

sec news digest

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ADMINISTRATIVE PROCEEDINGS

SHEARSON/AMERICAN EXPRESS INC. CENSURED; ROBERT W. HOPE AND K. JAMES POND SUSPENDED

The Commission has ordered the institution of public administrative proceedings under the Securities Exchange Act of 1934 against Shearson/American Express Inc., known during the pertinent period as Shearson Hayden Stone, Inc., a broker-dealer with principal offices in New York, New York; Robert W. Hope, formerly a registered representative in Shearson's Palo Alto, California, office; and K. James Pond, formerly a registered representative in Shearson's Palo Alto, California, office.

The Order for Proceedings alleges that Hope and Pond wilfully violated Sections 5(a), 5(c), 17(a)(2), and 17(a)(3) of the Securities Act of 1933 and that Shearson failed to supervise Hope and Pond with a view to preventing such violations. Simultaneously with the institution of the proceedings, the Commission accepted offers of settlement made by Shearson, Hope and Pond in anticipation of the proceedings, in which the respondents, without admitting or denying the allegations and findings in the Order for Proceedings, consented to the entry of an order of the Commission making findings and imposing remedial sanctions.

Hope and Pond were found to have wilfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act in that they failed to adequately review the accuracy of certain representations made to their customers in connection with the sale of interests in a limited partnership called Commodity Arbitrage, which representations were untrue and misleading. Hope and Pond were also found to have wilfully violated Sections 5(a) and 5(c) of the Securities Act in that they participated in the sale of limited partnership interests which were not exempt from registration under the Securities Act and for which no registration statement had been filed with the Commission. Shearson was found to have reasonably failed to supervise with a view to preventing the above violations, Hope and Pond, who were subject to its supervision.

The Commission suspended Hope and Pond from association with any broker, dealer, investment adviser, investment company, or municipal securities dealer for a period of two weeks. The Commission censured Shearson and ordered it to comply with the undertakings described in its offer of settlement. (Rel. 34-18354)

ORDER CITES JAY W. KAUFMANN & CO. AND RAPHAEL DAVID BLOOM

The Commission has ordered public administrative proceedings under the Securities Exchange Act of 1934 against Jay W. Kaufmann & Co. (Registrant), a registered broker-dealer, and its sole general partner, Raphael David Bloom, of New York, New York. The Order for Proceedings alleges that Registrant and Bloom wilfully violated and aided and abetted violations of the hypothecation, customer protection, bookkeeping, financial reporting, supplemental reporting, fingerprinting, and credit extension provisions of the Exchange Act. A hearing will be scheduled to determine whether the allegations against respondents are true, and if so, to decide what, if any, remedial sanctions would be appropriate.

RULES AND RELATED MATTERS

COMMISSION ADOPTS RULES IMPLEMENTING THE EQUAL ACCESS TO JUSTICE ACT

The Commission is promulgating and requesting comments upon procedural rules implementing the Equal Access to Justice Act. The Act, which took effect October 1, 1981, provides for the award of attorney fees and other expenses to certain parties who prevail over the Federal government in certain administrative and court pro-

ceedings. The rules will become effective upon publication in the Federal Register. Comments should be received by the Commission on or before the date which is one year from the date of publication in the Federal Register. All communications concerning this matter should be submitted in triplicate to George A Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549. Such communications should refer to File No. S7-917 and will be available for public inspection at the Commission's Public Reference Room, 1100 L Street, N.W., Washington, D.C. (Rel. 33-6368)

FOR FURTHER INFORMATION CONTACT: Harlan W. Penn at (202) 272-2454.

