

# sec news digest

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Issue 79-25

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## COMMISSION ANNOUNCEMENTS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

### COMMISSION ISSUES FINAL REPORT ON TRANSACTIONS IN NEW YORK CITY SECURITIES

The Commission transmitted to Congress today its Final Report In the Matter of Transactions in the Securities of the City of New York, and announced it is concluding its investigation of that subject. The Commission called for and said it would support enactment of legislation to correct deficiencies in the issuance and marketing of municipal securities.

The investigation, instituted on January 5, 1976, focused on events which occurred during the period from October 1974 through April 1975, when the City faced a fiscal crisis and issued very large amounts of short-term securities. One of the largest and most complex investigations in the Commission's history, it involved the collection of more than 250,000 documents and the taking of over 12,000 pages of sworn testimony.

On August 26, 1977, the Commission issued a detailed Staff Report which described the conduct of those persons participating in the events leading to the City's fiscal crisis. Following release of the Staff Report, the staff proceeded to determine what corrective measures had been taken in ameliorate the problems described in the report.

The Final Report issued today called for, "an appropriate legislative solution to the deficiencies in the issuance and marketing of municipal securities, of which the New York City matter was a unique but instructive example."

### CHAIRMAN WILLIAMS SPEAKS BEFORE THE NEW YORK SOCIETY OF SECURITIES ANALYSTS

Chairman Williams spoke before the New York Society of Securities Analysts at the Dedication of the New Headquarters, in New York, N.Y., on February 2, 1979.

## CIVIL PROCEEDINGS

### RICHARD T. SCHINDLER, OTHERS ENJOINED

The Los Angeles Regional Office announced that on December 12, 1978, the Honorable Albert Lee Stephens, Jr., Chief Judge of the U.S. District Court in Los Angeles, entered final judgments by default against Richard T. Schindler of Honolulu, Hawaii, and the Western Fidelity Bank and Trust Company, Ltd., of Kinston, St. Vincent in the West Indies, permanently enjoining them from violating the registration and antifraud provisions of the securities laws. The final judgment entered against Schindler also ordered him to make an accounting of all funds which he and the other defendants raised from investors since the inception of their scheme to sell securities. On the same day, Chief Judge Stephens also entered final judgments by consent against Robert C. Head of Honolulu, Hawaii and Patty and Larry Molgaard of Thousand Oaks, California, permanently enjoining them from violating and aiding and abetting violations of the registration and antifraud provisions of the securities laws. On October 16, 1978, Chief Judge Stephens had preliminarily enjoined Patty and Larry Molgaard and John T. Bridston and had temporarily restrained Schindler from violating and aiding and abetting violations of the above-described provisions. (SEC v. Richard T. Schindler et al., C.D. Cal., Civ. 78-3367-ALS-KX). (LR-8660)

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## CRIMINAL PROCEEDINGS

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### LUIGI M. DI FONZO SENTENCED

The Chicago Regional Office announced that on January 30 Luigi M. DiFonzo was sentenced to 18 months imprisonment, all but six months of which was suspended, followed by three years probation. DiFonzo had previously pled guilty to charges that he had submitted to a representative of the Commission documents containing false statements. (U.S. v. Luigi M. DiFonzo, U.S.D.C. N.D. Ill., Eastern Division, Chicago, Ill.). (LR-8663)

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## INVESTMENT COMPANY ACT RELEASES

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### ACACIA NATIONAL VARIABLE ANNUITY ACCOUNT A

A notice has been issued giving interested persons until February 28 to request a hearing on an application of Acacia National Variable Annuity Account A, declaring that it has ceased to be an investment company. (Rel. IC-10573 - Feb. 2)

### ACACIA FUND CORPORATION

A notice has been issued giving interested persons until February 28 to request a hearing on an application of Acacia Fund Corporation, declaring that it has ceased to be an investment company. (Rel. IC-10574 - Feb. 2)

