

sec news digest

Issue 78-62

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March 30, 1978

TRADING SUSPENSIONS

U.S. SECURITIES AND EXCHANGE COMMISSION

TRADING SUSPENDED IN CANAVERAL INTERNATIONAL CORP.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Canaveral International Corp., a Delaware corporation located in Miami, Florida, for the period beginning on March 29 and terminating at midnight (EST) on April 7, 1978.

The Commission initiated the suspension because the company has failed to file with the Commission at least its annual report on Form 10-K for the fiscal year ended September 30, 1977 and its quarterly report on Form 10-Q for the fiscal quarter ended December 31, 1977, resulting in the lack of adequate and accurate public information about the company's operations and financial condition. (Rel. 34-14616)

COURT ENFORCEMENT ACTIONS

LINDSEY-HOLMAN CO., INC. AND BERNARD T. LINDSEY ENJOINED

The Atlanta Regional Office announced that on March 17 the Honorable Wilbur D. Owens, Jr., U.S. District Court Judge for the Middle District of Georgia, at Macon, entered a consent order preliminarily enjoining Bernard T. Lindsey (Lindsey) of Macon, Georgia, from the acts and practices alleged in the Commission's complaint, filed the same day, against Lindsey and Lindsey-Holman Co., Inc. (LHC), a proposed corporation. The Commission's complaint alleges that the defendants have violated and their proposed operation of Lindsey Securities Account Management Services, a division of LHC, would violate the registration and antifraud provisions of the Investment Advisers Act of 1940. (SEC v. Lindsey-Holman Co., Inc. and Bernard T. Lindsey, M.D. GA, 78-54-Mac.). (LR-8348)

HAROLD E. PRAY INDICTED

The Washington Regional Office and the Philadelphia Branch Office announced that on March 16 a Federal Grand Jury sitting in Williamsport, Pennsylvania, returned a 14 count indictment against Harold E. Pray, the former managing partner of a now defunct Lewisburg, Pennsylvania, broker-dealer of like name. The indictment alleges that Pray converted customers' funds, illegally hypothecated customers' securities and wrongfully liquidated a customer's mutual fund and converted the proceeds to his own use. Pray is charged with securities fraud, mail fraud, interstate transportation of fraudulently obtained securities and racketeering. (U.S. v. Harold E. Pray, M.D. Pa., Criminal Action No. 78-20). (LR-8349)

COMPLAINT NAMES F. GAYLORD NANCE, OTHERS

The Chicago Regional Office announced the filing of a complaint on March 17 in U.S. District Court for the Northern District of Illinois against F. Gaylord Nance, Richard T. Fogle, Arrow Oil Corporation, Texoil Exploration Company, Charles W. Aikens, James W. Owen, the partnership of Aikens and Owen, and Thunderbird Drilling, Inc., alleging violations of the antifraud provisions of the securities laws. The complaint alleges that while Nance and Fogle were employed by the Continental Illinois National Bank to manage Continental customers' investments in fractional undivided interests in oil and gas leases (mineral interests), they allegedly converted Continental customers' mineral interests and funds, obtained kickbacks and other fees from oil and gas companies, and engaged in conflicts of interest by personally investing in mineral interests. Nance and Fogle disguised their activities by passing funds and mineral interests through Arrow and Texoil, two companies they wholly-owned.

The complaint also alleges that Aikens, Owen, Thunderbird, and the partnership of Aikens and Owen, gave free interests in oil and gas leases, and a substantial kickback to Nance, Fogle, Arrow and Texoil in return for Nance's and Fogle's arranging the Continental customers' purchase of Aikens and Owens' and Thunderbird's mineral interests. (SEC v. F. Gaylord Nance, et al., N.D. Ill., Civil Action No. 78-c-1024). (LR-8350)

INVESTMENT COMPANY ACT RELEASES

THE FIRST NATIONAL BANK OF CHICAGO'S COMMON TRUST FUND H

A notice and order for hearing, limited to written briefs and oral argument before the Commission pursuant to a schedule to be determined by the Secretary, has been issued on an application for an order exempting The First National Bank of Chicago's Common Trust Fund H from all the provisions of the Act. (Rel. IC-10180 - Mar. 28)

AMERICAN GENERAL BOND FUND, INC.

