN THE MEETING SCHEDULE

OPEN MEETING AGENDA - At the open meeting scheduled for Wednesday, October 5, 1977, at 10 a.m., the Commission will consider the following additional item:

Publication for comment of a proposed rule and schedule relating to going private transactions by public companies or their affiliates. (This item was previously scheduled for September 28, 1977).

CLOSED MEETING AGENDA - At a closed meeting scheduled for Wednesday, October 5, 1977, at 1:30 p.m., the Commission will consider the following matter: Discussion of regulatory matters bearing enforcement implications. At a closed meeting scheduled for Thursday, October 6, 1977, at 1:30 p.m., the Commission will consider the following matter: Discussion of regulatory matters bearing enforcement implications.

COMMISSION ANNOUNCEMENTS

ADDITIONAL WITNESSES SCHEDULED FOR WASHINGTON HEARINGS ON SHAREHOLDER COMMUNICATIONS, SHAREHOLDER PARTICIPATION IN CORPORATE ELECTORAL PROCESS AND CORPORATE GOVERNANCE

The Commission previously published a schedule of witnesses for public hearings which will commence on September 29 at the Commission's headquarters, 500 North Capitol Street, Washington, D.C. in Room 776. That schedule has been amended to include the following witnesses who are scheduled to appear on the dates and at the times indicated:

Tuesday, October 4, 1977

4:30 p.m. - Mary Gardiner Jones, President
National Consumers League

Friday, October 7, 1977

10:00 a.m. - U.S. Senator John H. Chafee (R-Rhode Island)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

J. B. HANAUER & CO., OTHERS

The SEC announced the institution and settlement of administrative proceedings against J. B. Hanauer & Co., East Orange, New Jersey, a municipal securities broker-dealer registered with the SEC, Elliot Friedman, Hanauer's president, Melvin A. Glucksman, Hanauer's executive vice president, Alfred J. Marcus, Hanauer's treasurer and secretary, Melvin A. Frank, Hanauer's first vice president, and Alan Sher, West Orange, New Jersey, formerly an assistant vice president of Hanauer, and now employed as a registered representative with another broker-dealer registered with the SEC.

The SEC alleged that Hanauer, wilfully aided and abetted by Friedman, Glucksman, Frank and Sher failed to disclose to its customers and prospective customers material information concerning the existence and extent of certain commitments by Hanauer to buy-back New York municipal securities from its customers at cost or market price, whichever was higher at the time of repurchase, and failed to disclose publicly the effect of the decline in the prices of New York municipal securities on such buy-back commitments. The SEC also alleged that Hanauer engaged in certain unauthorized municipal securities transactions with its customers and failed to timely confirm to customers certain purchases and sales of municipal securities.

The SEC further alleged that Hanauer, wilfully aided and abetted by Friedman and Marcus, failed to disclose in its broker-dealer application filed with the SEC that it intended to repurchase, and failed to disclose in any amendment to its broker-dealer application that it did repurchase on or about October 31, 1975, nearly \$1 million of Hanauer capital stock from Friedman, Glucksman and Frank at a time when Hanauer's shareholder's equity was about \$1.6 million. The SEC also alleged that Hanauer violated SEC customer protection, hypothecation and box count rules.

Without admitting or denying the SEC's allegations, the respondents have agreed to findings by the Commission of the violations alleged and the imposition of the following SEC sanctions:

Friedman and Glucksman are censured and suspended for respective periods of twenty business days, Marcus is censured and suspended for fifteen business days, and Sher is suspended for a period of five business days, from association with any broker or dealer or investment adviser, and prohibited from serving in specified capacities with registered investment companies and affiliates thereof. Marcus is permitted to perform certain compliance procedures during his suspension period. Frank is censured by the SEC.

Hanauer is censured by the SEC and agrees to perform certain undertakings, including contribution to a charity of its choice within one year from the date of the SEC's order that portion of any after-tax profits earned by Hanauer during the respective suspension periods of its principals attributable to their ownership of Hanauer's capital stock. Hanauer also undertakes within sixty days of the SEC's order to enter into a revised or amended loan, clearing and security agreement which will comply with the provisions of the securities laws and to amend its Form X17A-5 report for the quarter ended June 30, 1977, to make certain disclosures with respect to the current status of any obligations it may have to repurchase municipal securities. (Rel. 33-5867)

LAWRENCE ROSS SANCTIONED

The Commission has instituted proceedings and imposed sanctions upon Lawrence R. Ross of Las Vegas, Nevada, after acceptance of his offer of settlement. Ross was formerly a securities salesman with a registered broker-dealer and is currently the principal of LNR Research Associates, Inc., a registered investment adviser. The sanctions were based on findings that Ross violated the antifraud provisions of the securities laws in the offer and sale of shares of Xonics, Inc. The Commission entered an order barring Ross from association with any broker or dealer, investment company or investment adviser provided that, after one year, he may apply to the Commission for reassociation with a broker, dealer, investment adviser or investment company in a non-supervisory capacity upon a showing that he will be properly supervised. (Rel. 34-19366)

ROBERT E. PORGES SANCTIONED

The Commission has determined to accept an offer of settlement submitted on behalf of Robert E. Porges of New York, New York, in which Porges agreed to the imposition of sanctions pursuant to Rule 2(e) of the Commission's Rules of Practice. Porges was a partner in the now defunct New York law firm of Sitomer, Sitomer, & Porges. The sanctions limit Porges privilege of practicing law before the Commission to a supervised capacity. The restriction applies to Porges for a period of three years. The proceedings against Porges were based upon an injunction entered against him in an action bought by the Commission which permanently enjoined Porges from violations of the antifraud and registration provisions of the securities laws. The judgment was entered on August 18. For the purpose of settlement and without admitting or denying any of the allegations in the Commission's complaint for an injunction, Porges consented to the entry of the permanent injunction against him and waived the institution of proceedings pursuant to Rule 2(e) of the Commission's Rules of Practice, and consented to the imposition of the sanctions. (Rel. 34-13975)

INVESTMENT COMPANY ACT RELEASES

AGEC SECURITY CORPORATION

An order has been issued on an application of AGESEC Security Corporation exempting it from all provisions of the Act. (Rel. IC-9948 - Sept. 27)

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; and File number and date filed.

