

# sec news digest

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## RULES AND RELATED MATTERS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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### AMENDMENTS TO RULES 17a-2 AND 10b-7 PROPOSED FOR PUBLIC COMMENT

The Commission has proposed for public comment an amendment to Rules 17a-2 and 10b-7 and the rescission of related Form X-17A-1. The proposed amendment to Rule 17a-2 will eliminate the requirement that participants in an offering that is stabilized file with the Commission reports of their transactions, including stabilizing transactions, in those securities. The proposed amendment to this rule would require instead that information concerning stabilizing transactions be retained by the manager of the underwriting syndicate. The proposed amendment to Rule 10b-7 will make certain technical changes to that rule.

Comments (six copies) should be submitted to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. on or before October 19 and should refer to File No. S7-941. (Rel. 34-18983)

FOR FURTHER INFORMATION CONTACT: Kenneth B. Orenbach at (202) 272-7391 or Allyn Shepard at (202) 272-2828

### WITHDRAWAL OF PROPOSAL TO ADOPT RULE 15c2-12 AND AMEND RULE 10b-10

The Commission has issued a release announcing the withdrawal of the proposed amendment to Rule 10b-10 and proposed Rule 15c2-12 which would have required disclosure of mark-ups in "riskless" principal transactions in debt securities. (Rel. 34-18987)

FOR FURTHER INFORMATION CONTACT: Susan J. Walters at (202) 272-7494

### PROPOSAL TO ADOPT RULE AMENDMENTS TO RULE 10b-10

The Commission has proposed for public comment amendments to Securities Exchange Rule 10b-10 which would require various confirmation disclosures relating to yield and call in debt securities and codify exemptions to the rule granted on a case-by-case basis, permitting the use of monthly account statements in connection with certain "account management plans." All comments should be sent in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. on or before November 1 and should refer to File No. S7-942. All submissions will be made available for public inspection. (Rel. 34-18988)

FOR FURTHER INFORMATION CONTACT: Susan J. Walters at (202) 272-7494

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## ADMINISTRATIVE PROCEEDINGS

### FINDINGS AND ORDER IMPOSING REMEDIAL SANCTIONS AGAINST ALLEN EGON CHOLAKIAN

The Commission announced the entry of Findings and Order Imposing Remedial Sanctions against Allen Egon Cholakian of Santa Monica, California, an investment adviser registered with the Commission since October 13, 1978. Cholakian failed to answer the Order Instituting Proceedings under the Investment Advisers Act of 1940 which was issued on February 12, 1982.

On the basis of the Order Instituting Proceedings, it has been found that Cholakian violated Sections 204, 206(4) and 207 of the Investment Advisers Act and Rules 204-1, 204-2 and 206(4)-1(a)(5)

Therefore, the Commission, by its Secretary, pursuant to delegated authority, has ordered that Cholakian's Investment Adviser registration be revoked and further that he be barred from association with any investment adviser. (Rel. IA-819)

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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 (FOIA), has made available to the public certain previously non-public files in its possession relating to questionable corporate payments. Files concerning the following corporations will be made available beginning today (information in parentheses are the FOIA exemptions used to withhold certain material in the files): Hoffman Electronics Corporation, Natomas Company, Olin Corporation, Trans International Airlines, Union Commerce Corporation and Walgreen Co. (all exempted under 5 USC 552(b)(5)). These files, and others made available previously, may be inspected at the Commission's Public Reference Room, Room 1024, 450 Fifth 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) 272-7450.

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## CIVIL PROCEEDINGS

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### PHILLIP S. FRY, OTHERS ENJOINED

The Chicago Regional Office announced that on August 3 the Honorable Joseph P. Kinneary, Judge, U.S. District Court for the Southern District of Ohio, Eastern Division, at Columbus, Ohio, entered a Final Judgment of Permanent Injunction against Charles C. Kittle, and on August 9 Judge Kinneary entered a Final Judgment of Permanent Injunction against Leverage Leasing Corporation, an Ohio corporation, and Phillip S. Fry, president of Leverage Leasing. The Judgments enjoin Fry, Kittle and Leverage Leasing from violating the registration and antifraud provisions of the securities laws. Fry, Kittle and Leverage Leasing consented to the entry of the Orders of Permanent Injunction against them without admitting or denying the allegations contained in the Commission's complaint.

