

# sec news digest

Issue 77-198

October 13, 1977

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## NOTICE OF COMMISSION MEETINGS

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Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or tape record Commission meetings must obtain permission in advance from the Secretary of the Commission.

### CLOSED MEETING - WEDNESDAY, OCTOBER 19, 1977 - 2 P.M.

The subject matter of the October 19 closed meeting will be: Formal orders of investigation; Institution of injunctive actions; Settlement of injunctive actions; Institution of administrative proceedings; Settlement of administrative proceedings; Referral of investigative files to Federal, State or Self Regulatory authorities; Regulatory matters arising from or bearing enforcement implications; Request for hearing.

### OPEN MEETING - THURSDAY, OCTOBER 20, 1977 - 10 A.M.

The subject matter of the October 20 open meeting will be:

- (1) Meeting with representatives of Bradford National Corporation (BNC) to hear their views on BNC's role in a national clearing and settlement system.
- (2) Proposed publication of notice regarding the filing of plans for the allocation of regulatory responsibilities by self-regulatory organizations pursuant to Rule 17d-2.
- (3) Application of Money Market Management, Inc. and Trust for Short-Term U.S. Government Securities requesting an order exempting the companies from certain provisions of the Investment Company Act of 1940 to the extent necessary to permit valuation of portfolio securities on an amortized cost basis.
- (4) Application of Cyanamid International Development Company, a wholly-owned subsidiary of American Cyanamid Company, requesting an order exempting the company from certain reporting provisions under the Securities Exchange Act of 1934.
- (5) Application of Warner Communications, Inc. requesting an order exempting Knickerbocker Toy Co., Inc., a wholly-owned subsidiary, from certain reporting requirements under the Securities Exchange Act of 1934.
- (6) Consideration of soliciting public comments on proposed amendments to Form S-16. These proposals would expand the usage of this short registration form to permit the registration of (1) securities being offered to the public for cash by certain issuers about which information is widely disseminated among the investing public and (2) securities being offered by issuers eligible to use the form to existing shareholders through either rights offering or dividend investment plans.
- (7) Consideration of soliciting public comment on proposals (1) to amend registration and annual report forms together with related rules and disclosure guidelines applicable to foreign private issuers under the Securities Exchange Act and (2) to adopt a new disclosure guideline under the Securities Act dealing with disclosures by foreign registrants of management remuneration.
- (8) Consideration of the delegation of authority to the Office of Reports and Information Services to act on requests to waive or reduce search and duplication fees in connection with requests for access to records under the Freedom of Information Act and duplicating fees under the Privacy Act.

✓ (9) Consideration of soliciting public comment on proposed rules which would amend the Commission's regulations to provide for the disclosure in financial statements of certain operating and financial data relating to oil and gas producing activities.

(10) Consideration of soliciting public comments on proposed rules concerning common trust funds. Such proposals would, in effect, cause such common trust funds maintained by a bank in a bank holding company for itself and other bank members of the same holding company, and interests or participations therein, to be treated the same as traditional common trust funds. The Commission will also consider approval of a no-action position to be taken by the staff pending final action on the proposed rules.

FOR FURTHER INFORMATION CONTACT: Sam Knight at (202) 376-7130

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## COMMISSION ANNOUNCEMENTS

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### FILES ON CORPORATE PAYMENTS MADE PUBLIC

The Commission, pursuant to requests under the Freedom of Information Act, has made available to the public certain previously non-public files in its possession relating to questionable corporate payments. Files concerning the following corporations are made available beginning today: Dart Industries Inc.; F.W. Woolworth Co.; Joy Manufacturing Co.; Missouri Public Service; Pitney-Bowes Inc. These files, and others made available previously, may be inspected at the Commission's Public Reference Room, Room 6101, 1100 L Street, N.W., Washington, D.C., between the hours of 9 a.m. and 5 p.m. Persons wishing further information may call the Public Reference Room at (202) 523-5360.

