

sec news digest

LIBRARY
MAY 12 1982

Issue 82-90

May 11, 1982

U.S. SECURITIES AND
EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDINGS

SANCTIONS IMPOSED ON HAMMON CAPITAL MANAGEMENT CORPORATION AND GABE HAMMON

The Commission announced that it imposed sanctions on Hammon Capital Management Corporation, a registered investment adviser located in Colorado Springs, Colorado, and Gabe Hammon, its president, in connection with an administrative proceeding now on appeal. The Commission accepted the respondents' offers of settlement in which they consented to the entry of findings that they had violated Section 204 of the Investment Advisers Act of 1940 and rules thereunder by failing to keep required books and records and refusing to allow the Commission to inspect those books and records. They further consented to the imposition of censures and an order requiring them to comply with undertakings to retain accounting firms to keep their books and records and to conduct surprise audits for an 18-month period. The Commission modified a previous order (but not its opinion) in which it had imposed suspensions upon the respondents. (Rel. IA-801)

WILLIAM H. CAIN AND BARRY EUGENE WEED SANCTIONED

The Commission announced that it has entered Findings and an Order Imposing Remedial Sanctions against Barry Eugene Weed and William H. Cain in connection with an administrative proceeding. Cain and Weed are residents of Greensboro, North Carolina and were associated with a now defunct Greensboro, North Carolina broker-dealer as registered representatives. The Commission's Order was entered pursuant to Offers of Settlement submitted by Cain and Weed wherein they neither admitted nor denied the allegations contained in the Order for Proceedings, and in which they consented to findings of violations and the sanctions imposed.

Upon consideration of the Order for Proceedings and the Offer of Settlement, the Commission found that Cain and Weed aided and abetted National Executive Planners, Ltd. (NEP), a North Carolina corporation in which both Cain and Weed were vice-presidents, in conducting business as a broker-dealer and as an investment adviser while not registered with the Commission. Additionally, the Commission found that during the period from about 1973 to November, 1978, Cain and Weed wilfully violated the registration provisions of the Securities Act of 1933 and the antifraud provisions of the Securities Act, the Securities Exchange Act of 1934, and the Investment Advisers Act of 1940, in connection with the offer and sale of financing agreements evidencing indebtedness of Television Marketing Corporation, which were purportedly secured by accounts receivable from national retail merchandisers.

Based on the above findings and the Offer of Settlement, Weed and Cain were suspended from association with any broker-dealer, municipal securities dealer or investment adviser for a period of four months and were barred from association with such entities in a supervisory or proprietary capacity, with the provision that after 18 months, Cain and Weed may apply for association in a proprietary and supervisory capacity. (Rel. 34-18703)

PUBLIC ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST JOHN P. KRAUSE AND PHILIP H. ACKERT

The Commission announced that public administrative proceedings have been ordered under the Securities Exchange Act of 1934 and the Securities Investor Protection Act of 1970 (SIPA) against John P. Krause of New York City, and Philip H. Ackert of West Boylston, Massachusetts, persons associated with A.E. Pearson, Inc., a broker-dealer registered with the Commission currently being liquidated by a trustee appointed pursuant to the SIPA.

Simultaneously with the institution of the proceedings, the Commission accepted Offers of Settlement from Krause and Ackert, whereby they consented to the entry of an Order by the Commission providing (1) for findings (a) that on January 13, 1982, Krause and Ackert were permanently enjoined by consent in the U.S. District Court for the Southern District of New York from aiding and abetting further violations of Section 15(c)(3) of the Exchange Act and Rule 15c3-1 thereunder [SEC v. A.E. Pearson, Inc., et al., 82 Civil 0233 (KTD) (S.D.N.Y. 1982)], (b) without admitting or denying, that Krause was an officer and director of Pearson, for whom a trustee has been appointed pursuant to the SIPA, and (c) without admitting or denying, that Ackert was an officer, director and owner of more than ten percentum of the voting securities of Pearson, for whom a trustee has been appointed pursuant to the SIPA; and (2) the sanctions of (a) suspending Krause and Ackert from being associated in any capacity with a broker, dealer, investment company, investment adviser or municipal securities dealer for a period of 30 days, and (b) barring Krause and Ackert from being associated in a supervisory or proprietary capacity with any broker, dealer, investment company, investment adviser or municipal securities dealer, provided that after ten years and two years, respectively, from the effective date of the order, Krause and Ackert may apply to the Commission to become associated in any capacity. (Rel. 34-18704)

INVESTMENT COMPANY ACT RELEASES

TEMPORARY INVESTMENT FUND, INC.

