

sec news digest

Issue 81-123

JUN 29 1981

June 26, 1981

ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDINGS INSTITUTED AND ORDER ENTERED AGAINST FSC CORPORATION

The Commission announced the issuance of an Order Instituting Proceedings pursuant to Section 15(c)(4) of the Securities Exchange Act of 1934 (Exchange Act) and Findings and Order of the Commission (Order) against FSC Corporation, a Delaware corporation with principal offices in Pittsburgh, Pennsylvania, to determine whether in effecting a tender offer for the common stock of Atco Industries, Inc., the disclosures of FSC, Atco's majority shareholder complied with Section 13(e) of the Exchange Act and Rule 13e-3 thereunder. Simultaneously with the institution of these proceedings, FSC has submitted an Offer of Settlement. The Commission has determined that it is appropriate and in the public interest to accept the Offer of Settlement and, accordingly, is issuing this Order.

As set forth in the Order, the Commission found that FSC failed to comply with Section 13(e) of the Exchange Act and Rule 13e-3 thereunder. Specifically, the Commission found that the filing made by FSC failed to adequately disclose the purpose of the tender offer for Atco common stock, the effect of the tender offer upon Atco shareholder's rights, the basis for the tender offer price of \$.60 per share at a time when Atco common stock was quoted on the American Stock Exchange at \$1.25 per share and that an independent appraiser retained by Atco to pass upon the fairness of the FSC offer had been indemnified by FSC and Atco for liability resulting from the issuance of its opinion.

As set forth more fully in the Commission's Order, in October 1979 FSC acquired 71.8 percent of Atco's outstanding common stock from a group of Atco shareholders. Pursuant to the Stock Purchase Agreement, FSC was required, within one year of the closing and on terms not less favorable to the remaining Atco shareholders, to either effect a merger between Atco and FSC or make a tender offer for the remaining Atco shares. Because of problems posed by a majority preferred shareholder and a question as to whether under state law the majority preferred shareholder could block a merger transaction, FSC elected to make a tender offer for the remaining Atco shares. A principal reason for the tender offer, not adequately disclosed by FSC, was to avoid the problems by the majority preferred shareholder.

The Commission ordered FSC to comply with the requirements of Section 13(e) of the Exchange Act and Rule 13e-3 thereunder and further ordered FSC to notify the Commission if it fails to comply with its undertakings. FSC undertook to offer shareholders who tendered their stock pursuant to the tender offer the opportunity to receive back their shares, and to furnish such shareholders with materials containing the information required by Section 13(e) of the Exchange Act and Rule 13e-3 thereunder. FSC stated in its undertaking that it had no present intention of taking Atco private but that if it determined to do so within two years of the date of the Commission's Order, it would retain a Special Review Person to represent and negotiate on behalf of the non-affiliated shareholders of Atco. (Rel. 34-17892)

CIVIL PROCEEDINGS

ORDER TO SHOW CAUSE WHY CLARK O. SCHAFFER SHOULD NOT BE PUNISHED FOR CRIMINAL CONTEMPT

The San Francisco Branch Office announced that on June 12 the Honorable Thelton E. Henderson, U.S. District Judge for the Northern District of California, issued an Order to Show Cause Why Clark O. Schaffer Should Not be Punished for Criminal Contempt and Appointing Attorneys to Prosecute (Order).

The Order was based upon the Court's determination that reasonable cause exists for believing that Schafer had knowledge of and knowingly and wilfully disobeyed the Court's Order of Permanent Injunction and Appointment of a Receiver entered on March 27, 1981, in Civil Action No. C-81-0516-TEH. (U.S. ex rel. SEC v. Clark O. Schafer, N.D. Cal., Civil Action No. CIV-81-81-MISC-TEH). (LR-9381)

**TEMPORARY RESTRAINING ORDER ISSUED
AGAINST STANDARD DREDGING CORPORATION, OTHERS**

The Houston Branch Office announced that on June 15 the Honorable Robert O'Connor, Jr. of the U.S. District Court, Southern District of Texas, issued an order temporarily restraining Standard Dredging Corporation, a publicly-held company with offices in Houston, Texas; James McBride of Houston, Standard's chief executive officer; and David Temple-Harris of San Antonio, Texas, Standard's vice president, from further violations of the registration and antifraud provisions of the Securities Act of 1933, and the antifraud and periodic reporting provisions of the Securities Exchange Act of 1934. The Order also freezes the assets of Standard and its employee pension fund and preserves the books and records of Standard.

