

sec news digest

Issue 79-43

MAR 6 1979

March 5, 1979

ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

COMMISSION DETERMINES THAT M. KIMELMAN & CO. MAY RECEIVE FINDER'S FEE

The Commission has determined that the receipt by M. Kimelman & Co. (MKC), a New York broker-dealer, of a proposed \$750,000 finder's fee will not violate Section 17(e) of the Investment Company Act. The fee is to be paid MKC by Talley Industries, Inc. (Industries) for having brought General Time Corporation (GTC) to Industries' attention as a merger candidate. The merger of Industries and GTC took place in 1970.

The Act prohibits the receipt by certain affiliated persons of a registered investment company, acting as agent, of compensation for the purchase or sale of property to or for such company. Here Industries' president, Franz G. Talley, enlisted the aid of American Investors Fund, Inc. (Fund), a registered investment company and "an affiliated person" of Industries, in Industries' effort to acquire GTC. Oscar Kimelman, a limited partner of MKC, was an officer and director of Industries, and thus an affiliated person of Fund subject to the prohibition of Section 17(e).

The Commission noted that MKC was not an affiliated person of Fund, that Oscar Kimelman never exercised any control over MKC or performed any services for it, that Oscar Kimelman never acted in any agency capacity in a transaction involving Fund, and that the only agency relationship that MKC had with Fund was MKC's performance of brokerage services, the compensation for which is specifically excepted from the coverage of Section 17(e). (Rel. IC-10595)

NASD ACTION AGAINST MILTON M. STAR AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Milton M. Star, doing business as Milton M. Star Agency, of Westbury, New York. The NASD expelled Star from membership, barred him from association with any NASD member, and fined him \$5,000.

The Commission found, as had the NASD, that Star filled 12 customer purchase orders for stock of United International Research, Inc. with securities that he sold short for his wife's account. He then purchased shares to cover his wife's short positions, always at a price lower than the price he had charged his customer. Thus, the total price that each customer paid included a profit to Star's wife as well as the commission charged by Star. The Commission also affirmed the NASD's findings that Star's short sales for his wife's special cash account violated the credit extension provisions of Regulation T, and that Star violated the registration provisions of the Securities Act by selling stock which he had purchased as principal from a control person of the issuer.

In affirming the sanctions imposed by the NASD, the Commission stressed Star's "blatant overreaching" of his customers by interpositioning his wife's account between them and the best available market. (Rel. 34-15577)

INVESTMENT COMPANY ACT RELEASES

ANCHOR SPECTRUM FUND, INC.

A notice has been issued giving interested persons until March 26 to request a hearing on an application of Anchor Spectrum Fund, Inc., declaring that it has ceased to be an investment company. (Rel. IC-10625 - Mar. 1)

HOLDING COMPANY ACT RELEASES

NATIONAL FUEL GAS COMPANY

A notice has been issued giving interested persons until March 23 to request a hearing on a proposal of National Fuel Gas Company, a registered holding company, to issue and sell a \$4,500,000 unsecured short-term note to The Chase Manhattan Bank, N.A. (Rel. 35-20938 - Mar. 2)

CENTRAL AND SOUTH WEST CORPORATION

A notice has been issued giving interested persons until March 27 to request a hearing on a proposal of Central and South West Corporation, a registered holding company, and five of its subsidiaries, concerning revisions to its system money pool for short-term financing. (Rel. 35-20939 - Mar. 2)

AMERICAN ELECTRIC POWER COMPANY, INC.

A notice has been issued giving interested persons until March 27 to request a hearing on a proposal of American Electric Power Company, a registered holding company, that it issue and sell through April 30, 1980, up to 4,000,000 shares of common stock pursuant to its dividend reinvestment and stock purchase plan. (Rel. 35-20940 - Mar. 2)

MISCELLANEOUS

MCDERMOTT, WILL & EMERY

A notice has been issued giving interested persons until March 27 to request a hearing on an application of McDermott, Will & Emery, a law firm organized as a partnership under Illinois law, for an order pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the registration requirements of the Act participations or interests issued in connection with the Firm's retirement plan for partners and associates, part of the assets of which are commingled in a collective bank fund. (Rel. 33-6031)