An order has been issued pursuant to Section 6(c) of the Investment Company Act of 1940 exempting Temporary Investment Fund, Inc. from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder to the extent necessary to permit it to use the amortized cost valuation method for the purpose of pricing its shares for sale, redemption and repurchase, subject to specific conditions. (Rel. IC-12426 - May 10)

MERRILL LYNCH VARIABLE ANNUITY ACCOUNT

A notice has been issued giving interested persons until June 4 to request a hearing on an application filed on March 18, 1982, and an amendment thereto on April 28, 1982, by Family Life Insurance Company (FLIC), Merrill Lynch Variable Annuity Account (the Account), and Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S) (together, Applicants), for an order pursuant to Section 6(c) of the Investment Company Act of 1940, exempting Applicants from the provisions of Sections 22(e), 27(c)(1) and 27(d) of the Act to the extent necessary to permit Applicants to offer certain variable annuity contracts in Texas. FLIC, a stock insurance company organized under the laws of Washington, is the depositor of the Account which is registered under the Act as a unit investment trust. MLPF&S is the principal underwriter for the Account. (Rel. IC-12427 - May 10)

HOLDING COMPANY ACT RELEASES

WEST TEXAS UTILITIES COMPANY

A notice has been issued giving interested persons until June 1 to request a hearing on a proposal of West Texas Utilities Company, subsidiary of Central and South West Corporation, to issue and sell up to \$30 million of long-term debentures through a negotiated public offering. (Rel. 35-22490 - May 7)

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; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

