

sec news digest

U.S. SECURITIES AND
EXCHANGE COMMISSION

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AUG 13 1980

ADMINISTRATIVE PROCEEDINGS

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PETER J. KISCH, OTHERS CITED

The Commission announced the institution of public administrative proceedings against Peter J. Kisch and George R. Zenanko, president and vice president, respectively, of P. J. Kisch & Co., Inc., a former registered broker-dealer with offices in Minneapolis, Minnesota; Gerald M. Levine, a former registered representative of Kisch; and Equity Securities Trading Company, Inc., a registered broker-dealer located in Minneapolis, and its president, Nathan Newman.

The Order for Proceedings alleges that Peter Kisch, Zenanko, Levine, Equity and Newman wilfully violated and aided and abetted violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 in connection with the sales of shares of an over-the-counter stock to Kisch customers at excessive mark-ups. It is also alleged that Peter Kisch and Zenanko violated the antifraud provisions of the securities laws in that they diverted customer funds to pay expenses of Kisch. The Order further alleges that Peter Kisch and Zenanko aided and abetted Kisch's violations of the customer protection, net capital and recordkeeping rules of the Exchange Act. In addition, it is alleged that Peter Kisch, Equity and Newman failed to reasonably supervise employees under their supervision and control.

The Commission simultaneously accepted the Offers of Settlement submitted by Levine, Equity and Newman wherein they consented to findings of wilful violations without admitting or denying the allegations in the Commission's Order, and to various sanctions imposed.

A hearing will be scheduled to take evidence on the staff's allegations, to afford the respondents an opportunity to offer any defenses, and to determine whether any remedial action should be taken by the Commission. (Rel. 34-17043)

COMMISSION ANNOUNCEMENTS

ASSETS OF PRIVATE AND PUBLIC PENSION FUNDS

At the end of 1979, aggregate assets of private and public pension funds consisted largely of \$196.7 billion in corporate bonds, \$175.5 billion in corporate stock, and \$126.9 billion in U.S. Government securities. Mortgages accounted for \$47.9 billion of pension assets and the remaining \$62.3 billion in assets were invested in a variety of other financial instruments. These pension assets accounted for 43% of corporate bonds outstanding, 15% of the market value of corporate stock outstanding, 14% of all U.S. Government securities outstanding, and 4% of all mortgages outstanding as of December 31, 1979. The aggregate assets of these pension funds grew at an annual compound rate of 11.6% from \$226.0 billion at the end of 1970 to \$609.3 billion at year-end 1979. During the same period, the Consumer Price Index increased 76.% per year. (Press Release 80-33)

STOCK TRANSACTIONS OF SELECTED FINANCIAL INSTITUTIONS AND FOREIGN INVESTORS, FIRST QUARTER OF 1980

Aggregate purchases and sales of common stock by four institutional groups -- private noninsured pension funds, open-end investment companies, life insurance companies and property-liability insurance companies -- were \$20.4 billion and \$18.2 billion, respectively, during the first quarter of 1980. These levels of purchases and sales are the highest recorded for a single quarter since the first quarter of 1964, the first quarter for which such data is available. Their common stock activity rate was 38.8% in this year's first quarter. The previous high for this measure of trading activity was 34.8% in the first quarter of 1971.

Although the general level of trading activity for the four institutional groups established new highs during the first quarter, net acquisitions of common stock by such institutions remained well below the record level; the \$2.2 billion in net acquisitions during this year's first quarter was less than half the \$4.9 billion in net acquisitions made by such institutions in the second quarter of 1971. Foreign investors also stepped up their trading activity in the first quarter of 1980. Aggregate purchases and sales of preferred and common stocks were \$10.3 billion and \$8.1 billion, respectively. Both of these figures and the more than \$2 billion in net acquisitions which the figures imply are historic highs. (Press Release 80-34)

CIVIL PROCEEDINGS

INJUNCTION ENTERED AGAINST ETI CORPORATION, OTHERS

The Atlanta Regional Office announced that on July 25 the Honorable Richard C. Freeman of the U.S. District Court for the Northern District of Georgia entered an order permanently enjoining ETI Corporation, ETI Investment Corporation, ETI Resources, Inc., ETI Management Company, William P. Crum, Jr., all of Dunwoody, Georgia; and Frank M. Miller of Atlanta, Georgia, from violating the antifraud provisions of the securities laws. The defendants consented to the injunctive relief without admitting or denying the allegations of the complaint which was filed on February 13, 1980.