The Commission's complaint alleged that commencing in or about November 1978, Fry and others offered and sold securities of a variety of trusts created by Fry, in the form of investment contracts called "beneficial interest," and that Fry and Leverage Leasing, commencing in or about September 1979, and Kittle, commencing in or about October 1979, began offering and selling corporate promissory notes of Leverage Leasing without a registration statement having been filed or in effect with the Commission as to those securities.

In addition, the complaint alleged that in the offer and sale of Leverage Leasing promissory notes and the securities of the various trusts the defendants made untrue statements of material facts and omitted to state material facts concerning, among other things, financial information concerning the issuers, business purpose of Leverage Leasing, profitability of the issuers, risks of investing and the availability of a guaranteed profit. (SEC v. Phillip S. Fry, et al., N.D. Ohio, Civil Action No. C-2-82-856). (LR-9737)

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## HOLDING COMPANY ACT RELEASES

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### JAMES RIVER-BERLIN GORHAM, INC.

An order has been issued granting James River-Berlin Gorham, Inc. an exemption from the Public Utility Holding Company Act of 1935 pursuant to Section 3(a)(3). (Rel. 35-22608 - Aug. 19)

### INDIANA & MICHIGAN ELECTRIC COMPANY

A notice has been issued giving interested persons until September 15 to request a hearing on a proposal by Indiana & Michigan Electric Company, subsidiary of American Electric Power Company, Inc., to acquire up to \$270,000 (2.7 percent) of the common stock of a new corporation organized to stimulate economic activity in Indiana. (Rel. 35-22609 - Aug. 20)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

A rule change filed by the Depository Trust Company (SR-DTC-82-3) has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The proposed fee change revises DTC's current fees for certain municipal bond services. These services include deposits, withdrawals, interest payments on participant positions in municipal securities, monthly account maintenance, delivery orders, CNS deliveries and underwriting services. DTC is also implementing a new fee for any withdrawal prepared in response to a Participant's instruction which is not picked up by the participant during the day for which the withdrawal was ordered. In addition, participants will be charged the same fee now applicable to corporate bonds for other DTC services associated with participant activity in municipal bonds, including redemptions, calls and deposits through depository facilities. Publication of the proposal is expected to be made in the Federal Register during the week of August 16. (Rel. 34-18979)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved proposed rule changes filed under Rule 19b-4 by the Philadelphia Stock Exchange, Inc. (SR-Phlx-81-1) to create the Phlx Allocation, Evaluation and Securities Committee which will administer new rules implementing a two-year pilot program, effective October 1, 1982, relating to the appointment of specialists, the allocation of new listings to specialists, the evaluation of specialist performance, and the reallocation of stocks and options classes due to substandard specialist performance. (Rel. 34-18975); and (SR-Phlx-82-6) to modify its rule limiting the number of registered options traders (ROTs) who are establishing or increasing a position in a trading crowd at the same time. (Rel. 34-18980)

### NOTICE OF RECEIPT OF AN AMENDMENT TO THE CONSOLIDATED QUOTATION PLAN

Pursuant to Rule 11Aa3-2(c)(4) under the Securities Exchange Act of 1934, the Commission has approved an amendment to the Consolidated Quotation Plan (CQ Plan) which will become effective on a temporary basis upon publication of notice of the amendment in the Federal Register. The amendment provides for dissemination of the best bid and offer quotations from all market centers trading a security through the Intermarket Trading System (ITS), including those over-the-counter market makers trading a security through ITS via the National Association of Securities Dealers, Inc.'s Computer Assisted Execution System. (Rel. 34-18982)

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## SECURITIES ACT REGISTRATIONS

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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; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (S-18) DALECO RESEARCH & DEVELOPMENT I, LIMITED PARTNERSHIP, 3388 Via Lido, Fourth Floor, Newport Beach, CA 92663 (714) 673-4227 - 1,000 units of limited partnership interests (\$5,000 per unit). (File 2-78803-LA - Aug. 11) (Br. 8 - New Issue)
- (S-18) CHAUTAUGUA ENERGY A, B, C, AND D DRILLING PROGRAMS, 1299 Union Rd., Buffalo, NY 14224 (716) 675-5711 - \$5 million of preformation limited partnership interests. (File 2-78886-NY - Aug. 17) (Br. 4 - New Issue)
- (S-1) ANTIOCH HOLDING COMPANY, 440 Lake St., Antioch, IL 60002 (312) 395-2700 - 988,700 shares of common stock. (File 2-78911 - Aug. 11) (Br. 2 - New Issue)
- (S-14) FIRST BATH CORP., 107 East Main, P.O. Box 38, Bath, PA 18014 - 72,000 shares of common stock. (File 2-78919 - Aug. 18) (Br. 1 - New Issue)

