

sec news digest

Issue 80-214

NOV 5 1980

November 4, 1980

ADMINISTRATIVE PROCEEDINGS

LIBRARY

NYSE ACTION AGAINST ROBERT P. VOLPE REMANDED

The Commission has remanded to the New York Stock Exchange (NYSE) disciplinary proceedings against Robert P. Volpe, of Forest Hills, New York, a member of the Exchange.

The Commission found, as had the NYSE, that Volpe, among other things, incurred financial obligations in connection with purchases of securities for his own account that he could not meet, delayed notifying the member firm which carried his margin account of such purchases, and caused that firm to extend him unlawful credit.

The Commission, however, set aside certain other findings of violation made by the Exchange, and concluded that the Exchange had improperly failed to consider evidence proffered by Volpe relating to another of the Exchange's findings of violation. It accordingly determined to remand the proceedings so that the Exchange could consider the evidence in question, and reassess the sanction imposed on Volpe in light of that consideration and the findings of violation set aside by the Commission. (Rel. 34-17243)

INSTITUTION AND SETTLEMENT OF ADMINISTRATIVE PROCEEDINGS AGAINST D. H. BLAIR & CO., INC. AND OTHERS

Pursuant to Offers of Settlement submitted by D.H. Blair & Co., Inc., (Blair), a registered broker-dealer located in New York, J. Morton Davis (Davis), its president, and Charles M. Spanakos (Spanakos), a registered representative and compliance assistant at Blair, the Commission has entered an Order Instituting Proceedings and Imposing Remedial Sanctions. The Order provides for: (a) a censure of Blair; (b) limitations on the activities of Davis and Spanakos to prohibit them for a period of 15 days from engaging in transactions in any securities for retail customers excepting new offerings registered with the Commission; (c) the retention by Blair of a person or firm to conduct a study of Blair's compliance procedures with respect to all aspects of handling of retail accounts, including margin, accounts and receipt of securities, and to report recommendations thereon, with such recommendations to be adopted by Blair and attested to by affidavit of Blair.

The Commission's Order was based upon findings that from in or about May 1979 to August 1979, Blair, Davis and Spanakos wilfully aided and abetted violations of Sections 5(a), 5(c) and 17(a)(2) and (3) of the Securities Act of 1933 and that Blair and Davis failed reasonably to supervise a person subject to their supervision resulting in such wilful violations, in connection with the receipt from certain customers of restricted and unregistered shares of common stock of Covington Brothers Technologies and delivery of a portion of such shares, pursuant to the instructions of such customers, to other broker-dealers without disclosing the source and nature of such shares. The respondents consented to the above findings and sanctions without admitting or denying the allegations in the Commission's Order. (Rel. 34-17252)

CIVIL PROCEEDINGS

MISTER DISCOUNT STOCKBROKERS, INC. ENJOINED

The Chicago Regional Office announced that on October 15 the Federal Court in Chicago, Illinois entered a permanent injunction against Mister Discount Stockbrokers, Inc. (Mr. Discount) of Chicago, Illinois. The injunction, which was entered with the consent of the defendant brokerage firm, bars it from future violations of the net capital, customer protection and bookkeeping provisions

of the securities laws. This action had been initiated jointly by the Commission and the Securities Investor Protection Corporation (SIPC) on June 3, 1980. On that date Mr. Discount consented to the appointment of a SIPC trustee to liquidate the firm. (SEC v. Mister Discount Stockbrokers, Inc., N.D. Ill., 80C2795). (LR-9226)

CHARLES W. PETERSEN, JOSEPH F.X. GILLIN ENJOINED

The Commission announced today that the U.S. District Court for the District of Columbia entered Final Judgments of Permanent Injunction enjoining Charles W. Petersen and Joseph F.X. Gillin from violating the periodic reporting provisions of the Securities Exchange Act of 1934. Petersen and Gillin, former officers of J.B. Lippincott Company, are alleged in the complaint to have filed or caused to be filed annual and other periodic reports, including Lippincott's Annual Report on Form 10-K for 1977 and Quarterly Reports for interim periods in 1977, which contained omissions and untrue statements of material facts. The defendants consented to the entry of the Final Judgments of Permanent Injunction without admitting or denying the allegations in the complaint. (SEC v. Charles W. Petersen and Joseph F.X. Gillin, U.S.D.C. D.C., Civil Action No. 80-2819). (LR-9227)

