

# sec news digest

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U.S. SECURITIES AND  
EXCHANGE COMMISSION

April 27, 1978

Issue 78-82

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## ADMINISTRATIVE PROCEEDINGS

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### FRANCIS STEWART FALLON, JR. BARRED

The Commission has entered an order barring Francis Stewart Fallon, Jr., of Tampa, Florida, from association with any broker-dealer, investment adviser, or investment company. The sanctions were based on findings, after the default of the respondent, that during the period February, 1976 to March, 1977, Fallon wilfully aided and abetted violations of the broker-dealer registration provisions of the securities laws, and upon the entry of an order of permanent injunction against Fallon in the U.S. District Court for the Southern District of Texas, arising out of the sale of securities in violation of the registration and antifraud provisions of the securities laws. (Rel. 34-14669)

### REGISTRATION OF ROYAL W. CARSON & CO., INC., OTHERS SUSPENDED

The Commission has entered an order suspending the registration of Royal W. Carson & Co., Inc., Oklahoma City, Oklahoma, for a period of 15 calendar days. The Commission's order also suspends Royal W. Carson, Jr. and Royal W. Carson III, both of Oklahoma City, from association with any broker or dealer for periods of 40 calendar days, and 30 calendar days, respectively. The Commission found that Royal W. Carson & Co., Inc., Royal W. Carson, Jr. and Royal W. Carson III, wilfully violated the registration provisions of the Securities Act of 1933 and the recordkeeping provisions of the Securities Exchange Act of 1934, in the offer and sale of fractional undivided working interests in gas wells issued by Ro-Jo Industries, Inc., Oklahoma City. The Commission's action was taken pursuant to an offer of settlement submitted by the respondents in which, without admitting or denying the allegations in the order for proceedings, they consented to the findings and sanctions. (Rel. 34-14670)

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## TRADING SUSPENSIONS

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### TRADING SUSPENDED IN MIRA-PAK, INC.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Mira-Pak, Inc., a Texas corporation located in Houston, Texas, for the period beginning on April 26 and terminating at midnight (EST) on May 5, 1978. The Commission initiated the suspension because the company has failed to file with the Commission at least certified financial statements required to be filed as part of its annual report on Form 10-K for the fiscal year ended February 28, 1977, resulting in the lack of adequate and accurate public information about the company's operations and financial condition. (Rel. 34-14708)

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## COURT ENFORCEMENT ACTIONS

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### INDICTMENT NAMES STANLEY T. KIESPERT, OTHERS

The Denver Regional Office announced that on April 12 a federal grand jury in Omaha, Nebraska returned an eleven count indictment charging Stanley T. Kiespert of Denver, Colorado, Joseph A. LaBarber of Pomona, California, and Randall W. Koelling of Omaha, Nebraska with selling unregistered stock, and violations of the antifraud provisions of the Securities Act of 1933 as well as mail fraud in the offer and sale of securities of Technical Poultry Processing Equipment Company, a Colorado corporation. (U.S. v. Stanley T. Kiespert, et al., USDC, Nebraska, CR-78-0-34). (LR-8386)

### BENGAL OIL & GAS CORPORATION ENJOINED

The Fort Worth Regional Office announced that on April 10 Federal District Judge John H. Wood, Jr., San Antonio, Texas, signed an order of permanent injunction by consent with respect to Bengal Oil & Gas Corporation, Midland, Texas. Bengal consented

to the entry of the order without admitting or denying the allegations of the Commission's complaint which alleged that Bengal, and others, had violated the antifraud provisions of the securities laws in the offer and sale of joint venture and limited partnership interests in oil and gas drilling funds, and in the sale of its common stock. (SEC v. Bengal Oil & Gas Corporation, et al., U.S.D.C., W/D Texas, MO-77-CA-98) (LR-8387)

#### THOMAS A. CURRY AND TIMOTHY J. CURRY SENTENCED

The Fort Worth Regional Office announced that on April 21 Thomas A. Curry and Timothy J. Curry, doing business as Curry Petroleum, both of Dallas, Texas, were sentenced by Federal District Judge Sarah T. Hughes, at Dallas, to three years concurrent custody on each of two counts to be followed by three years concurrent probation on the remaining two counts of the four counts of fraud in the offer and sale of securities to which the defendants plead guilty on March 23 of a five count indictment returned by a Federal Grand Jury on November 9, 1977. (U.S. v. Thomas A. Curry and Timothy J. Curry, N/D Texas, CR3-77-348). (LR-8388)

#### JOHN G. MERZ, HIGHLAND-DUNES SCOTCH INVESTORS, FEDERAL INC. CONVICTED

The New York Regional Office announced that on January 11, pursuant to a stipulated set of facts, John G. Merz and Highland-Dunes Scotch Investors, Federal Inc., both of Minneapolis, Minnesota, were found guilty of one count of mail fraud in the offer and sale to the public of investment interests in scotch whisky.

