

# sec news digest

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## RULES AND RELATED MATTERS

### U.S. SECURITIES AND EXCHANGE COMMISSION

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#### COMMISSION CLARIFIES RULES REGARDING DISCLOSURE OF MARKETABLE SECURITIES

The Commission announced adoption of minor amendments to its rules regarding disclosures by commercial and industrial companies of investments in marketable securities and other security investments to clarify or modify the requirements of certain instruction to Schedule 12-2 of Regulation S-X in which the securities are required to be listed. The effective date for these amendments is for financial statements for fiscal years ending after December 24, 1977 and coincides with the effective date specified for the rules previously adopted in Accounting Series Release No. 226. (Rel. 33-5895)

FOR FURTHER INFORMATION CONTACT: Robert R. Love at (202) 755-1773 or Edward R. Cheramy at (202) 376-8020

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## TRADING SUSPENSIONS

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#### TRADING SUSPENDED IN WESTAMERICA AUTOMOTIVE CORP. AND WESTERN GOLD MINING INC.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Westamerica Automotive Corp., a California corporation located in Southgate, California, and Western Gold Mining Inc., a Washington corporation located in Seattle, Washington, for the period beginning on December 29 and terminating at midnight (EST) on January 7, 1978.

The Commission ordered the suspension in Westamerica securities because of the lack of current adequate and accurate public information concerning the company's operations and financial condition and in Western's securities because of the lack of adequate and accurate public information about the number of common shares issued and outstanding. (Rel. 34-14320 and 34-14321)

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## COURT ENFORCEMENT ACTIONS

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#### JOHN C. SPENCER AND WILLIAM J. HAMILTON ACQUITTED

The Atlanta Regional Office announced that on December 6 John C. Spencer and William J. Hamilton, both of Atlanta, were acquitted by a petit jury in Fulton County, Georgia of four counts of offering to sell and selling promissory notes of Roy D. Warren Realty Company (Warren), while not being registered with the State as securities salesmen and on five counts of offering for sale and selling the promissory notes of Warren while failing to disclose material statements necessary to make the statements made not misleading concerning Warren's financial condition and the pledge of its assets. (State of Georgia v. John C. Spencer and William J. Hamilton, Fulton County Superior Court, Georgia A-37183). (LR-8234)

#### THE GAP STORES, INC., OFFICERS ENJOINED

The San Francisco Branch Office announced that on December 21 a complaint was filed in the U.S. District Court for the Northern District of California, seeking to enjoin The Gap Stores, Inc. (Gap), a corporation located in Burlingame, California; Donald G. Fisher, its president; and James D. Abrams, its vice president-corporate affairs and treasurer, from violating the prospectus requirements and antifraud provisions of the securities laws. Each of the defendants simultaneously consented, without admitting or denying the allegations of the complaint, to the entry of a final judgment of permanent injunction enjoining them from further violations as alleged.

The Commission's complaint alleged that the defendants violated the above provisions of the securities laws in a public offering of 1.2 million shares of Gap common stock at \$18 per share in May 1976. The complaint alleged, among other things, that the

prospectus and registration statement used in the public offering failed to disclose material facts concerning Gap's current operations; specifically, that a material buildup in inventory levels, combined with lower than planned retail sales, created a material risk of a material adverse impact on Gap's earnings in fiscal 1976. The complaint further alleged that Fisher sold 115,000 shares of Gap common stock as part of the public offering while in possession of such material facts. (SEC v. The Gap Stores, Inc., et al., U.S.D.C., N.D. Cal., C-77-2880-WAI). (LR-8235)

#### RANDY COPELAND ENJOINED

The SEC announced that on December 21 Federal District Judge Robert W. Porter, at Dallas, Texas, entered an order of permanent injunction by summary judgment against Randy Copeland, Dallas, enjoining him from further violations of the antifraud provisions of the securities laws. The complaint alleged that Copeland, among others, had violated the antifraud provisions of the securities laws in the offer and sale of fractional undivided working interests in oil and gas leases located in Cochran and Tom Green Counties, Texas, on behalf of Capital Oil Corporation, Dallas. (SEC v. Capital Oil Corporation, et al., N.D. Texas, Civil Action No. CA3-5027F). (LR-8236)

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## INVESTMENT COMPANY ACT RELEASES

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#### INVESTORS SYNDICATE OF AMERICA

An order has been issued on an application of Investors Syndicate of America, Inc. (ISA), a face-amount certificate company registered under the Investment Company Act of 1940, and Knapp King-Size Corporation, a Massachusetts corporation, pursuant to Section 17(b) of the Act, exempting from the provisions of Section 17(a) of the Act, the proposed sale by ISA to Knapp of 79,063 shares of Knapp common stock currently held by ISA. (Rel. IC-10074 - Dec. 28)