CIVIL PROCEEDINGS

BAYSWATER REALTY & CAPITAL CORPORATION, ICAHN & CO., INC., AND CARL C. ICAHN CONSENT TO ORDER

The Commission announced that on December 30 it filed a civil action in the U.S. District Court for the District of Columbia against Bayswater Realty & Capital Corporation (Bayswater Corp.), Icahn & Company, Inc. (Icahn & Co.) and Carl C. Icahn (Carl Icahn) for various violations of Sections 13(a), 13(d), 13(c) and 14(a) of the Securities Exchange Act of 1934 and Rules 13a-13, 13d-2, 13e-4, 14a-3 and 14a-11 thereunder. Simultaneously, without admitting or denying the allegations of the complaint, in a Stipulation, Bayswater Corp., Icahn & Co. and Carl Icahn consented to the entry of a court order pursuant to which Bayswater Corp. and Icahn & Co. were ordered not to violate applicable statutory provisions and rules. Carl Icahn, as part of the Stipulation which was incorporated in the court order, undertook to comply with applicable statutory provisions and rules.

The complaint alleges that in December 1979 and January 1980, after a group headed by Carl Icahn and Icahn & Co. acquired 9.5 percent of the outstanding common stock of Saxon Industries, Inc. (Saxon), Carl Icahn requested that Saxon purchase all of his group's Saxon stock at a substantial premium above the market price or he would seek through the solicitation of proxies the four seats on Saxon's Board of Directors available at Saxon's next Annual Meeting. Saxon subsequently repurchased all of the group's shares. The complaint alleges that Icahn & Co. and Carl Icahn did not promptly and properly disclose the information described above.

The complaint also alleges that in early 1980, after a group headed by Icahn & Co. and Carl Icahn acquired more than 10 percent of the common stock of Hammermill Paper Company (Hammermill), Carl Icahn determined to wage a proxy contest at Hammermill's 1980 Annual Meeting for representation on Hammermill's Board of Directors. On the Record Date for the Annual Meeting, Icahn & Co. borrowed 70,000 shares of Hammermill common stock for one day and registered the borrowed shares in the name of Icahn & Co. It later obtained two separate proxies for the same borrowed shares, both of which were voted by Carl Icahn at the Annual Meeting. The complaint alleges that Icahn & Co. and Carl Icahn failed to disclose these activities to Hammermill's shareholders.

The complaint also alleges that, in connection with a solicitation of proxies of Bayswater's shareholders and debentureholders to voluntarily revoke the company's status as a qualified real estate investment trust, Bayswater, Icahn & Co. and Carl Icahn furnished the shareholders with proxy materials which were not complete and accurate in all respects and did not contain all of the information required.

In addition to the aforementioned relief, Bayswater undertook to file a Form 8 amending Bayswater's Schedule 14A and 13E-4 filings, and to include the information disclosed therein in a written communication to Bayswater's shareholders and debentureholders. Bayswater Corp. further undertook to make full disclosure to its Board of Directors and to obtain the approval of a majority of its unaffiliated directors or a designated committee thereof prior to investing in securities in which any director has an interest. Both Bayswater Corp. and Icahn & Co. also undertook to adopt, implement and maintain procedures designed to preclude the matters alleged in the complaint. (SEC v. Bayswater Realty & Capital Corp., Icahn & Company, Inc. and Carl C. Icahn, Civ. Action No. 81-3203, U.S.D.C. D.C.). (LR-9540)

TELETRANS INDUSTRIES, EARL BELLE, OTHERS ENJOINED

The New York Regional Office announced that an action was filed in the U.S. District Court for the Southern District of New York seeking injunctive and other equitable relief against Teletrans Industries, Inc., a Delaware corporation whose assets consist of unimproved land in Palm Springs, California and investments in privately-

owned solar energy companies. Also named in the complaint are Michel D'Origny, president of Teletrans and a French resident; Maria Santos, former secretary-treasurer of Teletrans and a resident of Arizona; Wilfred Burgart, of New Kensington, Pennsylvania, a former officer and director of Teletrans, and Earl Belle (Santos' husband), a resident of Arizona and allegedly an undisclosed principal of Teletrans.

The complaint alleges that Teletrans, Belle, Santos, D'Origny and Burgart violated and aided and abetted violations of the reporting requirements of Section 13(a) of the Securities Exchange Act of 1934 and Rules 12b-20, 13a-1 and 13a-11 thereunder; Belle, Santos, and Burgart violated and abetted violations of the reporting requirements of Section 13(a) of the Exchange Act and Rules 12b-20 and 13d-1 thereunder; Teletrans, Belle and Santos violated and aided and abetted violations of the anti-fraud provisions of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Section 10b-5 thereunder, and Belle violated and aided and abetted violations of the registration provisions of Sections 5(a) and 5(c) of the Securities Act.

