

sec news digest

Issue 77-39
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LIBRARY 77

RULES AND RELATED MATTERS

MAR 2 1977

RULES 17a-3 AND 17a-4 PERTAINING TO MUNICIPAL SECURITIES
RECORDKEEPING REQUIREMENTS ADOPTED AND AMENDMENTS TO MSRB
RULES G-8, G-9, AND G-10 APPROVED

U.S. SECURITIES AND
EXCHANGE COMMISSION

The Commission announced the adoption of amendments of Rules 17a-3 and 17a-4 which are intended to establish suitable recordkeeping requirements for brokers and dealers effecting transactions in municipal securities. These amendments will eliminate the need for these parties to comply with more than one set of recordkeeping rules. On the same date, the Commission published an order approving proposed Rules G-8, G-9, and G-10, as amended, which were filed with the Commission by the Municipal Securities Rulemaking Board (MSRB) to establish recordkeeping requirements for municipal securities brokers and municipal securities dealers. The MSRB's rules are also intended to eliminate the need for compliance with more than one set of recordkeeping rules in connection with transactions in municipal securities. Both the Commission's amendments to Rules 17a-3 and 17a-4 and the MSRB's Rules G-8, G-9, and G-10 will be effective as of April 1, 1977. (Rel. Nos. 34-13296 and 34-13295)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

ACCOUNTANT RESIGNS FROM COMMISSION PRACTICE

The Commission has accepted the resignation of Bernard C. Zipern of Massapequa, New York, from Commission practice. Zipern resigned following notification that the Commission was considering the institution of Rule 2(e) proceedings against him following two otherwise unrelated administrative proceedings.

On September 26, 1976, Zipern, without admitting or denying any of the substantive allegations in the proceeding, had consented to the entry of an order barring him from association with any broker-dealer, investment company or investment adviser. (In the Matter of S. J. Salmon & Co., Inc.; see Rel. 34-12679). In an earlier proceeding in which the Regulation A exemption of San Juan Diary, Inc. (the issuer) had been suspended, the staff had alleged that Zipern, acting on behalf of the issuer, had failed to exercise appropriate diligence in reviewing the issuer's offering circulars. Zipern's resignation was submitted without admitting or denying these allegations and with the understanding that after twenty-four months he may apply for reinstatement of his right to appear and practice before the Commission provided that certain showings are made and that nothing has occurred during the intervening period which would be a basis for adverse action against him under Rule 2(e). (Rel. ASR-208)

MODIFICATION OF SANCTIONS AGAINST FSC PROPERTIES, INC.

Pursuant to the terms of the order by which FSC Properties, Inc. was barred from association with any broker-dealer, the said bar order has been modified to allow FSC Properties, Inc. to be associated with a broker-dealer which is not associated with any of the respondents in the proceeding involving FSC Properties, Inc. (Rel. 34-13258)

COMMISSION ANNOUNCEMENTS

LEARY C. WILLIS, JR. AND WALTER W. IRWIN SUSPENDED

Administrative Law Judge Jerome K. Soffer has issued an initial decision suspending Leary C. Willis, Jr. of Franklin, Tennessee, from association with any broker or dealer for a period of 30 days and barring him for a period of one year thereafter from association with any registered broker or dealer in a supervisory or proprietary capacity. In the same decision, Walter W. Irwin of Memphis, Tennessee, is suspended from association with any broker or dealer for a period of 120 days and barred thereafter from association with any registered broker or dealer in a supervisory capacity.

The sanctions imposed arose out of the association and employment by both individuals with Ambassador Church Finance/Development Group, Inc., of Nashville, Tennessee, whose registration as a broker-dealer was previously revoked by the Commission on November 4, 1975.

Mr. Willis, a vice-president of Ambassador, was found to have wilfully aided and abetted a violation of the recordkeeping requirements of the securities laws and to have been involved as an officer in the activities leading up to the appointment of a trustee for Ambassador under the Securities Investor Protection Act of 1970. The Administrative Law Judge found that Irwin, as a salesman for Ambassador, had wilfully sold investment certificates of Atalbe Christian Credit Association, Inc. in violation of the registration requirements of the Securities Act of 1933, and had violated the antifraud provisions of the securities laws in connection with the sale of such certificates.

The decision is subject to review by the Commission on its own motion, or on petition of a party.

