

# sec news digest

Issue 80-146

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July 28, 1980

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## RULES AND RELATED MATTERS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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### ADOPTION OF TEMPORARY RULE PROVIDING EXEMPTIONS TO CERTAIN MONEY MARKET FUNDS

The Commission has adopted Rule 6c-5(T) under the Investment Company Act of 1940 which will provide certain temporary exemptions from Sections 17(a), 12(d)(1) and 13(a)(3) of the Act: (1) to permit certain registered investment companies and others persons to acquire portfolio instruments of a money market fund of which they are affiliated persons, and (2) to permit certain money market funds to purchase securities issued by other such funds. The purpose of the rule is to minimize the undue disruptions of the operations of certain money market funds that might otherwise occur as a result of the termination of credit controls by the Board of Governors of the Federal Reserve System. (Rel. IC-11277)

FOR FURTHER INFORMATION CONTACT: Kenneth S. Gerstein at (202) 272-3023 or  
Jeffrey B. Bailey at (202) 272-3033

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## ADMINISTRATIVE PROCEEDINGS

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### JESUP & LAMONT SECURITIES CO., INC., OTHERS CITED

The Commission announced the institution of public administrative proceedings against Jesup & Lamont Securities Co., Inc., Walter Noel Anderson, formerly a registered representative at Jesup, and Charles MacDonald Miller, former branch manager, both former employees of Jesup's Chicago, Illinois office. Simultaneously, the Commission accepted offers of settlement from the respondents.

In their offers of settlement, without admitting or denying the allegations or findings, the respondents consented to the entry of findings and an order: suspending Anderson from association with any broker, dealer, investment adviser, or investment company for a period of one week; suspending Miller from serving in any supervisory capacity in association with any broker, dealer, investment adviser or investment company for a period of 30 calendar days; and censuring Jesup, suspending all solicited trading in options in its Chicago office for 30 days as to any account for which Jesup has not received option opening documents, and requiring Jesup to comply with its undertaking to adopt new compliance and review policies and procedures and make offers of restitution in the amount of \$26,000 to Jesup customers who suffered losses.

The sanctions imposed were based upon findings that Anderson wilfully violated the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 in connection with the offer and sale of exchange listed options; and that Jesup and Miller failed to reasonably supervise an employee under their supervision and control. (Rel. 34-16985)

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## COMMISSION ANNOUNCEMENTS

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### TERRY M. CHUPPE AND JEFFRY L. DAVIS NAMED ASSISTANT DIRECTORS

Steven E. Levy, Director of Economic and Policy Analysis, announced the appointment of Terry M. Chuppe and Jeffry L. Davis as Assistant Directors.

Mr. Chuppe, 35, received his A.B. from California State University at Long Beach and his M.A. in Economics from U.C.L.A. Mr. Chuppe joined the Commission's staff in 1967 as a Financial Analyst and most recently served as Senior Economics Officer. Mr. Chuppe will be primarily responsible for the supervision of the Directorate's Branches of Broker-Dealer Studies and Market Structure and Market Trading Studies.

Mr. Davis, 33, received his M.A. in Economics from U.C.L.A. and is a graduate of George Washington University Law School. Mr. Davis joined the Commission's staff in 1972 as a Financial Economist. Mr. Davis will be primarily responsible for the supervision of the Directorate's Branch of Corporation Finance Studies and its overall statistical program, as well as serving as Special Counsel to the Directorate.

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## CIVIL PROCEEDINGS

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### BERNARD MAGDOVITZ ENJOINED

The Chicago Regional Office announced that on July 1 the Honorable John Powers Crowley entered a Final Judgment and Order of Permanent Injunction against Bernard Magdovitz. Magdovitz consented to the injunction without admitting or denying the allegations in the Commission's complaint. The injunction arose from Magdovitz's involvement in a \$25 million inventory and profit inflation scheme while employed at Cenco, Inc., a Chicago based corporation. In a parallel criminal action, Magdovitz pled guilty to conspiracy and mail fraud charges, and was sentenced to five years probation and fined \$11,000.

The Commission's complaint in the Cenco matter is still pending against Ronald Spiegel, also a former Cenco employee. (SEC v. Cenco Incorporated, et al., N.D. Ill., Civil Action No. 76C 3258 [filed September 1, 1976]). (LR-9144)

### OPINION ISSUED RE ELDON MILLER

The New York Regional Office announced that on June 27 the Honorable John M. Cannella, U.S. District Judge for the Southern District of New York, issued an opinion in SEC v. Eldon Miller, after a bench trial. Judge Cannella denied the issuance of an injunction against Eldon Miller of Kansas City, Missouri because of an insufficient likelihood of future violations. However, Judge Cannella found that Miller had misstated and failed to disclose material financial information concerning Financial Corp., in connection with repurchase agreements involving government and agency securities.

