

# sec news digest

Issue 75-180

SEC Docket, Vol. 7, No. 17 - September 30)

September 16, 1975

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## RULES AND RELATED MATTERS

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### EXTENSION OF COMMENT PERIOD ON NASD RULE CHANGES GRANTED

On September 15 the Commission acknowledged the consent of the National Association of Securities Dealers, Inc., (NASD) to an extension until November 15, 1975 of the time within which the Commission must take action on certain NASD rule changes governing: (a) the reporting of transactions in eligible securities in the consolidated transaction reporting system, (b) charges to cover the costs of compliance with such reporting requirements; and (c) anti-manipulative rules relating to over-the-counter trading in such securities. The public comment period on the NASD rule changes was also extended to October 1, 1975. Commentators are referred to Securities Exchange Act Release 11461 (June 11, 1975) for a detailed discussion of the NASD rule changes.

All interested persons are invited to submit their comments on the NASD rule changes, in writing, to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 on or before October 1, 1975. All such comments should refer to File No. SR-1 and will be available for public inspection. (Rel. 34-11653)

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## COURT ENFORCEMENT ACTIONS

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### RUSSELL A. DOWNEY ENJOINED, ANCILLARY RELIEF ORDERED

The Seattle Regional Office announced that on July 7 the Honorable Robert C. Belloni permanently enjoined Russell A. Downey of Merced, California from violating the registration, selling, and antifraud provisions of the securities laws. It was further ordered that the defendant create a trust fund for the benefit of the investors involved and a monitor be appointed to supervise the defendant as trustee. The defendant consented to the decree without admitting or denying the allegations of the complaint. (SEC v. Russell A. Downey, D. Ore., C. A. No. 75-434). (LR-7084)

### CHIEF FINANCIAL ANALYST POSITION OPEN

The SEC's Division of Investment Management Regulation is seeking a Chief Financial Analyst. This position provides an opportunity to help shape the regulatory program for registered investment companies, investment advisers and investment analysts. The incumbent will design regulatory reports and transaction data collection systems, and conduct portfolio analyses and investment performance studies. Applicants must have an advanced degree, experience in securities research and portfolio management and familiarity with valuation techniques for reorganizations, mergers and acquisitions. The ability to utilize computers is a definite plus. Salary at GS-15 level is \$29,818 - \$36,000.

Resumes (confidential) should  
be sent to:

Director, Investment Management Regulation  
Securities and Exchange Commission  
500 North Capitol Street  
Washington, D.C. 20549

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## COMMISSION ANNOUNCEMENTS

### SUSPENSION OF REGULATION A EXEMPTION OF MINCOMP CORPORATION MADE PERMANENT

An order has been issued making permanent the suspension of a claimed Regulation A exemption from the Securities Act's registration requirements for an offering of 300,000 shares of the common stock of Mincomp Corporation of Denver, Colorado.

The temporary suspension order alleged that Mincomp's notification and offering circular made material omissions and misstatements concerning the issuer's debts and bank overdrafts, the existence of repurchase agreements between insiders and various subscribers to the shares in the offering, the sale of that repurchased stock by the insiders to unsuspecting persons, the issuance of restricted stock to the insiders as consideration for their purchases, the existence of nominee accounts, the artificial attainment of the proceeds required in escrow and the use of the proceeds of the offering. In addition, it was alleged that the terms of Regulation A were not complied with in that the circular failed to disclose the method by which the securities were to be offered and the financial condition of the issuer. Finally, the order alleged that the offering was made in violation of the antifraud provisions of the Securities Act.

Mincomp originally requested a hearing on the Commission's allegations but subsequently withdrew its request. The suspension thus became permanent. (Rel. 33-5610)

### TEMPORARY SUSPENSION OF THE REGULATION B EXEMPTION OF MINERAL EXPLORATION COMPANY

The Commission has issued an order temporarily suspending the Regulation B exemption from registration under the Securities Act of 1933 with regard to the public offering of fractional undivided interests in oil and gas leases in the following Mineral Exploration Company (Mineral) offerings: Mineral Exploration Company--Lester Lee #1; Mineral Exploration Company--Herring #1; Mineral Exploration Company--Hoelscher-Serratt #1; Mineral Exploration Company--Gage #1; Mineral Exploration Company--Woods #1; Mineral Exploration Company--Stubblefield #1; Mineral Exploration Company--Lester Lee #2; Mineral Exploration Company--Brierton Lease, Well #1; Mineral Exploration Company--Gage Lease, Well #2; Mineral Exploration--Gill #1; Mineral Exploration Company--Gage Lease, Well #3; Mineral Exploration--Griggs #1.

