

sec news digest

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ADMINISTRATIVE PROCEEDINGS

LOEB RHOADES, HORNBLOWER & CO., OTHERS CITED

The Commission announced the institution of public administrative proceedings against Loeb Rhoades, Hornblower & Co., Meyer Berg, formerly a registered representative with Loeb Rhoades, and Barry Lefko, formerly a registered representative at Dean Witter Reynolds, Inc. Simultaneously with the institution of the proceedings, the Commission accepted Offers of Settlement from Loeb Rhoades and Lefko in which they, without admitting or denying the allegations or findings in the Commission's Orders, consented to the issuance of Orders by the Commission making certain findings and imposing remedial sanctions. The Commission ordered the proceedings against Loeb Rhoades to determine whether it failed to reasonably supervise Berg with a view to preventing violations by Berg of certain provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder. The proceedings against Berg are to determine whether Berg violated the securities laws in connection with his alleged participation in a scheme to manipulate upward the market price of the common stock of C.H.B. Foods, Inc., during 1978 and early 1979. The proceedings against Lefko were also instituted in connection with his aiding and abetting of the alleged manipulation of C.H.B. Foods, Inc. common stock.

The Commission determined that it is appropriate and in the public interest to accept Offers of Settlement submitted by Loeb Rhoades and Lefko, and accordingly made findings that Loeb Rhoades failed to reasonably supervise an employee subject to its supervision and that Lefko wilfully violated and aided and abetted violations of Section 17(a) of the Securities Act, Sections 9(a)(2), 10(b) and 17(a) of the Exchange Act and Rules 10b-5 and 17a-3 thereunder. The Commission's findings are not binding on any respondent in any other administrative proceeding based on any of the matters discussed in the Commission's Orders Instituting Proceedings.

The Commission censured Loeb Rhoades and suspended Lefko from association with any broker-dealer, investment advisor or investment company for 120 days and limited any such association thereafter to a non-supervisory position. The proceedings as to Berg remains unresolved.

The Federal grand jury for the District of Columbia has been investigating since July, 1980 whether James Corr and Neica Corr, as a result of their activities regarding trading in the securities of C.H.B. Foods, Inc., may be in criminal contempt of a "Final Judgment of Permanent Injunction and Other Relief" which had been previously entered against them by the federal district court for the District of Columbia. As alleged in the Commission's Order which commenced these administrative proceedings, Berg acted as the broker for James and Neica Corr and for other individuals referred to him by James Corr. (Rel. 34-17180, 34-17181 & 34-17182)

CIVIL PROCEEDINGS

COURT ENTERS SUMMARY JUDGMENT AGAINST WESTERN GEOTHERMAL & POWER CORPORATION AND DAVID V. TOLLE

The Los Angeles Regional Office announced that on September 15 the Honorable Carl A. Muecke, Judge of the U.S. District Court for the District of Arizona, entered an Order of Summary Judgment against Western Geothermal & Power Corporation (WGP) of Phoenix, Arizona and its president, David V. Tolle, also of Phoenix,

Arizona permanently enjoining them from future violations of the registration and antifraud provisions. It was also announced that Judge Muecke acting pursuant to a local pre-trial rule ordered that Tolle be sanctioned for failing to appear at a pre-trial status conference ordered by the Court for August 4, 1980. Tolle was ordered to pay the Commission \$250 for failing to comply with pre-trial procedures.

The summary judgment continues the appointment of the independent officer who had been appointed pursuant to the order of preliminary injunction entered on May 23, 1979. The independent officer is empowered to ensure that WGP complies with the securities laws in the future in the offer and sale of WGP securities. His powers include the review of all offering documents and shareholder communications. (SEC v. Western Geothermal & Power Corporation, et al., District of Arizona, Civil Action No. 77-504-CAM). (LR-9197)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

An order has been issued authorizing Consolidated Natural Gas Company, a registered holding company, to issue and sell \$100 million of debentures at competitive bidding. (Rel. 35-21740 - Oct. 7)

EASTERN EDISON COMPANY

An order has been issued authorizing a proposal by Eastern Edison Company, subsidiary of Eastern Utilities Associates, whereby Eastern will issue and sell up to \$15 million in first mortgage bonds and up to \$15 million in preferred stock at competitive bidding. In addition, Montaup Electric Company, subsidiary of Eastern, was authorized to issue and sell up to \$20 million in debentures to Eastern. (Rel. 35-21741 - Oct. 7)

