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October 29, 1976

RULES AND RELATED MATTERS

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TIME FOR COMMENTS RELATING TO PROPOSED U.S. SECURITIES AND AMENDMENTS TO FORM U5S EXTENDED EXCHANGE COMMISSION

On October 5 the SEC invited public comments on proposed amendments to Form U5S pursuant to Section 5(c) and 20(a) of the 1935 Act (Rel. 35-19705). The time for submitting comments on Form U5S proposed amendments would have expired November 1, 1976, but the Commission has extended the comment period to November 15, 1976. (Rel. 35-19731)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

ROBERT BYRON STANAT SUSPENDED

The Commission has suspended Robert Byron Stanat of Pine, Colorado, former vice-president of Douglass & Co. Incorporated, for sixty business days from association with any broker-dealer and ordered that he thereafter be barred from holding any proprietary interests in any broker-dealer or any position as an officer or director of, or supervisor in, any broker-dealer for two and one-half years. In addition, Stanat has undertaken to attend an appropriate NASD course during the period of his suspension.

The sanctions are based upon findings that Stanat violated certain provisions of the securities laws in the offer and sale of securities of Polaris Mining Company and in connection with the failure of the firm to maintain required minimum capital and required books and records. The Commission's action was taken pursuant to an offer of settlement in which, without admitting or denying the charges against him, Stanat consented to the above findings and sanctions. (Rel. 34-12908)

BEATRICE M. HERGERT AND FINANCIAL MANAGEMENT CORPORATION SANCTIONED

In these Investment Adviser and Investment Company Act proceedings, Beatrice M. Hergert and Financial Management Corporation failed to answer the order that instituted these proceedings and are therefore in default. Hergert is barred from being associated with any broker or dealer or investment adviser and permanently prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter, and that the registration of Financial Management Corporation as an investment adviser and broker-dealer is revoked. (Rel. 34-12910)

COMMISSION ANNOUNCEMENTS

ADVISORY COMMITTEE ON REPLACEMENT COST IMPLEMENTATION MEETING ANNOUNCED

The Advisory Committee on Replacement Cost Implementation will conduct a meeting on December 6, 1976 at the SEC, 500 North Capitol Street, Washington, D.C. 20549 beginning at 9:30 a.m. This meeting will be open to the public.

This will be the fifth meeting of the Advisory Committee. The purpose of the meeting is to (1) discuss the Chief Accountant's recommended solutions to questions put before the Advisory Committee at its previous meeting (September 17, 1976), (2) discuss various aspects of the implementation questions having come to the attention of the Chief Accountant of the SEC since the date of the previous meetings.

Further information on this matter may be obtained by writing: Mr. George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES CARL E. ROYSE
AND GEORGE E. CARR

The Chicago Regional Office announced that on October 21 a civil injunctive complaint was filed in the Federal Court at Grand Rapids, Michigan against Carl E. Royse, individually and doing business as C.E.R. Production Company, Olney, Illinois, Royse Drilling Company, Inc., an Illinois corporation; and George E. Carr, Stone Mountain, Georgia. The suit seeks to enjoin the defendants from violations of the registration and antifraud provisions of the securities laws in the sale of fractional interests in oil and gas leaseholds. (SEC v. Carl E. Royse, et al., W.D. Mich., S. Div., C-76-533). (LR-7617)

COMPLAINT NAMES VALEER INDUSTRIES, INC.
AND CLYDE R. JOHNSON

The Chicago Regional Office announced that on October 7 a complaint was filed in Federal District Court, Chicago, Illinois, seeking to enjoin Valeer Industries, Inc. and Clyde R. Johnson, all of Chicago, from violations of the registration and antifraud provisions of the securities laws in the offer and sale of common stock of Valeer Industries, Inc. The complaint alleges that in the offer and sale of such securities, the defendants omitted to state material facts to purchasers and prospective purchasers concerning, among other things, that defendant Valeer was experiencing substantial losses from operations during 1975 and 1976, and that Valeer had received cash of only approximately \$82,000 from sales and \$220,000 from investors during July 1975 to March 1976. Also that Valeer had only total sales of \$119,750 for the year ending March 31, 1975 and \$119,000 for the year ending March 31, 1976, and that Valeer had no more than 160 active distributors.