The Commission's complaint, filed on July 10, 1975, had charged Miller and Financial Corp. with violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder by, among other things, (1) failing to maintain books and records necessary to adequately reflect Financial Corp.'s true financial condition and ability to meet its obligations and (2) entering into repurchase agreements without disclosing to its customers that Financial Corp. failed to maintain adequate books and records.

Miller and Financial Corp. consented to the entry of a preliminary injunction and the appointment of a temporary receiver in July 1975. Thereafter, in August 1975, Financial Corp. filed a voluntary petition in bankruptcy. In light of this, Financial Corp. was dismissed as a defendant in this action in May 1977. (SEC v. Eldon Miller, 75 Civ. 3391, S.D.N.Y. [JMC]). (LR-9145)

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## INVESTMENT COMPANY ACT RELEASES

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### PAUL R. DUPEE, JR.

An order has been issued exempting Paul R. Dupee, Jr. from the provisions of Section 9(a) of the Investment Company Act of 1940. (Rel. IC-11278 - July 25)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until August 15 to comment on the application of the Philadelphia Stock Exchange for unlisted trading privileges in the common stock (\$.62-1/2 par value) of Eli Lilly & Company. (Rel. 34-17008)

An order has been issued granting the application of Filmways, Inc. to withdraw its 6 1/2 convertible subordinated debentures, due January 15, 1988, from listing and registration on the American Stock Exchange. (Rel. 34-17009)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF AMENDED RULE CHANGE

On July 22 the Pacific Clearing Corporation submitted a proposed rule change pursuant to Rule 19b-4 which amends File No. SR-PCC-79-1 concerning the establishment of a new participants' agreement. Publication of the amendment is expected to be made in the Federal Register during the week of July 28. (Rel. 34-17006)

### NOTICE OF EFFECTIVENESS OF A PROPOSED RULE CHANGE

A fee change filed by the Boston Stock Exchange Clearing Corporation, pursuant to Rule 19b-4 (SR-BSECC-80-2), has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. BSECC has deleted a two cent per share fee on trades executed through the Intermarket Trading System. Publication of the proposal is expected to be made in the Federal Register during the week of July 28. (Rel. 34-17007)

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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; and File number and date filed.

- (S-18) NEW WORLD COMPUTER COMPANY, INC., 3176 Pullman St., Suite 120, Costa Mesa, Cal. 92626 - 1,100,000 shares of common stock. Underwriter: First Colorado Investments & Securities, Inc. The company has developed and is in the process of producing for evaluation and testing a few pre-production disc memoray units. (File 2-68515-LA - July 17) (Br. 9) (New Issue)
- (S-16) DUKE POWER COMPANY, 422 South Church St., Charlotte, N.C. 28242 (704) 373-4579 - 4,000,000 shares of common stock. Underwriters: Morgan Stanley & Co. Incorporated, Merrill Lynch White Weld Capital Markets Group and Dean Witter Reynolds Inc. The company is engaged in the generation, transmission, distribution and sale of electric energy. (File 2-68582 - July 24)
- (S-1) DIAMOND INVESTMENTS, LTD.-1980-1981 PROGRAM, 12600 Seminole Blvd., Largo, Fla. 33540-20,000 units of preformation limited partnership interests. (File 2-68583 - July 24) (Br. 2) (New Issue)
- (S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS, SERIES 56, 300 West Washington St., Chicago, Ill. 60606 - an indefinite number of units. Depositor: Clayton Brown & Associates, Inc. (File 2-68584 - July 24) (Br. 18) (New Issue)
- (S-16) RORER GROUP INC., 500 Virginia Dr., Fort Washington, Pa. 19034 (215) 628-6541 - 150,000 common shares. (File 2-68585 - July 24) (Br. 4)
- (S-7) STANDARD-PACIFIC CORP., 1565 West MacArthur Blvd., Costa Mesa, Cal. 92626 (714) 546-1161 - \$25 million of subordinated sinking fund debentures, due 2000. Underwriter: E.F. Hutton & Company Inc. The company is a geographically diversified builder of medium-priced single-family homes. (File 2-68590 - July 25) (Br. 5)