#### THE UNITED CORPORATION

An order has been issued pursuant to Section 6(c) of the Act on an application of The United Corporation (United), a closed-end, non-diversified, investment company registered under the Act, Canadian International Power Company Limited (CI Power), a controlled company of United, Sr. Alejandro J. Lara, and Sr. Alfredo Anzola Montauban, exempting from the provisions of Section 17(e)(1) the proposed payment of compensation by CI Power to Lara and Anzola for their efforts in negotiating the sale of substantially all of CI Power's Venezuelan assets to an agency of the Venezuelan government, and pursuant to Rule 17d-1, to the extent necessary, permitting such transaction. (Rel. IC-10075 - Dec. 28)

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## HOLDING COMPANY ACT RELEASES

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#### ALABAMA POWER COMPANY

An order has been issued authorizing Alabama Power Company, Georgia Power Company, and Mississippi Power Company, all subsidiaries of The Southern Company, to issue first mortgage bonds and surrender such bonds to the trustees under their respective indentures for the purpose of satisfying the sinking fund requirements thereunder for 1978. Jurisdiction has been reserved over the issuance of such sinking fund bonds by Gulf Power Company. (Rel. 35-20341 - Dec. 28)

#### YANKEE ATOMIC ELECTRIC COMPANY

An order has been issued authorizing a proposal of Yankee Atomic Electric Company, subsidiary of New England Electric System and Northeast Utilities, each of which is a registered holding company, whereby Yankee Atomic will issue and sell notes to a bank and commercial paper to a dealer in commercial paper, during the period ending July 1, 1978, in an amount of \$26 million at any one time outstanding, and during the period from July 2, 1978, through December 31, 1978, in an amount of \$16 million at any one time outstanding. The proceeds of the sales will be used to purchase nuclear fuel or for other corporate purposes. (Rel. 35-20342 - Dec. 28)

#### MONONGAHELA POWER COMPANY

An order has been issued authorizing Monongahela Power Company, The Potomac Edison Company, and West Penn Power Company, each a subsidiary of Allegheny Power System, Inc. to issue notes to banks or dealers in commercial paper. The maximum amounts, at any one time outstanding, of such notes are as follows: Monongahela, \$50 million; Potomac, \$48 million; and West Penn, \$50 million. The proceeds from the issuance and sale of

the proposed short-term borrowings will be used by each of the companies to reimburse its corporate treasury for construction expenditures, to pay part of the cost of future construction and for other corporate purposes. Jurisdiction is reserved with respect to that portion of the borrowings requested in the case of West Penn in excess of an amount of \$50 million, at any one time outstanding, of notes to banks and dealers in commercial paper. (Rel. 35-20343 - Dec. 28)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGES

The following have filed proposed rule changes under Rule 19b-4: (1) New York Stock Exchange, Inc. (SR-NYSE-77-35) to amend its rule governing the terms under which the NYSE may deny or limit a member's communications or physical access to the NYSE floor. (Rel. 34-14314); (2) Philadelphia Stock Exchange Inc. (SR-PHLX-77-16) to increase the supplemental listing fee schedule for securities on the Exchange. (Rel. 34-14315); and (3) (SR-PHLX-77-14) to change the date of the Exchange's annual meeting from the first Monday in March to the second Monday in March. (Rel. 34-14316)

Publication of the above proposals are expected to be made in the Federal Register during the week of January 2.

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## SECURITIES ACT REGISTRATIONS

