

# sec news digest

Issue 76-170

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August 31, 1976

## RULES AND RELATED MATTERS

## U.S. SECURITIES AND EXCHANGE COMMISSION

### PUBLICATION OF GUIDES 61 AND 3, "STATISTICAL DISCLOSURE BY BANK HOLDING COMPANIES"

The Commission has authorized the publication of Guides 61 and 3, "Statistical Disclosure by Bank Holding Companies" of the Guides for the Preparation and Filing of Registration Statements under the Securities Act of 1933 and of the Guides for the Preparation and Filing of Reports and Proxy and Registration Statements under the Securities Exchange Act of 1934, respectively. The Guides represent policies and practices followed by the Commission's Division of Corporation Finance in administering the disclosure requirements of the federal securities laws and are intended to provide registrants with a convenient reference to the statistical disclosures sought by the staff in registration statements and other disclosure documents filed by bank holding companies. (Rel. 33-5735 and 34-12748)

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

### DONELAN, PHELPS & COMPANY, INC., OTHERS SANCTIONED

The Commission has suspended the registration of Donelan, Phelps & Company, Inc. (B/D) of Clayton, Missouri for 7 days, suspended Thomas Phelps (Phelps) of St. Louis, Missouri from association with any broker or dealer or investment adviser for 30 days, suspended Patrick M. Donelan (Donelan) of St. Louis, Missouri from association with any broker or dealer or investment adviser for 15 days, censured Donelan, Phelps Investment Advisers, Inc. (I/A), prohibited B/D from engaging in any transaction with any customer of I/A, prohibited I/A from engaging in any transaction with any customer of B/D, and prohibited Donelan and Phelps from buying or selling securities for their own accounts with customers of B/D or I/A.

In addition, as a showing of good faith, B/D undertakes to contribute 1.9% of its net profit, after taxes but before any dividends or bonuses for the fiscal year now ending, Phelps undertakes to contribute 45 days salary plus 12.3% of all pension or profit sharing contributions made on his behalf and Donelan undertakes to contribute 30 days salary plus 8.3% of all pension or profit sharing contributions made on his behalf.

The sanctions were based upon an offer of settlement submitted by each respondent wherein, without admitting or denying the allegations in the Commission's order for proceedings, the respondents consented to findings of the Commission that (1) B/D, I/A, Donelan, and Phelps had violated the antifraud provisions of the securities laws, and (2) B/D, Donelan and Phelps had violated the bookkeeping and reporting requirements of the securities laws. (Rel. 34-12711)

### SUSPENSION OF TIMBERLINE MINERALS, INC. REGULATION A EXEMPTION MADE PERMANENT

The Commission has issued an order permanently suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of securities of Timberline Minerals, Inc.

According to the order, the Commission has reason to believe, among other things, that (a) the notification and offering circular of Timberline Minerals, Inc. contained untrue statements of material facts and omitted to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; (b) the terms and conditions of Regulation A were not complied with;

and (c) the offering was made in violation of the antifraud provisions of the securities laws. Without admitting or denying the allegations in the temporary suspension order, Timberline Minerals, Inc. consented to the indicated findings and order making the suspension permanent. (Rel. 33-5733)

## SIGNIFICANT NO-ACTION AND INTERPRETIVE LETTERS

The following is a list of significant no-action and interpretative letters issued by the Division of Corporation Finance, during July 1976. These are letters which express the view of the Division with respect to novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, and the Trust Indenture Act of 1939. Copies of these letters may be obtained by writing to the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Section, 1100 L Street, N.W., Room 6101, Washington, D.C., stating the name of the subject company, the section of the act to which it relates, and the public availability date. Copies cost 15 cents per page for written requests; for requests made in person, copies cost 12 cents per page.

<u>COMPANY NAME</u>	<u>ACT/SECTION OR RULE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
Tahoe Raquet Club Condominiums Jim Halperin, Inc.; New England Rare Coin Galleries, Inc.	'33 Act/§2(1)	7-1-76	8-2-76
Morgan Guaranty Trust Co. of New York Guaranty Corporation	'33 Act/§2(1) '33 Act/§2(3)	7-21-76	8-23-76
The County of Yellowstone European Economic Community	'33 Act/§2(3) '33 Act/§3(a)(2)	7-22-76 7-15-76	8-23-76 8-16-76
John E. Massengale, Esq. Investment Corp. of Virginia	'33 Act/§7 '33 Act/Rule 144	7-15-76 7-19-76	8-16-76 8-19-76
Pacific Resources, Inc. Worldwide Motor Club	'33 Act/Rule 144 '33 Act/Rule 146	7-14-76 7-13-76	8-16-76 8-13-76
National Petroleum, Inc., Allied Oil Leasing, Ltd., National Gas & Oil, Inc., National Working Interest Disbursing Co.	'33 Act/Rule 147 Bankruptcy Act/ §264	7-13-76 7-16-76	8-13-76 8-16-76
Mr. Emanuel Berger, Pres., Berger Nechamkin & Associates, Inc.	'34 Act/Rule 14a-3	7-9-76	8-9-76
Mr. John F. Gallwas, Pacific Commodities Exchange, Inc.	'34 Act/§15(d)	7-13-76	8-13-76
Envirodyne, Inc.	'39 Act/§305	6-25-76	7-26-76