- (S-16) NEW YORK STATE ELECTRIC & GAS CORPORATION, 4500 Vestal Pkwy. East, Binghamton, N.Y. 13902 (607) 729-2551 - 2,500,000 shares of common stock. Undewriters: Merrill Lynch White Weld Capital Markets Group, Lehman Brothers Kuhn Loeb Incorporated and Salomon Brothers. The company is engaged in generating, purchasing, transmitting and distributing electricity and gas. (File 2-68592 - July 25) (Br. 7)
- (S-14) GENERAL SIGNAL CORPORATION, High Ridge Park, Stamford, Conn. 06904 (203) 357-8800 - 1,029,923 shares of common stock. (File 2-68593 - July 25) (Br. 8)
- (N-1) STEINROE UNIVERSE FUND, INC., 150 South Wacker Dr., Chicago, Ill. 60606 (312) 368-7812 - an indefinite number of shares of capital stock. (File 2-68594 - July 25) (Br. 17) (New Issue)
- (S-7) U S AIR, INC., Washington National Airport, Washington, D.C. 20001 (703) 892-7000 - \$40 million of convertible senior subordinated debentures, due 2005. Underwriter: Lehman Brothers Kuhn Loeb Incorporated. The company is a certificated air carrier. (File 2-68595 - July 25) (Br. 9)
- (S-16) HARRIS BANKCORP, INC., 111 West Monroe St., Chicago, Ill. 60603 (312) 461-2121 - \$50 million of debentures, due August 1, 2010. Underwriter: The First Boston Corporation. (File 2-68596 - July 25) (Br. 2)
- (S-8) STAFF BUILDERS, INC., 122 East 42nd St., New York, N.Y. 10168 (212) 867-2345 - 150,000 shares of common stock. (File 2-68599 - July 25) (Br. 9) (New Issue)
- (S-16) IOWA-ILLINOIS GAS AND ELECTRIC COMPANY, 206 East Second St., Davenport, Iowa 52801 (319) 326-7111 - 1,000,000 common shares. Underwriter: The First Boston Corporation. The company is engaged in generating, transmitting, distributing and selling electric energy. (File 2-68600 - July 25) (Br. 8)
- (S-16) BERKSHIRE HATHAWAY INC., 97 Cove St., New Bedford, Mass. 02741 (617) 997-4561 - \$50 million of debentures, due 2005. Underwriters: Donaldson, Lufkin & Jenrette Securities Corporation and Chiles, Heider & Co. Inc. (File 2-68602 - July 25) (Br. 9) (New Issue)
- (S-16) BURROUGHS CORPORATION, Burroughs Pl., Detroit, Mich. 48232 (313) 972-7000 - \$100 million of notes, due August, 1987 and \$150 million of sinking fund debentures, due August, 2010. Underwriter: Kidder, Peabody & Co. Incorporated. (File 2-68604 - July 25) (Br. 10)
- (S-8) FABRI-TEK INCORPORATED, 6900 Shady Oak Rd., Eden Prairie, Minn. 55344 (612) 941-9100 - 317,000 shares of common stock. (File 2-68605 - July 25) (Br. 9)
- (S-16) EASTERN AIR LINES, INC., Miami International Airport, Miami, Fla. 33148 (305) 873-2211 - \$38,650,000 of secured equipment certificates, due January 1, 1998. The company offers regularly scheduled air transportation over a network of routes. (File 2-68606 - July 25) (Br. 10)
- (S-6) MERRILL LYNCH VARIABLE ANNUITY ACCOUNT, Park Pl., Seattle, Wash. 98101 - an indefinite number of individual variable annuity contracts. Depositor: Family Life Insurance Company. (File 2-68607 - July 25) (Br. 20) (New Issue)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 30 West Broadway, New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary stock of Howard Smith Limited. (File 2-68614 - July 21) (Br. 99) (New Issue)
- (S-1) PETRO-LEWIS FUNDS, INC., Suite 400, 717 17th St., P.O. Box 2250, Denver, Colo. 80201 - \$500 million of preformation limited partner interests. (File 2-68615 - July 28) (Br. 3) (New Issue)

#### CORRECTION RE DAMSON 1980-81 OIL AND GAS INCOME FUND

In the News Digest of July 21, under the heading "Securities Act Registrations", the file number for Damson 1980-81 Oil and Gas Income Fund was erroneously stated. The correct file number should have been 2-68509, not 2-68507.

#### REGISTRATIONS EFFECTIVE

July 10: Newburke, Inc., 2-68073; Whitehall Corp., 2-68135.

