

# sec news digest

Issue 81-35

February 23, 1981

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## RULES AND RELATED MATTERS

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### WITHDRAWAL OF PROPOSED RULE 205-3

The Commission has withdrawn proposed Rule 205-3 under the Investment Advisers Act of 1940. Proposed Rule 205-3, which was published for comment in Investment Advisers Act Release No. 680 (June 19, 1979), would have provided a limited exemption from Section 205(1) of the Advisers Act to permit certain registered investment advisers to business development to receive performance-based compensation. (Rel. IA-750)

FOR FURTHER INFORMATION CONTACT: Arthur E. Dinerman at (202) 272-2079

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## CIVIL PROCEEDINGS

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### TOROTEL, INC., OTHERS ENJOINED

The Chicago Regional Office announced that on February 13 the Honorable Russell G. Clark, Judge, U.S. District Court for the Western District of Missouri, Western Division, entered a Final Judgment of Permanent Injunction against Torotel, Inc., and Torotel officers, Dale H. Sizemore, Sr. and Larry R. Whitaker. The defendants consented to the injunctions without admitting or denying the allegations in the Commission's complaint. The Judgment enjoins the defendants from violating the antifraud, reporting and accounting provisions of the securities laws. The injunction arose from Torotel's failure to utilize proper sales cut-offs for its interim quarters. As a result, the complaint alleged Torotel's interim financial statements were materially false and misleading, due to the improper recognition of revenues. The complaint also alleged that Torotel failed to keep accurate books and records, and failed to maintain an adequate system of internal accounting controls.

The Judgment also orders Torotel to maintain its present Audit Committee of independent directors. (SEC v. Torotel, Inc., et al., W.D. Mo., Civil Action No. 81-0116-CV-W-4). (LR-9299)

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## INVESTMENT COMPANY ACT RELEASES

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### NUVEEN TAX-EXEMPT MONEY MARKET FUND, INC.

A notice has been issued giving interested persons until March 16 to request a hearing on an application filed by Nuveen Tax-Exempt Money Market Fund, Inc. (Applicant), registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, for an order, pursuant to Section 6(c) of the Act, exempting it from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to permit it to use the amortized cost valuation method for the purpose of pricing such shares for sale, redemption and repurchase, subject to specific conditions. (Rel. IC-11637 - Feb. 19)

### INTERCAPITAL TAX-FREE DAILY INCOME FUND INC.

An order has been issued on an application of InterCapital Tax-Free Daily Income Fund Inc., a registered, open-end, diversified, management investment company, pursuant to Section 6(c) of the Investment Company Act of 1940, exempting Applicant from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to permit the use of the amortized cost valuation method for the purpose of pricing its shares for sale and redemption. (Rel. IC-11638 - Feb. 19)

A notice has been issued giving interested persons until March 17 to request a hearing on an application of InterCapital Tax-Free Daily Income Fund, Inc., InterCapital Dividend Growth Securities Inc. and InterCapital Natural Resource Development Securities Inc. (Applicants), for an order, pursuant to Section 6(c) of the Investment Company Act of 1940, declaring that Dr. Irwin Friend shall not be deemed an "interested person" of Applicants as defined in Section 2(a)(19) of the Act, solely by reason of his affiliation with a broker-dealer registered under the Securities Exchange Act of 1934. (Rel. IC-11641 - Feb. 20)

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## HOLDING COMPANY ACT RELEASES

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### ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, a registered holding company, to issue and sell 1,600,000 shares of its preferred stock, aggregating approximately \$40 million pursuant to a negotiated underwriting. Jurisdiction previously reserved over the terms and conditions of the preferred stock and the fees, commissions and expenses to be incurred in connection therewith has been released. The proceeds of the sale will be used primarily to retire outstanding short-term borrowings and to finance Alabama's construction program. (Rel. 35-21923 - Feb. 20)

### APPALACHIAN POWER COMPANY

A supplemental order has been issued regarding a proposal by Appalachian Power Company, subsidiary of American Electric Power Company, Inc., authorizing the financing of certain pollution control facilities. (Rel. 35-21924 - Feb. 20)

An order has been issued authorizing Appalachian to finance certain pollution control facilities at its Mountaineer Plant and Phillips Sporn Plant. In order to finance such facilities, Mason County, West Virginia will, at the request of Appalachian, issue an additional series of bonds (Series C) in the amount of up to \$40 million and having such terms as shall be specified by Appalachian. (Rel. 35-21927 - Feb. 20)

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## SELF-REGULATORY ORGANIZATIONS

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### NATIONAL SECURITIES CLEARING CORPORATION

The Commission has announced its decision in response to the issues remanded to the Commission by the United States Court of Appeals for the District of Columbia Circuit in Bradford National Clearing Corporation v. SEC, 590 F.2d 1085 (D.C. Cir. 1978). The Commission has affirmed the use by the National Securities Clearing Corporation (NSCC) of the pricing policy known as geographic price mutualization and has affirmed NSCC's selection of the Securities Industry Automation Corporation as its facilities manager without the use of competitive bidding. (Rel. 34-17562)

### NOTICE OF PROPOSED RULE CHANGES

The Philadelphia Stock Exchange, Inc. has filed proposed rule changes under Rule 19b-4 (SR-Phlx-81-1) to transfer to the Phlx Allocation, Evaluation and Securities Committee the authority to appoint and oversee specialists in equity securities and specialists and registered options traders in listed options. (Rel. 34-17565); and (SR-Phlx-81-2) to facilitate the start-up of the Limit Order Information System (LOIS), an experimental system designed to achieve inter-market protection for "away from the market" public limit orders against inferior-priced executions. (Rel. 34-17566)

Publication of the proposals are expected to be made in the Federal Register during the week of February 23.

