

sec news digest

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COURT ENFORCEMENT ACTIONS

U.S. SECURITIES AND
EXCHANGE COMMISSION

JOHN VALO PLEADS GUILTY

The New York Regional Office announced that on July 13 John Valo of Fords, New Jersey, pled guilty to two counts of an information charging him with violations of the anti-fraud provisions of the Securities Act of 1933 and the credit extension provisions of the Securities Exchange Act of 1934 and the regulations promulgated pursuant thereto by the Board of Governors of the Federal Reserve System.

Specifically, Valo was charged with a scheme whereby he sold securities in cash accounts, which he had opened and was maintaining at several broker-dealers, without informing the broker-dealers through whom sales transactions were effected, that he did not own the securities. It was also charged that Valo: (1) intended to deliver in securities, to complete the sales transactions, only if a favorable movement in the price of the security occurred between the date of the sale and the date the securities were due to be delivered; and (2) generally completed all sell orders (placed with various broker-dealers) with securities purchased (at other broker-dealers) after the date of the sales. As a result of Valo's conduct, several broker-dealers suffered losses of approximately \$190,000. No date has been set for the sentencing of Valo. (U.S. v. John Valo, S.D.N.Y., 78 Cr. 524). (LR-8507)

WARREN R. HOFSTAR AND CONTINENTAL DRILLING AND DEVELOPMENT COMPANY ENJOINED

The Denver Regional Office announced that on July 20 the U.S. District Court in Los Angeles, California, entered orders of permanent injunction by default against Continental Drilling and Development Company, a California corporation with offices in San Jose, and its president, Warren R. Hofstar, also of San Jose. The order enjoins the defendants from violating the registration and antifraud provisions of the securities laws in the sale of common stock of NAVSAT Systems, Inc., a Nevada corporation, and notes and evidences of indebtedness and investment contracts of International Resources, Inc., R.J.S. and Associates, Inc., Charles Scott and Company, and The Silver Light Company, or any other security. Hofstar was also enjoined from violating the registration requirements for broker-dealers. (SEC v. NAVSAT Systems, Inc., et al., D. California, Civil Action No. 77-4683 RF). (LR-8508)

INVESTMENT COMPANY ACT RELEASES

LA CROSSE COOLER HOLDING CORPORATION

A notice has been issued giving interested persons until September 11 to request a hearing on an application of La Crosse Cooler Holding Company, registered under the Act as a closed-end, non-diversified management investment company, declaring that it has ceased to be an investment company. (Rel. IC-10363 - Aug. 17)

INVESTORS SYNDICATE OF AMERICA

A notice has been issued giving interested persons until September 11 to request a hearing on an application of Investors Syndicate of America, Inc. (ISA), registered as a face amount certificate company under the Investment Company Act of 1940, Investors Diversified Services, Inc. (IDS), a diversified financial services company of which ISA is a wholly-owned subsidiary, and Tower Mortgage Corporation, a wholly-owned subsidiary of IDS engaged in the mortgage banking business, for an order pursuant to Section 6(c) of the Act, granting an exemption from the provisions of Section 17(a) of the Act to permit the sale of Government National Mortgage Association mortgage-backed securities by Tower to the Fund. (Rel. IC-10365 - Aug. 17)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION

An order has been issued approving a proposal of Central and South West Corporation, a registered holding company, to amend its Employee Stock Ownership Plan and to issue and sell up to an additional 1,650,000 shares of common stock to such Plan. (Rel. 35-20675 - Aug. 18)

NEW ORLEANS PUBLIC SERVICE

A notice has been issued giving interested persons until September 12 to request a hearing on a proposal of New Orleans Public Service, Inc., subsidiary of Middle South Utilities, Inc., whereby New Orleans Public Service will issue short-term notes to banks through December 31, 1979, in an amount of \$20 million at any one time outstanding. (Rel. 35-20676 - Aug. 18)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

WITHDRAWAL GRANTED

An order has been issued granting the application of Coachmen Industries, Inc. to withdraw the common stock (without par value) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-15075)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF AMENDMENT TO PROPOSED RULE CHANGE

The New York Stock Exchange, Inc. has filed an amendment to its proposed rule change previously filed under Rule 19b-4 (SR-NYSE-78-20) to amend in certain respects the NYSE's qualification requirements for registered representatives. Publication of the amendment is expected to be made in the Federal Register during the week of August 24. (Rel. 34-15072)

MISCELLANEOUS

THE RETIREMENT PLAN FOR PARTNERS AND ASSOCIATES OF DAVIS POLK & WARDWELL

An order has been issued pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the provisions of Section 5 of the Act interests or participations in the retirement plan of Davis Polk & Wardwell, a law firm organized as a partnership under the laws of the State of New York. (Rel. 33-5957)

