

# sec news digest

U.S. SECURITIES AND  
EXCHANGE COMMISSION

DEC 18 1980

Issue 80-244

December 18, 1980

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## ADMINISTRATIVE PROCEEDINGS

### PUBLIC ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST BEVILL, BRESLER & SCHULMAN INCORPORATED, OTHERS

The Commission has ordered the institution of public administrative proceedings against Bevill, Bresler & Schulman Incorporated, a registered broker-dealer firm located in Newark, New Jersey, two unregistered corporate affiliates, the firm's president, two former supervisors, a trader, and twelve former salesmen. The Division of Enforcement in the Order for Public Proceedings alleges violations of the antifraud and broker-dealer bookkeeping provisions of the securities laws. In addition to misleading statements concerning, among other things, the nature and risks of trading in forward transactions in government securities, the Order also alleges that certain of the respondents caused unauthorized trades, engaged in so-called adjusted trading, induced and approved unsuitable transactions and charged excessive prices in connection with transactions in U.S. Government issued and guaranteed securities. The Order also alleges failures to supervise on the part of certain respondents.

Simultaneously with the institution of the proceedings, the Commission accepted offers of settlement from fifteen of the respondents. Respective settling respondents consented to findings, without admitting or denying the allegations, of violations of the aforementioned antifraud and bookkeeping provisions, and to findings of failures to supervise. Pursuant to its settlement offer, the Commission ordered the firm and its corporate affiliates to refrain from engaging in forward transactions in government securities for a period of 60 days, to refrain from opening any new branch offices for six months; to undertake a thorough review of compliance procedures and the implementation thereof; and the firms were censured. The varying sanctions against the individual settling respondents include substantial suspension and supervisory bars. (Rel. 34-17372 and 34-17373)

### INSTITUTION AND SETTLEMENT OF ADMINISTRATIVE PROCEEDINGS AGAINST PAINE, WEBBER, JACKSON & CURTIS INC. AND PAINE WEBBER INC.

Pursuant to Offers of Settlement submitted by Paine, Webber, Jackson & Curtis Inc. (Paine Webber), a registered broker-dealer, and its parent corporation, Paine Webber Inc. (PWI), both located in New York, New York, the Commission has entered an Order Instituting Proceedings pursuant to Sections 15(b), 19(h) and 15(c)(4) of the Securities Exchange Act of 1934 and Findings, Opinion and Order of the Commission (Order).

The Order, to which Paine Webber and PWI consented without admitting or denying any of the allegations therein, was based upon findings that: (1) Paine Webber wilfully violated the financial responsibility, securities count, bookkeeping, and supplemental reporting provisions of the Exchange Act; and (2) PWI filed with the Commission a quarterly report on Form 10-Q for the three month period ended March 31, 1980 which failed to comply with the reporting and disclosure provisions of the Exchange Act.

With respect to Paine Webber, the Order provides for a censure of Paine Webber and requires the firm, through December 31, 1981, to submit various reports to the Commission's staff concerning certain aspects of Paine Webber's operational and financial condition. In addition, the Order imposes limitations on Paine Webber's ability to expand its business through December 31, 1981 and further directs the firm to conduct all securities counts and to make and keep current its books and records, in compliance with the Exchange Act.

With respect to PWI, the Order directs the company to: (1) amend its quarterly reports on Form 10-Q for the quarters ended March 31, 1980 and June 30, 1980 with respect to Paine Webber's March 28, 1980 securities count and the New York Stock Exchange's review of Paine Webber's FOCUS Report for the month ending May 30, 1980; and (2) comply fully with the provisions of the Exchange Act, including the requirements for filing reports with the Commission and disseminating information to the public. (Rel. 34-17384)

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## CIVIL PROCEEDINGS

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### COMPLAINT NAMES CABLE/TEL CORP., OTHERS

The New York Regional Office announced that on December 17 a complaint was filed in the U.S. District Court for the Southern District of New York seeking injunctive and other equitable relief against Cable/Tel Corp. of Englewood Cliffs, New Jersey, 23 Cable/Tel-affiliated companies, 10 individuals and four other companies.

