

# sec news digest

Issue 79-116

June 15, 1979

JUN 19 1979

## RULES AND RELATED MATTERS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

### OIL AND GAS PRODUCERS-DISCLOSURE REQUIREMENTS

On June 13 the Commission approved the issuance of a release proposing an amendment to its reporting requirements for oil and gas producers. The amendment would permit the financial statement disclosure of oil and gas reserve information required by Regulation S-X, Rule 3-18(k)(5) and (k)(6) to be made in a note or separate schedule designated "unaudited" for fiscal years ending before December 26, 1980. The Commission also announced its intention to permit the same designation with respect to any required supplemental earnings summary based on reserve recognition accounting (proposed by Rel. 33-5969) for such fiscal years. The postponement of the audit requirement is intended to allow additional time to establish and implement uniform guidelines and standards for reserve evaluation and reporting. Comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 on or before July 31, 1979 and should refer to File No. S7-786. All comments will be available for public inspection. (Rel. 33-6079)

FOR FURTHER INFORMATION CONTACT: James D. Hall at (202) 755-0222

## COMMISSION ANNOUNCEMENTS

### OIL AND GAS PRODUCERS-PROPOSED SUPPLEMENTAL EARNINGS SUMMARY

On June 13 the Commission approved the issuance of a release re-opening the comment period on the "Supplemental Earnings Summary" it proposed in Rel. 33-5969 (September 12, 1978) to allow respondents to consider experience in preparing and reporting valuation information on oil and gas reserves for the year ended December 31, 1978. The new comment period will expire July 25, 1979. Comments should refer to File No. S7-753 and should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. (Rel. 33-6080)

FOR FURTHER INFORMATION CONTACT: James D. Hall at (202) 755-0222

### ACCOUNTING SERIES RELEASE NO. 264 - SCOPE OF SERVICES BY INDEPENDENT ACCOUNTANTS

On June 13 the Commission approved the issuance of an interpretive release stating its views concerning certain factors which accountants should consider in assessing the possible effects upon their independence of the performance of nonaudit services for publicly-held audit clients. In addition, because of the impact which any impairment of the auditor's independence, either in fact or in appearance, could have on the credibility and usefulness of the audit report, the Commission also stated certain factors which audit committees, boards of directors, and managements should consider in determining whether to engage their independent accountants to perform nonaudit services. While the Commission is not proposing proscriptive rules at this time, it believes that continued surveillance of the potential effects of such services on independence is essential. (Rel. 33-6078)

FOR FURTHER INFORMATION CONTACT: Clarence M. Staubs at (202) 755-0222 or  
Edmund Coulson at (202) 472-3782

### WEEKLY CALENDAR

Change in Schedule - The testimony of Commissioner Loomis before the Senate Governmental Affairs Committee, which was scheduled for Tuesday, June 19, has been postponed until July. We will publish details at a later date.

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## CIVIL PROCEEDINGS

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### REGINALD BERNARD CHISHOLM, OTHERS ENJOINED

The Boston Regional Office announced that on June 7 a complaint was filed in the U.S. District Court at Boston, Massachusetts, seeking preliminary and permanent injunctions against Reginald Bernard Chisholm, The DAVREG Trust, American Management Group, Inc. and AM Group, Inc., restraining them from future violations of the registration and antifraud provisions of the securities laws. The complaint alleges that each of the defendants violated the registration and antifraud provisions of the securities laws in the sale of \$1,107,000 of unregistered securities of the DAVREG Trust and Talisman, Inc.

In addition to requesting preliminary and permanent injunctions, the complaint also seeks ancillary relief that each of the defendants file a certified accounting with the court setting forth all funds directly or indirectly received or disbursed by them in the offer and sale of these securities. The complaint further asks that a receiver be appointed for the DAVREG Trust, American Management Group, Inc. and AM Group, Inc.

Simultaneously with the filing of the complaint, all of the defendants consented, without admitting or denying the allegations of the complaint, to the entry of permanent injunctions. (SEC v. Reginald Bernard Chisholm, et al., D.C. Mass.). (LR-8777)

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## INVESTMENT COMPANY ACT RELEASES

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### KEYSTONE APOLLO FUND, INC.