The Commission has reason to believe that the exemption from registration afforded by Regulation B is unavailable because Mineral has not complied with the terms and conditions of Regulation B in that (1) Ransom Horne, Jr., president of Mineral Exploration Company, was permanently enjoined on November 12, 1974, by the Supreme Court of the State of New York, in and for the County of New York, from offering or selling securities in violation of Article 23-A of the General Business Law of the State of New York; and (2) Mineral failed to disclose in its offering sheets that on November 12, 1974 Ransom Horne, Jr. had been permanently enjoined by the Supreme Court of the State of New York, in and for the County of New York, from offering or selling securities in violation of Article 23-A of the General Business Law of the State of New York. (Rel. 33-5616)

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## INVESTMENT COMPANY ACT RELEASES

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### MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until October 7 to request a hearing on an application of Massachusetts Mutual Life Insurance Company, a mutual life insurance company and Massmutual Income Investors, Inc., a registered closed-end investment company, for an order exempting certain transactions involving the purchase of new issues of notes of the Sohio/BP TransAlaska Pipeline Finance Inc. from Section 17(d) of the Act and Rule 17d-1 thereunder and from Section 17(a) of the Act. (Rel. IC-8934-Sept. 15)

### PENNSYLVANIA INSURED MUNICIPAL BOND TRUST

An order has been issued on an application by Pennsylvania Insured Municipal Bond Trust, First Series (and Subsequent Series), a registered unit investment trust, and Butcher & Singer and Elkins, Stroud, Suplee & Co., the Trust's sponsors, for an order exempting the Trust and its sponsors from the initial net worth requirements of Section 14(a) and from the limitations on the distribution of capital gains contained in Rule 19b-1, and exempting from Rule 22c-1 the proposed secondary market operations of the Trust's sponsors. (Rel. IC-8935 - Sept. 15)

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## HOLDING COMPANY ACT RELEASES

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### NORTHEAST UTILITIES

A notice has been issued giving interested persons until October 8 to request a hearing on proposals of Northeast Utilities, a registered holding company, and four of its subsidiaries to engage in the financing of nuclear fuel cores and related transactions. (Rel. 35-19169 - Sept. 15)

### ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, to issue and sell up to \$35 million of first mortgage bonds at competitive bidding. (Rel. 35-19170 - Sept. 15)

### THE POTOMAC EDISON COMPANY

An order has been issued authorizing The Potomac Edison Company, subsidiary of Allegheny Power System, Inc., to issue and sell up to \$30 million of first mortgage bonds at competitive bidding. (Rel. 35-19171 - Sept. 15)

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## MISCELLANEOUS

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### CORRECTION RE RULE ADOPTION FOR INCREASED DISCLOSURE

The SEC News Digest of September 11, Page 1, last paragraph, incorrectly reported the effective date of the amendments to Regulation S-X. The amendments to Regulation S-X will be applicable to financial statements for all fiscal periods beginning subsequent to December 25, 1975. (Rel. 33-5611)

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## SECURITIES ACT REGISTRATIONS

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### (S-6) PENNSYLVANIA INSURED MUNICIPAL BOND TRUST FIRST SERIES

1500 Walnut St., Philadelphia, Pa. 19102. 8,500 of units, representing undivided interests in a closed-end investment trust to be offered for sale by the Sponsors: Butcher & Singer, same address, and Elkins, Stroud, Suplee & Co., 1700 Market St., Philadelphia, Pa. 19102. The Trust will own a portfolio of municipal bonds and an insurance policy covering principal and interest payments of the bonds in the portfolio. The Trustee will be United States Trust Company of New York. (File 2-54323 - Aug. 1)

(S-11) JMB INCOME PROPERTIES, LTD.-III (Income Properties-III), 875 N. Michigan Ave., Chicago, Ill. 60611 - 10,000 limited partnership interests to be offered at \$1,000 per interest with a minimum purchase required of five interests. Merrill Lynch, Pierce, Fenner & Smith Inc. is the selling agent. Income Properties-III is a limited partnership which will invest in real estate. (File 2-54340 - Aug. 5)

(S-16) HOUSTON NATURAL GAS CORPORATION

1200 Travis St., Houston, Tex. 77002 - 741,344 shares of common stock, to be offered for sale from time to time by certain shareholders at prices current at the time of sale. (File 2-54348 - Aug. 6)

(S-7) MORTON-NORWICH PRODUCTS, INC.

