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ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND
EXCHANGE COMMISSION

NASD ACTION AGAINST FRANK DEFELICE, Ph.D. & ASSOCIATES, INC. AND FRANK DEFELICE AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Frank DeFelice, Ph.D. & Associates, Inc., of Mooresville, North Carolina, and Frank DeFelice, its president and only principal. The NASD expelled the firm from membership, censured DeFelice, fined him \$2,000, and barred him from association with any member as a financial principal. The NASD's action was based on findings of violation in two separate proceedings, one of which the Commission had remanded to the NASD so that it could fashion a new sanction with respect to DeFelice.

In the remanded proceeding, the Commission had affirmed findings by the NASD that the firm had violated net capital, customer protection, reporting and recordkeeping provisions, and that DeFelice was responsible for those violations. Although recognizing that applicants had failed to comply with important regulatory requirements, the Commission had noted that, for the most part, DeFelice's violations had stemmed from an inability "to keep abreast of and comprehend" applicable regulations, and that DeFelice had "expressed his willingness to divest himself of responsibility for compliance and place it in competent, experienced hands." It remanded the proceeding so that the NASD could fashion a new sanction which would permit DeFelice to retain his business, and at the same time "assure the NASD of the firm's ability to comply with the applicable regulatory requirements."

By agreement of the parties, the remanded proceeding was consolidated with another NASD appeal by applicants then before the Commission. That appeal was withdrawn pending the NASD's decision on remand. In connection with applicants' present appeal, the Commission affirmed the NASD's findings in the second proceeding that applicants committed additional violations of recordkeeping and customer protection provisions.

The Commission rejected applicants' contention that the NASD did not comply with the Commission's remand instructions. It found that the NASD properly placed on DeFelice the burden of coming forward with a specific, concrete proposal that would enable his firm to meet its regulatory responsibilities, and that, despite being given an ample opportunity to do so, DeFelice failed to meet that obligation. Noting that applicants have now been the subject of four NASD disciplinary actions, that DeFelice had conceded his inability to keep up with recordkeeping and reporting requirements, and the fact that its efforts at leniency have proved unavailing, the Commission was unable to conclude that the sanctions imposed on applicants were excessive. (Rel. 34-18074)

CIVIL PROCEEDINGS

COMPLAINT FILED AGAINST TIFFANY INDUSTRIES, OTHERS; FARRELL KAHN ENJOINED

The Commission announced on September 10 the filing of a complaint in the U.S. District Court for the Eastern District of Missouri in St. Louis seeking injunctive and other equitable relief against Tiffany Industries, Inc., Farrell Kahn, its former president, Abraham A. Appel, its former chief financial officer (now a consultant), and Joseph Simpkins, Chairman of the Board, alleging violations of the antifraud, reporting and certain other provisions of the securities laws.

The complaint alleges that from 1976 through 1978 the defendants engaged in a scheme to materially overstate and misrepresent Tiffany's sales and earnings reported in various filings with the Commission and in various statements by the defendants to shareholders and the public. The complaint alleges that as a part of the scheme Tiffany, Kahn and Appel forged documents and created false documents which were placed among Tiffany's books and records and were provided to Tiffany's auditors during the course of their examinations of Tiffany's financial statements. It is further alleged that while the fraudulent scheme was in effect, Tiffany issued \$9 million of securities in a private sale using inflated and overstated financial statements and other materially false and misleading statements and omissions both before the sale in solicitation materials and after the sale in certifications of compliance with the terms of the sale. The Commission's complaint alleges that Tiffany's Quarterly Reports on Form 10-Q filed during 1976 and 1977 and its Annual Report on Form 10-K for the year ended December 31, 1976 and its proxy soliciting materials in connection with Tiffany's 1977 Annual Meeting of Shareholders were materially false and misleading and that Tiffany failed to file Annual Reports for the years ended December 31, 1977 and December 31, 1978 and Quarterly Reports on Form 10-Q during 1978 and 1979.

