

# sec news digest

Issue 81-206

OCT 27 1981

October 26, 1981

U.S. SECURITIES AND  
EXCHANGE COMMISSION

## NOTICE OF COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday morning. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as space is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

### OPEN MEETING - TUESDAY, OCTOBER 27, 1981 - 10:00 A.M.

The subject matter of the October 27 open meeting will be:

Consideration of whether to adopt amendments to Regulation S-X which would significantly change the circumstances under which separate financial statements of parent company only and unconsolidated subsidiaries and 50 percent of less owned persons accounted for the equity method are included in filings with the Commission. Amendments will also be considered which would eliminate requirements to provide separate financial statements of consolidated subsidiaries engaged in diverse financial activities. The amendments reduce the number of instances where separate financial statements are required and are designed to, among other things, place greater reliance on summarized and condensed financial information. FOR FURTHER INFORMATION, PLEASE CONTACT Marc D. Oken at (202) 272-2130.

### CLOSED MEETING - TUESDAY, OCTOBER 27, 1981 - FOLLOWING THE OPEN MEETING

The subject matter of the October 27 closed meeting will be: Settlement of administrative proceeding of an enforcement nature; Freedom of Information Act appeals; Institution of injunctive actions; Institution of administrative proceeding of an enforcement nature; Regulatory matters regarding financial institutions.

AT TIMES CHANGES IN COMMISSION PRIORITIES REQUIRE ALTERATIONS IN THE SCHEDULING OF MEETING ITEMS. FOR FURTHER INFORMATION AND TO ASCERTAIN WHAT, IF ANY, MATTERS HAVE BEEN ADDED, DELETED OR POSTPONED, PLEASE CONTACT: Diane Klinke at (202) 272-2178

## CIVIL PROCEEDINGS

CERTAIN UNKNOWN PURCHASERS AND OTHERS SUED  
IN CONNECTION WITH TRADING IN COMMON STOCK AND OPTIONS  
FOR THE COMMON STOCK OF SANTA FE INTERNATIONAL CORPORATION

The Commission today announced that a complaint was filed in the U.S. District Court for the Southern District of New York against Certain Unknown Purchasers of the Common Stock of, and Call Options for the Common Stock of, Santa Fe International Corporation (Defendant Purchasers). The Commission's complaint seeks a

temporary restraining order and a preliminary and permanent injunction against the Defendant Purchasers enjoining them from further violations of Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 10b-5 thereunder; a temporary and preliminary order, pending final determination of the suit, among other things, restraining the Defendant Purchasers from disposing of assets in excess of \$5 million relating to their transactions in Santa Fe International Corporation (Santa Fe) options and common stock. The Commission's complaint also names as nominal defendants Credit Suisse, Swiss American Securities Inc., Citibank, N.A., Lombard Odier & Cie, Morgan Guaranty Trust Company of New York, Swiss Bank Corporation, Drexel Burnham Lambert, Inc., the Chase Manhattan Bank, N.A., and Moseley, Hallgarten, Estabrook and Weeden, Inc. through which the Defendant Purchasers, directly or indirectly, effected the transactions alleged in the complaint.

The Commission's complaint alleges that, from on or about September 10, 1981 to date, the Defendant Purchasers have violated the antifraud provisions of the Exchange Act by purchasing 35,000 shares of the common stock of, and 3,000 options to purchase the common stock of, Santa Fe while in possession of material non-public information relating to merger discussions, negotiations and proposals between Santa Fe and Kuwait Petroleum Corp. (SEC v. Certain Unknown Purchasers of the Common Stock of, and Call Options for the Common Stock of, Santa Fe International Corporation, et al., U.S.D.C. S.D.N.Y., 81 Civ. 6553). (LR-9484)

#### COMPLAINT NAMES ROCKY MOUNTAIN AIRWAYS, INC.

The Commission announced that on October 22 a civil injunctive action was filed in the U.S. District Court for the District of Columbia against Rocky Mountain Airways, Inc. (RMA), with principal offices in Denver, Colorado. RMA operates a commuter airline in Colorado. The Commission's complaint alleges violations of the reporting provisions of the securities laws and seeks a judgment of permanent injunction and other relief.

