

# sec news digest

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## COMMISSION ANNOUNCEMENTS

### U.S. SECURITIES AND EXCHANGE COMMISSION

#### NOTICE TO BROKER-DEALERS CONCERNING FAIR TREATMENT OF CUSTOMER ACCOUNTS

The Commission has issued a release expressing concern about certain practices engaged in by broker-dealers. Those practices are the issuance of checks to customers drawn on distant banks for the purpose of prolonging the broker-dealer's use of customer funds, the retention of customer interest and dividend payments without adequate notice, the imposition of increased commission rates, and of custodial fees, without adequate prior notice, and the failure to transfer customer accounts promptly to another broker-dealer in response to customer requests. The Commission stated that the practices are inconsistent with a broker-dealer's obligation to deal fairly with its customers and inconsistent with just and equitable principles of trade. The Commission noted that it is particularly disturbed to discover that many of the practices appear not to be isolated instances, but instead to reflect established policies and practices of several of the Nation's leading broker-dealers. The Commission stated that action to correct those abuses is overdue and should be undertaken promptly by broker-dealers and self-regulatory organizations. (Rel. 34-15194)

FOR FURTHER INFORMATION CONTACT: Justin P. Klein at (202) 523-3952

## ADMINISTRATIVE PROCEEDINGS

#### G. H. SHEPPARD & CO., INC., OTHERS SANCTIONED

The Commission has revoked the broker-dealer registration of G.H. Sheppard & Co., Inc. (Registrant), a New York City broker-dealer currently being liquidated by a Securities Investor Protection Corp. (SIPC) trustee pursuant to the provisions of the Securities Investor Protection Act of 1970 (SIPA). However, Registrant shall continue to be deemed to be a registered broker and dealer for the limited purpose of permitting the SIPC trustee, or any successor to him, to engage in activities necessary and appropriate to the continuing liquidation of Registrant.

The Commission also ordered that Harold Michael Hodor, a vice-president, director and shareholder of Registrant, be barred from being associated in any capacity with any broker, dealer, investment company, investment adviser or municipal securities dealer (registered entities), provided that, after a period of six months from the effective date of the Commission's order, Hodor may apply to the Commission to become associated with any registered entity in a non-supervisory and non-proprietary capacity, and further provided that after a period of 36 months from the effective date of the Commission's order, Hodor may apply to the Commission to become associated with any registered entity in any capacity.

The Commission also ordered that Norman Jay Gomberg, an officer, director, and shareholder of Registrant, be barred from being associated in any way with any registered entity, provided, that, after a period of 36 months from the effective date of the Commission's order, Gomberg may apply to the Commission to become associated in a non-supervisory and non-proprietary capacity with a specific registered entity upon a showing that he will be adequately supervised.

Hodor, Gomberg and the SIPC trustee, by authority of the Bankruptcy Court, submitted offers of settlement by which they consented to the findings and sanctions with respect to themselves, without admitting or denying the allegations in the Order for Proceeding. (Rel. 34-15179)

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## COURT ENFORCEMENT ACTIONS

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### CHARLES W. AIKINS, OTHERS ENJOINED

The Chicago Regional Office announced that final orders of permanent injunction were issued against Charles W. Aikins, James W. Owen, Thunderbird Drilling, Inc., and the partnership of Aikins and Owen, on September 15, by Senior Judge Julius Hoffman of the U.S. District Court for the Northern District of Illinois. The defendants consented to the orders without admitting or denying the Commission's allegations of their violation of the antifraud provisions of the securities laws. Judge Hoffman specifically ordered that in conducting any future securities business, the defendants disclose all existing injunctions from the violation of securities laws, and also any payments made to induce individuals to sell securities to or purchase securities for investors' accounts they manage. (SEC v. F. Gaylord Nance, et al., N.D. Ill., Civil Action No. 78-C-1024). (LR-8552)

### LEONARD D. LEVIN SENTENCED

The New York Regional Office announced the September 11 sentencing of Leonard D. Levin. Specifically, the Honorable Marvin E. Frankel, District Judge for the Southern District of New York, suspended imposition of sentence and placed Levin on eighteen months probation. Levin was also fined \$10,000. Levin's sentencing was the result of his March 2nd guilty plea to a two count information charging him with violating Section 17(a) of the Securities Act of 1933, Section 10(h) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder.