LOS ANGELES REGIONAL OFFICE TO CO-SPONSOR COOPERATIVE SECURITIES CONFERENCE

The Los Angeles Regional Office is co-sponsoring its Annual Cooperative Securities Regulation Seminar to be held at the Ambassador Hotel in Los Angeles, California on May 9 and 10, 1977. The program will provide an up-to-date comprehensive review of developments in federal and state securities regulation. Members of the public are invited to attend. There is a \$50 registration fee. Persons wishing to make reservations for the Seminar may send their registration fee to: Securities and Exchange Commission, Attention: Mrs. M. Acosta, 10960 Wilshire Boulevard, Los Angeles, California 90024.

BANK DE GUADALAJARA REMOVED FROM FOREIGN RESTRICTED LIST

The SEC announced that the Bank de Guadalajara, a Mexican financiera has been removed from the Commission's Foreign Restricted List. Previously, on November 17, 1972, the Bank de Guadalajara had been placed on the list. (See Securities Act Release No. 5338). The removal of the financiera is a part of the continued cooperative effort between the Commission and the Mexican financial authorities to achieve compliance with the securities laws of both countries by financial institutions, brokers, dealers, investment advisers and others. (See Securities Act Release No. 5739). (Rel. 33-5809)

TRADING SUSPENSIONS

TRADING SUSPENDED IN AMETEX CORP. AND FIVE STAR COAL CO., INC.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Ametex Corp., a Nevada corporation located in Sale Lake City, Utah, and Five Star Coal Co., Inc., a Delaware corporation located in Berea, Kentucky, for the period beginning on February 25 and terminating at midnight (EST) on March 6, 1977.

The Commission ordered the suspension of trading in both companies because of the lack of adequate and accurate public information about the company's operations and financial condition and because of questions which have arisen concerning market activity in the company's securities. (Rel. 34-13301)

COURT ENFORCEMENT ACTIONS

TRUSTEES LOAN AND DISCOUNT CO. AND FRANK CATERINICCHIA CITED

The Atlanta Regional Office announced the filing of an amended complaint in the U.S. District Court for the Middle District of Alabama on February 11 seeking preliminary and permanent injunctions against Trustees Loan and Discount Co. (Trustees), an Alabama small loan company with its principal place of business in Montgomery, Alabama and Frank Caterinicchia of Birmingham, Alabama. Trustees was not named as a defendant in the original complaint. The complaint charges the defendants with violations of the antifraud provisions of the securities laws in the offer and sale of the promissory notes of Trustees. The defendants are charged with making misrepresentations concerning, among other things, that Trustees' notes provide a high interest rate with safety

and that the company is backed by sound financial management that is unexcelled, while the company operated at a loss and its liabilities exceeded its assets. (SEC v. Trustees Loan and Discount Co. and Frank Caterinicchia, U.S.D.C. M.D. Ala., C-77-34-N). (LR-7794)

CLARENCE H. WAGNER SENTENCED

The Boston Regional Office announced that on February 17 Clarence H. Wagner was sentenced to a term of two years, six months to be served in jail with the remaining eighteen months suspended and two years probation as a result of his conviction by a federal jury in Boston on January 13 on 27 counts of an indictment charging him with securities fraud and mail fraud. (U.S. v. Clarence H. Wagner, U.S.D.C. MA, 76 Crim. 258 T). (LR-7795)

INVESTMENT COMPANY ACT RELEASES

CHARTER FUND

An order has been issued on an application of Charter Fund, Inc. and Landmark Growth Fund, Inc., both registered open-end management investment companies (1) exempting from the provisions of Section 17(a) of the Act a proposed purchase of substantially all of Landmark's assets by Charter, and (2) permitting Fund Management Company, the investment adviser of both Landmark and Charter, to participate in such transaction by bearing part of the expenses thereof. (Rel. IC-9655 - Feb. 25)

HOLDING COMPANY ACT RELEASES

THE CONNECTICUT LIGHT & POWER COMPANY

A notice has been issued giving interested persons until March 21 to request a hearing on a proposal of The Connecticut Light & Power Company, The Hartford Electric Light Company and Western Massachusetts Electric Company, subsidiaries of Northeast Utilities, whereby the subsidiaries will enter into an agreement for the sale and leaseback of equipment needed for the operations of the subsidiaries. The subsidiaries state that such an arrangement will result in a lower cost to the companies than would some other form of financing involving the purchase of the equipment. (Rel. 35-19903 - Feb. 25)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Midwest Securities Trust Company under Rule 19b-4 (SR-MSTC-76-16) modifying auditing procedures applicable to itself. (Rel. 34-13294)

