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# sec news digest

U.S. SECURITIES AND  
EXCHANGE COMMISSION

Issue 78-36

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## COMMISSION ANNOUNCEMENTS

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### CROYLE COMPUTER SERVICES, INC.

The Commission has consented to the application of Croyle Computer Services, Inc. for withdrawal of its registration statement and post-effective amendment (No. 2-46544) and has ordered that its previous order under Section 8(d) of the Securities Act of 1933, 15 U.S.C. 77h(d), suspending the effectiveness of Croyle's registration statement be lifted. (Rel. 33-5907)

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## COURT ENFORCEMENT ACTIONS

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### RICHARD JOHN MATHEWS PLEADS GUILTY, JAMES R. WILLOUGHBY SENTENCED

The Denver Regional Office announced that on January 30 Richard John Mathews of Omaha, Nebraska entered a plea of guilty in the U.S. District Court for the District of Nebraska before the Honorable Robert V. Denney, U.S. District Court Judge, to one count of an indictment charging him with selling unregistered stock of Diversified Industries, Inc., also of Omaha. James R. Willoughby, who entered a plea of guilty on September 21, 1977 to a similar count in the same indictment, was sentenced on January 31 by Judge Denney to five years imprisonment, which was suspended, and placed on probation for a period of three years. Willoughby was also fined \$300 and was assessed costs of prosecution. Eddie J. Robbins has entered a plea of not guilty to several counts of the same indictment. No date has yet been set for trial. (U.S. v. Eddie J. Robbins, et al., USDC, Nebr., Criminal Docket No. 77-0-55). (LR-8301)

### BERNARD H. HOROWITZ, OTHERS INDICTED

The Atlanta Regional Office and the Miami Branch Office announced that on February 6 the grand jury for the Southern District of Florida returned a 38-count indictment against Bernard H. Horowitz, David J. Horowitz, Robert A. Rinehart, Robert K. Hunter and Lorne Michaelson. The indictment charged the defendants with violations of the mail fraud and conspiracy statutes in the offer and sale of promissory notes of Equitable Development Corporation. The defendants, from approximately September, 1971, until approximately March, 1975, borrowed approximately \$9 million for Equitable Development Corporation from public investors through the sale of Equitable Development Corporation's promissory notes bearing interest rates of 12%, 14% and 15%. The corporate promissory notes were purportedly collateralized by first mortgages on home sites in two real estate developments of Equitable Development Corporation. In fact, the indictment charges, the investors did not receive true first mortgages, Equitable Development Corporation's financial condition was deteriorating and substantial sums of money obtained from the sale of Equitable Development Corporation's promissory notes was diverted for purposes other than those for which it was borrowed, including the payment of personal expenses.

Bernard H. Horowitz and David J. Horowitz were the subjects of a civil injunctive action filed by the Commission in 1975, alleging violations of the registration and antifraud provisions of the securities laws in the offer and sale of Equitable Development Corporation's promissory notes. (U.S. v. Bernard H. Horowitz, et al., S.D. Fla., Criminal Action No. 78-49-CR-JE). (LR-8302)

### TRI-STATE ENERGY CORP. OFFICIALS, OTHERS INDICTED

The New York Regional Office announced that on January 27 a federal grand jury returned a three count indictment against C.W. Eaton, former executive secretary and treasurer of Tri-State Energy Corp., Leonard James, president of Tri-State, William Rubin, vice-president of Tri-State, Otto Sebold, a representative of several coal

companies, and Peter Crosby, an officer of an energy-related corporation. The indictment charged the defendants with violations of the antifraud provisions of the securities laws, and bank, mail, and wire fraud, as well as conspiracy to commit such frauds, in a fraudulent scheme involving, among other things, the pledging of unregistered securities as collateral for bank loans; making misstatements of, or omitting to state, material facts in transactions involving unregistered securities; and manipulating the market price and sale of Tri-State securities.