## 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; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

- (S-18) WALKER TELECOMMUNICATIONS CORPORATION, 4 Millford Court, Plainview, NY 11803 (516) 938-5595 - 700,000 shares of common stock. Underwriter: Krieger, Wunderlich & Co., Inc. The company is engaged in rendering marketing and engineering consulting services. (File 2-70874-NY - Feb. 10) (Br. 8 - New Issue)
- (S-8) SAV-A-STOP INCORPORATED, 2055 Reyko Rd., Jacksonville, FL 32207 (904) 398-8662 - 107,500 shares of common stock. (File 2-70913 - Feb. 13) (Br. 4)
- (S-18) SYNTHETIC FUELS, INC., 1670 Broadway, Suite 3350, Denver, CO 80202 (303) 832-8184 - 5,000,000 shares of common stock. Underwriter: OTC Net, Inc., 3300 S. Beeler, Denver, CO 80237 (303) 758-7293. The company is engaged, through its subsidiaries, in the operation of plants to purchase, treat and sell unsealable crude oil and used motor oil, among other things. (File 2-70926-D - Feb. 13) (Br. 4 - New Issue)
- (S-1) DYSAN CORPORATION, 5440 Patrick Henry Dr., Santa Clara, CA 95050 (408) 988-3472 - 1,442,405 shares of common stock. The company develops, produces and markets rotating magnetic data storage (memory) media in the form of rigid and flexible discs. (File 2-70957 - Feb. 19) (Br. 7)
- (S-1) COMPARATOR SYSTEMS CORPORATION, 2040 Avenue of the Stars, Suite 400, Los Angeles, CA 90067 (213) 858-6743 - 1,000,000 shares of common stock. (File 2-70961 - Feb. 19) (Br. 8)
- (S-11) SHEARSON MORTGAGE INVESTORS, L.P., 1601 Dove St., Suite 100, Newport Beach, CA 92663 - 15,000 limited partnership interests. Underwriter: Shearson Loeb Rhoades Inc. (File 2-70962 - Feb. 19) (Br. 2 - New Issue)
- (S-11) PHM CREDIT CORPORATION, 3033 South Parker Rd., Aurora, CO 80014 - \$40 million (approximate) of  $\frac{3}{4}$  mortgage-backed bonds (quarterly payment), Series A, due , 2009. (File 2-70964 - Feb. 19) (Br. 2 - New Issue)
- (S-1) ABBEY MEDICAL, INC., 3216 El Segundo Blvd., Hawthorne, CA 90250 - 1,250,000 shares of common stock. Underwriters: Merrill Lynch White Weld Capital Markets Group and Alex. Brown & Sons. The company sells, rents and services durable medical equipment, accessories and supplies through home health care centers. (File 2-70965 - Feb. 20) (Br. 10 - New Issue)
- (S-1) AMPECO 1981 DRILLING PROGRAM, Two NorthPark East, Suite 800, Dallas, TX 75231 - 3,000 units of preformation limited partnership interests at \$5,000 per unit. (File 2-70966 - Feb. 20) (Br. 3 - New Issue)
- (S-1) INTERPHARM LABORATORIES LIMITED, Science-Based Industrial Park, Kiryat Weizman, Nes Ziona, Israel - 1,000,000 ordinary shares. Underwriter: Rooney, Pace Inc. The company has commenced pilot production of human growth hormone and human fibroblast interferon. (File 2-70967 - Feb. 20) (Br. 4 - New Issue)

### REGISTRATIONS EFFECTIVE

Feb. 12: Collectors' Guild International, Inc., 2-70346-NY.

Feb. 17: Global Marine Inc., 2-70818; EPC 1981, Ltd., 2-70097; Keith Collins Petroleum Corp., 2-69703.

Feb. 18: Anacomp, Inc., 2-70438; Beverly Enterprises, 2-70682; The Corporate Income Fund, Ninety-Eighth Short Term Series, 2-70467; Dominion Mining & Oil N.L., 2-70879; Electro-Biology, Inc., 2-70154; Gravois Bancorp., Inc., 2-70622; Navco Corp., 2-69424; Petro Energy Limited, 2-70754.

Feb. 19: The Corporate Income Fund, Ninety-Ninth Short Term Series, 2-70466; General Felt Industries, Inc., 2-68804; Hardwicke Companies Incorporated, 2-68648; Municipal Investment Trust Fund, One Hundred Sixty-Fourth Monthly Payment Series, 2-70791; Mutz Corp., 2-70882; Ped Oil Corporation/Ped 1981 Program, 2-70549; Pennwalt Corp., 2-70909.

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, registration statements, and other filings may be ordered by writing to the Public Reference Branch, Securities and Exchange Commission, Washington, D.C. 20549. When you are ordering more than one, we prefer that the documents be listed in alphabetical order by registrant name to expedite service. Cost estimates are given on request. Two types of service are available through the Public Reference Branch, one of which (priority service) is also available directly from the SEC's service contractor.

**REGULAR SERVICE** — The regular service reproduction cost is 10c per page, including applicable sales taxes, plus postage (\$5.00 minimum order). Regular service orders will be shipped within seven calendar days of the receipt by the SEC's service contractor of your request, forwarded from the Public Reference Branch. Slight delays may occur if the materials to be copied are not already in the contractor's master files.

**PRIORITY SERVICE** — Copies of documents may be ordered by telephone directly from the SEC's service contractor by calling 301/951-1350. The priority reproduction cost is 35¢ per page plus postage and applicable sales taxes (\$10.00 minimum order). Priority service orders will be shipped by 4:00 PM of the working day following the day of your telephoned request for materials already in the contractor's master files. Cost estimates are given on request.

All other reference material is available in the SEC Docket.

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