

OCT 5 - 1977

U.S. SECURITIES AND
EXCHANGE COMMISSION

sec news digest

Issue 77-192

October 4, 1977

NOTICE OF COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or tape record Commission meetings must obtain permission in advance from the Secretary of the Commission.

CLOSED MEETING - WEDNESDAY, OCTOBER 12, 1977 - 10 A.M.

The subject matter of the October 12 closed meeting will be: Formal orders of investigation; Institution of injunctive actions; Institution of administrative proceedings; Simultaneous institution and settlement of administrative proceeding; Referral of investigative files to Federal, State or Self Regulatory authorities; Other litigation matter.

OPEN MEETING - THURSDAY, OCTOBER 13, 1977 - 10 A.M.

The subject matter of the October 13 open meeting will be:

- (1) Application of Sanford S. Trontz to allow him to be employed as a registered representative by Hornblower, Weeks, Noyes & Trask, Inc., a registered broker-dealer, in a non-supervisory, non-proprietary capacity, with adequate supervision.
- (2) Petition for review filed by Titan Wells, Inc. of staff denial of extension of time to file Form 10-K pursuant to Rule 12b-25 under the Securities Exchange Act of 1934.
- (3) Proposed Amendments to New York Stock Exchange Rule 110 and Rules 109 and 112, which would remove several major direct restrictions on floor trading activity.
- (4) Proposed amendments to the net capital rule, Rule 15c3-1, which (1) would eliminate present exemption of certain specialists in listed options from the net capital and would require them to maintain net capital of at least \$25,000 and prescribe early warning and surveillance reports by firms that carry such specialists accounts and (2) would proposed adjustments in the calculation of net capital with respect to specialists positions in options.
- (5) Proposed amendments to the Municipal Securities Rulemaking Board's recordkeeping and retention rules to eliminate the requirement that a municipal securities broker and dealer obtain evidences of authority to transact business for joint, corporate, partnership and certain other accounts. In lieu of this, the amended rule would prescribe that the broker or dealer enter the name (and address if other than that on the account) of the person entering the order on the trading ticket or a comparable record.
- (6) Applications of CMA Money Trust and Merrill Lynch, Pierce, Fenner & Smith Incorporated for exemptive relief from the pricing provisions of Rule 22c-1 under the Investment Company Act of 1940 and the confirmation delivery requirements of Rules 10b-10 and 15c1-4 under the Securities Exchange Act of 1934.

For further information contact: Glynn Mays at (202) 755-1268.

COURT ENFORCEMENT ACTIONS

STUART SIEGLE SENTENCED

The SEC announced that Judge Richard Owen imposed a one year suspended sentence and one year unsupervised probation on Stuart Siegle in connection with a plea of guilty, to violations of the antifraud provisions of the Securities Exchange Act of 1934 entered on June 2. Siegle had been charged with a bribery scheme whereby in 1972 he arranged for his then employer, a New York broker-dealer, to borrow securities from Morgan Kennedy & Co., Inc., a now defunct New York broker-dealer, in order to alleviate the latter's cash shortage. In order to effect this scheme, Siegle falsified his employer's books and records to reflect a bona fide need to borrow the stock in question. The scheme was apparently intended to alleviate Morgan Kennedy's serious cash shortage and Morgan Kennedy's ledgers were falsified to misrepresent the transaction as a cash sale to a customer rather than as a stock loan. (U.S. v. Stuart Siegle, 77 Crim., 414, S.D.N.Y.). (LR-8135)

CHARLES KUMMER SENTENCED

The Los Angeles Regional Office announced that on September 19 Charles Kummer of New York City was sentenced to six months in jail and five years probation. Additionally, Kummer was fined \$5,000 and ordered to make restitution in the amount of \$222,500. Kummer, formerly a senior securities trader with Bankers Trust Company of New York was indicted on December 21, 1976 and charged with accepting \$800,000 in kickbacks from T. P. Richardson & Co., a now defunct Century City, California third market brokerage firm, in connection with a fraudulent scheme whereby Kummer caused pension funds managed by Bankers Trust to purchase securities for more than their market value and to sell securities below their market value resulting in losses in excess of \$3 million to the pension funds. Kummer's kickbacks were based upon a percentage of the profits T. P. Richardson & Co. made on its stock transactions with Bankers Trust Co. Kummer plead guilty to three counts of the indictment charging conspiracy, securities fraud and wire fraud.

In connection with the same case, Judge Hauk previously sentenced John Richardson to six months in jail and a \$5,000 fine and James Richardson to 4-1/2 months in jail and a \$2,500 fine. No trial date has been set for the remaining defendant, Thomas Patrick Richardson. Thomas Patrick Richardson has previously been sentenced to six years in prison in connection with another case involving massive short sales of securities and is free on bond pending appeal. (U.S. v. Charles Kummer, et al., C.D. Cal., CR-76-1558-AAH). (LR-8136)

AGUACATE CONSOLIDATED MINES, S.A., OTHERS ENJOINED

The SEC announced the filing, in the U.S. District Court for the District of Columbia, of a civil injunctive action seeking to enjoin Aguacate Consolidated Mines, S.A., Fabio Fournier J. (Fournier J.), Alfredo Fournier B. (Fournier B.) and Victor C. Rasmussen from further violations of the registration and antifraud provisions of the securities laws. The complaint alleges, among other things, that commencing in or about January, 1975 Aguacate, a company purportedly engaged in the mining of gold and silver in Costa Rica, and Fournier J., Fournier B. and Rasmussen -- all present or former Aguacate officers -- sold and caused to be sold hundreds of thousands of shares of Aguacate stock to, among others, United States investors in violation of the registration provisions of the securities laws. The complaint further alleges that in these sales, the defendants made and caused to be made materially false and misleading statements relating to, among other things, the assets and operations of Aguacate. (SEC v. Aguacate Consolidated Mines, S.A., et al., U.S.D.C. D.C., Civil Action No. 77-1737). (LR-8137)

