

# sec news digest

Issue 81-98

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May 21, 1981

## U.S. SECURITIES AND EXCHANGE COMMISSION

### ADMINISTRATIVE PROCEEDINGS

#### NASD SANCTIONS AGAINST RONALD G. SORRELL REDUCED

The Commission has reduced to eight months the NASD's one-year suspension of Ronald G. Sorrell, of Honolulu, from association with any NASD member as a principal. The Commission retained, however, the NASD's requirement that Sorrell requalify by examination before he can be reinstated in that capacity. The Commission also affirmed the additional sanctions imposed on Sorrell by the NASD of censure and a \$6,000 fine.

The Commission found, as had the NASD, that in 1977 Sorrell unlawfully sold unregistered securities of Cherokee Coal Company. It set aside, however, as not supported by the record, the NASD's finding that Sorrell failed to give the firm with which he was associated proper notification of those sales. Since that finding of violation was set aside, the Commission reduced the sanctions imposed on Sorrell by the NASD. (Rel. 34-17794)

### COMMISSION ANNOUNCEMENTS

#### GARY LYNCH AND JOHN HARTIGAN NAMED ASSISTANT DIRECTORS IN ENFORCEMENT DIVISION

Gary Lynch and John Hartigan have been named Assistant Directors in the Division of Enforcement, it was announced today. Mr. Lynch will have responsibility for the supervision of the Branches of Trading and Markets and Changes in Corporate Ownership. Mr. Hartigan will have responsibility for the supervision of the Branches of Market Surveillance and Options and Special Studies.

Mr. Lynch received his J.D. from Duke University Law School in 1975 and was an associate with a Washington, D.C. law firm prior to joining the Commission staff in 1976. Mr. Lynch served on the staff of the Special Study of the Options Markets and was named Branch Chief for the Branch of Changes in Corporate Ownership in 1978, a position he has held until this appointment.

Mr. Hartigan received a B.S. in Finance from the University of Illinois and his J.D. from Georgetown University Law Center. Mr. Hartigan joined the Division of Enforcement as a staff attorney in 1975 and was appointed Branch Chief for the Branch of Options and Special Studies in 1978.

### INVESTMENT COMPANY ACT RELEASES

#### MAGELLAN FUND, INC.

An order has been issued on an application filed by Magellan Fund, Inc. and Salem Fund, Inc., each registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, Fidelity Management & Research Company (FMR), the Funds' investment adviser, Salem Investment Plans, a registered unit investment trust, Caleb Loring, Jr., and Edward C. Johnson, 3rd, officers and directors of Salem, exempting from the provisions of Section 17(a) of the Act, pursuant to Section 17(b) of the Act, the proposed merger of Salem into Magellan, and certain affiliated transactions incidental thereto, through the exchange of shares of Magellan, at net asset value, for the assets of Salem, and pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder permitting certain affiliated persons of Magellan and Salem to participate in transactions incidental to the proposed merger. (Rel. IC-11784 - May 20)

SHEARSON LOEB RHOADES, INC.

LIBRARY

A notice has been issued giving interested persons until June 15 to request a hearing on an application of Shearson Loeb Rhoades Inc., its subsidiaries, Shearson Loeb Rhoades Asset Management Corporation and Bernstein-Macaulay Inc., the Dreyfus Corporation and Joseph S. DiMartino, a director of Shearson Daily Dividend Inc., Shearson Government and Agencies Inc., Triangle Income Fund Inc. and Shearson Managed Municipals Inc., all of which are registered under the Investment Company Act of 1940 as open-end, diversified, management investment companies, for an order, pursuant to Section 6(c) of the Act, declaring that Mr. DiMartino shall not be deemed an interested person of an investment adviser as defined in Section 2(a)(19)(B) of the Act solely for the purpose of Section 15(f)(1)(A) of the Act. (Rel. IC-11786 - May 20)

A notice has also been issued giving interested persons until June 15 to request a hearing on an application of Shearson, its subsidiary, Shearson Loeb Rhoades Asset Management Corporation and Isaac B. Grainger, a director of Shearson Income Fund, Shearson New Directions Fund, Inc. and the Shearson Appreciation Fund, Inc., all registered under the Investment Company Act of 1940 as open-end, diversified management investment companies, for an order, pursuant to Section 6(c) of the Act, declaring that Mr. Grainger shall not be deemed to be an interested person of an investment adviser as defined in Section 2(a)(19)(B) of the Act solely for the purpose of Section 15(f)(1)(A) of the Act. (Rel. IC-11785 - May 20)

CAPITOL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until June 11 to comment on the application of Capitol Life Insurance Company, Capitol Life Separate Account A, a separate account established by Capitol Life and registered as a unit investment trust under the Investment Company Act of 1940, and Security First Financial, Inc., a registered broker-dealer and the principal underwriter for Separate Account A, for an amended order pursuant to Section 11 of the Act approving certain offers of exchange and pursuant to Section 6(c) of the Act for exemptions from Sections 26(a) and 27(c)(2). (Rel. IC-11787 - May 20)

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## HOLDING COMPANY ACT RELEASES

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MIDDLE SOUTH ENERGY, INC.