On February 28, the Honorable Harry H. MacLaughlin, U.S. District Judge for the District of Minnesota, sentenced Merz to five years imprisonment and a \$1,000 fine. Highland-Dunes was also fined \$1,000. At the time of sentencing, the government dismissed the indictment against Carla M. Merz of Minneapolis. The Merzes and Highland-Dunes had previously been enjoined in SEC v. Highland-Dunes Scotch Investors, Federal Inc., et al., 4-75 Civil 21 (D. Minn.). (U.S. v. John G. Merz, et al., D. of Minn., Cr. 77-132). (LR-8389)

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## HOLDING COMPANY ACT RELEASES

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### MIDDLE SOUTH UTILITIES

A notice has been issued giving interested persons until May 25 to request a hearing on a proposal of Middle South Utilities, Inc., a registered holding company, and its subsidiary, Louisiana Power & Light Company, whereby Louisiana will issue and sell to Middle South 3,788,000 additional shares of its common stock for a cash purchase price of \$25 million. (Rel. 35-20517 - Apr. 26)

### GEORGIA POWER COMPANY

A notice has been issued giving interested persons until May 25 to request a hearing on a proposal of Georgia Power Company, subsidiary of The Southern Company, to acquire the electrical distribution system at the former U.S. naval air station located in Glynn County, Georgia. (Rel. 35-20518 - Apr. 26)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### PACIFIC STOCK EXCHANGE, INC.

The Commission gives notice that the Pacific Stock Exchange, Inc. has applied, pursuant to Section 12(f)(1)(C) of the Securities Exchange Act of 1934, for unlisted trading privileges in the common stock of United Canso Oil and Gas, Ltd. and Canada Southern Petroleum, Ltd. Comments or requests for hearings are to be submitted on or before May 23. (Rel. 34-14705)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Inc. has filed a proposed rule change which became effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934 (SR-CBOE-78-8) to clarify the extent of a Board Broker's duty to report unusual trading activity. Publication of the proposal is expected to be made in the Federal Register during the week of May 1. (Rel. 34-14704)

## NOTICE OF AMENDMENT TO PROPOSED RULE CHANGE

The following stock exchanges have filed Amendment No. 1's to its proposed rule changes pursuant to Rule 19b-4: The New York Stock Exchange, Inc. (SR-NYSE-78-24) regarding NYSE Rule 107, the Registered Competitive Market Maker rule, in several important respects. (Rel. 34-14706); and The American Stock Exchange, Inc. (SR-Amex-78-10) to create a new category of dealers designated as Registered Equity Market Makers. (Rel. 34-14707)

Publication of the above proposals are expected to be made in the Federal Register during the week of April 24.

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## MISCELLANEOUS

### WEISS, PECK & GREER

An order has been issued on an application of Weiss, Peck & Greer, a diversified securities firm and a registered investment adviser under the Investment Advisers Act of 1940, pursuant to Section 206A of the Advisers Act, exempting Applicant from the provisions of Section 205 of the Advisers Act to the extent necessary to allow it to participate in the organization of a new venture capital enterprise, and to share in compensation therefrom based on a percentage of capital gains formula subject to two conditions specified in the application. (Rel. IA-625)