The complaint further alleged that in the offer and sale of such securities, Johnson made false and misleading statements of material facts to purchasers and prospective purchasers concerning, among other things, that Valeer had a sales force of 3,000 active distributors and that Valeer had current sales in fiscal 1975 of \$3 million and in 1976 would have sales of \$10 million. Also that investors' stock would be repurchased by Valeer in the event the investor terminated his employment with Valeer. (SEC v. Valeer Industries, Inc. and Clyde R. Johnson, N.D. Ill., Eastern Division Civil Action No. 76-C-3753). (LR-7618)

JAMES CORR, OTHERS SENTENCED

The Commission announced that Judge Aubrey E. Robinson, Jr., U.S. District Court for the District of Columbia, sentenced James E. Corr III (J. Corr) to the maximum sentence allowable under the law for non-jury criminal contempt cases, a six month term of imprisonment and a \$500 fine in J. Corr's violation of a preliminary injunction. Neica L. Corr, his wife, also convicted of criminal contempt, was fined \$500 and was put on probation for two years. J. Corr is free on bail pending appeal.

Judge Robinson's July 31, 1975 order of preliminary injunction prohibited the Corrs from pledging, selling or transferring their ownership in the common stock of American Agronomics Corporation (AA). On September 9 Judge Robinson found the Corrs had wilfully violated the preliminary injunction by pledging 8,000 shares of AA on September 15, 1975 to James R. Gray of Clearwater, Florida. (SEC v. James E. Corr, et al., Civil Action No. 75-0386 D.D.C.). (LR-7619)

JOHN C. SPENCER AND
WILLIAM J. HAMILTON ENJOINED

The Atlanta Regional Office announced that on October 14 the Honorable Charles A. Moyer, Jr., U.S. District Judge for the Northern District of Georgia, entered an order of permanent injunction enjoining John C. Spencer and William J. Hamilton, both of Atlanta, from violations of the registration and antifraud provisions of the securities laws in the offer and sale of promissory notes of the Roy D. Warren Realty Co., Inc. The defendants consented to the entry of the order without admitting or denying the allegations of the Commission's complaint. (SEC v. John C. Spencer and William J. Hamilton, N.D. Ga., C76-1588A). (LR-7620)

ROBERT R. ADLEY AND
GROVER F. BRITT ENJOINED

The Fort Worth Regional Office announced that the U.S. District Court, Shreveport, Louisiana, on October 18 entered an order permanently enjoining Robert R. Adley, Bossier City, Louisiana, and Grover F. Britt, Shreveport, from violations of the antifraud provisions of the securities laws in the offer and sale of fractional undivided

working interests in Louisiana oil and gas leases issued by E & H Oil Company, Inc. Adley and Britt consented to the order without admitting or denying the allegations of the Commission's complaint, filed June 23, 1975. (SEC v. E & H Oil Company, Inc., W. D. La.). (LR-7621)

KODIAK INDUSTRIES, OTHERS ENJOINED

The SEC announced the filing of a civil injunctive action in the U.S. District Court for the Southern District of California seeking to enjoin Kodiak Industries, Dominic J. Alessio, Anthony Alessio, Alvin G. Rosa and C. Arnholt Smith, from violations of Sections 10(b) (antifraud), 13(a) (reporting), 13(d) (Williams Act), 14(a) (proxy), 14(d) and 14(e) (tender offer) of the Securities Exchange Act of 1934 and Rules thereunder; and Fortuna Corporation from further violations of Sections 10(b), 13(a) and 14(a) of the Exchange Act and Rules thereunder.

