

sec news digest

Issue 79-19

JAN 29 1979

January 26, 1979

ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

OLYMPIAN FINANCIAL SERVICES, INC. AND E. DUANE BIGSBY SANCTIONED

The Commission has simultaneously instituted administrative proceedings against Olympian Financial Services, Inc., a registered investment adviser in West Bloomfield Township, Michigan, and E. Duane Bigsby, president and sole shareholder of Olympian, and accepted an offer of settlement from Olympian and Bigsby. Without admitting or denying the findings therein, the respondents consented to findings that Olympian wilfully violated, and Bigsby wilfully aided and abetted violations of, various sections of the Investment Advisers Act of 1940 and rules thereunder, relating to excessive compensation; compensation on the basis of a share of capital gains; misleading and deceptive advertising; use of a hedge clause and absence of a non-assignability clause in advisory contracts; failure to maintain required books and records; and failure to file a required amendment to the adviser registration.

Pursuant to the offer of settlement, the Commission revoked the investment adviser registration of Olympian and barred Bigsby from association with any investment adviser, provided that, after three years, Bigsby may apply to become associated with an investment adviser in a non-supervisory and non-proprietary capacity, upon a showing of adequate supervision. (Rel. IA-659)

CIVIL PROCEEDINGS

FRED BLUMENSTEIN ENJOINED

The New York Regional Office announced that on December 20, 1978, a final judgment of permanent injunction was entered in the U.S. District Court for the Southern District of New York enjoining Fred Blumenstein of the Bronx, New York, from violating the antifraud provisions of the securities laws in the offer and sale of stock options or any other securities. Blumenstein consented to the entry of the judgment without admitting or denying the allegations contained in the Commission's complaint. (SEC v. Fred Blumenstein, 78 Civil 4805, S.D.N.Y.). (LR-8652)

CIVIL INJUNCTIVE ACTION FILED AGAINST COLOKROME, INC. AND CHARLES D. OUGHTON

The Chicago Regional Office announced that on January 24 it filed a complaint in the U.S. District Court for the Western District of Michigan, Southern Division, for preliminary and permanent injunctions against Colorkrome, Inc., a Michigan corporation, and Charles D. Oughton, alleging violations of the registration and antifraud provisions of the securities laws. The complaint alleges that the defendants participated in the preparation and dissemination of offering circulars, which contain untrue statements of material facts and omit to state material facts concerning, among other things, projections of income, the consideration received in exchange for Colorkrome securities, and a prior injunction by the U.S. District Court for the Northern District of Illinois permanently enjoining Oughton from violating the antifraud provisions of the securities laws.

The complaint also seeks an accounting of all funds received from security holders and all other sources, and an accounting of all of the assets and liabilities of Colorkrome. (SEC v. Colorkrome Inc., et al., Civil Action No. G-79-47CA7). (LR-8655)

CRIMINAL PROCEEDINGS

RANDELL AND MUMFORD FOUND GUILTY

The Washington Regional Office announced that on January 17 Cortes W. Randell of McLean, Virginia and John B. Mumford of Fairfax, Virginia, were convicted on 17 counts, namely, 5 counts of securities fraud, 7 of mail fraud, 4 of interstate transportation of monies obtained by fraud, and 1 of making a false statement to the Veterans Administration. The jury verdict was returned after a 6 day trial in the Federal District Court in Alexandria, Virginia. The defendants were convicted for their activities as officers, directors and controlling persons in National Commercial Credit Corporation (NCCC) and Federal Mortgage Acceptance Corporation (FMAC) during 1974 and 1975.

Investors in NCCC lost over \$1 million when the company went into bankruptcy in September 1976. FMAC, which was a corporation controlled by Randell and Mumford, was used to divert the assets of NCCC. Mumford and Randell were scheduled for sentencing on February 16, 1979 by U.S. District Judge Albert V. Bryan, Jr. (U.S. v. Cortes Randell and John B. Mumford, Criminal No. 78-199A, E.D. Va.). (LR-8653)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGES

The following stock exchanges have filed proposed rule changes pursuant to Rule 19b-4: The Philadelphia Stock Exchange, Inc. (SR-PHLX-78-23) to permit the acquisition from PHLX of a treasury membership, which PHLX could convert to a membership with options privileges without payment of a fee, as an additional method for becoming a PHLX options members. (Rel. 34-15516) and The Midwest Stock Exchange, Inc. (SR-MSE-79-1) to amend the procedures and standards which member firms must follow in preparing options related advertisements and sales literature, as well as, where required, obtaining MSE's approval of such material prior to its use. (Rel. 34-15525)

Publication of the above proposals are expected to be made in the Federal Register during the week of January 29.