## COURT ENFORCEMENT ACTIONS

AMERICAN FINANCIAL CORP.,  
CARL H. LINDNER ENJOINED

The Commission announced the filing on August 30 of a civil complaint against American Financial Corp. (AFC) and its president, Carl H. Lindner, both of Cincinnati, Ohio. The complaint alleges that the defendants violated the anti-manipulation, antifraud and reporting provisions of the securities laws in connection with certain transactions by AFC and Lindner in the common stock of Warner Communications, Inc. The Commission alleged that AFC and Lindner bought Warner stock for the purpose and having the effect of increasing the price of Warner at a time when AFC and Lindner were selling a large block of Warner stock to Warner. AFC and Lindner consented to a final judgment, without admitting or denying the allegations of the complaint. Pursuant to the judgment, AFC and Lindner are enjoined from future violations of the securities laws. In addition, AFC will establish a reserve against payment of any judgment to Warner as a result of any litigation arising from the alleged facts. Further, AFC will adopt policies and procedures relating to its portfolio transactions in order to prevent a recurrence of the alleged illegal activity. (SEC v. American Financial Corp., et al., S.D.N.Y., #76 Civ. 3865, Frankel, J.). (LR-7538)

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## INVESTMENT COMPANY ACT RELEASES

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### AMERICAN INCOME TRUST

A notice has been issued giving interested persons until September 23 to request a hearing on an application of American Income Trust, Series 1 (and Subsequent Series), unit investment trusts, and the sponsor, B. C. Ziegler and Company, for an order exempting the trusts from the initial net worth requirements of Section 14(a), from the limitations on the distribution of capital gains contained in Rule 19b-1 and exempting the secondary market operations of the sponsor from the pricing requirements of Rule 22c-1. (Rel. IC-9421 - Aug. 30)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Incorporated (CBOE) has filed a proposed rule change under Rule 19b-4 (SR-CBOE-76-19) regarding the reconciliation of unmatched trades on the Exchange. Publication of the proposal is expected to be made in the Federal Register during the week of August 30. (Rel. 34-12743)

The CBOE has also filed a proposed rule change under Rule 19b-4 (SR-CBOE-76-14) relating to position limits in exchange listed options. Publication of the proposal is expected to be made in the Federal Register during the week of August 30. (Rel. 34-12744)

The Pacific Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-PSE-76-26) regarding the withdrawal of options trading floor badges. Publication of the proposal is expected to be made in the Federal Register during the week of August 30. (Rel. 34-12745)

The Pacific Stock Exchange, Inc. has also filed a proposed rule change under Rule 19b-4 (SR-PSE-76-15) relating to procedure and the responsibilities of those present on the options trading floor. Publication of the proposal is expected to be made in the Federal Register during the week of August 30. (Rel. 34-12746)

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## SECURITIES ACT REGISTRATIONS

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### (S-7) AMERICAN NATIONAL HOLDING COMPANY

136 East Michigan Ave., Kalamazoo, Mich. 49006 - \$3 million of 8-1/2% convertible subordinated debentures, due 1991, to be offered for sale through underwriters headed by Wm. C. Roney & Co., 2 Buhl Bldg., Detroit, Mich. 48226. The company is a bank holding company. (File 2-56998 - Aug. 13)

### (S-10) CONLEY & ASSOCIATES, INC.

9402 Tierra Blanca Dr., Whittier, Cal. 90603 - 60 units, each unit consisting of a fractional undivided 1.25% working interest in oil and gas leases covering property located in the State of Colorado. Each unit will be sold for a turnkey price of \$5,000 and will pay each purchaser's share of all drilling and testing costs of four test wells to be drilled on the property covered by the oil and gas leases. Each purchaser will be required to pay his proportionate share of any completion costs incurred by Conley & Associates, Inc. in connection with any completion attempt made with respect to the four test wells. (File 2-57019 - Aug. 18)

### (S-11) PROPERTY PROCUREMENT ASSOCIATES

700 Seattle Trust Bldg., Bellevue, Wash. - 700 limited partnership interests (units), to be offered for sale for a proposed maximum offering price of \$29,150 per unit, requiring an initial capital contribution of \$2,150 per unit. Subsequent quarterly installments of \$270 per unit may be required. The offering will be made by and through the general partners, with no underwriters. The business of the Partnership, when formed, will be the purchase for speculation of undeveloped real property. (File 2-57057 - Aug. 25)

### (S-1) VOLU-SOL MEDICAL INDUSTRIES, INC.

1034 South Commerce St., P.O. Box 14097, Las Vegas, Nev. 89114 - 450,000 shares of

common stock, to be offered for sale at \$1.25 per share by underwriters managed by Mountain Pacific Investment Co., 3613 West Bowles Ave., Littleton, Colo. 80123, who is handling same on a best efforts all-or-none basis. The company manufactures and sells medical diagnostic aids including biological stains and reagents, nephelometric systems used in measurements of certain components of body fluids and enzyme activity and disposable filters used in connection therewith. (File 2-57070 - Aug. 27)

(S-5) LEHMAN CAPITAL FUND, INC.

One William St., New York, N.Y. 10004 - 2,500,000 shares of capital stock, to be offered to selected offerees at net asset value, initially \$10 per share, through Lehman Brothers Inc. as distributor. The Fund is a no-load open-end non-diversified investment company whose objective is capital appreciation. (File 2-57073 - Aug. 27)

(S-1) CINEMA PRODUCTS CORP.

2037 Granville Ave., Los Angeles, Cal. 90025 - 395,000 shares of common stock, of which 209,000 shares will be sold by the company and 186,000 by selling shareholders. The underwriters are headed by Sutro & Co. Inc., 460 Montgomery St., San Francisco, Cal. 94104. The company is engaged in the design, manufacture and sale of professional 16mm and 35mm motion picture camera systems and accessories. (File 2-57082 - Aug. 30)

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.*

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