The complaint alleges that RMA, as part of a continuing course of violative conduct extending over several years, has failed to file its Annual Report on Form 10-K for its fiscal year ended June 30, 1981, required to have been filed with the Commission by September 28, 1981. The complaint requests that the Court order RMA to file its delinquent Annual Report forthwith. The Commission also requested that the Court enjoin RMA from further violation of the reporting provisions of the securities laws. (SEC v. Rocky Mountain Airways, Inc., U.S.D.C. D.C., Civil Action No. 81-2561). (LR-9481)

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## CRIMINAL PROCEEDINGS

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### PETER J. BONASTIA, OTHERS PLEAD GUILTY

The Washington Regional Office and the Philadelphia Branch Office announced that on October 9 Peter J. Bonastia of North Caldwell, New Jersey, and Robert A. Petrallia of Maplewood, New Jersey, entered pleas of guilty in connection with a pending indictment charging them with fraud arising from the syndication of real estate limited partnership tax shelters by Investors Economic Systems, Inc. (IES). Bonastia, former president of IES, entered pleas of guilty to two counts of the indictment, one alleging mail fraud and the other alleging tax fraud. Petrallia, an attorney, entered a plea of guilty to a charge of failing to maintain accurate tax records on behalf of an IES-sponsored limited partnership.

On October 6 Thomas C. Gaffney, a former IES officer, entered a guilty plea to one count of the indictment charging him with conspiracy to commit tax fraud. On September 4 Terrence C. Madden, an IES executive who was in charge of the real estate acquisition department, entered a guilty plea to a one-count information charging him with conspiracy to commit securities, mail and tax fraud. (U.S. v. Peter J. Bonastia, et al., Crim. No. 81-257, HCM, D.N.J.). (LR-9482)

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## INVESTMENT COMPANY ACT RELEASES

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### THE ROYAL BANK OF CANADA

An order has been issued on an application of The Royal Bank of Canada, a bank chartered under the laws of Canada which presently proposes to make an offering of commercial paper in the United States, pursuant to Section 6(c) of the Investment Company Act of 1940, conditionally exempting it from all provisions of the Act. (Rel. IC-12001 - Oct. 23)

## THE CHASE MANHATTAN BANK, N.A.

A notice has been issued giving interested persons until November 16 to request a hearing on an application of The Chase Manhattan Bank, N.A., for an order pursuant to Section 6(c) of the Investment Company Act of 1940, granting an exemption from the provisions of Section 17(f) of the Act and Rule 17f-4 thereunder to permit registered investment companies to maintain their securities in the custody of foreign banks and foreign securities depositories. (Rel. IC-12002 - Oct. 23)

## STANDBY RESERVE FUND, INC.

A notice has been issued giving interested persons until November 17 to request a hearing on an application of Standby Reserve Fund, Inc., for an order of exemption from Section 2(a)(41) of the Investment Company Act of 1940 and Rules 2a-4 and 22c-1 thereunder to the extent necessary to permit the Fund to value its portfolio securities and instruments using the amortized cost valuation method. (Rel. IC-12003 - Oct. 23)

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## HOLDING COMPANY ACT RELEASES

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### THE COLUMBIA GAS SYSTEM, INC.

A notice has been issued giving interested persons until November 16 to request a hearing on a proposal of Columbia Gas System, Inc., a registered holding company, Columbia Gas Development Corporation (Development), subsidiary of Columbia, and Commonwealth Energy Company (CEC), also a subsidiary of Columbia, whereby Development will issue two shares of its common stock to Columbia for each three shares of CEC stock held by Columbia and Columbia will acquire such stock pursuant to a merger agreement between CEC and Development. (Rel. 35-22241 - Oct. 23)

### THE SOUTHERN COMPANY

A notice has been issued giving interested persons until November 16 to request a hearing on a proposal by The Southern Company, a registered holding company, to act as surety for subsidiary's supersedeas bond. (Rel. 35-22242 - Oct. 23)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGES

The following stock exchanges have filed proposed rule changes which have become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934: The Midwest Stock Exchange, Inc. (SR-MSE-81-8) to change from guarantor to agent the nature of the MSE's obligation with respect to banks extending loans to specialists or market makers. (Rel. 34-18198); and The New York Stock Exchange, Inc. (SR-NYSE-81-21) to amend its Constitution to require the Chairman of the Board of Directors to consult with and report annually to the NYSE's Nominating Committee. (Rel. 34-18199)

Publication of the proposals are expected to be made in the Federal Register during the week of October 26.

### APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved proposed rule changes filed by the following: The National Securities Clearing Corporation (SR-NSCC-81-9) authorizing NSCC to institute a Demand Withhold Service that would enable a NSCC member to cancel an OTC trade previously compared in error at NSCC, absent timely objection from the contra party. (Rel. 34-18203); The Municipal Securities Rulemaking Board (SR-MSRB-79-5) which establishes an eight day time period by which municipal securities brokers and dealers must institute verification procedures. (Rel. 34-18204); and The New York Stock Exchange, Inc. (SR-NYSE-81-18) establishing margin requirements for exchange-traded options on GNMA's. (Rel. 34-18205)

## NOTICE OF PROPOSED RULE CHANGE

The New York Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-NYSE-81-20) to assure that a wife whose husband has power of attorney over her account with a member organization receives all confirmations, account statements, and other communications, unless she instructs otherwise. Publication of the proposal is expected to be made in the Federal Register during the week of October 26. (Rel. 34-18206)

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

- (S-8) ENSOURCE INC., 5575 DTC Parkway, Englewood, CO 80111 (303) 740-7038 - 1,819,469 shares of common stock. (File 2-74486 - Oct. 21) (Br. 3)
- (S-14) COUNTY BANKSHARES, INC., 12015 South Western Ave., Blue Island, IL 60406 (312) 385-2900 - 500,102 shares of common stock. (File 2-74511 - Oct. 22) (Br. 1 - New Issue)
- (S-14) COMMONWEALTH NATIONAL FINANCIAL CORPORATION, 10 South Market Sq., Harrisburg, PA 17108 (717) 780-3094 - 1,490,050 common shares. (File 2-74516 - Oct. 22) (Br. 1 - New Issue)
- (S-15) EVANS & SUTHERLAND COMPUTER CORPORATION, 580 Arapeen Dr., Salt Lake City, UT 84108 (801) 582-5847 - 82,000 shares of common stock. (File 2-74517 - Oct. 22) (Br. 9)
- (S-14) BANK SECURITIES, INC., 200 Lomas Blvd., N.W., P.O. Box 1081, Albuquerque, NM 87103 - 372,667 shares of common stock. (File 2-74521 - Oct. 23) (Br. 2)
- (S-16) UNITED CABLE TELEVISION CORPORATION, 4700 South Syracuse Pkwy., Denver, CO 80237 (303) 779-5999 - 600,000 shares of Class A stock. Underwriter: Boettcher & Company. The company intends to construct and operate a cable television system in Denver, Colorado. (File 2-74522 - Oct. 23) (Br. 7)
- (S-1) ASSOCIATED GROCERS OF ARIZONA, INC., 624 South 25th Ave., Phoenix, AZ 85009 (602) 269-5200 - 100 shares of Class A common stock, and 350,000 shares of Class B (non-voting) common stock. The company is engaged in the sale of groceries and related items at wholesale prices. (File 2-74523 - Oct. 23) (Br. 3 - New Issue)
- (S-8) SCOTT INSTRUMENTS CORPORATION, 1111 Willow Springs Rd., Denton, TX 76201 (817) 387-9514 - 657,400 shares of common stock. (File 2-74524 - Oct. 23) (Br. 9)
- (S-15) F & M NATIONAL CORPORATION, 38 Rouss Ave., Winchester, VA 22601 (703) 667-4200 - 71,715 shares of common stock. (File 2-74525 - Oct. 23) (Br. 2)
- (S-8) SENSORMATIC ELECTRONICS CORPORATION, 500 N.W. 12th Ave., Hillsboro Plaza, Deerfield Beach, FL 33441 (305) 427-9700 - 356,000 shares of common stock. (File 2-74526 - Oct. 23) (Br. 7)
- (S-16) STANDARD OIL COMPANY, 200 East Randolph Dr., Chicago, IL 60601 (312) 856-6111 - 4,850,594 shares of common stock. The company and its subsidiaries form a large integrated petroleum, chemical and mineral company. (File 2-74527 - Oct. 23) (Br. 3)
- (S-14) CAMBRIDGE RESEARCH AND DEVELOPMENT GROUP, INC., 21 Bridge Sq., Westport, CT 06880 (203) 226-7400 - 573,386 shares of common stock, 259,947 shares of Class A common stock, 287,600 shares of Class A convertible preferred stock, and 379,067 shares of Class B convertible preferred stock. (File 2-74528 - Oct. 23) (Br. 6)

