

sec news digest

U.S. SECURITIES AND
EXCHANGE COMMISSION

Issue 76-195
(SEC Docket, Vol. 10, No. 12 - October 19)

October 6, 1976

RULES AND RELATED MATTERS

AMENDMENT TO FORM U5S

A notice has been issued giving interested persons until November 1 to submit comments on a proposal to amend Annual Report Form U5S, filed by registered holding companies under the Public Utility Holding Company Act of 1935. The amendments are designed to eliminate the use of Form U5S as a substitute annual report for Form 10-K filed under the Securities Exchange Act of 1934. The amendments to Form U5S are considered necessary to subject registered holding companies to the same annual reporting requirements that will apply to all issuers now filing annual reports with various federal regulatory authorities effective with the adoption of the Commission's proposal to rescind Form 12-K. (Rel. 35-19705)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

NASD ACTION AGAINST WINSTON H. KINDERDICK AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Winston H. Kinderdick, of Dallas, a former registered representative with an NASD member firm. The NASD suspended Kinderdick from association with any NASD member for 10 days, and fined him \$2,500.

The Commission found, as had the NASD, that Kinderdick improperly engaged in a pattern of unsuitable recommendations to his customers, switching them from one mutual fund to another. This practice worked to the financial disadvantage of the customers while generating substantial commissions for Kinderdick. The Commission also affirmed the NASD's finding that Kinderdick prepared and used investment company sales literature which did not conform to the Commission's Statement of Policy thereon. (Rel. 34-12818)

NASD ACTION AGAINST DONALD W. COLLINS AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Donald William Collins, doing business as Donald W. Collins Company, of Buffalo. The NASD expelled Collins from membership and barred him from association with any NASD member.

The Commission found, as had the NASD, that Collins unlawfully sold unregistered securities of International Scanning Devices, Inc., employed salesmen who were not properly registered with the NASD, and failed to comply with confirmation and recordkeeping requirements. While refusing to modify the sanctions imposed by the NASD, the Commission stated: "The facts surrounding the violations found by the NASD should not, in our opinion, preclude favorable consideration by the Association, after a reasonable period of time, of an application by Collins for re-entry into the securities industry as a salesman in a non-principal, non-supervisory capacity, upon a showing that he would be adequately supervised." (Rel. 34-12823)

ORDERS FOR PUBLIC PROCEEDINGS

SEC CITES ORIEN JUDSON BRAWLEY

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Orien Judson Brawley, Huntsville, Alabama, a former account executive for a registered broker-dealer to determine what, if any, remedial action should be taken because of Brawley's conviction of a felony involving forgery and misappropriation of funds. In addition, the proceedings will consider information that tends to show that Brawley caused checks to be issued on the accounts of its customers with free credit balances and converted the proceeds to his personal use. (Rel. 34-12870)

COMMISSION ANNOUNCEMENTS

NATIONAL MARKET ADVISORY BOARD MEETING ANNOUNCED

The National Market Advisory Board will conduct open meetings on October 18 and 19, 1976 in the Kennedy Conference Room, 19th floor, One Bankers Trust Plaza, 130 Liberty Street, New York, New York, beginning at 9:30 a.m. on October 18 and at 8:30 a.m. on October 19. Initial notice of the meeting was published in the Federal Register on August 26, 1976. The summarized agenda for the meeting on October 18 and 19 is as follows: (1) discussion of the Board's report to the SEC regarding the establishment of a consolidated limit order book; (2) discussion of the Board's report to the Congress pursuant to Section 11A(d)(3)(B) of the Securities Exchange Act of 1934; and (3) discussion of such other matters as may properly be brought before the Board.

Further information may be obtained by writing Martin L. Budd, Executive Director, National Market Advisory Board Staff, Securities and Exchange Commission, Washington, D.C. 20549.

ADVISORY COMMITTEE ON REPLACEMENT COST IMPLEMENTATION MEETING ANNOUNCED

The SEC Advisory Committee on Replacement Cost Implementation will conduct a meeting on October 28, 1976 at the Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. beginning at 9:30 a.m. This meeting will be open to the public. This will be the fifth meeting of the Advisory Committee. The purpose of the meeting is to (1) discuss the Chief Accountant's recommended solutions to questions put before the Advisory Committee at its previous meeting (September 17, 1976), (2) discuss various aspects of the Commission's replacement cost regulation and (3) discuss implementation questions having come to the attention of the Chief Accountant of the Securities and Exchange Commission since the date of the previous meetings.