The complaint alleges that, during 1977 and/or 1978, the defendants offered and sold to over 700 investors approximately \$88,100,000 worth (\$22.1 million in cash and recourse promissory notes and \$66 million in nonrecourse notes) of unregistered securities in the form of tax sheltered investment interests in cable television (CATV) systems in violation of the registration and antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. The various CATV systems in question are located in 17 communities situated in four states. The complaint further alleges that the defendants made misrepresentations and omitted to state material facts in connection with the offer and sale of the above described cable television investment interests. All of the defendants are charged with violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

In addition to preliminary and permanent injunctive relief sought against all of the defendants, the complaint sought an accounting of all proceeds obtained from investors and disgorgement of illicit profits and/or commissions.

Simultaneously with the filing of the complaint, all the defendant Cable/Tel-affiliated companies and two individual defendants consented, without admitting or denying the allegations contained in the Commission's complaint, to the entry of Final Judgments of Permanent Injunction and Orders for Other Equitable Relief. The Final Judgments order the Cable/Tel-affiliated companies to, among other things: (a) retain an independent accountant to determine and report on the use of proceeds obtained from investors; (b) pay to investors an "adjustment" of monies, if any, determined by the accountant to have been used for purposes unrelated to the investment interests in CATV systems; and (c) appoint an "Advisory Committee" composed of five investors to, among other things, examine and review the accounting, financial and operating controls with respect to the operation of their CATV systems. (SEC v. Cable/Tel Corp., et al., S.D.N.Y., 80 Civil 7170). (LR-9258)

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## SECURITIES ACT REGISTRATIONS

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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) VALERO ENERGY CORPORATION, 530 McCullough Ave., San Antonio, TX 78215 (512) 299-2000 - 250,000 shares of common stock. (File 2-70232 - Dec. 12) (Br. 7)
- (S-1) TANDON CORPORATION, 20320 Prairie St., Chatsworth, CA 91311 (213) 993-6644 - 2,172,907 shares of common stock. Underwriters: L.F. Rothschild, Unterberg, Towbin and Robertson, Colman, Stephens & Woodman. The company designs, manufactures and markets random access disk drives. (File 2-70261 - Dec. 16) (Br. 10 - New Issue)
- (S-1) SILICON SYSTEMS, INC., 14351 Myford Rd., Tustin, CA 92680 (714) 731-7110 - 1,155,000 shares of common stock. Underwriters: L.F. Rothschild, Unterberg, Towbin and Robertson, Colman, Stephens & Woodman. The company designs, develops and manufactures custom integrated circuits and a small number of standard integrated circuits. (File 2-70262 - Dec. 16) (Br. 7 - New Issue)

