

2

# sec news digest

Issue 76-78  
(SEC Docket, Vol. 9, No. 8 - May 4)

LIBRARY

April 21, 1976

APR 22 1976

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

HIBBARD, O'CONNOR & WEEKS, INC.,  
OTHERS SANCTIONED

The Commission has accepted an offer of settlement submitted by Hibbard, O'Connor & Weeks, Inc., Hibbard & O'Connor Securities, Inc., Philip S. Hibbard, Aubrey D. O'Connor and John Mark Lee Osborne, all of Houston, Texas, in settlement of a public administrative proceeding charging violation of the antifraud, recordkeeping, broker-dealer and financial responsibility provisions of the securities laws. Hibbard & O'Connor Securities, Inc. is a registered broker-dealer. Hibbard, O'Connor & Weeks, Inc. has applied to the Commission for registration as a municipal securities dealer.

The offers of settlement by Hibbard, O'Connor & Weeks, Inc., Hibbard & O'Connor Securities, Inc., Philip S. Hibbard, Aubrey D. O'Connor and John Mark Lee Osborne were made without admitting or denying the allegations in the order for proceedings.

In addition, the offer of settlement of Hibbard & O'Connor Securities, Inc. provides for the revocation of Hibbard & O'Connor Securities, Inc. as a registered broker-dealer and barred Hibbard and O'Connor from association with any broker-dealer with the provision that they may reapply to become associated in a supervised capacity after one year. Osborne was suspended for a period of 60 days. Additionally, the Commission granted the registration of Hibbard, O'Connor & Weeks, Inc. as a municipal securities dealer with the proviso that Hibbard, O'Connor & Weeks, Inc. is not to engage in certain acts and practices; is to sell only to institutional customers and only from their Houston office; is to submit monthly financial information regarding the operation of the firm and its subsidiaries; is to restructure its board of directors so that a majority of that board is composed of outside directors acceptable to the Commission; and is to institute a comprehensive compliance program with a view toward preventing the above outlined alleged past violations. (Rel. 34-12343 and 34-12344)

## TRADING SUSPENSIONS

TRADING SUSPENDED IN  
DOWDLE OIL CORPORATION

The SEC has announced the temporary suspension of over-the-counter trading in the securities of Dowdle Oil Corporation, a Delaware corporation located in Midland, Texas for the single ten-day period beginning on April 20 and terminating at midnight (EST) on April 29, 1976.

The suspension was initiated because of the unavailability of adequate and accurate information about the company, its financial condition and operations, as well as questions which have arisen concerning the accuracy and recently published financial statements of Dowdle. Furthermore, the financial portion of Dowdle's annual report on Form 10-K for the period ended December 31, 1975, has not been filed. (Rel. 34-12351)

ADDITIONAL ACTION ON ONE TRADING  
SUSPENSION

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Equity Funding Corp. and Orion Capital Corp. for the further ten-day period April 21 - 30, inclusive.

---

## COURT ENFORCEMENT ACTIONS

---

### JOHN R. HOWES INDICTED

The Chicago Regional Office announced the return of five true bills of indictment on April 14 by the Grand Jury of Scott County, Iowa, charging John R. Howes with violations of the Iowa criminal code by making and conspiring to make false representations in connection with the offer and sale of securities sold within the State of Iowa, and by charging excessive stock commissions and underwriting fees in violation of the Iowa securities regulations. (State of Iowa v. John R. Howes, Scott County, CR-18378-18382). (LR-7361)

### OIL & GAS PRODUCERS, INC., WILLIAM P. MAROSKI ENJOINED

The Fort Worth Regional Office announced that on April 14 Federal District Judge Tomm Stagg, Shreveport, Louisiana, entered orders of permanent injunction against Oil & Gas Producers, Inc. and William P. Maroski, Shreveport. Both defendants consented to the entry of the orders without admitting or denying the allegations in the Commission's complaint filed April 8, 1976. Judge Stagg also entered an order appointing Roland Wibker, Shreveport as receiver for Oil & Gas Producers, Inc. (SEC v. Oil & Gas Producers, Inc., et al., W.D. La.). (LR-7362)

