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U.S. SECURITIES AND EXCHANGE COMMISSION

Issue 79-166

August 27, 1979

COMMISSION ANNOUNCEMENTS

SCHEDULE OF WITNESSES FOR PAPILSKY HEARINGS

The Commission today announced its initial schedule of hearings concerning a proposed rule change of the National Association of Securities Dealers, Inc. to amend certain of its rules governing broker-dealer practices with respect to fixed price offerings of securities. This rule filing, generally referred to as the "Papilsky" proposal, has been the subject of previous Commission releases published on August 9, 1978 and May 15, 1979 [See Rel. 34-15020 and 34-15807].

The Commission has completed scheduling of the first three days of hearings:

Tuesday, September 11

All Day - National Association of Securities Dealers, Inc.
 J. Stephen Putnam, Chairman of the Board, NASD
 Gordon S. Macklin, President, NASD
 Alfred J. Rauschman, General Counsel, Dean Witter Reynolds, Inc.
 John Daly, Senior Vice President and Director, E.F. Hutton & Co.
 Frank J. Wilson, Senior Vice President and General Counsel, NASD
 Ray Garrett, Jr., Gardner, Carton & Douglas

Thursday, September 20

Morning - Securities Industry Association
 Willard S. Boothby, Jr., Chairman of the Board, SIA
 Edward I. O'Brien, President, SIA
 Robert A. Powers, Chairman, SIA, Committee on Corporate Underwritings
 Peter T. Buchanan, Vice President, SIA, Committee on Corporate Underwritings

Afternoon - Sanford C. Bernstein & Co., Inc.
 Sanford C. Bernstein, Chairman
 Stuart K. Nelson, Managing Director and General Counsel
 Prudential Insurance Co. of America
 Edgar F. Bunce, Jr., Senior Vice President
 Michael A. Lundy, Vice President, Trading and Markets
 Lawrence J. Latto, Shea & Gardner

Tuesday, September 25

Afternoon - Rotan Mosel Inc.
 R. John Stanton, Jr., Executive Vice President, Corporate Finance Department
 Sutro and Company, Inc.
 Charles D. Murphy III, Vice President and Manager, Corporate Finance Department
 George H. Baldwin, Vice President, Investment Banking Department

The morning sessions of the hearings will be conducted from 9:30 a.m. to 1:00 p.m. and the afternoon sessions will be held from 2:00 p.m. to 5:30 p.m. at the Commission's headquarters, 500 North Capitol Street, Washington, D.C., in Room 776.

Several individuals and firms in addition to those noted above have indicated an interest in appearing at the hearings. Due to the heavy schedule of other Commission business, the Commission presently contemplates conducting further hearings, as necessary, on three dates in October and two dates in November. The remainder of the Commission's hearing schedule will be announced in September. Any persons wishing to appear at the hearings who have not already communicated their intention to the Commission should promptly contact Richard Chase or Angela Desmond at (202) 755-7620 or (202) 755-7826.

CIVIL PROCEEDINGS

CIVIL INJUNCTIVE ACTION FILED AGAINST STERLING ENTERPRISES, INC., OTHERS

The Chicago Regional Office announced that on August 17 the Commission filed a complaint in the U.S. District Court for the Northern District of Illinois, Eastern Division, for preliminary and permanent injunctions against Sterling Enterprises, Inc., Pro-Vest, Inc., both Illinois corporations, John A. Meatte and Kenneth F. Kortas, alleging violations of the registration and antifraud provisions of the securities laws. The complaint alleges that the defendants participated in the preparation and dissemination of prospectuses in connection with the sale of unregistered interests in limited partnerships and that the prospectuses contain untrue statements of material facts and omit to state material facts concerning, among other things, the use of proceeds and the fact that the defendants were operating a "Ponzi" scheme. The complaint also seeks an accounting of all funds received from investors and from all other sources and an accounting of all the assets and liabilities of Sterling, Pro-Vest and certain limited partnerships. On the same day, the Court entered a Judgment enjoining Kortas from the foregoing violations. Kortas consented to the entry of the injunction without or denying the allegations in the Commission's complaint. (SEC v. Sterling Enterprises, Inc., et al., U.S.D.C. N.D. Ill., Civil Action No. 79C 3421). (LR-8852)

INVESTMENT COMPANY ACT RELEASES

IDS CASH MANAGEMENT FUND, INC.

An order has been issued on an application of IDS Cash Management Fund, Inc. (Applicant), registered under the Investment Company Act of 1940 as an open-end, diversified management investment company, pursuant to Section 6(c) of the Act, exempting Applicant from the provisions of Rules 2a-4 and 22c-1 under the Act to the extent necessary to permit Applicant to compute its net asset value per share, for purposes of effecting sales, redemptions and repurchases of its shares, to the nearest one cent on a share value of one dollar. (Rel. IC-10838 - Aug. 24)

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until September 18 to request a hearing on an application of Hartford Variable Annuity Life Insurance Company, Hartford Variable Annuity Life Insurance Company Separate Account, Hartford Variable Annuity Life Insurance Company QP Variable Account, Hartford Variable Annuity Life Insurance Company DC Variable Account-I, and Hartford Variable Annuity Company DC Variable Account-II, pursuant to Section 6(c) of the Investment Company Act of 1940 for an order of exemption from the provisions of Sections 26(a)(2), 27(a)(3) and 27(c)(2) of the Act, and pursuant to Section 11(c) of the Act, approving certain offers of exchange. (Rel. IC-10839 - Aug. 24)

