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RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

WITHDRAWN AND ADOPTED AMENDMENTS TO RULE 144(e) AND ADOPTED AMENDMENTS TO FORMS 10-K, 12-K and 10-Q

The Commission announced on June 8 the withdrawal of its proposal to amend the volume limitation provisions of Securities Act Rule 144 applicable to sales of securities quoted on the automated quotation system of a registered national securities exchange. The proposal was published for comment in Securities Act Release No. 5613 (September 11, 1975). In withdrawing the proposal, the Commission stated that it would monitor sales of securities under Rule 144 to determine, on or before June 30, 1977, whether the impact upon the trading markets of sales of both exchange-listed and over-the-counter securities under the Rule requires further modification of the present volume limitation provisions of the Rule.

Interested persons are invited to submit their views on the Rule's volume limitation provisions to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol St., Washington, D.C. 20549, no later than June 30, 1977. Reference should be made to File No. S7-584. All comments received will be available for public inspection.

The Commission also announced the adoption of an amendment to paragraph (e)(1)(A)(2) of Rule 144 permitting the use of trading volume reported on the consolidated tape in determining the amount of securities which may be sold under the Rule.

The Commission has adopted amendments to Forms 10-K, 12-K and 10-Q, requiring corporate issuers to state the number of shares outstanding of each class of their common stock on the facing sheets to reports on those forms. The amendments, which are a modified version of those proposed for comment in Securities Act Release No. 5613 (September 11, 1975), are intended to aid persons in complying with Rule 144.

The Commission also adopted an amendment to Form 12-K requiring the facing sheet of reports filed on that form to include a statement as to the registrant's compliance with the reporting requirements under the Securities Exchange Act.

The foregoing amendments to Forms 10-K, 12-K and 10-Q are effective for filings made on or after September 30, 1976. (Rel. 33-5717)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

NASD ACTION AGAINST SHASKAN & CO., INC. AND PRINCIPALS MODIFIED

The Commission has affirmed the NASD's 10-day suspension from membership of the former New York City broker-dealer firm of Shaskan & Co., Inc., and the imposition of a \$500 fine on Sidney Buchman, a vice president of the firm. However, the Commission reduced to \$1,000 the \$2,000 fine imposed by the NASD on Joseph Buchman, one of the firm's principals, and set aside in toto the NASD's action against Meyer Buchman, the firm's board chairman and president.

The Commission found, as had the NASD, that the firm's failure to honor a contractual commitment to purchase 300 shares of common stock of Crystalography Corporation was unethical. It rejected the contention that Shaskan had reasonable grounds to believe that the transaction was tainted with fraud.

The Commission reduced the sanction imposed on Joseph Buchman in light of his apparent reliance on advice of counsel, and in view of the fact that it found no violations in connection with another Shaskan transaction cited by the NASD. The Commission found that Meyer Buchman had neither responsibility for nor knowledge of the violative transaction. (Rel. 34-12492)

TRADING SUSPENSIONS

TRADING SUSPENDED IN DYNA GRAPHICS INTERNATIONAL, INC.

The SEC announced the single ten day suspension of exchange and over-the-counter trading in the securities of Dyna Graphics International Inc., a Utah corporation located in Anaheim, California, for the period beginning on June 8 and terminating at midnight (EDT) on June 17, 1976. The Commission ordered the suspension because of the lack of adequate and accurate information available to the public concerning the company's financial condition and operations. (Rel. 34-12522)

ADDITIONAL ACTION ON ONE TRADING SUSPENSION

The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Equity Funding Corp. and Orion Capital Corp., its reorganized successor, for the further ten-day period June 10-19, inclusive.

COURT ENFORCEMENT ACTIONS

BUTLER NATIONAL CORPORATION ENJOINED

The Commission announced that on June 7 the U.S. District Court for the District of Columbia entered a Judgement of Permanent Injunction enjoining Butler National Corporation (Butler) from violating the antifraud and reporting provisions of the Securities Exchange Act of 1934. In addition, the Court ordered Butler to correct and amend its annual and other periodic reports currently on file with the Commission so that those reports comply with the federal securities laws. Butler consented to the entry of the judgment without admitting or denying the allegations in the Commission's complaint, which was filed the same day. The complaint alleged that Butler violated the antifraud and reporting provisions of the Securities Exchange Act of 1934 in connection with: (1) the payment of \$102,500 to a foreign representative who was employed by a foreign government while acting as an agent for Butler in connection with obtaining a sales contract for the company; (2) the recordation of inadequate and incomplete entries on the company's books and records; and (3) the filing of an annual report with the Commission which failed to disclose the above transaction. Butler is a manufacturer of aviation equipment located in Lenexa, Kansas, and is unrelated to Butler International, Inc. (formerly Butler Aviation International, Inc.) or Butler Manufacturing Company. (SEC v. Butler National Corporation, U.S.D.C. D.C., Civil Action No. 76-0996). (LR-7434)