110 N. Wacker Drive, Chicago, Ill. 60606 - \$60 million of sinking fund debentures, due 2000, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004. The company produces and markets diversified groups of consumer, commercial and industrial products. (File 2-54590 - Sept. 12)

(S-7) MACK TRUCKS, INC.

Mack Blvd., Allentown, Pa. 18105 - \$60 million of notes, due 1985, to be offered for sale through underwriters headed by Warburg Paribas Becker Inc., 55 Water St., New York, N. Y. 10041. The company manufactures and sells heavy duty trucks and truck tractors. (File 2-54591 - Sept. 12)

(S-9) MICHIGAN BELL TELEPHONE COMPANY

444 Michigan Ave., Detroit, Mich. 48226 - \$200 million of debentures, due 2008, to be offered for sale at competitive bidding. The company is engaged in the business of furnishing communications services. (File 2-54592 - Sept. 12)

(S-1) UNITED NUCLEAR CORPORATION

101 Executive Blvd., Elmsford, N. Y. 10523 - 1,100,000 shares of common stock, to be offered for sale through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York, N. Y. 10005. The company is principally engaged in the exploration for, and the mining and milling of uranium. (File 2-54593 - Sept. 12)

(S-1) LIQUID AIR CORPORATION OF NORTH AMERICA

405 Lexington Ave., New York, N. Y. 10017 - 1,115,800 shares of common stock, of which 400,000 are to be offered for sale by the company and 715,800 by certain selling stockholders through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N. Y. 10004. The company is engaged primarily in the production and distribution of industrial gases. (File 2-54594 - Sept. 12)

(S-1) AMDAHL CORPORATION

1250 East Arques Ave., Sunnyvale, Calif. 94086 - 1,222,250 shares of common stock to be issued under the company's stock option plans. The company is principally engaged in the design, development, manufacturing and marketing of computer systems. (File 2-54595 - Sept. 15)

(S-7) HOUSTON LIGHTING & POWER COMPANY

611 Walker Ave., Houston, Tex. 77002 - 2,000,000 shares of common stock, to be offered for sale through underwriters headed by Morgan Stanley & Co. Inc., 1251 Avenue of the Americas, New York, N.Y. 10020. The company has also filed a separate registration statement covering 400,000 shares of cumulative preferred stock, which it proposes to offer and sell through underwriters in a separate transaction prior to the offering of the common stock. The company is engaged in the generation, transmission, distribution and sale of electric energy. (File 2-54586 & 2-54587 - Sept. 12)

REGISTRATIONS EFFECTIVE

Sept. 10: American Maize Products Co., 2-54361; Brooks Fashion Stores, Inc., 2-54360; Fay's Drug Co. Inc., 2-54246; Raychem Corp., 2-54364; Toledo Edison Co., 2-54358; Wien Air Alaska, Inc., 2-54068; The Wurlitzer Co., 2-54351.

Sept. 11: Interpace Corp., 2-54038; Municipal Investment Trust Fund, 2-54431.

Sept. 12: Alabama Power Co., 2-54409; GAC Properties Credit Inc., 2-54093 & 2-54548; Houston Natural Gas Corp., 2-54348; Indiana & Michigan Electric Co., 2-54432; Massachusetts Electric Co., 2-54400; Telemed Corp., 2-54002; Trust for Short-term Federal Securities, 2-53808; United Telecommunications, Inc., 2-54502.

Sept. 8: Independence Mortgage Trust, 2-50417 (Abandoned).  
 Sept. 9: Vance, Sanders Daily Interest Trust, 2-52246.  
 Sept. 10: Barnett Banks of Florida Inc., 2-52962.  
 Sept. 11: Verdi Investors Partners Ltd., 2-52982.