Further information on this matter may be obtained by writing: Mr. George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES SCHEER FINANCIAL CORPORATION, OTHERS

The Chicago Regional Office announced that on September 24 a complaint was filed in the U.S. District Court for the Northern District of Illinois, Eastern Division, against Scheer Financial Corporation (SFC), Lawrence M. Scheer and Kent B. Rogers. The complaint alleged that SFC, Scheer and Rogers violated the antifraud and reporting provisions of the securities laws in that they caused Seaboard Life Insurance Company of America, a reporting company, to file a false report with the Commission. (SEC v. Scheer Financial Corp., et al., Civil Action No. 76-C-3567, N.D. Ill., E.D.). (LR-7595)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

LISTING ACTIONS

Orders have been issued granting the application of the following companies to list the specified securities on the following exchanges: New York Stock Exchange, Inc. - Consumers Power Co., \$2.43 preference stock cumulative, \$1 par value (effective as of September 20, 1976); and Frigitronics Inc., common stock, par value \$.10 per share (effective as of September 29, 1976). Pacific Stock Exchange, Inc. - Peabody Galion Corp., common stock, \$.10 par value (effective as of September 29, 1976). (Rel. 34-12871)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Philadelphia Stock Exchange, Inc. (PHLX) has filed a proposed rule change under Rule 19b-4 (SR-PHLX-76-17) to empower PHLX to impose charges and fees upon members who

use the services, but are not members, of its subsidiaries. This rule change has taken effect upon filing pursuant to Section 19(b)(3)(A) of the Act. The Commission has within sixty days of the date of filing to abrogate the change in the rules. Publication of the proposal is expected to be made in the Federal Register during the week of October 4. (Rel. 34-12858)

The New York Stock Exchange, Inc. has filed a proposed rule change (SR-NYSE-76-46) which allows its Board of Directors to act upon a unanimous vote without meeting under amended New York Law. This rule change has taken effect upon filing pursuant to Section 19(b)(3)(A) of the Act. The Commission has within sixty days of the date of filing to abrogate the change in the rules. Publication of the proposal is expected to be made in the Federal Register during the week of October 4. (Rel. 34-12860)

NOTICE OF PROPOSED AND APPROVAL
OF RULE CHANGE

The New York Stock Exchange, Inc. has submitted and the Commission has approved a rule change under Rule 19b-4 (SR-NYSE-76-47) to remove the prohibition against members and allied members dealing on another exchange in New York City which lists securities traded on the New York Stock Exchange. Publication of the rule change is expected to be made in the Federal Register during the week of October 4. (Rel. 34-12859)

SECURITIES ACT REGISTRATIONS

(S-1) ELECTROCHEMICAL INDUSTRIES (FRUTAROM) LTD.

Haifa Bay, Acre Industrial Area, Haifa, Israel - 880,000 ordinary shares, to be offered for sale by officers and directors of the company on a best efforts basis. The company manufactures and distributes chemical products. (File 2-57272 - Sept. 27)

(S-14) REVLON, INC.

767 Fifth Ave., New York, N.Y. 10022 - up to 571,460 shares of common stock, to be offered in connection with the merger of Barnes-Hind Pharmaceuticals, Inc. with and into Revlon. Revlon is engaged primarily in the manufacture and distribution of beauty and health products, including cosmetics, ethical pharmaceuticals, proprietary drugs, optical products and toiletries; and also operates clinical diagnostic laboratories. Barnes-Hind manufactures and distributes specialty pharmaceuticals, consisting primarily of ophthalmic, dermatological and radiological products. (File 2-57331 - Oct. 1)

(S-6) NUVEEN TAX-EXEMPT BOND FUND - MEDIUM TERM,
SERIES 3

209 South LaSalle St., Chicago, Ill. 60604 - \$10 million of units, to be offered for sale at net asset value. The Fund is a unit investment trust created under a trust indenture between John Nuveen & Co. Inc., as sponsor and United States Trust Company of New York, as trustee. It consists of a portfolio of medium term (5 to 15 year maturities) interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-57332 - Oct. 1)