In a related civil action filed on October 31, 1977, the Commission is presently seeking to permanently enjoin Levin from further violations of Sections 5 and 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, in his transactions in Dimensional common stock. The complaint also seeks that Levin disgorge all profits which inured to him as a result of his illegal activities. (U.S. v. Leonard D. Levin, 78 Crim. 144, S.D.N.Y.). (LR-8553)

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## HOLDING COMPANY ACT RELEASES

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### CENTRAL AND SOUTH WEST CORPORATION

A notice has been issued giving interested persons until October 23 to request a hearing on a proposal of Central and South West Corporation, a registered holding company, that it issue and sell unissued common stock pursuant to an Employees Investment Plan. (Rel. 35-20716 - Sept. 27)

### THE COLUMBIA GAS SYSTEM

An order has been issued releasing the jurisdiction reserved over a proposal of The Columbia Gas System, Inc. and certain of its subsidiaries relating, among other things, to the acquisition by Columbia and the issuance and sale by Columbia Gas of New York of installment notes, due 1999. (Rel. 35-20717 - Sept. 28)

### GEORGIA POWER COMPANY

An order has been issued authorizing Georgia Power Company, subsidiary of The Southern Company, to issue and sell up to \$100 million of first mortgage bonds. The proceeds of the sale will be used to retire maturing first mortgage bonds and to finance, in part, Georgia's 1978 construction program. (Rel. 35-20718 - Sept. 28)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### DELISTING GRANTED

An order has been issued granting the application of Jeannette Corporation to strike the common stock (par value \$1) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-15197)

## SELF-REGULATORY ORGANIZATIONS

### NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-MSE-78-17) to provide simplified procedures for the resolution of customer disputes involving small claims. Publication of the proposal is expected to be made in the Federal Register during the week of October 2. (Rel. 34-15201)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the National Association of Securities Dealers, Inc. (SR-NASD-78-11) which will allow for a refund to be dispersed to NASDAQ subscribers. (Rel. 34-15196)

## MISCELLANEOUS

### KAYE, SCHOLER, FIERMAN, HAYS & HANDLER RETIREMENT PLAN

An order has been issued pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the provisions of Section 5 of the Act interests or participations in the Retirement Plan of Kaye, Scholer, Fierman, Hays & Handler, a law firm organized as a partnership under the laws of the State of New York. (Rel. 33-5982)

## 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-6) INSURED MUNICIPALS - INCOME TRUST, SERIES 26, 208 South La Salle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: Van Kampen Sauerma Inc. (File 2-62701 - Sept. 27)
- (S-6) INVESTORS' GOVERNMENTAL SECURITIES - INCOME TRUST, SERIES 3, 208 South La Salle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: Van Kampen Sauerma Inc. (File 2-62703 - Sept. 27)
- (S-1) THE PECK BINDERY INCORPORATED, 14 Gilbert St., West Haven, Conn. 06516 - 529,000 shares of common stock. The company is engaged in the binding of soft cover educational and commercial materials. (File 2-62719 - Sept. 28)
- (S-1) NATIONAL RAILWAY UTILIZATION CORPORATION, 1100 Centre Square East, 1500 Market St., Philadelphia, Pa. 19102 - 1,100,000 shares of common stock. Underwriters: Janney Montgomery Scott Inc., J. C. Bradford & Co., Legg Mason Wood Walker, Inc. The company is engaged in supplying and managing general purpose boxcars. (File 2-62723 - Sept. 28)
- (S-1) MAGNETIC VIDEO CORPORATION, 23434 Industrial Park Court, Farmington Hills, Mich. 48024 - 275,000 shares of common stock. Underwriter: Faherty & Swartwood Inc. The company is engaged in the duplication and distribution of video cassettes. (File 2-62724 - Sept. 28)
- (S-7) PUBLIC SERVICE COMPANY OF COLORADO, 550 15th St., Denver, Colo. 80202 (303) 571-7511 - 3,000,000 shares of common stock. Underwriters: Merrill Lynch White Weld Capital Markets Group and Kidder, Peabody & Co. Inc. The company is engaged in the generation, purchase, transmission, distribution and sale of electricity and the purchase, transmission, distribution and sale of natural gas. (File 2-62726 - Sept. 29)
- (S-7) WASKO GOLD PRODUCTS CORP., 71 Fifth Ave., New York, N.Y. 10003 - 600,000 shares of common stock. Underwriters: Bache Halsey Stuart Shields Inc. and Ladenburg, Thalmann & Co. Inc. The company is engaged in the design, manufacture and sale of gold jewelry. (File 2-62731 - Sept. 29)