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-1) DORAL INDUSTRIES, INC., 325 North Willow St., Trenton, N.J. 08618 - 10,000,000 shares of common stock. Underwriter: Blinder, Robinson & Co., Inc. The company is engaged in the manufacture and sale of a diversified line of capillary writing instruments. (File 2-63667 - Mar. 1)
- (S-16) MERCANTILE TEXAS CORPORATION, 1704 Main St., Dallas, Tex. 75201 (214) 741-4181 - \$30 million of floating rate notes. due 1999. Underwriter: The First Boston Corporation. The company is a bank holding company. (File 2-63668 - Mar. 2)
- (S-16) AMERICAN ELECTRIC POWER COMPANY, INC., 2 Broadway, New York, N.Y. 10004 (212) 422-4800 - 4,000,000 shares of common stock. The company provides electric service. (File 2-63674 - Mar. 2)
- (S-8) WAVETEK, 9045 Balboa Ave., San Diego, Cal. 92123 (714) 279-2200 - 50,000 shares of common stock. (File 2-63675 - Mar. 2)
- (S-1) RIAL OIL COMPANY, 1206 First National Bank Tower, P.O. Drawer 3068, Midland, Tex. 79702 (915) 683-5271 - 600,000 shares of common stock. Underwriter: Bear, Stearns & Co. The company is engaged in exploration for and development of oil and gas properties. (File 2-63676 - Mar. 2)
- (S-6) INSURED MUNICIPALS - INCOME TRUST, SERIES 29, 208 South LaSalle St., Chicago, Ill. 60604 - an indefinite number of units. Depositor: Van Kampen Sauerma Inc. (File 2-63677 - Mar. 2)

- (S-14) THE SUMMIT BANCORPORATION, 376 Springfield Ave., Summit, N.J. 07901 (201) 277-6200 - 351,807 shares of common stock. (File 2-63678 - Mar. 2)
- (S-11) DIAGONAL WAY DEVELOPMENT COMPANY, LTD., 205 Columbia St., Seattle, Wash. 98104 - 4,500 units of limited partnership interest. (File 2-63679 - Mar. 2)
- (S-16) INEXCO OIL COMPANY, Suite 1900, 1100 Milam Bldg., Houston, Tex. 77002 (713) 651-3300 - 98,500 shares of common stock. The company is engaged in the business of exploring for and producing oil and gas. (File 2-63680 - Mar. 2)
- (S-8) MCDONNELL DOUGLAS CORPORATION, P.O. Box 516, St. Louis, Mo. 63166 (314) 232-8464 - \$90 million of interests. (File 2-63681 - Mar. 2)

In a separate statement the company seeks registration of \$14 million of interests. (File 2-63682 - Mar. 2)

REGISTRATIONS EFFECTIVE

Feb. 27: Emerson Electric Co., 2-63649; International Harvester Co., 2-63550; Portland General Electric Co., 2-63516; Transamerica Financial Corp., 2-63534.
 Feb. 28: American Building Maintenance Industries, 2-63526; City of Stockholm, 2-63533; The Continental Group, Inc., 2-63630; The Corporate Income Fund, Sixteenth Short Term Series, 2-63358; ENI Identified Properties Program 1979, 2-63416; Harnischfeger Corp., 2-63402; KSI Acquisition Corp., 2-62040; Kappa Systems, Inc., 2-62041; Newcorp, Inc., 2-63372; Otter Exploration N.L., 2-63559; Petrolane Inc., 2-63454; Savannah Foods and Industries, Inc., 2-63448; Telenet Corp., 2-62994; Union Carbide Corp., 2-63364.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events: ^{*/}

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	DATE
AMERICAN PROPERTY INVESTORS IX	2,6	11/20/78
GREAT YELLOWSTONE CORP	5	01/31/79 -
MCNEIL REAL ESTATE FUND VIII LTD	5	11/16/78
AMENDMENTS TO REPORTS ON FORM 8-K		
RODSON CORP	6	12/08/78
SPECTRA PHYSICS INC	6	09/30/78
SPECTRA PHYSICS INC	6	11/14/78



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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. When you are ordering more than one, we prefer that the documents be listed in alphabetical order to expedite service. The reproduction cost is 10c per page plus postage (\$3.50 minimum); 20c per page plus postage for expedited service (\$5.00 minimum) and 30c per page plus postage for priority service (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.

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SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in

U.S. first class mail; \$18.75 elsewhere.

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