On the same day, a federal grand jury also returned a two-count indictment against Raymond J. Ludwig, an officer of the Bankers Trust Company, charging him with accepting bribes and misapplying funds in the course of the above conspiracy. (U.S. v. C.W. Eaton, et al., 78 Crim. 75 S.D.N.Y. and U.S. v. Raymond J. Ludwig, 78 Crim. 76 S.D.N.Y.). (LR-8303)

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## INVESTMENT COMPANY ACT RELEASES

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### MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until March 17 to request a hearing on an application of Massachusetts Mutual Life Insurance Company (Insurance Company) and MassMutual Income Investors, Inc. (Fund), a registered, closed-end diversified management investment company, for an order (1) pursuant to Section 17(b) of the Act exempting from the provisions of Section 17(a) of the Act a proposed sale by the Insurance Company to the Fund of \$2 million of 9% 20-year senior notes of MEI Corporation (MEI) at the price paid by the Insurance Company for its purchase of the notes, plus accrued interest, and (2) pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder permitting the Insurance Company and the Fund to purchase, from MEI, \$15,500,000 and \$1,000,000, respectively, of the notes. (Rel. IC-10125 - Feb. 21)

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## HOLDING COMPANY ACT RELEASES

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### SOUTHWESTERN ELECTRIC POWER COMPANY

An order has been issued authorizing Southwestern Electric Power Company, subsidiary of Central and South West Corporation, to engage in fuel exploration and development programs through December 31, 1978. (Rel. 35-20416 - Feb. 21)

### INDIANA & MICHIGAN ELECTRIC COMPANY

An order has been issued authorizing proposals of Indiana & Michigan Electric Company, subsidiary of American Electric Power Company, Inc., that it (1) issue and sell at competitive bidding up to \$100 million of first mortgage bonds and up to 1,600,000 shares of cumulative preferred stock, and (2) make certain mortgage amendments related to the issue and sale of the first mortgage bonds. (Rel. 35-20417 - Feb. 21)

### THE CONNECTICUT LIGHT AND POWER COMPANY

A notice has been issued giving interested persons until March 14 to request a hearing on a proposal of The Connecticut Light and Power Company, subsidiary of Northeast Utilities, to issue and sell at competitive bidding up to \$40 million of its first mortgage bonds. (Rel. 35-20418 - Feb. 21)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### DELISTING GRANTED

An order has been issued granting the application submitted by the Philadelphia Stock Exchange, Inc. to strike from listing and registration the common stock (\$1 par value) of Life of Pennsylvania Financial Corporation. (Rel. 34-14487)

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## MISCELLANEOUS

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### COUNTRY KITCHEN INTERNATIONAL, INC.

A notice has been issued giving interested persons until March 14 to request a hearing on an application of Country Kitchen International, Inc. (Applicant), pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Applicant from the provisions of Section 15(d) of the Act for Applicant's fiscal year ended December 31, 1977. (Rel. 34-14490)