- (S-B) CITY OF OSLO, 17 Battery Pl., New York, N.Y. 10004 - \$50 million of bonds, due 1997. Underwriters: Kuhn, Loeb & Co. Inc., Smith Barney, Harris Upham & Co. Inc., and Den norske Creditbank. (File 2-59961 - Sept. 27)
- (S-1) LIBERTY COMMUNICATIONS, INC., 2225 Coburg Rd., Eugene, Ore. 97401 - 550,000 shares of common stock. Underwriter: Smith Barney, Harris Upham & Co. Inc. (File 2-59966 - Sept. 27)
- (S-7) MONTGOMERY WARD CREDIT CORPORATION, Edgemart Bldg., 4 Denny Rd., Wilmington, Del. 19809 (302) 762-5252 - \$75 million of debentures, due 2002. Underwriters: Lehman Brothers Inc. and Kidder, Peabody & Co. Inc. (File 2-59969 - Sept. 28)
- (S-11) AMERICAN PROPERTY INVESTORS VIII, 660 Newport Center Dr., Suite 1420, Newport Beach, Cal. 92660 - 60,000 units of limited partnership interest. Underwriter: Kelly & Morey, Inc. (File 2-59970 - Sept. 28)
- (S-1) CENTURA PETROLEUM FUND 1978, 4440 IDS Center, Minneapolis, Minn. 55402 (612) 341-2915 - 2,000 units of pre-formation limited partnership interests. Underwriter: Centura Securities Corporation. (File 2-59971 - Sept. 28)
- (S-1) EQUITABLE PETROLEUM CORPORATION, ENERGY FUND PROGRAMS, INC., 50 Rockefeller Plaza, New York, N.Y. and 8350 North Central Expressway, Dallas, Tex. 75207 - 15,000 units of preformation joint venture interests and limited partnership interests. (File 2-59972 - Sept. 28)
- (S-16) COMBINED COMMUNICATIONS CORPORATION, 411 North Central Ave., Phoenix, Ariz. 85004 (602) 257-1333 - 119,553 shares of common stock. (File 2-59973 - Sept. 28)
- (S-11) CITIZENS AND SOUTHERN REALTY INVESTORS, 2059 Cooleledge Rd., N.E., Tucker, Ga. 30084 - \$30 million of subordinated debentures, due 1993. Underwriter: Lehman Brothers Inc. (File 2-59976 - Sept. 28)

REGISTRATIONS EFFECTIVE

Sept. 27: The Corporate Income Fund, Tenth Preferred Stock Series, 2-59656; European Investment Bank, 2-59791; Falcon Seaboard Inc., 2-59672; Mostek Corp., 2-59814; MTS Systems Corp., 2-59726; National Patent Development Corp., 2-59700; Oxmoor Press, 2-59657 (90 days); Sun Electric Corp., 2-59940; The Toledo Edison Co., 2-59794; The Unimax Group Inc., 2-59871; White Weld Government Fund Inc., 2-56764.

Sept. 28: Columbus & Southern Ohio Electric Co., 2-59782 & 2-59852; Oppenheimer Option Income Fund, Inc., 2-59665; PepsiCo, Inc., 2-59733; Public Service Co. of Indiana, Inc., 2-59833; Raymond Precision Industries, Inc., 2-59279.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events: ^{*}/

- 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	
KELLETT CORP	13	08/77	*
KING LCUIE INTERNATIONAL INC	5	07/26/77	
LANE BRYANT INC	5	08/31/77	
LIFE RESOURCES INC	5	08/01/77	
LOUISIANA PACIFIC RESOURCES INC	13	08/77	*
LYNCH CORP	5,6	08/24/77	
MAGMA POWER CO	5	08/01/77	
MAGNADYN FINANCIAL CORP	13	08/77	*
MARK SYSTEMS INC	3	08/18/77	
MARVIN JOSEPHSON ASSOCIATES INC	6	08/31/77	
MCD HOLDINGS INC	5	08/01/77	
MCKEE CORP	5	09/01/77	
MCNEIL REAL ESTATE FUND VII LTD	2,14	08/25/77	*
MICHIGAN GENERAL CORP	5	08/01/77	
MOBILAND INC	13,14	08/77	*
MONARCH CAPITAL CORP	5	09/08/77	
MOVIE STAR INC	5	08/30/77	
MOXIE INDUSTRIES INC	2,5,6	08/01/77	
NARDA MICROWAVE CORP	13	08/77	*
NEW ORLEANS PUBLIC SERVICE INC	5	08/01/77	
NEWPORT PHARMACEUTICALS INTERNATIONAL IN	5	08/01/77	

* / 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 10c per page plus postage (7 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c 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 STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in

U.S. first class mail; \$18.75 elsewhere.

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