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# sec news digest

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## COURT ENFORCEMENT ACTIONS

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### WASHINGTON COUNTY UTILITY DISTRICT, OTHERS ENJOINED

The Atlanta Regional Office announced that on March 30 the Honorable Charles G. Neese, Judge of the U.S. District Court for the Eastern District of Tennessee, Northeastern Division, issued orders of preliminary and permanent injunction from further violations of the antifraud provisions of the securities laws against Washington County Utility District of Washington County, Tennessee (WCUD), a "municipality or public corporation", Commissioners Paul G. Puckett of Johnson City, Tennessee, and Stella B. Harwood of Jonesboro, Tennessee, and Hertz N. Henkoff of Boston, Massachusetts, an attorney who served as bond counsel for several issues of revenue bonds of WCUD. WCUD was further directed to make an accounting of the receipt and disbursement of all funds received in connection with all revenue bonds it has issued. Puckett and Harwood were ordered to disgorge certain bonds of WCUD in their possession and to pay over to the Clerk of the Court for the benefit of bondholders the proceeds from the sale of certain other bonds of WCUD.

In addition, Judge Neese signed an order of preliminary injunction with respect to Wade H. Patrick of Johnson City, Tennessee, the manager of WCUD, and ordered that a trust be impressed upon all of his assets and that he make an accounting of all income, property or other assets received by him from WCUD or from any other source as a result of activities involving WCUD. The defendants consented to the relief requested. The order against WCUD was by default. (SEC v. Washington County Utility District, et al., C-2-77-15, USDC, E.D. Tenn.). (LR-7868)

### S.J. SALMON PRINCIPALS AND OFFICERS INDICTED

The New York Regional Office announced that on February 23 a Federal Grand Jury sitting in the U.S. District Court for the Southern District of New York returned a forty-seven count indictment for mail fraud against Jerome H. Truen, Sheldon Salmon, William A. Helman, Melvin Spielman and Bernard C. Zipern. On March 10 an additional two counts of mail fraud were added to the indictment.

The defendants are former principals of S.J. Salmon & Co., Inc., a defunct New York City broker-dealer whose registration with the Commission was revoked on August 7, 1975. The indictment charged each defendant with participating in a scheme to defraud the Securities Investor Protection Corporation by causing bogus claims of in excess of \$500,000 to be submitted to that federal industry insurance agency while it was liquidating S.J. Salmon & Co., Inc. This indictment is the second one returned against the five individuals. On January 27 they were charged in a one-count indictment with conspiracy to violate the securities laws. The defendants were previously sanctioned by the Commission in a related administrative proceeding instituted on September 26, 1974 and entitled In the Matter of S.J. Salmon & Co., Inc., et al., Adm. Proc. File No. 3-4556. (See Securities Exchange Act Release Nos. 34-11045, 34-11576, 34-11695, 34-12007 and 34-12679). (U.S. v. Jerome Truen, et al., S77 Crim. 140, S.D.N.Y.). (LR-7869)

### FRANCIS S. FALLON, JR. ENJOINED

The Fort Worth Regional Office and the Houston Branch Office announced that on April 22 the Federal District Court at Houston, Texas entered an order of permanent injunction prohibiting Francis S. Fallon, Jr., also known as Mike Fallon, Tampa, Florida, from violations of the registration and antifraud provisions of the securities laws in the offer and sale of fractional undivided working interests in oil and gas leases issued by Gulfport Oil & Gas Corporation, Houston, Texas. The defendant consented to the entry of the order of permanent injunction without admitting or denying the allegations of the Commission's complaint. (SEC v. Gulfport Oil & Gas Corp., et al., CA H-77-326, S.D.N.Y.). (LR-7871)

### COMPLAINT NAMES TAHOE CORPORATION AND VERNON J. HUFF

The Los Angeles Regional Office announced that on April 5 an injunctive complaint was filed in the U.S. District Court for the Central District of California against Tahoe Corporation and Vernon J. Huff both of Phoenix, Arizona seeking a permanent injunction

for violations of the registration and antifraud provisions of the securities laws in the offer and sale of promissory notes, fractional undivided interests in gas wells and interests in limited partnerships in gas wells located near Monroe, Louisiana. The complaint also seeks ancillary relief to restrain the defendants from transferring assets other than in the ordinary course of business. Concurrently with the filing of the complaint, the defendants consented to the Court's order which permanently enjoined them from the violations as alleged, restrained them from transferring assets and approved the defendants' undertaking to establish a trust for the benefit of investors. (SEC v. Tahoe Corp., Vernon J. Huff, C.D. CA, CV-77-1247-HP). (LR-7872)