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## HOLDING COMPANY ACT RELEASES

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### NATIONAL FUEL GAS COMPANY

An order has been issued authorizing proposals of National Fuel Gas Company, a registered holding company, and one of its subsidiaries, Seneca Resources Corporation, whereby Seneca will issue and sell a note to evidence borrowings not to exceed \$20 million at any one time outstanding from Houston National Bank and National will guarantee such note. (Rel. 35-20911 - Feb. 2)

### THE SOUTHERN COMPANY

A notice has been issued giving interested persons until March 1 to request a hearing on a proposal of The Southern Company, a registered holding company, whereby Southern will issue and sell up to 6,000,000 shares of common stock, \$5 par value per share, pursuant to its Dividend Reinvestment and Stock Purchase Plan and up to 1,500,000 shares of common stock pursuant to its Employee Savings Plan from time to time through April 30, 1981. (Rel. 35-20912 - Feb. 2)

### COLUMBIA GAS SYSTEM, INC.

An order has been issued releasing jurisdiction heretofore reserved with respect to the manner in which Columbia and its subsidiaries propose to allocate consolidated Federal income tax for 1978. (Rel. 35-20913 - Feb. 2)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF EFFECTIVENESS OF A RULE CHANGE

A fee change filed by National Securities Clearing Corporation pursuant to Rule 19b-4 (SR-NSCC-78-11) has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of February 5. (Rel. 34-15546)

## 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-7) BAKER INTERNATIONAL CORPORATION, 500 City Parkway West, Orange, Cal. 92668 (714) 634-2333 - 1,800,000 shares of common stock. Underwriters: Goldman, Sachs & Co. and Blyth Eastman Dillon & Co. Inc. The company manufactures and markets products and furnish service for drilling of new oil and gas wells. (File 2-63508 - Feb. 2)
- (S-16) THE SOUTHERN COMPANY, Perimeter Center East, P.O. Box 720071, Atlanta, Ga. 30346 (404) 393-0650 - 6,000,000 shares of common stock. (File 2-63509 - Feb. 2)
- (S-7) PORTLAND GENERAL ELECTRIC COMPANY, 121 S.W. Salmon St., Portland, Ore. 97204 (503) 226-8333 - 3,500,000 shares of common stock. Underwriters: Blyth Eastman Dillon & Co. Inc., Dean Witter Reynolds Inc. and Merrill Lynch White Weld Capital Markets Group. The company is engaged in the generation, purchase transmission, distribution and sale of electric energy. (File 2-63516 - Feb. 2)
- (S-16) HUDSON'S BAY OIL AND GAS COMPANY LIMITED, 700 Second Street Southwest, Calgary, Alberta, Canada T2P OX5 (403) 231-3711 - 2,083,334 shares of common shares. (File 2-63517 - Feb. 2)
- (S-6) NUVEEN TAX-EXEMPT BOND FUND, SERIES 124, 209 South La Salle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: John Nuveen & Co. Inc. (File 2-63518 - Feb. 2)
- (S-7) SOUTH CENTRAL BELL TELEPHONE COMPANY, 600 North 19th St., Birmingham, Ala. 35203 (205) 321-1000 - \$250 million of forty-year debentures, due March 1, 2019. (File 2-63519 - Feb. 2)

### REGISTRATIONS EFFECTIVE

Jan. 30: Spectra Physics, Inc., 2-63411.  
Jan. 31: Avnet, Inc., 2-63331; Bay State Gas Co., 2-63335; Bynary Systems, Inc., 2-62502 (May 1, 1979); Citicorp, 2-63429; Nash-Finch Co., 2-63362; Nautilus Fund, Inc., 2-63030; Orion Capital Corp., 2-63344; Petrolite Corp., 2-63385; Universal Foods Corp., 2-63424 & 2-63087.

### REGISTRATION WITHDRAWN

Jan. 30: Xonex Synthetic Lubricants, Inc., 2-59778.



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*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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