

sec news digest

Issue 82-106

JUN 4 1982

June 3, 1982

ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

JACK GUBERMAN CONSENTS TO SANCTIONS

The Commission announced that, pursuant to an Offer of Settlement, Jack Guberman of New York, New York was suspended from association with any broker or dealer for 30 days.

In the Commission's Order, to which Guberman consented without admitting or denying the allegations of the Order for Public Proceedings, it was found that Guberman had wilfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. (Rel. 34-18752)

ROSS, STEBBINS INC. AND ITS TWO SENIOR REGISTERED PRINCIPALS CONSENT TO SANCTIONS

The Commission announced that, pursuant to an Offer of Settlement, an order has been issued censuring Ross, Stebbins Inc. (RS Inc.), a registered broker-dealer of New York City, Walter L. Ross, II of Glen Head, New York, and James F. Stebbins of Syosset, New York, principals of RS Inc., and directing them to implement certain remedial compliance procedures.

The compliance procedures require RS Inc. to employ a full-time compliance officer who will, with Ross and Stebbins, perform various review procedures with respect to solicited over-the-counter retail securities transactions and market-making activity by RS Inc. in over-the-counter securities.

As to these respondents, the Commission's Order concludes this administrative proceeding, which had been instituted in January 1982, and which had alleged that RS Inc., Ross and Stebbins failed to reasonably supervise persons subject to their supervision. In the Offer of Settlement, respondents consented to the above sanctions without admitting or denying the allegations against them. (Rel. 34-18753)

CIVIL PROCEEDINGS

FINAL JUDGMENTS ENTERED AGAINST IAN T. ALLISON, OTHERS

The Commission announced that on June 2 the U.S. District Court for the District of Oregon entered a Final Judgment of Permanent Injunction and Other Equitable Relief against Ian T. Allison and Fred K. Austin of Santa Rosa, California, Abe M. Weiner of Portland, Oregon, an unincorporated business, five Panamanian corporations, a Cayman Islands corporation and a Panamanian religious society. In an earlier opinion the District Court found that the defendants participated in a scheme to purchase an entire offering of Pabagold, Inc. common stock concealing the fact that the entire offering was controlled by one person, and that the defendants, except Weiner, manipulated the market to secure an increase in the price of the stock. The Court found that Allison, representing the foreign corporations and the missionary society, and Austin purchased the offering and thereafter arranged for limited amounts to be sold as Allison simultaneously encouraged friends and associates to buy. It was arranged for the stock to be purchased in the offering through seven attorneys. The Court also found that the individual defendants omitted to disclose material information while under a duty to make disclosure. While holding that the defendants violated the antifraud provisions, the Court held that they did not violate the registration provisions of the Securities Act of 1933.

The Court permanently enjoined all of the defendants from violating Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The defendants, except Weiner, were also permanently enjoined from violating Section 17(a) of the Securities Act and Weiner was permanently enjoined from violating Section 17(a)(2) of that Act. The Court ordered the disgorgement of all of the proceeds of sales of Pabagold securities by the defendants to the underwriter of the offering, who subsequently made a market in the stock in the over-the-counter market. In addition the Court ordered the stock registered in the names of the church and corporate defendants but enjoined the defendants from purchasing, acquiring, selling, disposing of, transferring or alienating any Pabagold securities or causing or participating, directly or indirectly, in any such purchase, acquisition, sale, disposition or alienation. The Court dismissed the Commission's cause of action for alleged violations of Section 5 of the Securities Act. The defendants have appealed the District Court decision to the U.S. Court of Appeals for the Ninth Circuit and have asked that Court to stay the implementation of that decision pending determination of their appeal. The District Court earlier ordered the foreign corporations to pay \$3,072 to the Commission, representing the Commission's fees and expenses in attending court ordered depositions at which these defendants failed to appear and in connection with the Commission's motion for sanctions. (SEC v. Ian T. Allison, et al., U.S.D.C. District of Oregon, Civil Action No. 81-435-BE). (LR-9683)

INVESTMENT COMPANY ACT RELEASES

THE ML CORPORATE INCOME FUND INVESTMENT PLAN

A notice has been issued giving interested persons until June 28 to request a hearing on an application by The ML Corporate Income Fund Investment Plan for an order declaring that it has ceased to be an investment company. (Rel. IC-12452 - June 1)

CONTINENTAL ILLINOIS BANK (CANADA)

A notice has been issued giving interested persons until June 28 to request a hearing on an application filed by Continental Illinois Bank (Canada) (Applicant), which proposes to issue debt securities in the United States, for an order pursuant to Section 6(c) of the Investment Company Act of 1940 exempting Applicant from all provisions of the Act. (Rel. IC-12453 - June 1)

SUNMONT WEST FUND, INC.

