

# sec news digest

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## COMMISSION ANNOUNCEMENTS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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### WEEKLY CALENDAR

The following is a schedule of speaking engagements, Congressional testimony, Commission hearings and other public events involving the Commission for the week of February 13, 1983. (Commission Meetings are announced separately in the News Digest)

#### Tuesday, February 15

- \* Chairman Shad accompanied by the Commission will appear before the House Subcommittee on Telecommunications, Consumer Protection, and Finance concerning the Commission budget authorization and general oversight. The hearing will begin at 9:30 a.m. in Room 2123, Rayburn House Office Building.

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## ADMINISTRATIVE PROCEEDINGS

### DECISION FINDING TENDER OFFER VIOLATION BY PAINE WEBBER FINAL

The decision of an administrative law judge finding that Paine Webber Jackson & Curtis, Incorporated, a New York City brokerage firm, aided and abetted a violation of the tender offer provisions of Section 14(d) of the Securities Exchange Act has become final. According to the law judge's decision, on June 12, 1980, Paine Webber, acting as agent for a client, solicited and completed the purchase of 1,282,700 shares of the common stock of Diamond International Corporation from at least 25 broker-dealers representing some 256 customer accounts. All of the shares were purchased at a price of \$42.50, and the acquisition constituted 9.9 percent of Diamond's then outstanding stock. A tender offer for Diamond stock at a lower price by another offeror was pending at the time of Paine Webber's purchases for its client.

After considering all of the pertinent circumstances, the law judge concluded that "Paine Webber's acquisition program had the essential characteristics of a tender offer and ... was fraught with and resulted in the very harms the ... Act was designed to prevent." Since the tender offer was not conducted in accordance with the Act's provisions, Paine Webber was found to have aided and abetted its client's violation.

The law judge concluded that imposition of a sanction was unnecessary since there was no likelihood that Paine Webber would repeat "this type of violation," and that others would be sufficiently deterred by the attendant publicity. (Rel. 34-19479)

### CMC FUNDING , LTD. AND ROBERT A. MCDANIEL SANCTIONED

The Commission has issued an order instituting public administrative proceedings pursuant to Section 9(b) of the Investment Company Act of 1940 and Section 203(e) and (f) of the Investment Advisers Act of 1940 against CMC Funding, Ltd. (Funding), and Robert A. McDaniel, both of Dallas, Texas. Funding, a limited partnership, from December 1980 until late October 1982, was the investment adviser to The Texas Money Fund, Inc. (TMF), an investment company located in Dallas, which formerly operated as a money market fund. On December 17, 1982, pursuant to a reorganization, all of TMF's assets and liabilities were acquired by another registered investment company. McDaniel is a general partner of Funding and was formerly the president and chairman of the board of TMF.

Simultaneously with the institution of the proceedings, the Commission accepted a joint offer of settlement in which the respondents, without admitting or denying the allegations, consented to the entry of findings and an order by the Commission sanctioning them. Specifically, the Commission found that the respondents wilfully violated and wilfully aided and abetted violations of the antifraud provisions of

the Securities Act of 1933, the Securities Exchange Act of 1934, and the Advisers Act, as well as the affiliated transaction and recordkeeping provisions of the Investment Company Act. The Commission revoked Funding's investment adviser registration and prohibited McDaniel from associating with a registered investment for two years, after which he would reapply to become associated in certain limited capacities upon a showing of proper supervision. In addition, the Commission limited McDaniel's activities in connection with his association with a broker-dealer or investment adviser to those of a supervised employee acting in a non-supervisory and non-proprietary capacity. (Rel. IC-13000)

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## CIVIL PROCEEDINGS

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### FINAL JUDGMENT ENTERED IN SEC v. ALLISON, ET AL.

The Commission announced that on January 4 the U.S. District Court for the Northern District of California entered a Final Judgment of Permanent Injunction and Other Equitable Relief in SEC v. Ian T. Allison, et al. The Final Judgment was agreed to by all of the defendants and the Commission in order to settle and resolve the litigation. The defendants remaining in the action at the time of entry of the Final Judgment were Ian T. Allison and Fred K. Austin of Santa Rosa, California, John E. Mahoney of San Rafael, California and 13 corporations: World Missionary Society, River City Farms, Inc., Gas Y Petroleo Olympico, S.A., Pacific States Builders, Inc., Pacific Christian Church, First Christian Missionaries, Southern Christian Missionaries, Nevada Mines, Inc., Sensor Tech Corporation, AG Tech Corporation, American Vitamin Company, Sporthaus, Inc. and Creative Research & Design, Ltd.

