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RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

RULE 17f-4 ADOPTED

The Commission has adopted a new Rule 17f-4 under the Investment Company Act of 1940. The Rule permits deposits of securities owned by registered management investment companies in (1) the Federal Reserve/Treasury book-entry system or (2) a clearing agency registered with the Commission which acts as a securities depository as defined in the Rule, or (3) both. In addition, the Rule sets forth the conditions for such deposits either by those investment companies or their custodians. (Rel. IC-10453)

FOR FURTHER INFORMATION CONTACT: Stanley B. Judd at (202) 755-0213 or
Elizabeth T. Tsai at (202) 755-0210

COMMISSION ANNOUNCEMENTS

COMMISSIONER KARMEI SPEAKS BEFORE THE SECURITIES REGULATION SEMINAR

Commissioner Karmel spoke before the Annual Cooperative Securities Regulation Seminar in Los Angeles, California, on Friday, October 27, 1978. The title of her address was "Management Fraud - What Are the Standards?"

CIVIL PROCEEDINGS

CIVIL INJUNCTIVE ACTION ENTERED AGAINST DATA SYSTEMS, INC. FOR DELINQUENT FILINGS

The Commission announced that it filed in the U.S. District Court for the District of Columbia a civil injunctive action against Data Systems, Inc. alleging violations of the reporting provisions of the securities laws and seeking a judgment of permanent injunction and other relief. The Commission's complaint alleged that Data has failed to file its quarterly report on Form 10-Q for its fiscal quarter ended July 31, 1978 required to have been filed with the Commission by September 14, 1978. Further, the complaint charged that Data, as part of a continuing course of violative conduct extending over several years, has failed to timely file certain of its annual reports and quarterly reports required to have been filed with the Commission. (SEC v. Data Systems, Inc., U.S.D.C. D.C., Civil Action No. 78-2039). (LR-8577)

CHARLES M. BEALE ENJOINED

The Atlanta Regional Office announced that on October 2 the Federal Court in Memphis, Tennessee, entered an order permanently enjoining Charles M. Beale of Memphis from further violations of antifraud provisions of the securities laws. Beale consented to the entry of the order of permanent injunction without admitting or denying the allegations of the complaint. Beale has been subject to a preliminary injunction since May 27, 1977. The complaint charged that Beale, while president and a director of Shelby Bond Service Corp., offered and sold various municipal securities at excessive mark-ups, engaged in adjusted trades, and misrepresented, among other things, the financial condition of issuers of such securities. (SEC v. Shelby Bond Service Corporation, et al., W.D. Tenn. C-77-2236). (LR-8578)

LIVING DYNAMICS INTERNATIONAL, INC., OTHERS ENJOINED

The Los Angeles Regional Office announced that on October 3 a civil injunctive action was filed in the U.S. District Court for the Central District of California against Howard R. Watrous, James Baldwin, Living Dynamics International, Inc., LDI Securities Inc., LDI Property Investors I, LDI Financial Services, LDI Property

Management, LDI Reading Institute, Inc., LDI Leasing Corp., LDI Realty Corp., Bellibutton, Inc., LDI Marketing-A, LDI Marketing Services International, Inc., Encounters, Inc., and LDI Leasing I, seeking to enjoin them from further violations of the registration and antifraud provisions of the securities laws. Simultaneously with the filing of the complaint, the defendants consented to the entry of a judgment of permanent injunction against them without admitting or denying the allegations of the complaint. The complaint alleged, among other things, that the defendants offered to sell and sold through financial seminars unregistered securities in the form of promissory notes, limited partnership interests, and common stock in business ventures either owned, operated or managed by Watrous. The complaint further alleged that the defendants commingled and then misappropriated the funds raised from seminar-attendees. (SEC v. Howard R. Watrous, et al., U.S.D.C. C.D. Cal., Civil Action No. 78-3786-RUT). (LR-8582)

HOSPITAL CORPORATION OF AMERICA ENJOINED

The SEC announced the filing of a complaint in the U.S. District Court for the District of Columbia against Hospital Corporation of America (HCA). HCA, a Tennessee corporation based in Nashville, Tennessee, is principally engaged in the operation and management of hospitals in the United States and in foreign countries. Common stock of HCA is listed and traded on the New York Stock Exchange.

The complaint alleges violations of the antifraud, reporting, and proxy provisions of the securities laws concerning disclosures by HCA relating to HCA's obtaining a management contract from the Royal Cabinet of Saudi Arabia for the management of the King Faisal Specialist Hospital (Hospital) in Riyadh, Saudi Arabia. The Commission also announced that HCA, without admitting or denying the allegations of the complaint, consented to the entry of a final judgment of permanent injunction which enjoins HCA from violations of the antifraud, reporting, and proxy provisions of the securities laws and which provides for other equitable relief. (SEC v. Hospital Corporation of America, U.S.D.C. D.C., Civil Action No. 78-2027). (LR-8586)

INVESTMENT COMPANY ACT RELEASES

FINANCIAL MUNICIPAL BOND FUND, INC.

