

sec news digest

LIBRARY

Issue 78-65

APR 6 1978

April 4, 1978

COURT ENFORCEMENT ACTIONS

U.S. SECURITIES AND EXCHANGE COMMISSION

JOSEPH B. ERNI SENTENCED

The Denver Regional Office announced that on March 3 the Honorable John W. Reynolds, Chief Judge of the U.S. District Court at Milwaukee, Wisconsin, sentenced Joseph B. Erni of Thornton, Colorado to one year imprisonment on his plea of guilty to charges of fraud in the sale of securities of Western Armon Systems, Inc., a Wisconsin corporation. (U.S. v. Joseph B. Erni, U.S.D.C., E. Dist. of Wisconsin, 77-CR-149). (LR-8354)

CARL METTALACH HORNUNG, OTHERS ENJOINED

The Commission announced that Carl Mettalach Hornung, Paul Scarf Hornung and Peter C. Reiman have each been enjoined from future violations of the antifraud, credit, and short-selling provisions of the securities laws. The final judgments of permanent injunction and other relief against Paul Hornung and Peter Reiman were signed by the U.S. District Court for the Southern District of New York on March 3. The injunction against Carl Hornung was signed by the same Court on March 22. The final judgments also require the defendants, for a period of two years, to report all of their securities transactions to the Commission. The defendants each consented to the entry of the final judgment without admitting or denying the allegations in the Commission's complaint. (SEC v. Carl Mettalach Hornung, et al., 77 Civ. 5736 S.D.N.Y.). (LR-8355)

AMNON S. BARNES AND MAX CANDIOTTY ENJOINED

The SEC announced the settlement of its civil injunctive action against Amnon S. Barnes and Max Candiotty, the former Chairman of the Board and the former Chief Executive Officer, respectively, of Daylin, Inc., a Delaware corporation. Under the terms of the court-approved settlement, Barnes and Candiotty have undertaken to comply with the proxy provisions of the Securities Exchange Act of 1934. (SEC v. Amnon S. Barnes and Max Candiotty, U.S.D.C. D.C. of California, Civil Action No. 77-1466-F). (LR-8356)

COMPLAINT NAMES CENTRAL AND SOUTH WEST CORPORATION AND SOUTHWESTERN ELECTRIC POWER CO.

The SEC announced the filing of a complaint in the U.S. District Court for the District of Columbia against Central and South West Corporation (CSW), a public utility holding company and Southwestern Electric Power Co. (SWEPCO), a subsidiary of CSW. The complaint alleges that SWEPCO, in violation of Section 9(a) of the Public Utility Holding Company Act of 1935, expended funds in connection with CSW's and SWEPCO's fuel exploration and development program in excess of amounts authorized by the Commission pursuant to an application by SWEPCO under the Holding Company Act. On October 1, 1975, the Commission directed issuance of an order authorizing SWEPCO to expend \$8,750,000 through December 31, 1977 on oil and gas and lignite acquisitions. This represented the full budget proposed by SWEPCO in its application. The complaint further alleges that in violation of such order, SWEPCO expended \$22,079,036 for fuel exploration and development activities through December 31, 1977 without applying for, or receiving, Commission approval for the expenditures exceeding the \$8,750,000 authorization, as required by Section 9(a) of the Holding Company Act.

The Commission also announced that CSW and SWEPCO, without admitting or denying the allegations of the Commission's complaint, consented to the entry of a final judgment enjoining them from acquiring any securities or utility assets or any interest in any business without prior application to and approval by the Commission under Sections 9 and 10 of the Holding Company Act. (SEC v. Central and South West Corp., et al., U.S.D.C. D.C., Civil Action No. 78-0591). (LR-8358)

SIGNIFICANT NO-ACTION AND INTERPRETIVE LETTERS

The following is a list of significant no-action and interpretative letters recently issued by the Division of Corporation Finance. These letters 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, the Trust Indenture Act of 1939, the Investment Advisers Act of 1940 and the Investment Company Act of 1940. 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 Act and the Section of the Act to which it relates, and the public availability date. Copies cost 10 cents per page.