HENRY PRATT COMPANY

A notice has been issued giving interested persons until August 28 to request a hearing on an application of Henry Pratt Company, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Applicant from certain reporting requirements under Section 15(d) of the Act. Applicant believes that the granting of the exemption is not inconsistent with the public interest or the protection of investors, in view of the fact that Amsted Industries Incorporated now owns in excess of 99% of Applicant's issued and outstanding securities, and Applicant's common stock is no longer publicly held. (Rel. 34-15043)

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-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS, SERIES 37, 300 West Washington St., Chicago, Ill. 60606 - an indefinite number of units. Depositor: Wauterlek & Brown, Inc. (File 2-62394 - Aug. 18)
- (S-8) GULF STATES UTILITIES COMPANY, P.O. Box 2951, Beaumont, Tex. 77704 (713) 838-6631 - \$10 million of participations and 675,829 shares of common stock. The company is engaged in the business of generating electric energy. (File 2-62395 - Aug. 18)
- (S-14) GEORGIA BANCSHARES, INC., 515 Mulberry St., Macon, Ga. 31202 (912) 746-0511 - 312,500 shares of common stock. (File 2-62396 - Aug. 18)
- (S-1) SERVICE CORPORATION INTERNATIONAL, 1929 Allen Pkwy., Houston, Tex. 77019 - 500,000 shares of common stock. (File 2-62397 - Aug. 18)
- (S-7) DRAVO CORPORATION, One Oliver Plaza, Pittsburgh, Pa. 15222 (412) 566-3000 - 800,000 shares of common stock. Underwriters: Lehman Brothers Kuhn Loeb Inc. The company is a diversified engineering, construction, manufacturing natural resources, equipment and water transportation company. (File 2-62398 - Aug. 18)
- (S-7) BALLY MANUFACTURING CORPORATION, 2640 West Belmont Ave., Chicago, Ill. 60618 (312) 267-6060 - \$30 million of convertible subordinated debentures, due 1998. Underwriters: L. F. Rothschild, Unterberg, Towbin and Bear, Stearns & Co. The company is engaged in the design, manufacture and sale of coin-operated amusement and gaming equipment. (File 2-62399 - Aug. 18)
- (S-8) THE FEDERAL COMPANY, 1755D Lynnfield Rd., Suite 149, Memphis, Tenn. 38117 (901) 523-0311 - 120,000 shares of common stock. (File 2-62400 - Aug. 17)
- (S-16) PAULEY PETROLEUM INC., Ten Thousand Santa Monica Blvd., Los Angeles, Cal. 90067 (213) 879-5000 - 21,187 shares of common stock. (File 2-62401 - Aug. 18)
- (S-7) SCI SYSTEMS, INC., 8600 South Memorial Pkwy., Huntsville, Ala. 35802 (205) 881-1611 - 400,000 shares of common stock. Underwriter: The First Boston Corporation. The company develops, manufactures and markets electronic systems. (File 2-62402 - Aug. 18)
- (S-7) SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY, 67 Edgewood Ave., S.W., Atlanta, Ga. 30303 (404) 529-8611 - \$150 million of forty-year debentures, due September 1, 2018. (File 2-62403 - Aug. 18)
- (S-8) THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY, 227 Church St., New Haven, Conn. 06506 (203) 771-2156 - \$34,700,000 of participations and 500,000 shares of common stock. (File 2-62404 - Aug. 18)
- (S-1) TOPPS & TROWERS, 681 Market St., San Francisco, Cal. 94105 - 720,000 shares of common stock. Underwriter: First Jersey Securities Inc. The company operates young men's specialty apparel stores. (File 2-62405 - Aug. 18)

REGISTRATIONS EFFECTIVE

Aug. 15: The Coca Cola Co., 2-62301; Harrah's, 2-62363; Kaneb Services, Inc., 2-62164; Lilli Ann Corp., 2-62225; Potomac Electric Power Co., 2-62205; Standard-Pacific Corp., 2-61848; Realty Refund Trust, 2-60468.

Aug. 16: American National Bond Fund, Inc., 2-61491; Boatmen's Bancshares, Inc., 2-62216; Detroit Edison Co., 2-62206; Farinon Corp., 2-62188; Florida Power & Light Co., 2-62141; Government Securities Trust, GNMA Series 2, 2-62198; Hechinger Co., 2-62210; Houdaille Industries, Inc., 2-62126; Microdata Corp., 2-57999; Norin Corp., 2-60970; Post-Seal International, Inc., 2-62169; Texas American Bancshares, Inc., 2-61887; United Telecommunications, Inc., 2-61992.

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.

REGISTRATIONS WITHDRAWN

July 31: Occidental Petroleum Corp., 2-61957.



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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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