

sec news digest

Issue 85-216

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U.S. SECURITIES AND
EXCHANGE COMMISSION

November 7, 1985

NOTICE OF COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted under provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday morning. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration.

Visitors are welcome at all open meetings, insofar as space is available.

Meetings will be held in the Commission Meeting Room, Room 1C30, at the Commission's headquarters building, 450 Fifth Street, NW, Washington, DC. Persons wishing to photograph or videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

OPEN MEETING - THURSDAY, NOVEMBER 14, 1985 - 10:00 a.m.

The subject matter of the November 14, 10:00 a.m., open meeting will be:

(1) Consideration of whether to issue a release announcing the reinstatement of the threshold percentage tests in effect prior to January 1984 for Rule 14a-8(c)(12) under the Securities Exchange Act of 1934, pursuant to a district court order. The reinstated provisions state that a shareholder proposal is eligible for resubmission if it receives a three percent vote the first time it is included in a registrant's proxy material or a six percent vote the second time it is included. The ten percent vote required for resubmission of proposals included three or more times remains unchanged. FOR FURTHER INFORMATION, PLEASE CONTACT Cecilia D. Blye at (202) 272-2573.

(2) Consideration of whether to adopt new Form N-14 for the registration of securities issued by registered management investment companies and business development companies in business combination transactions, and a new rule and rule amendments for the filing and processing of the form. FOR FURTHER INFORMATION, PLEASE CONTACT Stephen C. Beach at (202) 272-3040.

(3) Consideration of whether to adopt Rule 205-3 under the Investment Advisers Act of 1940 which would permit registered investment advisers to be compensated on the basis of a share of capital gains upon, or capital appreciation of, the funds or any portion of the funds of a client, provided certain conditions specified in the rule are met. FOR FURTHER INFORMATION, PLEASE CONTACT Forrest R. Foss at (202) 272-2107.

CLOSED MEETING - THURSDAY, NOVEMBER 14, 1985 - FOLLOWING THE 10:00 a.m. OPEN MEETING

The subject matter of the November 14 closed meeting, scheduled after the 10:00 a.m. open meeting, will be: Modification of injunctive action; Institution of administrative proceedings of an enforcement nature; Settlement of administrative proceeding of an enforcement nature; Institution of injunctive action; Opinion.

OPEN MEETING - THURSDAY, NOVEMBER 14, 1985 - 2:30 p.m.

The subject matter of the November 14, 2:30 p.m., open meeting will be:

Oral argument on appeals by Lester Kuznetz, formerly an assistant branch manager for a registered broker-dealer, and the Commission's Division of Enforcement from an administrative law judge's initial decision. FOR FURTHER INFORMATION, PLEASE CONTACT Herbert V. Efron at (202) 272-7400.

CLOSED MEETING - THURSDAY, NOVEMBER 14, 1985 - FOLLOWING THE 2:30 p.m. OPEN MEETING

The subject matter of the November 14 closed meeting, scheduled after the 2:30 p.m. open meeting, will be: Post oral argument discussion.

AT TIMES CHANGES IN COMMISSION PRIORITIES REQUIRE ALTERATIONS IN THE SCHEDULING OF MEETING ITEMS. FOR FURTHER INFORMATION AND TO ASCERTAIN WHAT, IF ANY, MATTERS HAVE BEEN ADDED, DELETED OR POSTPONED, PLEASE CONTACT: Joan Stempel at (202) 272-2149

CIVIL PROCEEDINGS

TEMPORARY RESTRAINING ORDER ENTERED AGAINST BEACON FINANCIAL GROUP, INC.

The Commission announced that on October 30 Judge Falcon B. Hawkins, U.S. District Court for the District of South Carolina, entered a Temporary Restraining Order against Beacon Financial Group, Inc., a registered investment adviser, Beacon Securities, Inc., a registered broker-dealer, PJM, Inc. and Patrick J. McGrath, all of Hilton Head Island, South Carolina. The Order restrains them from further violations of the antifraud provisions of the Securities and Exchange Acts and enjoins Beacon Securities and McGrath from further violations of the net capital and books and records provisions of the Exchange Act. The Order further ordered the suspension of McGrath from any position other than a shareholder with Beacon Financial Group and its subsidiaries pending the completion of an accounting and an examination of Beacon Financial Group by the Commission. The Order also appointed Norman Stevenson, of Charleston, South Carolina, as temporary receiver for Beacon Securities. (SEC v. Beacon Financial Group, Inc., et al., Civil Action No. 2-85-2960-8, USDC DSC). (LR-10927)

