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U.S. SECURITIES AND
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RULES AND RELATED MATTERS

COMMENT PERIOD EXTENDED

The Commission announced an extension of the comment period with respect to proposed Securities Exchange Act Rules 11a1-3, 11a2-1, and 11a2-2 until July 15. (Rel. 34-13539)

COMMISSION ANNOUNCEMENTS

LOST AND STOLEN SECURITIES PROGRAM

The Commission announced the designation of AutEx, Inc., to receive reports and inquiries required to be made with the Commission pursuant to Rule 17f-1 for a one year pilot period. The Commission has made the designation subject to AutEx's undertaking to comply with the "Principles of Designation" set forth in the release. The Commission also stated that although Rule 17f-1 is presently scheduled to become effective on July 1, the Commission may delay the effective date if it determines that its designee requires additional time to implement the system. (Rel. 34-13538)

TRADING SUSPENSIONS

TRADING SUSPENDED IN TWENTIETH CENTURY-FOX FILM CORP.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Twentieth Century-Fox Film Corp. (Twentieth Century), a Delaware corporation located in New York, N.Y., for the period beginning on May 13 and terminating at midnight (EDT) on May 22, 1977.

The Commission suspended trading in the securities of Twentieth Century because of uncertainties which have arisen as a result of recent purported transactions in the securities of Twentieth Century and the impact that such uncertainties may have on the market for Twentieth Century securities. Pending the outcome of a staff inquiry into this matter, the Commission will make every effort to terminate the suspension as soon as possible. (Rel. 34-13540)

COURT ENFORCEMENT ACTIONS

BLAIDON MUTUAL INVESTORS CORPORATION PROMOTER DISMISSED

The Seattle Regional Office announced that an order of dismissal was entered on May 5 by the Honorable Donald S. Voorhees, Judge, U.S. District Court, Western District of Washington at Seattle, Washington for Michael J. Showers of Carnation, Washington. The order was by a stipulation entered into by the parties and was without prejudice and costs. (SEC v. Donald Wolfstone, et al., U.S.D.C. W.D. Wash., C76-90V). (LR-7919)

RACAL ELECTRONICS ENJOINED

The SEC announced that on May 13 the U.S. District Court for the District of Columbia entered a judgment of permanent injunction against Racal Electronics, Limited (Racal), a United Kingdom corporation with its principal executive offices in Bracknell, England, restraining and enjoining Racal from violation of certain of the tender offer provisions of the Securities Exchange Act of 1934 (Exchange Act). Racal consented to the entry of the judgment of permanent injunction without admitting or denying the allegations of the Commission's complaint.

The judgment of permanent injunction was entered in connection with a civil injunctive action filed by the Commission against Racal and Milgo Electronic Corporation (Milgo) on February 3. The Commission's complaint alleged that Milgo and Racal made untrue statements of material facts and omitted to state material facts concerning, among other things, the purposes and terms of a proposed sale of Milgo stock to Racal. The Commission's complaint also charged Racal with violations of certain of the Commission's tender offer filing requirements.

The judgment of permanent injunction restrains and enjoins Racal from, among other things: (1) failing to timely file Schedule 13D and Schedule 14D reports; (2) participating with an issuer whose stock is subject to a takeover bid in issuing any press release that is not complete and accurate and otherwise in compliance with the securities laws; and (3) purchasing or agreeing to purchase stock from any takeover target under circumstances which would violate Section 14(e) of the Exchange Act. (SEC v. Milgo Electronics Corp., Racal Electronics, Limited, U.S.D.C. D.C., Civil Action No. 77-0189). (LR-7921)

INVESTMENT COMPANY ACT RELEASES

LINCOLN NATIONAL INCOME FUND

A notice has been issued giving interested persons until June 6 to request a hearing on an application of Lincoln National Income Fund, Inc., for an order that it has ceased to be an investment company. (Rel. IC-9765 - May 12)

LINCOLN NATIONAL CAPITAL FUND

A notice has been issued giving interested persons until June 6 to request a hearing on an application of Lincoln National Capital Fund, Inc., for an order that it has ceased to be an investment company. (Rel. IC-9766 - May 12)

HARVEST FUND

An order has been issued on an application of Harvest Fund declaring that it has ceased to be an investment company. (Rel. IC-9767 - May 13)

SMITH, BARNEY EQUITY FUND

An order has been issued on an application of Smith, Barney Equity Fund, Inc. and Smith, Barney Income and Growth Fund, Inc. (the Funds) exempting the Funds from Section 22(d) of the Act in connection with a proposal of the Funds to allow shareholders of an investment company or personal holding company who become shareholders of one of the Funds through a merger, consolidation or acquisition of assets to make subsequent purchases of shares of the Funds at net asset value without a sales charge, under certain circumstances. (Rel. IC-9768 - May 13)

SECURITIES ACT REGISTRATIONS

(S-7) CONTINENTAL WESTERN INDUSTRIES, INC.