In addition to consenting to the injunctive relief, the defendants entered into an undertaking with the Commission which provides for the appointment of a special fiscal agent who will review the financial statements of the partnerships for December 31, 1977 and December 31, 1978, investigate the current financial status of the partnerships, and make a report to the limited partners. (SEC v. ETI Corporation, et al., U.S.D.C. N.D. Ga., Civil Action No. 80-244A). (LR-9156)

FIRST INDEPENDENT STOCK TRANSFER AGENT, INC. AND TERRY E. KIRCHNER ENJOINED

The Denver Regional Office announced that on August 5 the Honorable Richard P. Matsch, Judge, U.S. District Court for the District of Colorado, entered a Permanent Injunction enjoining First Independent Stock Transfer Agent, Inc., a Denver, Colorado securities transfer agent, and Terry E. Kirchner, the company's president, from violating, among other things, provisions of the Securities Exchange Act of 1934 relating to (1) recordkeeping requirements; (2) the time during which turnaround must be made of all securities classified as routine items; (3) notice required to be given to the defendants' issuer clients for failure to meet turnaround requirements; and (4) limitations on business expansion when failing to comply with turnaround requirements.

The judgment also requires the defendants, among other things, to establish and keep current a recordkeeping system and procedures designed to ensure compliance with plaintiff's transfer agent rules; to retain independent public accountants in order to review the defendants' recordkeeping system and transfer agent procedures; to furnish the plaintiff with written certifications with respect to the establishment and implementation of recommended recordkeeping and transfer agent procedures; to give notice to the plaintiff and to the defendants' clients of past failure of the defendants to comply with the plaintiff's turnaround requirements; to refrain, temporarily, from an expansion in business; and to furnish to the plaintiff semi-monthly and monthly reports about the time required by the defendants to turnaround items presented for transfer.

The Commission's civil complaint was filed on August 4 and the Judgment was thereafter entered on August 5, pursuant to the consent of the defendants in which they neither admitted nor denied the allegations of the complaint other than the jurisdictional allegations. (SEC v. First Independent Stock Transfer Agent, Inc. and Terry K. Kirchner, USDC, District of Colorado, Civil Action No. 80-M-1026). (LR-9157)

INVESTMENT COMPANY ACT RELEASES

ALPEX COMPUTER CORP.

An order has been issued on an application by Alpex Computer Corp. extending until December 31, 1980, the exemptive period of a prior order which temporarily exempted Alpex from compliance with all provisions of the Investment Company Act of 1940, except those requirements set forth in Sections 9, 17(a), 17(d), 17(e), 23 and 36 through 53 of the Act and the rules and regulations thereunder. (Rel. IC-11297 - Aug. 11)

O.N. MARKET YIELD FUND, INC.

A notice has been issued giving interested persons until September 8 to request a hearing on an application filed by O.N. Market Yield Fund, Inc. (Applicant), a money market fund registered under the Investment Company Act of 1940 as an open-end, non-diversified, management investment company, for an order, pursuant to Section 6(c) of the Act, exempting Applicant, subject to conditions, from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to enable Applicant to utilize amortized cost valuation for the purpose of pricing its shares for sale and redemption. (Rel. IC-11298 - Aug. 11)

BONDSTOCK CORPORATION

A notice has been issued giving interested persons until September 8 to request a hearing on an application by Bondstock Corporation (Applicant), registered under the Investment Company Act of 1940 as a diversified, open-end, management investment company, for an order, pursuant to Section 8(f) of the Act, declaring that Applicant has ceased to be an investment company. (Rel. IC-11299 - Aug. 11)

