

sec news digest

Issue 79-90

May 9, 1979

CRIMINAL PROCEEDINGS

DONALD F. HOYT SENTENCED

The Chicago Regional Office announced that on May 1 Donald F. Hoyt of Utica, Michigan was sentenced in the federal court at Detroit on each of two counts in an indictment to which he had earlier pleaded guilty. The sentences are to be served concurrently. Hoyt was sentenced to a term of imprisonment of three years, all of which was suspended except for the first sixty days; to be followed by probation for a period of two years, with community service to be performed by Hoyt for eight hours per week for one year. Commencement of the sentence was deferred until June 4.

Hoyt had entered his pleas of guilty on April 17, 1978 to one count of the indictment charging that he embezzled money from a federally insured credit union and to one count charging securities fraud. The indictment had alleged that Hoyt, while both general manager of a credit union and a partner in a brokerage firm, had embezzled and converted some \$2.13 million of credit union funds which he used to purchase securities in several accounts he maintained or controlled at the brokerage firm. (U.S. v. Donald F. Hoyt, E.D. Mich., Criminal No. 8-80112). (LR-8743)

CIVIL PROCEEDINGS

COMPLAINT NAMES HOVERMARINE CORPORATION

The Commission announced that on May 8 it filed a civil injunctive action in the U.S. District Court for the District of Columbia against Hovermarine Corporation alleging violations of the reporting provisions of the securities laws and seeking a Judgment of Permanent Injunction and Other Relief.

The Commission's complaint alleged that Hovermarine has failed to file its Annual Report on Form 10-K for its fiscal year ended December 31, 1978 required to have been filed with the Commission by April 2. Further, the complaint charged that Hovermarine, as part of a continuing course of violative conduct extending over several years, has failed to timely file certain of its annual and quarterly reports required to have been filed with the Commission.

The Commission's complaint requests that the court order Hovermarine to file forthwith with the Commission its Annual Report on Form 10-K for its fiscal year ended December 31, 1978. Further, the Commission requested that the court enjoin Hovermarine from further violations of the reporting provisions of the securities laws. (SEC v. Hovermarine Corporation, U.S.D.C. D.C., Civil Action No. 79-1264). (LR-8746)

WORTH HARRIS CARTER ENJOINED

The Washington Regional Office announced that on May 8 the U.S. District Court for the District of Columbia permanently enjoined Worth Harris Carter, Jr. of Martinsville, Virginia, from further violations of the antifraud provisions of the securities laws. The allegations relate to Carter's activities, beginning in July 1976, in connection with a securities offering of Peoples Bank of Danville (Virginia). Carter was chairman of the board and the largest single shareholder of Peoples Bank. It is alleged that Carter caused simultaneous reciprocal deposits among Peoples Bank, Rocky Mount Bank and Patrick Henry National Bank (the latter two are also controlled by Carter), which resulted in all three banks issuing materially inflated financial statements for the periods ending December 31, 1976 and March 31, 1977. It is further alleged that Carter solicited the purchase of Peoples Bank stock by nominees and arranged for bank loans for such nominees, giving the appearance that the offering had been completed. The complaint alleges that the offering was sold on such a basis that if all shares were not subscribed to by August 16, 1976, all funds would be promptly refunded. In fact, the offering continued until at least mid-January 1977, and funds were not refunded as required.

Carter consented to the order of permanent injunction without admitting or denying the allegations of the Commission's complaint. (SEC v. Worth Harris Carter, Jr., D.D.C., Civil Action No. 79-1253). (LR-8742)

INVESTMENT COMPANY ACT RELEASES

ADVANCE INVESTORS CORPORATION

A notice has been issued giving interested persons until May 29 to request a hearing on an application of Advance Investors Corporation declaring that it has ceased to be an investment company. (Rel. IC-10683 - May 4)

INVESTORS DIVERSIFIED SERVICES, INC.

A request for a hearing has been denied and an order has been issued on an application filed on February 28 by Investors Diversified Services, Inc. (IDS), IDS Life Insurance Company (IDS Life), Alleghany Corporation and two groups of registered, open-end, diversified management investment companies, which are advised by IDS and IDS Life (collectively, the Applicants), temporarily exempting Applicants from the provisions of Section 15(a) of the Investment Company Act of 1940 to permit the surviving corporation of a merger between IDS and a wholly-owned subsidiary of Alleghany to render investment advisory services to the above investment companies after termination of the present advisory contracts, pending shareholder approval of new contracts. (Rel. IC-10684 - May 7)

PAINE WEBBER CASHFUND, INC.