(S-14) THE LUBRIZOL CORPORATION

29400 Lakeland Blvd., Wickliffe, Ohio 44092 - up to 633,022 common shares, to be issued in connection with the proposed merger of Marine Colloids, Inc., Rockland, Maine, into a wholly-owned subsidiary of Lubrizol. Lubrizol is a supplier to the petroleum industry of chemical additives for lubricants and fuels. (File 2-57333 - Oct. 1)

(S-9) NEW YORK TELEPHONE COMPANY

1095 Avenue of the Americas, New York, N.Y. 10036 - \$150 million of debentures, due 2015, to be offered for sale at competitive bidding. The proceeds are to be applied toward the possible redemption of outstanding issue of \$150 million of refunding mortgage 9-1/4% bonds, Series S, due 2010. The company is engaged in furnishing communications services, mainly local and toll telephone service. (File 2-57335 - Oct. 1)

(S-6) THE CORPORATE INCOME FUND,
FORTY-FIRST MONTHLY PAYMENT SERIES

\$20 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, 125 High St.,

Boston, Mass. 02110. The Fund, a unit investment trust, was created by a trust agreement 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 trustee, 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 long-term debt obligations, issued primarily by corporations. (File 2-57338 - Oct. 1)

(S-6) MUNICIPAL INVESTMENT TRUST FUND,
SIXTY-SECOND MONTHLY PAYMENT SERIES

\$40 million of units of beneficial interest, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006. The Fund, a unit investment trust, is to be created by a trust agreement among Merrill Lynch, Bache Halsey Stuart Inc. and Reynolds Securities Inc., as sponsors, The Bank of New York, as trustee, and Standard & Poor's Corporation, as evaluator. The Fund's primary objective is providing tax exempt income through investment in a fixed portfolio of interest-bearing, long-term state, municipal and authority bonds. (File 2-57339 - Oct. 1)

(S-1) TETRA TECH, INC.

630 North Rosemead Blvd., Pasadena, Cal. 91107 - 316,000 shares of common stock (plus a 20,000 share over-allotment option), to be offered by the company and 184,000 shares of common stock to be offered by selling stockholders in a public offering, through underwriters headed by Shields Model Roland Securities Incorporated, 44 Wall St., New York, N.Y. 10005 and Sutro & Co. Incorporated, 460 Montgomery St., San Francisco, Cal. 94104. The company designs, manufactures and markets underwater television systems, instruments and remote controlled vehicles used primarily in the offshore oil, the marine construction and the utility industries and provides engineering, design and technical management services in the fields of energy and water resources. (File 2-57341 - Oct. 4)

(S-7) PUGET SOUND POWER & LIGHT COMPANY

Puget Power Bldg., Bellevue, Wash. 98009 - \$40 million of first mortgage bonds, to be offered for sale through underwriters headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006, Salomon Brothers, One New York Plaza, New York, N.Y. 10004 and Dean Witter & Co. Incorporated, 45 Montgomery St., San Francisco, Cal. 94106. The company is a public utility engaged in the production and sale of electric energy. (File 2-57344 - Oct. 4)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Cubic Corp., San Diego, Cal. (File 2-57300 - Sept. 29) - 75,000 shares
Data-Design Laboratories, Cucamonga, Cal. (File 2-57302 - Sept. 29) - 161,000 shares
Monroe Auto Equipment Co., Monroe, Mich. (File 2-57307 - Sept. 30) - 600,000 shares
Green Giant Co., Chaska, Minn. (File 2-57308 - Sept. 29) - 150,000 shares
Connelly Containers, Inc., Bala Cynwyd, Pa. (File 2-57311 - Sept. 30) - 40,000 shares
First Tennessee National Corp., Memphis, Tenn. (File 2-57312 - Sept. 30) - \$1,176,000 of interests
Del Laboratories, Inc., Farmingdale, N.Y. (File 2-57313 - Sept. 30) - 75,000 shares
Allied Maintenance Corp., New York, N.Y. (File 2-57315 - Sept. 30) - 127,660 shares
Weisfield's Inc., Seattle, Wash. (File 2-57317 - Sept. 29) - 69,072 shares
McGraw-Edison Co., Elgin, Ill. (File 2-57325 - Oct. 1) - 4,200 shares
Wang Laboratories, Inc., Tewksbury, Mass. (File 2-57329 - Oct. 1) - 360,778 shares
South Carolina Electric & Gas Co., Columbia, S.C. (File 2-57337 - Oct. 1) - 100,000 shares
Entenmann's Inc., Bay Shore, N.Y. (File 2-57345 - Oct. 4) - 250,000 shares
Harris Corp., Cleveland, Ohio (File 2-57346 - Oct. 4) - 250,000 shares, and (File 2-57347 - Oct. 4) - 300,000 shares
Piedmont Aviation, Inc., Winston-Salem, N.C. (File 2-57348 - Oct. 4) - 250,000 shares
Pettibone Corp., Chicago, Ill. (File 2-57349 - Oct. 4) - 100,000 shares

