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Issue 80-39

February 26, 1980

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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## ADMINISTRATIVE PROCEEDINGS

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### DECISION SUSPENDING ROYAL W. CARSON, JR. FINAL

The decision of an administrative law judge suspending Royal W. Carson, Jr. of Oklahoma City, from association with any broker or dealer for four months has become final. Carson is president of Royal W. Carson & Co., Inc., an Oklahoma City brokerage firm. During his suspension, which is effective March 10, Carson may retain his stock interest in and various offices with his firm, and collect any dividends on his stock, but may not collect any salary or bonus from the firm or participate in any way in the firm's activities.

According to the decision, Carson violated the terms of a 1978 Commission suspension order, entered pursuant to an offer of settlement, by engaging in supervisory activity at his firm during the period of his suspension. (Rel. 34-16572)

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## CIVIL PROCEEDINGS

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### COMPLAINT NAMES PENN PACIFIC CORPORATION

The Commission announced that on February 25 it filed in the U.S. District Court for the District of Columbia a civil injunctive action against Penn Pacific Corporation alleging violations of the reporting provisions of the securities laws and seeking a Judgment of Permanent Injunction and Other Relief.

The complaint alleges that Penn Pacific has failed to file its Annual Report on Form 10-K for its fiscal year ended September 30, 1979, required to have been filed with the Commission by December 29, 1979, and its Quarterly Report on Form 10-Q for its fiscal quarter ended December 31, 1979, required to have been filed with the Commission by February 14, 1980. Further, the complaint charged that Penn Pacific, as part of a continuing course of violative conduct, has failed to timely file certain of its annual and quarterly reports with the Commission. The complaint requests that the court order Penn Pacific to file forthwith with the Commission, its Annual Report on Form 10-K for its fiscal year ended September 30, 1979, and its Quarterly Report on Form 10-Q for its fiscal quarter ended December 31, 1979. Further the Commission requested that the court enjoin Penn Pacific from further violations of the reporting provisions of the securities laws. (SEC v. Penn Pacific Corp., U.S.D.C. D.C., Civil Action No. 80-519). (LR-9017)

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## CRIMINAL PROCEEDINGS

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### JOHN VALO SENTENCED

The New York Regional Office announced that on January 30 the Honorable Charles S. Haight, Jr., U.S. District Judge for the Southern District of New York, sentenced John Valo of Fords, New Jersey, to two months imprisonment and 22 months probation following a guilty plea to two counts of an information charging him with violations of the antifraud and credit extension provisions of the securities laws and the regulations promulgated thereto by the Board of Governors of the Federal Reserve System.

In a related civil injunctive action, Valo was enjoined, by consent, on February 3, 1978, from further violations of Section 17(a) of the Securities Act, Sections 7(f) and 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Regulation X promulgated by the Board of Governors of the Federal Reserve System pursuant to Section 7(f) of the Exchange Act. (U.S. v. John Valo, S.D.N.Y., 78 Cr. 524). (LR-9014)

## SHELDON S. MOSS, OTHERS INDICTED

The Atlanta Regional Office announced that on January 20 a federal grand jury sitting in Greensboro, North Carolina, returned an eighteen-count indictment against Sheldon Rothman of Chicago, Illinois, and a nineteen-count indictment against Sheldon S. Moss of Chicago, Illinois, Daniel King Brainard, and Halton Q. Bittick of Greensboro, North Carolina. The indictment charges Rothman with eighteen counts of mail fraud in the offer and sale of securities, namely evidences of indebtedness of Moss, doing business as Television Marketing and Correlated Equities Corp. (TVM evidences of indebtedness). The indictment charges Moss, Brainard, and Bittick with eighteen counts of mail fraud in the offer and sale of the TVM evidences of indebtedness, and with one count of making a false statement in a report required to be filed with the Commission.

