

# sec news digest

Issue 83-171

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U.S. SECURITIES AND  
EXCHANGE COMMISSION

September 2, 1983

## CIVIL PROCEEDINGS

**BISHOP, BALDWIN, REWALD, DILLINGHAM & WONG, INC.  
AND RONALD R. REWALD ENJOINED**

The Los Angeles Regional Office announced that on August 16, after an evidentiary hearing on the Commission's application for a preliminary injunction, the Honorable Martin Pence, U.S. District Judge for the District of Hawaii, preliminarily enjoined Bishop, Baldwin, Rewald, Dillingham & Wong, Inc. (Bishop Baldwin), a registered investment adviser, and its chairman, Ronald R. Rewald (Rewald). The Order enjoins defendants from further violations of the antifraud provisions of the Securities Act, the Exchange Act and the Advisers Act, in connection with their offer and sale of interests in an Investment Savings Account. Further, the Order freezes Rewald's personal assets.

Judge Pence specifically found that Rewald, through Bishop Baldwin, perpetrated a "Ponzi" scheme from January 1982 through July 1983 by selling \$17 million of interests in the Account, guaranteeing a 20 percent annual return on the investments and paying the high return by selling new interests. Further, Rewald falsely advertised that the Account was insured by the FDIC to a limit of \$150,000 per account and failed to disclose that salespersons were paid commissions for offering and selling interests in the Account. Finally, the Court found that the proceeds in the Account were misappropriated by Rewald for his personal use and that Rewald intentionally misrepresented his educational background to clients and in the public filings with the Commission.

Additionally, on August 4, 1983, five Bishop Baldwin creditors placed the firm into involuntary bankruptcy in the District of Hawaii. The Court appointed an interim trustee, Thomas A. Hayes, who has, thus far, been able to locate only about \$200,000 in corporate assets. (SEC v. Bishop, Baldwin, Rewald, Dillingham & Wong, Inc. and Ronald R. Rewald, D.C. Hawaii, Civil Action No. 83-0812). (LR-10113)

## INVESTMENT COMPANY ACT RELEASES

**SOCIETE GENERALE (CANADA) FUNDING INC.**

A notice has been issued giving interested persons until September 26 to request a hearing on an application of Societe Generale Funding (Canada) Inc. for an order of exemption from all provisions of the Investment Company Act of 1940. (Rel. IC-13474 - Aug. 31)

## HOLDING COMPANY ACT RELEASES

**YANKEE ATOMIC ELECTRIC COMPANY**

An order has been issued authorizing Yankee Atomic Electric Company, subsidiary of Northeast Utilities and New England Electric System, to enter into a revolving credit and term loan agreement under which it proposes to issue notes up to \$20 million through December 31, 1986 on a revolving basis with the outstanding balance at that date converted to a term loan through March 31, 1991. (Rel. 35-23044 - Aug. 31)

**CONSOLIDATED NATURAL GAS COMPANY**

An order has been issued authorizing Consolidated Natural Gas Company, a registered holding company, to indemnify its subsidiaries in instances when required by any governmental authority or agency. (Rel. 35-23045 - Aug. 31)

## NEW ENGLAND ELECTRIC SYSTEM

An notice has been issued giving interested persons until September 26 to request a hearing on a proposal by New England Electric System, a registered holding company, and one of its subsidiaries, New England Power Company (NEP), to sell two surplus gas turbine generating units and associated equipment owned by NEP. (Rel. 35-23046 - Aug. 31)

## ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, and Alabama's subsidiary, Columbia Fuels, Inc., to enter into certain transactions related to financing Alabama's nuclear fuel requirements. (Rel. 35-23047 - Aug. 31)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING GRANTED

An order has been issued granting the applications of the Philadelphia Stock Exchange, Inc. for unlisted trading privileges in five issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-20144)

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## SELF-REGULATORY ORGANIZATIONS

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### EFFECTIVENESS OF PROPOSED RULE CHANGE

A rule change filed by the Midwest Clearing Corporation (SR-MCC-83-4) has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The proposed rule change permits MCC to adopt certain enhancements to its OTC Equity Comparison System. The major enhancement permits partial acceptance of Regular and Demand As of Advisories to resolve aged, uncomparated trade data. The proposal also would allow MCC participants to submit Demand Withhold data to cancel or withhold previously compared trades from settlement. Finally, the proposed rule change makes certain changes to OTC Equity Comparison System forms to facilitate these enhancements. Publication of the proposal is expected to be made in the Federal Register during the week of September 5. (Rel. 34-20142)

