

# sec news digest

U.S. SECURITIES AND  
EXCHANGE COMMISSION

Issue 80-165

AUG 25 1980

August 22, 1980

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## RULES AND RELATED MATTERS

## LIBRARY

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### ADOPTION OF AN AMENDMENT TO RULE 16b-3

The Commission has adopted an amendment to Rule 16b-3 under the Securities Exchange Act of 1934 that will exempt from the short-swing profit recovery provisions of Section 16(b) of the Act both the delivery of stock by an officer or director as payment for the exercise of an employee stock option and the receipt of an equal amount of stock upon such exercise. (Rel. 34-17080)

FOR FURTHER INFORMATION CONTACT: Michael R. Kargula at (202) 272-2573

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## ADMINISTRATIVE PROCEEDINGS

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### DECISION REVOKING BROKER-DEALER REGISTRATION OF TRANSAMERICAN SECURITIES, INC., CENSURING CHIEF EXECUTIVE OFFICER, AND DISMISSING PROCEEDINGS AGAINST OTHERS, FINAL

The decision of an administrative law judge revoking the broker-dealer registration of TransAmerican Securities, Inc. (TSI), of Memphis, Tennessee, censuring Carl E. Blyskal, its chief executive officer, and dismissing charges against TransAmerican Investment Company, Ltd. (TIC), of Baton Rouge, Louisiana, TSI's parent company, and Rolfe H. McCollister, controlling stockholder of TIC, has become final.

The administrative law judge found that, in 1978, TSI violated antifraud provisions of the securities acts in that it engaged in transactions in government securities with a number of institutional customers that were designed to conceal the customers' losses from their shareholders and depositors; that TSI improperly diverted funds which should have been used to purchase collateral for certain loans to the firm; and that TSI improperly switched customers' accounts to an affiliated firm that was not a registered broker-dealer, without informing the customers. The law judge also found that TSI failed to comply with recordkeeping requirements.

Blyskal joined TSI subsequent to the foregoing violative conduct. The law judge found that he and TSI violated antifraud provisions by failing to disclose to one of TSI's customers the firm's previous diversion of funds. However, in determining only to censure Blyskal, the law judge noted that he had no intent to defraud anyone, and that his failure to make proper disclosure could be attributed to his complete lack of securities experience. The law judge found no violations on the part of TIC or McCollister. (Rel. 34-17063)

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN TRAFALGAR INDUSTRIES, INC.

The Commission announced the single ten-day suspension of over-the-counter trading in the securities of Trafalgar Industries, Inc., located in New York, New York, for the period beginning on August 21 and terminating at midnight (EDT) on August 30, 1980. The Commission suspended trading in view of the lack of adequate current information concerning the affairs of Trafalgar. Trafalgar has not filed its most recent Annual Report on Form 10-K for the year ended May 3, 1980, which was due on August 1, 1980.

If any broker-dealer or other person has any information which they believe would be useful to the Commission relating to this matter, they should contact the Washington office of the Commission at (202) 272-2254. (Rel. 34-17083)

## TRADING SUSPENDED IN SUNDANCE GOLD MINING AND EXPLORATION, INC.

The Commission announced the temporary suspension of over-the-counter trading in the securities of Sundance Gold Mining and Exploration, Inc., a Delaware corporation located in New York, New York, for the ten-day period beginning on August 22 and terminating at midnight on August 31, 1980. The Commission suspended trading because of questions concerning a letter to shareholders dated July 15, 1980 referring to the company's discovery of gold.

If any broker-dealer or other person has any information which may relate to this matter, the Division of Enforcement of the Commission should be telephoned at (212) 264-1600. (Rel. 34-17084)

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## INVESTMENT COMPANY ACT RELEASES

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### MELLON FINANCIAL COMPANY

An order has been issued on an application filed by Mellon Financial Company exempting Applicant from all provisions of the Act. (Rel. IC-11311 - Aug. 21)

### CHAGRES FUND, INC.

An order has been issued declaring that Chagres Fund, Inc. has ceased to be an investment company. (Rel. IC-11312 - Aug. 21)

### LEASCO CORPORATION

A notice has been issued giving interested persons until September 15 to request a hearing on an application filed by Leasco Corporation (Applicant), for an order exempting Applicant from all provisions of the Investment Company Act of 1940 and its rules, other than: (1) Sections 9, 17(a)-(e), 31, 36(a) and 37 of the Act and the rules thereunder; (2) all sections of the Act and the rules thereunder necessary to implement the above sections of the Act; and (3) all administrative, procedural and jurisdictional sections of the Act, subject to certain conditions and exceptions set forth in the application. (Rel. IC-11313 - Aug. 21)

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## HOLDING COMPANY ACT RELEASES