July 15: Kay Laboratories, Inc., 2-67793-LA; New York Municipal Trust, Series 13, 2-68333; Ransburg Corp., 2-68346; Smith International, Inc., 2-68108; Texas International Co., 2-68480; Texasgulf Inc., 2-68452.

July 16: Hong Kong Electric Holdings Inc., 2-68289; Pennsylvania Insured Municipal Bond Trust, Eleventh Series, 2-68166.

July 17: Corporate Securities Trust Long Term Debt, Series 19, 2-68174; Crystal Oil Co., 2-68418.

July 18: Dyco Petroleum Corp., 2-67778; Walter E. Heller & Company, 2-68150; Northwest Energy Co., 2-68388; Nuveen Tax-Exempt Bond Fund, Series 158, 2-67682; Plano Petroleum Corp., 2-66993; St. Regis Paper Co., 2-68098; Sasol Ltd., 2-68432; Weigh-Tronix, Inc., 2-67088.

July 19: Kenai Corp., 2-68156.

July 23: American Gasohol Refiners, Inc., 2-68109.

#### REGISTRATION WITHDRAWN

July 2: Jartran, Inc., 2-66000.

## 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 June 30 - July 7, 1980. 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>
Theodore S. Valpey, Jr.	RSC Industries, Inc. (Opa-Locka, FL) Common Stock - 122,000 shares	6-30-80
Delo H. Caspary	Tandycrafts, Inc. (Fort Worth, TX) Common Stock - 206,700 shares	6-30-80
Daniel R. Baty	Trailer Equipment Distributors (Seattle, WA) Common Stock - 27,250 shares	6-30-80
* Stone Mountain Acceptance Corp. Valhi, Inc. Contran Corp. Flight Proficiency Service, Inc. Harold C. Simmons	LLC Corporation (St. Louis, MO) Common Stock - 651,200 shares (24.4%)	7-1-80
Gary E. MacDougal	Leisure Group, Inc. (Los Angeles, CA) Common Stock - 1,185,625 shares (Included above are shares held by his wife as custodian.)	7-1-80
Thomas A. Addison	New Hampshire Jockey Club, Inc. (Salem, NH) Common Stock - 6,974 shares	7-1-80
Unicorp Financial Corp. (Canada) George S. Mann (Canada)	Pratt & Lambert, Inc. (Buffalo, NY) Common Stock - 78,100 shares	7-1-80
* Iroquois Brands, Ltd.	Stange Co. (Chicago, IL) Common Stock - 110,000 shares	7-1-80
Kearns-Tribune Corporation	Tele-Communications, Inc. (Englewood, CO) Class A Common Stock - 142,070 shares Class B Common Stock - 686,930 shares (12.3%)	7-1-80
Brown Acquisition Company William D. Brown Ronald M. Brown Rick D. Brown	Centennial Villas, Inc. (Kirkland, WA) Common Stock - 2,471,662 shares (99%)	7-2-80