Moss and Brainard were named as defendants in a civil injunctive action instituted by the Commission in November, 1978, which is based, in part, on violations of the securities laws which occurred in connection with the offer and sale of the TVM evidences of indebtedness. In that action, pursuant to a consent in which he neither admitted nor denied the allegations contained in the Commission's complaint, Moss has been permanently enjoined from further violating the registration and antifraud provisions and ordered to disgorge \$4,500,000. Also in that action, pursuant to a consent in which he neither admitted nor denied the allegations contained in the Commission's complaint, Brainard has been preliminarily enjoined from further violating the registration and antifraud provisions, and from aiding and abetting violations of the broker-dealer registration and investment adviser registration provisions. (U.S. v. Sheldon Moss, et al., M.D. of North Carolina, Criminal Action No. 80-176). (LR-9015)

## JOHN R. AND BERTHA M. BROMLEY INDICTED

The Los Angeles Regional Office announced that on February 7 John R. and Bertha M. Bromley of Houston, Texas were indicted by a federal grand jury sitting in Phoenix, Arizona, for 62 counts of mail fraud, securities fraud, and interstate transportation of property taken by fraud. The indictment alleges that between January 1979 and April 1976, the defendants, as owners and operators of Heritage Trust Company, made numerous misrepresentations to investors throughout the United States and that they concealed risky investments of investors' money, defaults, and high commissions by taking money from new investors to pay money owed to old investors. (U.S. v. John R. and Bertha M. Bromley, CR 80-019). (LR-9016)

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## HOLDING COMPANY ACT RELEASES

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### AMERICAN ELECTRIC POWER COMPANY, INC.

A notice has been issued giving interested persons until March 21 to request a hearing on a proposal of American Electric Power Company, Inc., a registered holding company, that it make cash capital contributions to Michigan Power Company, subsidiary of AEP. (Rel. 35-21453 - Feb. 25)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The Pacific Stock Exchange Inc. has filed a proposed rule change under Rule 19b-4 (SR-PSE-79-17) to amend certain of its rules regarding options trading on the floor of the exchange. Publication of the proposal is expected to be made in the Federal Register during the week of February 25. (Rel. 34-16602)

### APPROVAL OF PROPOSED RULE CHANGES

The Commission has approved proposed rule changes filed by the following stock exchanges: Chicago Board Options Exchange, Inc. (SR-CBOE-80-2) adopting the Uniform Code of Arbitration. (Rel. 34-16606); and The New York Stock Exchange, Inc. (SR-NYSE-79-51) eliminating the requirement to report to the NYSE the non-capital, unsecured borrowings of NYSE members. (Rel. 34-16607)