INVESTMENT COMPANY ACT RELEASES

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY

An order has been issued granting The Variable Annuity Life Insurance Company, et al., exemptions from Sections 26(a)(2)(C) and 27(c)(2) of the Investment Company Act to permit the deduction of a mortality risk charge in connection with the issuance of certain group and individual variable annuity contracts. (Rel. IC-14785 - Nov. 5)

MINNESOTA MUTUAL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until December 2 to request a hearing on an application filed by Minnesota Mutual Life Insurance Company, Minnesota Mutual Variable Annuity Account and MIMLIC Sales Corporation for an order granting exemptions from the provisions of Sections 26(a) and 27(c)(2) of the Investment Company Act in the issuance of both single and flexible payment variable annuity contracts. (Rel. IC-14786 - Nov. 5)

LLOYDS BANK PLC

A notice has been issued giving interested persons until November 30 to request a hearing on applications filed by Lloyds Bank plc and its subsidiary, Lloyds America Capital Corporation, for an order exempting them from all provisions of the Investment Company Act in their proposed issuance of debt securities in the United States. (Rel. IC-14787 - Nov. 5)

HOLDING COMPANY ACT RELEASES

ALLEGHENY POWER SYSTEM

An order has been issued authorizing a proposal by Allegheny Power System, Inc. (APS), a registered holding company, and its subsidiaries, Allegheny Power Service Corporation, Monongahela Power Company, The Potomac Edison Company and West Penn Power Company, for APS to issue guarantees in the case of the workmen's compensation liabilities of Potomac in West Virginia and Maryland in an aggregate amount of up to \$25 million at any one time through December 31, 1989. The Commission is reserving jurisdiction over the issuance of guarantees by APS on behalf of Potomac in Virginia and West Penn in Pennsylvania. (Rel. 35-23894 - Nov. 6)

SELF-REGULATORY ORGANIZATIONS

TEMPORARY APPROVAL OF PROPOSED RULE CHANGE

The Commission granted temporary approval through April 30, 1986 of a proposed rule change filed under Rule 19b-4 by the Pacific Securities Depository Trust Company. The rule change (SR-PSDTC-85-6) replaces PSDTC's manual processing of participant request

for securities certificates with a new automated system called the Automated Transfer Service. (Rel. 34-22595)

ACCELERATED APPROVAL OF PROPOSED RULE CHANGE

The Commission approved, on an accelerated basis, a proposed rule change filed by the New York Stock Exchange, Inc. (SR-NYSE-85-39) to extend the effective period of operation of the Registered Representative Rapid Response Service to March 7, 1986. (Rel. 34-22597)

SECURITIES ACT REGISTRATIONS

The following registration statements have been filed with the SEC under the Securities Act of 1933. The reported information appears as follows: Form, Name, Address and Phone Number (if available) of the issuer of the security; Title and the number and/or face amount of the securities being offered; Name of the managing underwriter or depositor (if applicable); File number and date filed; Assigned Branch; and a designation if the statement is a New Issue.

- S-18 VERTEX COMMUNICATIONS CORP, 2600 N LONGVIEW ST, KILGORE, TX 75662 (214) 984-0555 - 1,150,000 (\$7,475,000) COMMON STOCK. UNDERWRITER: WOODRUFF WILLIAM K & CO. (FILE 33-1094-FW - OCT. 23) (BR. 7 - NEW ISSUE)
- S-4 SECURITY STATE CORP, 1930 S GOLD ST, PO BOX 1050, CENTRALIA, WA 98531 (206) 736-0763 - 166,650 (\$8,852,448) COMMON STOCK. (FILE 33-1181 - OCT. 28) (BR. 1 - NEW ISSUE)
- S-8 TELEPHONE & DATA SYSTEMS INC, 79 W MONROE ST, CHICAGO, IL 60603 (312) 630-1900 - 4,000,000 (\$4,000,000) OTHER SECURITIES INCLUDING VOTING TRUST. (FILE 33-1192 - OCT. 29) (BR. 7)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST NEW YORK MUN PORT SER 18, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 5,500 (\$5,610,000) UNIT INVESTMENT TRUST. DEPOSITOR: DEAN WITTER REYNOLDS INC, WITTER DEAN REYNOLDS INC. (FILE 33-1228 - OCT. 30) (BR. 16 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST INSURED SH INTE TER SER 13, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 5,500,000 (\$5,775,000) UNIT INVESTMENT TRUST. DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-1229 - OCT. 30) (BR. 16 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST SHORT TERM MUN PORT SER 18, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-1230 - OCT. 30) (BR. 16 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST INSURED NEW YORK SER 2, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 11,000 (\$11,220,000) UNIT INVESTMENT TRUST. DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-1231 - OCT. 30) (BR. 16 - NEW ISSUE)
- S-6 SEARS TAX EXEMPT INVESTMENT TRUST LONG TERM MUN PORT SER 51, 130 LIBERTY ST, C/O DEAN WITTER REYNOLDS INC, NEW YORK, NY 10006 - 22,000 (\$22,440,000) UNIT INVESTMENT TRUST. DEPOSITOR: DEAN WITTER REYNOLDS INC. (FILE 33-1232 - OCT. 30) (BR. 16 - NEW ISSUE)
- S-6 MUNICIPAL INV TR FD THREE HUNDRED SEVENTY FOURTH MON PAY SER, ONE LIBERTY PLZ 165 C/O, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC. (FILE 33-1234 - OCT. 30) (BR. 17 - NEW ISSUE)
- S-6 CORPORATE INCOME FUND TWO HUNDRED THIRTY FOURTH MON PAY SER, ONE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH INC, PAINWEBBER INC, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC. (FILE 33-1235 - OCT. 30) (BR. 17 - NEW ISSUE)
- S-6 INTERNATIONAL BOND FUND ELEVENTH MULTI CURRENCY SERIES, ONE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC. (FILE 33-1236 - OCT. 30) (BR. 17 - NEW ISSUE)