Simultaneously with the filing of the complaint, the Court entered a Final Judgment of Permanent Injunction against Kahn. Kahn, without admitting or denying the allegations of the complaint, consented to the entry of a Final Judgment of Permanent Injunction enjoining and restraining him from violating Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 14(a) of the Securities Exchange Act of 1934 and Rules 10b-5, 14a-3 and 14a-9 thereunder and from aiding and abetting violations of Section 13(a) and 13(b) (2) of the Exchange Act and ordering certain other equitable relief. (SEC v. Tiffany Industries, Inc., et al., U.S.D.C. E.D. Mo., Civil Action No. 81-CIV 1106-C) [Wangelin, J.]. (LR-9444)

CRIMINAL PROCEEDINGS

BELKNAP, CHANDLER, OTHERS INDICTED

The Denver Regional Office announced that on August 6 the Grand Jury for the County of Denver, Colorado returned a two-count indictment charging Richard A. Belknap, president of The Investment Bankers, Inc. (IBI) and William G. Chandler, supervisor of operations of that firm, with securities fraud and conspiracy to commit securities fraud. Two salesmen of IBI, James C. Prude and Calvin Schultz, were each charged with one count of conspiracy to commit securities fraud.

The indictment charges, among other things, that Belknap, Chandler and others in IBI manipulated the market in the common stock of Chipola Oil Corporation, a Colorado company.

The indictment charges, in part, that the fraudulent scheme was effected in the following manner: (1) from April 8, 1981 to May 8, 1981, IBI was the principal underwriter involved in IBI's first public offering in which 20 million shares of common stock of Chipola were offered to the public at 10¢ a share; (2) on May 11, 1981 IBI, as one of the market makers in Chipola stock, began entering quotations on the NASDAQ system; (3) during the period from June 18 through July 1, IBI consistently entered the high bids on the NASDAQ system causing the bid price to rise from 18¢ to \$1.00. During this period of time, Belknap, Chandler and others engaged in various devices to restrict the sales of Chipola securities by their customers and former customers; and (4) IBI's high bids were not in response to customers' orders to purchase, nor were they a part of a bona fide market.

The Commission had suspended over-the-counter trading in the securities of Chipola on July 2 and against on July 13. On July 10, a complaint was filed in the U.S. District Court for the District of Colorado naming IBI, Belknap and Chandler as defendants. The Commission contended at the time, among other things, that IBI was insolvent and in violation of the Commission's net capital rule.

On July 15 a SIPC trustee was appointed, by consent, of the defendants for the liquidation of IBI. On July 20 a preliminary injunction was entered by consent of the parties. (The People of the State of Colorado v. Richard A. Belknap, et al., Case No. 81 CR1527). (LR-9439)

INVESTMENT COMPANY ACT RELEASES

THE GENERAL MONEY MARKET FUND, INC.
AND FOURTH STREET TAX FREE INCOME TRUST

Orders have been issued on an application filed by The General Money Market Fund, Inc. and Fourth Street Tax Free Income Trust (Applicants), open-end, diversified, management investment companies, exempting Applicants, pursuant to Section 6(c) of the Investment Company Act of 1940 and subject to conditions, from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder to the extent necessary to permit Applicants to use the amortized cost method of valuation for the purpose of valuing its shares. (Rel. IC-11931 and IC-11932 - Sept. 10)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until September 30 to comment on the applications of the Midwest Stock Exchange, Inc. for unlisted trading privileges in seven issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-18087)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved proposed rule changes filed by the following stock exchanges: The Philadelphia Stock Exchange, Inc. (SR-Phlx-81-11) which provides that a Registered Options Trader (ROT), when initiating an opening transaction from on the trading floor, will be required to yield priority and parity to all off-floor orders, even if the ROT places his on-floor order on the specialists' book. (Rel. 34-18089); and the Chicago Board Options Exchange, Inc. (SR-CBOE-81-14) which provides that only the underwriter of a public distribution of a security underlying an option may request that the exchange impose restrictions on sales of the option at a discount. (Rel. 34-18091)

NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Incorporated has filed a proposed rule change under Rule 19b-4 (SR-CBOE-81-18) to provide for a "market basket" Treasury bond options contract and "mini-series" Treasury securities options. Publication of the proposal is expected to be made in the Federal Register during the week of September 14. (Rel. 34-18090)

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-18) TOP AIR MANUFACTURING, INC., Highway 20 and Dudley Rd., Parkersburg, IA 50665 (319) 346-1788 - 1,500,000 shares of common stock. Underwriter: Domestic International Corp. The company is engaged in the manufacture and distribution of portable, detachable tank, air compressors and three-wheel sprayers (E-2 Boy). (File 2-73850-C - Aug. 28) (Br. 9 - New Issue)

- (S-18) AMERICAN GENETIC ENGINEERING SERVICES, INC., P.O. Box 4818, Mississippi State, MI 39762 (601) 323-8600 - 666,666 shares of common stock. Underwriter: D. H. Blair & Co., Inc. The company was formed to engage in cattle and swine embryo transfer operations. (File 2-73910-A - Sept. 1) (Br. 3 - New Issue)
- (S-14) MANVILLE CORPORATION, Ken Caryl Ranch, Denver, CO 80217 (303) 978-2000 - 25,222,274 shares of common stock and 4,635,489 shares of cumulative preferred stock, \$5.40 Series. (File 2-73992 - Sept. 9) (Br. 9 - New Issue)
- (S-1) PENINSULA 1981, LTD., 823 N. Tanchua, Corpus Christi, TX 78403 - 2,000 units of limited partnership interests. (File 2-73995 - Sept. 10) (Br. 9 - New Issue)
- (S-6) PENNSYLVANIA INSURED MUNICIPAL BOND TRUST, SERIES 15, 1901 North Naper Blvd., Naperville, IL 60566 - 7,500 units. Depositor: Van Kampen Filkin & Merritt Inc. (File 2-73996 - Sept. 10) (Br. 18 - New Issue)
- (S-8) FEDERAL EXPRESS CORPORATION, Memphis International Airport, 2990 Airways Blvd., Memphis, TN 38194 (901) 369-3600 - 500,000 shares of common stock. (File 2-74000 - Sept. 10) (Br. 4)
- (S-1) BIO-MEDICUS, INC., 15307 Industrial Rd., Minnetonka, MN 55343 (612) 938-7600 - 636,750 shares of common stock. The company develops, manufactures and markets medical devices. (File 2-74001 - Sept. 10) (Br. 8)
- (S-8) E. I. DU PONT DE NEMOURS AND COMPANY, 1007 Market St., Wilmington, DE 19898 (302) 774-1000 - an indeterminate number of shares of common stock. (File 2-74003 - Sept. 10) (Br. 2)
- In a separate statement the company seeks registration of 3,747,140 shares reserved for option grants and 319,770 shares reserved under outstanding options (1981 stock option plan of Conoco Inc.), 258,060 shares reserved under outstanding options (1971 non-qualified stock option plan), 78,557 shares reserved for settlements of awards (incentive compensation plan of Conoco Inc.), and 58,662 shares reserved for settlements of awards (incentive compensation plan of Consolidation Coal Company). (File 2-74004 - Sept. 10) (Br. 2)
- (S-16) R. G. BARRY CORPORATION, 13405 Yarmouth Rd., N.W., Pickerington, OH 43147 (614) 864-6400 - 10,313 shares of common stock. (File 2-74005 - Sept. 10) (Br. 7)

REGISTRATIONS EFFECTIVE

- Aug. 28: Nuveen Tax-Exempt Bond Fund Multi-State, Series 25, 2-72230.
 Sept. 2: OmniDentix Systems Corporation, 2-73239-B.
 Sept. 8: Pengo Industries, Inc., 2-73916.
 Sept. 9: The Municipal Bond Trust, Series 94, 2-73478; Toppan Printing Co., Ltd., 2-73930.