Simultaneously with the filing of the complaint, without admitting or denying the allegations set forth therein, Teletrans, Belle, Santos, D'Origny and Burgart consented to the entry of final judgments of permanent injunction. (SEC v. Teletrans Industries, Inc., 81 Civil 7654, S.D.N.Y., WCC). (LR-9538)

HOLDING COMPANY ACT RELEASES

CENTRAL POWER AND LIGHT COMPANY

An order has been issued authorizing Central Power & Light Company, subsidiary of Central and South West Corporation, to lease rail cars for use in transporting coal to its Coletto Creek generating station. (Rel. 35-22340 - Dec. 29)

TRUST INDENTURE ACT RELEASES

THE MONTANA POWER COMPANY

A notice has been issued giving interested persons until January 28 to request a hearing on an application by The Montana Power Company, pursuant to Section 310(b) (1)(ii) of the Trust Indenture Act of 1939, declaring that the trusteeship of the Citibank, N.A. is not so likely to involve a material conflict of interest as to make it necessary to disqualify Citibank, N.A. from acting as trustee. (Rel. TI-686)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application of the New York Stock Exchange, Inc. to strike the \$3 cumulative convertible preferred stock of CROCKER NATIONAL CORPORATION from listing and registration thereon. (Rel. 34-18376)

SECURITIES ACT REGISTRATIONS

- (S-18) INNOTRON, INC., 1313 Simpson Way, Escondido, CA 92025 (714-746-7640) - 4,235,000 shares of common stock; 385,000 common stock purchase warrants (with underlying shares). Underwriter: Coughlin & Co., Inc., Denver, CO. The company produces instruments employed in medical laboratories. (File 2-75393LA - Dec. 15) (Br. 8 - New Issue)
- (S-18) CARMÉ', INC., 84 Galli Dr., Novato, CA 94947 (415-883-3367) - 1,000,000 shares of common stock. Underwriter: Norbay Securities, Bayside, NY. The company develops, promotes, distributes and sells health and beauty aid products. (File 2-75394LA - Dec. 16) (Br. 10 - New Issue)
- (S-1) SEK COMMODITY FUND 1, c/o Filler, Weiner, Zaner & Associates, 230 West Monroe St., Chicago, IL 60606 - 5,000 units of limited partnership interest. Underwriter: Singer, Engler and Kupfer Securities, Inc. The partnership will engage in specu-

lative trading of futures contracts in commodities. (File 2-75502 - Dec. 28)
(Br. 1 - New Issue)