An order has been issued on an application of American General Bond Fund, Inc. (Fund), a closed-end, diversified management investment company registered under the Investment Company Act of 1940, and American General Capital Management, Inc. (American Capital), the Fund's investment adviser, pursuant to Section 17(b) of the Act, exempting from the provisions of Section 17(a) of the Act the proposed purchase by American Capital from the Fund of certain secured notes maturing on May 1, 1986, issued by El Tigre Corporation. (Rel. IC-10181 - Mar. 28)

SENTRY FUND, INC.

An order has been issued on an application of Sentry Fund, Inc. (Fund) and Sentry Equity Services, Inc., the Fund's principal underwriter, exempting the Fund and its principal underwriter from Section 22(d) of the Act to permit purchases of Funds shares from the proceeds of certain insurance contracts issued by Sentry Life Insurance Company and two of its subsidiaries. (Rel. IC-10182 - Mar. 28)

STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA

An order has been issued on an application of State Mutual Life Assurance Company of America (Insurance Company), the investment adviser to State Mutual Securities, Inc. (Fund), a registered closed-end, diversified investment company, permitting, pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder, the Insurance Company to acquire certain notes of Northwest Acceptance Corporation in exchange for notes of Union Investment Company without having the Fund also acquire such Northwest securities. (Rel. IC-10183 - Mar. 29)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION

An order has been issued authorizing a proposal of Central and South West Corporation, a registered holding company, that it amend its charter to increase its authorized common stock from 65,300,000 to 80,000,000 shares. (Rel. 35-20473 - Mar. 29)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

Orders have been issued granting the applications of the following companies to strike from listing and registration the specified securities of the following stock exchanges: American Stock Exchange, Inc. - Maule Industries, Inc., common stock, \$3 par value. (Rel. 34-14612); and Midwest Stock Exchange, Inc. - The Chicago, Milwaukee, St. Paul and Pacific Railroad Co., common stock (no par value); Series A preferred stock (\$100 par value); general mortgage 4-1/2% convertible income bonds, Series B, due January 1, 2044 and 5% income debentures, Series A, due January 1, 2055. (Rel. 34-14613)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED PLAN

The National Association of Securities Dealers, Inc. and the Chicago Board Options Exchange, Inc. have filed a plan for the allocation of regulatory responsibilities pursuant to Rule 17d-2. Publication of notice of the proposed plan and its substantive terms is expected to be made in the Federal Register during the week of April 3. (Rel. 34-14611) Interested persons should submit six copies of their views and comments to George A. Fitzsimmons, Secretary, Securities and Exchange Commission,

500 North Capitol Street, Washington, D.C. 20549, within 30 days from the date of publication of notice in the Federal Register. All submissions will be made available for public inspection at the Commission's Public Reference Room, and should refer to File No. 4-275.

FOR FURTHER INFORMATION CONTACT: Gail Gordon Alkire at (202) 755-7610

MISCELLANEOUS

WEISS, PECK & GREER

A notice has been issued giving interested persons until April 19 to request a hearing on an application of Weiss, Peck & Greer, a diversified securities firm and member of the New York Stock Exchange and various other stock exchanges and also registered with the Commission as an investment adviser under the Investment Advisers Act of 1940, pursuant to Section 206A of the Advisers Act, for an order exempting Applicant from the provisions of Section 205 of the Advisers Act to the extent necessary to allow it to participate in the organization of a new venture capital enterprise, and to share in compensation based on a percentage of capital gains formula subject to two conditions described in the application. (Rel. IA-623)

THOMSON MCKINNON EMPLOYEE STOCK OWNERSHIP TRUST

A notice has been issued giving interested persons until April 24 to request a hearing on an application of Thomson McKinnon Employee Stock Ownership Trust, 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 based upon its claim that the obligations attendant to the publicly held securities of Applicant, a debt issue, are guaranteed by Thomson McKinnon Inc., which is subject to the reporting requirements of the Securities Exchange Act of 1934. Applicant is not engaged in any business, but was created for the benefit of the employees of Thomson McKinnon Inc., its subsidiary, Thomson McKinnon Securities Inc. and their domestic subsidiaries. (Rel. 34-14607)

TIME HOLDINGS, INC.