INVESTMENT COMPANY ACT RELEASES

FIRST INVESTORS LIFE INSURANCE COMPANY

An order has been issued on an application of First Investors Life Insurance Company, a stock life insurance company organized under the laws of the State of New York, first Investors Special Bond Fund, Inc., a diversified, open-end, management investment company registered under the Investment Company Act of 1940 and First Investors Life Variable Annuity Fund A, a unit investment trust registered under the Act, granting exemptions pursuant to Section 6(c) of the Act from the provisions of Sections 26(a) and 27(c)(2) and approving a certain offer of exchange pursuant to Section 11 of the Act. (Rel. IC-11420 - Oct. 30)

INVESTMENT GUIDANCE FUND, INC.

A notice has been issued giving interested persons until November 24 to request a hearing on an application filed by Investment Guidance Fund, Inc. (Applicant), registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, for an order declaring that Applicant has ceased to be an investment company. (Rel. IC-11422 - Oct. 31)

GOVERNMENT EMPLOYEE'S INVESTMENT FUND, INC.

An order has been issued on an application filed by Government Employee's Investment Fund, Inc. (Applicant), a registered, open-end, diversified, management investment company, pursuant to Section 8(f) of the Investment Company Act of 1940, declaring that Applicant has ceased to be an investment company. (Rel. IC-11423 - Oct. 31)

REAL ESTATE ASSOCIATES LIMITED III

A notice has been issued giving interested persons until November 25 to request a hearing on an application of Real Estate Associates Limited III, a California limited partnership organized to invest through other limited partnerships in government-assisted low and moderate income rental housing, and its general partners, National Partnership Investments Corp. and National Partnerships Investments Associates, for an order exempting the partnership from all provisions of the Investment Company Act of 1940. (Rel. IC-11424 - Oct. 31)

HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM, INC.

A notice has been issued giving interested persons until November 28 to request a hearing on a proposal by The Columbia Gas System, Inc., a registered holding company, and by Columbia Gulf Transmission Company, a transmission subsidiary thereof, whereby Columbia Gulf will issue and sell notes to Columbia in order to finance its participation in partnership agreements relating to the construction and ownership of a natural gas pipeline. (Rel. 35-21771 - Oct. 31)

A notice has been issued giving interested persons until November 24 to request a hearing on a proposal by New England Power Company, subsidiary of New England Electric System, whereby New England Power will issue and sell at competitive bidding, up to \$50 million of its general and refunding bonds to be secured by first mortgage bonds pledged to the trustee under the general and refunding indenture. New England Power also proposes to issue and sell at competitive bidding up to \$50 million of its preferred stock. Both the bonds and preferred stock will be sold prior to April 1, 1981 and the proceeds of the sales will be used primarily to retire outstanding short-term borrowings. (Rel. 35-21772 - Oct. 31)

ARKANSAS POWER & LIGHT COMPANY

A notice has been issued giving interested persons until December 3 to request a hearing on a proposal by Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., whereby Arkansas will issue and sell up to \$70 million of first mortgage bonds at competitive bidding. The net proceeds will be used to repay short-term indebtedness for financing Arkansas' construction program. (Rel. 35-21773 - Nov. 3)

A notice has also been issued giving interested persons until November 28 to request a hearing on a proposal by Arkansas, Louisiana Power & Light Company, Mississippi Power & Light Company, and New Orleans Public Service, Inc., subsidiaries of Middle South, to issue and sell notes to banks and commercial paper. (Rel. 35-21774 - Nov. 3)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until November 21 to comment on the applications of the Philadelphia Stock Exchange, Inc. for unlisted trading privileges in three stocks which are listed and registered on one or more other national securities exchanges and are reported on the consolidated transaction reporting system. (Rel. 34-17260)

DELISTINGS GRANTED

Orders have been issued granting the applications of the New York Stock Exchange, Inc. to strike the specified securities of the following companies from listing and registration thereon: ITT Consumer Services Corporation - cumulative preferred stock, Series A (\$4). (Rel. 34-17261); and Koehring Company - common stock (\$2 par value) and Series H convertible preferred stock (\$2.75 annual dividend). (Rel. 34-17262)