DIVISION OF CORPORATION FINANCE

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
Public Service Company of New Mexico	'33 Act/§3(a)(2)	2/8/78	3/8/78
Memorex Corporation	'33 Act/Rule 144	2/28/78	3/28/78
Teleprompter Corporation	'33 Act/Rule 144	2/13/78	3/13/78
William J. Hewitt	'33 Act/Rule 145	2/13/78	2/13/78
PLM, Inc.	'33 Act/Rule 146	2/28/78	3/28/78
University Real Estate Partnership V	'33 Act/Rule 147	2/7/78	3/7/78
General Electric Company	'34 Act/Rule 16b-3	2/3/78	3/3/78
Newmont Mining Corporation	'34 Act/§14	2/21/78	2/21/78
Bally Manufacturing Corp.	'34 Act/§14	2/23/78	2/23/78
Citicorp	'34 Act/§14	2/23/78	2/23/78

HOLDING COMPANY ACT RELEASES

CEDAR COAL COMPANY

A supplemental order has been issued authorizing Cedar Coal Company, subsidiary of Appalachian Power Company and of American Electric Power Company, Inc., to further extend the payment dates for previously authorized bank borrowings. (Rel. 35-20477 - Mar. 31)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application submitted by Southwest Airlines Co. to withdraw its common stock (\$1.00 par value) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-14622)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The following stock exchanges have filed proposed rule changes under Rule 19b-4: The American Stock Exchange, Inc. (SR-Amex-78-8) to eliminate a distribution requirement of 300 holders for original listing of debt securities. (Rel. 34-14625); and

The Midwest Stock Exchange, Inc. (SR-MSE-78-6) to amend its Rule 6 of Article XLI to permit the MSE members to utilize closing rotations at the close of trading for expiring option series on the last day of trading. (Rel. 34-14623)

Publication of the above proposals are expected to be made in the Federal Register during the week of April 3.

NOTICE OF FILING OF AMENDMENT TO PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Inc. (CBOE) has filed an amendment to a proposed rule change under Rule 19b-4 (SR-CBOE-77-21) designated as Interpretations .01 and .02 to its existing Rule 4.16, providing for the imposition of trading restrictions on discount opening uncovered writing transactions during the pendency of underwritten distributions of securities underlying call options traded on the CBOE. Publication of the amended proposal is expected to be made in the Federal Register during the week of April 3. (Rel. 34-14624)

MISCELLANEOUS

INSTALLATION OF TELEPHONES FOR THE DEAF

The SEC has installed a telephone communications system (known as Manual Communications Module/Deaf) in our Consumer Affairs Office at 1100 L Street. This device will enable the deaf to contact our Consumer Affairs Office if they have a question or problem concerning a securities transaction. The number to call is (202) 523-5516.

LAKE SHORE FINANCIAL CORPORATION

An order has been issued granting the application of Lake Shore Financial Corporation (Applicant) under Section 12(h) of the Securities Exchange Act of 1934 for an order exempting Applicant from the provisions of Sections 12(g), 13 and 15(d) of the Act. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and no significant benefit will accrue to either investors or the public if Applicant is required to file the subject reports. (Rel. 34-14626)

RUETGERS NEASE CHEMICAL COMPANY, INC.