### NOTICE OF PROPOSED RULE CHANGE

The Midwest Securities Trust Company has filed a proposed rule change under Rule 19b-4 (SR-MSTC-83-15) amending MSTC Rule 4, Section 1. The proposed rule change would prohibit MSTC participants from reclaiming a delivery of any registered form corporate obligation (debt and equity) or registered form municipal security to the delivering participant solely because the delivery was effected by book-entry. Publication of the proposal is expected to be made in the Federal Register during the week of September 5. (Rel. 34-20143)

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## TRUST INDENTURE ACT RELEASES

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### STANDARD OIL COMPANY OF INDIANA

Notices have been issued giving interested persons until September 26 to request a hearing on an application by Standard Oil Company of Indiana, under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939, declaring that the trusteeship of The Northern Trust Company of four indentures of or related to Standard, three of which are qualified under the Act, is not so likely to involve a material conflict of interest as to make it necessary to disqualify Northern Trust from acting as trustee under more than one of such indentures. (Rel. TI-849; 850)

## 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; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (S-1) TSC, INC., 2950 31st St., Santa Monica, CA 90405 (213) 450-9755 - 700,000 shares of common stock. Underwriter: Seidler Amdec Securities Inc. The company is engaged in the analysis, design and development of advanced radar systems. (File 2-86221 - Aug. 31) (Br. 8)
- (S-8) SUNSHINE MINING COMPANY, 500 Plaza of the Americas-South, Dallas, TX 75201 (214) 748-9872 - 250,000 shares of common stock. (File 2-86222 - Aug. 31) (Br. 5)
- (S-3) FREEPORT-MCMORAN INC., 200 Park Ave., New York, NY 10166 (212) 578-9200 - 15,149,756 units of beneficial interest. (File 2-86223 - Aug. 31) (Br. 5)
- (S-2) GUILFORD MILLS, INC., 4925 West Market St., Greensboro, NC 27407 (919) 292-7550 - 1,000,000 shares of common stock. Underwriter: Dean Witter Reynolds Inc. The company is engaged in producing, processing and selling warp knit fabrics. (File 2-86227 - Aug. 31) (Br. 8)
- (S-6) INVESTORS' GOVERNMENTAL SECURITIES-INCOME TRUST, SERIES 8, 1901 North Naper Blvd., Naperville, IL 60566 - 1,000 units. Depositor: Van Kampen Merritt Inc. (File 2-86231 - Aug. 31) (Br. 18 - New Issue)
- (S-8) MONOCLONAL ANTIBODIES, INC., 2319 Charleston Rd., Mountain View, CA 94043 (415) 960-1320 - 179,650 shares of common stock. (File 2-86232 - Aug. 31) (Br. 8)
- (S-6) E.F. HUTTON TAX-EXEMPT TRUST, SOUTHWEST MEDIUM TERM SERIES 1, One Battery Park Plaza, New York, NY 10004 - an indefinite number of units. Depositor: E.F. Hutton & Company Inc. (File 2-86233 - Aug. 31) (Br. 18 - New Issue)
- (S-3) APPALACHAIN POWER COMPANY, 40 Franklin Rd., S.W., Roanoke, VA 24011 (703) 985-2300 - \$50 million of first mortgage bonds. The company is engaged in the generation, purchase, transmission, distribution and sale of electric energy. (File 2-86237 - Aug. 31) (Br. 8) [S]
- (S-8) PANCHO'S MEXICAN BUFFET, INC., 3500 Noble Ave., Fort Worth, TX 76111 (817) 831-0081 - 583,400 shares of common stock. (File 2-86238 - Aug. 31) (Br. 3)
- (S-8) CENTRAL FIDELITY BANKS, INC., Broad at Third St., P.O. Box 27602, Richmond, VA 23261 (804) 782-4000 - 200,000 shares of common stock. (File 2-86240 - Aug. 31) (Br. 2)
- In a separate (S-3) statement the company seeks registration of 200,000 shares of common stock. (File 2-86242 - Aug. 31)
- (S-6) NEW YORK MUNICIPAL TRUST, NEW YORK DISCOUNT & ZERO COUPON FUND-2nd SERIES, 55 Water St., New York, NY 10041 - 15,000 units. Depositor: Bear, Stearns & Co. (File 2-86241 - Aug. 31) (Br. 16 - New Issue)
- (S-8) HERCULES INCORPORATED, Hercules Plaza, 1313 North Market St., Wilmington, DE 19894 (302) 594-5000 - 341,000 shares of common stock. (File 2-86243 - Aug. 31) (Br. 1)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, NEW YORK SERIES A, One Liberty Plaza, 165 Broadway, New York, NY 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, NY 10080, Dean Witter Reynolds Inc., Prudential-Bache Securities Inc. and Shearson/American Express Inc. (File 2-86244 - Aug. 31) (Br. 17 - New Issue)

### REGISTRATIONS EFFECTIVE

Aug. 11: Phelps Dodge Corporation, 2-84181.