WITHDRAWAL GRANTED

An order has been issued granting the application of National Education Corporation to withdraw its capital stock (no par value) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-17266)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Incorporated has filed a proposed rule change under Rule 19b-4 (SR-CBOE-80-26) to require that members effecting transactions with an Order Book Official (OBO) obtain an oral confirmation from the OBO or his staff as to the material terms of the transaction. Publication of the proposal is expected to be made in the Federal Register during the week of November 3. (Rel. 34-17263)

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed a proposed rule change which became effective under Section 19(b)(3)(A) of the Securities Exchange Act of

1934 (SR-MSRB-80-10) to amend MSRB Rule A-3 relating to nomination and election procedures by revising certain procedural dates and by eliminating the provision for run-off elections. Publication of the proposal is expected to be made in the Federal Register during the week of November 3. (Rel. 34-17264)

MISCELLANEOUS

CONTINENTAL INVESTMENT CORPORATION

The Commission announced that it filed on October 30 in Continental Investment Corporation, D. Mass. 76-1158 (Chapter X), an advisory report concluding that the Trustee's plan, may be approved as fair and equitable and feasible, if an uncertainty about the interpretation of a related settlement agreement is resolved. The report noted that feasibility is contingent on consummation of a proposed transaction. (Rel. CR-324)

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; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

- (S-18) TRADEX, 1732 N.W. Quimby St., Portland, OR 97210 - \$5 million of notes, to be offered for sale directly by the company. The company operates as a clearing house for the purchase of freight bills from its member carriers, the collection of such freight bills from the shipping public, and the collection, clearing and remittance of divisions of reight revenues due its member carriers. (File 2-69686 - Oct. 28) (Br. 4 - New Issue)
- (N-1) OPPENHEIMER TARGET FUND, INC., Two Broadway, New York, NY 10004 (212-668-5000) - an indefinite number of shares of common stock. Distributor: Oppenheimer Investor Services Inc. The company is an open-end diversified investment company whose investment objective is high capital appreciation. (File 2-69719 - Oct. 31) (Br. 18 - New Issue)
- (S-1) DRILLERS INC., 5629 FM 1960 West, Suite 202, Houston, TX 77069 (713-983-1020) - 840,000 shares of common stock. Underwriters: Bateman Eichler, Hill Richards Inc. and Schneider, Bernet & Hickman, Inc. The company is primarily engaged in onshore contract drilling of oil and gas wells. (File 2-69720 - Oct. 31) (Br. 3 - New Issue)
- (S-14) STORAGE TECHNOLOGY CORPORATION, 2270 South 88th St., Louisville, CO 80027 - 2,721,656 shares of common stock. (File 2-69722 - Oct. 31) (Br. 9)
- (S-16) WASHINGTON GAS LIGHT COMPANY, 1100 H St., N.W., Washington, D.C. 20080 (703-750-4440) - 300,000 shares of common stock. (File 2-69724 - Oct. 31) (Br. 8)
- (S-8) MCMORAN OIL & GAS CO., 3421 N. Causeway Blvd., P.O. Box 6800, Metairie, LA 70009 (504-835-4700) - 300,000 shares of common stock. (File 2-69725 - Oct. 31) (Br. 4)
- (S-16) CENTRAL MAINE POWER COMPANY, Edison Dr., Augusta, Maine 04336 (207) 623-3521 - 1,600,000 shares of common stock. Underwriters: Kidder, Peabody & Co. Incorporated and Blyth Eastman Paine Webber Incorporated. The company is an electric utility. (File 2-69731 - Oct. 31) (Br. 7)
- (S-1) DELMED, INC., 437 Turnpike St., Canton, Mass. 02021 (617) 828-5505 - 1,500,000 shares of common stock. Underwriter: Montgomery Securities. The company manufactures and markets plastic disposable medical products. (File 2-69732 - Oct. 31) (Br. 3 - New Issue)
- (S-8) MOLEX INCORPORATED, 2222 Wellington Court, Lisle, IL. 60532 (312-969-4550) - 62,500 shares of common stock. (File 2-69733 - Oct. 31) (Br. 7)