MISCELLANEOUS

REGULATION A EXEMPTION OF VARICON CORPORATION TEMPORARILY SUSPENDED

The Commission has issued an order temporarily suspending the Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of 100,000 shares of common stock of Varicon Corporation, which was to be underwritten by DMR Securities, Inc., of Tucson, Arizona. (Rel. 33-5810)

SECURITIES ACT REGISTRATIONS

(S-7) PUBLIC SERVICE COMPANY OF NEW MEXICO

414 Silver Ave., S.W., Albuquerque, N.M. 87102 - 200,000 shares of a new series of cumulative preferred stock (\$100 par), to be offered for sale through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Sq., New York, N.Y. The proceeds will be used to retire short term bank debt incurred principally in the construction of additional electric generating capacity. The company is an electric utility. (File 2-58267 - Feb. 24)

(S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS,
SERIES 24

300 West Washington St., Chicago, Ill. 60606 - \$5 million of units, to be offered for sale at net asset value (\$1050 maximum). The Fund is one of a series of unit investment trusts created under a trust indenture between Wauterlek & Brown, Inc. as sponsor and Bradford Trust Company as trustee. It consists of an insured portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. MGIC Indemnity Corporation has insured the prompt payment when due of interest and principal on the bonds in the portfolio of the Fund. (File 2-58268 - Feb. 24)

(S-1) UNITED HARDWARE DISTRIBUTING CO.

8201 54th Avenue North, New Hope, Minn. 55428 - 17,940 shares of common (voting) stock, to be offered for sale in units of 69 shares, at \$50.00 per share, 65,500 shares Class A (non-voting) stock, to be offered for sale at \$30.00 per share and \$1,300,000 in 3 year non-interest bearing and non-negotiable promissory notes to be issued as part of patronage rebates at face value. The offering is not underwritten. The company is a wholesaler of hardware and related products. (File 2-58270 - Feb. 24)

(S-1) NORTHEAST UTILITIES

174 Brush Hill Ave., West Springfield, Mass. 01089 - 1,000,000 common shares, to be offered pursuant to the company's Dividend Reinvestment and Common Share Purchase Plan. Northeast Utilities is a registered holding company. (File 2-58271 - Feb. 24)

REGISTRATIONS EFFECTIVE

Feb. 24: Nuveen Tax-Exempt Bond Fund, Series 94, 2-57435.

Feb. 25: American Building Maintenance Industries, 2-58167; Consolidated Capital Growth Fund, 2-57960.

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.

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within 10 days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds 5%. The following companies or individuals filed Schedule 13D's during the period February 16 - 22, 1977. The number of shares of the security which are beneficially owned, and the number of shares concerning which there is a right to acquire are set forth for each beneficial owner.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Robert Russell	Key Pharmaceuticals, Inc. (Miami, Fla.) Common Stock - 86,575 shs.	2-16-77
America Southwest Corp.	Love Petroleum Company (Jackson, Miss.) C1 A Common Stock - 107,186 shs. C1 B Common Stock - 3,770 shs.	2-16-77
* Maurice Wiener	Transco Realty Trust (Boston, Mass.) Shares of Beneficial Interest - 4,600	2-16-77
* Federated Reinsurance Corp. (Wholly-owned subsidiary of Federated Development Co.)	First Texas Financial Corp. (Dallas, Tex.) Common Stock - 113,600 shs. (Federated has agreed to purchase an additional 6,000 shares.)	2-16-77
* Hepworth Pipes Inc. (Wholly-owned subsidiary of Hepworth Ceramic Holdings Ltd. (United Kingdom)	W. S. Dickey Clay Mfg. Co. (Pitts, Kans) Common Stock - 850,107 shs. (96.6%)	2-16-77

ACQUISITION REPORTS CONT.

