

sec news digest

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ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

EDWARD C. JAEGERMAN, NEW YORK ATTORNEY,
RESIGNS FROM COMMISSION PRACTICE

The Commission has accepted the resignation of Edward C. Jaegerman, an attorney of New York, New York, from practice before the Commission and terminated proceedings which had been instituted against him under Rule 2(e) of the Commission's Rules of Practice. Those proceedings had been instituted on the basis of findings, previously made in a Commission administrative proceeding, that he wilfully aided and abetted violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. (Rel. 34-14028)

NOTICE OF COMMISSION MEETINGS

CHANGES IN THE MEETING SCHEDULE

The following item will be considered by the Commission at a closed meeting to be held on Monday, October 17, 1977, at 2 p.m.: Regulatory matters bearing enforcement implications.

The following additional item will be considered by the Commission at an open meeting scheduled for Thursday, October 20, 1977, at 10 a.m.: Proposed amendments to Regulation S-X concerning (1) the permanent exemption of mineral resource assets employed in oil and gas producing operations from Rule 3.17, replacement cost disclosures and (2) disclosure of information on the estimated future net revenues from proved oil and gas reserves. ✓

COURT ENFORCEMENT ACTIONS

CHARLES JACQUIN ET CIE., INC., OTHERS ENJOINED

The Commission announced that on October 17 the U.S. District Court entered judgments of permanent injunction against Charles Jacquin, et Cie., Inc., (Jacquin), a Pennsylvania corporation, engaged in the production and importation of alcoholic beverage products, and two of its officers, Jerome J. Cooper (J. Cooper), secretary-treasurer, and Norton Cooper (N. Cooper), vice-president, restraining and enjoining them from further violations of the antifraud, reporting and proxy provisions of the securities laws. Jacquin, J. Cooper and N. Cooper consented to the entry of the orders without admitting or denying the allegations in the Commission's complaint.

The Commission's complaint alleges that during the period from at least 1969 to 1977, Jacquin, J. Cooper and N. Cooper made undisclosed payments of money and other assets of Jacquin to customers and others, including payments to state alcoholic beverage control officials, as inducements to purchase Jacquin products. The complaint also alleges that J. Cooper and N. Cooper, without disclosure, diverted and caused the diversion of Jacquin funds and assets for their own benefit and for the benefit of members of their family, two of whom were also officers and directors of Jacquin, and that in connection with all the aforementioned activity, false and misleading entries were made in Jacquin's accounting system and that false and misleading filings were made with the Commission.

In addition to consenting to the entry of the judgment of permanent injunction, Jacquin agreed to certain ancillary relief, including: the expansion of Jacquin's board of directors (Board) to include two additional independent directors; the establishment and maintenance of an audit committee of the Board, composed of the two additional independent directors; and the appointment of a Special Counsel to conduct an investigation, recommend corrective measures and, with the approval of the Board, take appropriate action against any Jacquin officer, director or employee. (SEC v. Charles Jacquin et Cie., Inc., et al., U.S.D.C. D.C., Civil Action No. 77-1794, Richie J.). (LR-8164)

FRANK R. CARCAISE, OTHERS INDICTED

On September 28 an indictment was filed in the U.S. District Court for the Middle District of Florida, Orlando Division, charging violations of the mail fraud and conspiracy statutes by Frank R. Carcaise, Robert T. Schwer, Steven A. Stephanian, R. William Hable, and Martin Kingshill. The indictment charged that the violations of the law occurred between December, 1972 and approximately December, 1974 in the offer and sale by LTP Properties, Inc. of approximately \$6,200,000 of its corporate promissory notes. This criminal action, arose as a result of the Commission's civil action against LTP Properties, Inc. and others for a preliminary and permanent injunction in the appointment of a receiver. (U.S. v. Frank R. Carcaise, et al., M.D. Fla., Case No. 77-67-ORL-CR-R). (LR-8156)

