

# sec news digest

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## DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DECISION DENYING REGISTRATION TO CAROB  
SECURITIES, INC. AND SUSPENDING ITS  
PRESIDENT FINAL

U.S. SECURITIES AND  
EXCHANGE COMMISSION

The decision of an administrative law judge denying the application of Carob Securities, Inc., of San Francisco, for broker-dealer registration, and suspending Robert A. Schilleman, the firm's president, from association with any broker or dealer for a period of six months, has become final. Schilleman's suspension is effective November 22.

According to the decision, Schilleman failed to disclose in Carob's application for broker-dealer registration that he had been enjoined from violating antifraud and other provisions of the securities acts. (Rel. 34-12916)

## ORDERS FOR PUBLIC PROCEEDINGS

DUDLEY DIGGS MORGAN

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Dudley Diggs Morgan, a Tulsa, Oklahoma stockbroker. The Commission's order is based upon staff allegations that Morgan was convicted of twelve counts of mail fraud and two counts of securities fraud. A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondent an opportunity to offer any defenses. The purpose of the hearing is to determine whether the allegations are true and if any action of a remedial nature should be ordered by the Commission. (Rel. 34-12941)

CONTEMPORARY SECURITIES CORPORATION

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Contemporary Securities Corporation, a registered broker-dealer of New York City, Jeffrey M. Greenberg, New York City, and Abraham D. Pardes, Lauder Hill, Florida, the owners of Contemporary Securities Corporation; Ted A. England, Las Vegas, Nevada; Gerard F. Lewis, Rancho Santa Fe, California; John F. McCarthy, LaJolla, California; Roger H. Quast, Reno, Nevada; Herbert Segaloff, Los Alamitos, California; Richard E. Shores and David E. Lobato, Salt Lake City, Utah.

The proceedings are based on staff allegations of violations of registration, anti-fraud, broker-dealer registration and annual financial requirements of the securities laws. A hearing will be scheduled by further order to take evidence on the charges against the respondents. (Rel. 34-12942)

## COMMISSION ANNOUNCEMENTS

ADVISORY COMMITTEE ON CORPORATE  
DISCLOSURE MEETING ANNOUNCED

The Advisory Committee on Corporate Disclosure will conduct open meetings on December 6 and 7 at the Dirksen Senate Office Building, First Street and Constitution Avenue, N.E., Washington, D.C. 20549, in Room 5302 beginning at 10:00 a.m.

The summarized agenda for the meeting is as follows: (1) presentation of paper on the impact of disclosure of questionable foreign payments on security prices by Professor Paul Griffin of Standard University; (2) conclusion of discussion of the objectives of the corporate disclosure system; (3) discussion of the concept of materiality as defined under the securities laws; (4) consideration of proposals for reform of disclosure system; (5) discussion of such other matters as may properly be brought before the Committee.

Further information may be obtained by writing Mary E.T. Beach, Staff Director, Advisory Committee on Corporate Disclosure, Securities and Exchange Commission, Washington, D.C. 20549.

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## COURT ENFORCEMENT ACTIONS

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### LEO G. BATEMAN ENJOINED

The Denver Regional Office announced that the Honorable Fred M. Winner, U.S. District Court Judge for the District of Colorado, on October 8 signed an order permanently enjoining Leo G. Bateman from violations of the registration provisions of the securities laws in the offer and sale of the common stock of Polaris Mining Company. Bateman consented to the permanent injunction without admitting or denying the allegations of the complaint. (SEC v. Polaris Mining Company, et al., USDC, Colo., 75-W-695). (LR-7627)

### INFORMATION CHARGES HAROLD WILLIAMS, OTHERS

The Atlanta Regional Office announced the filing of an information in the Circuit Court of the Eleventh Judicial Circuit of Florida on September 29 charging Harold Williams, Martin Fried and Triex Properties, Inc. with violations of the state securities laws. The defendants were charged under Florida statutes with two counts each of sale of unregistered securities, sale of securities by unregistered salesman, and fraudulent sale of securities. This prosecution is the result of a cooperative effort involving the State Attorney's office, the Comptroller of the State of Florida, the U.S. Postal Inspector's office, and the Commission. (State of Florida v. Harold Williams, et al., Eleventh Judicial Circuit No. 76-8170). (LR-7628)