REGISTRATION WITHDRAWN

- Aug. 27: Barley Products International, Inc., 2-70567-D.

RULE 12g3-2(b) EXEMPTIONS

The following is a list of foreign private issuers that have made submissions that appear to qualify for the exemption provided in Rule 12g3-2(b): Nova, An Alberta Corporation (File No. 82-594); and Merland Explorations Ltd. (File No. 82-595).

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 August 4 - 10, 1981. 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>
* David H. Murdock Murdock Investment Corp. Pacific Holding Corporation International Mining Corp.	Flexi-Van Corporation (NYC) Common Stock - 1,250,461 shares (20.9%) Common Stock - 556,800 shares on conversion of Preferred Stock Common Stock - 10,205 shares on conversion of Bonds	8-4-81
* AMBG Corp. (Wholly-owned subsidiary of Tyco Laboratories, Inc.) Tyco Laboratories, Inc.	Ludlow Corporation (Needham Heights, MA) Common Stock - 910,300 shares (29.7%)	8-4-81
Alan N. Cohen	Commercial International Corporation (Selma, CA) Common Stock - 15,000 shares	8-5-81
* H. Douglas Barclay	Excelsior Insurance Company (Syracuse, NY) Common Stock - 180,138 shares (22.9%)	8-5-81
* Crane Co.	Ferro Corporation (Cleveland, OH) Common Stock - 597,200 shares	8-5-81
* Gulf + Western Industries Inc. Charles G. Bluhdorn	B. F. Goodrich Company (Akron, OH) Common Stock - 1,400,100 shares	8-5-81
* Arcanum Committee	Holly Sugar Corporation (Colorado Springs, CO) Common Stock - 91,751 shares	8-5-81
* Washington Holding, Inc.	International Bank (Washington, DC) Common Stock - 507,600 shares	8-5-81
* Washington Holding, Inc.	International Bank (Washington, DC) Class A Common Stock - 3,854,315 shares (47.7%)	8-5-81
Peter R. Harvey Kenneth L. Kwiat	Kroehler Mfg. Co. (Naperville, IL) Common Stock - 457,716 shares (35.4%)	8-5-81
* Carlson Companies, Inc., Parent Carlson Holdings, Inc.	E. F. MacDonald Company (Dayton, OH) Common Stock - 887,110 shares (23.6%)	8-5-81
* H. K. Porter Company, Inc.	MacMillan, Inc. (NYC) Common Stock - 2,317,600 shares (18.8%)	8-5-81
* INA Corporation	Paine Webber Incorporated (NYC) Common Stock - 1,700,000 shares (20.2%) Common Stock - 736,000 shares on conversion of Preferred Stock	8-5-81
* ISS-International Service System A/S (Denmark)	Prudential Building Maintenance Corp. (NYC) Common Stock - 1,416,962 shares (55.9%)	8-5-81
Donald F. Todd Lawrence Barker, Jr.	Valex Petroleum Inc. (Denver, CO) Common Stock - 2,173,542 shares (13.7%)	8-5-81

ACQUISITION REPORTS CONT.