National Patent Development Corporation	Dento-Med Industries, Inc. (No. Miami Beach, FL) Common Stock - 291,744 shares (National Patent has a proxy to vote 100,000 of above shares.)	7-2-80
* Philip Dezwirek (Canada)	Fifth Avenue Card Shops, Inc. (NYC) Common Stock - 76,149 shares	7-2-80
Dayco Corporation Consolidated Risk, Ltd. (Bermuda) Ranger Realty Co. (Wholly-owned subsidiary of Dayco Corp.)	Financial Corporation of Santa Barbara (Santa Barbara, CA) Common Stock - 324,800 shares	7-2-80
* Robert G. Wilmers Hofin Anstalt (Lichtenstein) Robert Firmerich (Switzerland)	First Empire State Corp. (Buffalo, NY) Common Stock - 185,822 shares	7-2-80
* Apex Oil Company	Moraga Corporation (Los Angeles, CA) Common Stock - 118,700 shares	7-2-80
* GREIT Realty Trust	San Francisco Real Estate Investors (San Francisco, CA) Shares of Beneficial Interest - 127,000 Shares of Beneficial Interest - 257,700 on exercise of warrants (GREIT may be deemed a member of a group with Unicorp Financial Corp. (Canada) and George S. Mann (Canada).)	7-2-80
Carl Seaman	Triple Check, Inc. (Paramount, CA) Common Stock - 76,723 shs.	7-2-80
Signal Companies, Inc.	Unitrode Corporation (Watertown, MA) Common Stock - 496,425 shs. (16.6%)	7-2-80
Johnny Mitchell	Westworld, Inc. (Henderson, NV) Common Stock - 3,307,311 shares (84.3%) Common Stock - 685,625 shares on exercise of warrants	7-2-80
* Life Investors Insurance Company of America	Baldwin & Lyons, Inc. (Indianapolis, IN) Common Stock - 74,000 shares	7-3-80
John K. Hanson	Billings Energy Corporation (Independence, MO) Common Stock - 441,611 shares (15.9%)	7-3-80
* Orion Capital Corp. Bankers National Life Insurance Co. Security Insurance Co. of Hartford	Chase Convertible Fund of Boston, Inc. (Boston, MA) Common Stock - 821,700 shares (14.9%)	7-3-80
Wilmot L. Harris, Jr., Individually, Custodian & Trustee	Clabir Corporation (Greenwich, CT) Common Stock - 539,542 shs. (13.8%)	7-3-80
Teledyne, Inc. Argonaut Insurance Co. Argonaut-Midwest Insurance Co. Financial Indemnity Co., et al	Connecticut General Insurance Corp. (Bloomfield, CT) Common Stock - 2,143,800 shs.	7-3-80
* Agency Rent-A-Car, Inc.	Gateway Industries, Inc. (Chicago, IL) Common Stock - 174,300 shs. (17.03%)	7-3-80
Justrite Manufacturing Co. Mayline Co., Inc. Charles L. Barancik Louis Lippa	Hein-Werner Corporation (Waukesha, WI) Common Stock - 66,225 shs.	7-3-80

## ACQUISITION REPORTS CONT.

* United States Filter Corp.	Maine Central Railroad Co. (Portland, ME) Common Stock - 50,299 shares (36%) (In addition, U. S. Filter has agreed to purchase 43,982 shares from certain shareholders.)	7-3-80
* Western Investors F. Larry Tunnell Danny P. Wells Frederick H. Gunther	Western Preferred Corp. (Englewood, CO) Common Stock - 1,331,241 shs. Common Stock - 25,554 shs. on conversion of Preferred Stock	7-3-80
* Telvest, Inc. Telco Leasing, Inc. Technical Equipment Leasing Corp. Libco Corporation Clyde Wm. Engle	Alba-Waldensian, Inc. (Valdese, NC) Common Stock - 219,800 shs. (16.5%)	7-7-80
* Edward Ellis Haddock, Jr. Richard Rockwell Swann, Individually and Trustees	American Pioneer Corp. (Orlando, FL) Common Stock - 528,265 shs. (27.2%)	7-7-80
David H. Murdock Murdock Investment Corp. Pacific Holding Corp. International Mining Corp.	Ameron, Inc. (Monterey Park, CA) Common Stock - 117,600 shs.	7-7-80
* Bel-Fran Investments Ltd. (Canada) Bel-Alta Holdings Ltd. (Canada) Bel-Cal Holdings Ltd. (Canada) (Controlled by Samuel, William and Hyman Belzberg (Canada)	Bache Group, Inc. (NYC) Common Stock - 711,500 shs.	7-7-80
* Garry Brainin	Chatham Corporation (Wilmette, IL) Common Stock - 335,310 shs. (19.1%)	7-7-80
William Wilen	Continental Recreation Corp. (Milwaukee, WI) Common Stock - 100,000 shs. (12.6%)	7-7-80
William E. Simon	Delta Data Systems Corporation (Cornwells Heights, PA) Common Stock - 100,005 shs. on conversion of Preferred Stock Common Stock - 56,000 shs. on exercise of a warrant	7-7-80
* Thatcher L. Townsend, Jr. Gertrude Ritter (West Germany) Wolfgang Ritter	First Carolina Savings & Loan Association, Inc. (Winston-Salem, NC) Common Stock - 71,103 shs. (26.34%)	7-7-80
* Diversified Capital Canadian Imperial Bank of Commerce Trust Co. (Bahamas) Marmon Group, Inc. Lorraine Pritzker	General Host Corporation (Stamford, CT) Common Stock - 221,500 shs. Common Stock - 68,510 shs. on conversion of Debentures	7-7-80



**NOTICE**

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*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. When you are ordering more than one, we prefer that the documents be listed in alphabetical order to expedite service. The reproduction cost is 10c per page plus postage (\$3.50 minimum); 20c per page plus postage for expedited service (\$5.00 minimum) and 30c per page plus postage for priority service (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.*

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