- (S-2) NATIONAL ROYALTY CORPORATION, 4030 First National Tower, Tulsa, OK 94103 (405) 272-9241 - 5,500,000 shares of common stock. Underwriters: Houchin, Adamson & Co. Incorporated, Tulsa, OK and Southwest Securities Incorporated, Dallas, TX. The company provides financing to independent oil and gas companies. (File 2-70263 - Dec. 16) (Br. 3 - New Issue)
- (N-1) PUTNAM NEW WORLD INCOME TRUST, 265 Franklin St., Boston, MA 02110 (617) 423-4960 - an indefinite number of shares of beneficial interest. (File 2-70266 - Dec. 16) (Br. 18 - New Issue)
- (S-11) VECTOR PROPERTIES 1980, Suite 999, 7060 South Yale Ave., Tulsa, OK 74177 - 10,000 Class A limited partnership units. (File 2-70267 - Dec. 17) (Br. 6 - New Issue)
- (S-8) KROEHLER MFG. CO., 222 East Fifth Ave., Naperville, IL 60540 (312) 420-6789 - 100,000 shares of common stock. (File 2-70268 - Dec. 17) (Br. 6)
- (S-16) PANHANDLE EASTERN PIPE LINE COMPANY, 3000 Bissonnet St., Houston, TX 77005 (713) 664-3401 - 2,000,000 shares of common stock. Underwriter: Merrill Lynch White Weld Capital Markets Group. The company is engaged in the purchase, transmission and sale of natural gas in interstate commerce. (File 2-70269 - Dec. 17) (Br. 8)
- (S-8) MARYLAND NATIONAL CORPORATION, P.O. Box 987, Baltimore, MD 21203 (301) 244-6784 - 300,000 shares of common stock. (File 2-70270 - Dec. 17) (Br. 2)
- (S-2) UINTAH ENERGY CORPORATION, One Tamarac Sq., Suite 512, 7555 East Hamden Ave., Denver, CO 80231 - 6,000,000 shares of common stock. Underwriter: International Securities, Inc., Prudential Plaza, 1050 Seventeenth St., Denver, CO 80202 (303) 571-0851. The company intends to engage in the acquisition and development of oil and gas leases. (File 2-70271 - Dec. 17) (Br. 4 - New Issue)
- (S-16) ROWAN COMPANIES, INC., 1900 Post Oak Tower, 5051 Westheimer Rd., Houston, TX 77056 (713) 621-7800 - 2,809,635 shares of common stock. Underwriter: Lehman Brothers Kuhn Loeb Incorporated. (File 2-70272 - Dec. 17) (Br. 3)
- (S-1) AMERICAN SIGN AND INDICATOR CORPORATION, North 2310 Fancher Way, Spokane, WA 99206 - \$20 million of subordinated debentures, due January 15, 2001. Underwriter: Drexel Burnham Lambert Incorporated. The company is engaged in the electronic, visual communications business. (File 2-70274 - Dec. 17) (Br. 8 - New Issue)
- (S-15) AMF INCORPORATED, 777 Westchester Ave., White Plains, NY 10604 (914) 694-9000 - 2,000,000 shares of common stock. (File 2-70275 - Dec. 17) (Br. 4)
- (S-1) SCAN-OPTICS, INC., 22 Prestige Park Circle, East Hartford, CT 06108 (203) 289-6001 - 770,000 units. Underwriter: Thomson McKinnon Securities Inc. The company develops, produces, markets, and services equipment and related software. (File 2-70277 - Dec. 17) (Br. 9)

#### REGISTRATIONS EFFECTIVE

Nov. 25: Golden Corral Corp., 2-69338.  
 Dec. 3: Amarco Resources Corp., 2-69421.  
 Dec. 10: Charles River Breeding Laboratories, Inc., 2-69949; Columbus Insurance Holding Co., 2-69510; Mississippi Chemical Corp., 2-69381.  
 Dec. 11: Archer-Daniels-Midland Co., 2-70088; First Union Real Estate Equity and Mortgage Investments, 2-69939; Investors' Quality Tax-Exempt Trust, Series 8, 2-68559; North American Railcar Partners, Ltd. 1980, 2-68922; Rexnord Inc., 2-70222; Sparkman Energy Corp., 2-69678.  
 Dec. 12: The Corporate Income Fund, Eighty-Eighth Short Term Series, 2-69958; ENI Diversified Drilling Program 1981, 2-69888; First State Bancshares, Inc., 2-69575; Hilliard-Lyons Cash Management, Inc., 2-68290; Kollmorgen Corp., 2-70080; Laser Precision Corp., 2-69561-NY; Oak Industries Inc., 2-70066; TechAmerica Group, Inc. 2-69578-FW.  
 Dec. 15: Genting Bernad, 2-70084; Kansas Gas and Electric Co., 2-70000.

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All other reference material is available in the SEC Docket.

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