CLIFFORD W. RUSSELL SENTENCED

The Fort Worth Regional Office announced that on May 21 Clifford W. Russell, Dallas, Texas, was sentenced to five years imprisonment by Federal District Judge Sarah T. Hughes at Dallas, on a plea of guilty to one count of mail fraud and one count of securities fraud. (U.S. v. Clifford W. Russell, N/D Tex., No. CR-3-75-421). (LR-7435)

H-A-V-E OIL CO. ENJOINED

The Chicago Regional Office announced that on June 3 a Final Judgment of Permanent Injunction by consent was entered by the Honorable Joel M. Flaum against H-A-V-E Oil Co. The injunction was issued in connection with the fraudulent sale of fractional undivided interests in oil and gas leases. H-A-V-E Oil Co. was enjoined from further violations of the antifraud provisions of the securities laws. The Court also ordered that the defendant supply the Court within sixty days with an accounting of funds raised from public investors, and the uses of such funds. (SEC v. R-B Development Co., N.D. Ill., Civil No. 76 C 1721). (LR-7436)

INVESTMENT COMPANY ACT RELEASES

THE STOCK FUND OF AMERICA

An order has been issued on an application by The Stock Fund of America, Inc. (SFA), and The Investment Company of America (ICA), both open-end, diversified, management investment companies, permitting a proposed merger of SFA into ICA. (Rel. IC-9314 - June 7)

HOLDING COMPANY ACT RELEASES

OHIO EDISON COMPANY

A notice has been issued giving interested persons until June 30 to request a hearing on a proposal by Ohio Edison Company and its subsidiary, Pennsylvania Power Company, that they make short-term borrowings and guarantees of loans to a third party in aggregate principal amounts of \$166 million and \$30 million for Ohio Power and Penn Power, respectively, through June 30, 1977. (Rel. 35-19566 - June 8)

THE POTOMAC EDISON COMPANY

An order has been issued authorizing the Potomac Edison Company, subsidiary of Allegheny Power System, Inc., to issue and sell separately at competitive bidding up to 150,000 shares of its cumulative preferred stock, par value \$100, and up to \$25 million aggregate principal amount of its first mortgage bonds. (Rel. 35-19565 - June 8)

TRUST INDENTURE ACT RELEASES

ROCHESTER GAS AND ELECTRIC CORPORATION

An order has been issued under the Trust Indenture Act of 1939 on an application of Rochester Gas and Electric Corporation, exempting its first mortgage bonds, due 2006, Series BB, from the provisions of Section 316(a)(1) of the Act. (Rel. TI-437)

SECURITIES ACT REGISTRATIONS

(S-B) THE MUNICIPALITY OF METROPOLITAN TORONTO (CANADA)

\$65 million twenty year debentures, due 1996, and \$25 million ten year debentures, due 1986, to be offered for sale through underwriters headed by Salomon Brothers, 1 New York Plaza, New York, N.Y. 10004, Dominion Securities Harris & Partners Inc., 100 Wall St., New York, N.Y. 10005 and Wood Gundy Inc., 100 Wall St., New York, N.Y. 10005. (File 2-56538 - June 4)

(S-1) DATA TERMINAL SYSTEMS, INC.