- (S-8) UNION CARBIDE CORPORATION, Old Ridgebury Rd., Danbury, CT 06817 (203-794-2000) - 500,000 shares of common stock. (File 2-75523 - Dec. 29) (Br. 2)
- (N-1) DELAWARE TREASURY RESERVES, 7 Penn Center Plaza, Philadelphia, PA 19103 (215-988-1267) - an indefinite number of shares. Investment Manager: Delaware Management Co., Inc. The Trust will seek as high a level of current income with preservation of principal and maintenance of liquidity as is consistent with prudent investment management. (File 2-75526 - Dec. 28) (Br. 16 - New Issue)
- (N-1) RENAISSANCE READY ASSETS TRUST, 2 Wall St., New York, NY 10005 (313-259-2600) - an indefinite number of shares of beneficial interest. Administrator and Distributor: First of Michigan Corporation. The Trust has as its objective providing the highest level of current income consistent with the preservation of capital and maximum liquidity. (File 2-75532 - Dec. 29) (Br. 18 - New Issue)
- (S-14) ORBANCO FINANCIAL SERVICES CORPORATION, 2200 Orbanco Bldg., 1001 S.W. Fifth Ave., Portland, OR 97204 (503-222-7960) - 561,000 shares of common stock; 62,000 shares of 1982 convertible preferred stock. (File 2-75535 - Dec. 30) (Br. 1)
- (N-1) CASH ASSETS FUND, 82 Devonshire St., Boston, MA 02109 (617-726-0200) - an indefinite number of shares. Administrator: First Tennessee Bank, N.A. The Fund seeks to obtain as high a level of current income as is consistent with the preservation of capital and liquidity by investing in money market instruments. (File 2-75537 - Dec. 24) (Br. 17 - New Issue)
- (S-11) PHM CREDIT CORPORATION, 4380 South Syracuse St., Denver, CO 80237 - \$10 million of mortgage backed bonds, Series C, due 2012. Underwriter: Blunt Ellis & Loewi Inc. (File 2-75538 - Dec. 30) (Br. 2)
- (S-11) GUARANTEED MORTGAGE CORPORATION, 4380 South Syracuse St., Denver, CO 80237 - \$10 million of GNMA-Collateralized Bonds, Series B, due 2012. Underwriter: Blunt Ellis & Loewi Inc. (File 2-75539 - Dec. 30) (Br. 1)
- (S-16) PUBLIC SERVICE ELECTRIC AND GAS COMPANY, 80 Park Plaza, PO Box 570, Newark, NJ 07101 (201-430-7000) - 2,000,000 shares of common stock. (File 2-75540 - Dec. 30) (Br. 7)
- (S-8) DAVIS WATER & WASTE INDUSTRIES, INC., 1828 Metcalf Ave., Thomasville, GA 31792 (912-226-5733) - 30,000 shares of common stock. (File 2-75541 - Dec. 29)
- (S-16) CONSUMERS POWER COMPANY, 212 West Michigan Ave., Jackson, Mich. 49201 (517-788-1030) - \$75 million of first mortgage bonds, due January 15, 1992. Underwriter: Morgan Stanley & Co. Inc. (File 2-75542 - Dec. 30) (Br. 8)
- (S-14) B/W BANCSHARES, INC., 104-106 East Main St., Whitesburg, Ky. 41858 (606-633-2266) - 48,000 shares of common stock. (File 2-75543 - Dec. 23) (Br. 2 - New Issue)
- (S-1) AMEX 1982 LTD., 3650 Texas Commerce Tower, Houston, TX 77002 (713-237-0800) - \$10 million of limited partnership interests. Underwriter: American Exploration Securities Corporation. The partnership will engage in exploration and development of oil and gas prospects. (File 2-75544 - Dec. 30) (Br. 4 - New Issue)
- (S-16) TEXAS-NEW MEXICO POWER COMPANY, 501 West Sixth St., Fort Worth, TX 76102 (817-335-3311) - 500,000 shares of common stock. (File 2-75545 - Dec. 30) (Br. 8)

REGISTRATIONS EFFECTIVE

December 15: First Capital Financial Corporation, 2-74178.

December 17: Allegheny International, Inc., 2-75332.

December 18: Health Extension Services, Inc., 2-75183; RSC Industries, Inc., 2-74636; Triad Systems Corporation, 2-74990.

December 21: Consolidated Oil & Gas, Inc., 2-74731; Grayhill Exploration Co., 2-75309; Hartford Fund, Inc., 2-74027; Hartford Variable Annuity Life Insurance Company DC Variable Account I, 2-74029; Hartford Variable Annuity Life Insurance Company DC Variable Account II, 2-74028; Hartford Variable Annuity Life Insurance Company NQ Variable Account, 2-74026; Hartford Variable Annuity Life Insurance Company QP Variable Account, 2-74030; Hongkong Land Company, Ltd., 2-75390; Jardine, Matheson & Co., 2-75392; Lincoln National Pension Variable Annuity Account C, 2-73026; National Grape Co-operative Association, Inc., 2-74963; Niagara Mohawk Power Corp., 2-75282; Northwest Bancorporation, 2-75361; Southland Capital Investors, Inc., 2-73886; Tri-Hi Energy Corp., 2-74291; United States Gypsum Co., 2-75372.