REGISTRATIONS EFFECTIVE

Sept. 29: Household Finance Corp., 2-57155.

Sept. 30: American Broadcasting Companies Inc., 2-57132; Benham-Blair & Associates
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Inc., 2-56773; Codi Corp., 2-56710; The Corporate Income Fund, Thirty-Ninth Payment Series, 2-57129; First Chicago Corp., 2-57208; Gould Inc., 2-57050; National Municipal Trust, Sixteenth Series, 2-56734; Radice Realty & Construction Corp., 2-56783; Southwest Airlines Co., 2-56230; Third National Corp., 2-57093; United Telecommunications Inc., 2-57137.

Oct. 1: A.E. Staley Manufacturing Co., 2-57049; Ace Hardware Corp., 2-55860; Baltimore Gas and Electric Co., 2-57177; The Black and Decker Manufacturing Co., 2-57239; Cardinal Tax-Exempt Bond Trust, Seventh Series, 2-57180; Culligan International Co., 2-57133; Federal-Mogul Corp., 2-57127; Kepuhi Partnership, 2-56702; Marathon Oil Co., 2-57158; Steinroe Cash Reserves, Inc., 2-56512; The Wachovia Corp., 2-57092 & 2-57089.

Oct. 4: Dreyfus Tax-Exempt Bond Fund, Inc., 2-56878; Federated Tax-Free Income Fund Inc., 2-57181; Southeast Banking Corp., 2-57234; Taco Bell, 2-57096; Teleprompter Corp., 2-56925.

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.

RECENT 8K FILINGS

Form 8K is a report which must be filed with the SEC by the 10th of the month after any of the following important events or changes: changes in control of the registrant; acquisition or disposition of assets; legal proceedings; changes in securities (i.e., collateral for registered securities); defaults upon senior securities; increase or decrease in the amount of securities outstanding; options to purchase securities; revaluation of assets; submission of matters to a vote of security holders.

The companies listed below have filed Form 8-K reports for the month indicated, responding to the item of the form specified. Photocopies may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An index of the captions of the items of the form was included in Monday's News Digest.