HOLDING COMPANY ACT RELEASES

ALABAMA POWER COMPANY

A notice has been issued giving interested persons until September 4 to request a hearing on a proposal of Alabama Power Company, subsidiary of The Southern Company, to increase its aggregate principal amount of short-term borrowings outstanding at any one time to \$575 million, and extending Alabama's short-term borrowing authorization through September 30, 1981. (Rel. 35-21677 - Aug. 11)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

WITHDRAWAL GRANTED

An order has been issued granting the application of Flightsafety International, Inc. to withdraw its common stock (\$.10 par value) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-17056)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by The Midwest Clearing Corporation (SR-MCC-80-1) permitting the chairman of the board of directors to set salary of the president of the corporation and designate the chairman as the chief executive officer of the corporation. (Rel. 34-17057)

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) F.N.B. CORPORATION, 3220 East State St., Hermitage, Pa. 16148 (412) 981-6000 - 75,000 shares of common stock. (File 2-68472 - July 15) (Br. 1)
- (S-16) PUBLIC SERVICE COMPANY OF INDIANA, INC., 1000 East Main St., Plainfield, Ind. 46168 (317) 839-9611 - \$125 million of first mortgage bonds, Series EE, due September 1, 2010. Underwriters: Morgan Stanley & Co. Incorporated and Dean Witter Reynolds Inc. The company is engaged in the production, transmission, distribution and sale of electric energy. (File 2-68562 - July 23) (Br. 8)
- In a separate statement the company seeks registration of 2,700,000 shares of common stock. (File 2-68563 - July 23)
- (S-6) THE GOVERNMENT SECURITIES INCOME FUND, TWENTY-SEVENTH GNMA SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Incorporated, Dean Witter Reynolds Inc. and Shearson Loeb Rhoades Inc. (File 2-68678 - July 31) (Br. 18) (New Issue)
- (S-1) NUCORP ENERGY, INC., 2550 Fifth Ave., Suite 1100, San Diego, Cal. 92103 (714) 233-7300 - 687,023 shares of common stock. The company is engaged in domestic oil and gas exploration. (File 2-68778 - Aug. 11) (Br. 3)
- (S-16) TEXAS GAS TRANSMISSION CORPORATION, 3800 Frederica St., Owensboro, Ky. 42301 (502) 926-8686 - \$75 million of debentures, due August 15, 1990. Underwriter: Dillon, Read & Co. Inc. (File 2-68781 - Aug. 11) (Br. 8)
- (S-8) FIRST EXECUTIVE CORPORATION, 9777 Wilshire Blvd., Beverly Hills, Cal. 90212 (213) 273-4202 - 453,750 shares of common stock. (File 2-68782 - Aug. 11) (Br. 10)
- (S-8) NATOMAS COMPANY, 601 California St., San Francisco, Cal. 94108 (415) 981-5700 - \$10 million of interests and 200,000 common shares. (File 2-68783 - Aug. 11) (Br. 4)
- (S-8) NCNB CORPORATION, One NCNB Plaza, Charlotte, N.C. 28255 (704) 374-5000 - 363-368 shares of common stock. (File 2-68784 - Aug. 11) (Br. 1)
- (S-8) H & R BLOCK, INC., 4410 Main St., Kansas City, Mo. 64111 (816) 474-7400 - 506,562 shares of common stock. (File 2-68786 - Aug. 11) (Br. 5)
- (S-16) UNION PACIFIC CORPORATION, 345 Park Ave., New York, N.Y. 10154 (212) 826-8200 - \$250 million of sinking fund debentures, due 2010. Underwriter: The First Boston Corporation. (File 2-68787 - Aug. 11) (Br. 5)
- (S-14) TIGER INTERNATIONAL, INC., 1888 Century Park East, Los Angeles, Cal. 90067 (213) 552-6300 - 1,484,200 shares of common stock and \$60,483,200 of 11-1/2% debentures, due 1995. (File 2-68788 - Aug. 11) (Br. 10)
- (S-8) HAEMONETICS CORPORATION, 400 Wood Rd., Braintree, Mass. 02184 (617) 848-7100 - (File 2-68789 - Aug. 11) (Br. 8)
- (S-8) JWT GROUP, INC., 420 Lexington Ave., New York, N.Y. 10017 (212) 867-1000 - 12,973 shares of common stock. (File 2-68790 - Aug. 11) (Br. 5)
- (S-16) LEGGETT & PLATT, INCORPORATED, 18th Rd., P.O. Box 757, Charthage, Mo. 64836 (417) 358-8131 - 31,500 shares of common stock. (File 2-68791 - Aug. 11) (Br. 6)

