

# sec news digest

Issue 78-193

October 4, 1978

## COURT ENFORCEMENT ACTIONS

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U.S. SECURITIES AND  
EXCHANGE COMMISSION

### HOFMANN, KAVANAUGH SECURITIES CORP. AND KURT VON HOFMANN ENJOINED

The Los Angeles Regional Office announced that on August 10 Federal District Judge Harry Pregerson at Los Angeles, California signed an order of permanent injunction against Hofmann, Kavanaugh Securities Corp., formerly of Los Angeles, and Kurt von Hofmann, also of Los Angeles. The order enjoins both defendants from violations of the net capital provisions of the securities laws. The defendants consented to the entry of a final order without admitting or denying the allegations of the Commission's complaint. (SEC v. Hofmann Kavanaugh Securities Corp., et al., C.D. CA., 77-3680-HP). (LR-8555)

### FIRST PITTSBURGH SECURITIES CORPORATION, OTHERS ENJOINED

The Washington Regional Office announced that on September 20, following a trial on the merits, the Honorable Maurice B. Cohill, Jr., of the U.S. District Court for the Western District of Pennsylvania, entered a final judgment of permanent injunction against First Pittsburgh Securities Corporation (FPSC), Salvatore F. Geswaldo, Carl B. Benson and Bernard H. Golling, all of Pittsburgh, and Donald R. Kohl of Monroeville, Pennsylvania. The judgment permanently enjoins FPSC, a licensed broker-dealer, Geswaldo, the president, a licensed principal and a shareholder of FPSC, Benson, Golling and Kohl, all former licensed securities salesmen and shareholders of FPSC, from further violations of the registration and antifraud provisions of the securities laws with respect to saving certificates and promissory notes of Fidelity Loan and Investment Corporation (FLIC debt securities), limited partnership interests in the Meadowlands Inn Limited Partnership (MILP interests) (except as to Benson), and any other securities; and permanently enjoins FPSC from further violations of the broker-dealer books and recordkeeping provisions of the securities laws as to FLIC debt securities, MILP interests and any other securities. The Court found that FPSC, Geswaldo, Benson, Golling and Kohl violated the registration and antifraud provisions of the securities laws, that FPSC violated the broker-dealer books and recordkeeping provisions of the securities laws, that there was a reasonable likelihood of future violations of these respective provisions of the securities laws by these defendants, and that the public interest and the protection of investors required the imposition of permanent injunctive relief. (SEC v. First Pittsburgh Securities Corporation, et al., W.D. Pa. 1978, Civil Action No. 77-102). (LR-8556)

### THOMAS FRANKLIN TENNISON ENJOINED

The Fort Worth Regional Office announced that on September 6 Federal District Court Judge Orma R. Smith, Corinth, Mississippi, signed an order of permanent injunction against Thomas Franklin Tennison, Springfield, Missouri. Tennison consented to the injunction without admitting or denying the allegations of the Commission's complaint, which was filed February 16. The complaint alleged that Tennison, and others, violated the registration and antifraud provisions of the securities laws in the sale of common stock of International Postal Systems, Inc., Tupelo, Mississippi. (SEC v. International Postal Systems, Inc., et al., N.D. Miss., WC-78-14S). (LR-8557)

### PERMANENT INJUNCTION ORDERED AGAINST JOHN A. MCGUIRE, OTHERS

The New York Regional Office announced on September 12 that John A. McGuire, individually and doing business as Webb Oil Co., Webb Oil Co., and Norris R. McGuire, also known as Norris R. King, without admitting or denying allegations of the complaint, consented to the entry of judgments permanently enjoining them from violating the registration and antifraud provisions of the securities laws. The Honorable Charles L. Brieannt signed the injunctions as to these defendants. Another defendant, Gonave Development Corp. consented, without admitting or denying the allegations of the complaint, to an order permanently enjoining him from further violations of the registration provisions of the securities laws on July 21. (SEC v. John A. McGuire, et al., U.S.D.C., S.E.N.Y., 78 Civil 3169 CLB). (LR-8558)

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## INVESTMENT COMPANY ACT RELEASES

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### INA CAPITAL BOND TRUST

An order has been issued on an application of INA Capital Bond Trust, a registered investment company, declaring that Norman V. Watson, a trustee of the Trust, shall not be deemed an "interested person" of the Trust or its investment manager by reason of his status as an "affiliated person" of Del Securities Corporation, a registered broker-dealer. (Rel. IC-10423 - Oct. 2)

### CAPITAL FUND OF AMERICA

A notice has been issued giving interested persons until October 27 to request a hearing on an application of Capital Fund of America, Inc. (CAP), and New Perspective Fund, Inc. (NPF), both registered, open-end, diversified, management investment companies, for an order exempting the purchase of substantially all CAP's assets and assumption of all CAP's liabilities by NPF from the provisions of Section 17(a) of the Investment Company Act of 1940. (Rel. IC-10424 - Oct. 3)

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## HOLDING COMPANY ACT RELEASES

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### INDIANA & MICHIGAN ELECTRIC COMPANY

An order has been issued authorizing a withdrawal of a proposal by Indiana & Michigan Electric Company, subsidiary of American Electric Power Company, Inc., that it acquire a leasehold interest underlying a specified property in Campbell County, Wyoming. (Rel. 35-20720 - Oct. 3)