The Commission's complaint, filed on June 15, alleged that since September 1980, Standard, McBride and Temple-Harris have violated the antifraud provisions of the securities laws by failing to disclose, in periodic filings with the Commission or otherwise, that McBride diverted most of Standard's \$442,800 employee pension fund to his own use or to the use of Fresno Industries Corporation, a privately-held corporation that he controls. It was further alleged that in February 1981, the defendants publicly disseminated false and misleading statements of material facts and omitted to state material facts through a newspaper article which appeared in a Houston publication with respect to Standard's favorable future as a result of a proposed merger with Fresno, which appears to be virtually shell corporation. The defendants are further alleged to have overstated Fresno's assets in that article and to have omitted to state that a portion of Standard's employee pension fund had been diverted to Fresno.

The complaint further alleged that since at least April 1981, the defendants offered and sold at least 111,000 shares of Standard's unregistered common stock in violation of the registration provisions of the securities laws. Moreover, the complaint alleged that Standard, aided and abetted by McBride and Temple-Harris, has failed to file with the Commission certain periodic reports for 1979, 1980 and 1981. (SEC v. Standard Dredging Corporation, et al., USDC/SD TX/HOUSTON DIV., CA H-81-1526). (LR-9382)

INVESTMENT COMPANY ACT RELEASES

INA CASH FUND, INC.

A notice has been issued giving interested persons until July 20 to request a hearing on an application of INA Cash Fund, Inc. (Fund), for an order of exemption from Section 2(a)(41) of the Investment Company Act of 1940 and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to permit the Fund to value its portfolio securities and instruments using the amortized cost valuation method. (Rel. IC-11830 - June 25)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF EFFECTIVENESS OF A PROPOSED RULE CHANGE

A fee change filed by the Stock Clearing Corporation of Philadelphia (SCCP), pursuant to Rule 19b-4 (SR-SCCP-81-3) has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. SCCP has raised the fee for certificate deposits and the value charge for Continuous Net Settlement (CNS) accounts, has reduced the fee for New York Office transactions and movements to and from the Depository Trust Company, and has instituted a new fee for CNS settlement deliveries and the pass-through of transfer agent fees. Publication of the proposal is expected to be made in the Federal Register during the week of June 29. (Rel. 34-17890)