SELF-REGULATORY ORGANIZATIONS

DISAPPROVAL OF PROPOSED RULE CHANGE

The Commission has issued a final order of disapproval on a proposed rule change filed by the Chicago Board Options Exchange, Incorporated (SR-CBOE-80-1) which would have revised the rules of the Exchange which relate to the organization and procedures used by the CBOE to discipline its members and their associated persons. (Rel. 34-17198)

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed a proposed rule change which became effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934 (SR-MSRB-80-9) amending MSRB Rule A-13 to increase from .001% to .003% the underwriting assessment upon municipal securities brokers and municipal securities dealers. Publication of the proposal is expected to be made in the Federal Register during the week of October 13. (Rel. 34-17199)

FILING OF PROPOSED AMENDMENT TO THE INTERMARKET TRADING SYSTEM PLAN

The Commission has made available for public comment a proposed amendment of the Plan for the Purpose of Creating and Operating an Intermarket Communications Linkage (ITS Plan), an experimental market linkage facility which links participating market centers. The proposed amendment would provide the ITS Operating Committee with authority to implement and administer a pilot program to determine with respect to the Pre-Opening Application, under the terms of the ITS Plan, the appropriateness of effecting the Pre-Opening Application based on price parameters outside the previous trading day's closing price which are other than those currently contained in the ITS Plan and shortening the period of time after which an inquiring specialist may open a stock in his market after inquiring of other specialists. (Rel. 34-17200)

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; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

- (S-8) GALAXY OIL COMPANY, 918 Lamar St., Wichita Falls, Tex. 76307 (817) 866-0193 - 200,000 shares of common stock. (File 2-69418 - Oct. 6) (Br. 3)
- (S-1) SECURED TRUST DEED INVESTORS-II, 1660 Tiburon Blvd., Tiburon, Cal. 94920 - 25,000,000 of limited partnership interests(units). (File 2-69419 - Oct. 3) (Br. 6 - New Issue)
- (S-1) THE DREYFUS RAINBOW ANNUITY ALLOCATED SEPARATE ACCOUNT C, Two Park Ave., New York, N.Y. 10016 - the securities being registered are not offered in pre-determined amounts or unit prices. The company is a stock life insurance company engaged in the sale of life insurance, accident and health insurance and annuities. (File 2-69420 - Oct. 3) (Br. 20 - New Issue)
- (S-1) AMARCO RESOURCES CORPORATION, 1400 Kirby Bldg., Dallas, Tex. 75201 - 660,000 units, each unit consisting of one share of common stock and one common stock purchase warrant. Underwriter: Schneider, Bernet & Hickman, Inc. The company is in the oil field service business. (File 2-69421 - Oct. 6) (Br. 4)
- (S-8) NEW ENGLAND BUSINESS SERVICE, INC., 500 Main St., Groton, Mass. 01450 (617) 448-6111 - 50,000 shares of common stock. (File 2-69422 - Oct. 6) (Br. 1)
- (S-16) POWER TEST CORP., 67 Bond St., Westbury, N.Y. 11590 (516) 333-9210 - 30,000 shares of common stock. (File 2-69423 - Oct. 6) (Br. 7)
- (S-7) NAVCO CORP., 10534 Natural Bridge Rd., St. Louis, Mo. 63134 (314) 426-4000 - \$6,600,000 of sinking fund debentures, due 1990. Underwriter: Stifel, Nicolaus & Company Incorporated. (File 2-69424 - Oct. 6) (Br. 10 - New Issue)
- (S-7) THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, 140 New Montgomery St., San Francisco, Cal. 94105 (415) 421-9000 - \$300 million of forty year debentures, due November 1, 2020. (File 2-69402 - Oct. 3) (Br. 7)
- (S-18) FARMERS AND MERCHANTS INVESTMENT CO., 35 First Avenue Northeast, Watertown, S.D. 57201 (605) 886-8401 - 4,500 debentures, due 1992. Underwriters: Chiles, Heider & Co., Inc. and Edward D. Jones & Co. The company is a one-bank holding company. (File 2-69348-D - Sept. 29) (Br. 1 - New Issue)
- (S-18) UNITED PERFORMANCE INDUSTRIES, INC., 12 Charles Lake Rd., St. Paul, Minn. 55110 - 462,000 shares of common stock. Underwriter: Alstead, Strangis & Dempsey Incorporated. The company is in the development stage and to date has been engaged in the development of its business plan. (File 2-69369-C - Oct. 1) (Br. 1 - New Issue)
- (S-14) PENNBANCORP, P.O. Box 133, Titusville, Pa. 16354 (814) 827-2751 - 1,473,938 shares of common stock. (File 2-69425 - Oct. 6) (Br. 2 - New Issue)
- (S-1) MATAGORDA LIMITED I, 1816 Guaranty Bank Plaza, Corpus Christi, Tex. 78475 - \$6,800,000 of limited partnership interests. Underwriter: Underwood, Neuhaus & Co. Incorporated. (File 2-69426 - Oct. 7) (Br. 4 - New Issue)
- (S-8) CLOW CORPORATION, 1211 West 22nd St., Oak Brook, Ill. 60521 (312) 325-6000 - 100,000 shares of common stock. (File 2-69427 - Oct. 6) (Br. 6)
- (S-7) NATIONAL SEMICONDUCTOR CORPORATION, 2900 Semiconductor Dr., Santa Clara, Cal. 95051 (408) 737-5000 - 1,500,000 shares of common stock. Underwriter: Goldman, Sachs & Co. The company is engaged in the design, development, manufacture and sale of a variety of electronic products. (File 2-69429 - Oct. 7) (Br. 7)

