

# sec news digest

Issue 79-169

August 30, 1979

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## NOTICE OF COMMISSION MEETINGS

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Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday morning. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

### OPEN MEETING - WEDNESDAY, SEPTEMBER 5, 1979 - 2:30 P.M.

The subject matter of the September 5 open meeting will be:

(1) Consideration of an application by Robert L. Ferman to lift the bar imposed by Commission Order of March 29, 1973, suspending him from association with any broker-dealer in a proprietary or supervisory capacity. FOR FURTHER INFORMATION CONTACT Michael F. Perlis at (202) 755-1498.

(2) Consideration of whether to issue a release soliciting comments on a rule under the Investment Company Act of 1940 which would permit open-end management investment companies to bear expenses associated with the distribution of their shares, if such companies complied with certain conditions and procedures. The proposed rule would require that any decision by an open-end management investment company to use its assets to finance distribution be approved by its shareholders and directors, including its disinterested directors, following procedures generally similar to those prescribed by the Act for approval of investment advisory contracts. The proposed rule also contains provisions intended to ensure that the disinterested directors are neither dominated nor unduly influenced by management, that the directors are fully informed, and that they exercise reasonable business judgment. In addition, the Commission will consider whether to propose for public comment: (1) a rule to exempt from the requirement of prior Commission approval certain transactions between open-end management investment companies and their affiliated persons where-by investment company assets are used for distribution, if those arrangements comply with the conditions and procedures generally applicable to a plan to bear distribution expenses; and (2) certain disclosure and reporting requirements relating to the use of assets for distribution, including a revision of the registration and reporting form for open-end management investment companies. FOR FURTHER INFORMATION CONTACT Richard W. Grant at (202) 755-0242 or Dianne E. O'Donnell at (202) 755-1796.

(3) Consideration of a request for rulemaking submitted by Alliance Capital Management Corporation to exempt certain transactions from the prohibition of Section 11(a) of the Securities Exchange Act of 1934. FOR FURTHER INFORMATION CONTACT Arnold Dean at (202) 755-4372.

(4) Consideration of an application by Paine, Webber, Jackson & Curtis, Inc. for relief pursuant to Rule 252(f) of Regulation A. FOR FURTHER INFORMATION CONTACT Thomas J. Baudhuin at (202) 755-1290.

(5) Consideration of an application by Advest, Inc. for relief pursuant to Rule 252(f) of Regulation A. FOR FURTHER INFORMATION CONTACT Thomas J. Baudhuin at (202) 755-1290.

(6) Consideration of whether to issue a release soliciting comments on (1) an amendment to Rule 12b-25 under the Securities Exchange Act of 1934 which would eliminate the extension of time procedures and would require notification if an issuer or reporting person is unable to timely file a report required by Sections 13 or 15(d) of that Act; and (2) a proposed Rule 12b-26 under the Exchange Act which would require disclosure on the cover page of a periodic report if a required portion of the report is omitted. FOR FURTHER INFORMATION CONTACT Bruce S. Mendelsohn at (202) 755-1750.

(7) Consideration of whether to issue a release concerning the proxy statement disclosure requirements of Schedule 14A relating to certain business and personal affiliations of directors. The Commission will also consider whether to include a request for comments on the disclosure requirements adopted in December 1978 (Rel. 34-15384) relating to the structure, functioning and composition of boards of directors. FOR FURTHER INFORMATION CONTACT Richard B. Nesson at (202) 755-7622 or G. Michael Stakias at (202) 755-1750.

(8) Consideration of whether to issue a release soliciting comments on a proposed new small issue exemption rule under Section 3(b) of the Securities Act of 1933, to be designated Rule 242, which would allow certain corporate issuers to sell up to \$2,000,000 of their restricted securities to an unlimited number of institutional-type purchasers and to thirty-five other purchasers if the issuers meet conditions relating to the manner of the offering, the furnishing of information, and the filing of a notice of sales. FOR FURTHER INFORMATION CONTACT Mary Beach at (202) 755-4370.