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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) ISRAEL BANK OF AGRICULTURE LTD., 83 Hashmonaim St., Tel Aviv, Israel - \$20 million of 7-1/2% registered subordinated capital notes, due 2003. Underwriter: Capital For Israel, Inc. The Bank finances agricultural enterprises. (File 2-60553 - Dec. 28)
- (S-1) INTERNATIONAL LIFE HOLDING CORPORATION, 120 Delaware Ave., Buffalo, N.Y. 14202 - 1,064,229 shares of common stock. The company is engaged in the life, accident and health insurance business. (File 2-60554 - Dec. 28)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, EIGHTY-FIRST MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 - 45,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006, Bache Halsey Stuart Shields Inc. and Reynolds Securities Inc. The Fund is a unit investment trust. (File 2-60555 - Dec. 28)
- (S-14) ALLIED TECHNOLOGY, INC., 6104 Poe Ave., Dayton, Ohio 45414 (513) 898-1750 - 1,350,000 shares of common stock. (File 2-60557 - Dec. 28)
- (S-6) TAX EXEMPT MUNICIPAL TRUST, TWENTIETH NATIONAL SERIES, 767 Fifth Ave., New York, N.Y. 10022 - \$10 million of units of beneficial interest. Depositor: Shearson Hayden Stone Inc. The trust is a unit investment trust. (File 2-60558 - Dec. 29)
- (S-8) WARNER COMPANY, 1721 Arch St., Philadelphia, Pa. 19103 (215) 563-3900 - 20,267 shares of common stock. The company is engaged in the sale of industrial minerals and building products, real estate development and solid waste management. (File 2-60559 - Dec. 27)
- (S-6) TAX EXEMPT SECURITIES TRUST, SERIES 16, 42 Wall St., New York, N.Y. 10005 - 15,000 units. Depositors: Loeb Rhoades & Co. Inc., 42 Wall St., New York, N.Y. 10005, Smith Barney, Harris Upham & Co. Inc. and Blyth Eastman Dillon & Co. Inc. (File 2-60560 - Dec. 29)
- (S-11) REAL ESTATE ASSOCIATES LIMITED, 1901 Avenue of the Stars, Suite 1200, Los Angeles, Cal. 90067 - 12,500 shares of limited partnership interests. (File 2-60561 - Dec. 29)
- (S-1) ALTEX OIL CORPORATION, 205 North Vernal Ave., Vernal, Utah 84078 - 6,000,000 shares of common stock and 4,000,000 common stock purchase warrants. Underwriter: Sherwood Securities Corporation. The company is engaged in exploring for, developing, and producing oil. (File 2-60562 - Dec. 29)

- (S-16) BALLY MANUFACTURING CORPORATION, 2640 West Belmont Ave., Chicago, Ill. 60618 (312) 267-6060 - 40,000 shares of common stock. (File 2-60563 - Dec. 29)
- (S-1) IMPERIAL CHEMICAL INDUSTRIES LIMITED, Imperial Chemical House, Millbank, London SW1P 3JF - \$150 million of guaranteed sinking fund debentures, due 2003. Underwriters: Smith Barney, Harris Upham & Co. Inc. and Goldman, Sachs & Co. (File 2-60564 - Dec. 29)
- (S-7) FUQUA INDUSTRIES, INC., 3800 First National Bank Tower, Atlanta, Ga. 30303 (404) 658-9000 - \$4,941,300 of 9-1/2% subordinated debentures, due 1998. Underwriter: Bear, Stearns & Co. Fuqua is a diversified manufacturing and distribution and service company. (File 2-60566 - Dec. 29)
- (S-1) CONSOLIDATED INTERNATIONAL, INC., 2020 Corvair Ave., Columbus, Ohio 43216 - \$500,000 of sinking fund debentures, due 1983, \$850,000 of sinking fund debentures, due 1986 and \$1,000,000 of sinking fund debentures, due 1990. Underwriter: The Ohio Company. The company is engaged in the wholesale distribution of automotive and other merchandise. (File 2-60567 - Dec. 29)

#### REGISTRATIONS EFFECTIVE

Dec. 22: Amfac, Inc., 2-60364; Caesars World, Inc., 2-60334; Cencor, Inc., 2-60329; Crown Zellerbach Corp., 2-60326; The Echlin Manufacturing Co., 2-60497; FVL Growth Fund, Inc., 2-60514; Farmland Industries, Inc., 2-60372; Foremost-McKesson, Inc., 2-60442; Gambles Credit Corp., 2-60333; The Gap Stores, Inc., 2-60029; Humana Inc., 2-59984; Lydall, Inc., 2-59986; Ohio Edison Co., 2-60415; Old Stone Bank, 2-59826; R. E. Series III, Inc., 2-59992 (90 days); Sambo's Restaurants, Inc., 2-59258.

Dec. 23: American Tax-Exempt Bond Trust, Series 23, 2-60223; Alexander & Alexander Services Inc., 2-60443; Duplex Products Inc., 2-60300; The Kansas Power & Light Co., 2-60454; National Grape Co-Operative Association Inc., 2-60307; Northrup Corp., 2-60426; Rolm Corp., 2-60197; Wards Co. Inc., 2-60376.

**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.

#### REGISTRATIONS WITHDRAWN

Dec. 8: Institute for Scientific Information, Inc., 2-57320.

Dec. 13: Loehmann's, Inc., 2-60302.

Dec. 14: Albuquerque Western Solar Industries, Inc., 2-59713; Kelly Downs, Inc., 2-58211.

Dec. 20: Genovese Drug Stores, Inc., 2-58178.

Dec. 23: American Medical Buildings, Inc., 2-60228.

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

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