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 (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G 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 July 29 - August 1, 1980. 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 set forth for each beneficial owner. *Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Donald C. Webster (Canada)	Applied Digital Data Systems, Inc. (Happauge, NY) Common Stock - 387,430 shs. Common Stock - 28,800 shs. on conversion of Preferred Stock	7-29-80
* American First Insurers, Inc. Warner National Corp. Marvin L. Warner Combanks Corp.	Founders Financial Corp. (Tampa, FL) Common Stock - 1,308,311 shs. (28.8%)	7-29-80
Michael L. Dow Lucille D. McKee Fairfax Company Tipton Company, et al	Panax Corporation (Williamston, MI) Common Stock - 452,606 shs. (38.6%)	7-29-80
* Sanford P. Brass James W. Walsh Leonard DeVries	Seneca Oil Company (Oklahoma City, OK) Common Stock - 665,272 shs. (11.8%) Common Stock - 100,000 shs. on exercise of options	7-29-80
* Initio, Inc. Initio Financial, Inc. Martin Fox Daniel De Stefano	Spencer Companies, Inc. (Boston, MA) Common Stock - 254,300 shs. (14.8%)	7-29-80
* Contran Corporation Contran Holding Company Harold C. Simmons	Artco-Bell Corporation (Temple, TX) Common Stock - 181,939 shs. (23.2%)	7-30-80
Harvest Capital Investment Co.	Continental Capital Corporation (San Francisco, CA) Capital Stock - 31,700 shs.	7-30-80
* Allegheny Beverage Corporation	Macke Company (Cheverly, MD) Common Stock - 1,019,600 shs. (33.6%)	7-30-80
* IBH Holding AG (West Germany)	Pettibone Corporation (Chicago, IL) Common Stock - 294,600 shs. (11.8%)	7-30-80
Hames B. N. Morris	Research-Cottrell, Inc. (Somerville, NJ) Common Stock - 333,000 shs.	7-30-80
Trafalgar Industries, Inc. Nelson Peltz	Sterling Bancorp (NYC) Common Stock - 245,000 shs.	7-30-80
* American International Group, Inc. National Union Fire Insurance Co. of Pittsburgh, PA (Wholly-owned subsidiary of American International Group, Inc.)	United Guaranty Corp. (Greensboro, NC) Common Stock - 585,700 shs. (12.05%)	7-30-80
Burton J. Vincent	Capital Food Industries, Inc. (Chicago, II.) Common Stock - 47,509 shs.	7-31-80
David A. Wolf Robert M. Blatt David A. Wolf Associates	Flatley Realty Investors (Braintree, MA) Shares of Beneficial Interest - 140,128 (14%)	7-31-80

ACQUISITION REPORTS CONT.