- (N-1) COMPOUND CASH TRUST, 8900 Keystone Crossing, Suite 685, Indianapolis, IN 46240 (317) 848-1478 - an indefinite number of shares. (File 2-78931 - Aug. 19) (Br. 18 - New Issue)
- (S-1) TRUMAN NATIONAL HOLDING COMPANY, 2800 Rockcreek Pkwy., Suite 302, North Kansas City, MO 64116 (816) 421-1220 - 5,000,000 shares of common stock. (File 2-78934 - Aug. 19) (Br. 10 - New Issue)
- (S-6) MUNICIPAL SECURITIES TRUST, 6th DISCOUNT SERIES; MUNICIPAL SECURITIES TRUST, SERIES 15 AND 7th DISCOUNT SERIES, 55 Water St., New York, NY 10041 - 17,000 and 24,000 units, respectively. Depositor: Bear, Stearns & Co. (File 2-78938 and 2-78939 - Aug. 19) (Br. 16 - New Issues)
- (S-3) SOUTHERN CALIFORNIA EDISON COMPANY, 2244 Walnut Grove Ave., P.O. Box 800, Rosemead, CA 91770 (213) 572-1212 - 1,600,000 shares of common stock. The company is engaged in supplying electric energy. (File 2-78940 - Aug. 20) (Br. 8)
- (S-3) THE DETROIT EDISON COMPANY, 2000 Second Ave., Detroit, MI 48226 (313) 237-8000 - 6,000,000 shares of common stock. (File 2-78941 - Aug. 20) (Br. 8) [S]
- (S-3) ZAYRE CORP., 770 Chochituate Rd., Framingham, MA 01701 (617) 620-5000 - 1,000,000 shares of common stock. Underwriters: Wertheim & Co., Inc. and Drexel Burnham Lambert Incorporated. The company is a operator of self-service discount department stores and off-price apparel specialty stores. (File 2-78943 - Aug. 20) (Br. 1)
- (S-3) KANSAS GAS AND ELECTRIC COMPANY, 201 North Market St., Wichita, KS 67201 (316) 261-6611 - 3,000,000 shares of common stock. (File 2-78944 - Aug. 20) (Br. 8) [S]
- (S-3) FINANCIAL CORPORATION OF AMERICA, 6420 Wilshire Blvd., Los Angeles, CA 90048 (213) 653-9550 - \$100 million of senior subordinated debentures. (File 2-78948 - Aug. 20) (Br. 7) [S]
- (S-3) KERR-MCGEE CORPORATION, Kerr-McGee Center, Oklahoma City, OK 73125 (405) 270-1313 - \$250 million of debt securities. (File 2-78952 - Aug. 20) (Br. 4) [S]
- (S-3) THE MEAD CORPORATION, Mead World Headquarters, Courthouse Plaza Northeast, Dayton, OH 45463 (513) 222-6323 - \$25 million of debt securities. (File 2-78955 - Aug. 20) (Br. 8) [S]
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, FIFTEENTH CALIFORNIA SERIES, One Liberty Plaza, 165 Broadway, New York, NY 10080 - an indefinite number of units of beneficial interest. 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 2-78956 - Aug. 20) (Br. 17 - New Issue)

#### REGISTRATIONS EFFECTIVE

Aug. 6: Granite, Ltd., 2-78287-NY.

Aug. 10: Longleaf, Incorporated, 2-75866.

Aug. 11: Destiny Entertainment Corporation, 2-74975; Environmental Testing and Certification Corporation, 2-78086; Harris Bankcorp, Inc., 2-68596; The Hertz Corporation, 2-78680; Hospital Corporation of America, 2-78742; Network Security Corporation, 2-77094; Shaw Resources, Inc., 2-77665; Westbridge Capital Corporation, 2-78280.

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## ACQUISITIONS OF SECURITIES

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Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

ACQUISITION REPORTS CONT.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the prior percent owned; and Column 7 - the status of the filing, i.e., new, update, or revision.

