

sec news digest

Issue 77-67
(SEC Docket, Vol. 11, No. 16 - April 19)

LIBRARY
APR 8 1977

April 7, 1977

COMMISSION ANNOUNCEMENTS

U.S. SECURITIES AND
EXCHANGE COMMISSION

OPTIONS FLOOR TRADING

The Commission has issued a release expressing its concern about recent indications of substantial increases in trading in dually traded options by options exchanges' floor members. The Commission also announced that it would arrange to provide volume data showing proprietary options transactions by floor members. (Rel. 34-13433)

COURT ENFORCEMENT ACTIONS

AMINEX RESOURCES CORPORATION ENJOINED

The SEC announced that on March 31 U.S. District Court Judge Howard F. Corcoran filed an order preliminarily enjoining Aminex Resources Corporation, New York, New York, from failing timely to file in proper form periodic reports in contravention of Section 13(a) of the Securities Exchange Act of 1934 and rules thereunder, and ordering the filing of certain delinquent reports. (SEC v. Aminex Resources Corporation, D.C.C., Civil Action No. 77-0493). (LR-7856)

TRENDEX OIL COMPANY, INC. AND GERALD G. WILLIAMS ENJOINED

The Atlanta Regional Office announced that on March 30 the Honorable Walter L. Nixon, Jr. of the U.S. District Court for the Southern District of Mississippi at Biloxi issued a judgment of permanent injunction by default against Trendex Oil Company, Inc. and Gerald G. Williams, its president, both of Picayune, Mississippi, enjoining them from violations of the registration and antifraud provisions of the securities laws. (SEC v. Trendex Oil Company, Inc. and Gerald G. Williams, Civil Action No. S76-224(N)). (LR-7857)

FRED C. TALLANT, SR. AND WILLIAM M. WOMACK, JR. CONVICTIONS AFFIRMED

The Atlanta Regional Office announced that on March 7 the U.S. Court of Appeals for the Fifth Circuit affirmed the convictions of Fred C. Tallant, Sr. and William M. Womack, Jr. of Atlanta on charges of violations of the antifraud provisions of the securities laws, the mail fraud statute and the conspiracy statute and Womack on a charge of a violation of the obstruction of justice statute in connection with offers and sales of Preferred Land Corporation common stock. (U.S. v. Fred C. Tallant, Sr. and William M. Womack, Jr., 541 F.2d 1291, 5th Cir. 1977). (LR-7858)

WILLIAM C. LAWSON, HUGHES OIL & GAS, INC. ENJOINED

The Fort Worth Regional Office announced that on March 30 the Federal District Court at Fort Worth, Texas entered orders of permanent injunction by consent against William C. Lawson, Ringgold, Texas, and Hughes Oil & Gas, Inc., Fort Worth. Both defendants consented to the orders of permanent injunction without admitting or denying the allegations in the Commission's complaint. The Commission's action charges violations of the registration and antifraud provisions of the securities laws in the offer and sale of fractional undivided working interests in Texas oil and gas leases issued by Hughes Oil & Gas, Inc., and Energy Industrial Development, Inc., Fort Worth. (SEC v. Hughes Oil & Gas, Inc., et al., N/D Tex., CA-76-284). (LR-7859)

INVESTMENT COMPANY ACT RELEASES

AFFILIATED FUND

An order has been issued on an application of Affiliated Fund, Inc., Lord Abbett Income Fund, Inc., Lord Abbett Bond-Debenture Fund, Inc. and Lord Abbett Developing Growth Fund, Inc. (the Funds) declaring that Paul M. Fye, a director of the Funds,

shall not be deemed an interested persons of the Funds solely by reason of his relationship with a corporation which is registered as a broker-dealer under the Securities Exchange Act of 1934. (Rel. IC-9710 - Apr. 5)

ANCHOR DAILY INCOME FUND

An order has been issued on an application of Anchor Daily Income Fund, Inc. permitting it to distribute capital gains more frequently than once annually. (Rel. IC-9711 - Apr. 5)

WARNER BROS.

A notice has been issued giving interested persons until April 29 to request a hearing on an application of Warner Bros., Inc., a Delaware corporation, for an order declaring that it is engaged in a business other than that of an investment company, or in the alternative, for an order exempting it from all the provisions of the Investment Company Act of 1940. (Rel. IC-9712 - Apr. 5)

SECURITY BENEFIT LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until April 28 to request a hearing on an application of Security Benefit Life Insurance Company (SBL), a Kansas mutual life insurance company, and SBL Variable Annuity Account (VAA), a separate account of SBL registered under the Investment Company Act of 1940 as a unit investment trust, (hereinafter collectively referred to as Applicants), for an order of the Commission pursuant to Section 11 of the Act approving certain offers of exchange and pursuant to Section 6(c) of the Act granting exemption from Sections 22(e), 26(a), 27(c)(1), 27(c)(2) and 27(d) to the extent necessary to permit compliance by Applicants with certain provisions of the Education Code of the State of Texas as it would apply to variable annuity contracts subsequent to the date of the requested order. (Rel. IC-9713 - Apr. 6)

HOLDING COMPANY ACT RELEASES

EASTERN UTILITIES ASSOCIATES

A notice has been issued giving interested persons until May 2 to request a hearing on a proposal of Eastern Utilities Associates (EUA) and two of its subsidiaries, that EUA issue and sell up to 600,000 shares of common stock at competitive bidding, that one subsidiary sell additional common stock to EUA and that one subsidiary sell additional common stock to the second subsidiary. (Rel. 35-19973 - Apr. 5)

