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# sec news digest

U.S. SECURITIES AND  
EXCHANGE COMMISSION

Issue 77-47  
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March 10, 1977

## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

### WINDSOR PLANNING CORP. AND DOMINICK STABILE SANCTIONED

The Commission has entered an order revoking the broker-dealer registration of Windsor Planning Corp. (Registrant), and barring Dominick Stabile, Registrant's president, secretary, treasurer, and sole shareholder, from being associated with any broker, dealer, investment company, investment adviser or municipal securities dealer (registered entities), provided that, after a period of thirty-six months from the effective date of the Commission's order, Stabile may apply to the Commission to become associated with any registered entity.

The sanctions were based on findings that Registrant wilfully violated, and Stabile wilfully aided and abetted the violation of the financial reporting provisions of the securities laws by filing with the Commission an annual financial report for the year 1974 containing a fraudulent accountant's certification.

Without admitting or denying the charges against them, Registrant and Stabile consented to the above findings and remedial action. (Rel. 34-13306)

## COURT ENFORCEMENT ACTIONS

### TEMPORARY RECEIVER APPOINTED FOR CENTURY MORTGAGE CO., LTD., OTHERS

The Denver Regional Office announced that Federal Court in Salt Lake City, Utah, after a hearing, issued an order on February 23 appointing a temporary receiver for Century Mortgage Co., Ltd., and Gateway Valley Estates, Inc., and issued on February 24 a temporary restraining order restraining the following defendants from certain violations of the antifraud and registration provisions of the securities laws: Century Mortgage Co., Ltd., and Gateway Valley Estates, Inc., Utah corporations with offices in Salt Lake City, Utah; Market Fund Corp., a Colorado corporation located in Aspen, Colorado; John B. Kearney, Timothy R. White, Stephen R. Gilliland, and D. Michael Russell, all of Salt Lake City, Utah; Harold E. Singer of Logan, Utah; and Rex D. Parsons of Phoenix, Arizona. The temporary restraining order restrains the defendants from violating the registration and antifraud provisions of the securities laws in the offer and sale of securities of Century Mortgage Co., Ltd., Gateway Valley Estates, Inc., and any other securities. (SEC v. Century Mortgage Co., Ltd., et al., D. Utah, Civil Action No. C-77-0049). (LR-7814)

### ROBERT WALDMAN, OTHERS INDICTED

The Boston Regional Office announced that on March 3 a Federal Grand Jury sitting in Boston, Massachusetts, returned a 58-count indictment against Robert Waldman and David E. Dick of Newton, Massachusetts and Colonial Realty Securities Company, Inc. of Brookline, Massachusetts. The alleged criminal violations arose out of the sale of priority participations of Colonial Realty Securities Company, Inc., New Colonial Realty Securities Company, Inc. and Tri-Colonial Realty Securities Company, Inc. Seven thousand persons invested approximately \$35 million in the three Massachusetts limited partnerships. (U.S. Robert Waldman, David E. Dick and Colonial Realty Securities Co., Inc., U.S.D.C. Mass., Crim. No. 77-00069-C). (LR-7815)

### POTTER INSTRUMENT COMPANY, INC., JOHN T. POTTER ENJOINED

The Commission announced that on March 9 the U.S. District Court for the District of Columbia entered final judgments of permanent injunction against Potter Instrument Company, Inc. (PICO), a New York manufacturer of computer peripheral equipment, and John T. Potter (Potter), PICO's majority shareholder and the Chairman of its Board of Directors. PICO and Potter consented to entry of the judgments without admitting or denying the allegations in the Commission's complaint.

The complaint alleges that Potter received substantial undisclosed benefits from PICO in addition to his stated salary during the period from 1970 to 1974. Among other things, these additional benefits included the yearly expenditure of approximately \$100,000 in corporate funds to maintain Potter's residence and personal racing yacht and to pay the salary of domestic servants and crew members who were carried on the company payroll as maintenance personnel and engineers. The Commission's complaint also charges that PICO and Potter attempted to conceal the company's deteriorating financial condition during 1974 by issuing false and misleading press releases and filing interim reports which failed to reflect necessary adjustments for obsolescence in its inventory and rental equipment.

The judgments entered by the Court enjoin PICO and Potter from violating the antifraud, reporting and proxy provisions of the securities laws. The Court additionally ordered PICO to comply with its undertaking to send to its shareholders a report describing all material corporate developments since January, 1975; to establish certain committees of its Board of Directors, including an audit committee; and to nominate or appoint only outside directors approved by the Commission to fill any vacancies on its Board of Directors during the next three years. With respect to Potter, the Court's order places certain permanent restrictions on the scope of his activities at PICO and prohibits him from voting his shares to defeat any motion, resolution, or course of action recommended by a majority of PICO's Board of Directors during the next three years. (SEC v. Potter Instrument Company, Inc., John T. Potter, U.S.D.C. D.C., Civil Action No. 77-0394). (LR-7816)

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## INVESTMENT COMPANY ACT RELEASES

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### AFFILIATED FUND

A notice has been issued giving interested persons until April 4 to request a hearing on an application of Affiliated Fund, Inc., Lord Abbett Income Fund, Inc., Lord Abbett Bond-Debenture Fund, Inc. and Lord Abbett Developing Growth Fund, Inc. (Funds), registered under the Investment Company Act as open-end management companies, for an order of the Commission declaring that Paul M. Fye, a director of Funds, shall not be deemed an interested person of Funds solely by reason of his relationship with a corporation which is registered as a broker-dealer under the Securities Exchange Act of 1934. (Rel. IC-9668 - Mar. 8)