(9) Consideration of whether to affirm action taken by the duty officer to issue an order setting a briefing schedule on issues not fully examined in a proceeding involving the proposed acquisition under Sections 9(a)(1) and 10 of the Public Utility Holding Company Act of 1935 by American Electric Power Company, Inc., a registered holding company, of the common stock of Columbus and Southern Ohio Electric Company. FOR FURTHER INFORMATION CONTACT Grant G. Guthrie at (202) 523-5156.

CLOSED MEETING - WEDNESDAY, SEPTEMBER 5, 1979 - IMMEDIATELY FOLLOWING THE OPEN MEETING

The subject matter of the September 5 closed meeting will be: Formal orders of investigation; Access to investigative files by Federal, State, or Self-Regulatory authorities; Litigation matter; Institution of injunctive actions; Formal order of investigation and subpoena enforcement action; Institution and settlement of administrative proceedings of an enforcement nature; Settlement of administrative proceedings of an enforcement nature; Freedom of Information Act appeal; Personnel security matter; Opinions.

AT TIMES CHANGES IN COMMISSION PRIORITIES REQUIRE ALTERATIONS IN THE SCHEDULE OF MEETING ITEMS. FOR FURTHER INFORMATION AND TO ASCERTAIN WHAT, IF ANY MEETINGS HAVE BEEN ADDED, DELETED OR POSTPONED, PLEASE CONTACT: Mike Rogan at (202) 755-1638

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## **CIVIL PROCEEDINGS**

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### **MELVIN LLOYD RICHARDS ENJOINED**

The Denver Regional Office announced that on August 22 Judge Harry E. Claiborne of the U.S. District Court for the District of Nevada signed a final judgment permanently enjoining Melvin Lloyd Richards of Las Vegas, Nevada from violating the registration and antifraud provisions of the securities laws in the offer and sale of securities, namely limited partnership interests in the Solomon Limited Partnership, or any other security of any issuer. Richards consented to the entry of the judgment without admitting or denying the allegations of the complaint. (SEC v. Midas International, Inc., et al., USDC District of Nevada, Civil Action No. LV79-31 HEC). (LR-8857)

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## CRIMINAL PROCEEDINGS

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### GEORGE MARISCAL SENTENCED

The Denver Regional Office announced that on July 31 George Mariscal of Phoenix, Arizona was sentenced to three years in prison in connection with this June 1 conviction of 12 counts of mail fraud and 10 counts of interstate transportation of securities obtained by fraud after a trial in the U.S. District Court for the District of Arizona. The conviction was in connection with the diversion by Mariscal of substantial monies from the proceeds of a \$1,200,000 industrial revenue bond offering in the name of the City of Las Cruces, New Mexico. (U.S. v. George Mariscal, U.S.D.C., Arizona, CR-78-80). (LR-8858)

### PETER B. AHERN PLEADS GUILTY

The Chicago Regional Office announced that on August 7 Peter B. Ahern, of Novi, Michigan, entered a plea of guilty in the federal court at Detroit to one count of fraud under the Investment Advisers Act. The other nine counts in the indictment charging mail fraud were dismissed. The indictment had charged, among other things, that Ahern, doing business as Option Associates and Option Management, Inc., obtained money from individuals to invest in securities; that he deposited the funds in accounts opened at two brokerage firms; and that he thereafter converted the funds to his own use. Sentencing was deferred pending completion of a pre-sentence report. (U.S. v. Peter B. Ahern, USDC, E.D. Mich., Criminal No. 9-80290). (LR-8859)

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## INVESTMENT COMPANY ACT RELEASES

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### CAPITAL CORPORATION OF WYOMING, INC.

A notice has been issued giving interested persons until September 20 to request a hearing on an application of Capital Corporation of Wyoming, Inc., a Wyoming corporation which proposes to operate as a licensed small business investment company under the Small Business Investment Act of 1958, for an order pursuant to Section 6(c) of the Act exempting it from all provisions of the Act. (Rel. IC-10848 - Aug. 28)

### THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

An order has been issued pursuant to Section 6(c) of the Investment Company Act of 1940 exempting from the provisions of Section 22(e), 27(c)(1) and 27(d) of the Act the Prudential Insurance Company of America and the Prudential Variable Contract Account-2 (Applicants) to the extent necessary to permit compliance by Applicants with certain provisions of the Education Code of the State of Texas. (Rel. IC-10849 - Aug. 28)

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## HOLDING COMPANY ACT RELEASES

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### AMERICAN ELECTRIC POWER COMPANY, INC.