- (S-14) T.N.B. FINANCIAL CORP., 1391 Main St., Springfield, Mass. 01103 (413) 733-1141 - 264,000 shares of common stock. (File 2-62732 - Sept. 29)
- (S-11) MIDLAND MORTGAGE INVESTORS TRUST, 200 Midland Center, Oklahoma City, Okla. 73102 - \$17,132,000 of senior subordinated convertible debentures, due 1990. (File 2-62735 - Sept. 29)
- (S-14) ZAPATA CORPORATION, GRANBY MINING CORPORATION, GRANISLE COPPER LIMITED AND ZAPATA CANADA LIMITED, ZAPATA TOWER, 711 Louisiana, Houston, Tex. 77002 - 357,292 preference shares. (File 2-62736 - Sept. 29)
- (S-14) NICOR INC., 1700 West Ferry Rd., P.O. Box 200, Naperville, Ill. 60540 (312) 242-4470 - 580,000 shares of common stock. (File 2-62737 - Sept. 29)
- (S-8) THE PRESLEY COMPANIES, 4600 Campus Dr., Newport Beach, Cal. 92660 - 151,297 shares of common stock. (File 2-62738 - Sept. 29)
- (S-16) FINANCIAL CORPORATION OF AMERICA, 6420 Wilshire Blvd., Los Angeles, Cal. 90048 (213) 653-9550 - 321,642 shares of common stock. (File 2-62739 - Sept. 29)
- (S-1) XIDEX CORPORATION, 305 Soquel Way, Sunnyvale, Cal. 94086 (408) 739-4170 - 174,826 shares of common stock. The company manufactures and sells microfilm. (File 2-62740 - Sept. 29)

## ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within 10 days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds 5%. Persons eligible to use the short form (Form 13-G) may in lieu of filing a Schedule 13D file a Form 13-G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period August 30 - September 7, 1978. The number of shares of the security which are beneficially owned, and the number of shares concerning which there is a right to acquire are sent forth for each beneficial owner. \*Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Texas International Airlines, Inc. (Controlled by Jet Capital Corp.)	National Airlines, Inc. (Miami, FL) Common Stock - 1,553,300 shs. (18.2%)	8-30-78
* PII Investment Corp. Jack Farber	Rix Corporation (Auburndale, MA) Common Stock - 54,190 shs.	8-30-78
* Maurice Wiener	Transco Realty Trust (Boston, MA) Shares of Beneficial Interest - 10,714 Shares of Beneficial Interest - 19,000 on exercise of Options	8-30-78
Adel A. Al-Hamad, Inc. (Kuwait)	Ormand Industries, Inc. (Los Angeles, CA) Common Stock - 94,000 shs.	8-31-78
* Thrall Car Manufacturing Co.	Chamberlain Manufacturing Co. (Elmhurst, IL) Common Stock - 817,360 shs. (51.6%) (Thrall also owns \$1,800,000 6½% Notes)	8-31-78
* Eastover Corporation	Texas First Mortgage REIT (Houston, TX) Shares of Beneficial Interest - 65,600	8-31-78
* Wm. E. Wright Co. Voting Trust	Wm. E. Wright Co. (West Warren, MA) Common Stock - 1,336,820 shs. (56%)	8-31-78
Erie Properties	Erie Corporation (Evansville, IN) Common Stock - 244,757 shs. (60.499%) (Above shares were acquired pursuant to the Tender Offer.)	9-1-78

ACQUISITION REPORTS CONT.