NOTE TO DEALERS: 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 on Schedule 13D the acquisition of more than 5% of the equity securities of another company within 10 days of the acquisition. The following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies during the period August 21 - Sept. 4.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Putnam Funds	Colt Industries, Inc. (New York City) Common Stock - 550,000 shs.	8-21-75
* Putnam Funds	General Dynamics Corp. (St. Louis, Mo.) Common Stock - 866,300 shs.	8-21-75
* Putnam Funds	Franklin Mint Corp. (Yeadon, Pa.) Common Stock - 605,000 shs.	8-21-75
* Transco Realty Trust	Hospital Mortgage Group (North Miami, Fla.) Shares of Beneficial Interest - 61,000	8-22-75
* Meshulam Riklis	American Recreation Group, Inc. (New York City) Common Stock - 786,566 shs. (27%)	8-22-75
Bear, Stearns & Co.	Apco Oil Corp. (Houston, Texas) Common Stock - 157,230 shs.	8-22-75
Michael Steinhardt	Union Fidelity Corp. (Trevose, Pa.) Common Stock - 252,000 shs.	8-22-75
Richard L. Shetler	Brand Insulations, Inc. (Chicago, Ill.) Common Stock - 500 shs. Common Stock - 400,000 shs. on exercise of Option granted by a shareholder	8-22-75
Purcell, Graham & Co.	Mangood Corp. (Chicago, Ill.) Common Stock - 20,495 shs.	8-22-75
Torco Oil Co.	American Reserve Corp. (Chicago, Ill.) Common Stock - 432,000 shs.	8-25-75
Magellan Fund, Inc. Puritan Fund, Inc. Salem Fund, Inc. Fidelity Trend Fund, Inc.	Northwest Industries, Inc. (Chicago, Ill.) Common Stock - 307,200 shs.	8-25-75
DPF Inc.	Interstate Brands Corp. (Kansas City, Mo.) Common Stock - 869,341 shs. (853,941 of above shares were purchased pursuant to the Tender Offer)	8-25-75
* Robert B. Pamplin, Jr.	Leath and Co. (Chicago, Ill.) Common Stock - 60,168 shs.	8-25-75

## ACQUISITION REPORTS CONT.

Alan G. Binnie Joseph J. Langford Walter P. Soboleski	GAP Instrument Corp. (Hauppauge, NY) Common Stock - 723,255 shs. (45%) Common Stock - 45,000 shs. on exercise of Options (574,700 of above shares were acquired from Payson and Trask, a partnership)	8-25-75
Louisiana and Southern Life Insurance Co.	National Life of Florida Corp. (Jacksonville, Fla.) Common Stock - 276,085 shs.	8-25-75
Charter Co.	Louisiana and Southern Life Insurance Co. (New Orleans, La.) Common Stock - 594,479 shs. (The holders of \$599,540 face amount of Debentures have granted to Charter an option to purchase any stock issued on conversion thereof)	8-25-75
Fifth Avenue Capital Associates	Childcraft Education Corp. (Edison, NJ) Common Stock - 87,641 shs. (15%) (Includes 8,750 shares which FACA has the right to acquire on exercise of Wts.)	8-25-75
* Roger J. LeBlanc	American Commonwealth Financial Corp. (Dallas, Texas) Common Stock - 1,192,422 shs. (47.9%)	8-25-75
* Bass Brothers Enterprises, Inc.	Sperry & Hutchinson Co. (New York City) Common Stock - 1,097,700 shs.	8-25-75
* Marvin B. Levy Lester Miller	Contico International, Inc. (St. Louis, Mo.) Common Stock - 108,850 shs. Common Stock - 29,826 shs. on conversion of Debentures and exercise of Options	8-25-75
* Albert M. Zlotnick	La Pointe Industries, Inc. (Rockville, Conn.) Common Stock - 63,100 shs.	8-26-75
* Group of Shareholders	Diversified Financial Corp. (East Kokomo, Ind.) Common Stock - 170,716 shs.	8-27-75
Robert G. Dawe	Microtron Industries, Inc. (Irving, Texas) Common Stock - 2,643,301 shs. (Mr. Dawe is also the trustee of a Trust which owns 2,304,806 shs.)	8-28-75
Wilma Rhodes	Microtron Industries, Inc. (Irving, Texas) Common Stock - 490,758 shs.	8-28-75
R. C. Dawe	Microtron Industries, Inc. (Irving, Texas) Common Stock - 1,723,306 shs. (19.1%)	8-28-75
Franc M. Ricciardi Thomas J. Hilb	Richton International Corp. (New York City) Common Stock - 158,879 shs. (Mr. Hilb and Mr. Ricciardi are President and Chairman of the Board of Richton respectively. Mr. Ricciardi holds an option to purchase 10,000 Common shares)	8-28-75
Valdak Corp.	National Insurance Co. of America (Grand Forks, ND) Class A Common - 29,244 shs. Class B Common - 266 shs.	8-28-75