124 Acton St., Maynard, Mass. 01754 - 380,000 shares of common stock, to be offered for sale through underwriters managed by Paine, Webber, Jackson & Curtis Inc., 100 Federal St., Boston, Mass. 02110. 155,000 of such shares will be offered for the account of certain stockholders. The company designs, manufactures and markets electronic terminals which perform cash register and data processing functions for use in retail business control systems. (File 2-56539 - June 4)

(S-6) MUNICIPAL INVESTMENT TRUST FUND, SECOND INTERMEDIATE TERM SERIES

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The Fund, a unit investment trust, is to be created by a trust agreement among Merrill Lynch, Bache Halsey Stuart Inc. and Reynolds Securities Inc., as sponsors, The Bank of New York, as trustee, and Standard & Poor's Corp. as evaluator. The Fund's primary objective is providing tax exempt income through investment in a fixed portfolio of interest-bearing, intermediate term state, municipal and public authority bonds. (File 2-56540 - June 4)

(S-7) NIAGARA MOHAWK POWER CORPORATION

300 Erie Boulevard West, Syracuse, N.Y. 13202 - 4,000,000 shares of common stock, to be sold pursuant to a negotiated underwriting, the underwriters being represented by Merrill Lynch, Pierce, Fenner & Smith Inc., and Salomon Brothers. The company is engaged in the electric and gas utility business. (File 2-56541 - June 4)

(S-1) ZOECON CORPORATION

975 California Ave., Palo Alto, Cal. 94304 - 1,114,934 shares of common stock, of which 1,088,500 shares will be distributed to shareholders of Syntex Corporation in the ratio of 1 share for each 19 shares of Syntex, and 26,434 shares will be sold and the proceeds used for expenses resulting from the distribution and for general corporate

purposes of Syntex. Zoecon is engaged in research and development, manufacturing and marketing of products that improve the health of animals and plants, primarily by controlling insect pests. (File 2-56542 - June 4)

(S-1) DOCUMENTATION INCORPORATED

340 Kirby Lane, Palm Bay, Fla. 32905 - 434,000 shares of common stock, to be offered for sale through underwriters represented by C. E. Unterberg, Towbin Co., 61 Broadway, New York, N.Y. 10006. Of the shares so offered 300,000 shares are being offered by Documentation and 134,000 shares are being offered by certain selling shareholders. Documentation designs, develops, manufactures and markets precision electro-mechanical, computer-related products, including card readers, punches and card processing sub-systems. (File 2-56544 - June 4)

(S-1) TELEMED CORPORATION

2345 Pembroke Ave., Hoffman Estates, Ill. 60195 - 412,900 shares of common stock, to be offered for sale through underwriters headed by Prescott, Ball & Turben, 900 National City Bank Bldg., Cleveland, Ohio 44114 and Faulkner, Dawkins & Sullivan, Inc., One New York Plaza, New York, N.Y. 10004. Of the shares to be offered, 300,000 shares will be sold by the company and 112,900 shares will be sold by certain selling stockholders. Telemed Corp. and its wholly-owned subsidiary, Health Technology Laboratories, Inc., provide services and equipment to hospitals and physicians, primarily by furnishing computerized analyses of certain electrocardiographic tests. (File 2-56546 - June 4)

(S-7) JAMES RIVER CORPORATION OF VIRGINIA

Tredegear St., Richmond, Va. 23217 - 500,000 shares of common stock, 325,000 of which are being offered for sale by the company and 175,000 of which are being offered for sale by certain shareholders at prices current at the time of sale through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Square, New York, N.Y. 10005; Scott & Stringfellow, Inc., 909 East Main St., Richmond Va. 23219; and Wheat First Securities, Inc., 1600 Ross Bldg., Richmond, Va. 23219. The company manufactures specialty industrial papers. (File 2-56549 - June 4)

(S-1) CENCOR, INC.

1003 Walnut St., Kansas City, Mo. 64106 - \$10 million of subordinated notes, to be offered for sale at par in denominations of \$500 up. The company is engaged in businesses offering personal services, including consumer finance, day care and pre-school education, tax return preparation and paramedical education. (File 2-56550 - June 7)

(S-1) FLORIDA COAST BANKS, INC.

2850 North Federal Highway, Lighthouse Point, Fla. - \$7 million of capital notes, due 1984, to be offered for sale in units of not less than \$500, by officers of the company on a "best efforts" basis. The company is a Florida bank holding company. (File 2-56554 - June 4)

(S-1) BEATRICE FOODS CO.

120 South LaSalle St., Chicago, Ill. 60603 - 6,000,000 shares of common stock, which may be issued or delivered from time to time in connection with future acquisitions and mergers. Beatrice is primarily engaged in food manufacturing, processing and related services and is also engaged in the production of manufactured and chemical products. (File 2-56558 - June 8)

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 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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