Hale Bros. Associates, Inc. Prentis C. Hale	SSP Industries (Burbank, CA) Common Stock - 404,601 shs. (36%) (Hale has the right to purchase above shares pursuant to the Option Agreement.)	9-1-78
* Samuel J. Phillips	Acton Corporation (Acton, MA) Common Stock - 127,355 shs. (Included above are shares owned by his wife and son.)	9-1-78
* Louis Berkman Company	Ampco-Pittsburgh Corp. (Pittsburgh, PA) Common Stock - 817,504 shs. (28.35%)	9-1-78
* Cooper Laboratories, Inc.	Berkeley Bio-Medical, Inc. (San Leandro, CA) Common Stock - 759,220 shs. (34%)	9-1-78
* Louis Berkman	First Dyna-Corp. (Washington, PA) Common Stock - 74,059 shs. (25.3%)	9-1-78
* Dorster, Inc. (Wholly-owned subsidiary of Genstar (Canada))	Flintkote Co. (Stamford, CT) Common Stock - 1,407,700 shs. (20.95%)	9-1-78
* Mitchell A. Kramer	Horn & Hardart Baking Co. (Lansdowne, PA) 6% Conv. Preferred Stock - 207 shs. (In addition, Mr. Kramer and his wife own 12,364 shares of Common Stock.)	9-1-78
* Lionel Lieberman	Nuclear Data, Inc. (Schaumburg, IL) Common Stock - 57,100 shs.	9-1-78
* Lionel Lieberman Gregory E. V. Dodgson Robert McAndrews	Nuclear Data, Inc. (Schaumburg, IL) Common Stock - 90,800 shs.	9-1-78
* Gregory E. V. Dodgson Robert J. McAndrews Mr. & Mrs. L. P. Brenner, et al	Nuclear Data, Inc. (Schaumburg, IL) Common Stock - 72,665 shs.	9-1-78
* Libco Corporation Telvest, Inc. (Wholly-owned subsidiary of Telco) Telco Marketing Services, Inc.	Outdoor Sports Industries Inc. (Denver, CO) Common Stock - 161,400 shs. (11.3%)	9-1-78
George M. Phillips, Individually and as Trustee	Acton Corporation (Acton, MA) Common Stock - 133,085 shs.	9-5-78
William H. B. Chan (U.K.)	Carex International, Inc. (Los Angeles, CA) Common Stock - 10,510,000 shs. (84%) Common Stock - 1,182,927 shs. on conversion of Preferred Stock (Above shares are owned by Cimarron Enterprises, Inc. Mr. Chan owns all outstanding stock of Cimarron.)	9-5-78
Norton Company	Chemplast, Inc. (Wayne, NJ) Common Stock - 270,000 shs. (Above shares were acquired pursuant to the Tender Offer.)	9-5-78
Atlantic Assets Trust Ltd. (Scotland)	Damson Oil Corporation (NYC) Common Stock - 338,983 shs. Common Stock - 338,983 shs. on exercise of Warrants	9-5-78
Consolidated Foods Corp.	Hanes Corporation (Winston-Salem, NC) Common Stock - 881,600 shs. (20.5%)	9-5-78
Allan R. Haworth	LRC, Inc. (Riverton, WY) Common Stock - 43,916 shs. Common Stock - 71,000 shs. on exercise of Warrants	9-5-78