(S-14) SOUTHWEST BANCSHARES, INC., 20th Floor, Southwest Tower, 707 McKinney, Houston, TX 77002 (713) 751-7800 - 2,140,313 shares of common stock. (File 2-74529 - Oct. 23) (Br. 1)

(S-16) NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, 1115 30th Street, N.W., Washington, DC 20007 (202) 337-6700 - \$100 million of collateral trust bonds, Series M, due 1991. Underwriter: Lehman Brothers Kuhn Loeb Incorporated. (File 2-74530 - Oct. 23) (Br. 1)

REGISTRATIONS EFFECTIVE

Oct. 13: JEC Lasers, Inc., 2-73419-NY; Vacation Time Sharing Alliance Ltd., 2-73199-NY.

Oct. 14: Alpha Cash Management Fund, Inc., 2-72870; Kemper Tax-Exempt Income Trust, Series 26, 2-78060; The Municipal Bond Trust, Series 96, 2-73480.

Oct. 15: Choy Foods Corp., 2-73021-NY; FEDC 1981 Ltd., 2-73416; Nuveen Tax-Exempt Bond Fund, Series 188, 2-74299; Frank Russell Investment Co., 2-71299; Sentinel Cash Management Fund, Inc., 2-72908; Tax Exempt Securities Trust, Multistate Series I, 2-73802.

Oct. 19: Appalachian Power Company, 2-74122; Atlantic Metropolitan Corporation, 2-74239; Boston Financial Apartments Associates, L.P., 2-73448; First National Charter Corporation, 2-74156; Wendy's International, Inc., 2-74173.

Oct. 20: CPT Corporation, 2-74245.

**ACQUISITIONS OF SECURITIES**

Companies and individuals must report to the Commission within 10 days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds 5%. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period OCTOBER 1-5, 1981. The number of shares of the security which are beneficially owned, and the number of shares concerning which there is a right to acquire are set forth for each beneficial owner. \*Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
Rosco Moss Company Rosco Moss, Jr. George E. Moss	California Water Service Company (San Jose, CA) Common Stock - 153,049 shares (11.6%)	10-1-81
Madison Fund, Inc.	Chicago Milwaukee Corporation (Chicago, IL) Common Stock - 165,000 shares	10-1-81
Winston Management & Investment, Inc. Namon Ltd.	Citizens Mortgage Investment Trust (Boston, MA) Shares of Beneficial Interest - 93,100	10-1-81
* Olivetti Realty N.V. (Netherlands) Ing. C. Olivetti & C., S.p.A. (Italy), Parent	CompuScan, Inc. (Teterboro, NJ) Common Stock - 167,000 shares Common Stock - 1,000,000 shares on exercise of warrant	10-1-81
* Telvest, Inc. Telco Leasing, Inc. Technical Equipment Leasing Corp. Libco Corporation Clyde Wm. Engle	Alba-Waldensian, Inc. (Valdese, NC) Common Stock - 341,100 shares (25.3%)	10-1-81
Pat Catizone	Basic Cosmetics Ltd. Common Stock - 9,487,355 shares (65%)	10-1-81