- S-6 CORPORATE INCOME FUND CASH OR ACCRETION BOND SERIES-5.
ONE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY
10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC.
MERRILL LYNCH PIERCE FENNER & SMITH INC, PAINWEBBER INC.
PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC. (FILE 33-1237 -
OCT. 30) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND FIFTY NINTH INSURED SERIES,
ONE LIBERTY PLZ 165 BROADWAY, C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY
10080 - INDEFINITE SHARES. DEPOSITOR: DEAN WITTER REYNOLDS INC.
MERRILL LYNCH PIERCE FENNER & SMITH, PRUDENTIAL BACHE SECURITIES INC,
SHEARSON LEHMAN BROTHERS INC. (FILE 33-1238 - OCT. 30) (BR. 17 - NEW ISSUE)
- S-6 MUNICIPAL INVESTMENT TRUST FUND MULTISTATE SERIES 10, ONE LIBERTY PLZ 165 BROADWAY,
C/O MERRILL LYNCH PIERCE FENNER & SMITH, NEW YORK, NY 10080 - INDEFINITE SHARES.
DEPOSITOR: DEAN WITTER REYNOLDS INC, MERRILL LYNCH PIERCE FENNER & SMITH,
PAINWEBBER INC, PRUDENTIAL BACHE SECURITIES INC, SHEARSON LEHMAN BROTHERS INC. (FILE
33-1239 - OCT. 30) (BR. 17 - NEW ISSUE)
- F-6 JAGUAR PLC/ADR, 48 WALL ST, C/O BANK OF NEW YORK, NEW YORK, NY 10015 (212) 530-1784
- 200,000,000 (\$8,000,000) DEPOSITARY RECEIPTS FOR COMMON STOCK. (FILE 33-1240 -
OCT. 30) (BR. 99)
- S-4 MIDCON CORP, 701 E 22ND ST, P O BOX 1207, LOMBARD, IL 60148 (312) 691-2500 -
8,910,632 COMMON STOCK. 6,750,000 (\$396,801,567) PREFERRED STOCK. 450,000
PREFERRED STOCK. (FILE 33-1244 - OCT. 31) (BR. 8)

SIGNIFICANT NO-ACTION AND INTERPRETIVE LETTERS

The following is a list of significant no-action and interpretative letters recently issued by the Division of Corporation Finance. These letters express the view of the Division respecting novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Room, Securities and Exchange Commission, Washington, DC 20549, or by making a request in person at the Public Reference Room, 450 Fifth Street, NW, Room 1024, Washington, DC, stating the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date. Copies cost 20 cents per page.

DIVISION OF CORPORATION FINANCE

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
Farmers Mutual Telephone Co.	1933 Act, Section 2(1)	9/19/85	10/21/85
Durham Corporation	1933 Act, Section 3(a)(2)	9/25/85	10/25/85
Goldman, Sachs & Co.	1933 Act, Section 5	6/5/85	10/3/85
Merrill Lynch & Co.	1934 Act, Rule 16b-3	9/20/85	10/21/85
Texas Commerce Bank National Association	1939 Act, §310(b)(1)(ii)	9/9/85	10/9/85