

# sec news digest

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## ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

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### TEXAS INTERNATIONAL COMPANY CITED

The Commission announced that on May 16 administrative proceedings pursuant to Section 15(c)(4) of the Securities Exchange Act of 1934 were instituted against Texas International Company (TIC). The order alleges that TIC's filings with the Commission pursuant to Section 13 of the Exchange Act were materially deficient in that they contained false statements and omitted to state facts concerning oil and gas reserves used in the calculation of the depletion expense since 1968 and concerning the use of investors' funds from drilling programs as compensating balances from 1970 to 1975.

The order alleges that in 1969, TIC determined to use different estimates of oil and gas reserves in its calculation of depletion. The new estimates were considerably less than prior estimates. TIC decided to phase out the difference in the estimates over a ten year period beginning with year ended 12-31-68, resulting in smaller depletion expenses for each year and correspondingly larger reported earnings. The order concludes that once TIC decided to use new reserve estimates in the calculation of depletion it was improper to phase out the old estimates over a period of time. The order also alleges that TIC improperly used proceeds from its subsidiary's, Texas International Drilling Funds, Inc. (TIDF), oil and gas drilling programs as compensating balances without disclosure of such use by TIC or TIDF.

The Commission simultaneously announced the settlement of this administrative proceeding pursuant to an offer of settlement submitted by TIC in which the respondent consents, without admitting or denying the allegations of the order for proceedings, to the Commission making findings of fact and conclusions of law and entering an order requiring TIC to file with the Commission a copy of the order on Form 8-K and to furnish copies to any requesting stockholder and further to amend its reports filed with the Commission by restating the financial statements contained therein.  
(Rel. 34-14792)

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## COURT ENFORCEMENT ACTIONS

### ADVISORY INVESTMENT SERVICES, OTHERS SETTLE

The Commission announced that Advisory Investment Services, Thomas W. Reid, and Frank Gordon Putnam have consented to the entry of judgments of permanent injunctions by the U.S. District Court for the Southern District of New York. All defendants consented without admitting or denying the allegations in the Commission's complaint.

The judgment regarding Advisory Investment Services and Reid were signed by the Court on April 27. The judgment regarding Putnam was signed by the Court on May 9. Advisory Investment Services was enjoined from future violations of antimanipulative and antifraud provisions of the Securities Exchange Act of 1934. Reid was ordered not to violate antimanipulative and antifraud provisions of the Exchange Act. Putnam was enjoined from future violations of antimanipulative, antifraud and credit provisions of the Exchange Act. (SEC v. Advisory Investment Services, et al., 77 Civ. 5313, SDNY, CLB). (LR-8412)

### BAEHNE & CO. AND ULRICH RICHARD RAMDOHR ENJOINED

The San Francisco Branch Office announced that on May 22 the Honorable Cecil F. Poole, U.S. District Judge for the Northern District of California, entered a final judgment of permanent injunction enjoining Baehne & Co., and Ulrich Richard Ramdohr, also known as Peter Baehne Culbertson, Burnhard Stechl, and Joseph Bernard (Ramdohr), from violating Sections 10(b) and 15(b)(1) of the Securities Exchange Act of 1934 and Rules 10b-5 and 15b1-1 thereunder. The judgment was based on the consent of Baehne & Co. and Ramdohr, in which they neither admit nor deny the allegations in the Commission's complaint. The complaint alleges that Ramdohr converted funds of purchasers of securities and that Baehne & Co. and Ramdohr, in connection with the purchase and sale of

securities, failed to disclose (1) that Ramdohr had converted and misappropriated funds of securities purchasers; (2) Ramdohr's true identity; (3) Ramdohr's conviction on or about June 1, 1976 of forgery and embezzlement in connection with securities transactions in the Federal Republic of Germany; (4) Ramdohr's unlawful flight from the Federal Republic of Germany after his conviction; and (5) the entry of a Desist and Refrain Order by the Department of Corporations, State of California, against Ramdohr under the name of Joseph Bernhard, when Ramdohr was using that name, arising out of the conduct of the business of a broker-dealer. The complaint further alleges that Baehne & Co. and Ramdohr, using the name of Peter Baehne Culbertson, filed a Form BD with the Commission which contained false statements relating to (1) Ramdohr's true identity; (2) Ramdohr's conviction in the Federal Republic of Germany; (3) Ramdohr's unlawful flight from the Federal Republic of Germany; and (4) the entry of the California Desist and Refrain Order. (SEC v. Baehne & Co., et al., C-78-0942 CFP, N.D. Cal.). (LR-8423)

**SNELLEN M. AND LYLE E. JOHNSON, OTHERS ENJOINED**

The Denver Regional Office announced that on May 10 the Federal Court in Los Angeles, California, entered orders of permanent injunction against International Resources, Inc., a private Utah corporation, Snellen M. Johnson and Spencer S. Hooper, all of Salt Lake City, Utah, Lyle E. Johnson of Heber City, Utah, and Richard E. Smith of El Cajon, California. The orders enjoin the defendants from violating registration requirements and antifraud provisions of the securities laws in the offer and sale of common stock of NAVSAT Systems, Inc., a Nevada corporation, and investment contracts, notes and evidences of indebtedness of International Resources, Inc., R.J.S. and Associates, Inc., Charles Scott & Company, and The Silver Light Company and any other security. Hooper and Smith were also enjoined from violating Securities Exchange Act broker-dealer registration requirements. All of the defendants consented to the orders without admitting or denying the allegations in the Commission's complaint. (SEC v. NAVSAT Systems, Inc., et al., D. California, Civil Action No. 77-4683 RF). (LR-8424)