#### KENNETH G. HUNGERFORD, II, OTHERS ENJOINED

The Fort Worth Regional Office announced that on April 6 the Federal District Court at Oklahoma City, Oklahoma entered orders of permanent injunction by consent against Kenneth G. Hungerford, II, Grand Rapids, Michigan and Courtland Rand Michaels, Hartsville, Ohio, enjoining them from violations of the registration provisions of the securities laws. In addition, an order of preliminary injunction by consent was entered against L & S Petroleum, Inc. and Thomas A. Lauman, both of Oklahoma City, enjoining them from violations of the registration and antifraud provisions of the securities laws. Also, an order of preliminary injunction by consent was entered against Peter R. Maupin, Universal City, Texas, enjoining him from violations of the registration provisions of the securities laws. All the defendants consented to the entry of the injunctive orders without admitting or denying the allegations in the Commission's complaint. (SEC v. L & S Petroleum, Inc., et al., W.D. Okla., Civil Action No. 77-0268-D). (LR-7873)

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## HOLDING COMPANY ACT RELEASES

### AMERICAN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until May 10 to request a hearing on a proposal of American Electric Power Company, Inc., a registered holding company, that it issue and sell up to 9,000,000 shares of common stock pursuant to an underwritten rights offering. (Rel. 35-19984 - Apr. 14)

### ALABAMA POWER COMPANY

A supplemental order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, to carry out certain transactions related to additional financing of pollution control facilities at Alabama's Gorgas Steam Plant. (Rel. 35-19985 - Apr. 14)

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## TRUST INDENTURE ACT RELEASES

### DAYTON POWER AND LIGHT COMPANY

A notice has been issued giving interested persons until April 27 to request a hearing on an application of Dayton Power and Light Company, an Ohio corporation pursuant to Section 310(b)(1)(ii) of the Trust Indenture Act of 1939, declaring that the trusteeship of Irving Trust Company under two indentures of Dayton Power and Light is not so likely to involve a material conflict of interest as to make it necessary to disqualify Irving Trust Company from acting as trustee. (Rel. TI-467)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

### LISTING ACTIONS

The SEC has issued orders pursuant to Section 12(d) of the Securities Exchange Act of 1934 granting the applications of the following companies to list the specified securities on the following stock exchanges: New York Stock Exchange, Inc. - American Credit Corp., 8-3/4% senior debentures, due 1997 (effective as of March 14, 1977); Georgia-Pacific Corp., 6-7/8% notes, due 1982 and 7-1/4% notes, due 1985 (effective as of March 4, 1977); Grow Chemical Corp., common stock, \$.10 par value (effective as of March 15, 1977); and Oak Industries, Inc., \$1.75 cumulative convertible preferred stock NPV series C (effective as of March 14, 1977). Pacific Stock Exchange, Inc. - RLC Corp., common stock, \$.10 par value (effective as of March 10, 1977). (Rel. 34-13444)

## DELISTING GRANTED

The SEC has issued orders granting the applications of the following stock exchanges to strike from listing and registration thereon the common stock (unless otherwise notes) of the following companies: American Stock Exchange, Inc. - Hydrometals, Inc., \$.60 cumulative preferred stock. New York Stock Exchange, Inc. - Milgo Electronic Corp. and Royal Industries, Inc. (Rel. 34-13445)

## UNLISTED TRADING GRANTED

The SEC has issued orders granting the applications of the Midwest and Philadelphia Stock Exchanges for unlisted trading privileges in the common stock, 66-2/3 par value of Bally Manufacturing Corp. and such an order has also been issued granting the application of the Philadelphia Stock Exchange, Inc. for such privileges in the common stock, \$5.00 par value of the Grand Union Co. (Rel. 34-13443)

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## MISCELLANEOUS

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### PORT WORTH STEEL & MACHINERY COMPANY

An order has been issued granting the application of Fort Worth Steel & Machinery Company (Applicant), a Texas corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, as amended for an exemption from the reporting requirements of Section 13 and 15(d) of the Act. It appeared to the Commission that the granting of the requested exemption would not be inconsistent with the public interest or the protection of investors. (Rel. 34-13447)

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## SECURITIES ACT REGISTRATIONS

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### (S-5) DEVON BOND FUND

82 Devonshire St., Boston, Mass. 02109 - 250,000 shares of beneficial interest, to be offered for sale at their net asset value. The Fund is a newly-organized Massachusetts business trust which will operate as an open-end diversified management investment company. (File 2-58542 - Mar. 30)

### (S-7) PIONEER CORPORATION

301 South Taylor St., Amarillo, Tex. 79163 - 500,000 shares of common stock, to be offered for sale pursuant to an Automatic Dividend Reinvestment Plan. Pioneer is a diversified company engaged in the transmission and distribution of natural gas. (File 2-58606 - Apr. 4)