An order has been issued on an application of Keystone Apollo Fund, Inc. declaring that it has ceased to be an investment company. (Rel. IC-10731 - June 13)

### KEYSTONE OTC FUND, INC.

An order has been issued on an application of Keystone OTC Fund, Inc. declaring that it has ceased to be an investment company. (Rel. IC-10732 - June 13)

### CENTENNIAL CAPITAL CASH MANAGEMENT TRUST

A notice has been issued giving interested persons until July 9 to request a hearing on an application of Centennial Capital Cash Management Trust for an order of exemption from Rules 2a-4 and 22c-1 under the Act to permit it to calculate its price per share to the nearest one cent on a share value of one dollar. (Rel. IC-10733 - June 13)

### OPPENHEIMER MONETARY BRIDGE, INC.

A notice has been issued giving interested persons until July 9 to request a hearing on an application of Oppenheimer Monetary Bridge, Inc., for an order of exemption from Rules 2a-4 and 22c-1 under the Act to permit it to calculate its price per share to the nearest one cent on a share value of one dollar. (Rel. IC-10734 - June 13)

### SOVEREIGN COAL GROUP, INC.

An order has been issued on an application of Sovereign Coal Group, Inc., pursuant to Section 3(b)(2), declaring that the company is not an investment company. (Rel. IC-10735 - June 13)

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## HOLDING COMPANY ACT RELEASES

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### MIDDLE SOUTH UTILITIES, INC.

An order has been issued authorizing a proposal of Middle South Utilities, Inc., a registered holding company, and its subsidiary, Arkansas Power & Light Company, whereby Arkansas will issue and sell to Middle South from time to time through June 13, 1980, up to 2,000,000 shares of its authorized but unissued common stock at a price of \$12.50 per share or \$30 million in the aggregate, and whereby Arkansas will issue and sell at competitive bidding up to 1,600,000 shares of a new series of its preferred stock, cumulative, par value \$25 per share. (Rel. 35-21099 - June 13)

## APPALACHIAN POWER COMPANY

An order has been issued authorizing a proposal of Appalachian Power Company, subsidiary of American Electric Power Company, Inc., concerning the financing of pollution control facilities. (Rel. 35-21103 - June 14)

## SOUTHWESTERN ELECTRIC POWER COMPANY

An order has been issued authorizing a proposal of Southwestern Electric Power Company, subsidiary of Central and South West Corporation (CSW), a registered holding company, that its short-term borrowing authorization be increased from \$50 million to \$60 million until such time as a proposed capital contribution to it from CSW is authorized and made. (Rel. 35-21104 - June 14)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-Amex-79-9) to remove the July 31, 1979 expiration date from its rules regarding Registered Equity Market Makers. Publication of the proposal is expected to be made in the Federal Register during the week of June 18. (Rel. 34-15925)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed rule changes filed by the American Stock Exchange, Inc. (SR-Amex-77-5). The rule changes, among other things, define the term "allied member" as used in the rules of the Amex and prescribe certain requirements applicable to various persons associated with Amex members. (Rel. 34-15912)

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## MISCELLANEOUS

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### R.B. JONES CORPORATION

An order has been issued granting the application of R.B. Jones Corporation (Applicant), a Delaware corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the reporting requirements of Sections 13 and 15(d) of the Act. It appears to the Commission that the granting of the requested exemption would not be inconsistent with the public interest or the protection of investors in view of the fact that Applicant has become a wholly-owned subsidiary of Alexander and Alexander Services, Inc. (Rel. 34-15913)

### WOOD INDUSTRIES, INC.

An order has been issued granting the application of Wood Industries, Inc. (Applicant), a Virginia corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the reporting requirements of Sections 13 and 15(d) of the Act. It appears to the Commission that the granting of the requested exemption would not be inconsistent with the public interest or the protection of investors in view of the fact that Applicant has become a wholly-owned subsidiary of MaschinenFabrik Augsburg-Neurnberg Aktiengesellschaft North America Corporation. (Rel. 34-15914)

### METROPOLITAN DEVELOPMENT CORPORATION

An order has been issued granting the application of Metropolitan Development Corporation (Applicant), under Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Applicant from the reporting provisions of Sections 13 and 15(d) of the Act. It appears to the Commission that granting the requested exemption would not be inconsistent with the public interest or the protection of investors, and that no significant benefit will accrue to either investors or the public if Applicant were required to file the subject reports. (Rel. 34-15915)