### GEORGIA POWER COMPANY

A notice has been issued giving interested persons until October 30 to request a hearing on a proposal of Georgia Power Company, subsidiary of The Southern Company, whereby Georgia will enter into arrangements for the lease of coal cars. (Rel. 35-20721 - Oct. 3)

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## SELF-REGULATORY ORGANIZATIONS

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### ORDER OF SUMMARY ABROGATION

The Commission has issued an order summarily abrogating a rule of the Boston Stock Exchange Clearing Corporation. The rule (SR-BSECC-78-2), which was filed with the Commission on August 30, and designated as being effective on filing, imposed an additional charge for the clearance and settlement of transactions effected through the Intermarket Trading System. In its order, the Commission also required that, if the BSECC chooses to refile the rule, it should do so pursuant to Section 19(b) of the Act. (Rel. 34-15192)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Chicago Board Options Exchange, Inc. (SR-CBOE-78-24) amending its disciplinary rules. (Rel. 34-15204)

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## MISCELLANEOUS

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### SIMPSON THACHER & BARTLETT

A notice has been issued giving interested persons until October 27 to request a hearing on an application of Simpson Thacher & Bartlett, a law firm organized as a partnership under the laws of the State of New York, for an order pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the registration requirements of the Act participations or interests issued in connection with a retirement plan for partners and associates of the firm. (Rel. 33-5896)

## 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-8) CALIFORNIA MICROWAVE, INC., 990 Almanor Ave., Sunnyvale, Cal. 94086 - 20,000 shares of common stock. (File 2-62762 - Oct. 3)
- (S-1) FIRST AFFILIATED BANCORPORATION, INC., 1245 Main St., Stevens Point, Wis. 54481 - 210,000 shares of common stock. The company is a bank holding company. (File 2-62763 - Oct. 2)
- (S-8) OCCIDENTAL PETROLEUM CORPORATION, 10889 Wilshire Blvd., Los Angeles, Cal. 90024 (213) 879-1700 - 2,500,000 common shares. (File 2-62764 - Oct. 3)
- In a separate statement the company seeks registration of \$30 million of interests and 2,100,000 common shares. (File 2-62765 - Oct. 3)
- (S-8) GENERAL AMERICAN OIL COMPANY OF TEXAS, Meadows Bldg., Dallas, Tex. 75206 (214) 368-5811 - 10,000 shares of common stock. The company is engaged in the exploration for and production of oil and gas. (File 2-62766 - Oct. 3)
- (S-14) CONNECTICUT BANCSHARES CORPORATION, 101 Turnpike Rd., Windsor Locks, Conn. 06906 (203) 623-9931 - 645,000 shares of Class A convertible preferred stock and 80,000 shares of common stock. (File 2-62767 - Oct. 3)
- (S-6) TAX EXEMPT SECURITIES TRUST, SERIES 23, 14 Wall St., New York, N.Y. 10005 - 15,000 units. Depositors: Loeb Rhoades, Hornblower & Co., 14 Wall St., New York, N.Y. 10005, Smith Barney, Harris Upham & Co. Inc. and Blyth Eastman Dillon & Co. Inc. (File 2-62768 - Oct. 3)
- (S-1) NEWCO, INC., Broyhill Park, N. C. Highway 321, Lenoir, N.C. 28633 - 2,036,749 shares of common stock. (File 2-62769 - Oct. 3)
- (S-7) SOUTHEASTERN MICHIGAN GAS ENTERPRISES, INC., 405 Water St., Port Huron, Mich. 48060 (313) 987-7900 - 80,000 shares of Series A convertible cumulative preferred stock. Underwriter: First of Michigan Corporation. The company is a gas distribution utility. (File 2-62770 - Oct. 4)
- (S-8) FRONTIER AIRLINES, INC., 8250 Smith Rd., Denver, Colo. 80207 - 129,412 shares of common stock. The company is engaged in the scheduled transportation by air of persons, cargo, and mail. (File 2-62771 - Oct. 2)
- (S-8) PARADYNE CORPORATION, 8550 Ulmerton Rd., Largo, Fla. 33540 - 400,000 shares of common stock. (File 2-62772 - Oct. 3)

### REGISTRATIONS EFFECTIVE

Sept. 27: Data Card Corp., 2-62441.

Sept. 29: Ames Department Stores, Inc., 2-62287; Dominion Bankshares Corp., 2-62485 & 2-62486; Fidelity Savings and Loan Association, 2-61558; Health Extension Services, Inc., 2-61804 (90 days); Kansas City Southern Industries, Inc., 2-62526; Marshall Field & Co., 2-62334; May Petroleum Inc., 2-62114; National Banking Corp. of Florida, Inc., 2-61400; North American National Corp., 2-62044; Purex Industries, Inc., 2-62680; Telecredit, Inc., 2-62617; UGI Corp., 2-62278; UMC Industries, Inc., 2-62390; Wainoco Oil Corp., 2-62518.

Oct. 2: Control Laser Corp., 2-62302; Genrad, Inc., 2-62493; Lucky Stores, Inc., 2-62601.

**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.



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