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Issue 79-160

RULES AND RELATED MATTERS

U.S. SECURITIES AND
EXCHANGE COMMISSION

TENDER OFFERS BY ISSUERS FOR THEIR OWN SECURITIES

The Commission has adopted Rule 13e-4 and Schedule 13E-4 relating to cash tender and exchange offers by issuers for their own equity securities. Rule 13e-4 defines, and prescribes means reasonably designed to prevent, fraudulent, deceptive or manipulative acts and practices in connection with such offers by imposing disclosure and other requirements relating to the manner in which tender offers by issuers must be made. (Rel. 34-16112)

FOR FURTHER INFORMATION CONTACT: John B. Manning (755-1388) or Mary E. Chamberlin (755-8747)

CIVIL PROCEEDINGS

RAPID-AMERICAN CORPORATION, OTHERS ENJOINED

The Commission announced the filing of a civil injunctive action in the U.S. District Court for the District of Columbia seeking to enjoin Rapid-American Corporation, its subsidiary McCrory Corporation, Kenton Corporation and Meshulam Riklis, the chairman of the board of Rapid and the vice-chairman of the board of McCrory, from further violations of the reporting provisions of the Securities Exchange Act of 1934 (Exchange Act). The Commission also seeks to enjoin Rapid, Riklis and McCrory from further violations of the proxy provisions of the Exchange Act. Finally, the Commission seeks to enjoin Riklis and Kenton from further violations of the beneficial ownership reporting provisions of the Exchange Act.

The Commission's complaint alleges that Rapid, McCrory and Kenton failed to disclose that they entered into agreements with and paid fees to persons who were either personal creditors of Riklis or persons who had a personal business relationship with Riklis. The agreements and transactions in question were either negotiated or approved by Riklis at a time when he was in serious financial difficulty. The complaint also alleges that Riklis was in a conflict of interest position in negotiating and approving transactions with persons with whom he had personal business dealings and that these conflicts were not disclosed to the boards of directors of Rapid, McCrory and Kenton, their security holders or to the public.

The complaint also alleges that Kenton Corporation and Riklis, a person who exercised substantial influence over the business and affairs of Kenton, violated the reporting provisions and the beneficial ownership reporting provisions of the securities laws by not disclosing that one of Kenton's purposes in purchasing, in October 1977, Riklis' approximately 1,100,000 shares of Rapid common stock, all of which was pledged to support substantial indebtedness, was to allow Riklis to satisfy the pressures of his institutional creditors by using Kenton's cash flow to amortize his personal loans while at the same time allowing Riklis to retain his control of Rapid through his influence over Kenton.

Without admitting or denying the allegations contained in the Commission's complaint, defendants Rapid, McCrory, Kenton and Riklis consented to the entry of final judgments of permanent injunction enjoining them from further violations of the above mentioned provisions of the Exchange Act. In addition to the injunctive relief outlined, the defendants agreed to certain ancillary relief designed to prevent a reoccurrence of the complained of acts. (SEC v. Rapid-American Corporation, U.S.D.C. D.C.). (LR-8841)

JOHN WAGENER, OTHERS CONSENT TO INJUNCTIONS AND DISGORGEMENT

The New York Regional Office announced that on July 23 the Honorable Howard G. Munson, Judge, U.S. District Court for the Northern District of New York, signed

and entered a Final Judgment of Permanent Injunction by Consent of John Wagener, Robert Hayes, General Tool and Die Company, Inc., and First Alleghany Corporation. The Final Judgment permanently enjoined each defendant from violating the registration and antifraud provisions of the securities laws. In addition, the Final Judgment provided for other equitable relief, including, among other things, the disgorgement of a total of \$468,000 by the defendants and the appointment of a Special Fiscal Agent to oversee the disgorgement. (SEC v. John Wagener, et al., 79 Civil 410 N.D.N.Y., HGM). (LR-8832)

INVESTMENT COMPANY ACT RELEASES

AMERICAN GENERAL ENTERPRISE FUND, INC.

An order has been issued on an application of American General Enterprise Fund, Inc. (Enterprise) and American General Shares, Inc. (Shares), which is comprised of two series, American General Capital Growth Fund, and American General Income Fund, each registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, exempting from the provisions of Section 17(a) of the Act, pursuant to Section 17(b) of the Act, the proposed merger of Shares into Enterprise through the exchange of shares of Enterprise, at net asset value, for the assets of Shares. (Rel. IC-10823 - Aug. 8)

MONEY MARKET MANAGEMENT, INC.

An order has been issued granting, subject to conditions, the applications of Money Market Management, Inc., Trust for Short Term U.S. Government Securities; Federated Master Trust; Institutional Liquid Assets; and Fund for Government Investors, Inc. (collectively Applicants), for exemption from the provisions of Section 2(a)(41) of the Investment Company Act of 1940 and Rules 2a-4 and 22c-1 thereunder, permitting Applicants, generally, to utilize amortized cost valuation in valuing their shares for sale and redemption. The order cancels, as to Applicants, the consolidated hearing which had been ordered on their applications. A similar application filed by First Multifund for Daily Income, Inc., remains under consideration in the hearing. (Rel. IC-10824 - Aug. 8)

SHEARSON DAILY DIVIDEND, INC.