INVESTMENT COMPANY ACT RELEASES

THE AETNA VARIABLE ANNUITY LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until October 25 to request a hearing on an application of Aetna Variable Annuity Life Insurance Company (AVAR), a Connecticut stock life insurance company, and Aetna Variable Annuity Life Insurance Company Separate Account C, a separate account of AVAR registered under the Investment Company Act of 1940 as a unit investment trust (hereinafter collectively referred to as Applicants), for an order pursuant to Section 6(c) of the Act granting exemption from Sections 22(e), 27(c)(1) and 27(d) to the extent necessary to permit compliance by Applicants with certain provisions of the Education Code of the State of Texas as it would apply to payments made on variable annuity contracts subsequent to the date of the requested order. (Rel. IC-9951 - Sept. 30)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

Notices have been issued giving interested persons until October 15 to request a hearing on applications of the Philadelphia Stock Exchange, Inc. for unlisted trading privileges in the common stock of the following companies: Curtis Noll Corporation, no par value and Ranger Oil (Canada) Ltd., no par value. (Rel. 34-14014)

DELISTING GRANTED

Orders have been issued, effective nunc pro tunc on September 12, granting the applications of the Philadelphia Stock Exchange, Inc. to strike from listing and registration the specified securities of the following companies: Allegheny Ludlum Industries, Inc., common stock, \$1.00 par value, and 4% convertible subordinated debentures; The Pep Boys - Manny, Moe & Jack, common stock, \$1.00 par value; and AAI Corporation, common stock, \$1.00 par value. (Rel. 34-14015)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Midwest Stock Exchange, Inc. (SR-MSE-77-23) to provide procedures relating to the suspension or termination of the registration of special registrants. (Rel. 34-14007)

The Commission has approved proposed rule changes filed by the Midwest Stock Exchange, Inc. (SR-MSE-77-16) to prescribe the circumstances under which the registration of specialists, co-specialists or relief specialists may be suspended or terminated; and (SR-MSE-77-20) to prescribe the circumstances under which the registration of an odd-lot dealer may be suspended or terminated. (Rel. 34-14008 and 34-14009)

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) PHILLIPS CONTROL CORPORATION, 2350 South Kalamath, Denver, Colo. 80223 (303) 936-4894 - 950,000 shares of common stock and 80,000 shares of underlying common stock. Underwriter: Engler & Budd Company. (File 2-59979 - Sept. 29)
- (S-8) GREAT LAKES FINANCIAL CORPORATION, 220 Ottawa Ave., N.W., Grand Rapids, Mich. 49503 - 49,400 shares of common stock. (File 2-59995 - Sept. 30)
- (S-7) CREDITHRIFT FINANCIAL CORPORATION, 601 N.W. Second St., Evansville, Ind. 47708 (812) 424-8031 - \$35 million of senior notes, due 1988, and \$15 million of subordinated notes, due 1992. Underwriter: Merrill Lynch, Pierce, Fenner & Smith Inc. (File 2-59997 - Sept. 30)
- (S-16) TIME HOLDINGS, INC., 735 North Fifth St., Milwaukee, Wis. 53203 - 80,000 shares of common stock. (File 2-59998 - Sept. 30)
- (S-B) UNITED MEXICAN STATES, The Mexican Embassy, 2829 Sixteenth St., N.W., Washington, D.C. 20009 - \$50 million of external bonds, due 1982. Underwriters: Merrill Lynch, Pierce, Fenner & Smith Inc., Kuhn Loeb & Co. Inc. and The First Boston Corporation. (File 2-59999 - Sept. 30)
- (S-7) LEISURE DYNAMICS, INC., 4400 West 78th St., Minneapolis, Minn. 55435 (612) 835-3000 - \$4,750,000 of subordinated debentures, due 1989. Underwriter: Dain, Kalman & Quail Inc. (File 2-60000 - Oct. 3)
- (S-1) THE CONDREN CORPORATION, 601 Nassau St., North Brunswick. N.J. 08902 - 50,000 shares of common stock. (File 2-60001 - Oct. 3)

- (S-1) EMPLOYEE BENEFITS INCORPORATED, 66 East Rosemary St., San Jose, Cal. 95112 - 210,000 shares of common stock. (File 2-560002 - Oct. 3)
- (S-16) SUPRON ENERGY CORPORATION, Suite 1700 Campbell Centre, 8350 North Central Expressway, Dallas, Tex. 75206 (214) 691-9141 - 42,015 shares of common stock. (File 2-560005 - Sept. 30)
- (S-16) STANDARD BRANDS INCORPORATED, 625 Madison Ave., New York, N.Y. 10022 - 24,576 shares of common stock. (File 2-560006 - Oct. 3)

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.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45/yr in U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail; \$54.65 elsewhere.

SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in U.S. first class mail; \$18.75 elsewhere.

The News Digest, the Docket, and the Statistical Bulletin are for sale by the superintendent of Documents, Government Printing Office, Washington, D.C. 20402.