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## HOLDING COMPANY ACT RELEASES

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### OHIO POWER COMPANY

A notice has been issued giving interested persons until April 4 to request a hearing on a proposal of Ohio Power Company, subsidiary of American Electric Power Company, Inc., to issue and sell up to \$40 million of first mortgage bonds at competitive bidding. (Rel. 35-19925 - Mar. 9)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING SOUGHT

Notices have been issued giving interested persons until March 23 to request a hearing on applications of the following stock exchanges for unlisted trading privileges in the common stock of the specified companies: Philadelphia Stock Exchange, Inc. - The Grand Union Co. and Bally Manufacturing Corp. Midwest Stock Exchange, Inc. - Bally Manufacturing Corp. (Rel. 34-13352)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Depository Trust Company under Rule 19b-4 (SR-DTC-76-3) to establish a transfer agent custodian program, known as the Fast Automated Securities Transfer (FAST) program. (Rel. 34-13342)

The Commission has approved a proposed rule change filed by the New York Stock Exchange Inc. (NYSE). The rule change (SR-NYSE-77-3) will require each domestic company with common stock listed on the Exchange to establish an audit committee comprised solely of directors independent of management. (Rel. 34-13346)

## SECURITIES ACT REGISTRATIONS

### (S-14) AMERICAN CRYSTAL SUGAR COMPANY

101 North Third St., Moorhead, Minn. 56560 - 306 shares of common stock, and 55,018 shares of preferred stock (\$100 par), to be issued in connection with a merger with Southern Minnesota Beet Sugar Cooperative, a Minnesota agricultural cooperative corporation located in Renville, Minnesota. Under the terms of the proposed merger, stockholders of Southern Minnesota will receive one share of American Crystal common stock and a number of shares of American Crystal preferred stock equal to the number of shares of stock of Southern Minnesota owned. American Crystal, the surviving corporation in the merger, is a Minnesota agricultural cooperative corporation engaged principally in the manufacture and sale of sugar produced from sugarbeets. (File 2-58277 - Feb. 24)

### (S-11) ANGELES PARTNERS VII

1888 Century Park East, Los Angeles, Cal. 90067 - \$10 million in limited partnership interests, to be offered for sale in units, at \$1,000 per unit, on a best-efforts basis through dealers headed by First Pacific Securities Corporation, 1888 Century Park East, Los Angeles, Cal. 90067. Angeles Partners VII is a limited partnership formed to invest in unspecified improved real properties. (File 2-58310 - Mar. 1)

### (S-1) PHOENIX STEEL CORPORATION

4001 Philadelphia Pike, Claymont, Del. 19703 - 3,200,000 shares of common stock and 1,100,000 shares of convertible preferred stock, to be offered by the issuance of rights to holders of common stock to subscribe for three shares of common and/or one share of preferred stock for each five shares held on the record date, which has not yet been set. Phoenix is a steel manufacturer. (File 2-58352 - Mar. 7)

### (S-16) HUMANA INC.

1800 First National Tower, Louisville, Ky. 40202 - 17,500 shares of common stock, which may be offered for sale from time to time by a selling shareholder on the New York Stock Exchange at prevailing prices or otherwise at negotiated prices. The company is engaged in the development, ownership and operation of hospitals. (File 2-58356 - Mar. 7)

### (S-1) CALIFORNIA-PACIFIC UTILITIES COMPANY

600 Stockton St., San Francisco, Cal. 94108 - 300,000 shares of common stock, to be sold at a price based on the market price of outstanding common shares through underwriters headed by Dean Witter & Co. Inc., 45 Montgomery St., San Francisco, Cal. 94106. The company is an operating public utility engaged in the distribution of electricity, gas, telephone service and water. (File 2-58357 - Mar. 7)

### (S-1) PACIFIC HOLDING CORPORATION

10889 Wilshire Blvd., Los Angeles, Cal. 90024 - up to \$40 million of 9% subordinated debentures, due 1997, proposed to be offered in exchange for the outstanding shares of common stock of International Mining Corporation, New York, N.Y. at the rate of \$20 principal amount for each share of common stock. Pacific is a diversified company engaged principally in the manufacture and sale of metal containers and vitrified clay products. (File 2-58360 - Mar. 7)

### (S-7) BAKER INTERNATIONAL CORPORATION

500 City Parkway West, Orange, Cal. 92668 - a maximum of 250,000 shares of common stock, to be issued from time to time in acquisitions and mergers. The company serves the petroleum and mining industries throughout the world by manufacturing and marketing a wide range of products and services utilized in the extraction, recovery and processing of oil, gas and other minerals. (File 2-58362 - Mar. 8)

REGISTRATIONS EFFECTIVE

Mar. 8: Extrative Fuels, Inc., 2-57450 (90 days); Financial Corporation of Santa Barbara, 2-57859; Municipal Investment Trust Fund, Ninth Intermediate Term Series, 2-57858; National Property Investors, 2-57334 (90 days); Potomac Electric Power Co., 2-58131; San Diego Gas & Electric Co., 2-58229; South Central Bell Telephone Co., 2-58206; South Western Public Service Co., 2-58209 & 2-58210.

**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.

**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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.

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