

sec news digest

Issue 80-40

February 27, 1980

COMMISSION ANNOUNCEMENTS

STAFF ACCOUNTING BULLETIN NO. 38

The Commission announced the publication of Staff Accounting Bulletin (SAB) No. 38, amending SAB No. 25, which provided guidance to issuers in disclosing relationships with independent public accountants in proxy statements. SAB No. 38 indicates that fees incurred by an issuer for reviews of the system of internal accounting control for purposes of determining the adequacy of the system, or reviews of the issuer's procedures for making such determinations should be considered as services provided in connection with the audit function. (Rel. SAB-38)

FOR FURTHER INFORMATION CONTACT: James J. Doyle at (202) 272-2130

ADMINISTRATIVE PROCEEDINGS

WILLIAM P. CRUM, JR. AND ETI DEVELOPMENT COMPANY CITED

Public administrative proceedings have been ordered under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 against William P. Crum, Jr., chief executive officer of a registered broker-dealer, and ETI Development Company, an affiliate of a registered broker-dealer, both of Dunwoody, Georgia. The proceedings against Crum are based upon allegations of violations of the registration, anti-fraud, net capital, financial reporting, and books and records provisions of the securities laws. The proceedings against ETI Development are based upon violations of the registration and antifraud provisions of the securities laws. (Rel. 34-16583)

HOLDING COMPANY ACT RELEASES

THE SOUTHERN COMPANY

A notice has been issued giving interested persons until March 20 to request a hearing on a proposal of The Southern Company, a registered holding company, to amend its Certificate of Incorporation to increase the number of its authorized common shares, par value \$5.00 per share, from 185,000,000 shares to 225,000,000 shares. Proxies will be solicited in connection with the proposed transaction. (Rel. 35-21454 - Feb. 26)

CENTRAL AND SOUTH WEST CORPORATION

A notice has been issued giving interested persons until March 24 to request a hearing on a proposal of Central and South West Corporation, a registered holding company, to make capital contributions during 1980 to three wholly-owned subsidiaries; Central Power and Light Company, Public Service Company of Oklahoma and Southwestern Electric Power Company. (Rel. 35-21455 - Feb. 26)

TRUST INDENTURE ACT RELEASES

ITEL CORPORATION

A notice has been issued giving interested persons until March 21 to request a hearing on an application by Itel Corporation, pursuant to Section 310(b)(1)(ii) of the Trust Indenture Act of 1939, declaring that the successor trusteeship of J. Henry Schroder Bank & Trust Company under (a) an indenture, dated as of December 1, 1978, between The Northern Trust Company and Itel, heretofore qualified

under the Act, and (b) indentures, dated as of April 1, 1978, October 1, 1978 and May 1, 1979, among Itel, Itel Finance International N.V., subsidiary, and Chemical Bank, which are not qualified under the Act, is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify Schroder from acting as successor trustee under any of these indentures. (Rel. TI-553)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

LISTING ACTIONS

Orders have been issued, pursuant to Section 12(d) of the Securities Exchange Act of 1934, granting the applications of the following companies to list the specified securities on the following stock exchanges: American Stock Exchange, Inc. - Howell Petroleum Corporation, common stock (effective as of February 1, 1980). New York Stock Exchange, Inc. - Handelman Company, common stock (effective as of February 4, 1980); Duquesne Light Company, 12-1/4% first mortgage bonds, Series due January 1, 1010 (effective as of February 5, 1980); Emerson Radio Corporation, common shares, Safeguard Business Systems, Inc., common stock (both effective as of February 6, 1980); Gelco Corporation, 14-5/8% subordinated debentures, due 1999, General Motor Acceptance Corporation, 11.90% notes, due February 1, 1987 and 12% debentures, due February 1, 2005, Recognition Equipment Inc., common stock (all effective as of February 11, 1980); Tenneco Incorporated, 11-7/8% notes, due 1983 (effective as of February 12, 1980). Pacific Stock Exchange, Inc. - Carolina Power & Light Company, common stock (effective as of February 7, 1980). Philadelphia Stock Exchange, Inc. - International Banknote Co. Inc., 6% subordinated convertible debentures, due February 11, 1984 and 11% subordinated convertible debentures, due December 31, 1993 (effective as of February 7, 1980).