Security Storage Company of Washington	Control Laser Corp. (Pompano Beach, Fla.) Common Stock - 427,097 shs. (53%) (Above shares were acquired from M. Ivashuk, President of Control, and his daughter and son.)	2-17-77
* Racal Electronics Limited (United Kingdom)	Milgro Electronics Limited (Miami, Fla.) Common Stock - 861,950 shs. (88,950 of above shares were acquired pursuant to the Tender Offer.)	2-17-77
* American Financial Corp.	United Brands Co. (Boston, Mass.) Common Stock - 2,706,500 shs. Common Stock - 259,200 shs. on exercise of Warrants Convertible Preferred Stock - 78,177 shs. Convertible Debentures - \$8,408,000	2-17-77
* LGS Employees' Savings and Investment Trust	Louisiana General Services, Inc. (Harvey, La.) Common Stock - 125,291 shs.	2-17-77
* American Financial Corp.	Computer Automation, Inc. (Irvine, Calif.) Common Stock - 172,000 shs.	2-17-77
Mortimer M. Caplin	Webb Resources, Inc. (Denver, Colo.) Common Stock - 180,000 shs. Common Stock - 2,000 shs. on exercise of Warrants (Included above are shares held in Trust for his son.)	2-18-77
Merchants Investors Corp.	Glasrock Products, Inc. (Fairburn, Ga.) Common Stock - 100,000 shs. (Above shares were acquired pursuant to a Stock Purchase Agreement.)	2-18-77
Jules Brenin, Individually and as Trustee	Visual Electronics Corp. (Newark, N.J.) Common Stock - 498,452 shs. (Included above are shares owned by his wife and children.)	2-18-77
Bernard Marcheles	Visual Electronics Corp. (Newark, N.J.) Common Stock - 505,634 shs.	2-18-77
Barnett E. Brenin	Visual Electronics Corp. (Newark, N.J.) Common Stock - 505,633 shs.	2-18-77
First Ohio Investment Group, Inc. Republic-Franklin Insurance Company	Republic-Franklin Life Insurance Co. (Columbus, Ohio) Cl A Common Stock - 168,616 shs. Cl B Common Stock - 66,667 shs.	2-18-77
* Charles M. Diker Western Investment Associates	Archon, Inc. (City of Industry, Calif.) Common Stock - 129,566 shs. (19.2%)	2-18-77
* Wirtz Corp.	Medical Investment Corp. (Minneapolis, Minn.) Common Stock - 977,714 shs. (76.8%)	2-18-77
* First Ohio Investment Group, Inc.	Republic-Franklin Life Insurance Co. (Columbus, Ohio) Cl A Common Stock - 168,616 shs. Cl B Common Stock - 33,333 shs. (First Ohio has a right to acquire 33,334 Class B Common Stock.)	2-18-77
* Hecla Mining Co. Silver Dollar Mining Co. Charles E. Schwab	Sunshine Mining Co. (New York City) Common Stock - 331,950 shs.	2-18-77
Teledyne, Inc.	Menasco Manufacturing Co. (Burbank, Calif.) Common Stock - 211,000 shs.	2-22-77

ACQUISITION REPORTS CONT.

Samuel Gray	Webb Resources, Inc. (Denver, Colo.) Common Stock - 551,765 shs. Common Stock - 458,551 shs. on exercise of Warrants and Options	2-22-77
Estate of Del E. Webb	Del E. Webb Corp. (Phoenix, Ariz.) Common Stock - 2,906,150 shs.	2-22-77
American Financial Corp.	Government Employees Insurance Co. (Washington, D.C.) Convertible Preferred Stock - 730,500 shs.	2-22-77
Royal Bank of Canada (Canada)	IROP Corp. (No. Hollywood, Calif.) Common Stock - 83,282 shs. (Above shares were acquired pursuant to the Exchange and Merger Agreements.)	2-22-77

* Amended Acquisition Report

The following have made offers to acquire stock of companies listed below pursuant to tender offers as reported to the Commission on Schedule 13D:

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Harry A. Trueblood, Jr.	Holiday Resources, Inc. (Newport Beach, Calif.) Common Stock - 100,000 shs. for cash at \$.28 net per share (This offer is being made only to shareholders owning 2,000 shares or less. Mr. Trueblood presently owns 100,432 shares (23%) of Common and 40,000 shares (80%) of Preferred Stock.)	2-17-77
* Sacramento Publishing Co. John P. McGoff Sacramento Union Corp., et al	Panax Corp. (East Lansing, Mich.) Common Stock - All outstanding shares for cash at \$5 net per share (This offer is limited to holders of 500 shares of less. Offerors presently own 164,887 shares.)	2-17-77

