

# sec news digest

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## RULES AND RELATED MATTERS

AUG 9 1978

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EXTENSION OF TIME FOR COMMENTS RELATING TO  
PROPOSED AMENDMENTS OF THE UNIFORM SYSTEM OF  
ACCOUNTS FOR MUTUAL AND SUBSIDIARY SERVICE COMPANIES

U.S. SECURITIES AND  
EXCHANGE COMMISSION

On May 17 the SEC invited public comments on proposed amendments to its Uniform System of Accounts for Mutual and Subsidiary Service Companies (Uniform System of Accounts), pursuant to Sections 13, 15 and 20(a) of the Public Utility Holding Company Act of 1935. The proposal would also amend Rule 93 to require service companies to keep their accounts and records in accordance with the proposed amendments to the Uniform System of Accounts. The time for submitting the comments would have expired August 1, but the Commission has extended the period to October 2. Comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 and should refer to File No. S7-741. Comments will be available for public inspection. (Rel. 35-20655)

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## ADMINISTRATIVE PROCEEDINGS

NASD ACTION AGAINST FINANCIAL ESTATE PLANNING, OTHERS  
AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Financial Estate Planning (FEP), a Pittsburgh, Pennsylvania securities firm, Philip F. Roy and Helen A. Roy, the firm's general partners, William G. Derby, the firm's trader and sales manager, and Merlin A. Blackburn, George F. Naughton and Charles J. Shannon, salesmen. The NASD censured applicants, suspended Philip Roy and Derby from association with any NASD member for 90 days, and fined FEP \$5,000, Helen Roy \$700, and Blackburn, Naughton and Shannon \$300 each.

The Commission found, as had the NASD, that FEP, P. Roy and Derby charged customers excessive markups in numerous transactions. The Commission also found that these applicants charged customers excessive commissions for processing the redemption of customers' mutual fund shares. It stated that, in the absence of any unusual services performed by the firm or any unusual expenses incurred, and in light of the funds' willingness to redeem their shares free of charge, applicants were entitled to charge no more than "a modest service fee."

All of the applicants except Philip Roy were found responsible for failing to disclose to customers that the mutual funds in question would redeem their shares without cost and, with the exception of Naughton, for failing to disclose what the firm would charge for handling redemptions. The Commission stated: "[R]egardless of the disclosure made in a prospectus that a customer may have received years earlier, a broker has an affirmative duty to inform a customer seeking to liquidate fund shares that the fund will redeem his shares free of charge and, if the customer nevertheless wants the broker to process the transaction, that a fee will be charged in a stated amount."

The firm and Philip Roy were found responsible for deficient supervision in connection with such non-disclosure. (Rel. 34-14984)

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## COMMISSION ANNOUNCEMENTS

DELEGATION OF AUTHORITY TO  
DIRECTOR OF DIVISION OF ENFORCEMENT

The Commission announced the amendment of its Rules of Organization to delegate to the Director of the Division of Enforcement authority to approve applications for relief from disqualification by individuals who have previously been allowed to reenter the

securities business by the Commission, provided that the conditions of the new employment are substantially similar to those of the previously approved employment. This delegation of authority will not effect Rule 19h-1 applications or the role of the Division of Market Regulation thereunder. (Rel. 34-15028)

FOR FURTHER INFORMATION CONTACT: Michael F. Perlis at (202) 755-1650

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## COURT ENFORCEMENT ACTIONS

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### LIECHTENSTEIN TRUSTS, MANAGER ENJOINED

The Commission announced that on January 31 the U.S. District Court for the District of Columbia entered final judgments of permanent injunction against Establishment Finas and Establishment TIT, two entities organized under the laws of the Principality of Liechtenstein, enjoining them from violating the antifraud and stock ownership reporting provisions of the Securities Exchange Act, enjoining them from acting as a group for purposes of acquiring, holding or disposing of shares of Bates Manufacturing Company or Arcs Equities Corporation, requiring them to file and deliver reports on Schedule 13D with respect to Bates and Arcs securities, enjoining them from voting Bates shares, ordering them to jointly and severally pay \$80,000 into the Registry of the Court for distribution by an agent appointed pursuant to Arcs' Undertaking to persons who sold Bates shares to the defendants between August 6 and September 4, 1975 and who file claims which are approved by the agent, and ordering Finas and TIT to post bond or deposit securities or an irrevocable letter of credit with the Registry of the Court pending deposit of the \$80,000. On April 4, the Court entered a final judgment of permanent injunction with respect to Marcel Gani containing substantially the same provisions as are applicable to Finas and TIT, with the exception that Gani was ordered to pay \$23,400 to the Registry of the Court simultaneously with the entry of the final judgment. The final judgments were entered by consent without the defendants admitting or denying the allegations. (SEC v. Bates Manufacturing Company, et al., U.S.D.C. D.C., Civil Action No. 78-0130). (LR-8485)