### (S-7) KANSAS CITY POWER & LIGHT COMPANY

1330 Baltimore Ave., Kansas City, Mo. 64141 - 1,100,000 shares of common stock, to be offered for sale through underwriters represented by Merrill Lynch, Pierce, Fenner & Smith Incorporated and E. F. Hutton & Company, Inc. The company is a public utility engaged in the generation, transmission, distribution and sale of electric energy. (File 2-58635 - Apr. 7)

### (S-7) HAMMERMILL PAPER COMPANY

1540 East Lake Rd., Erie, Pa. 16533 - 392,405 shares of common stock, to be offered for sale by certain stockholders at prices current at the time of sale. The company manufactures and sells paper and related products. (File 2-58665 - Apr. 11)

### (S-16) BRISTOL-MYERS COMPANY

345 Park Ave., New York, N.Y. 10022 - 744,826 shares of common stock, of which 253,246 may be offered for sale from time to time by certain selling stockholders at prices current at the time of sale and 521,580 shares are issued or reserved for issuance upon the conversion of 4-1/2% guaranteed debentures, due 1980 of Bristol-Myers International Finance Company. Bristol-Myers Company produces and distributes toiletries, proprietary medicines, hair care and hair coloring products, household specialty products, nutritional products and prescription medicines. (File 2-58680 - Apr. 12)

### (S-14) FIRST NATIONAL BOSTON CORPORATION

100 Federal St., Boston, Mass. 02110 - 74,250 shares of common stock, to be offered in exchange for the outstanding shares of capital stock of The First National Bank of Yarmouth, Yarmouth Port, Yarmouth, Mass. 02675 (the Bank), at the rate of one and one

half of First National Boston shares for each share of capital stock of the Bank. There are presently 49,500 shares of capital stock of the Bank outstanding. First National Boston Corporation is a bank holding company whose principal subsidiary is The First National Bank of Boston. (File 2-58684 - Apr. 13)

(S-1) TELAUTOGRAPH, INC. AND ARDEN-MAYFAIR, INC.

5900 South Eastern Ave., Commerce, Cal. 90040 - \$8,760,080 of 9% subordinated sinking fund debentures, due 1997, to be offered in exchange for 6% subordinated income debentures, due 2014, for Arden-Mayfair, Inc. and solicitation of consents for modification of indenture. Arden-Mayfair, Inc. is engaged in the food distribution and processing business and the manufacture and disposition of equipment for instantaneous transmission of handwritten and facsimile communications. Telautograph, Inc. is a newly organized corporation that, subject to various conditions, is proposed to become the parent company of Arden-Mayfair, Inc. (File 2-58687 - Apr. 13)

(S-7) FIDELITY AMERICAN BANKSHARES, INC.

828 Main St., Lynchburg, Va. 24504 - 350,000 shares of common stock, to be offered for sale through underwriters headed by Wheat, First Securities, Inc., 707 East Main St., Richmond, Va. 23219. Fidelity American Bankshares, Inc. is a registered bank holding company. (File 2-58688 - Apr. 13)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be filed pursuant to employee stock and related plans:

- Hospital Trust Corp., Providence, R.I. (File 2-58656 - Apr. 11) - 23,077 shares
- United States Gypsum Co., Chicago, Ill. (File 2-58664 - Apr. 11) - 100,000 shares
- Commonwealth Edison Co., Chicago, Ill. (File 2-58666 - Apr. 12) - 2,000,000 shares
- Kansas City Life Insurance Co., Kansas City, Mo. (File 2-58667 - Apr. 11) - 50,000 shares
- Houdaille Industries, Inc., Buffalo, N.Y. (File 2-58675 - Apr. 12) - 400,000 shares
- Mountain Fuel Supply Co., Salt Lake City, Utah (File 2-58676 - Apr. 12) - 29,521 shares
- Motorola, Inc., Schaumburg, Ill. (File 2-58677 - Apr. 12) - 1,000,000 shares
- Citicorp, New York, N.Y. (File 2-58678 - Apr. 12) - 15,000,000 shares and (File 2-58679 - Apr. 12) - 8,000,000 shares
- Hughes Tool Co., Houston, Tex. (File 2-58681 - Apr. 13) - 141,534 shares
- Tenneco Inc., Houston, Tex. (File 2-58682 - Apr. 13) - 4,258 shares and (File 2-58683 - Apr. 13) - 7,837 shares
- The Coleman Company, Inc., Wichita, Kan. (File 2-58685 - Apr. 13) - 500,000 shares
- Liberty National Corp., Oklahoma City, Okla. (File 2-58686 - Apr. 13) - 118,750 shares
- Phillips Petroleum Co., Bartlesville, Okla. (File 2-58689 - Apr. 13) - 1,088,435 shares
- Union Pacific Corp., New York, N.Y. (File 2-58690 - Apr. 14) - \$50,000,000 of participations

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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