

1-2

sec news digest

LIBRARY

Issue 77-27
(SEC Docket, Vol. 11, No. 9 - February 22)

FEB 10 1977

February 9, 1977

RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

PROPOSAL TO ADOPT RULE 17f-4

The Commission has announced for public comment a proposal to adopt Investment Company Act Rule 17f-4. The proposed rule would govern the direct or indirect use by registered management companies of certain depository systems for the deposit of such companies securities. All interested persons are invited to submit written views and comments to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 by March 15, 1977. Reference should be made to File No. S7-675. All submissions will be made available for public inspection. (Rel. IC-9633)

COMMENT PERIODS EXTENDED ON SHORT SALE PROPOSALS

The Commission has extended the deadline for public comment with respect to certain proposed rules and amendments regarding short sales of securities. Comments with respect to proposed Rule 10b-21 and amendments to Rule 17a-3, originally due February 10, 1977, are now due March 1, 1977. Comments with respect to proposed Rules 10a-3(T) and 10b-11, originally due March 1, 1977, are now due May 2, 1977.

Persons wishing to make written submissions should file six copies thereof with George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. Comments with respect to proposed Rule 10b-21 (regarding limitations on short selling prior to and during underwritten offerings) and the amendments to Rule 17a-3 should refer to File No. S7-510, while those with respect to proposed Rule 10a-3(T) (suspension of "tick" test) and 10b-11 (borrowing requirements) should refer to File No. S7-665. All comments will be available for public inspection in the Commission's Public Reference Room, Room 6101, 1100 L Street, N.W., Washington, D.C. 20549. (Rel. 34-13248)

AMENDMENT TO RULE 12a-6 PROPOSED

The Commission has announced a proposal to amend Rule 12a-6 under the Securities Exchange Act of 1934 by deletion of subsection (b)(3). If adopted this amendment would facilitate the commencement of exchange trading of options on unlisted underlying securities. Publication of the proposal is expected to be made in the Federal Register during the week of February 14, 1976; comments by March 18, 1977. (Rel. 34-13247)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

DERRICK HOITSMA, DAVID MACCALLUM SANCTIONED

The Commission announced that it has issued an order instituting proceedings and imposing remedial sanctions against Derrick Hoitsma and David MacCallum in connection with the alleged misuse of material non-public corporate information regarding Bausch & Lomb Inc. in 1972. Hoitsma and MacCallum, without admitting or denying any of the allegations consented to the proceedings and a censure. (Rel. 34-13210)

ORDERS FOR PUBLIC PROCEEDINGS

SHELBY CULLOM DAVIS & CO., OTHERS

Public administrative proceedings have been ordered involving: Shelby Cullom Davis & Co., a New York City registered broker-dealer; Shelby Cullom Davis, its managing and general partner; Kenneth Cooper Ebbitt, a general partner; and Richard G. Allgaier, its comptroller.

The Commission's order is based upon alleged violations of the margin, borrowing, hypothecation, short sales, possession and control, customer protection, completion of customer executed sell orders, employment questionnaire, and quarterly security count

provisions of the Securities Exchange Act of 1934. Additionally, Davis and Ebbitt have been charged with failing reasonably to supervise Allgaier with a view of preventing securities laws violations.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defenses. (Rel. 34-13250)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES INDONESIA ENTERPRISES, INC., OTHERS

The SEC announced the filing of a complaint in the U.S. District Court for the Southern District of New York against Indonesian Enterprises, Inc. (Indonesian Enterprises); Ramayana Indonesian Restaurant of New York, Inc. (Ramayana); P. N. Pertamina (Pertamina); the National Oil State Enterprise of the Republic of Indonesia, and Ibnu Sutowo (Sutowo). The Commission's complaint alleges violations by the defendants of the registration and antifraud provisions of the securities laws in connection with the offer and sale of \$1,105,000. of the capital stock of Indonesian Enterprises to 54 corporations and individuals, both American and foreign. (SEC v. Indonesian Enterprises, Inc. et al., U.S.D.C. S.D.N.Y., Civil Action No. 77 Civ. 499). (LR-7770)

MILGO ELECTRONIC CORPORATION ENJOINED; INJUNCTIVE ACTION AGAINST RACAL ELECTRONICS LIMITED FILED

The SEC announced the filing of a civil injunctive action in the U.S. District Court for the District of Columbia against Milgo Electronic Corporation (Milgo), a Florida corporation with its executive offices in Miami, Florida and Racal Electronics Limited, a United Kingdom corporation with its principal executive offices in Bracknell, England. A judgment of permanent injunction was entered against Milgo restraining and enjoining Milgo from violations of Sections 14(d) and 14(e) of the Securities Exchange Act of 1934 (Exchange Act) and Rule 14d-4 thereunder. Milgo consented to the entry of the judgment of permanent injunction without admitting or denying the allegations in the Commission's complaint.