## 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-18) OMAHA TELECOMMUNICATIONS, INC., 1441 North 11th St., Omaha, Neb. 68102 (402) 345-8445 - 325,000 shares of common stock. Underwriter: Kirkpatrick, Pettis, Smith, Polian Inc. The company is not presently engaged in any business other than applying for the cable television franchise. (File 2-66658 - Feb. 11)
- (S-18) DIMIS, INC., 1060 Highway 35, Middletown, N.J. 07748 - 561,000 shares of common stock. Underwriter: Faherty & Faherty Inc. The company designs, develops and markets a turnkey computer system. (File 2-66697 - Feb. 15)
- (S-18) FIRST OF CHADRON BANK CORPORATION, Second and Main, Chadron, Neb. 69337 (602) 475-7011 - 30,000,000 shares of common stock. (File 2-66706 - Feb. 15)
- (S-14) STARKE COUNTY BANCORP, INC., 20 North Main St., Knox, Ind. 46534 (219) 772-2144 - 28,125 shares of common stock. (File 2-66734 - Feb. 22)
- (S-1) WINCHESTER INTERNATIONAL LIMITED, Vallis Bldg., P.O. Box 1022, Hamilton 5, Bermuda (809) 29-23434 - 1,500,000 shares of common stock. Underwriter: Drexel Burnham Lambert Inc. (File 2-66737 - Feb. 22)
- (S-8) FLORIDA POWER & LIGHT COMPANY, 9250 West Flagler St., Miami, Fla. 33174 (305) 552-3552 - 1,000,000 shares of common stock. (File 2-66739 - Feb. 22)
- (S-16) QUOTRON SYSTEMS, INC., 5454 Beethoven St., Los Angeles, Cal. 90066 (213) 398-2761 - 50,000 shares of common stock. (File 2-66740 - Feb. 22)
- (S-14) ELI LILLY AND COMPANY, 307 East McCarty St., Indianapolis, Ind. 46285 (317) 261-2000 - 2,598,715 shares of common stock. (File 2-66741 - Feb. 22)
- (S-8) JAMES DOLE CORPORATION, 867 Russ Bldg., 235 Montgomery St., San Francisco, Cal. 94104 (415) 392-8146 - 157,500 shares of common stock. (File 2-66742 - Feb. 22)
- (S-8) OLD REPUBLIC INTERNATIONAL CORPORATION, 307 North Michigan Ave., Chicago, Ill. 60601 - 68,697 shares of common stock. (File 2-66743 - Feb. 22)
- (S-1) HART OIL AND GAS DRILLING PROGRAM CK-1980, 305 Paris, P.O. Box 467, Morton, Ill. 61550 (309) 263-2802 - an indefinite number of units. (File 2-66744 - Feb. 19)
- (S-1) KYOTO CERAMIC CO., LTD., 52-11 Inoue-cho, Hagashino, Yamashina-ku, Kyoto 607, Japan - 4,000,000 shares of common stock. Underwriters: Merrill Lynch White Weld Capital Markets Group and Daiwa Securities America Inc. The company is a manufacturer of certain specialized ceramic products. (File 2-66745 - Feb. 25)
- (S-1) JENNINGS 1980 OIL & GAS PROGRAM, 2415 Owens Rd., P.O. Box 24, Fenton, Mich. 48430 (313) 629-7312 - 1,200 units of preformation limited partnership interests. Underwriter: Jennings Petroleum Corporation. (File 2-66746 - Feb. 25)
- (S-7) KOGER PROPERTIES, INC., 3986 Blvd. Center Dr., Jacksonville, Fla. 32207 (904) 396-4811 - 1,100,000 shares of common stock. Underwriter: Shearson Loeb Rhoades Inc. The company is engaged in the development, construction and operation of suburban office centers. (File 2-66747 - Feb. 25)
- (S-16) ILLINOIS POWER COMPANY, 500 South 27th St., Decatur, Ill. 62525 (217) 424-6600 - 720,000 shares of serial preferred stock, \$50 par value. Underwriters: The First Boston Corporation and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the generation, transmission, distribution and sale of electric energy. (File 2-66748 - Feb. 25)
- (S-16) IOWA ELECTRIC LIGHT AND POWER COMPANY, Cedar Rapids, Iowa 52406 (319) 398-4411 - 530,000 shares of common stock. (File 2-66749 - Feb. 25)

- (S-8) ANALOG DEVICES, INC., Route 1 Industrial Park, Norwood, Mass. 02062 (617) 742-9100 - 150,000 shares of common stock. (File 2-66750 - Feb. 25)
- (S-14) H & R BLOCK, INC., 4410 Main St., Kansas City, Mo. 64111 (816) 753-6900 - 955,211 shares of common stock. (File 2-66751 - Feb. 25)
- (S-1) CHRYSLER CORPORATION, Chrysler Center, 12000 Lynn Townsend Dr., Highland Park, Mich. - \$400,000,000 of 12% subordinated debentures, due 1990 and 400,000 shares of 8% cumulative preferred stock. Dealer-Manager: E.F. Hutton & Company Inc. The company is a car and truck manufacturer. (File 2-66752 - Feb. 25)

#### REGISTRATIONS EFFECTIVE

Feb. 15: Atlanta Gas Light Co., 2-66584; InterCapital Industry-Valued Securities Inc., 2-66269; InterCapital Tax-Exempt Securities Inc., 2-66268.  
 Feb. 21: Allied Chemical Corp., 2-66576; Materials Research Corp., 2-66600; Plaza Income Partnership, 2-65744; Squibb Corp., 2-66583; Taft Broadcasting Co., 2-66646; Tax Exempt Securities Trust, Series 34, 2-66502; Trust for Cash Reserves, 2-65848; United Parcel Service of America Inc., 2-66303.  
 Feb. 22: D. L. Babson Tax-Free Income Fund, Inc., 2-65489; Scott Paper Co., 2-66668; Sparkman Energy Corp., 2-65912.