## ACQUISITION REPORTS CONT.

Northland Life Insurance Co.	National Insurance Co. of America (Grand Forks, ND) Class A Common - 37,136 shs. Class B Common - 539 shs. (Valdak Corp. owns 25% of Northland's Common Stock)	8-28-75
Group of Shareholders	Metrocare, Inc. (Clearwater, Fla.) Common Stock - 571,908 shs.	8-29-75
Clarence Dauphinot (Bahamas)	Atalanta Corp. (New York City) Common Stock - 12,000 shs.	8-29-75
* Guthrie Delaware, Inc. (Wholly-owned subsidiary of Mindustrial B.V. (Netherlands))	Ajax Magnethermic Corp. (Warren, Ohio) Common Stock - 597,740 shs.	8-29-75
Flintkote Co.	Gable Industries, Inc. (Atlanta, Ga.) Common Stock - 990,026 shs. (44.4%)	8-29-75
Jack Rubenfeld	Bethlehem Corp. (Bethlehem, Pa.) Common Stock - 57,521 shs.	9- 2-75
Chicago Stadium Corp. Chicago Blackhawk Hockey Team, Inc.	Medical Investment Corp. (Minneapolis, Minn.) Common Stock - 600,000 shs.	9- 2-75
Leo Goodwin, Jr.	Datatype Corp. (Miami, Fla.) Common Stock - 325,082 shs. (55.5%) Common Stock - 60,000 shs. on exercise of Warrants (225,475 of above shares are held by Runnstrom Industries, Inc. which is wholly owned by Mr. Goodwin)	9- 2-75
Goldman, Sachs & Co.	IMODCO, Inc. (Los Angeles, Calif.) Common Stock - 50,018 shs.	9- 2-75
* Montana Corp.	Diversified Realty, Inc. (Butte, Mont.) Common Stock - 192,299 shs. (32%)	9- 2-75
* Robert B. Pamplin	Leath and Co. (Chicago, Ill.) Common Stock - 86,896 shs.	9- 2-75
* Frank A. Klaus	Hi-Shear Corp. (Torrance, Calif.) Common Stock - 583,994 shs.	9- 2-75
Microtron Industries, Inc.	Brooks International, Inc. (Irving, Texas) Common Stock - 1,501,800 shs. (69%) (Above shares were acquired from certain principals of Microtron and Brooks)	9- 2-75
Wits, Inc. Employee Stock Ownership Trust Plan	Wits, Inc. (Seattle, Wash.) Common Stock - 700,000 shs. (27%) on exercise of Option granted by five company shareholders	9- 2-75
* Nestle' Alimentana S.A. (Switzerland) Unilac, Inc. (Panama) Inveslac, Inc. (Panama)	Libby, McNeill & Libby (Chicago, Ill.) Common Stock - 8,920,477 shs. (92%) Convertible Debentures - \$11,908,000 (The Debentures and 2,966,869 of above shares were purchased by Universal Food Specialties, Inc., a wholly-owned subsidiary of Nestle' Alimentana, pursuant to the Tender Offer)	9- 2-75
* David J. Greene and Co.	Elgin National Industries, Inc. (Chicago, Ill.) Capital Stock - 76,656 shs.	9- 3-75

ACQUISITION REPORTS CONT.

Independent Life and Accident Insurance Co.	Ward Foods, Inc. (Wilmette, Ill.) Common Stock - 5,888 shs. on exercise of Warrants (Warrants covering an aggregate of 137,832 shs. were issued to a Group of Creditors in connection with a refinancing of certain indebtedness)	9- 3-75
* Grosvenor Corp.	Equity Oil Co. (Salt Lake City, Utah) Common Stock - 78,300 shs.	9- 4-75
* Clyde W. Engle, Individual and Trustee	Libco Corp. (Lincolnwood, Ill.) Common Stock - 5,507 shs. 8-1/2% Debentures - \$746,000 6% Convertible Debentures - \$12,000	9- 4-75
Group of Shareholders	Chemical Express Co. (Dallas, Texas) Common Stock - 1,142,125 shs. (63.4%) (The Group has determined jointly to seek a purchaser for the above shares)	9- 4-75
* Group of Shareholders	Kysor Industrial Corp. (Cadillac, Mich.) Common Stock - 461,213 shs.	9- 4-75
S. H. Scheuer	Southdown, Inc. (Houston, Texas) Common Stock - 115,900 shs. Convertible Preferred - 33,100 shs.	9- 4-75
J. P. Guerin & Co.	Mitchum, Jones & Templeton, Inc. (Los Angeles, Calif.) Common Stock - 32,900 shs.	9- 4-75
* Howard Associates	Seaboard World Airlines (Jamaica, NY) Common Stock - 363,900 shs.	9- 4-75
* Diversified Retailing Co., Inc.	Berkshire Hathaway Inc. (New Bedford, Mass.) Common Stock - 130,768 shs.	9- 4-75
* Amended Acquisition Report		

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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