COMPANY	SECURITY	FORM	EVENT DATE	SHRS (000) / % OWNED	CUSIP / PRIOR %	FILING STATUS
ALPINE GEOPHYSICAL CORP NCC ENERGY INC	COM	13D	7/27/82	431 / 15.8	02082510 / 19.3	UPDATE
AMERICAN PACEMAKER CORP INTERMEDICS INC	COM	14D-1	8/18/82	6,468 / 96.7	02877810 / 56.8	UPDATE
APPLIED MATLS INC GENERAL ELEC VENT CAP	COM	13D	8/ 2/82	1,098 / 20.3	03822210 / 9.2	UPDATE
ARTCO INDS INC BOWDEN JOHN C	COM	13D	8/10/82	917 / 56.6	04289710 / 22.5	UPDATE
ARTCO INDS INC BOWDEN SCARLETT A ET AL	COM	13D	8/10/82	645 / 39.8	04289710 / 0.0	NEW
ARTCO INDS INC LONDONDERRY CORP	COM	13D	8/10/82	553 / 34.1	04289710 / 0.0	NEW
ARTCO INDS INC MCKENZIE JOE	COM	13D	8/10/82	703 / 43.4	04289710 / 9.3	UPDATE
CITIES SVC CO GULF OIL CORP	COM	13D	8/ 6/82	14,100 / 18.2	17303610 / 0.0	NEW
CITIES SVC CO OCCIDENTAL PETROLEUM CORP	COM	14D-1	8/19/82	0 / 0.0	17303610 / 0.0	NEW
GEARHART INDS INC GENERAL ELEC VENT CAP	COM	13D	8/ 9/82	2,192 / 14.2	36829810 / 13.2	UPDATE
HEUBLEIN INC REYNOLDS RJ TOBACCO CO ET AL	COM	14D-1	8/18/82	4,000 / 18.4	42818210 / 18.4	UPDATE
HIPOTRONICS INC THYSSEN-BORNEMISZA HOLDINGS	COM	13D	8/16/82	876 / 43.9	43351510 / 43.9	UPDATE
HOMAC INC BALTER LEE	SH BEN INT	13D	8/12/82	220 / 10.5	43685710 / 8.5	UPDATE
KEYSTONE CONS INDS INC NATIONAL CITY LINES INC ET AL	COM	13D	8/16/82	812 / 43.3	49342210 / 42.2	UPDATE
PENNSYLVANIA ENGR CORP AMERICAN FINANCIAL CORP ET AL	COM	13D	8/16/82	695 / 4.9	70871310 / 0.0	NEW
TORCHMARK CORP CHARTER CO	COM	13D	8/13/82	1,548 / 8.2	89102710 / 7.9	UPDATE



RECENT 8K FILINGS CONT.