## 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-8) INTERNATIONAL HARVESTER CO., 401 North Michigan Ave., Chicago, Ill. 60611 - 1,500,000 shares of common stock. (File 2-60780 - Feb. 17)
- (S-6) THE CORPORATE INCOME FUND, SEVENTY-FIRST MONTHLY PAYMENT SERIES (A Unit Investment Trust) - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080; Dean Witter Reynolds Inc.; and Bache Halsey Stuart Shields Inc. (File 2-60785 - Feb. 17)
- (S-7) CENTRAL MAINE POWER CO., Edison Dr., Augusta, Maine 04336 (207) 623-3521 - 1,600,000 shares of common stock. Underwriters: Kidder, Peabody & Co. Inc. and Paine, Webber, Jackson & Curtis, Inc. (File 2-60786 - Feb. 17)
- (S-8) TANDEM COMPUTERS INC., 19333 Vallco Parkway, Cupertino, Cal. 95104 - 450,000 shares of common stock. (File 2-60788 - Feb. 21)
- (S-2) COMDIAL CORP., 50 Barry St., San Francisco, Cal. 94107 - 575,000 units (each consisting of two shares of common stock and one warrant). Underwriter: Omega Securities, Inc. (File 2-60789 - Feb. 21)
- (S-8) DAEDALUS ENTERPRISES, INC., 7101 Jackson Rd., Ann Arbor, Mich. 48103 - 30,000 shares of common stock. (File 2-60790 - Feb. 21)
- (S-1) BROCK EXPLORATION CORP 1978 OIL AND GAS DRILLING PROGRAM, 150 Baronne St., New Orleans, La. 70112 - \$12,500,000 of units of limited partnership interest, and \$2,500,000 of maximum voluntary additional assessments. Dealer-Manager: Brock Securities Corp. (File 2-60791 - Feb. 21)
- (S-5) ANALYTIC OPTIONED EQUITY FUND, INC., 2182 du Pont Dr., Newport Beach, Cal. 92715 - an indefinite number and amount of common stock. The company is a mutual fund. (File 2-60792 - Feb. 21)
- (S-1) THE LANGTRY COMPANY, 250 West 52nd St., New York, N.Y. 10019 - 50 units of pre-formation limited partnership interests. The Partnership will be formed to manage and produce a play. The units are being offered by The Pecos Bravo Corp. and Robert W. Haymes, as general partners. (File 2-60793 - Feb. 17)
- (S-7) CITIZENS BANCORPORATION, 636 Wisconsin Ave., Sheboygan, Wis. 53081 - 120,000 shares of common stock (exchange offer). (File 2-60794 - Feb. 21)
- (S-14) SHELLER-GLOBE CORP., 1505 Jefferson Ave., Toledo, Lucas County, Ohio 43624 (419-255-8840) - 181,391 shares of common stock (merger). The company is a diversified company which principally manufactures and sells parts and assemblies to the automotive industry. (File 2-60795 - Feb. 21)
- (S-14) J. RAY MCDERMOTT & CO., INC., 1010 Common St., P.O. Box 60036, New Orleans, La. 70160 (504-587-4411) - 6,409,336 shares of Series A \$2.20 cumulative convertible preferred stock, redemption value \$31.25 and 6,409,336 shares of Series B \$2.60 cumulative preferred stock, redemption value \$31.25 and 6,409,336 shares of common stock (merger). McDermott and its subsidiaries provide construction services to the oil and gas industries. (File 2-60796 - Feb. 21)
- (S-14) ALAMAND CORP., 3700 Wilshire Blvd., Los Angeles, Cal. 90010 (213-381-8728) - 1,354,797 shares of common stock (Reorganization). (File 2-60797 - Feb. 21)
- (S-14) MORAGA CORP., 3700 Wilshire Blvd., Los Angeles, Cal. 90010 (213-381-8728) - 1,354,797 shares of common stock (Reorganization). (File 2-60798 - Feb. 21)
- (S-14) FIRST NATIONAL STORES, INC., 5 Middlesex Ave., Somerville, Mass. 02143 (617-623-2400) - 4,167,019 shares of common stock and 254,988 shares of preferred stock (merger) (File 2-60799 - Feb. 21)

(S-1) AMERICAN LEASING INVESTORS, 660 Newport Center Dr., Suite 1420, Newport Beach, Cal. 92660 - 20,000 units of limited partnership interest. Underwriter: Kelly & Morey Inc. The Partnership will engage in acquiring various types of capital equipment and leasing the same to third parties. (File 2-60800 - Feb. 21)

(S-6) E. F. HUTTON TAX-EXEMPT TRUST, NEW YORK SERIES 7 - 7,500 of units. Depositor: E. F. Hutton & Company Inc., One Battery Park Plaza, New York, N.Y. 10004. (File 2-60801 - Feb. 21)

#### REGISTRATIONS EFFECTIVE

Feb. 16: Corporate Securities Trust Preferred Stock Series 7, 2-60663; Mountain States Financial Corp., 2-60636; Northern States Power Co., 2-60552; Patrick Petroleum Co., 2-60389 (90 days); Rogers Corp., 2-60707.

Feb. 17: Crutcher Resources Corp., 2-60527; Cubic Corp., 2-60635; Pogo Producing Co., 2-60725; South Carolina Electric & Gas Co., 2-60758; U.S. Trust Corp., 2-60433; University Real Estate Trust, 2-60385.

**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 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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