A notice has been issued giving interested persons until June 1 to request a hearing on an application of Paine Webber Cashfund, Inc., a registered, open-end, diversified management investment company, requesting an order pursuant to Section 6(c) of the Act, exempting Cashfund from the provisions of Rules 2a-4 and 22c-1 under the Act to the extent necessary to permit Cashfund to compute its net asset value per share, for the purposes of effecting sales, redemptions and repurchases of its shares, to the nearest one cent on a share value of one dollar. (Rel. IC-10685 - May 7)

THE FIRST NATIONAL BANK OF CHICAGO

An order has been issued permitting The First National Bank of Chicago (Bank) and the Midwest Association of Credit Unions to withdraw their application for an order, pursuant to Section 6(c) of the Act, exempting the Bank's Common Trust Fund H from all provisions of the Act, and discontinuing the related administrative proceeding. (Rel. IC-10680 - May 3)

HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM, INC.

An order has been issued authorizing a proposal of the Columbia Gas System, Inc. to issue and sell at competitive bidding up to \$75 million of debentures, due May 1999. (Rel. 35-21039 - May 4)

WEST TEXAS UTILITIES COMPANY

An order has been issued authorizing a proposal of West Texas Utilities Company (WTU), subsidiary of Central and South West Corporation, that WTU issue and sell \$25 million of first mortgage bonds, at competitive bidding, and to make changes by a Supplemental Indenture. (Rel. 35-21036 - May 4)

METROPOLITAN EDISON COMPANY

An order has been issued authorizing a proposal of Metropolitan Edison Company (Met-Ed), subsidiary of General Public Utilities Corporation, that Met-Ed issue or renew unsecured promissory bank and commercial notes evidencing short-term borrowings. Such notes are not to issue or renew later than December 31, 1979, and not to exceed either \$97 million or the amount permitted by Met-Ed's articles of incorporation. (Rel. 35-21037 - May 4)

COLUMBIA GAS SYSTEM, INC.

A notice has been issued giving interested persons until June 5 to request a hearing on a proposal of Columbia Gas System, Inc., a registered holding company, to issue

and sell up to 1,000,000 shares of common stock, par value \$10 per share, to stockholders pursuant to its dividend reinvestment plan, and to have its wholly-owned subsidiary, Columbia Gas System Service Corporation, act as agent for participating stockholders. (Rel. 35-21038 - May 4)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved proposed rule changes filed by the following stock exchanges: American Stock Exchange, Inc. - (SR-Amex-78-25) amending Amex Rules 462 and 471 governing margin requirements on shelf-registered, control and restricted securities. (Rel. 34-15708) and The Boston Stock Exchange, Inc. - (SR-BSE-76-13) which will incorporate the provisions of SEC Rule 15c3-1 (17 CFR 240.15c3-1) - Net Capital Requirements for Brokers and Dealers. (Rel. 34-15707)

MISCELLANEOUS

HUDSON PULP & PAPER CORP.

A notice has been issued giving interested persons until May 25 to request a hearing on an application by the Hudson Pulp & Paper Corp., pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Hudson from the reporting requirements of Sections 12, 13 and 15(d) of that Act. Hudson became a wholly-owned subsidiary of Georgia Pacific Corporation. (Rel. 34-15779)

BERGSTROM PAPER COMPANY

A notice has been issued giving interested persons until May 25 to request a hearing on an application of Bergstrom Paper Company, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Bergstrom from the reporting requirements under Sections 13 and 15(d) of the Act. Bergstrom states that as a result of a merger with and into P. H. Glatfelter Company on January 30, 1979, it has no securities owned by the public. (Rel. 34-15780)

OLINKRAFT, INC.

A notice has been issued giving interested persons until May 25 to request a hearing on an application of Olinkraft, Inc. pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Olinkraft from certain reporting requirements under Sections 13 and 15(d) of the Act. Olinkraft 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 Olinkraft is now a wholly-owned subsidiary of Johns-Manville Corporation and there is no trading in Olinkraft securities. (Rel. 34-15781)

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) ADDISON-WESLEY PUBLISHING COMPANY, INC., South Street, Reading, Mass. 01867 - 100,000 shares of Class B Common Stock. (File 2-64405 - May 7)
- (S-8) SAN JOSE WATER WORKS, 374 West Santa Clara St., San Jose, Cal. 95196 - 100,000 shares of common stock. (File 2-64415 - May 8)
- (S-14) MATTEL, INC., 5150 Rosecrans Ave., Hawthorne, Cal. 90250 (213-644-0411) - 2,420,000 shares of \$25 Series A convertible preferred stock. (File 2-64416 - May 8)
- (S-8) TOCOM, INC., 3301 Royalty Row, Irving, Tex. 75061 - 7,500 shares of common stock. (File 2-64418 - May 7)