- (S-1) RESORT AND URBAN TIMESHARES, INC., Suite 1600, 10 East 40th St., New York, N.Y. 10016 - 1,650,000 units, each consisting of one share of common stock and one common stock purchase warrant. Underwriter: John Muir & Co. The company proposes to engage in timesharing. (File 2-69734 - Oct. 31) (Br. 5 - New Issue)
- (S-1) HCC INDUSTRIES, 15250 Ventura Blvd., Suite 508, Sherman Oaks, Cal. 91403 (213) 995-4131 - \$7 million of convertible subordinated debentures, due November 15, 2000. Underwriter: Drexel Burnham Lambert Incorporated. The company designs, manufactures and markets broad lines of state of the art, high precision electronic connection devices. (File 2-69735 - Oct. 31) (Br. 8)
- (S-7) MOR-FLO INDUSTRIES, INC., 18450 South Miles Rd., Cleveland, OH 44128 (216-663-7300) - \$10 million of convertible subordinated debentures, due December 1, 2000. Underwriter: The Ohio Company. The company (a subsidiary of American Mfg. Corp.) manufactures, distributes and sells a complete line of automatic gas and electric storage-type water heaters. (File 2-69736 - Oct. 31) (Br. 10)
- (S-8) HAUSERMAN, INC., 5711 Grant Ave., Cleveland, OH 44105 - 30,000 shares of common stock. (File 2-69737 - Oct. 31) (Br. 6)
- (S-8) RANCHERS EXPLORATION AND DEVELOPMENT CORPORATION, 1776 Montano Rd., N.W., PO Box 6217, Albuquerque, NM 87197 (505-344-3542) - 4,000 shares of common stock. (File 2-69738 - Oct. 31) (Br. 5)
- (S-1) NIKE, INC., 3900 S.W. Murray Blvd., Beaverton, OR 97005 (503-641-6453) - 2,160,000 shares of Class B common stock. Underwriter: Lehman Brothers Kuhn Loeb Inc. The company designs, manufactures and markets a wide variety of athletic footwear. (File 2-69739 - Oct. 31) (Br. 7 - New Issue)
- (S-8) BARNETT BANKS OF FLORIDA, INC., 100 Laura St., Jacksonville, FL 32202 (904-791-7720) - 300,000 shares of common stock. (File 2-69740 - Oct. 31) (Br. 2)
- (S-1) LEASCO CORPORATION, 919 Third Ave., New York, N.Y. 10022 - \$70 million of sinking fund debentures, due December 1, 1997. Underwriter: Drexel Burnham Lambert Incorporated. (File 2-69741 - Oct. 31) (Br. 10)
- (S-8) CONSOLIDATED FOODS CORPORATION, Room 1625, 135 South LaSalle St., Chicago, IL 60603 (312-726-6414) - 1,000,000 shares of common stock. (File 2-69742 - Oct. 31) (Br. 4)
- In a separate S-8 registration statement, the company seeks registration of 600,000 shares of common stock. (File 2-69743 - Oct. 31) (Br. 4)
- (S-8) ARCHER-DANIELS-MIDLAND COMPANY, 4666 Taries Parkway, Decatur, IL 62525 (217-424-5200) - 315,000 shares of common stock. (File 2-69746 - Oct. 31) (Br. 3)
- (S-1) TURNER BROADCASTING SYSTEM, INC., 1050 Techwood Dr., N.W., Atlanta, GA 30318 - 1,100,000 shares of common stock. Underwriter: The Robinson-Humphrey Company Inc. The company operates WTBS-TV, a 24-hour independent UHF television station, which is transmitted by satellite to cable television systems across the United States. (File 2-69747 - Oct. 31) (Br. 7)
- (S-8) APPLICON INCORPORATED, 32 Second Ave., Burlington, MA 01803 (617-272-7070) - 850,540 shares of common stock. (File 2-69748 - Oct. 31) (Br. 10)
- (S-7) MACY CREDIT CORP., 151 West 34th St., New York, NY 10001 (212-279-9829) - \$60 million of debentures, due November 15, 1990. Underwriters: Lehman Brothers Kuhn Loeb Inc. and Goldman Sachs & Co. The company is in the business of financing of customers' deferred payment accounts of R.H. Macy & Co. Inc. (File 2-69749 - Nov. 3) (Br. 2)
- (S-1) ENERGY MANAGEMENT CORPORATION; ENERGY GAS & OIL DRILLING PROGRAM 1981, SERIES 19, 555 Seventeen St., Suite 3500, Denver, CO 80202 - 49,500 units of pre-formation limited partnership interests and the underlying limited partnership interests. Distribution will be made by selected NASD members. The partnerships will engage in the drilling, completing and production of gas and oil wells. (File 2-69750 - Nov. 3) (Br. 4 - New Issue)
- (S-2) TARGET OIL & GAS INC., The Spectrum Bldg., Suite 510, 1580 Lincoln, Denver, CO 80203 - 12,000,000 shares of common stock. Underwriter: First Colorado Investments & Securities, Inc., 621 Seventeenth St., Suite 1801, Denver, CO 80202