## SECURITIES ACT REGISTRATIONS

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-16) CARRIER CORPORATION, Carrier Tower, P.O. Box 4800, Syracuse, N.Y. 13221 (315) 424-4711 - 400,000 shares of common stock. (File 2-64757 - June 14)
- (S-8) AVCO CORPORATION, 1275 King St., Greenwich, Conn. 06830 (203) 552-1800 - 766,984 shares of common stock. (File 2-64758 - June 14)
- (S-7) CONTINENTAL TELEPHONE CORPORATION, 56 Perimeter Center East, Atlanta, Ga. 30346 (404) 393-2323 - 2,000,000 shares of common stock. Underwriters: E. F. Hutton & Company Inc. and Drexel Burnham Lambert Inc. (File 2-64759 - June 14)
- (S-8) HARTFORD NATIONAL CORPORATION, 777 Main St., Hartford, Conn. 06115 (203) 728-2000 - 300,000 shares of common stock. (File 2-64760 - June 6)
- (S-14) SCIENTIFIC-ATLANTA, INC., 3845 Pleasantdale Rd., Atlanta, Ga. 30340 (404) 449-2000 - 220,319 shares of common stock. (File 2-64761 - June 14)
- (S-8) UNITED TECHNOLOGIES CORPORATION, United Technologies Bldg., Hartford, Conn. 06101 (203) 728-7000 - 1,073,133 shares of \$2.55 cumulative dividend convertible preferred stock. (File 2-64762 - June 14)

### REGISTRATIONS EFFECTIVE

May 31: First Security Corp., 2-64360.

June 1: Coastland Corporation of Florida, 2-63665; Great Lakes Financial Corp., 2-63857; Oriole Homes Corp., 2-64324; Rogers Corp., 2-64343.

June 6: Borden, Inc., 2-64628; The Corporate Income Fund, Eighteenth Short Term Series, 2-63461; First Union Corp., 2-64448; Investors' Corporate Income Trust, Series 8, 2-63913; Missouri Public Service Co., 2-64419; Pacific Gas and Electric Co., 2-64313; Resorts International, Inc., 2-64494; Sabine Corp., 2-64364; United States Tobacco Co., 2-64165.

June 7: Alaska Interstate Co., 2-64347; American Express Co., 2-64455; Association for Investment in United States Guaranteed Assets, Inc., 2-63910; Atlantic Research Corp., 2-64355; Dentsply International, Inc., 2-64144; Duke Power Co., 2-64540 & 2-64541; E.F. Hutton Corporate Income Trust, 19th Series, 2-63966; Jefferson Bank-shares, Inc., 2-64185; Interstate Power Co., 2-64259; Mostek Corp., 2-64484; Municipal Investment Trust Fund, 18th New York Series, 2-64335; Siliconix Inc., 2-64400; United Jersey Banks, 2-64013; Zapata Corp., 2-64479.

## 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%. Persons eligible to use the short form (Form 13-G) may in lieu of filing a Schedule 13D file a Form 13-G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period May 29 - June 1, 1979. 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 sent forth for each beneficial owner. \*Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
* Pacific Petroleum Ltd. (Canada)	Westcoast Transmission Co. Ltd. (Vancouver, B.C., Canada) Common Stock - 12,728,245 shs. (36.7%)	5-29-79
* Burt Sugarman Gabriel Alarcon, Jr. Calhoun N.V. (Netherland Antilles), et al	Westworld, Inc. (Tucson, AZ) Common Stock - 2,787,473 shs. (87.5%)	5-29-79

ACQUISITION REPORTS CONT.