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## COURT ENFORCEMENT ACTIONS

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### KENNETH LINDQUIST, KAY HARRISON FOUND GUILTY

The Los Angeles Regional Office announced that on September 2 a five man, seven women jury returned guilty verdicts against Kenneth Lindquist, a Logan, Utah businessman. The same jury had earlier found Kay Harrison of Los Angeles, and former administrator of the All American Fund, guilty of conversion and fraud. The jury found Lindquist guilty of conspiracy, aiding and abetting in the fraud by an investment adviser upon its client, a mutual fund, and perjury. The mutual funds that were alleged to have been defrauded by Lindquist and Harrison were the All American Fund, formerly of Los Angeles, and The Financial Fund, Inc. of Seattle, Washington. Robert Solomon of Encino, California, earlier pled guilty to one count of conspiring and testified for the Government. David Namelka, of Salt Lake City, Utah was acquitted on all counts. The five week trial before the Honorable Robert M. Takasugi was a result of an indictment returned on February 24 by a Federal Grand Jury sitting in Los Angeles. The indictment was one of a series of indictments involving the All American Fund and The Financial Fund, all of which alleged that various persons caused bribes and kickbacks to be made to Harrison and Solomon in return for their causing various stocks to be purchased by the mutual funds.

The indictment alleged and the evidence adduced during the trial established that during March, April and May, 1973, Harrison caused the mutual funds to purchase approximately \$153,000 of Gas-N-Save of Idaho, Inc. stock, with the vast majority being supplied by Lindquist through various brokerage houses in Salt Lake City, Utah. Lindquist, in return, purportedly transferred control of Gas-N-Save of Idaho, Inc. to Solomon and Harrison. The evidence further established that the fact of the purchase and the surrounding circumstances were not disclosed to the investors of either mutual fund. Sentencing of Harrison and Lindquist was set for October 31, 1977. (SEC v. Lindquist, et al., Central District of Cal., CR-77-244). (LR-8147)

### KAY HARRISON, JAMES E. DIZON FOUND GUILTY

The Los Angeles Regional Office announced that on July 11 after a three week jury trial, a mutual fund adviser and one other person were found guilty on various charges contained in an indictment returned on February 24. Kay Harrison of Los Angeles, was convicted on all five counts of the indictment, and James E. Dizon of Beverly Hills, was found guilty on three counts and acquitted on two others. Earlier Peter Polland of Los Angeles and Robert Solomon of Encino, each pled guilty on June 21 to one count of conspiracy. Mrs. Harrison was senior vice president of All American Fund, which later went into court supervised receivership and was subsequently merged into another mutual fund. Mr. Solomon was a partner with Mrs. Harrison in Financial Management Corporation of America, a company which had an executory contract to provide management services to the mutual fund. Mr. Dizon and his brother-in-law, Mr. Polland, were securities promoters.

The trial was the result of an indictment, which was returned in February 1977. The indictment alleged that in November 1972, all four defendants conspired to cause the All American Fund to purchase \$112,500 of Torr Laboratories, Inc. stock which was owned by Dizon and Polland. The indictment charged that Dizon and Polland agreed to pay a kickback to Solomon of \$54,000 from the monies they would receive from the sale in order that Solomon would use his influence with Harrison to see that the mutual fund made the purchase. (SEC v. Dizon, et al., Central District of Cal., 77-247). (LR-8148)

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## INVESTMENT COMPANY ACT RELEASES

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### AMERICAN GENERAL EXCHANGE FUND

A notice has been issued giving interested persons until November 2 to request a hearing on an application of American General Exchange Fund (a California limited partnership), a registered open-end, diversified, management investment company, American General Capital Management, Inc. (Management), the Fund's investment adviser and a wholly-owned subsidiary of American General Insurance Company (Insurance), and Maryland Casualty Company, also a wholly-owned subsidiary of Insurance, for an order pursuant to the provisions of Sections 17(b) and 17(d) of the Act and Rule 17d-1 thereunder permitting the proposed sale by Maryland Casualty of a single joint errors and omissions insurance policy to the Fund and Management, and an appropriate allocation of the premium costs on that policy between Fund and Management. (Rel. IC-9953 - Oct. 11)

### ESSEX FUND

A notice has been issued giving interested persons until November 7 to request a hearing on an application of Essex Fund, Inc., an open-end, diversified management investment company, for an order declaring that it has ceased to be an investment company. (Rel. IC-9954 - Oct. 11)

### THE GRIESEDIECK COMPANY

A notice has been issued giving interested persons until November 4 to request a hearing on an application of The Griesedieck Company, a registered closed-end, diversified management investment company, for an order declaring that it has ceased to be an investment company. (Rel. IC-9955 - Oct. 12)

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## HOLDING COMPANY ACT RELEASES

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### ARKANSAS-MISSOURI POWER COMPANY

