

sec news digest

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COMMISSION ANNOUNCEMENTS

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DAVID J. ROMANSKI NAMED ASS'T GENERAL COUNSEL

Lawrence E. Nerheim, General Counsel of the Commission, today announced the appointment of David J. Romanski as Assistant General Counsel. Mr. Romanski joined the staff of the Commission in 1971 as an attorney in the Office of the General Counsel. In February, 1973, Mr. Romanski joined the staff of the Chief Counsel in the Division of Market Regulation. Later that year, he was appointed Assistant Chief Counsel of that Division. In June 1974, he returned to the Office of the General Counsel as Special Counsel.

Mr. Romanski is a graduate of the law school of the Catholic University of America. He was a Fellow at the Center for the Study of Financial Institutions at the University of Pennsylvania Law School and he received a LLM from that University in 1973.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES NORTH AMERICAN ACCEPTANCE CORPORATION, OTHERS

The Atlanta Regional Office announced that on February 7 the Commission filed a complaint in the U.S. District Court at Atlanta, Georgia seeking to enjoin North American Acceptance Corporation (NAAC), a Georgia corporation with its principal office in Atlanta, Omega-Alpha, Inc. (OA), a Delaware corporation with its principal office in Dallas, Texas, Sol Blaine and Kenneth H. Killmaster, both of Atlanta, James J. Ling, Clyde Skeen, E. McIntosh Cover and William Tinsley, all of Dallas, and Marshall Cogan, of New York, New York, from violations of the registration and antifraud provisions of the securities laws in the sale of promissory notes of NAAC, namely term notes and thrift notes.

The Commission also is seeking to enjoin, in addition to the above named defendants, GCI International, Inc. (GCI), a Nevada corporation with its principal office in Marina del Rey, California, Patrick N. DiCarlo, of Downey, California, and Stephen L. Newman of Marina del Rey, California, from violations of the same registration and antifraud provisions of the securities laws in the sale of promissory notes of NAAC, namely thrift notes.

The complaint alleges that NAAC, OA, Blaine, Killmaster, Ling, Skeen, Cover, Tinsley and Cogan made false and misleading statements and omitted to state material facts in the sale of term notes, including but not limited to the use of the proceeds; that the land companies owned by NAAC were causing a negative cash flow for NAAC; that NAAC was having liquidity problems; that financial statements did not reflect substantial changes in the financial condition of NAAC; that OA was losing money; and that millions of dollars transferred from NAAC to OA were being utilized by OA for working capital and the retirement of debt not related to NAAC.

The complaint further charges that all the defendants made false and misleading statements and omitted to state material facts in the sale of thrift notes, including but not limited to: the use of the proceeds; that the land companies owned by NAAC were causing a negative cash flow for NAAC; that NAAC was having liquidity problems; that financial statements did not reflect substantial changes in the financial condition of NAAC; that OA was losing money; and that millions of dollars transferred from NAAC to OA were being utilized by OA for working capital and the retirement of debt not related to NAAC. (SEC v. North American Acceptance Corp., et al.). (LR-6723)

DONALD W. MCQUAY SENTENCED

The Seattle Regional Office announced that on January 27 the Honorable James Noe, King County Superior Court Judge, sentenced Donald W. McQuay to fifteen years in jail after McQuay pleaded guilty to all counts in an information charging him with securities

fraud and grand larceny. McQuay, utilizing a scheme involving mail drops and false and forged documents, had stolen over \$125,000 while pretending to sell mutual funds to various pension plans in Washington State. The sentence was the culmination of a joint effort by the Seattle Regional Office and the King County Prosecutor's Office. (SEC v. Donald W. McQuay, Criminal Case No. 70663). (LR-6724)

DONALD L. LANGE, OTHERS, CONVICTED

The Denver Regional Office announced that on February 3 a federal trial jury at Los Angeles, California convicted Donald C. Lange of Marina del Rey, California, Harold Schwartz of Los Angeles, California, and James J. Journigan of Scottsdale, Arizona, on fifteen counts of an indictment charging them with securities fraud, mail fraud, securities non-registration and conspiracy in the offer and sale of stock of Pollution Reduction Corporation (PRC). In addition, Martin L. Sanchez of Casper, Wyoming, the auditor of PRC, was found guilty of three counts of the indictment charging securities fraud, mail fraud and conspiracy. The basis of the promotion was a purported anti-pollution device which was represented to have been successfully tested at a power generating plant of Southern California Edison Company. (LR-6725)

INVESTMENT COMPANY ACT RELEASES

PIONEER FUND, INC.