- (S-8) SAGE LABORATORIES, INC., 3 Huron Dr., East Natick Industrial Park, Natick, MA 01760 (617) 227-4400 - 53,200 shares of common stock. (File 2-77416 - May 7) (Br. 7)
- (S-6's) MUNICIPAL INVESTMENT TRUST FUND, TWO HUNDRED TWENTY-EIGHTH MONTHLY PAYMENT SERIES; AND THE CORPORATE INCOME FUND, ONE HUNDRED NINETY-FOURTH SHORT TERM SERIES, One Liberty Plaza, 165 Broadway, New York, NY 10080 - an indefinite number of units of beneficial interest (each Series). Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, NY 10080, Dean Witter Reynolds Inc., Bache Halsey Stuart Shields Incorporated and Shearson/American Express Inc. (File 2-77417 and 2-77418 - May 7) (Br. 17 - New Issues)
- (S-14) NBE BANCSHARES, INC., 137 South Main St., Earlville, IL 60518 (815) 246-8411 - 4,000 shares of common stock. (File 2-77419 - May 7) (Br. 2 - New Issue)
- (S-8) BRANIFF INTERNATIONAL CORPORATION, Braniff Blvd., Dallas-Fort Worth Airport, TX 75261 (214) 358-6011 - 1,018,000 shares of common stock. (File 2-77420 - May 7) (Br. 3)
- (S-3) CAMPBELL TAGGART, INC., 6211 Lemmon Ave., P.O. Box 222640, Dallas, TX 75222 (214) 358-9211 - 389,059 shares of common stock. (File 2-77421 - May 7) (Br. 4) [SHELF REGISTRATION]
- (S-14) NEW BANCSHARES, INC., 810 Monmouth St., Newport, KY 41072 (606) 261-5922 - 40,000 shares of common stock. (File 2-77422 - May 7) (Br. 1 - New Issue)
- (S-3) REPUBLIC NEW YORK CORPORATION, 452 Fifth Ave., New York, NY 10018 (212) 930-6100 - \$75 million of 8% sinking fund debentures, due 2007; and 1,500,000 shares of cumulative preferred stock, floating rate Series A. Underwriters: Salomon Brothers Inc., Merrill Lynch White Weld Capital Markets Group, and Bear, Stearns & Co. (File 2-77423 and 2-77424 - May 7) (Br. 1)
- (S-1) THE ADMIRAL FUND, LTD., Suite 1800, 141 West Jackson Blvd., Chicago, IL 60604 - 15,000 units of limited partnership interest. (File 2-77425 - May 7) (Br. 2)
- (S-3) GENERAL MOTORS ACCEPTANCE CORPORATION, 3044 West Grand Blvd., Detroit, MI 48202 (313) 556-5000 - \$100 million of 7% notes, due May 15, 1987. Underwriter: Morgan Stanley & Co. Incorporated. (File 2-77426 - May 7) (Br. 1)
- (S-3) FORD MOTOR CREDIT COMPANY, The American Rd., Dearborn, MI 48121 (313) 322-3000 - \$250 million of one year extendable notes. Underwriter: Goldman, Sachs & Co. (File 2-77427 - May 7) (Br. 2)
- (S-14) TEXAS AIR CORPORATION, 333 Clat St., Houston, TX 77002 (713) 658-9588 - 3,075,106 shares of common stock, and 1,537,555 shares of 15% \$20 cumulative preferred stock. (File 2-77428 - May 7) (Br. 3)
- (S-1) GRANADA I, 10900 Richmond, P.O. Box 42298, Houston, TX 77242 - \$50 million in limited partnership interests. The company is a recently formed Texas limited partnership, formed to engage in all segments of livestock production operations and related activities. (File 2-77430 - May 10) (Br. 4 - New Issue)
- (N-1) FEDERATED EQUITY TRUST, 421 Seventh Ave., Pittsburgh, PA 15219 (412) 288-1900 - an indefinite number of shares. (File 2-77431 - May 10) (Br. 16 - New Issue)
- (S-16) SCIENCE APPLICATIONS INTERNATIONAL CORPORATION, 1200 Prospect Street, La Jolla, CA 92038 (714) 454-3811 - 17,600 shares of common stock. (File 2-77432 - May 10) (Br. 5)
- (S-16) CHARTER MEDICAL CORPORATION, 577 Mulberry St., Macon, GA 31298 (912) 742-1161 - 750,000 shares of Class A common stock. Underwriter: Drexel Burnham Lambert Incorporated. The company operates 17 psychiatric hospitals and 11 general hospitals. (File 2-77433 - May 10) (Br. 6)
- (S-15) THE ST. PAUL COMPANIES, INC., 385 Washington St., St. Paul, MN 55102 (612) 221-7911 - 130,000 shares of common stock. (File 2-77434 - May 10) (Br. 10)
- (S-8) ASSOCIATED BANC-CORP., 222 Cherry St., Green Bay, WI 54301 (312) 527-4000 - 120,000 shares of common stock. (File 2-77435 - May 10) (Br. 1)
- (S-16) WARNER COMMUNICATIONS INC., 75 Rockefeller Plaza, New York, NY 10019 (212) 484-8000 - 800,000 common stock purchase warrants to purchase 800,000 shares of common stock. Underwriters: Bear, Stearns & Co. and Shearson/American Express Inc. The company is engaged in the communications and entertainment business. (File 2-77436 - May 10) (Br. 4)

REGISTRATIONS EFFECTIVE

Apr. 27: Visual Graphics Corp., 2-76916.

May 5: CPB Inc., 2-76608; Maryland National Corporation, 2-77206; Republic of Texas Corporation, 2-76908.

May 6: The Corporate Income Fund, One Hundred Forty-Eighth Monthly Payment Series, 2-76251; Frontier Holdings, Inc., 2-77240; General Electric Company, 2-77320; Indianapolis Power & Light Company, 2-77300; Instron Corporation, 2-77062; Mellon National Corporation, 2-71383; Mercantile Texas Corporation, 2-77097.

May 7: Archer-Daniels-Midland Company, 2-77368; Archer Money Market Fund of Government Securities, Inc., 2-75573; Atlantic City Electric Co., 2-77243; Cole National Corporation, 2-77352; The Columbia Gas System, Inc., 2-76993; Daily Cash Government Fund, 2-75812; E & J Properties, Ltd., 2-76888; Hughes Tool Company, 2-77041; Kidder, Peabody Premium Account Fund, 2-75691; Marine Bancorp, Inc., 2-76384; Middle South Utilities, Inc., 2-77152; Peoples Capital Corporation, 2-76751; Southwestern Electric Power Co., 2-77165; Super 8 Motels Northwest II, 2-76549; UGI Corporation, 2-77053; Wespac Investors Trust II, 2-76100.

REGISTRATIONS WITHDRAWN

Apr. 29: National Tubular Systems, Inc., 2-73336-FW.

May 4: Amarex Drilling Program, Ltd. 1981, 2-70172.