- (S-6EL24) NUVEEN TAX-EXEMPT BOND FUND - MULTI-STATE, SERIES 17, 209 South La Salle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: John Nuveen & Co. Incorporated. (File 2-69430 - Oct. 6) (Br. 16 - New Issue)
- (S-2) PEOPLE EXPRESS AIRLINES, INC., 7721 San Felipe, Suite 111, Houston, Tex. 77063 (713) 974-4246 - 2,750,000 shares of common stock. Underwriter: Hambrecht & Quist. The company is a newly organized company that plans to provide high frequency, low price airline service. (File 2-69431 - Oct. 7) (Br. 10 - New Issue)
- (S-7) STANDARD MICROSYSTEMS CORPORATION, 35 Marcus Blvd., Hauppauge, N.Y. 11787 (516) 273-3100 - 1,210,000 shares of common stock. Underwriter: Blyth Eastman Paine Webber Incorporated. The company designs, develops, manufactures and sells standard and custom metal oxide semiconductor large scale integrated (MOS/LSI) circuits for use principally in the data communications and computer terminal fields. (File 2-69432 - Oct. 7) (Br. 7)
- (S-16) DATAPOINT CORPORATION, 7900 Callaghan Rd., San Antonio, Tex. 78229 (512) 699-4444 - 1,500,000 shares of common stock. Underwriter: Kidder, Peabody & Co. Incorporated. The company designs, manufactures and services a compatible family of general purpose computer systems. (File 2-69433 - Oct. 7) (Br. 9)
- (S-1) EPSCO, INCORPORATED, 411 Providence Highway, Westwood, Mass. - 385,000 shares of common stock. Underwriter: L.F. Rothschild, Unterberg, Towbin. The company designs, develops, manufactures and markets marine electronic products, among other things. (File 2-69434 - Oct. 7) (Br. 8)
- (S-7) TOWLE MANUFACTURING COMPANY, 144 Addison St., Boston, Mass. 02128 (617) 569-7600 - \$25 million of convertible subordinated debentures, due 2000. Underwriters: Salomon Brothers and Shearson Loeb Rhoades Inc. The company manufactures, purchases and distributes giftware. (File 2-69435 - Oct. 7) (Br. 6)
- (S-7) BACHE GROUP INC., 100 Gold St., New York, N.Y. 10038 (212) 791-1000 - \$25 million of sinking fund debentures, due October 15, 2000 with warrants to purchase 625,000 shares of common stock, and 25,000 units. Underwriter: Bear, Stearns & Co. The company provides a variety of financial services in connection with securities, investment, commodities, insurance and related fields. (File 2-69436 - Oct. 7) (Br. 1)
- (S-16) POGO PRODUCING COMPANY, 707 McKinney, Suite 900, Houston, Tex. 77002 (713) 651-4300 - \$50 million of convertible subordinated debentures, due December 31, 2005. Underwriters: Merrill Lynch White Weld Capital Markets Group and Lehman Brothers Kuhn Loeb Incorporated. The company is engaged in oil and gas exploration, development and production. (File 2-69248 - Oct. 7) (Br. 3)