A notice has been issued giving interested persons until February 27 to request a hearing on an application of Pioneer Fund, Inc., a mutual fund, for an order permitting the Fund to issue shares of its redeemable common stock without sales charges in exchange for substantially all of the assets of Munoz Corporation, a personal holding company which maintains a diversified portfolio of securities. (Rel. IC-8667 - Feb. 7)

DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until February 22 to request a hearing on an application of the following exchanges for unlisted trading privileges in the common stock and other specified securities of the following companies: Boston Stock Exchange: The El Paso Company, Sony Corporation (American Depositary Receipts for American units); Detroit Stock Exchange: National Airlines, Inc., Clorox Company (The) (Rel. 34-11234)

TRADING SUSPENSIONS

ADDITIONAL ACTION ON THREE TRADING SUSPENSIONS

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of American Agronomics Corp., and over-the-counter trading in the securities of Winner Industries, Inc. and Royal Properties, Inc. for the further ten-day period February 12 - 21, inclusive.

SECURITIES ACT REGISTRATIONS

(S-6) THE CORPORATE INCOME FUND, FIFTEENTH MONTHLY PAYMENT SERIES

\$25 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 125 High St., Boston, Mass. 02110. The Fund, a Unit Investment Trust, was created by a trust agreement among Merrill Lynch, as Sponsor, The Bank of New York and The National Shawmut Bank of Boston, as Trustees, and Interactive Data Services, Inc., as Evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of long-term debt obligations, issued primarily by corporations. (File 2-52770 - Nov. 8)

(S-1) NATURAL GAS PIPELINE COMPANY OF AMERICA

122 South Michigan Ave., Chicago, Ill. 60603 - \$60 million of first mortgage pipeline bonds, due 1995, to be offered for sale by underwriters managed by Dillon, Read & Co., Inc., 46 William St., New York, N.Y. 10005 and Halsey, Stuart & Co., Inc., an affiliate

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of Bache & Co., Incorporated, 135 South LaSalle St., Chicago, Ill. 60690. Natural Gas Pipeline purchases, transmits, stores and sells natural gas in interstate commerce. (File 2-52789 - Feb. 5)

(S-7) BROWNING-FERRIS INDUSTRIES, INC.

P.O. Box 3151, Houston, Tex. 77001 - 500,000 shares of common stock, to be offered pursuant to a company stock option plan. BFI is primarily engaged in the solid waste business. The company's operations include the collection, processing/recovery and disposal of solid waste for commercial, industrial and residential customers and governmental agencies. (File 2-52793 - Feb. 5)

(S-14) XONICS, INC.

6849 Hayvenhurst Ave., Van Nuys, Cal. 91406 - 203,394 shares of common stock. It is proposed to offer these shares in exchange for the outstanding common shares of Telcom, Inc., Vienna, Virginia, at the rate of the agreed value of \$3.75 per share for Telcom shares to the fair market value of Xonics shares, as determined by the market price for Xonics shares over a fixed period of time. Xonics is a science based company utilizing applied physics and associated technology for commercial development of products in the fields of medical diagnostic electronics, data processing systems to provide access to Western Union/Postal Service Mailgram, and environmental monitoring and sensing systems. (File 2-52797 - Feb. 6)

(S-7) NORTRUST CORPORATION

50 South LaSalle St., Chicago, Ill. 60690 - \$30 million of notes, due 1984, to be offered for sale through underwriters represented by Halsey, Stuart & Co. Inc., 135 South LaSalle St., Chicago, Ill. 60690. The Corporation is a one-bank holding company owning all of the capital stock of The Northern Trust Company, Chicago, Illinois. (File 2-52800 - Feb. 7)