An order has been issued pursuant to Section 6(c) of the Investment Company Act of 1940 exempting Sunmont West Fund, Inc. from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder to the extent necessary to permit it to use the amortized cost valuation method for the purpose of pricing its shares for sale, redemption and repurchase, subject to specific conditions. (Rel. IC-12454 - June 2)

HOLDING COMPANY ACT RELEASES

LOUISIANA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until June 25 to request a hearing on a proposal of Louisiana Power & Light Company, subsidiary of Middle South Utilities, Inc., to consent to an amendment to a credit agreement related to Louisiana's nuclear fuel lease with Bayou Fuel Company increasing Security Pacific National Bank's commitment under the credit agreement from \$105 million to \$130 million and increasing Bayou's maximum payment obligation from \$104 million to \$129 million. (Rel. 35-22519 - June 2)

An order has also been issued authorizing Louisiana to issue and sell up to \$75 million of first mortgage bonds at competitive bidding. (Rel. 35-22520 - June 2)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until June 23 to comment on the applications of the Midwest Stock Exchange, Inc. for unlisted trading privileges in four issues which are listed and registered on one or more other national securities exchanges and are reported in the consolidated transaction reporting system. (Rel. 34-18781)

SELF-REGULATORY ORGANIZATIONS

EXTENSION OF COMMENT PERIOD ON PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed a proposed rule change pursuant to Rule 19b-4 (SR-MSRB-82-4) which will amend Rule A-3 to permit a public member of the Board to succeed himself in office if his first term of office was for less than 18 months. Publication of the proposal is expected to be made in the Federal Register during the week of June 7. Comments to be received by June 19, 1982. (Rel. 34-18708)

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

A fee change filed by The Depository Trust Company pursuant to Rule 19b-4 (SR-DTC-82-2) has become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. The proposed fee change revises and modifies DTC's current fees for services attendant to underwritings, reorganizations, conversions, redemptions and processing erroneous instructions as well as implementing fees for certain services performed by DTC's interface department. Publication of the proposal is expected to be made in the Federal Register during the week of June 1. (Rel. 34-18780)

TRUST INDENTURE ACT RELEASES

PETRO-LEWIS CORPORATION

An order has been issued under the Trust Indenture Act of 1939 on the application of Petro-Lewis Corporation (Applicant) that the trusteeship of United States Trust Company of New York under five indentures of Applicant, four of which are qualified under the Act, is not so likely to involve a material conflict of interest as to make it necessary to disqualify United States Trust Company of New York from acting as trustee under any such indenture. (Rel. TI-728)

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

- (S-1) TERA CORPORATION, 2150 Shattuck Ave., Berkeley, CA 94704 (415) 845-5200 - 2,500,000 shares of common stock. Underwriters: Merrill Lynch White Weld Capital Markets Group and Hambrecht & Quist. The company designs, manufactures, markets and supports an integrated line of proprietary computer systems and packaged (off-the-shelf) software and provides computer-aided engineering services. (File 2-77793 - May 28) (Br. 9 - New Issue)
- (S-8) SOVEREIGN CORPORATION, 30 West Sola St., Santa Barbara, CA 93101 (805) 963-7871 - 696,053 shares of common stock. (File 2-77816 - June 1) (Br. 9)
- (S-8) DICOMED CORPORATION, 9700 Newton Avenue South, Minneapolis, MN 55431 (612) 887-7100 - 250,000 common shares. (File 2-77817 - June 1) (Br. 9)