### PRELIMINARY INJUNCTION ORDERED AGAINST JOHN A. MCGUIRE, OTHERS

The New York Regional Office announced that on July 27 an order of preliminary injunction was issued enjoining John A. McGuire, John A. McGuire, doing business as Webb Oil Co., Webb and Norris R. McGuire, also known as Norris R. King, from further violations of the registration and antifraud provisions of the securities laws and from dissipating assets or books and records pending trial of this action. The Court reserved decision on the Commission's motion for a temporary federal receiver. (SEC v. John A. McGuire, et al., U.S.D.C., S.D.N.Y., 78 Civil 3169, CLB). (LR-8492)

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## INVESTMENT COMPANY ACT RELEASES

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### BULLOCK TAX-FREE SHARES

A notice has been issued giving interested persons until August 28 to request a hearing on an application of Bullock Tax-Free Shares, Inc. (Fund), a registered, open-end, diversified, management investment company, for an order pursuant to Section 10(f) of the Act, exempting the Funds proposed purchases of Municipal Bonds in public offerings in which W.H. Morton & Co., which may be deemed to be a person of which a director of the Fund is an affiliated person, participates as a principal underwriter, subject to certain specified conditions. (Rel. IC-10353 - Aug. 4)

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## HOLDING COMPANY ACT RELEASES

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### ARKANSAS POWER & LIGHT COMPANY

An order has been issued approving a proposal of Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., regarding certain transactions related to financing pollution control facilities. (Rel. 35-20659 - Aug. 3)

## 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) THE SEIBELS BRUCE GROUP, INC., 1501 Lady St., Columbia, S.C. 29201 (803) 799-9777 - 3,310,168 shares of common stock. (File 2-62288 - Aug. 3)
- (S-14) DIAMOND INTERNATIONAL CORPORATION, 733 Third Ave., New York, N.Y. 10017 (212) 697-1700 - 3,105,303 shares of Series A cumulative convertible preferred stock and 1,316,648 shares of common stock. (File 2-62289 - Aug. 3)
- (S-1) TIPPERARY CORPORATION, 500 West Illinois St., Midland, Tex. 79701 - \$15,000,000 of convertible subordinated debentures, due 1998. Underwriters: Dean Witter Reynolds Inc. and Rotan Mosle Inc. The company is engaged in oil and gas exploration, development and production. (File 2-62292 - Aug. 4)
- (S-16) ITEL CORPORATION, One Embarcadero Center, San Francisco, Cal. 94111 (415) 955-0000 - 300,000 shares of common stock. (File 2-62293 - Aug. 4)
- (S-16) LUCKY STORES, INC., 6300 Clark Ave., Dublin, Cal. 94566 (415) 828-1000 - 161,062 common shares. (File 2-62294 - Aug. 4)
- (S-8) COMTEN, INC., 1950 West County Rd. B-2, St. Paul, Minn. 55113 - 50,000 shares of common stock. (File 2-62295 - Aug. 4)
- (S-6) NATIONAL MUNICIPAL TRUST, SPECIAL TRUSTS SECOND MULTI-STATE SERIES, One New York Plaza, New York, N.Y. 10004 - 10,000 units. Depositors: Thomson McKinnon Securities Inc., One New York Plaza, New York, N.Y. 10004 and Piper, Jaffray & Hopwood Inc. (File 2-62296 - Aug. 4)
- (S-7) KINDER-CARE LEARNING CENTERS, INC., 4505 Executive Park Dr., Montgomery, Ala. 36111 (205) 277-5090 - \$10 million of convertible subordinated debentures, due September 1, 1998. Underwriters: Drexel Burnham Lambert Inc. and Alex. Brown & Sons. The company operates day care centers. (File 2-62297 - Aug. 4)
- (S-6) THE GOVERNMENT SECURITIES INCOME FUND, FIFTH GNMA SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 45,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-62298 - Aug. 4)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, NINETY-SECOND MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-62299 - Aug. 4)
- (S-8) ASAMERA OIL CORPORATION LTD., Suite 1500-335 Eighth Avenue S.W., Calgary, Alberta, Canada T2P 1C9 (403) 269-5521 - 332,100 shares of capital stock. (File 2-62300 - Aug. 4)
- (S-16) THE COCA-COLA COMPANY, 310 North Ave., N.W., Atlanta, Ga. 30313 (404) 897-2121 - 850,000 shares of common stock. (File 2-62301 - Aug. 4)
- (S-8) CONTROL LASER CORPORATION, 11222 Astronaut Blvd., Orlando, Fla. 32809 - 112,534 shares of common stock. (File 2-62302 - Aug. 4)
- (S-8) LEISURE TECHNOLOGY CORP., One Airport Rd., Lakewood, N.J. 08701 (201) 363-9000 - 150,000 shares of common stock. (File 2-62304 - Aug. 4)



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