HOLDING COMPANY ACT RELEASES

LOUISIANA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until September 19 to request a hearing on a proposal of Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., whereby Louisiana Power & Light will enter into an agreement with Jefferson Parish, Louisiana under which Jefferson Parish will issue and sell \$4 million of pollution control revenue bonds in order to finance construction of water pollution control facilities at Louisiana Power & Light's Ninemile Point Electric Generating Station. (Rel. 35-21199 - Aug. 24)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF EFFECTIVENESS OF A PROPOSED RULE CHANGE

A rule change filed by the National Securities Clearing Corporation, pursuant to Rule 19b-4, has become effective in accordance with Section 19(b)(3)(A) of the

Securities Exchange Act of 1934 (SR-NSCC-79-6). NSCC has adopted the policy that under its rules, it will apply no less than twenty five percent of its retained earnings to satisfy a loss or liability due to a member's impairment. NSCC will retain the discretion of applying more than twenty five percent of its retained earnings to such loss if the Board of Directors believes it to be appropriate. Publication of the proposal is expected to be made in the Federal Register during the week of August 27. (Rel. 34-16130)

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-1) MISSION OIL AND GAS PROGRAM-1979, Union Bank Bldg., 460 Hegenberger Rd., Oakland, Cal. 94621 (415) 638-1800 - 4,000 units of preformation limited partnership interests. Underwriter: Calplans Securities, Inc. (File 2-65303 - Aug. 23)
- (S-1) WESPERCORP, 1100 Claudina Pl., Anaheim, Cal. 92805 (714) 991-8700 - 459,000 shares of common stock. Underwriter: Seidler, Arnett & Spillane Inc. The company is engaged in the design, manufacture and marketing of electronic controllers. (File 2-65304 - Aug. 23)
- (S-7) SOUTHWEST GAS CORPORATION, 5241 Spring Mountain Rd., P.O. Box 15015, Las Vegas, Nev. 89114 (702) 876-7011 - 2,000,000 shares of common stock. Underwriter: Blyth Eastman Dillon & Co. Inc. The company is engaged in purchasing, transmitting and distributing natural gas. (File 2-65305 - Aug. 23)
- (N-1) SHORT TERM INCOME FUND, INC., 230 Park Ave., New York, N.Y. 10017 (202) 697-8088 - an indefinite number of shares of common stock. (File 2-65305 - Aug. 23)
- (S-7) SHARON STEEL CORPORATION, Thomas Rd., Hubbard, Ohio 44425 (216) 448-4011 - \$50 million of subordinated sinking fund debentures, due 1999. Underwriter: Paine, Webber, Jackson & Curtis Inc. The company is engaged in the production and sale of basic steel mill products. (File 2-65316 - Aug. 23)
- (S-2) TANNER-PRUIT EXPLORATION, INC., 1664 Market St., Denver, Colo. 80202 - 3,000,000 shares of common stock. Underwriters: Securities Clearing of Colorado, Inc., Suite 1021, 700 Broadway, Denver, Colo. 80203 (303) 534-1104 and N. Donald & Company, Security Life Bldg., Suite 1300, 1616 Glenarm, Denver, Colo. 80202 (303) 629-7800. (File 2-65317 - Aug. 24)
- (S-16) GENERAL TELEPHONE COMPANY OF CALIFORNIA, 100 Wilshire Blvd., Santa Monica, Cal. 90401 (213) 393-9311 - \$125 million of first mortgage bonds, Series BB, due October 1, 2009. (File 2-65318 - Aug. 24)
- (S-6) CORPORATE SECURITIES TRUST, LONG-TERM DEBT SERIES 14, 14 Wall St., New York, N.Y. 10005 - 14,000 units. Depositors: Smith Barney, Harris Upham & Co., Inc., 14 Wall St., New York, N.Y. 10005, Loeb Rhoades, Hornblower & Co., Blyth Eastman Dillon & Co. Inc., Paine, Webber, Jackson & Curtis Inc. and Drexel Burnham Lambert Inc. (File 2-65319 - Aug. 24)
- (S-8) RESERVE OIL AND GAS COMPANY, 1776 Lincoln St., Denver, Colo. 80203 (303) 861-7800 - 10,000 shares of common stock and \$265,000 of participations. (File 2-65320 - Aug. 24)
- (S-7) NORTHERN TELECOM LIMITED, 1600 Dorchester Blvd. West, Montreal, Quebec, Canada H3H 1R1 (514) 931-5711 - 1,600,000 common shares. Underwriters: Morgan Stanley & Co. Inc., Salomon Brothers and Greenshields Inc. The company is engaged in the telecommunications equipment and electronic office systems business. (File 2-65322 - Aug. 24)
- (S-1) INSTRUMENT SYSTEMS CORPORATION, 789 Park Ave., Huntington, N.Y. 11743 - \$19 million of senior subordinated convertible debentures, due 1999. Underwriter: Prescott, Ball & Turben. The company is a diversified manufacturer and distributor of building, lighting, home furnishing, electronic and other products. (File 2-65324 - Aug. 24)

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SECURITIES AND EXCHANGE COMMISSION
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