* Amended Tender Offer

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

- | | |
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| <i>Item 1. Changes in Control of Registrant</i> | <i>Item 9. Options to Purchase Securities</i> |
| <i>Item 2. Acquisition or Disposition of Assets</i> | <i>Item 10. Extraordinary items, other material charges and credits
and capital restatements</i> |
| <i>Item 3. Legal Proceedings</i> | <i>Item 11. Submission of Matters to a Vote of Security Holders</i> |
| <i>Item 4. Changes in Securities</i> | <i>Item 12. Changes in Registrant's Certifying Accountant</i> |
| <i>Item 5. Changes in Security for Registered Securities</i> | <i>Item 13. Other Materially Important Events</i> |
| <i>Item 6. Defaults upon Senior Securities</i> | <i>Item 14. Financial Statements and Exhibits</i> |
| <i>Item 7. Increase in Amount of Securities Outstanding</i> | |
| <i>Item 8. Decrease in Amount of Securities Outstanding</i> | |

The companies listed below have filed 8-K reports for the month 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 month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
AMCOMP INC	1	01/77
AMEDCO INC	4,7,14	01/77
AMERICAN BANCSHARES INC	3,14	02/77
BEECH AIRCRAFT CORP	7,11	01/77
BELCO PETROLEUM CORP	13	01/77
BFL COMMUNICATIONS INC	13	01/77
BQP INDUSTRIES INC	11	01/77
CALIFORNIA REAL ESTATE INVESTMENT TRUST	3	01/77
CHART HOUSE INC	3,7,13,14	01/77

RECENT 8K FILINGS CONT.

CGLCNY FOODS INC	7	12/76
COLCNY FOODS INC	13,14	02/77
CUMIS INSURANCE SOCIETY INC	1	01/77
UYMAT INTERNATIONAL CORP	1,14	02/77
FIRST NATIONAL STORES INC	3	11/76
HANDY DAN HOME IMPROVEMENT CENTERS INC	5	02/77
HANKS SEAFOOD CO INC	3	02/77
INFORMATIVE COMPUTER SERVICES LTD	7	01/77
INVESTORS REIT TWO	3,13	01/77
KEYSTONE CONSOLIDATED INDUSTRIES INC	14	02/77
MELVILLE CORP	13	02/77
MISSISSIPPI VALLEY GAS CO	11,13	01/77
NEUTROGENA CORP	11	02/77
NEW BRUNSWICK SCIENTIFIC CO INC	2,7,14	01/77
PICTURE COVERS INC	11	12/76
RAINIER COMPANIES INC	3	02/77
STARBUCK INC	10	01/77
ADVANCED PATENT TECHNOLOGY INC	2	02/77
ARDEN MAYFAIR INC	3,13	01/77
BALDOR ELECTRIC CO	8	01/77
BASIC FOOD INDUSTRIES INC	3,13,14	01/77
LALLAHAN MINING CORP	10,14	01/77
CGS SCIENTIFIC CORP	13	01/77
COLUMBIA CHASE CORP	11	01/77
CORNING GLASS WORKS	13,14	02/77
DAUPHIN DEPOSIT CORP	2,7,14	01/77
EAGLE INC	3,13	09/76
INTERCONTINENTAL ENERGY CORP	12,14	02/77
JACOBS F L CO	8	01/77
OPTICS TECHNOLOGY INC	13	01/77
OXFORD FIRST CORP	13,14	01/77
TANDY CORP	7	12/76
TIME INDUSTRIES INC	1,8,11	02/77
WESTERN MACHINE ELECTRONICS CO	11,14	01/77
WHEELING PITTSBURGH STEEL CORP	4,14	02/77
ZENITH UNITED CORP	1,13	02/77

AMENDMENTS TO REPORTS ON FORM 8-K

CONNECTICUT LIGHT & POWER CO	13	01/77
JAYTON POWER & LIGHT CO	3	01/77
GENERAL FELT INDUSTRIES INC	13,14	01/77
HARTFORD ELECTRIC LIGHT CO	13	01/77
NORTHEAST UTILITIES	13	01/77
THOMAS INDUSTRIES INC	2,14	01/77
CHART HOUSE INC	8	12/76
LINCOLN NATIONAL CORP	14	01/77
SOUTHWESTERN RESEARCH CORP	10,14	12/75
CUMBANKS CORP	1	06/76
COMPUTER DATA SYSTEMS INC	13	12/76
FIRST WESTERN FINANCIAL CORP	13	11/76
INTERNATIONAL HARVESTER CO	13,14	01/77
KIMBALL INTERNATIONAL INC	13	01/77
LANDMARK LAND CO INC	10,13	09/76
MEKIT CORP	10	12/76
PENNSYLVANIA CO	3	07/76
PLACER DEVELOPMENT LTD	14	01/77
STONE & WEBSTER INC	3	12/76

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.

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