(S-1) SUPER 8 MOTELS PARTNERSHIP I, 224 Sixth Ave., S.E., Aberdeen, South Dakota 57401 - 5,000 units of limited partnership units to be offered through NASD members. The Partnership's objectives are to provide cash flow from operations, a portion of which is expected to be tax-sheltered, and capital appreciation. (File 2-64325 - Apr. 30)

REGISTRATIONS EFFECTIVE

May 3: Brae Corp., 2-63903 (90 days); Dexter Corp., 2-63959; IC Industries, Inc., 2-63899; International Paper Co., 2-64041; James River Corporation of Virginia, 2-64057 and 2-64058; Standard Oil Company, 2-64068; Sherwyn-Williams Co., 2-64247; U.S. Bancorp., 2-64061; U.S. Health & Recreation, Inc., 2-62715; Viacom International Inc., 2-64134.

May 4: Allergan Pharmaceuticals, Inc., 2-64287; Amcord, Inc., 2-64142; Beneficial Corp., 2-64237 and 2-64238; Bergen Brunswig Corp., 2-63803; Columbia Gas System, Inc., 2-64066; Continental Telephone Corp., 2-64126; Data General Corp., 2-64271; Dow Chemical Co., 2-64075, 2-64076 and 2-64243; Empire State Municipal Exempt Trust, Series 12, 2-63921; Johnson Controls, Inc., 2-64288; Mapco Inc., 2-64293; Montana-Dakota Utilities Co., 2-64043; Montgomery Ward Credit Corp., 2-64290; Rochester Telephone Corp., 2-64127; Texas Utilities Co., 2-64176; West Texas Utilities Co., 2-63931.

May 7: Appalachian Power Co., 2-64102; Boeing Co., 2-64064; Chesebrough-Ponds Inc., 2-64168 and 2-64169; Continental Oil Co., 2-64106; General Electric Co., 2-64227; Insured Municipals Income Trust, Series 30, 2-64223; Iowa Public Service Co., 2-64048; Phillips Petroleum Co., 2-64264; Teradyne, Inc., 2-64065; Texas Utilities Co., 2-64175; Transco Companies, Inc., 2-64025 and 2-64026; United Bank Corporation of New York, 2-64023.

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.

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 (Form 13-G) may in lieu of filing a Schedule 13D file a Form 13-G 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 April 26 - May 1, 1979. 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 sent forth for each beneficial owner. *Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Dr. Irwin H. Zandman John W. Gunsett Thomas W. Casgar Marshall Miller, et al (Shareholder Committee)	Cook United Inc. (Maple Heights, OH) Common Stock - 468,147 shs.	4-26-79
* Henry Crown, Individually and Trustee Lester Crown, Individually and Trustee Harry N. Wyatt, Trustee	American Ship Building Co. (Cleveland, OH) Common Stock - 668,977 shs. (16.1%)	4-27-79
Eugen Gluck Armin Kaufman Eva Kaufman Harold Kaufman, et al	Armin Corp. (NYC) Common Stock - 535,145 shs. Common Stock - 137,500 shs. on exercise of Options	4-27-79
* LTR Holding Corp. (Wholly-owned subsidiary of Loews Corp.)	Bulova Watch Co. Inc. (Flushing, NY) Common Stock - 3,416,540 shs. (90.5%)	4-27-79
Galdi Securities Corp.	C. L. Assets, Inc. (NYC) \$2.10 Preferred Stock - 38,833 shs.	4-27-79

ACQUISITION REPORTS CONT.