A notice has been issued giving interested persons until September 10 to request a hearing on an application of Shearson Daily Dividend, Inc. (Fund), a registered, open-end investment company, requesting an order, pursuant to Section 6(c) of the Act, exempting the Fund from the provisions of Rule 22c-1 under the Act to the extent necessary to permit the Fund to compute its net asset value per share using a time other than the close of trading on the New York Stock Exchange. (Rel. IC-10836 - Aug. 15)

HOLDING COMPANY ACT RELEASES

APPALACHIAN POWER COMPANY

An order has been issued authorizing a proposal of Appalachian Power Company, subsidiary of American Electric Power Company, Inc., that it issue and sell \$35 million of first mortgage bonds in a private placement. (Rel. 35-21186 - Aug. 16)

OHIO POWER COMPANY

An order has been issued authorizing a proposal of Ohio Power Company, subsidiary of American Electric Power Company, Inc., that it issue and sell \$40 million of first mortgage bonds in a private placement. (Rel. 35-21187 - Aug. 16)

ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, subsidiary of The Southern Company, to increase its amount of short-term borrowings outstanding at any one time to \$455 million, and extending Alabama's short-term borrowing authorization through September 30, 1980. Jurisdiction was reserved over an additional \$100 million of borrowings requested in excess of the authorized amount. (Rel. 35-21188 - Aug. 16)

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-2) PURECYCLE CORP., 1668 Valtec Lane, Boulder, Colo. 80301 - 1,045,000 units of one share of 1/3 of \$.01 par value common stock with attached warrant to purchase one-half of one share of common stock; 522,500 shares of common stock; and underlying warrants. Underwriter: Hanifen, Imhoff & Samford, Inc., 624 Seventeenth St., Denver, Colo. 80202. The company is in the early phases of the business of manufacturing and marketing a 100% water recycling system for individual households. (File 2-65226 - Aug. 13)
- (S-14) SECURITY BANCORP, INC., 100 Winnacunnet Rd., Hampton, New Hampshire 03842 (603-926-6311) - 2,500 shares of common stock. (File 2-65239 - Aug. 14)
- (S-14) MIDLANTIC BANKS INC., 95 Old Short Hills Rd., West Orange, N.J. 07052 (201-266-8311) - 508,307 shares of preferred stock, \$2.00 cumulative convertible series, second series. (File 2-65254 - Aug. 16)
- (S-7) IROQUOIS BRANDS, INC., 41 West Putnam Ave., Greenwich, Conn. 06830 (203-622-9000) - \$25 million of subordinated debentures, due 1999, and 101,911 shares of common stock. Underwriters: Blyth Eastman Dillon & Co. Inc.; Drexel Burnham Lambert Inc.; and Bear, Stearns & Co. The company is a manufacturer and marketer of a broad range of beverage, nutritional and specialty food products. (File 2-65255 - Aug. 16)
- (S-1) THE OPTIONS CLEARING CORP., 5950 Sears Tower, 233 South Wacker Dr., Chicago, Ill. 60606 - 90,000,000 of call options contracts and 40,000,000 of put options contracts. (File 2-65256 - Aug. 16)
- (S-16) DART INDUSTRIES INC., 8480 Beverly Blvd., Los Angeles, Cal. 90048 (213-658-2000) - 63,263 shares of common stock. (File 2-65257 - Aug. 16)
- (S-8) THE TAPPAN CO., Tappan Park, Mansfield, Ohio 44901 (419-755-2011) - \$2,900,000 of participations. (File 2-65258 - Aug. 15)
- (S-1) GALAXY OIL CO., 918 Lamar St., Wichita Falls, Tex. 76301 - 8,800 units, each consisting of 60 shares of common stock and a \$1,000 convertible subordinated debenture due 1994; 528,000 shares of common stock; and \$8,800,000 of convertible subordinated debentures, due 1994. Underwriters: Rotan Mosle Inc. and Alex. Brown & Sons. The company explores for, develops, produces and sells oil and gas. (File 2-65259 - Aug. 16)
- (S-7) IPB INC., 220 East 42nd St., New York, N.Y. 10017 (212-490-6000) - \$306 million of guaranteed restricted notes and \$306 million of guarantees - evidencing guarantee of notes by International Paper Company. (File 2-65261 - Aug. 16)
- (S-1) INTERMARK, INC., 1020 Prospect St., Suite 210, La Jolla, Cal. 92037 (714-459-3841) - \$15,000,000 of senior subordinated debentures. Underwriter: Drexel Burnham Lambert Inc. The company is a widely diversified company. (File 2-65265 - Aug. 17)

REGISTRATIONS EFFECTIVE

- Aug. 2: Apache Oil and Gas Program 1979-IV, 2-64608; The Continental Group, Inc., 2-64890.
- Aug. 3: Augat, Inc., 2-65026; Enterprise Energy Partners, 2-64555; Phoenix Leasing Performance Fund 1979, 2-64614.
- Aug. 6: Gulton Industries, Inc., 2-64943; M.I.M. Holdings Limited, 2-65059; Texas American Bancshares, Inc., 2-64702.
- Aug. 7: First Trust of Insured Municipal Bonds, Series 44, 2-64936; Burndy Corp., 2-64878; Canon Inc., 2-64866.
- Aug. 8: Computer Devices, Inc., 2-64592; Donaldson, Lufkin & Jenrette, Inc., 2-64379; E. F. Hutton Tax-Exempt Trust, National Series 43, 2-64873; Sheldahl Inc., 2-64985.
- Aug. 9: Farinon Corp, 2-65027.
- Aug. 10: Fox-Stanley Photo Products, Inc., 2-65089; Municipal Bond Trust, Multi-State Program, Series 3, 2-65065; Quantronix Corp., 2-65094.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

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