The Commission's complaint alleged that Milgo, in an effort to thwart an exchange offer by Applied Digital Systems Inc. (ADDS) for Milgo common stock made untrue statements of material facts and omitted to state material facts concerning the purposes of a proposed sale of Milgo stock to Racal, the terms of Milgo's agreement with Racal and certain other facts. The Commission further alleged that Racal had actual knowledge of a false and misleading press release of Milgo and participated in the events surrounding its issuance. The Commission's complaint also charged that Milgo violated the tender offer filing requirements of the securities laws in failing to file with the Commission on Schedule 14D Milgo's management's statements concerning the ADDS exchange offer and Milgo's proposed sale of stock to Racal.

Certain ancillary relief was undertaken by Milgo and ordered by the Court, including: (1) an undertaking to amend Milgo's Schedule 14D's filed with the Commission to reflect the institution of the Commission's action, the substance of the allegations in the complaint and the relief entered by the Court; (2) an undertaking to file Schedule 13D's with the Commission with respect to any acquisition by Milgo of five percent or more of any equity security registered with the Commission pursuant to Section 12 of the Exchange Act; and (3) an undertaking to file with the Commission Schedule 14D's with respect to any solicitation or recommendation by Milgo to Milgo shareholders to accept or reject a tender offer or request or invitation for tenders. (SEC v. Milgo Electronics Corp., et al., U.S.D.C. D.C., Civil Action No. 77-0189). (LR-7771)

RONALD G. RIES PLEADS GUILTY

The Chicago Regional Office announced that on January 28 Ronald G. Ries of St. Louis, Missouri, entered a change of plea from not guilty to guilty in connection with a one-count indictment previously entered against Ries by a Federal Grand Jury. The indictment charged Ries, a former registered representative with a St. Louis, Missouri brokerage firm, with violating the wire fraud statute by utilizing an intrastate telephone communication in furtherance of a scheme to defraud three of his brokerage firm customers. Sentencing has been set for February 11, 1977. (U.S. v. Ronald G. Ries, E.D. Mo. #76-338 CR (1)). (LR-7772)

SIGNIFICANT NO-ACTION AND INTERPRETIVE LETTERS

The following is a list of significant no-action and interpretative letters recently issued by the Division of Corporation Finance, the Division of Market Regulation, and the Division of Investment Management. These letters express the view of the Division with respect to novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Section, 1100 L St., N.W., Room 6101, Washington, D.C., stating the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date. Copies cost 10 cents per page.

THE DIVISION OF CORPORATION FINANCE -

<u>COMPANY NAME</u>	<u>ACT/SECTION OR RULE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
Mr. Walter Musa, Jr.	'33 Act/§2(1)	12-29-76	1-31-77
Embarcadero	'33 Act/§2(1)	12-3-76	1-3-77
Merrill Lynch, Pierce, Fenner & Smith, Inc.	'33 Act/§2(1)	12-17-76	1-17-77
Cooperative of American Physicians, Inc./Mutual Protection Trust	'33 Act/§2(1)	12-28-76	1-28-77
INNternational, Inc.	'33 Act/§2(1)	12-29-76	1-31-77
Find, Inc.	'33 Act/§2(1)	12-13-76	1-13-77
Smith, Barney, Harris, Upham & Co., Inc.	'33 Act/§3(a)(2)	12-6-76	1-6-77
Michael Coleman & Lawrence Grenon	'33 Act/Rule 147	12-28-76	1-28-77
Adventures in Wine	'33 Act/Rule 147	12-14-76	1-14-77
ICF Insurance Co.	'33 Act/Rule 147	12-9-76	1-10-77
J. P. Morgan & Co., Inc.	'33 Act/Rule 430	12-20-76	1-21-77

