

sec news digest

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RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

REGULATION A - ADOPTION OF RULE 264

The SEC announced the adoption of Rule 264 under Regulation A to permit an order abandoning inactive filings made pursuant to the Regulation. In addition, the Commission's Rules or Organization (17 CFR 200.1 to 200.30-12) have been amended by adding Section 200.30-6(a)(4) to provide for delegation of authority under Rule 264 to the Regional Administrators. (Rel. 33-5871)

EXTENSION OF TIME FOR COMMENTS ON THE BENEFICIAL OWNERSHIP RULES

The Commission announced that it has extended from September 30 to October 31, 1977 the date by which comments must be submitted with respect to the objections raised by institutional investors relating to the beneficial ownership rules adopted in Rel. Nos. 33-5808 and 34-13291. Public comment with respect to those objections was solicited by the Commission in Release Nos. 33-5859 and 34-13900. (Rel. 33-5872 and 34-14006)

COMMISSION ANNOUNCEMENTS

NATIONAL MARKET ADVISORY BOARD MEETING ANNOUNCED

The National Market Advisory Board will conduct open meetings on October 17 and 18, November 14 and 15, and December 12 and 13, 1977, in Room 776, 500 North Capitol Street, Washington, D.C. Initial notice of the October meeting was published in the Federal Register on September 1, 1977. The summarized agenda for the November and December meetings will be published in the Federal Register at a later date. The summarized agenda for the October meeting is as follows: (1) Discussion of one or more Board letters to the Commission regarding: a. Trading rules to be considered in connection with the proposed removal of off-board trading restrictions; b. Initial principal facilities of a national market system; c. Governance or administration of a national market system. (2) Discussion of such other matters as may properly be brought before the Board.

Further information may be obtained by writing Martin L. Budd, Executive Director, National Market Advisory Board Staff, Securities and Exchange Commission, Washington, D.C. 20549.

COURT ENFORCEMENT ACTIONS

JUDGMENTS ENTERED AGAINST DIPLOMAT NATIONAL BANK, OTHERS

The Washington Regional Office announced that on September 28 the Commission filed a complaint for permanent injunction in the U.S. District Court for the District of Columbia against the Diplomat National Bank, Charles C. Kim, Bo Hi Pak, Tongsun Park and Spencer Robbins, and charging them with violations of the antifraud provisions of the securities laws in connection with offers, sales and purchases of Diplomat common stock.

The complaint alleges that in 1975, during the initial offering of Diplomat common stock, the defendants variously participated in a scheme whereby Pak and Park, through undisclosed nominees, purchased respectively in excess of 43% and 10% of the Bank's outstanding stock. The purchases were in direct violation of stock ownership limitations established by the Comptroller of the Currency for the Bank and contrary to express representations regarding maximum stockholdings by investors in the Bank's disclosure document used in the offering. The complaint further alleges that during the resales of Diplomat stock by the Bank on behalf of Pak, Park and others, defendants variously made misrepresentations and omissions of material fact regarding, among other things, the existence of shareholders who owned in excess of the Bank's previously

established maximum limitation on stock ownership, the Bank's financial condition, risks attendant to an investment in the Bank, the existence of a substantial demand deposit at the Bank which was controlled by Pak, the number of shares of stock which had been tendered to the Bank for resale, and that a letter from the Comptroller of the Currency, concluding that there were no improprieties by the Bank in connection with its initial stock offering, was obtained as a result of misrepresentations to that agency by Kim, who was at the time the Bank's chairman.

The Washington Regional Office also announced that on September 28 the Honorable John Pratt of the U.S. District Court for the District of Columbia entered judgments of permanent injunction restraining and enjoining Diplomat and Kim from violating the antifraud provisions of the securities laws. The defendants consented to the entry of the Court's final judgment and order without admitting or denying the allegations in the Commission's complaint.