(S-6) NUVEEN TAX EXEMPT BOND FUND,
SERIES 68 CHECK-A-MONTH PLAN

209 South LaSalle St., Chicago, Ill. 60604 - \$10 million of units, to be offered for sale at net asset value. The Fund is one of a series of unit investment trusts created under a trust indenture between John Nuveen & Co. Incorporated as sponsor and United States Trust Company of New York as trustee. It consists of a portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-52801 - Feb. 7)

(S-6) THE MUNICIPAL BOND FUND, SERIES 18

c/o Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005 - \$5 million of units. The Fund will be created under a trust indenture among Paine, Webber, Jackson & Curtis Incorporated, 140 Broadway, New York, N.Y. 10005, as sponsor, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Fund will consist of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers of such obligations, exempt from Federal income tax. (File 2-52803 - Feb. 7)

(S-6) MUNICIPAL INVESTMENT TRUST FUND,
THIRTY-FOURTH MONTHLY PAYMENT SERIES

\$40 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The Fund, a Unit Investment Trust, is to be created by a trust agreement among Merrill Lynch, Bache & Co. Incorporated and Reynolds Securities Inc., as Sponsors, The Bank of New York, as Trustee, and Standard & Poor's Corporation, as Evaluator. The Fund's primary objective is providing tax exempt income through investment in a fixed portfolio of interest-bearing, long-term state, municipal and public authority bonds. (File 2-52804 - Feb. 7)

(S-6) TAX-EXEMPT SECURITIES TRUST, SERIES 1

c/o Loeb, Rhoades & Co., 42 Wall St., New York, N.Y. 10005 - \$12 million of units, to be offered through underwriters headed by Loeb, Rhoades & Co., 42 Wall St., New York, N.Y. 10005 and Harris, Upham & Co. Incorporated, 120 Broadway, New York, N.Y. 10005. The Trust is the first of a series of unit investment trusts to be created under a

trust indenture and agreement among Loeb, Rhoades & Co. and Harris, Upham & Co. Incorporated, as sponsors, United States Trust Company of New York, as trustee and Standard & Poor's Corporation, as evaluator. The Trust will consist of interest-bearing obligations of states, counties, territories, possessions and municipalities of the United States and authorities or political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-52798 - Feb. 6)

REGISTRATIONS EFFECTIVE

Feb. 7: Fidelity Union Bancorporation, 2-52492; Scientific Software Corp., 2-52281.
 Feb. 10: Consolidated Foods Corp., 2-52459, 2-52460; Financiera Metropolitana, S.A., 2-52469; Russ Togs, Inc., 2-52655.

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
RESPATCH CORP	14	09/74
ROYAL INNS OF AMERICA INC	13,14	11/74
SENTRY LIFE INSURANCE CO	13,14	01/75
SEVERSKY ELECTRONATCM CORP	2,11	12/74
STELLAR INDUSTRIES INC	13	12/74
SUNAIR ELECTRONICS INC	11,12	01/75
SUPER SERVICE DRUG INC	13	01/75
TORO CO	7,14	12/74
TRANS ATLAS CORP	1,2,3,6	12/74
TRAVEL EQUIPMENT CORP	13	12/74
TURNER COMMUNICATIONS CORP	2,7	12/74
UNITED TELEPHONE CO OF FLORIDA	7,14	01/75
UNIVERSAL HOUSING & DEVELOPMENT CO	13	10/74
UNIVERSAL LEAF TOBACCO CO INC	13	12/74
UNIVERSAL TELEPHONE INC	3	12/74
VIRGINIA CHEMICALS INC	7,14	12/74
WALLACE BUSINESS FORMS INC	7,14	12/74
WEIGHT WATCHERS INTERNATIONAL INC	13,14	01/75
WESTERN MORTGAGE INVESTORS	13	12/74
WHITE MOTOR CORP	7	12/74
WILLIAMS W W CO	14	11/74

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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