**STEVEN JAMES MILLER PLEADS GUILTY**

The Chicago Regional Office announced that Steven James Miller pled guilty to one count of securities fraud on January 12 before Judge Mark Jones of the Circuit Court of Cook County in Chicago, Illinois. Judge Jones sentenced Miller to three years probation and ordered Miller to make restitution in excess of \$60,000. The charges against Miller arose from his defalcation of funds raised from the sale of a security belonging to the Church Federation of Greater Chicago. At the time of his defalcation, Miller was employed as a registered representative with a Chicago area broker-dealer. (LR-8425)

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## **SELF-REGULATORY ORGANIZATIONS**

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**DELISTING GRANTED**

An order has been issued granting the application submitted by the Boston Stock Exchange, Inc. to strike from listing and registration the common stock (without par value) of First National Stores Inc. (Rel. 34-14810)

**WITHDRAWAL GRANTED**

An order has been issued granting the application submitted by Corroon & Black Corporation to withdraw its common stock (par value \$.25) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-14811)

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## **LISTING, DELISTING AND UNLISTED TRADING ACTIONS**

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**NOTICE OF EFFECTIVENESS OF A RULE CHANGE**

Fee changes filed by Pacific Securities Depository Trust Company pursuant to Rule 19b-4 (SR-PSD-78-2) have become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of June 5. (Rel. 34-14814)

**NOTICE OF PROPOSED RULE CHANGE**

The following stock exchanges have filed proposed rule changes pursuant to Rule 19b-4: Pacific Securities Depository Trust Company (SR-PSD-78-1) to expand the depository

interface between PSDTC and The Depository Trust Company to include a third-party delivery capability. (Rel. 34-14813) and Pacific Clearing Corporation (SR-PCC-78-1) concerning the establishment of an interface between PCC and Stock Clearing Corporation of Philadelphia for the clearance and settlement of securities transactions. PCC has requested that the Commission approve the proposed rule change prior to the thirtieth day after publication in the Federal Register. (Rel. 34-14815)

Publication of the above proposals are expected to be made in the Federal Register during the week of June 5.

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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; and File number and date filed.

- (S-6) MUNICIPAL INVESTMENT TRUST FUND, TWENTY-FIRST INTERMEDIATE TERM SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080; Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-61732 - May 26)
- (S-7) NEW YORK TELEPHONE COMPANY, 1095 Avenue of the Americas, New York, N.Y. 10036 (212) 395-2121 - \$150 million of forty-year debentures, due June 15, 2008. (File 2-61733 - May 26)
- (S-14) ROSPATCH CORPORATION, 609 Myrtle Street, N.W., Grand Rapids, Mich. 49504 (616) 364-8711 - 285,984 shares of common stock. (File 2-61734 - May 26)
- (S-1) PARADYNE CORPORATION, 8550 Ulmerton Road, Largo, Fla. 33540 - 861,127 shares of common stock. Underwriters: Donaldson, Lufkin & Jenrette Securities Corporation, Hambrecht & Quist and Alex. Brown & Sons. The company develops, manufactures, markets and services high speed data communications equipment. (File 2-61735 - May 26)
- (S-1) DAMSON 1978-79 OIL AND GAS INCOME FUND, 366 Madison Ave., New York, N.Y. 10017 - \$25 million of pre-formation limited partnership interests. Underwriter: Meridian Capital Corporation, 366 Madison Ave., New York, N.Y. 10017 (212) 697-1440. (File 2-61736 - May 26)
- (S-8) SOUTHERN BANKSHARES, INC., P.O. Box 26363, Richmond, Va. 23260 (804) 644-4131 - 35,000 shares of common stock. (File 2-61738 - May 26)
- (S-1) GULFSTREAM LAND & DEVELOPMENT CORP., The Gulfstream Bldg., 8751 West Broward Blvd., Plantation, Fla. 33324 - 16,500 units of debentures and common stock, \$8,250,000 of subordinated debentures, due 1998 and not more than 577,500 shares of common stock. Underwriter: Shearson Hayden Stone Inc. The company, among other things, owns and develops large tracts of land into planned communities. (File 2-61739 - May 26)
- (S-8) BOWMAR INSTRUMENT CORPORATION, 8000 Bluffton Rd., Fort Wayne, Ind. 46809 - 200,000 shares of common stock. The company manufactures and sales various electronic and electro-mechanical products. (File 2-61741 - May 26)
- (S-5) DEVON EQUITY FUND, 82 Devonshire St., Boston, Mass. 02109 - 50,000 beneficial interest. (File 2-61760 - May 31)
- (S-8) GUARDIAN INDUSTRIES CORP., 43043 W. Nine Mile Rd., Northville, Mich. 48167 (313) 961-2951 - 30,000 shares of common stock. (File 2-61731 - May 26)

### REGISTRATIONS EFFECTIVE

May 16: AVX Corp., 2-61420; Baldwin-United Corp., 2-61165; Beneficial Corp., 2-61539; Cambridge Commodity Fund, 2-59898; Combined Communications Corp., 2-61382; The Continental Group, Inc., 2-61325; First National Charter Corp., 2-61121; General Cable Corp., 2-61467; Golden Nugget, Inc., 2-61202 & 2-61203; Kansas City Power & Light Co., 2-61249; San Diego Gas & Electric Co., 2-61421; Tech-Sym Corp., 2-61318; The Toledo Edison Co., 2-61330; Wisconsin Power and Light Co., 2-61439.

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 requested. All other reference material is available in the SEC Docket.

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