An order has been issued on an application of Financial Municipal Bond Fund, Inc. declaring that it has ceased to be an investment company. (Rel. IC-10450 - Oct. 26)

INSURED MUNICIPALS-INCOME TRUST

A notice has been issued giving interested persons until November 21 to request a hearing on an application of Insured Municipals-Income Trust, Investors' Corporate-Income Trust, and Investors' Governmental Securities-Income Trust, registered under the Investment Company Act of 1940 as unit investment trusts, their sponsor, Van Kampen Sauerman, Inc. and Dain, Kalman & Quail, Inc., a co-sponsor of one of the trusts, for an order amending an earlier order dated October 17 (IC-10442), which earlier amended an order dated January 31 (IC-10109). These orders exempted an exchange offer by the three unit investment trusts from the provisions of Section 22(d) of the Act pursuant to Section 6(c) of the Act, and permitted that exchange offer to be effected on a basis other than the trusts' net asset value per unit at the time of exchange pursuant to Section 11 of the Act. (Rel. IC-10455 - Oct. 27)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until November 21 to request a hearing on a proposal of Consolidated Natural Gas Company, a registered holding company, and one of its subsidiaries, CNG Producing Company, regarding open account advances to and the acquisition of long-term notes of the subsidiary. (Rel. 35-20748 - Oct. 27)

CENTRAL AND SOUTH WEST CORPORATION

An order has been issued authorizing a proposal of Central and South West Corporation a registered holding company, and five of its subsidiaries, that they revise a system money pool arrangement concerning short-term borrowing. (Rel. 35-20749 - Oct. 27)

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-14) NATIONAL MEDICAL ENTERPRISES, INC., 11620 Wilshire Blvd., Los Angeles, Cal. 90025 (213) 479-5526 - 890,909 shares of common stock, 196,000 shares of Series A preferred stock and 45,067 options to purchase common & Series A preferred stock. (File 2-62926 - Oct. 27)
- (S-16) NIAGARA MOHAWK POWER CORPORATION, 300 Erie Blvd. West, Syracuse, N.Y. 13202 (315) 474-1511 - 2,000,000 shares of common stock. (File 2-62927 - Oct. 27)
- (S-8) ENTEX, INC., 1200 Milam, Houston, Tex. 77002 (713) 659-5111 - \$3,075,000 of participations and 300,000 shares of common stock. (File 2-62928 - Oct. 27)
- (S-14) THE LTV CORPORATION, LTV Tower, P.O. Box 225003, Dallas, Tex. 75265 (214) 746-7711 - 3,795,142 shares of \$2.60 Series B cumulative convertible preferred stock. (File 2-62929 - Oct. 27)
- (S-1) HADSON OHIO 1979 OIL AND GAS PROGRAM, 200 City Center Bldg., Main and Broadway, Oklahoma City, Okla. 73102 - 3,000 units of limited partnership interests. (File 2-62930 - Oct. 27)
- (S-8) CINCINNATI BELL INC., 225 East Fourth St., Cincinnati, Ohio 45202 - \$3 million of participations and 60,000 shares of common shares. (File 2-62931 - Oct. 27)
- (S-1) ASSOCIATES FIRST CAPITAL CORPORATION, 1 Gulf & Western Plaza, New York, N.Y. 10023 - \$75 million of investment notes. The company is engaged in the business of providing consumer and commercial financing services and related insurance services. (File 2-62932 - Oct. 27)
- (S-8) GLASS CONTAINERS CORPORATION INVESTMENT PLAN, 277 Park Ave., New York, N.Y. 10017 - \$500,000 of interest. (File 2-62933 - Oct. 27)
- (S-8) SOMERSET IMPORTERS, LTD. THRIFT AND SAVINGS PLAN, 277 Park Ave., New York, N.Y. 10017 - \$500,000 of interest. (File 2-62934 - Oct. 27)
- (S-8) HUNT-WESSON PROFIT SHARING INVESTMENT PLAN AND TRUST, 277 Park Ave., New York, N.Y. 10017 - \$3 million of interest. (File 2-62935 - Oct. 27)
- (S-1) MEYERS PARKING SYSTEM, INC., 1441 Broadway, New York, N.Y. 10018 - 1,250,000 shares of common stock. The company operates parking facilities. (File 2-62936 - Oct. 27)
- (S-8) CHECKER MOTORS CORPORATION, 2016 North Pitcher St., Kalamazoo, Mich. 49007 (616) 343-6121 - 75,000 shares of common stock. (File 2-62937 - Oct. 27)
- (S-16) CALLON PETROLEUM COMPANY, 300 Franklin St., Natchez, Miss. 39120 (601) 442-1601 - 80,000 shares of common stock. (File 2-62938 - Oct. 27)

REGISTRATIONS EFFECTIVE

Oct. 26: CPT Corp., 2-62641; Decision Data Computer Corp., 2-62426; Sunbeam Corp., 2-62557; Xidex Corp., 2-62652.

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.

REGISTRATIONS WITHDRAWN

Oct. 26: American Credit Corp., 2-60257.



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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 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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