- (S-2) NORTHWESTERN DRUG COMPANY, 2001 Kennedy Street Northeast, P.O. Box 186, Minneapolis, MN 55440 (612) 331-6550 - 50,000 shares of Class A common stock. The company is engaged in the sale and distribution of drugs, pharmaceuticals, proprietary medicines, cosmetics, sundries and other products. (File 2-77818 - June 1) (Br. 4)
- (S-8) GREATWEST HOSPITALS INC., 1626 East Fourth St., Santa Ana, CA 92701 (714) 633-5420 - 279,000 shares of common stock. (File 2-77824 - June 1) (Br. 6)
- (S-1) LOCKHEED CORPORATION, 2555 North Hollywood Way, Burbank, CA 91520 (213) 847-6121 - 1,790,723 shares of common stock. The company is engaged in the design, development and production of aircraft, missiles and space systems, among other things. (File 2-77826 - June 1) (Br. 2)
- (S-3) NEW ENGLAND POWER COMPANY, 25 Research Dr., Westborough, MA 01581 (617) 366-9011 - \$50 million of general and refunding mortgage bonds, Series F, and 250,000 shares of cumulative preferred stock, \$100 par value. The company is engaged in generating, purchasing, transmitting, and selling electricity in wholesale quantities. (File 2-77827 - June 1) (Br. 7)
- (S-2) THE MURRAY OHIO MANUFACTURING COMPANY, Franklin Rd., Brentwood, TN 37027 (615) 373-6500 - \$3,700,000 of participants' interests (Stock Purchase Plan), and 200,000 common shares. (File 2-77828 - June 1) (Br. 5) [S]
- (S-8) ANHEUSER-BUSCH COMPANIES, INC., One Busch Pl., St. Louis, MO 63118 (314) 577-3314 - 2,500,000 shares of common stock. (File 2-77829 - June 1) (Br. 1)
- (S-8) LUCKY STORES, INC., 6300 Clark Ave., Dublin, CA 94566 (415) 833-6000 - 2,500,000 common shares. (File 2-77830 - June 1) (Br. 1)
- (S-B) REPUBLIC OF FINLAND, 540 Madison Ave., New York, NY 10022 - \$300 million of notes and/or bonds and/or warrants to purchase notes and/or bonds. (File 2-77831 - June 1) (Br. 9)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 30 West Broadway, New York, NY 10015 - 100,000 American Depositary Receipts for common stock of Victor Company of Japan Limited. (File 2-77833 - June 1) (Br. 99 - New Issue)
- (S-1) TVI ENERGY CORPORATION, 47 Pine St., New Canaan, CT 06840 - 800,000 1985 common stock purchase warrants, and 800,000 shares of common stock. (File 2-77834 - June 1) (Br. 9)
- (S-6's) TAX EXEMPT SECURITIES TRUST, MULTISTATE SERIES P; TAX EXEMPT SECURITIES TRUST, SERIES 65; AND TAX EXEMPT SECURITIES TRUST, APPRECIATION SERIES 6, 1345 Avenue of the Americas, New York, NY 10019 - 15,000 units (each Series). Depositors: Smith Barney, Harris Upham & Co. Incorporated, 1345 Avenue of the Americas, New York, NY 10019, Kidder, Peabody & Co. Incorporated, Drexen Burnham Lambert Incorporated and L. F. Rothschild, Unterberg, Towbin. (File 2-77835, 2-77836 & 2-77837 - June 1) (Br. 16 - New Issues)
- (S-3) VOLUNTEER BANCSHARES, INC., 301 East Main St., Jackson, TN 38301 (901) 422-9200 - 20,000 shares of common stock. (File 2-77838 - June 1) (Br. 2)
- (S-8) ALLIED TELEPHONE COMPANY, Allied Telephone Bldg., Little Rock, AR 72203 (501) 664-4484 - 197,449 shares of common stock. (File 2-77839 - June 1) (Br. 7)
- (S-8) THE CHARTER COMPANY, 21 West Church St., Jacksonville, FL 32202 (904) 358-4111 - 900,000 shares of common stock. (File 2-77840 - June 1) (Br. 3)

REGISTRATIONS EFFECTIVE

- May 19: Municipal Securities Trust, 4th Discount Series, 2-76464.
 May 20: Roadway Services, Inc., 2-76895.
 May 21: The Gas Service Company, 2-77557; Nuveen Tax-Exempt Bond Fund - Multi-State, Series 41, 2-76326.
 May 24: Graham Income Fund 82A, 2-76010; Iowa Electric Light & Power Company, 2-77367.
 May 26: American Brands, Inc., 2-77651; Ampal-American Israel Corporation, 2-77200, 2-77262, 2-77263 & 2-77264; Compucorp, 2-77251; Damson Oil Corporation, 2-76163; Internorth, Inc., 2-77531; The Roger Company, 2-76570; Kollmorgen Corporation, 2-77555; Missouri Public Service Company, 2-77509; Nevada Power Company, 2-77559; Transcontinental Gas Pipe Line Corporation, 2-77705.