### CONTINENTAL TITLE CO., INC. AND AMIDON EAST PERMANENTLY ENJOINED

The Denver Regional Office announced that on April 8 the Honorable Alfred A. Arraj, Chief Judge of the U.S. District Court for the District of Colorado signed an order of permanent injunction against and consented to by Continental Title Co., Inc. and Amidon East of Minot, North Dakota, enjoining these defendants from violating the registration and antifraud provisions of the securities laws in the offer and sale of limited partnership interests in Amidon East, or any other securities of any issuer. These defendants, through their principal officers, consented to the entry of the final order of permanent injunction without admitting or denying the allegations of the complaint filed by the Commission on May 3, 1974. The action against the remaining twelve defendants is still pending before the Court. (SEC v. Hay Springs Corporation, et al., D.C. Colo., No. 74-A-401). (LR-7363)

### HYCO OIL CO., OTHERS ENJOINED

The Fort Worth Regional Office announced that on April 13 Federal District Judge Tom Stagg at Shreveport, Louisiana, entered orders of permanent injunction enjoining HYCO Oil Company, Inc., Charles L. Yarborough, Kenneth R. Campbell and Jack L. Kleier, all of Shreveport, from violations of the registration and antifraud provisions of the securities laws in connection with the offer and sale of fractional undivided interests in oil and gas leases located in Texas and Louisiana offered by HYCO Oil Company, Inc. The defendants consented to the entries of the orders without admitting or denying the allegations in the Commission's complaint. (SEC v. HYCO Oil Co., Inc., et al., W.D. La.). (LR-7364)

---

## INVESTMENT COMPANY ACT RELEASES

---

### MASSACHUSETTS MUTUAL LIFE INVESTORS COMPANY

A notice has been issued giving interested persons until May 17 to request a hearing on an application of Massachusetts Mutual Life Insurance Company, a mutual life insurance company, for an order exempting the purchase of a new issue of Notes of Victoria Station Incorporated from Section 17(d) of the Act and Rule 17d-1 thereunder. (Rel. IC-9252 - Apr. 20)

---

## HOLDING COMPANY ACT RELEASES

---

### GULF POWER COMPANY

A supplemental order has been issued releasing jurisdiction over the terms and conditions of proposals by Gulf Power Company, subsidiary of The Southern Company, involving the issuance of pollution control bonds by a Florida county and Gulf's issuance of collateral trust bonds in connection therewith. (Rel. 35-19491 - Apr. 19)

## ALLEGHENY POWER SYSTEM

A notice has been issued giving interested persons until May 17 to request a hearing on a proposal by Allegheny Power System, Inc. (APS), a registered holding company, that it enter into an agreement to indemnify a surety company for bonds posted in connection with certain coal mining operations by an APS subsidiary coal company. (Rel. 35-19492 - Apr. 20)

---

## MISCELLANEOUS

---

### REED TOOL COMPANY

An order has been issued granting the application of Reed Tool Company, a Texas corporation, under Section 12(h) of the Securities Exchange Act of 1934 for an exemption of the provisions of Section 15(d) of that act. It appeared to the Commission that the requested exemption would not be inconsistent with the public interest or the protection of investors. (Rel. 34-12350)

---

## SECURITIES ACT REGISTRATIONS

---

### (S-16) FARMERS GROUP, INC.

4680 Wilshire Blvd., Los Angeles, Cal. 90051 - 90,000 shares of the common stock, to be exchanged at the price of \$59.00 per share by Kathleen Leavey McCarthy and Security Pacific National Bank as Trustee for the benefit of Dorothy Leavey Zigler, for limited partnership interests in the Vance Sanders Exchange Fund (a California limited partnership), One Beacon St., Boston, Mass. 02108, at the rate of one share of the Fund for each \$50.00 of the market value of the shares of Farmers Group, Inc. Farmers Group, Inc. is an insurance holding company and acts as attorney-in-fact for property and casualty insurance companies. (File 2-55888 - Mar. 31)