* Agency Rent-A-Car, Inc.	Gateway Industries, Inc. (Chicago, IL) Common Stock - 205,800 shs. (20.1%)	7-31-80
* Martin Oil Services, Inc. MSV Company VSM Company John Hamilton, Trustee Carl C. Greer	Heritage Bancorporation, Inc. (Chicago, IL) Common Stock - 893,459 shs. (46%)	7-31-80
* Larrie S. Calvert, Voting Trustee	Pollution Control Industries, Inc. (West Caldwell, NJ) Common Stock - 413,031 shs. First Preferred Stock - 100,000 shs.	7-31-80
* B. F. Saul Company Columbia Securities Company of Washington, DC Klingle Corporation Chevy Chase Financial Ltd.	B. F. Saul Real Estate Investment Trust (Chevy Chase, MD) Shares of Beneficial Interest - 1,298,389 (22%)	7-31-80
* Kearns - Tribune Company	Tele-Communications, Inc. (Englewood, CO) Class A Common Stock - 971,070 shs. Class B Common Stock - 686,930 shs. (12.27%)	7-31-80
Emil Eric Nabel	C-V American Corp. (Santa Monica, CA) Common Stock - 115,937 shs.	8-1-80
Marie M. Cohen	C-V American Corp. (Santa Monica, CA) Common Stock - 112,100 shs.	8-1-80
Roy Don Nabel	C-V American Corp. (Santa Monica, CA) Common Stock - 113,537 shs.	8-1-80
Alan S. McDowell, Individually and Trustee	C-V American Corp. (Santa Monica, CA) Common Stock - 74,234 shs.	8-1-80
Jozef Nabel	C-V American Corp. (Santa Monica, CA) Common Stock - 64,523 shs.	8-1-80
Leslie R. Graham	Calumet Industries, Inc. (Chicago, IL) Common Stock - 50,000 shs.	8-1-80
Robert D. Murtha	Care Centers, Inc. (Dayton, OH) Common Stock - 62,750 shs. Common Stock - 2,250 shs. on exercise of option Class B Common Stock - 64,750 shs. Class B Common Stock - 2,250 shs. on exercise of option	8-1-80
Harry Brainin	Chatham Corporation (Wilmette, IL) Common Stock - 316,934 shs. (18.42%) Common Stock - 7,973 shs. on conversion of Debentures (Included above are shares owned by his wife.)	8-1-80
Marine Trust Company, N.A. Rogers Ray Clark Steven J. Clark Emory E. Clark, Trustees, et al	Clark Oil & Refining Corp. (Milwaukee, WI) Common Stock - 2,492,060 shs. (35.4%)	8-1-80
* Dayco Corporation Consolidated Risk, Ltd. (Bermuda) Ranger Realty Co. (Wholly-owned subsidiary of Dayco Corp.)	Financial Corporation of Santa Barbara (Santa Barbara, CA) Common Stock - 394,300 shs. (10.1%)	8-1-80

ACQUISITION REPORTS CONT.

Welsh, Carson, Anderson & Stowe	GRI Computer Corp. (Newton, MA) Common Stock - 3,200,000 shs. (57.4%) on conversion of Series A Notes (In addition, pursuant to an Agreement, Welsh, etc., has the right to acquire 4,453,333 shares of Common Stock on conversion of Series B Notes.)	8-1-80
* Republic Financial Services, Inc.	Hawthorne Financial Corp. (Hawthorne, CA) Common Stock - 212,900 shs. (24.57%)	8-1-80
* R. B. Pamplin Corporation Gwen R. Torgler	Mount Vernon Mills, Inc. (Greenville, SC) Common Stock - 210,382 shs. (25.57%)	8-1-80
Page Holding Corp. James P. Wilmot	Page Airways, Inc. (Rochester, NY) Common Stock - 973,916 shs. (82.6%) (Page Holding acquired above shares pursuant to an Exchange Offer.)	8-1-80
* Eastside Industrial Properties, Inc. Charles H. Foster International City Developers, Inc. State National Bank of El Paso, Trustee	PanNational Group, Inc. (El Paso, TX) Common Stock - 213,219 shs. (10%)	8-1-80
* GREIT Realty Trust	San Francisco Real Estate Investors (San Francisco, CA) Shares of Beneficial Interest - 132,000 Shares of Beneficial Interest - 369,200 on exercise of warrants (GREIT may be deemed a member of a group with Unicorp Financial Corp. (Canada) and George S. Mann (Canada) that owns 117,000 of above shares.)	8-1-80



NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. When you are ordering more than one, we prefer that the documents be listed in alphabetical order to expedite service. The reproduction cost is 10c per page plus postage (\$3.50 minimum); 20c per page plus postage for expedited service (\$5.00 minimum) and 30c per page plus postage for priority service (\$5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.

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