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SECURITIES AND
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COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES RICHARD L. CHATHAM, OTHERS

The Denver Regional Office and the Salt Lake Branch Office announced that on March 23 a civil injunctive complaint was filed in Federal District Court at Salt Lake City, Utah. The complaint contains three counts, each of which alleges in substance that certain defendants violated certain antifraud provisions of the securities laws in the offer and sale of securities which were the subject of registration with the Utah State Securities Commission.

The first count alleges that Richard L. Chatham of Phoenix, Arizona; Gary L. Merrill of Coronado, California; Robert C. Lund of Salt Lake City, Utah; and Chatham Securities Corporation, Chatham Corporation, Brock Capital Corporation, Hughes Capital Corporation, Shannon International, Environmental and Ecological Sales, Inc., Commercial Leasing Corporation, and Sight & South Services, all of which are Utah corporations, violated the antifraud provisions of the securities laws in the purchase and sale of the common stock of Columbine Financial Corporation, Utah Land & Property, Inc. now known as Allergy Control, Inc., B.F.D. Capital Corp. now known as Precious Gems Investment Company, Brock Capital Corporation, Starburst, Inc., Hughes Capital Corporation, Mayhew Capital Corp. now known as Da-Jon, Inc., Shannon International, Environmental and Ecological Sales, Inc., Commercial Leasing Corporation, Sight & Sound Services, Cash Investment Corp. and Transamerican Uranium Company. This count of the complaint alleges, among other things, that the escrowing of the proceeds of certain sales and the uses to which the proceeds of certain of the securities sales would be put and the financial conditions of certain of the issuers were misrepresented and that Chatham intended to maintain certain of the defendant corporations in an inactive status with relatively few assets and liabilities in order that they would be available for sale as "shell" corporations.

The second count alleges that Darrell L. Nielsen, a certified public accountant, of Salt Lake City, Utah, violated the antifraud provisions of the securities laws mentioned above in the purchase and sale of the common stock of Commercial Leasing Corp.

The third count alleges that Chatham Securities Corporation, Philip J. Kocherhans of Salt Lake City, Utah, acting on information about ABC Mining Corporation which was not available to the general public, and ABC Mining Corporation violated the antifraud provisions of the Securities Exchange Act of 1934. (SEC v. Richard L. Chatham, et al., D. Utah, Civil Action No. C-78-0104). (LR-8359)

COMPLAINT NAMES HARRY T. MCCLAIN, OTHERS

The Denver Regional Office announced that on March 23 the Commission filed a complaint in the U.S. District Court in San Antonio, Texas seeking to enjoin Harry T. McClain and Walt Odom of Houston, Texas, Bill C. Simpson of San Antonio, Texas and Norman D. Fife of Salt Lake City, Utah, from violating certain antifraud provisions of the securities laws.

The complaint alleges that the defendants violated the securities laws in the offer and sale of fractional undivided oil and gas interests in a lease in Wilson County, Texas owned by Premier Oil & Gas, Inc. between August 1975 and November 1977. Premier Oil & Gas, Inc., a Louisiana corporation, was adjudicated a bankrupt in November 1977 by the Federal Bankruptcy Court in San Antonio. The complaint also alleges that Simpson and Odom violated the securities laws in the offer and sale of fractional undivided oil and gas interests in three leases located in Mississippi owned by Windsor Oil & Gas, Inc., a Mississippi corporation, which operated during 1977 from Jackson, Mississippi. (SEC v. Harry T. McClain, et al., U.S.D.C. W.D. of Texas, Civil Action No. SA-78-CA-105). (LR-8360)

7/17/77

LARRY L. STEVENS SENTENCED

The Seattle Regional Office announced that on March 28 Larry L. Stevens of Seattle, Washington, formerly the president of North Western Mortgage Investors Corporation, was sentenced to serve three years in a federal penitentiary and placed on five years probation thereafter in his guilty plea to the counts of bankruptcy fraud. The thirty-nine count indictment returned against him had alleged ten counts of securities fraud, fourteen counts of mail fraud and fifteen counts of bankruptcy fraud. (U.S. v. Larry L. Stevens aka Frank Goodman, W.D. Wa. No. CR-77-325M). (LR-8361)

INVESTMENT COMPANY ACT RELEASES

ADOLF MARCUS

An order has been issued on an application of Adolf Marcus, Philip S. Sassower, Lawrence I. Schneider and Alexander Goren, permanently exempting the Applicants from Section 9(a) of the Act to permit Applicants to continue as officers and directors of Arcs Equities Corp. (Rel. IC-10188 - Apr. 4)

BERKSHIRE CAPITAL FUND, INC.