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) PRECISION HOME CARE SERVICES, INC., 80 Wall St., New York, NY 10005 - 1,000,000 units, each consisting of one share of common stock and one common stock purchase warrant. Underwriter: Royer Securities Company, 1140 Bloomfield Ave., West Caldwell, NJ (201) 575-7905. The company intends to engage in the operation of home health care agencies. (File 2-72865-NY - June 10) (Br. 6 - New Issue)
- (S-18) FUEL AMPLIFIER CORP., 211A North Fehrway, North Bayshore, NY 11706 - 2,000,000 shares of common stock. Underwriter: Brodis Galant Securities. The company markets and sells a fuel saving device used primarily for commercial, industrial and residential oil fired boilers and furnaces. (File 2-72872-NY - June 19) (Br. 10 - New Issue)
- (S-18) WALKER TELECOMMUNICATIONS CORPORATION, 4 Millford Court, Plainview, NY 11803 (516) 938-5595 - 900,000 shares of common stock. Underwriter: Bond, Richman & Co., Inc. The company is engaged in rendering marketing and engineering consulting services with respect to data communications products manufactured in Japan. (File 2-72889-NY - June 19) (Br. 7 - New Issue)
- (S-18) POLYMER RESEARCH CORP. OF AMERICA, 2186 Mill Ave., Brooklyn, NY 11234 (212) 444-4300 - 250,000 shares of common stock. Underwriter: S.D. Cohn & Co., 120 Broadway, New York, NY 10271. The company is engaged in research and development of polymer chemistry. (File 2-72896-NY - June 19) (Br. 8 - New Issue)
- (S-18) EQUINETICS, INC., RFD #2, Millersburg, PA 17061 - 1,500,000 units, 6,000,000 shares of common stock and 1,500,000 six month common stock purchase warrants. Underwriter: M. H. Walter & Co. Incorporated. The company intends to engage in the business of purchasing, owning, breeding and selling standardbred horses. (File 2-72905-W - June 23) (Br. 4 - New Issue)
- (S-16) XEROX CORPORATION, Stamford, CT 06904 (203) 329-8700 - 93,616 shares of common stock. (File 2-72932 - June 24) (Br. 10)
- (S-6) THE CORPORATE INCOME FUND, ONE HUNDRED THIRTIETH AND TWENTY-NINTH SHORT TERM SERIES, One Liberty Plaza, 165 Broadway, New York, NY 10080 - an indefinite number of units of beneficial interests. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, NY 10080, Dean Witter Reynolds Inc., Bache Halsey Stuart Shields Incorporated and Shearson Loeb Rhoades Inc. (File 2-72933 and 2-72934 - June 24) (Br. 17 - New Issues)
- (S-B) BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, Canadian Consultate General, 1251 Avenue of the Americas, New York, NY 10020 - \$200 million of \$ bonds, Series FH, due 2011. Underwriters: Salomon Brothers, The First Boston Corporation, Lehman Brothers Kuhn Loeb Incorporated, A.E. Amex & Co. Incorporated, McLeod Young Weir Incorporated and Wood Gundy Incorporated. The company is engaged in the generation, transmission and distribution of electricity. (File 2-72935 - June 25) (Br. 9 - New Issue)
- (S-8) IONICS, INCORPORATED, 65 Grove St., Watertown, MA 02172 (617) 338-2800 - 60,000 shares of common stock. (File 2-72936 - June 24) (Br. 9)
- (S-1) CONVEST 1981 ENERGY DEVELOPMENT Program, 1700 West Loop South, Suite 1000, Houston, TX 77027 - 10,000 units of limited partnership interests. (File 2-72937 - June 25) (Br. 3 - New Issue)

REGISTRATIONS EFFECTIVE

June 15: Wastemate Corp., 2-70051-LA.

June 16: Helionetics, Inc., 2-68355-LA.

June 18: Cardinal Tax-Exempt Bond Trust, Twentieth Series, 2-72401; Kemper Tax-Exempt Income Trust, Series 22, 2-71461.

June 19: The Municipal Bond Trust, California Series A, 2-72507; Municipal Securities Trust, Series 11, 2-72288; Nicom Systems, Inc., 2-72241; TXL Equipment Fund I and II, 2-71363.

OFFICIAL BUSINESS
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WASHINGTON, D.C.
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NOTICE

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REGULAR SERVICE — The regular service reproduction cost is 10c per page, including applicable sales taxes, plus postage (\$5.00 minimum order). Regular service orders will be shipped within seven calendar days of the receipt by the SEC's service contractor of your request, forwarded from the Public Reference Branch. Slight delays may occur if the materials to be copied are not already in the contractor's master files.

PRIORITY SERVICE — Copies of documents may be ordered by telephone directly from the SEC's service contractor by calling 301/951-1350. The priority reproduction cost is 35¢ per page plus postage and applicable sales taxes (\$10.00 minimum order). Priority service orders will be shipped by 4:00 PM of the working day following the day of your telephoned request for materials already in the contractor's master files. Cost estimates are given on request.

All other reference material is available in the SEC Docket.

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