THE DIVISION OF MARKET REGULATION -

<u>Company Name</u>	<u>Section, Rule or Release</u>	<u>Date Mailed</u>	<u>Public Avail. Date</u>
Chicago Board Options Exchange, Inc.	Section 7	1/10/77	2/10/77
Cooper Laboratories, Inc.	Rule 10b-6	1/21/77	2/21/77
Underground Construction Company	Rule 10b-6	1/7/77	2/7/77
Pershing & Co., Inc.	Rules 10a-1 and 10b-6	1/19/77	1/19/77
Lincoln American Corporation	Rules 10b-6 and 10b-13	1/14/77	2/14/77
Sanyo Electric Co., Ltd.	Rule 10b-13	1/3/77	1/3/77
Nadell-Lodge, Inc.	Rule 11a1-1(T)	1/3/77	2/3/77
Kirr, Marbach & Co.	Section 15(a)	1/6/77	2/6/77
New York Stock Exchange, Inc.	Section 15(a)	4/28/76	5/28/76
PBW Stock Exchange, Inc.	Section 15(a)	12/5/75	1/5/76

THE DIVISION OF INVESTMENT MANAGEMENT -

<u>COMPANY NAME</u>	<u>ACT/SECTION OR RULE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
Joseph L. Aurichio	'33 Act/§2(1) IAA of 1940/§206	12/20/76	1/19/77
Investment Management & Research, Inc.	IAA of 1940/§202(a)(11)(c) Rule 206A-1(T)	12/28/76	1/27/77
Equity Assets Management, Inc.	IAA of 1940/§206(4) Rule 206(4)-1(a)(5)	12/28/76	1/27/77
Ohio Municipal Advisory Council	IAA of 1940/§§202(a)(11), 203(b)(3)	1/5/77	2/4/77
Municipal Advisory Council of Michigan	IAA of 1940/§§202(a)(11), 203(b)(3)	1/5/77	2/4/77
The Corporate Income Fund, Municipal Investment Trust Fund	'33 Act/§8(a), Rule 433	1/3/77	2/2/77

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER COMPANY

An order has been issued authorizing American Electric Power Company, Inc., a registered holding company, to issue from time to time through April 30, 1978, up to 2,000,000 shares of its authorized but unissued stock, par value \$6.50 per share, pursuant to a dividend reinvestment plan and stock purchase plan, and denying a request for a hearing in connection therewith. (Rel. 35-19879 - Feb. 8)

BLACKSTONE VALLEY ELECTRIC COMPANY

An order has been issued authorizing Blackstone Valley Electric Company, subsidiary of Eastern Utilities Associates, to extend the maturity of a \$25 million bank loan and to change the interest rate on the loan. (Rel. 35-19880 - Feb. 8)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

LISTING ACTION

An order has been issued pursuant to Section 12(d) of the Securities Exchange Act of 1934 granting the application of Maryland National Corp. to list its 8% notes, due December 15, 1986, on the New York Stock Exchange, Inc. effective as of January 24, 1977). (Rel. 34-13251)

SECURITIES ACT REGISTRATIONS

(S-1) INVESTORS SYNDICATE OF AMERICA, INC. (ISA)

IDS Tower, Minneapolis, Minn. 55402 - 200,000 units of single payment certificates SP-77, to be offered for sale with a \$1,000 minimum purchase, through Investors Diversified Services, Inc. ISA is a face-amount certificate investment company. (File 2-58081 - Jan. 19)

In a separate statement the company seeks registration of 5,000,000 units of single payment certificates R-77, to be offered for sale with a \$500 minimum purchase, through Investors Diversified Services, Inc. (File 2-58082 - Jan. 19)

(S-1) KING OF SIAM COMPANY

32 East 57th St., New York, N.Y. 10022 - \$600,000 of limited partnership interests, to be offered for sale in units of \$12,000 per unit and in smaller fractional units at the discretion of the offeror. There are no underwriters. The company is being formed to produce the musical play "The King and I." (File 2-58117 - Jan. 28)

(S-16) A.P.S., INC.