A notice has been issued giving interested persons until April 24 to request a hearing on an application of Ruetgers-Nease Chemical Company, Inc., pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Applicant from the reporting requirements of Section 15(d) of the Act. As the result of a merger, Applicant is now a wholly-owned subsidiary of Rutgers Chemical Corp., a Delaware corporation. (Rel. 34-14627)

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-1) LIFE ASSURANCE COMPANY OF PENNSYLVANIA, 100 Blue Run Rd., Pittsburgh, Pa. 15238 - 89,125 shares of common stock. The company is a stock life insurance company. (File 2-61086 - Mar. 31)
- (S-8) STANDARD OIL COMPANY, 200 East Randolph Dr., Chicago, Ill. 60601 (312) 856-3800 - 1,800,000 shares of awards and options to purchase capital stock. (File 2-61087 - Mar. 31)
- (S-14) JOHNSON & JOHNSON, 501 George St., New Brunswick, N.J. 08903 (201) 524-0400 - 529,102 shares of common stock. (File 2-61088 - Mar. 31)
- (S-8) PITNEY-BOWES, INC., Walnut and Pacific Sts., Stamford, Conn. 06904 - 1,532,921 shares of common stock. (File 2-61090 - Mar. 31)
- (S-1) TRINITY OIL CORPORATION, 1265 Campbell Centre II, 8150 North Central Expressway, Dallas, Tex. 75206 - 3,000 preformation limited partnership units. Underwriter:

Invened Associates, Inc., 375 Park Ave., New York, N.Y. 10022. (File 2-61091 - Mar. 31)

- (S-14) TEXACO CANADA LIMITED AND TEXACO EXPLORATION CANADA LTD., 70 Wynford Dr., Don Mills Ontario, Canada M3C 1K5 (416) 443-7811 and 600 Sixth Avenue S.W., P.O. Box 3333, Calgary, Alberta, Canada T2P 2P8 (403) 266-7131 - 3,092,031 common shares and 37,500 \$6.00 cumulative redeemable convertible first preferred shares, Series A. (File 2-61094 - Mar. 31)
- (S-8) ANHEUSER-BUSCH, INC., 721 Pestalozzi St., St. Louis, Mo. 63118 - 500,000 shares of common stock. (File 2-61109 - Mar. 31)
- (S-8) CROWN CORK & SEAL COMPANY, INC., 9300 Ashton Rd., Philadelphia, Pa. 19136 - 450,000 shares of common stock. (File 2-61110 - Mar. 31)
- (S-8) PEMCOR, INC., 2121 South Mannheim Rd., Westchester, Ill. 60153 - 133,111 shares of common stock. (File 2-61111 - Mar. 31)
- (S-8) CONRAC CORPORATION, Three Landmark Sq., Stamford, Conn. 06901 - 33,200 shares of common shares. (File 2-61112 - Apr. 3)
- (S-5) JP INCOME FUND, INC., 101 North Elm St., Greensboro, N.C. 27401 - 2,000,000 shares of common stock. (File 2-61114 - Mar. 30)
- (S-7) U.S. BANCORP, 309 S.W. Sixth Ave., Portland, Ore. 97204 (503) 225-6111 - \$50 million of notes, due April 15, 1988. Underwriters: Merrill Lynch, Pierce, Fenner & Smith Inc. and Goldman, Sachs & Co. The company is a bank holding company. (File 2-61117 - Apr. 3)
- (S-8) PAULEY PETROLEUM INC., Ten Thousand Santa Monica Blvd., Los Angeles, Cal. 90067 - 61,063 shares of common stock. (File 2-61122 - Apr. 3)
- (S-14) HARPER & ROW, PUBLISHERS, INC., 10 East 53rd St., New York, N.Y. 10022 (212) 593-7000 - 1,229,377 shares of common stock. (File 2-61123 - Apr. 3)
- (S-1) WULF OIL CORPORATION, Suite 25, Chaney Center Bldg., Chadron, Neb. 69337 - 3,045,000 shares of capital stock. The company is engaged in the business of exploring for oil and gas. (File 2-61124 - Apr. 3)
- (S-8) INTERNATIONAL BUSINESS MACHINES CORPORATION, Armonk, N.Y. 10504 - 25,000 shares of capital stock. (File 2-61125 - Apr. 3)

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 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.