An order has been issued authorizing a proposal of American Electric Power Company, Inc., a registered holding company, that it issue and sell up to 8,000,000 shares of its authorized but unissued common stock pursuant to an underwritten rights offering. (Rel. 35-21202 - Aug. 29)

### THE NARRAGANSETT ELECTRIC COMPANY

A notice has been issued giving interested persons until September 25 to request a hearing on a proposal of The Narragansett Electric Company, subsidiary of New England Electric System, that it increase the amount of its permitted short-term indebtedness. An order has been issued authorizing the solicitation of proxies in connection with this proposal. (Rel. 35-21203 - Aug. 29)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### DELISTINGS GRANTED

Orders have been issued granting the applications of the following companies to strike the specified securities from listing and registration on the American Stock Exchange, Inc. - Commerce Group Corporation, common stock (par value .10¢). (Rel. 34-16146) and Standard Container Company, common stock (par value \$1). (Rel. 34-16147)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE AND ORDER EXTENDING TIME PERIOD

The American Stock Exchange, Inc. has filed proposed rule changes under Rule 19b-4 (SR-Amex-79-11) in response to certain of those recommendations made by the Commission's Special Study of the Options Market which the Commission requested the self-regulatory organizations which currently list and trade standardized options or which have proposed to list and trade standardized options to implement before further expansion of the standardized options markets can be permitted. Publication of the proposal is expected to be made in the Federal Register during the week of September 4. (Rel. 34-16145)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the National Association of Securities Dealers, Inc. (SR-NASD-79-2) amending the NASD schedule of charges for users of the NASDAQ system so as to constitute an overall reduction in user assessments of approximately 32 percent. (Rel. 34-16144)

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## MISCELLANEOUS

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### RETIREMENT SAVINGS PLAN OF WHITMAN & RANSOM

An amended order has been issued pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the provisions of Section 5 of the Act interests or participations issued in connection with the Retirement Savings Plan of Whitman & Ransom, a New York law firm. (Rel. 33-6113)

### KING & SPALDING

An order has been issued pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the provisions of Section 5 of the Act interests or participations in the Retirement Plan and Trust Agreement of King & Spalding, a law firm organized as a partnership under the laws of the State of Georgia. (Rel. 33-6114)

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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; and File number and date filed.

(S-8) NATIONAL DETROIT CORPORATION, 611 Woodward Ave., Detroit, Mich. 48226 (313) 225-1000 - \$3,300,000 of interests and 70,000 shares of common stock. (File 2-65347 - Aug. 28)

(S-1) VALLEN CORPORATION, P.O. Box 3587, Houston, Tex. 77001 - 495,000 shares of common stock. Underwriter: Underwood, Neuhaus & Co. Inc. The company is a distributor of industrial safety and health products. (File 2-65349 - Aug. 29)