### COMPLAINT NAMES EDWARD GINSBERG, OTHERS

The Chicago Regional Office announced that on October 19 a complaint was filed in the U.S. District Court for the Northern District of Ohio, Eastern Division, seeking to enjoin Edward Ginsberg, Robert J. Lax, Ronald M. Gottfried, Ronald M. Gottfried, Inc., Albert A. Rosen, Elmer I. Paull, First Continental Investment Corporation, all of Cleveland, Ohio, and Tom Hill of Aubrey, Texas, from violations of the registration provisions of the securities laws in the offer and sale of investment contracts in the form of limited partnership interests in various limited partnerships owning interests in apartment complexes. Further, the complaint seeks to enjoin the aforesaid Edward Ginsberg, Robert J. Lax and Tom Hill from further violations of the antifraud provisions of the securities laws in the offer and sale of those securities. (SEC v. Edward Ginsberg, et al., N.D. Ohio, E. Div., Civil Action No. C76-1116). (LR-7629)

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## INVESTMENT COMPANY ACT RELEASES

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### ASTRON FUND

A notice has been issued giving interested persons until November 24 to request a hearing on an application of Astron Fund, Inc. (Fund), a registered closed-end management investment company, and Frank Russell Co. Inc. (Russell), investment adviser to the Fund (collectively Applicants), for an order pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder permitting Applicants to consummate a settlement of a civil suit instituted by the Fund against the underwriter of its fidelity bond and of certain claims asserted by the Fund against Russell. (Rel. IC-9501 - Nov. 1)

### ALLIED CAPITAL CORPORATION

A notice has been issued giving interested persons until November 22 to request a hearing on an application of Allied Capital Corporation, a registered closed-end investment company, for an order (1) exempting from the limitations on investments prescribed by Section 12(e) proposed investments by Allied Capital in Allied Investment Corporation and Allied Lending Corporation, two wholly-owned subsidiaries of Allied Capital, and (2) providing limited exemptions from Sections 17(a) and 17(d) and Rule 17d-1 thereunder for certain transactions involving Allied Capital, Allied Investment and Allied Lending. (Rel. IC-9502 - Nov. 1)

### THE INTEREST INCOME TRUST

An order has been issued on an application of The Interest Income Trust, First Series and Subsequent Series (Trust), a registered unit investment trust, and its sponsor, Prescott, Ball & Turben, exempting the Trust from the initial net worth requirements

of Section 14(a), exempting the frequency of capital gains distributions of the Trust from the provisions of Rule 19b-1, and exempting the secondary market operations of the sponsor and underwriters of the Trust from the provisions of Rule 22c-1. (Rel. IC-9503 - Nov. 1)

#### FOURSQUARE FUND

An order has been issued on an application of Foursquare Fund, Inc. (Fund), a registered open-end, diversified management investment company, Marvin M. Demchick, Alfred P. Coletta, Raymond H. Kraftson, officers of Life of Pennsylvania Financial Corporation, and Triangle Processing Corporation, pursuant to Section 17(b) of the Act exempting from the provisions of Section 17(a) of the Act the purchase by Demchick, Coletta, Kraftson and Triangle from the Fund of 50,000 shares of common stock of Life of Pennsylvania Financial, a portfolio affiliate of the Fund. (Rel. IC-9504 - Nov. 1)

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## HOLDING COMPANY ACT RELEASES

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#### MONONGAHELA POWER COMPANY

A notice has been issued giving interested persons until November 19 to request a hearing on a proposal of Monongahela Power Company, subsidiary of Allegheny Power System, Inc., to issue and sell a new series of cumulative preferred stock at competitive bidding in an amount not to exceed 150,000 shares of \$100 par value cumulative preferred stock. (Rel. 35-19735 - Oct. 29)

#### WEST PENN POWER COMPANY

A notice has been issued giving interested persons until November 19 to request a hearing on a proposal of West Penn Power Company, subsidiary of Allegheny Power System, Inc., to issue and sell preferred stock at competitive bidding in an amount not to exceed 200,000 shares of \$100 par value cumulative preferred stock. (Rel. 35-19736 - Oct. 29)

#### GENERAL PUBLIC UTILITIES CORPORATION

A notice has been issued giving interested persons until November 29 to request a hearing on a proposal of General Public Utilities Corporation, a registered holding company to increase to \$70,180,000 of cash capital contributions it may make to several of its subsidiaries. (Rel. 35-19737 - Nov. 1)