The Commission authorized the issuance of an order granting the application of Time Holdings, Inc. pursuant to Section 12(h) of the Securities Exchange Act of 1934 exempting it from the provisions of Sections 13 and 15(d) of the Act. (Rel. 34-14614)

HARMAN INTERNATIONAL INDUSTRIES, INC.

An order has been issued granting the application of Harman International Industries, Inc., a Delaware corporation, for an exemption from the reporting requirements of Section 15(d) of the Securities Exchange Act of 1934. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-14615)

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-11) BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, 8,000 single mortgage-backed certificates, Series B. Underwriters: Salomon Brother, Blyth Eastman Dillon & Co. Inc., Merrill Lynch, Pierce, Fenner & Smith Inc., Paine, Webber, Jackson & Curtis Inc. and Dean Witter Reynolds Inc. (File 2-61051 - Mar. 29)
- (S-6) INSURED MUNICIPAL - INCOME TRUST, SERIES 22A, 208 South LaSalle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: Van Kampen Sauerman Inc. (File 2-61052 - Mar. 29)
- (S-8) J.P. STEVENS & CO., INC., 1185 Avenue of the Americas, New York, N.Y. 10036 (212) 575-2175 - \$52,800,000 of participations and an indeterminate number of capital stock. (File 2-61053 - Mar. 29)

- (S-1) ENERGYSEARCH 1978 DEVELOPMENT DRILLING PROGRAM, 200 Gypsy Lane, Wynnewood, Pa. 19096 - 1,200 units of pre-formation limited partnership interest. Underwriter: Butcher & Singer Inc., 1500 Walnut St., Philadelphia, Pa. 19102. (File 2-61054 - Mar. 29)
- (S-16) HONEYWELL INC., Honeywell Plaza, Minneapolis, Minn. 55408 (612) 870-5200 - 33,841 shares of common stock. (File 2-61055 - Mar. 29)
- (S-8) LIFETIME COMMUNITIES, INC., 661 Riverside Ave., Jacksonville, Fla. 32204 (904) 358-6218 - 169,184 shares of common stock. (File 2-61056 - Mar. 29)
- (S-7) MICHIGAN FINANCIAL CORPORATION, 101 West Washington St., Marquette, Mich. 49855 - \$6 million of 8-1/2% subordinated debentures, due 1988. The company is a registered bank holding company. (File 2-61057 - Mar. 29)
- (S-8) MANUFACTURERS HANOVER CORPORATION, 350 Park Ave., New York, N.Y. 10022 (212) 350-5824 - 500,000 shares of common stock and \$2,500,000 of interests. The company was formed to broaden its geographic and product markets. (File 2-61058 - Mar. 29)
- (S-7) NICOR INC., 1700 West Ferry Rd., P.O. Box 200, Naperville, Ill. 60540 (312) 242-4470 - 12,500 shares of 7.45% preference stock. (File 2-61059 - Mar. 29)
- (S-8) ICX INCORPORATED, 510 East 51st Ave., Denver, Colo. 80216 - 1,000,000 shares of common stock. (File 2-61060 - Mar. 29)
- (S-7) FIRST PENNSYLVANIA CORPORATION, Centre Square West, 16th and Market Sts., Philadelphia, Pa. 19101 (215) 786-5000 - 1,750,000 shares of common stock. Underwriter: Kidder, Peabody & Co. Inc. The company is a bank holding company. (File 2-61061 - Mar. 29)

REGISTRATIONS EFFECTIVE

Mar. 27: The Mountain States Telephone & Telegraph Co., 2-60887; NRM 78, Ltd., 2-60572 (90 days); Welded Tube Co. of America, 2-60782.

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.

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 10c per page plus postage (7 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 on request. All other reference material is available in the SEC Docket.

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