* Eastover Corp. Bridget B. Baird, Individually and Trustee Brent D. Baird, Individually and Trustee, et al	Citizens Growth Properties (Rocky River, OH) Shares of Beneficial Interest - 234,900 (28.97%)	4-27-79
Codex Corp. (Wholly-owned subsidiary of Motorola) Motorola, Inc.	Computer Communications Inc. (Torrance, CA) Common Stock - 400,000 shs. (10%) on exercise of a Warrant	4-27-79
* Goldman, Sachs & Co.	Continental Illinois Properties (Orange, CA) Shares of Beneficial Interest - 328,900	4-27-79
Paul O. Koether	ElectroGasDynamics Inc. (Hanover, NJ) Common Stock - 87,580 shs.	4-27-79
* Walter Kidde & Co. Inc.	Ennis Business Forms Inc. (Ennis, TX) Common Stock - 113,900 shs.	4-27-79
* Ghaith R. Pharaon (Saudi Arabia) Interedec (U.S.A.), Inc. (Wholly-owned by G. Pharaon)	Hyatt International Corp. (Chicago, IL) Class A Common Stock - 215,547 shs. (20.2%)	4-27-79
* Minet Holdings Ltd. (U.K.)	Fred S. James & Co. Inc. (Chicago, IL) Common Stock - 848,832 shs. (10.3%)	4-27-79
* Life Investors Ownership Participation Trust	Life Investors, Inc. (Cedar Rapids, IA) Common Stock - 668,516 shs. (10.9%)	4-27-79
* HWN Holding Corp. Insilco Corp.	Nationwide Homes, Inc. (Martinsville, VA) Common Stock - 1,515,790 shs. (1,200,230 (90.6%) of above shares were acquired pursuant to the Tender Offer.)	4-27-79
Edward B. Bennett, Jr. Milo L. McGonagle, Jr., Individually and Custodian	New Mexico Bancorporation Inc. (Santa Fe, NM) Common Stock - 165,053 shs. Common Stock - 1,700 shs. on exercise of Options	4-27-79
* Bridget B. Baird, Individually and Trustee Cameron Baird Foundation Brent D. Baird, Individually and Trustee, et al	Northwestern Financial Investors (Charlotte, NC) Shares of Beneficial Interest - 189,300 (12.54%)	4-27-79
Candon Industries Ltd. (Canada)	Oregon Portland Cement Co. (Portland, OR) Common Stock - 79,950 shs.	4-27-79
* F. D. Gottwald, Jr.	Reid-Provident Laboratories Inc. (Atlanta, GA) Common Stock - 144,600 shs. Common Stock - 100,300 shs. on exercise of an Option	4-27-79
* Betsy B. Shirley, Individually and Trustee Bernard D. Atwood, Trustee J. S. Seidman, Trustee, et al	Sperry & Hutchison Co. (NYC) Common Stock - 1,919,503 shs.	4-27-79
* Abraham S. Kaplan, Trustee S. William Green Justin S. Colin, Individually and Custodian, et al	Starrett Housing Corp. (NYC) Common Stock - 1,137,320 shs.	4-27-79
* Icahn & Co. Inc. Carl Icahn Leonard Press Stanley Nortman Jack Wasserman	Tappan Co. (Mansfield, OH) Common Stock - 282,400 shs.	4-27-79
* Deltec Panamerica S.A. (Panama)	Westport Co. (Westport, CT) Shares of Beneficial Interest - 162,395	4-27-79

ACQUISITION REPORTS CONT.

Raymond K. Mason, Jr.	American Banks of Florida, Inc. (Jacksonville, FL) Class A Common Stock - 67,423 shs. Class B Common Stock - 61,544 shs.	4-30-79
* De Rance, Inc.	American Garden Products Inc. (Boston, MA) Capital Stock - 136,364 shs. (18.9%)	4-30-79
* Sabine Corp.	American Nuclear Corp. (Casper, WY) Common Stock - 423,500 shs. (14.1%)	4-30-79
Kinsmith Financial Corp.	Avery International Corp. (San Marino, CA) Common Stock - 592,500 shs.	4-30-79
Martin B. Holt, Individually and Custodian Donald M. Bekins, Individually, Co-Trustee and Custodian Milo Bekins, Individually and Trustee, et al	Bekins Co. (Los Angeles, CA) Common Stock - 1,422,531 shs. (37.3%)	4-30-79
* Thrall Car Manufacturing Co.	Chamberlain Mfg. Corp. (Elmhurst, IL) Common Stock - 854,360 shs. (Thrall also owns \$1,600,000 - 6 $\frac{1}{4}$ % Notes.)	4-30-79
* Greyhound Computer Corp. (Wholly-owned subsidiary of Greyhound Corp.)	Computer Leasing Co. (Phoenix, AZ) 6% Convertible Debentures - \$1,761,000 Prin. Amt. (46.7%)	4-30-79
* Harris Associates Inc.	Continental Illinois Properties (Orange, CA) Shares of Beneficial Interest - 334,600	4-30-79
Myron L. Emrich Anne M. Simon Wendy L. Emrich Laurie E. Emrich Maurine M. Ruddy, et al	CorTerra Corp. (Chicago, IL) Common Stock - 509,848 shs. (15.04%)	4-30-79
Wallace T. Staatz Dr. Robert W. Simpson Richard S. Marshall Holden W. Withington, et al	Crystal Mountain, Inc. (Crystal Mountain, WA) Class A and B Common Stock - 1,373 shs.	4-30-79
Midland-Ross Corp.	Electro-Nite Co. (Philadelphia, PA) Common Stock - 238,403 shs. (20.5%) (Midland may acquire above shares pursuant to an Agreement.)	4-30-79
Old Dominion-Expediter, Inc. (Wholly-owned subsidiary of Old Dominion Freight Line, Inc.) Old Dominion Freight Line, Inc.	Expediter Systems Inc. (Birmingham, AL) Common Stock - 354,678 shs. (42.5%)	4-30-79
* Southeastern Public Service Co. Security Management Corp. Victor Posner	Interlake, Inc. (Oak Brook, IL) Common Stock - 319,900 shs.	4-30-79
Media Investment, Inc. (Wholly-owned by John Price) Cable Investments, Inc. (Wholly-owned subsidiary of Tele-Communications Investments, Inc.)	Kansas State Network, Inc. (Wichita, KS) Common Stock - 430,473 shs. (23.88%)	4-30-79
* Meridian Mutual Insurance Co.	Meridian Life Insurance Co. (Indianapolis, IN) Common Capital Stock - 287,645 shs. (121,645 of above shares were acquired pursuant to the Tender Offer.)	4-30-79