3000 Pawnee St., Houston, Tex. 77054 - 459,169 shares of common stock, which may be offered for sale, pledged or otherwise disposed of, from time to time, by certain selling security holders at prices current at the time of sale. APS is engaged in the distribution of automotive replacement parts in the United States; the manufacture and sale of automotive batteries in Europe and the distribution of automotive replacement parts and other products in Western Europe, Puerto Rico, Mexico and Venezuela; and in various other distribution activities in the United States. APS is an 84% owned subsidiary of Gulf & Western Industries, Inc. (File 2-58119 - Jan. 28)

(S-16) HARSCO CORPORATION

Camp Hill, Pa. 17011 - 53,096 shares of common stock, which may be offered for sale from time to time by certain shareholders at prices current at the time of sale. Harsco conducts both service and manufacturing operations. The most significant service operations consist of the reclamation of metal and steel-making slag and related mill services to steel producers. The company also manufactures and distributes a wide range of products and equipment including cylinders, forgings and steel castings; clay pipe and related products, construction equipment and grating; pipe fittings, truck bodies and accessories and doors and gilles; and defense vehicles. (File 2-58121 - Jan. 28)

(S-16) THE COLWELL COMPANY

3223 West Sixth St., Los Angeles, Cal. 90020 - 5,461 shares of common stock. The shares are issuable upon exercise of warrants attached to the company's 6% subordinated sinking fund debentures, due 1977. The exercise price is \$17.05. The company is engaged primarily in the mortgage banking business. (File 2-58134 - Jan. 31)

(S-1) EMPIRE/EQUITEC PETROLEUM FUND, LTD. - 1977

242 Homewood Rd., P.O. Box 49807, Los Angeles, Cal. 90049 - 4,500 units of participation in a limited partnership, to be offered for sale at \$1,000 per unit in minimum increments of 5 units. Empire Securities Corporation of Southern California, 242 Homewood Rd., P.O. Box 49807, Los Angeles, Cal. 90049 and Equitec Seventies Company, 3732 Mt. Diablo Blvd., La Fayette, Cal. 94549, will act as co-managing underwriters. The Issuer is a proposed series of California limited partnerships to be organized by Arnold W. Morrison, 242 Homewood Rd., P.O. Box 49807, Los Angeles, Cal. 90049, who will act as its managing general partner and Equitec Financial Group, Inc., a California corporation, who will act as the corporate general partner. (File 2-58159 - Feb. 3)

(S-5) COLONIAL OPTION INCOME FUND, INC.

75 Federal St., Boston, Mass. 02110 - 2,000,000 shares of common stock, to be offered for sale at a maximum price of \$12.50 per share through underwriters of which the representative is A. G. Edwards & Sons, Inc., One Jefferson Ave., St. Louis, Mo. 63103. Colonial is an open-end diversified management investment company. (File 2-58179 - Feb. 4)

(S-7) KANSAS GAS AND ELECTRIC COMPANY

201 North Market St., Wichita, Kan. 67201 - 1,400,000 shares of common stock, to be offered for sale through negotiation with underwriters represented by Kidder, Peabody & Co. Inc., Bache Halsey Stuart Inc. and Paine, Webber, Jackson & Curtis Inc., c/o Kidder, Peabody & Co. Inc., 10 Hanover Square, New York, N.Y. 10005, and at a price to be determined. The company is engaged in the electric utility business. (File 2-58181 - Feb. 4)

(S-6) THE CORPORATE INCOME FUND, FORTY-NINTH MONTHLY PAYMENT SERIES

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 125 High St., Boston, Mass. 02110. The Fund, a unit investment trust, was created by a trust agreement among Merrill Lynch, Bache Halsey Stuart Inc. and Reynolds Securities Inc., as sponsors, The Bank of New York and Shawmut Bank of Boston, N.A., as trustees, and Interactive Data Services Inc., as evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of long-term debt obligations, issued primarily by corporations. (File 2-58186 - Feb. 7)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Pacific Lighting Corp., Los Angeles, Cal. (File 2-58153 - Feb. 2) - 1,200,000 shares
American Building Maintenance Industries, San Francisco, Cal. (File 2-58167 - Feb. 3) - 200,000 shares
Petrolane Inc., Long Beach, Cal. (File 2-58171 - Feb. 4) - 300,000 shares
Reading & Bates Offshore Drilling Co., Tulsa, Oklahoma (File 2-58183 - Feb. 7) - 150,000 shares
Condec Corp., Old Greenwich, Conn. (File 2-58184 - Feb. 7) - 110,000 shares
Grow Chemical Corp., New York, N.Y. (File 2-58185 - Feb. 7) - 210,000 shares
Beech Aircraft Corp., Wichita, Kan. (File 2-58187 - Feb. 4) - 70,000 shares
Holly Corp., Dallas, Tex. (File 2-58189 - Feb. 7) - 485,900 shares

REGISTRATIONS EFFECTIVE

Feb. 7: Gerber Life Insurance Co., 2-57947; Spacelabs, Inc., 2-57945.
Feb. 8: American Electric Power Company Inc., 2-57863; Business Men's Assurance Company of America, 2-57714; Idle Wild Foods Inc., 2-57975; The Kansas Power & Light Co., 2-58059; Kennametal, Inc., 2-58052; The Penn Traffic Co., 2-57906; Technical Tape, Inc., 2-56982.