- (S-7) THE TOLEDO EDISON COMPANY, 300 Madison Ave., Toledo, Ohio 43652 (419) 259-5000 - \$75 million of first mortgage bonds, due 2009. The company is engaged in the generation, transmission, distribution and sale of electric energy. (File 2-65350 - Aug. 29)
- (S-1) ARAPAHO PETROLEUM, INCORPORATED, 1600 Security Life Bldg., Denver, Colo. 80202 - \$4 million of 10% convertible subordinated debentures, due 1991. Underwriter: American Growth Fund Sponsors, Inc., 650 17th St., Denver, Colo. 80202 (303) 623-6137. The company is engaged in the exploration, development, production and transportation of oil and gas. (File 2-65351 - Aug. 29)
- (S-8) THE FOOTHILL GROUP, INC., 2049 Century Park East, #600, Los Angeles, Cal. 90067 (213) 556-1222 - 75,000 shares of common stock. (File 2-65352 - Aug. 29)
- (S-8) ZERO CORPORATION, 777 Front St., Burbank, Cal. 91503 (213) 843-6614 - 25,000 shares of common stock. The company is engaged in specialized enclosures and aircraft hydraulics. (File 2-65353 - Aug. 29)
- (S-6) NATIONAL GOVERNMENT SECURITIES TRUST, THIRD GNMA SERIES, One New York Plaza, New York, N.Y. 10004 - 14,000 units. Depositors: Thomson, McKinnon Securities Inc., One New York Plaza, New York, N.Y. 10004 and Piper, Jaffray & Hopwood Inc. (File 2-65355 - Aug. 29)
- (S-1) VALTEC CORPORATION, 99 Hartwell St., West Boylston, Mass. 01583 - 700,000 shares of common stock. Underwriter: E. F. Hutton & Company Inc. The company is a producer of coaxial cables. (File 2-65356 - Aug. 29)
- (S-11) CORPORATE PROPERTY ASSOCIATES 2, Transamerica Pyramid, 600 Montgomery St., San Francisco, Cal. 94111 - 55,000 units of limited partnership interest. Underwriter: E. F. Hutton & Company Inc. (File 2-65357 - Aug. 29)
- (S-14) SCI-MED LIFE SYSTEMS, INC., 13000 County Road 6, Minneapolis, Minn. 55441 (612) 559-9504 - 668,692 shares of common stock. (File 2-65358 - Aug. 29)
- In a separate (S-1) statement the company seeks registration of 254,000 shares of common stock. Underwriter: Craig-Hallum, Inc. The company is engaged in the design, production and marketing of disposable medical products. (File 2-65359 - Aug. 29)
- (S-16) THE DETROIT EDISON COMPANY, 2000 Second Ave., Detroit, Mich. 48226 (313) 237-8000 - 2,000,000 shares of common stock. (File 2-65361 - Aug. 30)

#### REGISTRATIONS EFFECTIVE

Aug. 17: Alta Industries Ltd., 2-64674; Carlyle Real Estate Limited Partnership-IX, 2-63958; Dorchester Gas Corp., 2-65068; May Petroleum Inc., 2-64922; Potlatch Corp., 2-65167; Scientific-Atlanta, Inc., 2-65056; Tax-Exempt Municipal Trust, Twenty-Eighth National Series, 2-65194; Webster Cash Reserve Fund, Inc., 2-64685.

Aug. 20: Chillum Corp., 2-65137; Frequency Sources, Inc., 2-65099; Lucky Stores, Inc., 2-65126; McQuay Perfex, Inc., 2-64845; Premier Angus, Inc., 2-64673; Univar Corp., 2-64736.

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## ACQUISITIONS OF SECURITIES

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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 (Form 13-G) may in lieu of filing a Schedule 13D file a Form 13-G 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 8-13-79 - 8-16-79. 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 sent forth for each beneficial owner. \*Amended Acquisition Reports.