Also, on September 30, Judge Pratt entered judgments of permanent injunction restraining Bo Hi Pak, Tongsun Park, and Spencer Robbins from violating the antifraud provisions of the securities laws. The defendants consented to the entry of the Court's final judgment and order without admitting or denying the allegations in the Commission's complaint. Additionally, the Court ordered that Pak and Park shall not directly or indirectly exercise voting rights or solicit proxies in connection with Diplomat stock. (SEC v. Diplomat National Bank, et al., U.S.D.C. D.C., Civil Action No. 77-1695). (LR-8132 and LR-8134)

JOSEPH HAUSER INCARCERATED FOR CIVIL CONTEMPT

The SEC announced that on September 28 U.S. District Judge Charles R. Richey found Joseph Hauser in contempt of court and ordered him incarcerated until he pays the sum of \$146,530.49, plus a \$10,000 fine, to the receiver of National American Life Insurance Co. (NALIC). The Judge's order follows a July 7 order adjudging Hauser in contempt of two previous court orders issued by Judge Richey in the case of SEC v. National Pacific Corporation. (SEC v. National Pacific Corporation, et al., D.D.C., Civil Action No. 76-1784). (LR-8133)

INVESTMENT COMPANY ACT RELEASES

TUDOR INDUSTRIES CORPORATION

An order has been issued pursuant to Section 8(f) of the Act declaring that Tudor Industries Corporation has ceased to be an investment company. (Rel. IC-9950 - Sept. 28)

HOLDING COMPANY ACT RELEASES

APPALACHIAN POWER COMPANY

An order has been issued authorizing Appalachian Power Company, subsidiary of American Electric Power Company, Inc., to issue and sell notes to banks and to a dealer in commercial paper in an amount not to exceed \$175 million. (Rel. 35-20191 - Sept. 30)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the National Association of Securities Dealers, Inc. (NASD). The rule change (SR-NASD-77-12) codifies the authority of the NASD Board of Governors, subject to Commission approval, to refund NASDAQ charges to subscribers. (Rel. 34-14004)

The Commission has also approved a proposed rule change filed by the NASD (SR-NASD-77-14) to refund, on a pro-rate basis, \$1,000,000 to NASDAQ Level 1, 2 and 3 subscribers based on NASDAQ billings for fiscal year 1977. (Rel. 34-14005)

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-14) PACESETTER FINANCIAL CORPORATION, 660 Cascade West Parkway, Grand Rapids, Mich. 49506 (616) 942-8150 - 259,000 shares of common stock. (File 2-59981 - Sept. 29)
- (S-7) THE DAYTON POWER AND LIGHT COMPANY, Courthouse Plaza Southwest, Dayton, Ohio 45401 (513) 224-6000 - \$60 million of first mortgage bonds, due 2007. Underwriters: Morgan Stanley & Co. Inc. and Reynolds Securities Inc. (File 2-59982 - Sept. 29)
- (S-7) HUMANA INC., 1800 First National Tower, Louisville, Ky. 40202 (502) 589-3790 - 2,030,850 shares of cumulative preferred stock. Underwriter: Lehman Brothers Inc. (File 2-59984 - Sept. 30)
- (S-16) ITEL CORPORATION, One Embarcadero Center, San Francisco, Cal. 94111 (415) 983-0000 - 112,000 shares of common stock. (File 2-59988 - Sept. 30)
- (S-5) AMERICAN MEDICAL ASSOCIATION TAX-EXEMPT INCOME FUND INC., 535 North Dearborn St., Chicago, Ill. 60610 - 5,000,000 shares of common stock. (File 2-59989 - Sept. 30)
- (S-7) UAL, INC., AND UNITED AIR LINES, INC., P.O. Box 66100, Chicago, Ill. 60666 (312) 952-4000 - \$126,560,000 of convertible subordinated debentures, due 2003. Underwriter: Morgan Stanley & Co. Inc. (File 2-59990 - Sept. 30)
- (S-11) NATIONAL PROPERTY INVESTORS II, 660 Newport Center Dr., Suite 1420, Newport Beach, Cal. 92660 - 20,000 units of limited partnership interest. (File 2-59991 - Sept. 30)
- (S-14) I.R.E. SERIES III, INC., 2000 South Dixie Highway, Miami, Fla. - 687,942 shares of common stock, and 350,850 Series A preferred stock. (File 2-59992 - Sept. 30)
- (S-6) THE MUNICIPAL BOND FUND, SERIES 43, 140 Broadway, New York, N.Y. 10005 - 12,000 units. Depositors: Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York, N.Y. 10005 and Hornblower, Weeks, Noyes & Trask Inc. (File 2-59993 - Sept. 30)
- (S-6) THE CORPORATE BOND TRUST, SERIES 12, 140 Broadway, New York, N.Y. 10005 - 7,000 units. Depositors: Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York, N.Y. 10005 and Hornblower, Weeks, Noyes & Trask Inc. (File 2-59994 - Sept. 30)
- (S-8) SHELL OIL COMPANY, One Shell Plaza, Houston, Tex. 77002 (713) 241-4083 - 500,000 shares of common stock. (File 2-56003 - Oct. 3)

