

# sec news digest

Issue 79-150

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## U.S. SECURITIES AND EXCHANGE COMMISSION

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### RULES AND RELATED MATTERS

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#### GOING PRIVATE TRANSACTIONS BY PUBLIC COMPANIES OR THEIR AFFILIATES

The Commission has adopted a new rule and schedule relating to going private transactions by public companies or their affiliates (Rule 13e-3 and Schedule 13E-3). Rule 13e-3 and Schedule 13E-3 prohibit fraudulent, deceptive and manipulative acts or practices in connection with going private transactions and prescribe new filing, disclosure and dissemination requirements as a means reasonably designed to prevent such acts and practices. (Rel. 33-7000)

The Commission has also proposed for comment amendments to Rule 13e-3 and Schedule 13E-3 which would require an issuer or affiliate engaging in a going private transaction to disclose certain projections of revenues, income (loss), or earnings (loss) per share to persons outside of the issuer. These actions were taken because of the continued occurrence of going private transactions, the variety of methods employed in such transactions, and the possible deleterious effects to investors and their confidence in securities markets absent full and adequate disclosure. (Rel. 33-7001)

FOR FURTHER INFORMATION CONTACT: John Granda or John Huber at (202) 755-1750

#### SUSPENSION OF DUTY TO FILE REPORTS UPON TERMINATION OF REGISTRATION

The Commission today: (1) conditionally adopted proposed Rule 12h-4 which would suspend an issuer's duty to file "Section 13(a) Reports" as to a class of securities pursuant to Section 15(d) of the Act for the balance of the issuer's fiscal year if the registration of such class is terminated pursuant to either Section 12(d) or 12(g)(4) of the Act; (2) conditionally amended existing Rule 12g-4 to immediately terminate an issuer's duty to file "Section 13(a) Reports" as to a class of securities pursuant to Section 12 upon the filing of a certification under Section 12(g)(4); and (3) conditionally amended necessary parts of Form 12g-4/15d-6.

The adoption of the new rule and form amendments are conditional in order to give interested parties an opportunity to comment on an aspect of the new Rule 12h-4 which was not expressly subject to comment in the earlier release requesting comments on the proposed rule. (Rel. 34-16078)

FOR FURTHER INFORMATION CONTACT: William H. Carter at (202) 376-8090

#### DELEGATION OF AUTHORITY TO THE DIRECTOR OF THE DIVISION OF MARKET REGULATION

The Commission has announced the adoption of an amendment to its Rules of Organization to delegate to the Director of the Division of Market Regulation authority to exempt broker-dealers from Securities Exchange Act Rule 10b-10 concerning customer confirmations. (Rel. 34-16077)

FOR FURTHER INFORMATION CONTACT: Susan P. Davis at (202) 755-7610

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### ADMINISTRATIVE PROCEEDINGS

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#### STEPHEN R. GILLILAND PERMANENTLY SUSPENDED

The Commission has announced the permanent suspension of Stephen R. Gilliland, an attorney who resides in Salt Lake City, Utah, from appearing or practicing before it, pursuant to Rule 2(e)(3) of the Commission's Rules of Practice, 17 CFR 201.2(e)(3). On April 25 the Commission entered an order of temporary suspension against

Mr. Gilliland from appearing or practicing before it. Since no petition to lift the suspension has been filed by Mr. Gilliland, the suspension became permanent in accordance with the Commission's order of April 25 and Rule 2(e)(3)(ii) of the Commission Rules of Practice, 17 CFR 201.2(e)(3)(ii).

The Rule 2(e) proceeding was based on a permanent injunction entered against Mr. Gilliland in SEC v. Century Mortgage Co., Inc., et al. (Civ. No. C-79-0049, D. Utah). On December 26, 1978, the court, following a trial on the merits, found that Mr. Gilliland had aided and abetted violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 and Section 10(b) and Rule 10b-5 thereunder of the Securities Exchange Act of 1934. Specifically, the court found that Mr. Gilliland "was a material participant in Century's fraudulent securities transactions" on the basis of his preparation of false and misleading prospectuses. On January 4 the court permanently enjoined Mr. Gilliland from violating Sections 5(a), 5(c) and 17(a) of the Securities Act, and Section 10(b) and Rule 10b-5 thereunder of the Securities Exchange Act. (Rel. 34-16046)

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## **CIVIL PROCEEDINGS**

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### **JAMES R. CRAWFORD, OTHERS RESTRAINED**

The Chicago Regional Office announced that on June 21 the U.S. District Court for the Northern District of Ohio, Western Division, entered a temporary restraining order against James R. Crawford, a registered investment adviser, Dennis Krause of Toledo, Ohio, and Cyclemetric Investment Monitor, Inc., a registered investment adviser, J.R. Crawford Consulting and Financial Planning, Inc., of which Crawford is sole shareholder, and Shadow Valley Financial Corporation, which is wholly-owned by Crawford and Krause. Judge Nicholas Walinski entered the order contemporaneously with the Commission's filing of its complaint which alleged violations of the registration, antifraud and/or recordkeeping provisions of the securities laws in the sale of various limited partnership interests formed for the purpose of exploring for oil and gas, developing restaurants, and investing in pooled commodity and stock option funds and in the rendering of investment advisory services.