MISCELLANEOUS

GLOBE-UNION, INC.

A notice has been issued giving interested persons until February 12 to request a hearing on an application of Globe-Union, Inc., pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Globe from certain reporting requirements under Sections 13 and 15(d) of the Act. Globe believes that the filing of the reports is not inconsistent with the public interest or the protection of investors in view of the fact that Globe is now a wholly-owned subsidiary of Johnson Controls, Inc. and there is no trading in Globe's securities. (Rel. 34-15518)

PC LIQUIDATING CORPORATION

An order, conditioned upon substantial completion of liquidation by May 31, 1979, exempting PC Liquidating Corporation, formerly Progressive Corporation, from the periodic reporting requirements under Section 15(d) of the Securities Exchange Act of 1934. PC sold all of its assets to Franke Holding AG, a Swiss corporation, pursuant to a Plan of Complete Liquidation and Dissolution. (Rel. 34-15519)

ADOBE BUILDING CENTERS, INC.

An order has been issued granting the application of Adobe Building Centers, Inc., a Delaware corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the provisions of Section 15(d) of the Act. It appeared to the Commission that the granting of the requested exemption would not be inconsistent with the public interest or the protection of investors in view of the fact that Adobe has become a wholly-owned subsidiary of Imperial Industrial, Inc. (Rel. 34-15520)

SEMITROPIC DISTRIBUTING COMPANY

An order has been issued granting the application of Semitropic Distributing Company, a California corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the reporting obligations of Section 13 of the Act. It appeared to the Commission that granting the requested exemption would not be inconsistent with the public interest or the protection of investors in view of the fact that Semitropic has sold all of its assets and adopted a Plan of Complete Liquidation. (Rel. 34-15521)

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.

- (N-1) COMBINED CASH RESERVES INC., 810 Seventh Ave., New York, N.Y. 10019 (212) 977-9880 - an indefinite number of capital stock. The company is a no-load open-end non-diversified investment company. (File 2-63460 - Jan. 25)
- (S-6) THE CORPORATE INCOME FUND, EIGHTEENTH SHORT TERM SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-63461 - Jan. 25)
- (S-6) THE CORPORATE INCOME FUND, EIGHTY-SECOND MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-63462 - Jan. 25)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDREDTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-63463 - Jan. 25)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary registered shares of West Driefontein Gold Mining Company Limited. (File 2-63464 - Jan. 25)
- (S-1) MINOCO 1979 OIL AND GAS PROGRAM, 2029 Century Park East, Suite 2160, Los Angeles, Cal. 90067 - 1,000 units of limited partnership interest. Underwriter: L.F. Rothschild, Unterberg, Towbin. (File 2-63465 - Jan. 25)
- (S-8) CONESCO INDUSTRIES, LTD., 214 Gates Rd., Little Ferry, N.J. 07643 (516) 741-5530 - 34,020 shares of common stock. (File 2-63466 - Jan. 25)
- (S-7) DUQUESNE LIGHT COMPANY, 435 Sixth Ave., Pittsburgh, Pa. 15219 (412) 456-6000 - \$100 million of first mortgage bonds, due February 1, 2009. The company is engaged in the production, purchase, transmission, distribution and sale of electric energy. (File 2-63467 - Jan. 25)
- (S-16) R. G. BARRY CORPORATION, 13406 Yarmouth Rd., N.W., Pickerington, Ohio 43147 (614) 864-6400 - 1375 shares of common stock. (File 2-63468 - Jan. 25)

REGISTRATIONS EFFECTIVE

Jan. 23: American Tax Exempt Bond Trust, Series 31, 2-63100; Borden, Inc., 2-63222; Chris-Craft Industries, Inc., 2-63123; Data Dimensions, Inc., 2-62650; Gannett Co., Inc., 2-63498; Idle Wild Foods, Inc., 2-63363; Insured Municipals-Income Trust, Series 27, 2-63219; Johnson & Johnson, 2-63256; National Medical Enterprises, Inc., 2-62926; Nuveen Tax-Exempt Bond Fund, Series 120, 2-63140; Pentron Industries, Inc., 2-63371; Tandy Corp., 2-63311; Texas Utilities Co., 2-63260; Weeden Holding Corp., 2-63434.



U. S. SECURITIES AND EXCHANGE COMMISSION
POSTAGE AND FEES PAID

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FIRST CLASS MAIL

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 Information Office, U.S. Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 10c per page plus postage (4 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given or request. All other reference 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.

SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in

U.S. first class mail; \$18.75 elsewhere.

The News Digest, the Docket, and the Statistical Bulletin are for sale by the superintendent of Documents, Government Printing Office, Washington, D.C. 20402.