The Commission's complaint alleges that since approximately May 1972, the defendants engaged in a scheme to conceal their intentions to effect a merger of Fortuna, a publicly held corporation, into Kodiak, a corporation owned by the Alessios and Rosa. The Commission alleged purpose of this merger is to permit the individual defendants to utilize Fortuna's assets and cash flow for their personal benefit. In addition, the complaint alleges that the defendants also engaged in a scheme to conceal Smith's control of, relationship to and business transactions with Kodiak and Fortuna.

Without admitting or denying the allegations contained in the Commission's complaint, Kodiak, Fortuna, D. Alessio, A. Alessio and Rosa, have consented to the entry of final judgments of permanent injunction against them, enjoining them from further violations of the aforementioned provisions of the Exchange Act, and also providing for ancillary relief including the imposition of certain restrictions on the defendants' ability to effect a Fortuna - Kodiak merger. (SEC v. Kodiak Industries, et al., U.S.D.C., S.D. Cal.). (LR-7622)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

LISTING ACTION

The SEC has issued orders, pursuant to Section 12(d) of the Securities Exchange Act of 1934, granting the application of Minnesota Gas Company to list its common stock, \$1 par value, on the New York Stock Exchange, Inc., effective as of October 15, 1976. (Rel. 34-12929)

SECURITIES ACT REGISTRATIONS

(S-7) PHILADELPHIA ELECTRIC COMPANY

2301 Market St., Philadelphia, Pa. 19101 - 750,000 shares of common stock, to be offered to shareholders through a continuing Dividend Reinvestment and Stock Purchase Plan. The company is a public utility supplying electric, gas and steam service. (File 2-57502 - Oct. 27)

(S-16) MCGRAW-HILL INC.

1221 Avenue of the Americas, New York, N.Y. 10020 - 158,000 shares of common stock, of which up to 75,000 shares may be offered for sale from time to time by certain shareholders at prices current at the time of sale and of which up to 83,000 shares may be exchanged by one shareholder for shares of The Boston Company Exchange Associates, a Massachusetts limited partnership, on the basis of one share of such fund for each \$1,000 of market value of shares transferred to such fund. McGraw-Hill is a communications company. (File 2-57507 - Oct. 27)

REGISTRATIONS EFFECTIVE

Oct. 27: American Financial Corp., 2-56818; Carrols Development Corp., 2-57071; Clear Bancorp, Inc., 2-56897; Emerson Electric Co., 2-57402; Entenmann's Inc., 2-57345; Marathon Oil Co., 2-57362; Michigan Wisconsin Pipe Line Co., 2-57306; Oklahoma Natural Gas Co., 2-56810; Wainoco 76B Co. Ltd., 2-57161.

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 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
ALBERTS INC	13	09/76
AMFOOD INDUSTRIES INC	13	09/76
BARTELL MEDIA CORP	3,13,14	08/76
CARLSBERG INCOME PROPERTIES LTD	2,14	09/76
CARLSBERG MOBILE HOME PROPERTIES LTD	3	09/76
CHARTER CO	3	09/76
FIRST OF DENVER MORTGAGE INVESTORS	13,14	09/76
GEARHART OWEN INDUSTRIES INC	3,14	10/76
GENSTAR LTD	13	09/76
INVESTMENT ANNUITY INC	13	09/76
SOU LINE RAILROAD CO	7,14	09/76
TACA INTERNATIONAL AIRLINES S A	12	10/76
UNISHELTER INC	11,14	10/76
AMENDMENTS TO REPORTS ON FORM 8-K		
HARMAN INTERNATIONAL INDUSTRIES INC	2	09/76
MCNEIL REAL ESTATE FUND V LTD	14	08/76
SOVEREIGN INDUSTRIES INC	13	10/76
WRATHER CORP	2	09/76
WYLY CORP	13	08/76

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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