REGISTRATIONS EFFECTIVE

- Sept. 11: American Surgery Centers Corp., 2-68340-LA.
 Sept. 24: Insilco Corp., 2-69166.
 Sept. 29: Credithrift Financial Inc., 2-69125; Gould Investors Trust, 2-68979; Integrated Cattle Systems, IV, 2-68322; Pacific Power & Light Co., 2-68993.
 Sept. 30: The Corporate Income Fund, Seventy-First Short Term Series, 2-69065; Damson Development Drilling Program 80 DEV-I, 81 DEV 1 and 81 DEV 2, 2-68612; Search Natural Resources, Inc., 2-68795.
 Oct. 1: Associated Doctors' Hospital, Inc., 2-68603; Brown & Sharpe Manufacturing Co., 2-69203; Coachmen Industries, Inc., 2-68908; Coleco Industries, Inc., 2-69095; Columbia Pictures Industries, Inc., 2-69244; The Corporate Income Fund, One Hundred Fourteenth Monthly Payment Series, 2-68825; Graybar Electric Co., Inc., 2-68938; Parallel Petroleum Corp., 2-68451; SteinRoe Universe Fund, 2-68594; Transcontinental Oil Corp., 2-69054.
 Oct. 2: Georgia Power Co., 2-68973; Hardee's Lease Partners 1980-A, 2-68492; Houston Industries, Inc., 2-68762; Kaiser Cement Corp., 2-69260; Keystone International, Inc., 2-69275; Municipal Investment Trust Fund, One Hundred Forty-Ninth Monthly Payment Series, 2-69197.
 Oct. 3: Bastian Industries, Inc., 2-67639; Kinder-Care Learning Centers, Inc., 2-69208; Moritz Mining Co., Inc., 2-68339.
 Oct. 6: Citizens Bancorp, 2-68682; Middle South Utilities, Inc., 2-69091.

REGISTRATIONS WITHDRAWN

- Oct. 3: Jamaica Water Supply Co., 2-63946.
 Oct. 7: Child World, Inc., 2-68377.

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 September 22, 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>
* VLM Holding Corp. (Wholly-owned subsidiary of Volume Merchandise, Inc.) Volume Merchandise, Inc.	Aaronson Bros. Stores Corp. (El Paso, TX) Common Stock - 511,800 shs. (94%) (333,400 of above shares were acquired pursuant to the Tender Offer.)	9-22-80
* Julius D. Winer	Aeroflex Laboratories Inc. (Plainview, NY) Common Stock - 75,468 shs.	9-22-80
* Bankers Trust Company of Texas C. W. Murchison, Jr. Murchison Brothers	Caribbean Finance Co. Inc. (Rio Piedras, PR) Common Stock - 508,770 shs. (36.5%)	9-22-80
* Ernest C. Trefz	Citytrust Bancorp, Inc. (Bridgeport, CT) Capital Stock - 199,948 shs. (Included above are shares owned by family members.)	9-22-80
* Anatar Investments, Inc. Anatar Investments, Inc. Voting Trust Douglas A. P. Hamilton	Classified Financial Corp. (Waukesha, WI) Common Stock - 67,344 shs.	9-22-80
* Loyse E. Caldwell	Data Automation Company, Inc. (Dallas, TX) Common Stock - 773,805 shs. (63.3%)	9-22-80
* SZRL/HS Investments	Delta Queen Steamboat Co. (Cincinnati, OH) Common Stock - 179,100 shs. (18.7%)	9-22-80
Dr. Ralph L. Cotton Dr. Robert Messenbaugh Woodridge Orthopaedic Clinic, P.S., Profit Sharing Trust, et al	Electromedics, Inc. (Englewood, CO) Common Stock - 316,920 shs. Common Stock - 30,000 shs. on exercise of options	9-22-80
Hadrian Associates Leon Levy Ludwig Bravman Jack Nash, et al	GAC Corporation (Coral Gables, FL) Common Stock - 1,588,428 shs. (15.9%) on conversion of Notes and Debentures	9-22-80
* Mario J. Gabelli, Individually and Trustee	G I Export (Woodbury, NY) Common Stock - 209,700 shs. (10.9%)	9-22-80
* TBK Partners, Ltd. Viridian Investments, Ltd.	Griggs International, Inc. (Belton, TX) Common Stock - 8,041 shs.	9-22-80
* Panda Star Corporation	Hajoca Corporation (Ardmore, PA) Common Stock - 1,183,826 shs. (53.09%)	9-22-80
* Altair Corporation	Harvest Industries, Inc. (Wilmette, IL) Common Stock - 745,457 shs. (62.3%) Common Stock - 6,116 shs. on conversion of Preferred Stock	9-22-80
E. A. Hayes C. R. McCuen Oliver M. Greenley James G. McCurdy, et al	Hawkeye National Life Insurance Co. (Des Moines, IA) Common Stock - 157,120 shs. (31%)	9-22-80