## ACQUISITION REPORTS CONT.

Richard Lee Kamen	Midland Company (Cincinnati, OH) Common Stock - 90,700 shs.	9-5-78
Arthur J. Decio	SJV Corporation (Elkhart, IN) Common Stock - 34,733 shs.	9-5-78
John Elich	Timeplex, Inc. (Hackensack, NJ) Common Stock - 131,710 shs.	9-5-78
Data Access Systems, Inc.	Transnet Corporation (Union, NJ) Common Stock - 1,500,100 shs. (41%)	9-5-78
O. Donald Benoliel	Wichita Industries, Inc. (NYC) Common Stock - 103,400 shs.	9-5-78
* Princeton/Newport Partners, L.P.	Bancroft Convertible Fund, Inc. (NYC) Common Stock - 87,900 shs.	9-5-78
* Riverside Foods, Ltd. Joel Greenberg	Buring Food Group, Inc. (Memphis, TN) Common Stock - 78,000 shs. (15.5%)	9-5-78
* PII Investment Corp. Jack Farber	City Stores Company (NYC) Common Stock - 487,500 shs. (15.03%)	9-5-78
* Masco Corporation	Compac Corporation (Netcong, NJ) Common Stock - 378,191 shs. (35.3%)	9-5-78
* Goldman, Sachs & Co.	First Texas Financial Corp. (Dallas, TX) Common Stock - 117,179 shs.	9-5-78
* Consolidated National Corp. Robert T. Shaw C. Fred Rice Edward J. Carlisle	Independence National Corp. (Louisville, KY) Class A Common Stock - 431,784 shs. (39.14%)	9-5-78
* American General Insurance Co.	Lincoln National Corp. (Fort Wayne, IN) Common Stock - 1,626,300 shs.	9-5-78
* Mitchell Corporation of Owosso William F. Mitchell Christine Wetzel Trust dated April 24, 1972	MWA Company (Owosso, MI) Common Stock - 333,897 shs. (50.8%)	9-5-78
* E. Peter Hoffman, Jr.	Midland Mortgage Investors Trust (Oklahoma City, OK) Shares of Beneficial Interest - 364,000 (15.28%)	9-5-78
* Robert M. Shay Richard Kaufman Edwin J. Pittock	Mountain States Financial Corp. (Albuquerque, NM) Common Stock - 34,178 shs. (Included above are shares owned by wives of Shay & Pittock. Also included above are shares owned by affiliates.)	9-5-78
* Gerald L. Pearson Robert H. Pearson Monte G. Scholten Joseph E. Linden, et al	Spencer Foods, Inc. (Spencer, IA) Common Stock - 367,836 shs. (37%) Common Stock - 51,500 shs. on conversion of Preferred Stock	9-5-78
* Russell McPhail McPhail Industries, Inc.	Standard Alliance Industries, Inc. (Oak Brook, IL) Common Stock - 147,187 shs. (35.61%) Common Stock - 10,493 shs. on conversion of Preferred Stock	9-5-78
* Care Corporation	Treadway Companies, Inc. (Paterson, NJ) Common Stock - 117,570 shs.	9-5-78
* Tital Wells, Inc. Bernard Aronson & Co. Brian P. Burns	United States Radium Corp. (Morristown, NJ) Common Stock - 314,400 shs. (27%)	9-5-78

ACQUISITION REPORTS CONT.

<p>* Northern Telecom Computers Inc. (Wholly-owned subsidiary of Northern Telecom Ltd. (Canada)</p> <p>Robert E. Brennan John E. Dell Joseph W. Galligan Robert S. Santo</p> <p>W-L Products Co. (Wholly-owned subsidiary of Warner-Lambert Company)</p> <p>Texas International Airlines, Inc. (Controlled by Jet Capital Corp.)</p> <p>Competrol Establishment (Liechtenstein) (Controlled by Suliman S. Olayan (Saudi Arabia) and Khaled ibn Adullah ibn Abdul Rahman Al Saud (Saudi Arabia)</p> <p>* Richard Lee Kamen</p> <p>* Dorster, Inc. (Wholly-owned subsidiary of Genstar (Canada)</p>	<p>Data 100 Corporation (Minnetonka, MN) 9-6-78 Common Stock - 5,652,708 shs. Common Stock - 1,648,172 shs. on conversion of Debentures &amp; Preferred Stock Common Stock - 279,163 shs. on exercise of Warrants</p> <p>Data Access Systems, Inc. (Mountain Lakes, 9-7-78 NJ) Common Stock - 388,343 shs. (26%)</p> <p>Entenmann's, Inc. (Bay Shore, NY) 9-7-78 Common Stock - 5,729,428 shs. (74%) (In addition, W-L acquired 4,000 shares Preferred Stock (100%). All shares were acquired pursuant to Stock Purchase Agreements.)</p> <p>National Airlines, Inc. (Miami, FL) 9-7-78 Common Stock - 1,718,300 shs. (20.1%)</p> <p>Whittaker Corporation (Los Angeles, CA) 9-7-78 Common Stock - 100,000 shs. Common Stock - 1,000,000 shs. on conversion of Note Common Stock - 975,000 shs. on exercise of Warrants</p> <p>Clopay Corporation (Cincinnati, OH) 9-7-78 Common Stock - 89,318 shs.</p> <p>Flintkote Co. (Stamford, CT) 9-7-78 Common Stock - 1,450,000 shs. (21.58%)</p>
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