## 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 there 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 February 11 - 13, 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 &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Altair Corporation	Harvest Industries, Inc. (Wilmette, IL) Common Stock - 699,848 shs. (58.5%)	2-11-80
* Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	Imperial Corporation of America (San Diego, CA) Common Stock - 3,535,600 shs. (24.91%)	2-11-80
Standard Security Life Insurance Co. of New York Geneve Corp.	Independence Mortgage Trust (Atlanta, GA) Shares of Beneficial Interest - 135,000	2-11-80
Johny W. Mullinnix	L R Company (Casper, WY) Common Stock - 465,759 shs. (Included above are shares owned by his wife.)	2-11-80
* Oliver A. Kimberly, Jr.	MDC Corporation (Cherry Hill, NJ) Common Stock - 158,935 shs. (20.3%)	2-11-80
* Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	Midwestern Distribution, Inc. (Fort Scott, KS) Class A Common Stock - 396,400 shs. (22.5%)	2-11-80
D. L. Kasdorf R. J. Mucha R. M. Gunnerson D. G. Lutz	Modine Manufacturing Co. (Racine, WI) Common Stock - 161,155 shs.	2-11-80
Warren E. Buffett Berkshire Hathaway Inc. National Indemnity Co.	National Student Marketing Corp. (Chicago, IL) Common Stock - 458,500 shs.	2-11-80

## ACQUISITION REPORTS CONT.

* Armco Inc.	Oregon Metallurgical Corp. (Albany, OR) Common Stock - 3,108,945 shs. (61.8%)	2-11-80
Viridian Investments, Ltd.	Pat Fashions Industries, Inc. (NYC) Common Stock - 2,200 shs.	2-11-80
Ivan F. Boesky & Co.	Pay Less Drug Stores (Oakland, CA) Common Stock - 135,944 shs.	2-11-80
Seal-Kap Packaging, Inc. Herbert B. Siegel	Quaker City Industries, Inc. (Saddle Brook, NJ) Common Stock - 218,728 shs. (51%) Common Stock - 371,000 shs. on exercise of an option (Seal-Kap has the right to acquire 4,000,000 shares from Quaker after recapitalization.)	2-11-80
* Unicorp Financial Corp. (Canada) George S. Mann (Canada)	Real Estate Investment Trust of America (Boston, MA) Shares of Beneficial Interest - 159,700	2-11-80
AMAX Inc.	Rosario Resources Corp. (NYC) Capital Stock - 2,283,300 shs. (36.9%)	2-11-80
* C. Sims Farr, Executor Carl S. Forcheskie, Individually & Executor John W. Mettler, III, Executor	Salant Corporation (NYC) Common Stock - 493,363 shs. (15.3%)	2-11-80
* Reliance Financial Services Corp. (Reliance Group, Inc., Parent)	San Juan Racing Association, Inc. (Rio Piedras, PR) Common Stock - 328,820 shs.	2-11-80
* Lane Processing, Inc.	Valmac Industries, Inc. (Memphis, TN) Common Stock - 328,450 shs.	2-11-80
* Clift C. Lane Dorothy P. Lane	Valmac Industries, Inc. (Memphis, TN) Common Stock - 332,401 shs.	2-11-80
* First Chicago Investment Corp. First Chicago Financial Corp. First Chicago Corp.	Xonics, Inc. (Des Plaines, IL) Common Stock - 581,250 shs. (16.6%) on exercise of warrants	2-11-80
SAFECO Corporation	Arizona Public Service Co. (Phoenix, AZ) \$2.40 Preferred Stock - 15,000 shs.	2-12-80
Auto Vehicle Parts Co.	CIP Corporation (Cincinnati, OH) Common Stock - 77,573 shs. (11.6%)	2-12-80
SAFECO Corporation SAFECO Insurance Co. of America	Carolina Power & Light Co. (Raleigh, NC) \$4.20 Preferred Stock - 22,500 shs. (22.5%)	2-12-80
SAFECO Corporation	Carolina Power & Light Co. (Raleigh, NC) \$5.44 Preferred Stock - 12,700 shs.	2-12-80
SAFECO Corporation	Central Illinois Light Co. (Peoria, IL) \$7.56 Preferred Stock - 9,600 shs.	2-12-80
* Orion Capital Corp. Bankers National Life Insurance Co. Security Insurance Co. of Hartford	Chase Convertible Fund of Boston, Inc. (Boston, MA) Common Stock - 706,200 shs. (12.8%)	2-12-80
* Federated Reinsurance Corp. (Wholly-owned subsidiary of Federated Development Co.)	Drexel Utility Shares (Philadelphia, PA) Common Stock - 64,700 shs. (11.4%)	2-12-80