* Realco Equity Co. Inc. (Bahamas) Realco International Ltd. (Bahamas)	Woodway Realty Corp. (NYC) Common Stock - 173,548.94 shs. (34.4%)	5-29-79
* Ram & Co. Robert A. G. Monks Millicent C. S. Monks, et al	Boston Co. Inc. (Boston, MA) Class B Common Stock - 121,095 shs. (12.7%)	5-30-79
* Clyde Wm. Engle, Individually and as Trustee Sierra Capital Group	Libco Corp. (Lincolnwood, IL) Common Stock - 455,134 shs. (51.8%)	5-30-79
United Financial Management Ltd. (Canada)	Lifesurance Corp. (Atlanta, GA) Common Stock - 137,592 shs. (18.1%)	5-30-79
Valentine Group, Inc. Frank L. Mace	Presley Companies (Newport Beach, CA) Common Stock - 207,600 shs.	5-30-79
Westchase Realty, N.V. (Netherland Antilles) (Controlled by Linda Shammah Attar (Uruguay))	TRECO (Jacksonville, FL) Common Stock - 10,000 shs. Common Stock - 832,710.72 shs. on conversion of Debentures	5-30-79
Allen & Co. Inc. Allen & Co. American Diversified Enterprises, Inc.	American Reserve Corp. (Chicago, IL) Common Stock - 274,172 shs.	5-31-79
Joseph E. Giovanini John M. Anselmi Giovanini Investments, Ltd., et al	Horizon Corp. (Tucson, AZ) Common Stock - 436,975 shs.	5-31-79
* Victor L. Sayyah Sayyah Corp. HCA, Inc., et al	Massachusetts General Life Insurance Co. (Boston, MA) Common Stock - 3,914,062 shs. (93.1%)	5-31-79
* Masco Corp.	Mite Corp. (New Haven, CT) Common Stock - 182,400 shs.	5-31-79
* Franc M. Riccardi Thomas J. Hilb Phillippe Gutzwiller (France), et al	Righton International Corp. (NYC) Common Stock - 240,884 shs. Common Stock - 20,500 shs. on exercise of Options	5-31-79
* Bank of California, Trustee	Seaboard World Airlines, Inc. (Jamaica, LI, NY) Common Stock - 1,652,704 shs.	5-31-79
CTS Corporation	Superior Electric Co. (Bristol, CT) Common Stock - 129,700 shs.	5-31-79
Carl Seaman	Triple Check, Inc. (Paramount, CA) Common Stock - 38,392 shs.	5-31-79
John F. Maher	Zapata Corp. (Houston, TX) Common Stock - 439,567 shs.	5-31-79
NN Corporation	Columbia National Corp. (Columbus, OH) Common Stock - 79,900 shs.	6-1-79
* Tracinda Investment Corp. (Wholly-owned by K. Kerkorian) Kirk Kerkorian	Columbia Pictures Industries Inc. (NYC) Common Stock - 2,438,700 shs. (25.5%)	6-1-79
* Security Storage Co. of Washington Secor Investments, Inc. Childs F. Burden, et al	Control Laser Corp. (Orlando, FL) Common Stock - 883,752 shs. (57.7%)	6-1-79
* Hugo Mann (West Germany)	Fed-Mart Corp. (San Diego, CA) Common Stock - 1,524,075 shs. (68.1%)	6-1-79

ACQUISITION REPORTS CONT.

NVF Company Security Management Corp. Victor Posner	Huyck Corp. (Wake Forest, NC) Common Stock - 319,200 shs.	6-1-79
Ivan F. Boesky & Co.	Interway Corp. (NYC) Common Stock - 349,700 shs.	6-1-79
Estate of Esther Kromer Estate of Edward Kromer Mimsi Kromer Trust Sharon Lynn Kromer Trust, et al	Kleinert's, Inc. (Kutz, PA) Common Stock - 119,200 shs.	6-1-79
Douglas H. Langston John D. Langston Lloyd H. Langston, Executors	McGraw-Hill Inc. (NYC) \$1.20 Convertible Preference Stock - 14,733 shs. (11.9%)	6-1-79
Atlas Van Lines, Inc.	Microtron Industries Inc. (Irving, TX) Common Stock - 859,894 shs. (95.5%) (Above shares were acquired pursuant to the Tender Offer.)	6-1-79
* David T. Marantette	OTF Equities, Inc. (Detroit, MI) Common Stock - 27,721 shs. (13.84%)	6-1-79
John W. Carpenter, III	Southland Financial Corp. (Irving, TX) Common Stock - 591,037 shs.	6-1-79
Elizabeth C. Carpenter	Southland Financial Corp. (Irving, TX) Common Stock - 538,139 shs.	6-1-79
Laura L. Carpenter	Southland Financial Corp. (Irving, TX) Common Stock - 474,000 shs.	6-1-79

Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1. The following companies or individuals filed Schedule 14D-1's during the period May 25 - June 1, 1979. \*Amended Tender Offers.

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER &amp; NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Lyon Realty Co. (Wholly-owned subsidiary of William Lyon Co.)	Continental Illinois Realty (Santa Monica, CA) Shares of Beneficial Interest - All outstanding for cash at \$10.00 net per share	5-25-79
Schlumberger (California) Inc. (Wholly-owned subsidiary of Schlumberger Ltd. (Netherland Antilles)	Fairchild Camera & Instrument Corp. (Mountain View, CA) Common Stock - All outstanding shares for cash at \$66.00 net per share	5-29-79
Halle & Stieglitz, Inc.	Irvin Industries Inc. (Stamford, CT) Common Stock - 400,000 shs. for cash at \$5.00 net per share (Halle presently owns 421,100 shares (24.9%).	6-1-79
Brown Group, Inc.	Outdoor Sports Industries Inc. (Denver, CO) Common Stock - All outstanding shares for cash at \$15.00 net per share	6-1-79

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## NOTICE

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