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.

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

COMPANY	ITEM NO.	MONTH
ADVANCE CIRCUITS INC	8	01/77
AFFILIATED CAPITAL CORP	8,13	01/77
ALZA CORP	7,14	11/76
ARCHON INC	3	01/77
ASSOCIATES FIRST CAPITAL CORP	3	12/76
BODIN APPAREL INC	11	01/77
BREWER C & CO LTD	3	01/77
BRIDGFORD FOODS CORP	7	01/77
CANADIAN EXPORT GAS & OIL LTD	1	01/77
CENTENNIAL VILLAS INC	3	01/77
CENTRAL BANCORP INC	13	01/77
CENTRAL BANCSHARES OF THE SOUTH INC	13	01/77
CONCORD FABRICS INC	3	01/77
CONNECTICUT WATER SERVICE INC	7	01/77
CROSS CO	11	01/77
DATA GENERAL CORP	11,13,14	01/77
DELTEC INTERNATIONAL LTD	11,14	01/77
DIAMOND SHAMROCK CORP	8,14	01/77
DIGITAL COMPUTER CONTRCLS INC	1	01/77
EXCHANGE INTERNATIONAL CORP	4,7,13	01/77
FEDERAL SCREW WORKS	13	01/77
GENERAL TELEPHONE & ELECTRONICS CORP	14	01/77
HOERNER WALDORF CORP	3,14	01/77
IHOP CORP	3	01/77

RECENT 8K FILINGS CONT.

INDEPENDENCE NATIONAL CORP	1,2,8,14	12/76
IVAC CORP	3,13	01/77
KAY CORP	3	01/77
LOMAS & NETTLETON MORTGAGE INVESTORS	7,14	01/77
MARION CORP	7,13	01/77
MARSH SUPERMARKETS INC	7	01/77
MDC CORP	2,10,14	01/77
METRO GOLDWYN MAYER INC	11	01/77
MULTIMEDIA INC	13	01/77
NATIONAL TECHNICAL SERVICES INC	12,14	01/77
NORTHWEST BANCORPORATION	13	01/77
NRG INC	2	12/76
OLYMPIA BREWING CO	3	01/77
OMAHA NATIONAL CORP	13	01/77
PACIFIC RESOURCES INC HAWAII	11,13	01/77
RAI RESEARCH CORP	7	01/77
REDLAKE CORP	3	01/77
ROBERTS & PORTER INC	7,10	01/77
SAVIN BUSINESS MACHINES CORP	7,14	01/77
SPROUSE REITZ CO INC	11	01/77
STANWICK CORP	13	01/77
STERLING PRECISION CORP	7,13	01/77
STRATFORD OF TEXAS INC (DEL)	3,6,7,8,13,14	01/77
STRAUSS LEVI & CO	13	01/77
TACA INTERNATIONAL AIRLINES S A	1	01/77
TAXTRONICS INC	13	12/76
TEJON RANCH CO	13,14	01/77
TRIBUNE OIL CORP	7,13	01/77
UNISHELTER INC	8,11,14	01/77
UNITED ILLUMINATING CO	3	01/77
WALTER JIM CORP	3	01/77
WILLIAMS COMPANIES	7	01/77
WOODWARD GOVERNOR CO	4,11,14	01/77
YORK WATER CO	13	01/77

AMENDMENTS TO REPORTS ON FORM 8-K

INTERNATIONAL ALUMINUM CORP	12	09/76
INTERNATIONAL BASIC ECONOMY CORP	7	12/76
KEMPER CORP	13	12/76
VINDALE CORP	9	09/76
WILLIAMS INDUSTRIES INC	7	08/76
AUTOMATION INDUSTRIES INC	8	12/76
LYDALL INC	7	12/76
NATIONAL SHOES INC	7,8	11/76
SALANT CORP	14	01/77

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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.

SEC NEWS DIGEST is published daily. Subscription rates: 64.45/yr in U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.