## ACQUISITION REPORTS CONT.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Western Investment Associates II WestVen Philip Greer Grant Irman, et al	Cronus Industries, Inc. (Dallas, TX) Common Stock - 98,675 shs. Common Stock - 136,364 shs. on conversion of Debentures	8-13-79
Woodland Venture Fund Northern Union Club Barry Rubenstein, et al	Safeguard Industries Inc. (King of Prussia, PA) Common Stock - 214,700 shs.	8-13-79
Kenleigh Associates Edward K. Hobby, General Partner	John Stephens & Co. Inc. (Louisville, KY) Common Stock - 55,050 shs.	8-13-79
* Tandy Brands Employees Investment Plan	Tandy Brands, Inc. (Fort Worth, TX) Common Stock - 224,852 shs. (16%)	8-13-79
* Selkirk Communications Ltd. (Canada)	Tocom, Inc. (Dallas, TX) Common Stock - 401,663 shs. Common Stock - 162,857 shs. on conversion of a Note	8-13-79
Fidelity Management & Research Company (Wholly-owned subsidiary of FMR Corp.)	Union Metal Manufacturing Co. (Canton, OH) Common Stock - 65,500 shs.	8-13-79
Betty Bell Brookfield, Executrix	Unitog Company (Kansas City, MO) Common Stock - 165,971 shs. (25.3%)	8-13-79
Household Acquisition Corp. (Wholly-owned subsidiary of Household Finance Corp.)	Wien Air Alaska, Inc. (Anchorage, AK) Common Stock - 668,722 shs. (17.9%)	8-13-79
Mitchell Wolfson, Jr.	Wometco Enterprises, Inc. (Miami, FL) Class A Common Stock - 1,174,345.7 shs. (13.6%)	8-13-79
Unicorp Financial Corp. (Canada) George S. Mann (Canada)	Avenco Corp. (Bethesda, MD) Common Stock - 142,800 shs.	8-14-79
* DVM, Inc.	Bay Colony Property Co. (Boston, MA) Shares of Beneficial Interest - 292,100	8-14-79
Hydrophilics International Inc.	Citrus County Land Bureau, Inc. (Far Hills, NJ) Common Stock - 211,847 shs. (45%)	8-14-79
* First City Financial Corp. Ltd. (Canada)	Colwell Company (Los Angeles, CA) Common Stock - 147,300 shs. (10.56%)	8-14-79
Conwest Exploration Co. Ltd. (Canada) International Mogul Mines Ltd. (Canada) Chimo Gold Mines Ltd. (Canada) Martin P. Connell (Canada), et al	Consolidated Canadian Faraday Ltd. (Toronto, Ontario, Canada) Common Stock - 584,400 shs. (16.4%)	8-14-79
Edward Glaser Richard Levitt Ellis I. Levitt	Dial Corporation (Des Moines, IA) Common Stock - 1,256,230 shs. (27.4%)	8-14-79
APL Corporation	Gilman Services, Inc. (Braintree, MA) Common Stock - 317,586 shs. (25%)	8-14-79

ACQUISITION REPORTS CONT.

* Orion Capital Corp. Bankers National Life Insurance Co. Security Insurance Co. of Hartford (Wholly-owned subsidiaries of Orion Capital Corp.)	GranTree Corp. (Portland, OR) Common Stock - 278,233 shs. (10%)	8-14-79
Gerald W. Simonson	Unisource Corporation (Bloomington, MN) Common Stock - 8,575 shs. Common Stock - 170,425 shs. on exercise of Options	8-14-79
SZRL Investments	Allright Auto Parks, Inc. (Houston, TX) Common Stock - 130,000 shs.	8-15-79
Martin Rausman	Landall Corp. (Lauderdale, FL) Common Stock - 250,000 shs.	8-15-79
* Commonwealth Life Insurance Co.	MacAndrews & Forbes Co. (Philadelphia, PA) Common Stock - 382,051 shs. (20.9%)	8-15-79
A-M, Inc. (Subsidiary of Swiss Aluminum Ltd. (Switzerland))	Maremont Corp. (Chicago, IL) Common Stock - 3,796,028 shs. (95.8%) (Above shares were acquired pursuant to the Tender Offer.)	8-15-79
* David F. Bolger	Worcester Bancorp, Inc. (Worcester, MA) Common Stock - 149,800 shs.	8-15-79
Lewis M. Schott	Basic Resources Corp. (NYC) Common Stock - 490,289 shs. Common Stock - 106,252 shs. on exercise of Warrants & Options (Included above are shares owned by his wife, individually and as a trustee.)	8-16-79
Sumaia Akrawi Hasso (Lebanon)	California Life Insurance Co. (Los Angeles, CA) Common Stock - 76,500 shs.	8-16-79
* Allen Kahn, M.D.	Hollymatic Corp. (Park Forest, IL) Common Stock - 66,000 shs.	8-16-79
* Pitcairn Company	Keydata Corp. (Wellesley, MA) Common Capital Stock - 531,937 shs. (25.5%) Common Capital Stock - 51,413 shs. on exercise of Warrants	8-16-79
* E. Peter Hoffman, Jr., Indivi- dually and as Custodian	Midland Mortgage Investors Trust (Oklahoma City, OK) Shares of Beneficial Interest - 381,400 (16.02%)	8-16-79

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