#### CENTRAL AND SOUTH WEST CORPORATION

A notice has been issued giving interested persons until November 24 to request a hearing on a proposal of Central and South West Corporation, a registered holding company, that it issue and sell up to 6,532,108 shares of common stock at competitive bidding. (Rel. 35-19738 - Nov. 1)

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## SELF-REGULATORY ORGANIZATIONS

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#### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved the rule change submitted by The Options Clearing Corporation (SR-OCC-76-8) relating to the clarification of Rule 803(c) and related matters respecting the assignment of exercised notices by OCC. (Rel. 34-12937)

The Commission has approved a proposed rule change filed by the Midwest Securities Trust Company (SR-MSTC-76-10) establishing a custodial arrangement with the Bradford Trust Company in New York City. (Rel. 34-12938)

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## SECURITIES ACT REGISTRATIONS

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#### (S-1) MCCORMICK 1977 OIL & GAS PROGRAM

1204 Tenneco Bldg., Houston, Tex. 77002 - \$12 million of limited partnership interests (plus \$3 million of additional assessments), to be offered for sale with a minimum purchase of \$10,000 (plus additional assessment of \$2,500), by selected NASD members. The partnership has been organized by McCormick Exploration Corporation and Sanford E. McCormick as general partners and proposes to explore for oil and gas in the U.S. (File 2-57509 - Oct. 28)

(S-7) IOWA SOUTHERN UTILITIES COMPANY

300 Sheridan Ave., Centerville, Iowa 52544 - 300,000 shares of common stock, to be offered for sale at a price not yet determined. The managing underwriter is Goldman Sachs & Co. The company is an electric and gas utility. (File 2-57510 - Oct. 28)

(S-6) INSURED MUNICIPALS-INCOME TRUST, SERIES 10

208 South LaSalle St., Chicago, Ill. 60604 - \$5 million of units, to be offered for sale at net asset value (\$1050 maximum). The Fund is one of a series of unit investment trusts created under a trust indenture between Van Kampen Sauerma Inc., as sponsor and Bradford Trust Company, as trustee. It consists of an insured portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. MGIC Indemnity Corporation has insured the prompt payment of interest and principal, when due, on the bonds in the portfolio of the Fund. (File 2-57511 - Oct. 28)

(S-7) KANSAS CITY POWER & LIGHT COMPANY

1330 Baltimore Ave., Kansas City, Mo. 64141 - \$30 million of first mortgage bonds, due 2006, to be offered for sale at competitive bidding. The company is a public utility engaged in the generation, transmission, distribution and sale of electric energy. (File 2-57513 - Oct. 28)

(S-7) PACIFIC GAS AND ELECTRIC COMPANY

77 Beale St., San Francisco, Cal. 94106 - \$175 million of first and refunding mortgage bonds, Series 76A, due 2008, to be offered for sale at competitive bidding. The company is an operating public utility engaged principally in the business of supplying electric and natural gas service. (File 2-57516 - Oct. 28)

(S-3) BUENO COEUR d'ALENE, INC.

518 Patterson Bldg., Denver, Colo. 80202 - 5,000,000 shares of common stock, to be offered for sale at a price of \$0.20 per share on a "best-efforts part all-or-none" basis by Engler & Budd Co., 324 Republic Bldg., 1612 Tremont Pl., Denver, Colo. 80202, and 801 Nicollet Mall, Minneapolis, Minn. 55402. The company is presently engaged in the mineral exploration business. (File 2-57517 - Oct. 28)

REGISTRATIONS EFFECTIVE

Oct. 27: Trans Union Corp., 2-57398.

Oct. 28: Cardinal Corp., 2-56719; Caterpillar Tractor Co., 2-57452; Charter Financial Corporation of Illinois, 2-56928; Fairmont Foods Co., 2-57336; Hospital Affiliates International, Inc., 2-57353; Idaho Power Co., 2-57373 & 2-57374; Kaiser Resources Ltd., 2-57368; Pioneer Electronic Corp., 2-57175 & 2-57196; The Washington Water Power Co., 2-57219.

Oct. 29: Automatic Data Processing Inc., 2-57314; Chef's International Inc., 2-56985 (90 days); Commercial Credit Co., 2-57365; General Electric Co., 2-57486; Narda Microwave Corp., 2-57477; Oklahoma Natural Gas Co., 2-57228; The Options Clearing Corp., 2-57142; Sanders Associates, Inc., 2-57279; Sears, Roebuck & Co., 2-57274; Sportscoach Corp., 2-57206.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

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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