A notice has been issued giving interested persons until June 12 to request a hearing on a proposal by Middle South Energy, Inc. (MSEI), subsidiary of Middle South Utilities, Inc., and four operating companies of the Middle South System, Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company, and New Orleans Public Service, Inc., whereby MSEI seeks to increase its short-term borrowing authorization to \$1.4 billion and to make related changes in agreements with its parent and associate companies securing such borrowings. The borrowings will be used to finance MSEI's construction program. (Rel. 35-22059 - May 20)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until June 10 to comment on the application of Restaurant Associates Industries, Inc. to withdraw its common stock (\$1 par value) from listing and registration on the Boston Stock Exchange, Inc. (Rel. 34-17811)

## 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; and whether the registration statement is a New Issue.

- (S-1) FOSSIL OVERRIDING ROYALTY FUND 1981, Santa Fe North, Suite 315, Six N.E. 63rd St., Oklahoma City, OK 73105 (405) 840-4610 - 4,000 units of preformation limited partnership interests. (File 2-72327 - May 15) (Br. 1 - New Issue)
- (S-6) INVESTORS' QUALITY TAX-EXEMPT TRUST, SHORT-TERM, SERIES 1, 208 South LaSalle St., Chicago, IL 60604 - 7,500 units. Depositor: Van Kampen Filkin & Merritt Inc. (File 2-72329 - May 15) (Br. 18 - New Issue)
- (S-6) INVESTORS' SECURED CERTIFICATES - INCOME TRUST, SERIES 1, 208 South LaSalle St., Chicago, IL 60604 - 1,000 units. Depositor: Van Kampen Filkin & Merritt Inc. (File 2-72330 - May 15) (Br. 18 - New Issue)
- (N-1) PRINCIPAL EQUITY FUND, INC., 3022 Principal Plaza, 10303 Jasper Ave., Edmonton, Alberta, Canada T5J3N6 (403) 421-2020 - an indefinite number of securities. (File 2-72367 - May 18) (Br. 16 - New Issue)
- (S-16) POTOMAC ELECTRIC POWER COMPANY, 1900 Pennsylvania Ave., N.W., Washington, DC 20068 (202) 872-2456 - \$50 million of first mortgage bonds, % Series due 1991, and \$50 million of first mortgage bonds, % Series due 2011. Underwriters: Merrill Lynch White Weld Capital Markets Group and Goldman, Sachs & Co. The company is engaged in the generation, transmission, distribution and sale of electricity. (File 2-72371 - May 18) (Br. 7)
- (S-6) NATIONAL MUNICIPAL TRUST, FORTY-NINTH SERIES, One New York Plaza, New York, NY 10004 - 13,000 units. Depositor: Thomson McKinnon Securities Inc. (File 2-72382 - May 19) (Br. 18 - New Issue)
- (S-16) MAPCO INC., 1800 South Baltimore Ave., Tulsa, OK 74119 (918) 584-4471 - 450,000 shares of common stock. The company is engaged in the exploration for and production of coal, oil, natural gas and natural gas liquids. (File 2-72386 - May 18) (Br. 1)
- (S-7) THE MOHAWK RUBBER COMPANY, 50 Executive Pkwy., Hudson, OH 44236 (216) 650-1111 - 400,000 shares of common stock. Underwriter: E. F. Hutton & Company Inc. The company manufactures and sells tires, among other things. (File 2-72388 - May 19) (Br. 5)

### REGISTRATIONS EFFECTIVE

May 8: Nuveen Tax Exempt Bond Fund, Series 178, 2-70920; Republic New York Corp., 2-71717; Tax Exempt Securities Trust, Multistate Series E, 2-71940; Tetra Systems Inc., 2-71060; Western Massachusetts Electric Co., 2-71694.

May 11: Gulfstream Land & Development Corp., 2-71959; FGI Investors, Inc., 2-71376; Gibraltar Exploration, Ltd., 2-70878; L. B. Nelson Corp., 2-71609; North Fork Bancorporation, Inc., 2-71994; Peabody International Corp., 2-72153; Spectra-Physics, Inc., 2-71925.

May 12: Giddings & Lewis, Inc., 2-72190; MGF Oil Corp., 2-71946; Reading Aviation Service Inc., 2-71073; Sony Kabushiki Kaisha, 2-71941.

May 13: AMP Incorporated, Pamcor, Incorporated, 2-71266.

May 14: Crystal Oil 1981 Exploration and Development Program Ltd., 2-71247; Energy Management Corp., 2-71339; L & M Housing Corp., 2-70446; Thoratec Laboratories Corp., 2-70903.

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. 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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