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## 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) CAPITAL DIAMONDS, INC., 1205 Prospect St., Suite 250, La Jolla, Cal. 92037 - 1,400,000 shares of common stock. The company has had no operations to date. (File 2-61373 - Apr. 24)
- (S-8) STUDEBAKER-WORTHINGTON, INC., One Dag Hammarskjold Plaza, New York, N.Y. 10017 - 500,000 shares of common stock. (File 2-61394 - Apr. 25)
- (S-7) PRIME COMPUTER, INC., 40 Walnut St., Wellesley Hills, Mass. 02181 (617) 237-6990 - \$15 million of subordinated debentures, due 1993. Underwriter: Smith Barney, Harris Upham & Co. Inc., 120 Broadway, New York, N.Y. 10005. The company designs, manufactures, sells and services small and medium-size general purpose digital computers and interactive computer systems. (File 2-61395 - Apr. 25)
- (S-1) FURNITURE BARN, INC., 3121 Hiawatha Avenue South, Minneapolis, Minn. 55406 - \$1,082,000 subordinated debentures. The company is engaged in the retail distribution of home furnishings, carpeting, major appliances, television sets, stereo equipment and microwave ovens. (File 2-61396 - Apr. 25)
- (S-11) FIRST CAPITAL INCOME PROPERTIES, LTD. - SERIES IV, 3195 Ponce de Leon Blvd., Coral Gables, Fla. 33134 - 15,000 units of limited partnership. (File 2-61404 - Apr. 26)
- (S-6) INVESTORS CORPORATE - INCOME TRUST, SERIES 5, 208 South LaSalle St., Chicago, Ill. 60604 - an indefinite number of units. Depositors: Van Kampen Sauermaan Inc., 208 South LaSalle St., Chicago, Ill. 60604 and Dain, Kalman & Quail, Inc. (File 2-61405 - Apr. 26)
- (S-14) TRITON OIL & GAS CORP., 1400 One Energy Sq., Dallas, Tex. 75206 (214) 691-5300 - 418,938 shares of common stock. (File 2-61406 - Apr. 26)
- (S-8) FERRO CORPORATION, One Erieview Plaza, Cleveland, Ohio 44114 - 200,000 shares of common stock. The company is engaged in the development, production and sale of speciality materials for use in porcelain enamel, ceramics and plastics. (File 2-61407 - Apr. 26)
- (S-8) WARNER COMMUNICATIONS INC., 75 Rockefeller Plaza, New York, N.Y. 10019 - 25,000 shares of common stock. (File 2-61411 - Apr. 26)

- (S-1) CONTINENTAL TELEPHONE CORPORATION, 56 Perimeter Center East, Atlanta, Ga. 30346 (404) 393-2323 - 100,000 shares of common stock. (File 2-61412 - Apr. 26)
- (S-8) KAISER CEMENT & GYPSUM CORPORATION, Kaiser Bldg., 300 Lakeside Dr., Oakland, Cal. 94666 - 400,000 shares of common stock. (File 2-61413 - Apr. 26)
- (S-8) AMERICAN STANDARD INC., 40 West 40th St., New York, N.Y. 10018 - \$7 million of participations and 180,645 shares of common stock. (File 2-61414 - Apr. 26)
- (S-8) THE E. F. HUTTON GROUP INC., One Battery Park Plaza, New York, N.Y. 10004 - 21,120 shares of common stock. (File 2-61415 - Apr. 26)

REGISTRATIONS EFFECTIVE

Apr. 20: American Motors Corp., 2-60889; Atlantic City Electric Co., 2-60966; Collins Foods International Inc., 2-60957; Consolidated International, Inc., 2-60567; The Corporate Income Fund, Seventy-Second Monthly Payment Series, 2-60899; First Financial Group of New Hampshire, Inc., 2-61092; Ford Motor Credit Co., 2-61180; General Motors Acceptance Corp., 2-61162; Marriott Corp., 2-60722; Public Service Co. of New Mexico, 2-61163; Shell Oil Co., 2-61082; Sun Electric Corp., 2-61018.

Apr. 21: ARA Services Inc., 2-60956; Anheuser Busch, Inc., 2-61109; Computer Network Corp., 2-60740; Dow Chemical Co., 2-61234, 2-61233, 2-61232, 2-61073; Exxon Corp., 2-61126; First National State Bancorp., 2-60939; First National Stores Inc., 2-60799; Standard Brands Inc., 2-60940; Tekland Drilling Program 1978, 2-60668 (90 days).

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

REGISTRATIONS WITHDRAWN

Apr. 20: Delta Data Systems Corp., 2-59680; Sharon Steel Corp., 2-56602.

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office. Copies of such documents and of registration statements may be ordered from the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549. The reproduction cost is 10c per page plus postage (7 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.

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