A notice has been issued giving interested persons until April 27 to request a hearing on an application of Berkshire Capital Fund, Inc. (Fund), a registered, diversified, open-end, management investment company, and Berkshire Equity Sales, Inc. (collectively Applicants), principal underwriter of the Fund's shares, for an order exempting from the provisions of Section 22(d) of the Act a proposal under which funds derived from the proceeds of certain insurance and annuity contracts would be applied to the purchase of shares of the fund at one-half the sales load otherwise applicable. (Rel. IC-10189 - Apr. 5)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN POWER COMPANY

An order has been issued authorizing Indiana & Michigan Power Company (Power), subsidiary of Indiana & Michigan Electric Company and of American Electric Power Company, Inc., to issue and sell up to \$300 million of first mortgage bonds to institutional investors. Power has also been granted an exemption from competitive bidding in connection therewith. (Rel. 35-20485 - Apr. 5)

THE SOUTHERN COMPANY

An order has been issued authorizing The Southern Company, a registered holding company, to issue and sell up to 3,525,000 shares of common stock pursuant to its Dividend Reinvestment and Stock Purchase Plan and up to 1,000,000 shares of common stock pursuant to its Employee Savings Plan from time to time through April 30, 1980. Southern will use the proceeds of such sales to make capital contributions to its subsidiaries which will apply such funds to their respective construction programs and the retirement of short-term debt. (Rel. 35-20486 - Apr. 5)

MISCELLANEOUS

ORDER TEMPORARILY SUSPENDING REGULATION A EXEMPTION OF MAJOR RESOURCES VACATED

An order has been issued vacating the order entered October 4, 1977, temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of 100,000 shares of the Class B common stock of Major Resources, Inc., 9700 Gandy Blvd., St. Petersburg, Fla. Pursuant to the offer of settlement, Major Resources has withdrawn its Notification and Offering Circular filed on April 29, 1977 with respect to such proposed offerings. (Rel. 33-5919)

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-8) COVINGTON BROTHERS, 2451 East Orangethorpe Ave., Fullerton, Cal. 92631 - 175,707 shares of common stock. (File 2-61115 - Apr. 4)
- (S-7) GEORGIA POWER COMPANY, 270 Peachtree St., N.W., Atlanta, Ga. 30303 (404) 522-6060 - \$100 million of first mortgage bonds. The company is engaged in the generation and purchase of electric energy. (File 2-61116 - Apr. 5)
- (S-8) EXXON CORPORATION, 1251 Avenue of the Americas, New York, N.Y. 10020 - \$175 million of participations and 3,867,403 shares of capital stock. The company, among other things, is engaged in exploring for and producing crude oil and natural gas. (File 2-61126 - Apr. 3)
- (S-6) EMPIRE STATE TAX EXEMPT BOND TRUST, SERIES 5, 25 Broad St., New York, N.Y. 10004 - 20,000 units. Depositor: Weeden & Co. (File 2-61141 - Apr. 5)
- (S-8) COOPER INDUSTRIES, INC., Suite 2700, Two Houston Center, Houston, Tex. 77002 - 400,000 shares of common stock. (File 2-61142 - Apr. 5) and 100,000 shares of common stock. (File 2-61143 - Apr. 5)
- (S-6) NUVEEN INCOME FUND, SERIES 7, 209 South LaSalle St., Chicago, Ill. 60604 - 110,000 units. Depositor: John Nuveen & Co. Inc. (File 2-61144 - Apr. 5)
- (S-7) OHIO EDISON COMPANY, 76 South Main St., Akron, Ohio 44308 (216) 384-5100 - \$120 million of first mortgage bonds. The company is in the electric utility public business. (File 2-61146 - Apr. 5)
- (S-1) PACER TECHNOLOGY AND RESOURCES, INC., 1550 Dell Ave., Suite K, Campbell, Cal. 95008 - 1,000,000 shares of common stock. Underwriter: American Western Securities, Inc., 360 South Monroe, Suite 300, Denver, Colorado 80209. The company is engaged in the business of packaging and selling of adhesive products. (File 2-61147 - Mar. 31)
- (S-8) GENERAL ELECTRIC COMPANY, 3135 Easton Turnpike, Fairfield, Conn. 06431 - 5,000,000 shares of common stock. (File 2-61148 - Apr. 5)
- (S-8) GENERAL MOTORS CORPORATION, 767 Fifth Ave., New York, N.Y. 10002 and 3044 West Grand Blvd., Detroit, Mich. 48202 - 290,000 shares of common stock. (File 2-61149 - Apr. 5) and \$254,468,750 of interests and 8,500,000 shares of common stock. (File 2-61150 - Apr. 5)

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