## ACQUISITION REPORTS CONT.

* National City Lines, Inc. NOA, Inc. Southwest Louisiana Land Co., Inc. Harold C. Simmons, et al	Amalgamated Sugar Company (Ogden, UT) Common Stock - 163,900 shares	10-2-81
George W. Oughtred (Canada)	American Eagle Petroleum Ltd. (Calgary, Alta., Canada) Common Stock - 475,268 shares	10-2-81
New Enterprises Associates L.P. Frank A. Bonsal, Jr. Charles W. Newhall, III C. Richard Kramlich	Chomerics, Inc. (Woburn, MA) Common Stock - 196,542 shares Common Stock - 4,500 shares on exercise of option	10-2-81
Robert E. McGlynn	First United Bancshares, Inc. (Belleville, IL) Common Stock - 6,050 shares (Included above are shares owned by his wife.)	10-2-81
* Gulf + Western Industries Inc. Charles G. Bluhdorn	B. F. Goodrich Company (Akron, OH) Common Stock - 1,651,900 shares	10-2-81
* George Washington Life Insurance Co. George Washington Corporation, Parent	Investors Insurance Corporation (Tigard, OR) Common Stock - 462,130 shares (18.3%)	10-2-81
SEDCO Inc.	Marathon Oil Company (Findlay, OH) Common Stock - 3,204,800 shares	10-2-81
BIOC Acquisition Inc. (Wholly-owned subsidiary of BIOC Ltd. (U.K.))	Sealectro Corporation (Mamaroneck, NY) Common Stock - 83,500 shares (BIOC has entered into an agreement to acquire an additional 904,886 shares (30.5%))	10-2-81
* Reliance Financial Services Corporation (Reliance Group., Inc., Parent)	Tiger International, Inc. (Los Angeles, CA) Common Stock - 3,500,800 shares (20.59%)	10-2-81
Yale Farar Sam D. Schwartz	Wallichs Music & Entertainment Co., Inc. (Hollywood, CA) Common Stock - 746,000 shares Common Stock - 100,000 shares on conversion of Preferred Stock Common Stock - 90,000 shares on exercise of option	10-2-81
* Lee Balter Vera Rubin Trust Reed Rubin	Anret, Inc. (Decatur, GA) Common Stock - 184,940 shares (36.33%)	10-5-81
Lamb Technicon Corp.	Braun Engineering Company (Southfield, MI) Common Stock - 247,963 shares (43.5%)	10-5-81
* Martin P. Connell Central Patricia Ltd. (Canada) Conwest Exploration Co. Ltd. (Canada) International Mogul Mines Ltd. (Canada), et al	Consolidated Canadian Faraday Ltd. (Toronto, Ont., Canada) Common Stock - 1,281,243 shares (35.9%)	10-5-81
* Walter Scheuer Edwin Robbins Gaymark Associates	First Executive Corporation (Beverly Hills, CA) Common Stock - 316,146 shares	10-5-81
* Candice King Weir	Flah's Incorporated (Latham, NY) Common Stock - 36,694 shares (10.51%)	10-5-81
* LDB Corporation	Frozen Food Express Industries, Inc. (Dallas, TX) Common Stock - 363,888 shares (33.98%)	10-5-81

ACQUISITION REPORTS CONT.

<p>* Teledyne, Inc., Parent Argonaut Insurance Co. United Insurance Co. of America MIC Investments, Inc., et al</p>	<p>International Harvester Co. (Chicago, IL) Common Stock - 3,501,567 shares Common Stock - 1,311,066 shares on conversion of Preferred Stock</p>	<p>10-5-81</p>
<p>* Galdi Securities Corp. Gregory G. Galdi Joseph C. Galdi II Rita D. Galdi, et al</p>	<p>International Seaway Trading Corp., (Cleveland, OH) Common Stock - 105,600 shares (16.1%)</p>	<p>10-5-81</p>
<p>Hanna Services Company Hanna Mining Company, Parent</p>	<p>Midland SouthWest Corporation (Midland, TX) Common Stock - 2,323,981 shares (49.9%) (Hanna Services has entered into an agreement to acquire above shares.)</p>	<p>10-5-81</p>
<p>Anglo-American Retail Corp. Foster Brothers Clothing Co. Ltd. (U.K.)</p>	<p>Natco Industries, Inc. (NYC) Common Stock - 800,000 shares (42%)</p>	<p>10-5-81</p>

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 10¢ 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 (Maryland callers), or the toll-free number, 800-638-8241. 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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