METROPOLITAN EDISON COMPANY

An order has been issued authorizing Metropolitan Edison Company, subsidiary of General Public Utilities Corporation, to issue and sell short-term notes to banks in the amount of \$89 million through December 31, 1977. (Rel. 35-19974 - Apr. 5)

OHIO POWER COMPANY

An order has been issued authorizing Ohio Power Company, subsidiary of American Electric Power Company, Inc., to issue and sell up to \$40 million of first mortgage bonds at competitive bidding. (Rel. 35-19975 - Apr. 6)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

Notices have been issued giving interested persons until April 17 to request a hearing on applications of the Philadelphia Stock Exchange, Inc. for unlisted trading privileges in the common stock (unless otherwise noted) of the specified companies: Atlas Corporation; Best Products Co., Inc.; Blue Bell, Inc.; Coca-Cola Bottling Company of New York, Inc.; General Exploration Company; Grolier Incorporated; and Pioneer Electronic Corporation (American Depositary Receipts, 50 yen par value, each representing 2 common shares). (Rel. 34-13425)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Incorporated has filed a proposed rule change under Rule 19b-4 (SR-MSE-77-6) to expand its option program by listing up to twenty additional classes of call options. Publication of the proposal is expected to be made in the Federal Register during the week of April 4. (Rel. 34-13431)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Philadelphia Stock Exchange, Inc. The rule change (SR-PHLX-76-23) provides an automatic execution system for limit orders up to 299 shares in securities traded under the system. (Rel. 34-13432)

SECURITIES ACT REGISTRATIONS

(S-1) BAKCO ACCEPTANCE, INC.

2200 Century Parkway, N.E., Atlanta, Ga. 30345 - \$1 million of nine month, nine per cent promissory notes. The proceeds of the offering will be used for insurance premium financing, the issuer's principal line of business. (File 2-58411 - Mar. 15)

(S-1) BANKS OF IOWA, INC.

222 Second Ave., Cedar Rapids, Iowa 52401 - 420,000 shares of common stock, 270,000 shares will be offered in exchange for the outstanding shares of capital stock of First Trust and Savings Bank, Davenport, Iowa at the rate of 27 Banks of Iowa shares for each First Trust and Savings Bank share. Also included in the registration statement are 150,000 shares of Banks of Iowa common stock, which may be issued in connection with future acquisitions of banks. Banks of Iowa, Inc. is a bank holding company which controls seven banks. (File 2-58607 - Apr. 5)

(S-1) CAPITAL FINANCIAL SERVICES INC.

5025 Arlington Centre Blvd., Columbus, Ohio 43220 - \$20 million of capital notes, Series C and Series D due 3 years and 5 years respectively, from date of issue to be offered for sale at \$1,000 per unit by the officers and employees of the company. Capital Financial Services Inc., a wholly-owned subsidiary of The Continental Corporation, is engaged primarily in the consumer loan and sales finance business. (File 2-58615 - Apr. 5)

(S-6) THE CORPORATE INCOME FUND FIFTEENTH INTERMEDIATE TERM SERIES

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Inc., 125 High St., Boston, Mass. 02110. The Fund, a unit investment trust, was created by a trust indenture among Merrill Lynch, Bache Halsey Stuart Inc., and Reynolds Securities Inc., as sponsors, The Bank of New York and Shawmut Bank of Boston, N.A., as trustees, and Interactive Data Services, Inc., as evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of intermediate-term debt obligations, issued primarily by corporations and in units of previously-issued series of The Corporate Income Fund. (File 2-58617 - Apr. 5)

(S-16) FINANCIAL GENERAL BANKSHARES, INC.

1701 Pennsylvania Ave., N.W., Washington, D.C. 20006 - 1,204,231 shares of common stock, has been contracted for sale by a certain shareholder at a price of \$12.50 per share. Financial General Bankshares, Inc. is a registered bank holding company and is engaged through subsidiary companies in commercial banking and real estate activities. (File 2-58618 - Apr. 5)

REGISTRATIONS EFFECTIVE

April 4: Baker International Corp., 2-58362; Colonial Option Income Fund, Inc., 2-58179; Dana Corp., 2-58418; Gardner-Denver Co., 2-58547; IC Industries, Inc., 2-58269; McKee Corp., 2-58275; Panhandle Eastern Pipe Line Co., 2-58501; Realty Refund Trust, 2-58241; Sanyo Electric Co., Ltd., 2-58420; Southern National Corp., 2-58315; Talisman Fund, 2-57838; Texas Commerce Bancshares, Inc., 2-58335.
April 5: American Telephone & Telegraph Co., 2-58419; Elizabeth Water Co., 2-58263;

REGISTRATIONS EFFECTIVE CONT.

Facet Enterprises, Inc., 2-58446; Flintkote Co., 2-58351; Hoover Ball and Bearing Co., 2-58396; Indiana Gas Company, Inc., 2-58385; The Lubrizol Corp., 2-58410; Missouri Public Service Co., 2-58535; The Municipal Bond Fund Series 37, 2-58175; Ohio Power Co., 2-58350; Public Service Company of Colorado, 2-58349; R. J. Reynolds Industries, Inc., 2-58439; Teachers Service Organization, Inc., 2-58295; Teletronics International, Inc., 2-57634; Victoria Station Inc., 2-58397; Warner-Lambert Co., 2-58424; Wells Fargo & Co., 2-58400 and 2-58399.

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.

SEC NEWS DIGEST is published daily. Subscription rates: 64.45/yr in U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.