## ACQUISITION REPORTS CONT.

* Charles E. Hurwitz Sheldon I. Oster	Federated Development Co. (Houston, TX) Shares of Beneficial Interest - 211,600 (61.8%)	2-12-80
* Panda Star Corporation (Controlled by Consolidated Electrical Distributors, Inc.)	Hajoca Corporation (Ardmore, PA) Common Stock - 1,061,626 shs. (47.61%)	2-12-80
Theodore Baumritter	Interco Incorporated (St. Louis, MO) Common Stock - 392,207 shs. on conversion of Preferred Stock	2-12-80
Florence Baumritter	Interco Incorporated (St. Louis, MO) Common Stock - 123,421 shs. on conversion of Preferred Stock	2-12-80
Sol Berg, Individually and Trustee	LeaRonal, Inc. (Freeport, NY) Common Stock - 103,300 shs.	2-12-80
* AGO Holding N.V. (Netherlands)	Life Investors, Inc. (Cedar Rapids, IA) Common Stock - 1,000,000 shs. (12.83%) (AGO has the right to acquire an additional 2,000,000 shares.)	2-12-80
Trinidad Holdings Limited (British Virgin Islands) Trinidad Holdings Ltd. (New Hebrides), Parent	Scientex Corp. (Los Angeles, CA) Common Stock - 1,810,370 shs. (30.9%)	2-12-80
* Barry F. Cohen	Synalloy Corporation (Spartanburg, SC) Common Stock - 250,000 shs. (10.7%)	2-12-80
* Richard E. Jacobs David H. Jacobs David N. Myers Feldman Bros., Co., et al	Union Commerce Corp. (Cleveland, OH) Common Stock - 265,550 shs.	2-12-80
L. F. Rothschild, Unterberg, Towin	American Garden Products, Inc. (Boston, MA) Common Stock - 30,100 shs.	2-13-80
* Soros Fund Management Co., Inc. Quantum Overseas N.V. (Netherlands Antilles) George Soros	Bolt, Beranek & Newman, Inc. (Cambridge, MA) Common Stock - 159,900 shs. (12.3%)	2-13-80
* Fairchild Industries, Inc. Fairchild Industries of Delaware, Inc.	Bunker Ramo Corp. (Oak Brook, IL) Common Capital Stock - 1,266,667 shs. (22.19%)	2-13-80
Harrison D. Peet	Delta Natural Gas Company, Inc. (Winchester, KY) Common Stock - 7,670 shs. (10.1%)	2-13-80
* Eastover Corporation Leland R. Speed David R. Bill H. C. Bailey, et al	ICM Realty (NYC) Shares of Beneficial Interest - 772,386 (25.6%)	2-13-80
* Geneve Corporation	Independence Mortgage Trust (Atlanta, GA) Shares of Beneficial Interest - 383,400 (14.6%)	2-13-80
James P. Upham, Trustee	Monmouth Real Estate Investment Trust (Eatontown, NJ) Shares of Beneficial Interest - 20,000 (Included above are shares held by his wife as trustee)	2-13-80
* Pembroke Management Ltd. (Canada)	Shared Medical Systems Corp. (King of Prussia, PA) Common Stock - 660,000 shs.	2-13-80

ACQUISITION REPORTS CONT.

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 of February 11, 1980. \*Amended Tender Offers.

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER &amp; NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Kay Corporation International Merchanting & Retailing Inc. (Wholly-owned subsidiary of Kay Corporation)	PVO International Inc. (San Francisco, CA) Capital Stock - All outstanding shares for cash at \$24.00 net per share Convertible Debentures - All outstanding for cash at \$2570. net per \$1,000 Prin. Amt. (Purchaser presently owns 656,914 shares of Capital Stock (58.1%))	2-11-80

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