CONSOLIDATED CAPITAL SPECIAL TRUST	2,7	07/28/82	
CONSOLIDATED PACKAGING CORP	2,7	08/12/82	
CONSUMERS SOLAR ELECTRIC POWER CORP	5	04/01/82	
COUSINS PROPERTIES INC	2	07/09/82	
CRESTED BUTTE SILVER MINING INC	4	07/01/82	
DAYTON MALLEABLE INC	7	03/29/82	AMEND
DELMED INC	7	11/30/81	AMEND
DIODENES SYSTEMS INC	5	08/09/82	
DIGNICS INC	5	08/10/82	
ENERGY RESOURCES CORP	5	07/30/82	
EVOLUTION TECHNOLOGIES INC	5,6,7	08/06/82	
FARMERS NATIONAL BANCORP	5	08/13/82	
FEDERAL RESOURCES CORP	5,6	07/29/82	
FIRST NORTHWEST BANCORPORATION	1	08/13/82	
FIRST PEOPLES BANCORP INC	7	08/02/82	
FIRST UNITED INC	4,7	08/03/82	
FIRST WESTERN FINANCIAL CORP	2,7	07/30/82	
FOSSIL OIL & GAS INC	5	08/06/82	
GENERAL AMERICAN TRANSPORTATION CORP /NY	2,7	08/03/82	
GENERAL REAL ESTATE SHARES	2	07/17/82	
GENERAL REFRACTORIES CO	5,7	07/12/82	
GEODYNE 1982-A OIL & GAS PROGRAM	5	08/09/82	
GIDDINGS & LEWIS INC	1,7	08/02/82	
GREY ADVERTISING INC /DE/	5	06/22/82	
GULF STATES UTILITIES CO	5,7	07/29/82	
HADSON PETROLEUM CORP	2,5	08/03/82	
HAMILTON BROTHERS PETROLEUM CORP	5,7	08/04/82	
HANDY & HARMAN	2,7	08/03/82	
HANNAFORD BROTHERS CO	4	08/16/82	
HARWYN INDUSTRIES CORP	4,7	05/12/82	AMEND
HECKS INC	2,7	07/30/82	
HIPOTRONICS INC	1,7	07/27/82	
HCRN & HARDART CO/NV/	7	07/09/82	
HOSPITAL CORP OF AMERICA/TN/	7	07/30/82	
HUTTON SOUTHERN TIMBER PARTNERS I	2,7	08/02/82	
HYDE ATHLETIC INDUSTRIES INC	5	08/16/82	
ILLINOIS NATIONAL BANCORP INC	7	07/20/82	AMEND
INTERMARK INC	5,7	07/30/82	
INTERNATIONAL VIDEO CORP	5	08/01/82	
ISLAND GEM ENTERPRISES LTD NV	5	08/04/82	
JOSEPHSON INTERNATIONAL INC	7	07/13/82	AMEND
JUPITER INDUSTRIES INC	5	08/04/82	
KOT INDUSTRIES INC	3	08/05/82	
KELLY JOHNSTON ENTERPRISES INC	5,7	07/26/82	
KEY ENERGY ENTERPRISES INC	2,7	08/13/82	
KEYDATA CORP	5,7	08/16/82	
KLEER PAK CORP	2,7	08/05/82	
KRUPP REALTY FUND LTD III	2,7	07/30/82	
LA JOLLA BANCORP	2,7	09/11/82	
LIBERTY CORP	2,7	07/27/82	
LIFE IMAGING CORP	5	07/22/82	
MCNEIL REAL ESTATE FUND XII LTD	7	10/12/81	AMEND
MEGA CORP	4,7	07/12/82	
MERCK & CO INC	7	08/10/82	AMEND
MEXCO ENERGY CORP	4	08/09/82	
MGIC INVESTMENT CORP/WI/	4,7	07/30/82	
MIDDLE STATES BANCORPORATION INC	5	08/07/82	
MINNESOTA GAS CO	5,7	07/27/82	
MOONEY BROADCASTING CORP	2	06/21/82	
MOONEY BROADCASTING CORP	2	07/30/82	
MORSE SHOE INC	5	07/16/82	
NATIONAL PROPERTY INVESTORS 5	2,7	08/03/82	
NESCO RESOURCES INC	1,2,4,5,6	07/20/82	
NOGNEY REAL PROPERTY INVESTORS FOUR	2,7	07/28/82	
NORTHERN NATIONAL CORP	5	07/19/82	
NUCLEAR MEDICAL SYSTEMS INC	5	07/30/82	
OXION INDUSTRIES LTD	1,2,4,5,6	06/30/82	
ORMONT DRUG & CHEMICAL CO INC /NY/	5	08/09/82	
POLYCAST TECHNOLOGY CORP	2,7	06/07/82	
PUBLIC SERVICE ELECTRIC & GAS CO	5	08/05/82	

RECENT 8K FILINGS CONT.

READING CO	5	07/29/82	
REALAMERICA CO	2,5,7	07/29/82	
RESOURCE EXPLORATION INC	5	07/23/82	
ROBLIN INDUSTRIES INC	2,7	07/26/82	
ROOSEVELT NATIONAL INVESTMENT CO /DE/	1,7	06/22/82	
RUBY MINING CO	4	07/01/82	
SAMBUS RESTAURANTS INC	4	07/26/82	
SEATRAN LINES INC	5	08/09/82	
SHEARSON VISTA PARTNERS I LTD	5	05/27/82	
SILVER STATE MINING CORP	5	08/01/82	
SPM GROUP INC	5	08/06/82	
STAN WEST MINING CORP	2	05/20/82	
STANDARD HAVENS INC	7	05/27/82	
THRESHOLD TECHNOLOGY INC	5,7	08/01/82	
TIFFANY INDUSTRIES INC	4	08/04/82	
TENM OIL & GAS EXPLORATION CORP	5	08/12/82	
TRANSTECHNOLOGY CORP	2,7	07/30/82	
TROY INVESTMENT FUND	5	08/02/82	
UNITED STATES ENERGY CORP	4	07/01/82	
UNR INDUSTRIES INC	3	07/28/82	
VISUAL SCIENCES INC	2,7	08/05/82	
WASHINGTON CORP	1,5,7	08/05/82	
WESTERN PREFERRED CORP	2	07/29/82	
WORLD WIDE COIN INVESTMENTS LTD	2	07/29/82	
YELLOW GOLD OF CRIPPLE CREEK INC	5	08/06/82	
YELLOW GOLD OF CRIPPLE CREEK INC	5	08/06/82	AMEND