* Canada Development Corporation (Canada) CDC Petroleum Inc. (Canada)	Aquitaine Company of Canada Ltd. (Calgary, Albt., Canada) Common Stock - 16,130,000 shares (74.8%)	8-6-81
* Estate of George F. Scanlon George F. Scanlon, Jr. Donald P. Scanlon John W. Pegg, Co-Executors	Burgess Industries Inc. (Dallas, TX) Common Stock - 134,200 shares	8-6-81
Claudia S. Morse, Individually and Co-Trustee	Cenvill Development Corp. (West Palm Beach, FL) Common Stock - 468,070 shares	8-6-81
* Apex Holding Co.	Clark Oil & Refining Corp. (Milwaukee, WI) Common Stock - 1,430,000 shares (Apex has entered into agreements to acquire an additional 6,246,463 shares.)	8-6-81
Bass Brothers Enterprises, Inc.	Flexi-Van Corporation (NYC) Conv. Preferred Stock - 100,000 shares	8-6-81
Barry S. Halperin Carol Minkin Maurice A. Halperin	LLC Corporation (St. Louis, MO) 5-3/4% Preference Stock - 5,500 shares	8-6-81
* Shufro, Rose & Ehrman	Mirro Corporation (Manitowoc, WI) Common Stock - 562,507 shares (23.9%)	8-6-81
* Standard Operations, Inc. Irving B. Harris King Harris Sidney Barrows Neison Harris	Pittway Corporation (Northbrook, IL) Common Stock - 2,088,014 shares (44.4%)	8-6-81
Thomas J. Gochberg Bernard J. Korman Thomas F. Githens Robert Garrett, et al	Security Capital Corp. (NYC) Common Stock - 394,750 shares	8-6-81
Anacom, Inc.	American Management Systems, Inc. (Arlington, VA) Common Stock - 106,000 shares	8-7-81
Ivory Limited (B.V.I.) (Wholly-owned subsidiary of Limroy Co. Ltd. (Bermuda) Monometrics Corporation	Doral Industries, Inc. (Trenton, NJ) Common Stock - 10,000,000 shares (28.3%) Common Stock - 2,000,000 shares on exercise of option	8-7-81
Founders' of American Investment Corporation (Subsidiary of Galtaco, Inc. (Canada)	G. I. Export Corporation (Woodbury, NY) Common Stock - 827,200 shares (43%)	8-7-81
* Tengelmann Warenhandels- gesellschaft (West Germany) Erivan Haub (West Germany)	Great Atlantic & Pacific Tea Co. Inc. (Montvale, NJ) Common Stock - 18,847,933 shares (50.4%)	8-7-81
* Warren E. Buffett Berkshire Hathaway Inc. National Indemnity Co. National Fire & Marine Insurance Co., et al	Handy & Harman (NYC) Common Stock - 2,015,000 shares (14.7%)	8-7-81
* Tyco Laboratories, Inc.	Heinicke Instruments Company (Hollywood, FL) Common Stock - 1,162,300 shares (40.6%)	8-7-81
Cenco Acquiring Corporation (Wholly-owned subsidiary of Cenco Inc.)	Leader Healthcare Organization Inc. (King of Prussia, PA) Common Stock - 1,418,612 shares (94.7%) (Above shares were acquired pursuant to the Tender Offer.)	8-7-81

ACQUISITION REPORTS CONT.

* Michael A. Feiner	M. D. C. Corporation (Denver, CO) Common Stock - 439,666 shares (Included above are shares owned by his wife.)	8-7-81
* Victor L. Sayyah Sayyah Corporation HCA, Inc. National Heritage Management Corp., et al	Van Schaak & Company (Denver, CO) Common Stock - 423,200 shares (30.6%)	8-7-81
Robert A. Paul	Westport Company (Westport, CT) Shares of Beneficial Interest - 42,543 (In addition, Mr. Paul, as a member of a group, own 4,263,475 shares (81.8%).	8-7-81
Shamrock Associates	Alba Waldensian, Inc. (Valdese, NC) Common Stock - 75,000 shares	8-10-81
Harry J. Nelson	American Beef Packers, Inc. (Oakland, IA) Class A Common Stock - 9,300 shares Class A Common Stock - 100,000 shares on exercise of option	8-10-81
* Jeffrey L. Neuman	Basco, Inc. (Cherry Hill, NJ) Common Stock - 95,749 shares	8-10-81
* Brian P. Burns Frederick P. Furth	Boothe Financial Corp. (San Francisco, CA) Common Stock - 159,629 shares	8-10-81
* Gulf + Western Industries Inc. Charles G. Bluhdorn	Brunswick Corporation (Skokie, IL) Common Stock - 2,482,800 shares (12.8%) Common Stock - 122,120 shares on conversion of Preferred Stock	8-10-81
Robert G. Holmes, Jr.	Bunnington Corporation (Rochester, NY) Common Stock - 138,309 shares	8-10-81

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