As part of the relief obtained in the case, the Court ordered Gas Y Petroleo Olympico, S.A. to disgorge \$600,000 in the form of two U.S. Treasury Bills and appointed Michael F. Perlis, Esq. of San Francisco, California as the Escrow Agent to hold and disburse these funds. The Escrow Agent was ordered to notify each Olympic Gas & Oil, Inc. and/or SNG & Oil Energy Co. shareholder, as defined in the Final Judgment, no later than April 30, 1983, of the terms of the Final Judgment and the procedures for asserting claims against the Escrow Account. The Escrow Account will consist of \$400,000 plus interest. The remaining funds will be used to settle related private litigation. The Court ordered the Escrow Agent to pay such shareholders, within 90 days of April 30, 1983, the amount of actual losses pursuant to a formula contained in the Final Judgment.

The Court permanently enjoined Gas Y Petroleo Olympico, S.A., Pacific States Builders, Inc., Pacific Christian Church, First Christian Missionaries, Southern Christian Missionaries, Nevada Mines, Inc., Sensor Tech Corporation, AG Tech Corporation, American Vitamin Company, Sporthaus, Inc., and Creative Research & Design, Ltd. from future violations of the antifraud provisions of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and Section 17(a) of the Securities Act of 1933. The Court also ordered Mahoney, for a period of two years from January 4, 1983, not to serve as an officer or director of any company having securities registered pursuant to Section 12 of the Exchange Act, but allowed him to remain as counsel for Lumbermans Acceptance Company or its subsidiaries. In a previous decision by the Court in September 1982, Allison, Austin and the corporate defendants were permanently enjoined from violating the registration provisions of the Securities Act.

As agreed by the Commission and the defendants, the Court dismissed with prejudice all remaining claims for relief as to Allison, Austin, Mahoney, World Missionary Society, and River City Farms, Inc. and all other claims for relief as to the other defendants. (SEC v. Ian T. Allison, et al., U.S.D.C. N.D. CA, Civil Action No. 81-19-RPA). (LR-9890)

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## SECURITIES ACT REGISTRATIONS

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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; if the registration statement is a New Issue; and [S] denoting SHELF REGISTRATION pursuant to Rule 415.

- (N-1) PRECIOUS METALS HOLDINGS, INC., 60 State St., Boston, MA 02109 (617) 367-4940 - an indefinite number of shares of common stock. (File 2-81691 - Feb. 7) (Br. 17)
- (S-14) UPPER DAUPHIN BANCORP, INC., 150 Market Sq., P.O. Box 350, Millersburg, PA 17061 (717) 692-4781 - 107,637 shares of common stock. (File 2-81698 - Feb. 7) (Br. 2 - New Issue)
- (S-14) JUNIATA VALLEY FINANCIAL CORP., Bridge and Main Sts., Mifflintown, PA 17059 (717) 436-8211 - 139,050 shares of common stock. (File 2-81699 - Feb. 7) (Br. 1 - New Issue)
- (S-6) DIRECTIONS UNIT INVESTMENT TRUST, FIFTH SERIES, One Battery Park Plaza, New York, NY 10004 - 10,000 units. Depositor: E.F. Hutton & Company Inc. (File 2-81700 - Feb. 7) (Br. 18 - New Issue)
- (S-1) DAMSON 1983-84 OIL AND GAS INCOME FUND, 366 Madison Ave., New York, NY 10017 (212) 687-5522 - \$1 billion of pre-formation limited partnership interests and 31,750,000 pre-formation interest payments. (File 2-81701 - Feb. 7) (Br. 3 - New Issue) [S]
- (S-8) VARIAN ASSOCIATES, INC., 611 Hansen Way, Palo Alto, CA 94303 (415) 493-4000 - 500,000 shares of common stock. (File 2-81702 - Feb. 7) (Br. 7)
- (S-2) CARE CORPORATION, 200 Trust Bldg., Grand Rapids, MI 49503 (616) 459-1071 - 520,000 shares of common stock. Underwriters: Moseley, Hallgarten, Estabrook & Weeden Inc. and William Blair & Company. The company is engaged in the health care business. (File 2-81703 - Feb. 8) (Br. 6)
- (S-1) DATA SWITCH CORPORATION, 444 Westport Ave., Norwalk, CT 06851 (203) 847-9800 - 475,000 shares of common stock. Underwriters: L.F. Rothschild, Unterberg, Towbin and Robertson, Colman & Stephens. The company designs, develops, manufactures and markets proprietary data processing and data communications switching and control systems. (File 2-81704 - Feb. 8) (Br. 7)
- (S-3) USAIR GROUP, INC., 1911 Jefferson Davis Highway, Arlington, VA 22202 (703) 892-7224 - 2,000,000 shares of common stock. Underwriter: Lehman Brothers Kuhn Loeb Incorporated. The company is a certificated air carrier engaged in transporting passengers, property and mail. (File 2-81705 - Feb. 8) (Br. 3)
- (S-3) UAL, INC., 1200 Algonquin Rd., Elk Grove Township, IL 60007 (312) 952-4000 - 3,000,000 shares of common stock. Underwriters: Morgan Stanley & Co. Incorporated and Merrill Lynch White Weld Capital Markets Group. (File 2-81706 - Feb. 8) (Br. 3)
- In a separate statement the company seeks registration of 1,300,000 shares of common stock. (File 2-81707 - Feb. 8)
- (S-3) NIAGARA MOHAWK POWER CORPORATION, 300 Erie Boulevard West, Syracuse, NY 13202 (315) 474-1511 - \$200 million of first mortgage bonds. The company is engaged in the electric and gas utility business. (File 2-81708 - Feb. 8) (Br. 7) [S]
- (S-2) JOSEPHSON INTERNATIONAL INC., 40 West 57th St., New York, NY 10019 (212) 556-5600 - 1,200,000 shares of common stock. Underwriters: E. F. Hutton & Company Inc. and Wertheim & Co., Inc. The company operates in the entertainment, communications, office planning, design and furnishings industries. (File 2-81709 - Feb. 8) (Br. 6)
- (S-3) GLOBAL MARINE INC., 10260 Westheimer, Houston, TX 77042 (713) 954-5700 - \$75 million of convertible senior subordinated debentures, due 2003. Underwriter: Merrill Lynch White Weld Capital Markets Group. The company is a contractor engaged in the operation of offshore oil and gas drilling rigs. (File 2-81710 - Feb. 8) (Br. 3)
- (S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS, SERIES 98, 300 West Washington St., Chicago, IL 60606 - an indefinite number of units. Depositor: Clayton Brown & Associates, Inc. (File 2-81711 - Feb. 8) (Br. 18 - New Issue)
- (S-2) FRIONA INDUSTRIES, INC., P.O. Box 369, Friona, TX 79035 (806) 247-3991 - 300,000 shares of common stock. Underwriter: Prudential-Bache Securities. The company's principal business activities are meat processing and distribution; the manufacture and sale of commercial cattle feeds; the retail marketing of animal health supplies, among others. (File 2-81712 - Feb. 8) (Br. 3)

## ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within ten days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds five percent. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G within 45 days after the end of the calendar year in which the person became subject to Section 13(d)(1). Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1.

Below is a list of recent filings of Schedules 13D and 14D, which includes the following information: Column 1 - the company purchased (top), and the name of the purchaser; Column 2 - the type of security purchased; Column 3 - the type of form filed; Column 4 - the date the transaction occurred; Column 5 - the current number of shares (in 000's) owned (top) and the current percent owned; Column 6 - the CUSIP number (top) and the prior percent owned; and Column 7 - the status of the filing, i.e., new, update, or revision.

		FORM	EVENT DATE	SHRS<000>/ %OWNED	CUSIP/ PRIOR%	FILING STATUS
CHECKPOINT SYS INC HARRIS IRVING B	COM	13D	1/21/83	68 3.1	16282510 0.0	NEW
COMBINED COS INC RAMSEY MAX C	COM	13D	12/ 1/82	688 14.0	20010310 24.2	UPDATE
COMBINED COS INC STRUYK DAVID A	COM	13D	12/ 1/82	527 11.0	20010310 22.2	UPDATE
DATA PACKAGING CORP CLAUSING CORP	COM	13D	1/17/83	107 6.4	23775710 6.5	UPDATE
DILLINGHAM CORP DILLINGHAM B F CO LTD	COM	13D	1/21/83	1,215 8.8	25411110 0.0	UPDATE
FRANKS NURSERY & CRAFTS INC GENERAL HOST CORP	COM	14D-1	2/ 4/83	1,175 50.7	35535210 0.0	NEW
GANDT CORP KLURMAN SAMUEL A	COM	13D	2/ 4/83	505 47.4	36473310 47.4	UPDATE
GENERAL AMERN OIL CO TEX PHILLIPS PETROLEUM CO	COM	13D	2/ 1/83	10,282 68.3	36882010 80.9	UPDATE
INSTRUMENTATION LAB INC ALLIED MERGER/ALLIED CORP	COM	14D-1	2/ 4/83	4,214 70.7	45780710 0.0	NEW
KAUFMAN & BROAD INC FIRST CITY FIN CORP LTD	COM	13D	2/ 2/83	0 0.0	48617010 10.3	UPDATE
LIBERTY FABRICS NEW YORK INC CHARTER NATL LIFE INS ET AL	COM	13D	2/ 4/83	2 0.2	53048910 0.0	NEW
MACMILLAN INC GREENE DAVID J & CO	COM	13D	2/ 3/83	1,065 10.9	55479010 10.4	UPDATE
MAIL HOUSE INC NMH INC	COM	13D	1/10/83	0 N/A	56031310 N/A	NEW
MONDGRAM INDS INC DEL KARP HARVEY L	COM	13D	1/31/83	193 12.1	60976210 12.1	UPDATE
MONDGRAM INDS INC DEL LEVINE GEORGE ET AL	COM	13D	1/31/83	198 12.4	60976210 12.4	UPDATE
MONDGRAM INDS INC DEL STONE MARTIN	COM	13D	1/31/83	208 13.0	60976210 14.0	UPDATE
NIAGARA FRONTIER SVCS INC SB ACQUISTION CORP	COM	13D	1/26/83	586 28.4	65347110 0.0	NEW