(303) 623-3361. The company owns overriding royalty interests and working interests in oil and gas leases and a mineral interest, and intends to engage in the business of acquiring additional interests in oil and gas leases and intends to engage in oil and gas exploration, development and production. (File 2-69751 - Nov. 3) (Br. 3 - New Issue)

- (S-8) LOGICON, INC., 21535 Hawthorne Blvd., Torrance, CA 90503 (213-540-9200) - 200,000 shares of common stock. (File 2-69752 - Nov. 3) (Br. 4)
- (S-16) ATLANTIC RICHFIELD COMPANY, 515 South Flower St., Los Angeles, CA 90071 (213-486-3511) - 42,176 shares of common stock. (File 2-69753 - Nov. 3) (Br. 4)
- (S-15) GEORGIA-PACIFIC CORPORATION, 900 S.W. Fifth Ave., Portland, OR 97204 (503-222-5561) - 1,975,500 shares of Series C Adjustable Rate Convertible Preferred Stock. (File 2-69754 - Nov. 3) (Br. 9)
- (S-1) WEAVER 1981 DRILLING PROGRAMS, 2330 Capital Bank Plaza, 333 Clay St., Houston, TX 77002 - 2,000 units of participation (Preformation Limited Partnership Interests) in Weaver 1981 Drilling Programs. General Partner: Weaver Exploration Company. The partnerships will engage in drilling for oil and gas. The offering will be made through selected NASD members. (File 2-69755 - Nov. 3) (Br. 4 - New Issue)
- (S-16) COHERENT, INC., 3210 Porter Dr., Palo Alto, CA 94304 (415-493-2111) - 440,000 shares of common stock. Underwriters: L.F. Rothschild, Unterberg, Towbin, and Alex. Brown & Sons. The company designs, manufactures and supplies electro-optical systems and medical instruments utilizing laser, precision optic and microelectronic technologies. (File 2-69756 - Nov. 3) (Br. 8)
- (S-1) P.H.C., INC., 430 Park Ave., New York, NY 10022 (212-758-8100) - 208,099 shares of common stock. (Exchange Offer) (File 2-69760 - Nov. 3) (Br. 4 - New Issue)
- (S-6) THE MARYLAND TAX-EXEMPT TRUST, SERIES 4 - an indefinite number of units. Depositor: Legg Mason Wood Walker, Inc., 7 East Redwood St., Baltimore, MD 21203. (File 2-69762 - Nov. 3) - Br. 17 - New Issue)
- (S-1) ENI COMPLETION PROGRAM 1981, 1417 116th Ave., N.E., Call Number C21611, Bellevue, WA 98009 - 7,000 units of limited partnership interests. Each partnership will be formed to acquire oil and gas prospects and to provide funds for oil and gas wells drilled by one or more Joint Ventures. (File 2-69768 - Nov. 3) (Br. 3 - New Issue)
- (S-16) PITNEY BOWES INC., Walter H. Wheeler Jr., Dr., Stamford, CT 06926 (203-356-5000) - 312,187 shares of common stock. (File 2-69769 - Nov. 3) (Br. 9)

REGISTRATIONS EFFECTIVE

Oct. 28: Independent Bankshares, Inc., 2-68927; Western Bancorporation, 2-68892.
Oct. 29: CRA/Spectrum 7 Drilling Program I, 2-68654; M/A-COM, Inc., 2-69547; Raymond International Inc., 2-69467; Rowan Companies, Inc., 2-69576; Tubos de Acero de Mexico, S.A., 2-69239; Western Digital Corporation, 2-69364.
Oct. 30: Agway, Inc., 2-69078; Flagship Banks Inc., 2-69501; Nuclear Pharmacy Inc., 2-69211; Old Dominion Real Estate Investment Trust, 2-69220.

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PRIORITY SERVICE - Copies of documents may be ordered by telephone directly from the SEC's contractor by calling 301/951-1350. The priority reproduction cost is 35 cents per page plus postage (\$10.00 minimum order). Priority service orders will be shipped within 24 hours of your telephoned request. Cost estimates are given on request.

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