On June 29 Judge Walinski modified the Order to allow Crawford to take \$2,500 in cash per month for personal living expenses from the liquidation of his personal assets or through income he earns which is not in violation of the Order. A hearing has been scheduled for August 24 to determine whether a preliminary injunction should be issued.

The Order restrains the defendants from violating the registration, antifraud and/or recordkeeping provisions of the securities laws concerning the offer and sale of the securities to certain of Crawford's investment advisory clients. The Court also issued a temporary freeze on the personal assets of Crawford, the corporate assets of the defendant entities, and any and all client assets in the defendants possession. (SEC v. James R. Crawford, et al., D. Ohio, Civil Action No. C-79-353). (LR-8831)

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## **INVESTMENT COMPANY ACT RELEASES**

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### **VANCE, SANDERS MUNICIPAL BOND FUND, LTD.**

An order has been issued on an application of Vance, Sanders Municipal Bond Fund, Ltd. (Fund), registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, Eaton & Howard, Vance Sanders Inc. (Vance Sanders), the Fund's investment adviser and principal underwriter, and William M. Griffin, pursuant to Section 6(c) of the Act, declaring that Griffin shall not be deemed to be an "interested person" of the Fund or Vance Sanders within the meaning of Section 2(a)(19) of the Act by reason of his association with Hartford Fire Insurance Company and certain of its subsidiaries. (Rel. IC-10804 - Aug. 2)

### **ISRAEL DEVELOPMENT CORPORATION**

A notice has been issued giving interested persons until August 27 to request a hearing on an application of Israel Development Corporation (IDC), a registered, closed-end investment company, and Ampal-American Israel Corporation, a corporate affiliate of IDC, for an order permitting IDC to merge with and into Ampal. (Rel. IC-10807 - Aug. 2)

## STATE BOND AND MORTGAGE COMPANY

An order has been issued on an application of State Bond and Mortgage Company (State Bond), a face-amount certificate company registered under the Investment Company Act of 1940, exempting from the provisions of Section 17(a)(3) of the Act certain residential real estate loans made by State Bank and Trust Company of New Ulm, subsidiary of State Bond, to officers, directors and employees of State Bond. (Rel. IC-10808 - Aug. 2)

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## SELF-REGULATORY ORGANIZATIONS

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### ORDER AMENDING EFFECTIVE DATE OF WITHDRAWAL FROM LISTING AND REGISTRATION

The Commission has issued an order amending to December 31 the effective date of an earlier order (Rel. 34-13657, June 22, 1977) granting the application of Pacific Resources, Inc. to withdraw its common stock from listing and registration on the Pacific Stock Exchange Inc.; a related exemption from Exchange Act Rule 17a-15 [17 CFR 240.17a-15] also was extended to December 31. (Rel. 34-16073)

### NOTICE OF ORDER APPROVING AMENDMENT

The Commission has issued an order, pursuant to Section 11A(a)(3)(B) of the Securities Exchange Act of 1934, approving an amendment to the Intermarket Trading System (ITS) Plan, submitted by the participants, the America, Boston, Midwest, New York, Pacific, and Philadelphia Stock Exchanges. The amendment provides a procedure for the allocation of the costs of various telecommunication lines among participants in the ITS. (Rel. 34-16074)

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## SECURITIES ACT REGISTRATIONS

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- (S-11) VIRGINIA LANDHOLDERS, LTD., Route 2, Box 445, Staunton, Va. 24401 - 720 units of limited partnership interests. (File 2-65150 - Aug. 1)
- (S-1) PETRO-LEWIS FUNDS, INC., Suite 200, 717 17th St., P.O. Box 2250, Denver, Colo. 80201 - \$300 million of interests. (File 2-65152 - Aug. 1)
- (S-8) PENNWALT CORPORATION, Pennwalt Bldg., Three Pkwy., Philadelphia, Pa. 19102 (215) 587-7000 - 250,000 shares of common stock. (File 2-65153 - Aug. 1)
- (S-8) PENINSULA RESOURCES CORPORATION, 823 North Tanchua, Corpus Christi, Tex. 78403 (512) 888-4224 - 85,000 shares of common stock. (File 2-65154 - Aug. 2)
- (S-7) WANG LABORATORIES, INC., One Industrial Ave., Lowell, Mass. 01851 (617) 851-4111 - 1,100,000 shares of Class B common stock. Underwriters: Merrill Lynch White Weld Capital Markets Group and Paine, Webber, Jackson & Curtis Inc. The company designs, manufactures, markets and services computers and related peripheral devices. (File 2-65155 - Aug. 2)
- (S-8) MEDTRONIC, INC., 3055 Old Highway 8, P.O. Box 1453, Minneapolis, Minn. 55440 (612) 574-4000 - 100,000 shares of common stock. (File 2-65156 - Aug. 2)  
  
In a separate statement the company seeks registration of 25,000 shares of common stock. (File 2-65157 - Aug. 2)
- (S-8) H & R BLOCK, INC., 4410 Main St., Kansas City, Mo. 64111 (816) 474-7400 - 386,651 shares of common stock. (File 2-65158 - Aug. 2)
- (S-11) UNITED STATES MUTUAL REAL ESTATE INVESTMENT TRUST, 200 Renaissance Center, Suite 3060, Detroit, Mich. 48243 - 2,000,000 shares of beneficial interest. (File 2-65159 - Aug. 2)

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SECURITIES AND EXCHANGE COMMISSION  
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