### (S-16) INFORMATION INTERNATIONAL, INC.

5933 Slauson Ave., Culver City, Cal. 90064 - 91,500 shares of common stock, to be exchanged by certain shareholders for limited partnership interests in Vance Sanders Exchange Fund, at an exchange rate to be determined by the market price of the common stock at the time of the exchange. The company manufactures computer-graphics data input and output systems. (File 2-55932 - Apr. 5)

### (S-7) IOWA ELECTRIC LIGHT AND POWER COMPANY

ie: Tower, Cedar Rapids, Iowa 52401 - 950,000 shares of common stock, to be offered for sale at competitive bidding. (File 2-56078 - Apr. 19)

### (S-1) EMPIRE PETROLEUM FUND, LTD. - 1976

10100 Santa Monica Blvd., Suite 840, Los Angeles, Cal. 90067 - 1000 units of participation in a limited partnership, to be offered for sale at \$1,000 per unit, for a total of \$1,000,000, in minimum increments of 5 units. Empire Securities Corporation of Southern California, 10100 Santa Monica Blvd., Suite 840, Los Angeles, California 90067, is the managing underwriter. Empire Petroleum Fund is a proposed California limited partnership to be organized by Arnold W. Morrison, 10100 Santa Monica Blvd., Suite 840, Los Angeles, California 90067, who will act as its sole general partner, to explore for and develop oil and gas reserves. (File 2-56079 - Apr. 19)

### (S-1) PETRO-LEWIS FUNDS, INC.

1600 Broadway, Suite 1400 Denver, Colo. 80202 - \$30 million of preformation limited partnership interests in Petro-Lewis Oil Income Program VI partnerships, to be offered for sale through Petro-Lewis Securities Corporation, 1600 Broadway, Suite 1400, Denver, Colo. 80202, by selected NASD member broker-dealers. The minimum subscription will be \$5,000, except for reinvestments of distributions and other additional investments, as to which the minimum is \$50. The partnerships will be formed to purchase and operate producing oil and gas properties. (File 2-56087 - Apr. 19)

### (S-14) ROCHESTER TELEPHONE CORPORATION ROTELCOM INC.

100 Midtown Plaza, Rochester, N.Y. 14646 - 9,141,481 shares of common stock and 14,992 shares of 5% convertible preferred stock, of Rotelcom Inc. to be issued in connection with the formation of a holding company by Rochester Telephone Corporation.

Rochester's common and convertible preferred shareholders will receive the Rotelcom stock on a share for share basis. Rochester is a telephone operating company of New York State and will become a subsidiary of Rotelcom Inc. upon receipt of necessary shareholder and governmental approvals. (File 2-56088 - Apr. 19)

(S-6) MULTIPLE MATURITY TAX-EXEMPT BOND TRUST,  
THIRD SERIES

900 National City Bank Bldg., Cleveland, Ohio 44114 - \$15 million of units of beneficial interest. The Fund, a unit investment trust, will be created under a trust agreement among Prescott, Ball & Turben as sponsor, the State Street Bank and Trust Company as trustee and Standard & Poor's Corporation as evaluator on the date of deposit of the municipal bonds in the portfolios of the trusts of the Fund. The Fund will consist of two separate trusts with the purpose of gaining interest income free from Federal income taxes while conserving capital and diversifying risks by investing in a portfolio of municipal bonds. Investors will have the choice of investing in a trust consisting of a portfolio of municipal bonds with medium-term fixed maturity or a trust consisting of a portfolio of municipal bonds with various long-term maturities. (File 2-56089 - Apr. 19)

(S-1) VSC, INC.

Clara City, Minn. 56222 - \$1,000,000 subordinated debentures, Series A, B, C and D, 5,000 shares of common stock, and 400,000 shares of Class B common stock, to be offered for sale by the company separately, and not as units, at par, \$75 per share and \$1 per share, respectively. The company is engaged primarily in the wholesale distribution of dry goods and variety merchandise to its retail store members. (File 2-56091 - Apr. 19)

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 and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45/yr in U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.