11201 Douglas Ave., Des Moines, Iowa. 50322 - 360,000 shares of common stock, to be offered for sale at prices current at the time of sale, through underwriters headed by Drexel Burnham Lambert Inc., 60 Broad St., New York, N.Y. 10004. The company is a holding company with businesses in property and liability insurance, financial services, building materials and supplies, and agricultural implements and related items. (File 2-58853 - Apr. 29)

(S-16) GULF RESOURCES & CHEMICAL CORPORATION

47th Floor, 1100 Milam Bldg., Houston, Tex. 77002 - 524,800 shares of common stock, issuable upon exercise of common stock purchase warrants at an exercise price of \$10 per share, including any offer of such shares by the holders thereof, 128,333 shares of common stock issuable upon exercise of common stock purchase warrants at an exercise price of \$15 per share, including any offer of such shares by the holders thereof and 269,716 shares of common stock issuable upon conversion of an aggregate of 134,858 shares of outstanding Series A cumulative convertible preferred stock with a payment to Gulf of \$10 for each such share of Series A preferred stock converted. Gulf Resources & Chemical Corporation is a diversified natural resource and energy company engaged in surface mining bituminous coal; mining, smelting and refining base and precious metals; producing lithium chemicals; producing industrial explosives; producing specialty fertilizers and salt; and exploring for and developing oil and gas reserves. (File 2-58856 - Apr. 29)

(S-1) ON TOBY TIME COMPANY

1414 Avenue of the Americas, New York, N.Y. 10019 - \$650,000 of preformation limited partnership interests, subject to a 15% overcall, which, upon formation of the limited partnership, shall be limited partnership interests to be offered for sale in 50 units, at \$13,000 per unit, through J. Lloyd Grant, Richard Bell and Robert M. Cooper as general partners. The partnership to be formed will be formed for the purpose of managing and producing the dramatico-musical play tentatively entitled "On Toby Time" and to exploit and turn to account the rights at any time held by the partnership in connection therewith. (File 2-58877 - Apr. 28)

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

120 South LaSalle St., Chicago, Ill. 60603 - 3,400,000 shares of common stock, to be offered for sale through underwriters represented by A. G. Edwards & Sons, Inc., One North Jefferson Ave., St. Louis, Mo. 63103. The Fund is a newly organized, open-end, diversified management investment company whose objective is to provide a high current return through a professionally managed portfolio consisting primarily of dividend paying common stocks with respect to which call options are traded on national securities exchanges and by writing covered call options on such stocks. (File 2-58921 - May 5)

(S-7) FIRST FARWEST CORPORATION

812 S. W. Washington St., Portland, Ore. 97205 - new issue of \$2.5 million senior debentures, due 1, 3, 5 and 8 years from issue date. First Farwest Corporation is a diversified financial services company with insurance, leasing, finance and distribution operations. (File 2-58967 - May 9)

(S-7) THE WESTERN PACIFIC RAILROAD COMPANY

526 Mission St., San Francisco, Cal. 94105 - \$20 million of first mortgage bonds, Series B, due 2002, to be offered for sale by the company through underwriters headed by Salomon Brothers, One New York Plaza, New York, N.Y. 10004. The company is a Class I railroad operating in the western portion of the United States. (File 2-58992 - May 11)

(S-16) EG&G, INC.

45 William St., Wellesley, Mass. - 387,513 shares of common stock, issued in connection with the acquisition by EG&G of Reticon Corporation on December 28, 1976. The selling stockholders have advised EG&G that they propose to sell, from time to time, all or part of the shares offered by them in private principal transactions and through brokers. EG&G provides a variety of scientific and technically oriented products, custom equipment, systems and related or specialized services to government and industrial customers. (File 2-59004 - May 13)

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:

- National Medical Care, Inc., Boston, Mass. (File 2-58894 - May 2) - 100,000 shares
- shares
- E-Systems, Inc., Dallas, Tex. (File 2-58969 - May 10) - 200,000 shares
- Abbott Laboratories, North Chicago, Ill. (File 2-58973 - May 9) - 300,000 shares
- shares
- Warner Communications Inc., New York, N.Y. (File 2-58976 - May 10) - 500,000 shares
- shares
- Royal Crown Cola Co., Atlanta, Ga. (File 2-58979 - May 10) - 34,000 shares
- Alton Box Board Co., Alton, Ill. (File 2-58980 - May 10) - 300,000 shares
- American District Telegraph Co., New York, N.Y. (File 2-58984 - May 11) - \$25 million of interests
- Amax Inc., Greenwich, Conn. (File 2-58985 - May 11) - 500,000 shares
- The May Department Stores Co., St. Louis, Mo. (File 2-58991 - May 11) - 1,200,000 shares
- Federal-Mogul Corp., Southfield, Mich. (File 2-58994 - May 12) - 298,491 shares
- Atlantic Richfield Co., Los Angeles, Cal. (File 2-58995 - May 12) - 1,000,000 shares
- shares
- Flightsafety International, Inc., Flushing, N.Y. (File 2-58999 - May 12) - 228,475 shares
- Doyle Dane Bernbach Inc., New York, N.Y. (File 2-59001 - May 12) - 102,500 shares
- shares
- Trust Company of Georgia, Atlanta, Ga. (File 2-59006 - May 13) - 150,000 shares
- Capital Cities Communications, Inc., New York, N.Y. (File 2-59014 - May 13) - 300,000 shares

REGISTRATIONS EFFECTIVE

May 5: The Dean Witter Tax-Exempt Trust, Twenty Eighth Series, 2-58693; European Investment Bank, 2-58740; Foster Wheeler Corp., 2-58882; Motorola, Inc., 2-58677; Studebaker-Worthington, Inc., 2-58913; United Mexican States, 2-57054.

May 6: Capital Financial Services Inc., 2-58615; Lydall Inc., 2-58104.

May 9: California Life Corp., 2-58737; Colgate-Palmolive Co., 2-58716 & 2-58643; Dial Financial Corp., 2-58762; Indiana & Michigan Electric Co., 2-58674; Insured Municipals Income Trust, Series 14, 2-58707; Our Own Hardward Co., 2-58451 & 2-58450; Petroleum Exploration & Development Funds, Inc., 2-58302 (90 days); Safeco Corp., 2-58654; Thomas Industries, Inc., 2-58698.

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.

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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