ACQUISITION REPORTS CONT.

* E. Peter Hoffman, Jr., Individually and Custodian	Midland Mortgage Investors Trust (Oklahoma City, OK) Shares of Beneficial Interest - 424,600 (17.8%)	4-30-79
* Texas International Airlines, Inc.	National Airlines Inc. (Miami, FL) Common Stock - 2,100,000 shs. (24.5%)	4-30-79
Circle K Corporation	National Convenience Stores, Inc. (Houston, TX) Common Stock - 273,316 shs.	4-30-79
* T. M. Murrell	National Investment Corp., Inc. (Topeka, KS) Common Stock - 69,999 shs.	4-30-79
* Jacquest Amsellem (France) Societe Monagasque des Magasins Printania (Monaco)	Shopwell Inc. (Bronx, NY) Common Stock - 257,600 shs. (15.8%)	4-30-79
* Robert H. Orchard Orchard Corp. of America Kenneth L. Ball, et al	Sorg Paper Co. (Middletown, OH) Common Stock - 127,044 shs. (20.3%)	4-30-79
* Eastover Corp.	Texas First Mortgage REIT (Houston, TX) Shares of Beneficial Interest - 227,400 (21.55%)	4-30-79
* Chris-Craft Industries Inc.	Twentieth Century-Fox Film Corp. (Los Angeles, CA) Common Stock - 940,100 shs. (12%) Common Stock - 1,000 shs. on conversion of Preferred Stock	4-30-79
National Steel Corp.	United Financial Corporation of California (San Francisco, CA) Common Stock - 723,100 shs.	4-30-79
Jack L. Fox	White Eagle International, Inc. (Swainsboro, GA) Common Stock - 1,208,200 shs. (57%)	4-30-79
Deltec Panamerica S.A. (Panama)	Wisconsin Real Estate Investment Trust (Milwaukee, WI) Shares of Beneficial Interest - 100,000	4-30-79
* Tele-Communicaitons, Inc.	Athena Communications Corp (Englewood, CA) Common Stock - 2,255,574 shs. (63.9%)	5-1-79
* Neuberger & Berman	CL Assets, Inc. (NYC) Series A \$2.10 Preference Stock - 85,440 shs. (12.3%)	5-1-79
Baldwin-United Corp. College/University Holding Corp.	College/University Corp. (Indianapolis, IN) Common Stock - 1,109,901 shs. (75.3%) (Above shares were acquired pursuant to the Tender Offer.)	5-1-79
* Burmeister & Wain American Corp. (Wholly-owned sub- sidiary of Burmeister & Wain A/S (Denmark)	Mark Products, Inc. (Houston, TX) Common Stock - 272,672 shs. (21.4%)	5-1-79
* Intermark, Inc.	Mission Investment Trust (San Diego, CA) Shares of Beneficial Interest - 178,100	5-1-79

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*Subscription rates: \$79.00/yr in U.S. first class mail;
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*Subscription rates: \$15.00/yr in U.S. first class mail;
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The News Digest, the Docket, and the Statistical Bulletin are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20549.