COMPLAINT NAMES GLOBE NATURAL GAS, OTHERS

The Washington Regional Office announced that on October 4 a civil complaint was filed in the Charleston, West Virginia, federal court against Globe Natural Gas Company of Harrisville, West Virginia; John A. Kaye of Devola, Ohio; Braxton L. Lipscomb, Jr. of Hurricane, West Virginia; and Sanford W. Harrison, Sr. of Nitro, West Virginia. The complaint alleges that the defendants offered and sold Globe securities, including common stock of the company, interests in oil and gas wells, notes, and investment contracts relating to certificates of deposit and coal interests, in violation of the registration and antifraud provisions of the securities laws. The complaint further alleges that the defendants obtained over \$700,000 of investor funds through the use of misrepresentations and omissions of material facts relating to, among other things, the use of proceeds from the sales and the expected returns from an investment. The Commission is seeking a preliminary and permanent injunction, and an accounting. The complaint is based on information obtained in a joint investigation of this matter by the West Virginia State Auditor's Office and the Securities and Exchange Commission. (SEC v. Globe Natural Gas Company, et al., S.D.W. Va., Civil Action No. 77-2447-CH). (LR-8157)

CHARLES J. JOHNSON AND MILFORD A. SIMMS SENTENCED

The Denver Regional Office announced that on July 26 Charles J. Johnson plead guilty to two counts of securities fraud which were contained in a 16 count indictment alleging violations of the antifraud and broker-dealer filing requirements of the Securities Exchange Act of 1934. On September 1 U.S. District Court Judge Sherman G. Finesilver sentenced Mr. Johnson to a 3-1/2 year probation with the provision that he make restitution to investors. On July 29 Milford A. Simms plead guilty to one count of securities fraud which was contained in the aforementioned indictment. On September 1 Judge Finesilver sentenced Mr. Simms to 3-1/2 years probation with the provision that he make restitution to investors. On September 16 Judge Finesilver accepted a nolo-contendere plea by Westco Financial Corporation to one count of securities fraud contained in the indictment. Westco Financial Corporation was fined \$5000. (U.S. v. Westco Financial Corporation, et al., U.S.D.C., CR-77-158). (LR-8158)

JOHN FALETTI, OTHERS PLEAD GUILTY

The Fort Worth Regional Office announced that on October 3 John Faletti, Irving, Texas, pleaded guilty to one count of an indictment charging wire fraud; Martin Kingshill, III, Houston, Texas, pleaded guilty to an information charging felony securities fraud; and William Brewer, Dallas, Texas; Gerald Dixon Fletcher, Houston, and Kenneth Raymond Barnes, Houston, each pleaded guilty to a separate information charging misdemeanor securities fraud filed in the Federal District Court at New Orleans, Louisiana. The alleged violations arose in connection with the offer and sale of fractional undivided working interests in oil and gas leases issued by Southern Crude Oil & Gas Co., Inc. (U.S. v. Martin Kingshill, III, et al., E.D. La., Criminal Docket No. 76-654). (LR-8159)

INVESTMENT COMPANY ACT RELEASES

CMA MONEY TRUST

A notice has been issued giving interested persons until November 8 to request a hearing on an application of CMA Money Trust (Applicant) for an order pursuant to Section 6(c) of the Act exempting Applicant from the pricing provisions of Rule 22c-1 under the Act. (Rel. IC-9958 - Oct. 14)

PEACHTREE EQUITY SECURITIES

A notice has been issued giving interested persons until November 7 to request a hearing on an application of Peachtree Equity Securities, Inc., an open-end, diversified management investment company, for an order declaring that it has ceased to be an investment company. (Rel. IC-9959 - Oct. 14)

FORD INTERNATIONAL CAPITAL CORPORATION

An order has been issued on an application of Ford International Capital Corporation (Applicant) pursuant to Section 6(c) of the Act and Rule 6c-1(c)(2) thereunder, exempting Applicant from all provisions of the Act in connection with the proposed sale by Applicant overseas of its 1977 notes. (Rel. IC-9960 - Oct. 17)

HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM

An order has been issued releasing jurisdiction over the issuance of installment notes due 1998 by Columbia of Kentucky, Columbia of Pennsylvania and Columbia of Virginia, all of which are subsidiaries of The Columbia Gas System, Inc., in the amounts of \$400,000 by Columbia of Kentucky, \$5,100,000 by Columbia of Pennsylvania and \$700,000 by Columbia of Virginia. The notes will be sold to the holding company and the proceeds of the sale will be used by the subsidiaries to finance their construction and gas supply programs. Jurisdiction has been reserved with respect to the issuance of installment notes by Columbia of New York. (Rel. 35-20212 - Oct. 17)

LOUISIANA POWER & LIGHT COMPANY

An order has been issued authorizing Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., to issue and sell 300,000 shares of a new series of cumulative preferred stock, \$100 par value per share, at competitive bidding. (Rel. 35-20213 - Oct. 17)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Philadelphia Stock Exchange Inc. for unlisted trading privileges in the common stock, \$1.00 par value, of Levi Strauss and Company. (Rel. 34-14054)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed a proposed rule change under Rule 19b-4 (SR-MSRB-77-15) to reduce the underwriting assessment for municipal securities brokers and municipal securities dealers. Publication of the proposal is expected to be made in the Federal Register during the week of October 17. (Rel. 34-14051)

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-8) THE LIMITED STORES, INC., 4661 East Main St., Whitehall, Ohio 43213 - 450,000 shares of common stock. (File 2-60060 - Oct. 13)
- (S-7) PUBLIC SERVICE COMPANY OF COLORADO, 550 15th St., Denver, Colo. 80202 (303) 571-7511 - \$50 million of first mortgage bonds, due 2007. Underwriters: Kidder, Peabody & Co. Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. (File 2-60082 - Oct. 14), and 2,200,000 shares of common stock. (File 2-60083 - Oct. 14)
- (S-16) SUNDANCE OIL COMPANY, 1776 Lincoln St., Suite 510, Denver, Colo. 80203 - 2,800 shares of common stock. (File 2-60084 - Oct. 14)
- (S-8) FLAGG INDUSTRIES, INC., 7101 Sepulveda Blvd., Van Nuys, Cal. 91405 - 107,000 shares of common stock. (File 2-60085 - Oct. 17)

- (S-8) CONTINUOUS CURVE CONTACT LENSES, INC., 8006 Engineer Rd., San Diego, Cal. 92111 - 108,500 shares of common stock. (File 2-60086 - Oct. 17)
- (S-7) INTERNATIONAL KING'S TABLE, INC., 2468 West 11th Ave., Eugene, Ore. 97402 (503) 686-8030 - 496,800 shares of common stock. Underwriters: Robertson, Colman, Siebel & Weisel and Black & Company, Inc. (File 2-60087 - Oct. 17)
- (S-6) E. F. HUTTON CORPORATE INCOME TRUST, THIRTEENTH SERIES, One Battery Park Plaza, New York, N.Y. 10004 - 18,750 units. Depositor. E. F. Hutton & Co. Inc. (File 2-60088 - Oct. 17)
- (S-7) KANSAS GAS AND ELECTRIC COMPANY, 201 North Market St., Wichita, Kan. 67201 (316) 264-1111 - 1,200,000 shares of common stock. Underwriters: Kidder, Peabody & Co. Inc., Bache Halsey Stuart Shields Inc. and Paine, Webber, Jackson & Curtis Inc. (File 2-60089 - Oct. 17)
- (S-8) UNITED INDUSTRIAL CORPORATION, 660 Madison Ave., New York, N.Y. 10021 - 8,931 shares of common stock. (File 2-60091 - Oct. 17)

REGISTRATIONS EFFECTIVE

Oct. 13: Aetna Life and Casualty Co., 2-59954; American Heritage Life Investment Corp., 2-59683; Di Giorgio Corp., 2-59836; Itel Corp., 2-59988; The Pillsbury Co., 2-59947; Varco International, Inc., 2-59711.

Oct. 14: American Telecommunications Corp., 2-59885; Clevetrust Corp., 2-59842; Gulf Resources & Chemical Corp., 2-59935; Joy Manufacturing Co., 2-59932; Pacific Power & Light Co., 2-59931 & 2-59942; State Farm Interim Fund, Inc., 2-58160; State Farm Municipal Bond Fund, Inc., 2-58161.

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 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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