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### NORTHEAST UTILITIES

An order has been issued releasing jurisdiction over a proposal by Connecticut Light & Power Company, The Hartford Electric Light Company and Western Massachusetts Electric Company, subsidiaries of Northeast Utilities, to issue notes to banks pursuant to a multibank revolving credit/term loan agreement in respective maximum aggregate principal amounts at any one time outstanding of \$80 million, \$60 million and \$45 million up to the banks' commitment of \$140 million. The proceeds of the borrowings will be used by each company to finance its respective construction program. (Rel. 35-21684 - Aug. 21)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### WITHDRAWAL GRANTED

An order has been issued granting the application of Augat, Inc. to withdraw its common stock (\$.10 par value) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-17082)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The Depository Trust Company has filed, pursuant to Rule 19b-4, a proposed rule change (SR-DTC-80-5) that would establish a new fee schedule for DTC's major services. Publication of the proposal is expected to be made in the Federal Register during the week of August 25. (Rel. 34-17081)

# 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-16) DATA TERMINAL SYSTEMS, INC.; 124 Acton St., Maynard, Mass. 01754 - 7,631 shares of common stock. (File 2-68479 - Aug. 18) (Br. 10)
- (S-2) SCORE EXPLORATION CORPORATION, 300 Country Club Rd., Suite 202, Casper, Wyo. 82601 - 20,000,000 shares of common stock. Underwriter: S.W. Devanney & Co., Inc., First National Bank Bldg., 621 Seventeenth St., Suite 2455, Denver, Colo. 80202 (303) 572-1005. The company will attempt to explore and develop its oil and gas leases and acquire interests in undeveloped and developed oil and gas leases. (File 2-68893 - Aug. 21) (Br. 4) (New Issue)
- (S-16) FLORIDA POWER CORPORATION, 3201 34th Street South, St. Petersburg, Fla. 33711 - 3,000,000 shares of common stock. Underwriter: Kidder, Peabody & Co. Incorporated and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the production, transmission, distribution and sale of electricity. (File 2-68897 - Aug. 21) (Br. 8)
- (S-7) ALL-STATES LEASING COMPANY, 511 Central Ave., Great Falls, Mon. 59401 (406) 761-7510 - \$4,500,000 of subordinated notes, and \$4,500,000 of junior subordinated notes. Underwriters: Dain Bosworth Incorporation, D.A. Davidson & Co. Incorporated and John G. Kinnard and Company Incorporated. The company is engaged in the business of leasing various types of capital equipment to business, professional and municipal users. (File 2-68898 - Aug. 21) (Br. 2)
- (S-7) MAGNETIC CONTROLS COMPANY, 4900 West 78th St., Minneapolis, Minn. 55435 - 440,000 shares of common stock. Underwriter: Dain Bosworth Incorporated. The company designs, develops, manufactures and sells electromechanical and electronic products for the telecommunication and computer markets. (File 2-68899 - Aug. 21) (Br. 7)
- (S-16) CONSUMERS POWER COMPANY, 212 West Michigan Ave., Jackson, Mich. 49201 (517) 788-1030 - 4,000,000 shares of common stock. Underwriter: Morgan Stanley & Co. Incorporated. The company is engaged in the generation, purchase, transmission, distribution and sale of electricity. (File 2-68900 - Aug. 21) (Br. 8)
- (S-1) SATURN COMMODITY FUND, One North Jefferson Ave., St. Louis, Mo. 63103 - 5,000 units of limited partnership interest. Underwriter: A. G. Edwards & Sons, Inc. (File 2-68901 - Aug. 21) (Br. 1) (New Issue)
- (S-8) INTERMARK, INC., 1020 Prospect St., P.O. Box 1149, La Jolla, Cal. 92038 (714) 459-3841 - 150,000 shares of common stock. (File 2-68902 - Aug. 21) (Br. 1)

## CORRECTION RE PENNZOIL COMPANY

In the News Digest of August 18, under the heading "Securities Act Registrations", the file number for Pennzoil Company was erroneously stated. The correct file number should have been 2-68868, not 2-68809.

## REGISTRATIONS EFFECTIVE

Aug. 15: Dart & Kraft, Inc., 2-68844.

Aug. 18: Inco Limited, 2-68754; Realty and Mortgage Investors of the Pacific, 2-68693; Toltec Royalty Income Fund I, 2-68070.

Aug. 19: Damson Oil Corp., 2-68494; Enx Resources Corp., 2-66555; Paradyne Corp., 2-68732; SMI Investors (Delaware) Inc., 2-68297.

Aug. 20: Bancotec, Inc., 2-68570; Century Telephone Enterprises, Inc., 2-68731; The Corporate Income Fund, One Hundred Twelfth Monthly Payment Series, 2-67038; Geometals N.L., 2-68743; Olympic Solar Corp., 2-66101.

Aug. 21: New York Municipal Trust, Series 14, 2-68774; South Carolina Electric & Gas Co., 2-68645.

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