Viridian Investments, Ltd. TEK Partners, Ltd.	North American National Corp. (Columbus, OH) Common Stock - 38,170 shs.	9-22-80
* Textron Inc.	Property Capital Trust (El Paso, TX) Shares of Beneficial Interest - 252,550 (12.2%)	9-22-80
Q Associates	Questor Corporation (Toledo, OH) Common Stock - 2,000,000 shs. (Q Associates has entered into a Stock Purchase Agreement to acquire above shares.)	9-22-80
Goerlich Family Foundation Inc. Ohio Citizens Bank, Trustee John Goerlich Selma Goerlich, et al	Questor Corporation (Toledo, OH) Common Stock - 4,439,239 shs. (45.9%) Common Stock - 20,808 shs. on exercise of option	9-22-80
* Hi-Shear Industries Inc.	Raybestos-Manhattan, Inc. (Trumbull, CT) Common Stock - 39,400 shs.	9-22-80
Gulf & Western Industries, Inc. Charles G. Bluhdorn	Robertshaw Controls Company (Richmond, VA) Common Stock - 329,900 shs.	9-22-80
* Woodland Venture Fund Northern Union Club Seneca Ventures Rama Investment Co., et al	Safeguard Industries Inc. (King of Prussia, PA) Common Stock - 423,520 shs.	9-22-80
* Roscoe Moss Company Roscoe Moss, Jr. George E. Moss	San Jose Water Works (San Jose, CA) Common Stock - 235,754 shs. (18%)	9-22-80
Jewel Development Corporation (Wholly-owned subsidiary of Jewel Companies, Inc.)	Sav-On-Drugs, Inc. (Anaheim, CA) Common Stock - 2,101,000 shs. (Above shares were acquired pursuant to the Tender Offer.)	9-22-80
Bear, Stearns & Co.	Scriptomatic, Inc. (Philadelphia, PA) Common Stock - 134,085 shs.	9-22-80
Geneve Corporation	Standard Security Holding Corp. (NYC) Common Stock - 486,006 shs. (52.84%) Conv. Preferred Stock - 259,138 shs. (78.35%) (Geneve has the right to acquire above shares pursuant to a Stock Exchange Agreement.)	9-22-80
* Southern Union Company	Supron Energy Corporation (Dallas, TX) Common Stock - 3,789,610 shs. (27.2%)	9-22-80
* Maurice Wiener	Transco Realty Trust (Boston, MA) Shares of Beneficial Interest - 63,910	9-22-80
* Fair Lanes, Inc.	Treadway Companies, Inc. (Paterson, NJ) Common Stock - 315,133 shs. (21.2%)	9-22-80

Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1. The following companies or individuals filed Schedule 14D-1's during the period September 19 - 24, 1980.
*Amended Tender Offers.

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Futura Energy Products, Inc. (Wholly-owned subsidiary of Futura Communications Corp.)	Trailer Equipment Distributors, Inc. (Seattle, WA) Common Stock - All outstanding shares for cash at \$5.00 net per share	9-18-80
* Wheelabrator-Frye Inc.	Pullman Incorporated (Chicago, IL) Common Stock - 5,500,000 shs. for cash at \$52.50 net per share (Amended offer increased the number of shares from 3,000,000.)	9-19-80

ACQUISITION REPORTS CONT.

* J. Ray McDermott & Co., Inc.

Pullman Incorporated (Chicago, IL)
Common Stock - 5,400,000 shs.
for cash at \$54.00 net per share
(Amended offer decreased the number of shares
6,300,000 and increased the price from \$43.50
net per share.)

9-22-80

PCT Acquisition Corporation
(Wholly-owned subsidiary of
Papercraft Corporation)

American Technical Industries, Inc. (Mt. Vernon, NY) 9-24-80
Common Stock - All outstanding shares
for cash at \$12.50 net per share



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 on request. All other reference material is available in the SEC Docket.

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