Aug. 19: American Continental Corp., 2-85222; American Express Company, 2-85870; American Recreation Centers, Inc., 2-85472; The Clorox Company, 2-85891; Denelcor, Inc., 2-85689; Dollar General Corporation, 2-85423; Gibco Corporation, 2-84757; McLean Industries Inc., 2-84667, 2-84668; National Steel Corporation, 2-85880; Peoples Banking Corporation, 2-85312; Pizza Time Theatre, Inc., 2-84545; Standard Havens, Inc., 2-85256; Storage Equities, Inc., 2-85273; Subsurface Energy, Inc., 2-84580.

Aug. 22: Belden & Blake and Company Limited Partnership No. 83, 2-85024; Computer Peripheral Products, Inc., 2-84812-D; The Dow Chemical Company, 2-85426; Du Quoin Bancorp, Inc., 2-85122; Elkonix Corporation, 2-84670; Fund for Tax-Free Investors, Inc., 2-83299; Newpark Resources, Inc., 2-85871; Shearson Aggressive Growth Fund, Inc., 2-84199; Working Assets Money Fund, 2-80886.

Aug. 23: Computer Memories Inc., 2-85520; Crown Resource Corporation, 2-83776-D; First National Jasper Corporation, 2-84254; Franklin Financial Services Corporation, 2-85234; International Lease Finance Corporation, 2-84834; May Petroleum Inc., 2-85305; Prudential-Bache Telecommunications Fund, Inc., 2-82976.

Aug. 24: The Advantage Futures Fund, 2-84446; Bindley Western Industries, Inc., 2-84862; Chemlawn Corporation, 2-85955; The Conifer/Essex Group, Inc., 2-85249; Continental Illinois Corporation, 2-85567; Eaton Vance Corp., 2-84892; Financial Management Bancshares of West Virginia, Inc., 2-85627; Kapok Tree Inns Corporation, 2-83575; The Marcus Corporation, 2-85848; Nu-Med, Inc., 2-85050; Pharmacy Corporation of America, 2-84837; Safeguard Scientifics, Inc., 2-84932; Scan-Optics, Inc., 2-85314; Southern Hospitality Corporation, 2-85287; T. M. Tull Industries, Inc., 2-85587; Trust Company of Georgia, 2-85381.

Aug. 25: ABM Computer Systems, 2-84773; Aircal Inc., 2-84708; American Recreation Centers, Inc., 2-85215; Andros Analyzers Incorporated, 2-84983; Ault Incorporated, 2-85224; Bull & Bear Group, Inc., 2-85424; Chieftain Development Co., Ltd., 2-85771; Datasouth Computer Corporation, 2-84779; Enserch Corporation, 2-85892; Fairfield Communities, Inc., 2-85432; The First American Financial Corporation, 2-85571; First Interstate Bancorp, 2-86088; First Jersey National Corporation, 2-85667; Green Tree Acceptance, Inc., 2-85303; Gulton Industries, Inc., 2-85917; The Hammond Company, 2-84672; Kaypro Corporation, 2-84896; Major Realty Corp., 2-84680; National Micro-netics, Inc., 2-85553; Signal Bancorp, 2-85847; Synbiotics Corp., 2-83602; Talley Industries, Inc., 2-85474; Tennessee Natural Resources, Inc., 2-85583; Wedtech Corp., 2-84914.

Aug. 26: Atcor, Inc., 2-84627; Atlanta Gas Light Company, 2-83522; Bally's Park Place Funding, Inc., 2-84761; Bishop Cable Communications Corporation, 2-84431; Cinematronics Inc., 2-85109-NY; Corporate Cash Management Fund, Inc., 2-84470; Equity Investors II, Ltd., 2-83484; Grace Geothermal Corporation, 2-83915; The Jean Company Limited Partnership, 2-85417-NY; MML Bay State Variable Life Separate Account I, 2-78828; Owens & Minor, Inc., 2-85760; PHH Capital, Inc./PHH Group, Inc., 2-85092; Pacific Resources, Inc., 2-84693; Paychex, Inc., 2-85103; Peoples Restaurants, Inc., 2-85737; Petro-Lewis Corporation, 2-85656; Pizza Inn, Inc., 2-85734; Vintage Enterprises, Inc., 2-85652.

#### REGISTRATIONS WITHDRAWN

Aug. 16: Advanced Systems and Information, Inc., 2-85540.

Aug. 23: Western Capital Fund I, 2-77225.

Aug. 26: Kentucky Southern Bancorp, Inc., 2-78547; Orient Leasing Co., Ltd., 2-73147; Southern Bancorp, 2-77301; Vamar Mortgage Investors, 2-77901 (all abandoned).