REGISTRATIONS EFFECTIVE

Sept. 28: Anderson Jacobson, Inc., 2-59751; Autotrol Corp., 2-59841; Soundesign Corp., 2-59857.

Sept. 29: Conair Corp., 2-59902; Copperweld Corp., 2-59848; The Corporate Income Fund, Eighteenth Intermediate Term Series, 2-59693; Electronic Data Systems Corp., 2-59846 Household Finance Corp., 2-59834; Kelsch and Donlin, Inc., 2-58108 (90 days); Montara Oil & Gas Programs 1977, 2-59614; Western Air Lines, Inc., 2-59650; Prescott, Ball & Turben, 2-56755; Southern California Gas Co., 2-59832.

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.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:*/

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	DATE
AIRCO INC	5	08/26/77
AIRLIFT INTERNATIONAL INC	13	08/77 *
ANCORP BANCSHARES INC TENNESSEE	5	08/22/77
ASTROSYSTEMS INC	5	08/29/77
ATCO INDUSTRIES INC	1	08/23/77
BORNE CHEMICAL CO INC	4,6	09/01/77
BOSTON EDISON CO	5	08/17/77
CANDEL OIL LTD	5	08/31/77
CHEMETRON CORP	1,6	09/01/77
COMPC INDUSTRIES INC	2	08/01/77
DOCKTOR PET CENTERS INC	1	08/31/77
GARCIA CORP	1,2,6	08/15/77
GENERAL AMERICAN CIL CO OF TEXAS	5	08/30/77
GETTY FINANCIAL CORP	2,6	09/01/77
GLADDING CCRP	6	09/09/77
HOE R & CO INC	5,6	08/31/77
HOOSIER ENGINEERING CO	1,2,6	08/31/77
INARCG CORP	1	08/26/77
JK INDUSTRIES INC	4	08/22/77
KANEB SERVICES INC	2,6	08/29/77
MARINE EXPLORATION CO INC	2,5,6	07/15/77
MASSACHUSETTS GENERAL LIFE INSURANCE CO	5,6	09/01/77

/ The Form 8-K was amended (Rel. 34-13156, January 13, 1977) effective for all events which occur subsequent to February 28, 1977. Those companies above which are noted with an asterisk () have filed pursuant to the old Form 8-K; the captions of the item numbers under which such reports are filed are as follows:

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| Item 1. Changes in Control of Registrant | Item 9. Options to Purchase Securities |
| Item 2. Acquisition or Disposition of Assets | Item 10. Extraordinary items, other material charges and credits and capital restatements |
| Item 3. Legal Proceedings | Item 11. Submission of Matters to a Vote of Security Holders |
| Item 4. Changes in Securities | Item 12. Changes in Registrant's Certifying Accountant |
| Item 5. Changes in Security for Registered Securities | Item 13. Other Materially Important Events |
| Item 6. Defaults upon Senior Securities | Item 14. Financial Statements and Exhibits |
| Item 7. Increase in Amount of Securities Outstanding | |
| Item 8. Decrease in Amount of Securities Outstanding | |

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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