A notice has been issued giving interested persons until October 31 to request a hearing on a proposal of Arkansas-Missouri Power Company, subsidiary of Middle South Utilities, Inc., to make short-term borrowings from banks in the amount of \$7,750,000 at any one time outstanding. The net proceeds of the sale of these notes will be used to retire presently outstanding short-term debt. (Rel. 35-20202 - Oct. 6)

### ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, to issue and sell at competitive bidding up to \$200 million of first mortgage bonds. (Rel. 35-20203 - Oct. 7)

### JERSEY CENTRAL POWER & LIGHT COMPANY

An order has been issued authorizing proposals by Jersey Central Power & Light Company, subsidiary of General Public Utilities Corporation, that it amend its articles of incorporation to reclassify its presently outstanding shares of preferred stock and increase its authorized preferred stock, and that it issue and sell up to 2,000,000 shares of preferred stock at competitive bidding. (Rel. 35-20204 - Oct. 7)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### DELISTING GRANTED

Orders have been issued granting the application of the Pacific Stock Exchange to strike from listing and registration the specified securities of the following company: Home Oil Company Limited; Class A shares, without par value and Class B shares, without par value. (Rel. 34-14046)

## 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-14) IRT CORPORATION, 7650 Convoy Court, San Diego, Cal. 92111 (714) 565-7171 - 234,375 shares of Class A common stock and 397,465 shares of common stock. (File 2-60038 - Oct. 11)
- (S-1) ASCOT COMMODITY FUTURES FUND, Suite 2600, 134 South LaSalle St., Chicago, Ill. 60603 - 10,000 units of limited partnership. (File 2-60041 - Oct. 11)
- (S-7) INTERCRAFT INDUSTRIES CORPORATION, 10 South Riverside Plaza, Suite 1920, Chicago, Ill. 60606 (312) 454-0770 - 6,000 shares of common stock. (File 2-60042 - Oct. 11)
- (S-8) COLDWELL, BANKER & COMPANY, 533 Fremont Ave., Los Angeles, Cal. 90071 - 388,065 shares of common stock. (File 2-60050 - Oct. 12)
- (S-7) TEXASGULF INC., High Ridge Park, Stamford, Conn. 06904 (203) 358-5000 - \$150 million of debentures, due 2002. Underwriter: Morgan Stanley & Co. Inc. (File 2-60051 - Oct. 12)
- (S-7) GENERAL MOTORS ACCEPTANCE CORPORATION, 767 Fifth Ave., New York, N.Y. 10022 (212) 486-3824 - \$100 million of notes, due 1988 and \$200 million of debentures, due 2006. Underwriter: Morgan Stanley & Co. Inc. (File 2-60052 - Oct. 12)
- (S-1) CENTRAL TELEPHONE COMPANY OF FLORIDA, 5725 East River Rd., Chicago, Ill. 60631 (312) 399-2500 - \$37 million of first mortgage sinking fund bonds, Series P, due 2007. Underwriters: Dean Witter & Co. Inc. and Paine, Webber, Jackson & Curtis Inc. (File 2-60053 - Oct. 12)
- (S-14) NATIONAL CITY CORPORATION, 623 Euclid Ave., Cleveland, Ohio 44114 (216) 861-4900 - 960,062 shares of common stock. (File 2-60058 - Oct. 12)
- (S-14) HERSHEY FOODS CORPORATION, 19 East Chocolate Ave., Hershey, Pa. 17033 (717) 534-4200 - 737,101 shares of common stock. (File 2-60059 - Oct. 12)
- (S-8) ON-LINE SYSTEMS, INC., 115 Evergreen Heights Dr., Pittsburgh, Pa. 15229 - 10,000 shares of common stock. (File 2-60061 - Oct. 12)
- (S-8) NICOR INC., East-West Tollway at Route 59, P.O. Box 200, Naperville, Ill. 60540 - \$5 million of participations. (File 2-60062 - Oct. 13)

### REGISTRATIONS EFFECTIVE

Oct. 5: The Afrikander Lease Ltd., 2-59949; Consumers Power Co., 2-59886; New England Business Service, Inc., 2-59810 (90 days); Montgomery Ward Credit Corp., 2-59969; Philadelphia Electric Co., 2-59876; Nooney-Pheasant Run Associates, 2-59603 (90 days).

**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 or request. All other reference material is available in the SEC Docket.*

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