The Commission has also announced that Hayes Albion Corp. (Michigan), common stock (effective as of February 8, 1980), has become listed on the New York Stock Exchange, Inc.

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-7) E-SYSTEMS, INC., 6250 LBJ Freeway, P.O. Box 226030, Dallas, Tex. 75266 (214) 661-1000 - 650,000 shares of common stock. Underwriter: Kidder, Peabody & Co., Inc. The company designs, develops and produces advances electronic systems and products. (File 2-66754 - Feb. 26)
- (S-14) AMAX INC., Amax Center, Greenwich, Conn. 06830 (203) 622-3000 - 5,404,946 shares of common stock. (File 2-66755 - Feb. 26)
- (S-16) CROWN ZELLERBACH CORPORATION, One Bush St., San Francisco, Cal. 94104 (415) 823-5000 - 2,000,000 shares of cumulative convertible preferred stock, Series A. Underwriters: Lehman Brothers Kuhn Loeb Inc., E.F. Hutton & Company Inc. and Salomon Brothers. The company is engaged in the manufacture and distribution of a broad and diversified product line. (File 2-66756 - Feb. 26)
- (S-1) SUMMIT SYSTEMS, INC., 1520 Linda Way, Sparks, Nev. 89431 - 2,500,000 shares of common stock. Underwriters: Paulson Investment Company Incorporated and Sherwood Securities Corporation. The company is in the business of developing a slot machine conversion package. (File 2-66757 - Feb. 26)
- (S-16) KANSAS GAS AND ELECTRIC COMPANY, 201 North Market St., Wichita, Kan. 67201 (316) 261-6611 - \$30 million of first mortgage bonds. The company is engaged in the generation, transmission, distribution and sale of electricity. (File 2-66758 - Feb. 26)

- ;-16) UPPER PENINSULA POWER COMPANY, 616 Shelden Ave., Houghton, Mich. 49931 (906)
482-0220 - 200,000 shares of common stock. (File 2-66759 - Feb. 25)
- ;-16) NEW JERSEY NATURAL GAS COMPANY, 601 Bangs Ave., Asbury Park, N.J. 07712 (201)
988-2800 - 400,000 shares of common stock. The company is engaged in purchasing,
distributing and selling natural gas. (File 2-66760 - Feb. 26)
- In a separate statement the company seeks registration of 100,000 shares of common
stock. (File 2-66761 - Feb. 26)
- S-6) E. F. HUTTON TAX-EXEMPT TRUST, CALIFORNIA SERIES 8, One Battery Park Plaza,
New York, N.Y. 10004 - 7,500 units. Depositor: E. F. Hutton & Company Inc. (File
2-66762 - Feb. 26)
- S-1) CALLON ROYALTY FUND 1980, 300 Franklin St., Natchez, Miss. 39120 - 10,000 pre-
formation limited partnership interests. (File 2-66763 - Feb. 26)
- S-6) THE CORPORATE INCOME FUND, FIFTY-SIXTH SHORT TERM SERIES, One Liberty Plaza,
165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial
interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty
Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and
Dean Witter Reynolds Inc. (File 2-66764 - Feb. 26)
- S-6) MUNICIPAL INVESTMENT TRUST FUND, TWENTY-EIGHTH NEW YORK SERIES, One Liberty Plaza,
165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial
interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty
Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and
Dean Witter Reynolds Inc. (File 2-66765 - Feb. 26)
- S-1) TEACHERS SERVICE ORGANIZATION, INC., 1200 Philadelphia Pike, Wilmington, Del.
19809 - \$80 million thrift certificates and thrift notes. (File 2-66766 - Feb. 26)
- S-6) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED TWENTY-SEVENTH MONTHLY PAYMENT
SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite num-
ber of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner &
Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey
Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-66767 - Feb. 26)

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