| COMPANY | ITEM NO. | MONTH |
|--|----------|-------|
| AERO SYSTEMS INC | 13 | 09/76 |
| CONNECTICUT GENERAL MORTGAGE & REALTY IN | 11,14 | 07/76 |
| DEER INDUSTRIES INC | 13 | 08/76 |
| GATEWAY SPORTING GOODS CO | 4,14 | 03/76 |
| GLOBE INDUSTRIES INC | 13 | 09/76 |
| JUNIPER PETROLEUM CORP | 7 | 09/76 |
| LEVITZ FURNITURE CORP | 13 | 09/76 |
| MORRISON KNUDSEN CO INC | 14 | 09/76 |
| PACIFIC INTERNATIONAL EQUITIES INC | 13 | 08/76 |
| REICHHOLD CHEMICALS INC | 14 | 01/76 |
| SCHNEER R P CORP | 11,14 | 09/76 |
| AMSTAR CORP | 13 | 09/76 |
| AVERY INTERNATIONAL CORP | 13,14 | 09/76 |
| BECTON DICKINSON & CO | 13 | 09/76 |
| BURLINGTON INDUSTRIES INC | 14 | 09/76 |
| CAPITOL BANCORPORATION | 2,14 | 09/76 |
| CAREX INTERNATIONAL INC | 2,13,14 | 08/76 |
| CIRCLE K CORP | 1,11,14 | 09/76 |
| COMPAC CORP | 2,14 | 09/76 |
| CORDIS CORP | 13 | 09/76 |
| DISCOVERY OIL LTD | 1,3,8 | 09/76 |
| DIVERSIFIED PRODUCTS CORP | 8 | 12/75 |
| DIVERSIFIED PRODUCTS CORP | 8 | 03/76 |
| DIVERSIFIED PRODUCTS CORP | 8 | 04/76 |
| DIVERSIFIED PRODUCTS CORP | 8 | 09/76 |
| DUNCAN ELECTRIC CO INC | 1,13 | 09/76 |
| EVANS INDUSTRIES INC | 13,14 | 09/76 |
| F&M NATIONAL CORP | 3 | 09/76 |
| FEDERAL MOGUL CORP | 8,13 | 09/76 |
| FIRST UNION REAL ESTATE EQUITY & MORTGAG | 10 | 06/76 |
| FLICKINGER S M CO INC | 13,14 | 09/76 |
| GERMAN VILLAGE PRODUCTS INC | 2 | 05/76 |
| GREATER HERITAGE CORP | 12,14 | 08/76 |
| HOE R & CO INC | 13,14 | 09/76 |
| HOUSTON COMPLEX INC | 2,10 | 08/76 |

RECENT 8K FILINGS CONT.

| | | |
|--|----------|-------|
| KRM PETROLEUM CORP | 13 | 09/76 |
| LARIBEE WIRE INC | 2,7,8,14 | 08/76 |
| LEGGETT & PLATT INC | 7,14 | 09/76 |
| LEHIGH COAL & NAVIGATION CO | 6 | 09/76 |
| LEKNER STORES CORP | 13 | 09/76 |
| MADISON FINANCIAL CORP | 11 | 09/76 |
| MANOR CARE INC | 3 | 09/76 |
| MICHIGAN NATIONAL CORP | 3 | 09/76 |
| MONTGOMERY WARD CREDIT CORP | 7 | 09/76 |
| NATIONAL REAL ESTATE FUND | 3,14 | 09/76 |
| NEW BRUNSWICK SCIENTIFIC CO INC | 2,14 | 08/76 |
| UMNI SPECTRA INC | 3 | 06/75 |
| PANTASOTE CO | 3,14 | 09/76 |
| PARSONS RALPH M CO | 13,14 | 09/76 |
| POLAK VAC INDUSTRIES INC | 11,14 | 08/76 |
| POLAK VAC INDUSTRIES INC | 2,14 | 09/76 |
| RECLAMATION SYSTEMS INC | 13 | 08/76 |
| RELIANCE INSURANCE CO | 4,7 | 08/76 |
| REVLON INC | 3,13 | 09/76 |
| ROANWELL CORP | 7 | 09/76 |
| ROCHESTER INSTRUMENT SYSTEMS INC | 8,14 | 08/76 |
| SANITARY CONTROLS INC | 13 | 09/76 |
| SAVANNAH ELECTRIC & POWER CO | 3,14 | 09/76 |
| SCHOTT INDUSTRIES INC | 2,14 | 07/76 |
| SCHOTT INDUSTRIES INC | 2,14 | 08/76 |
| SEALED POWER CORP | 7 | 09/76 |
| SHERWOOD MEDICAL INDUSTRIES INC | 3,14 | 09/76 |
| SIERRA PACIFIC POWER CO | 7 | 07/76 |
| STARR MALCOLM INC | 12,14 | 12/75 |
| SUPERIOR MANUFACTURING & INSTRUMENT CORP | 12,14 | 08/76 |
| TRIANGLE INDUSTRIES INC | 3,13 | 09/76 |
| WESTERN BEEF CATTLE FUND INC | 12 | 09/76 |
| WESTERN BEEF INC | 12,14 | 09/76 |
| AMENDMENTS TO REPORTS ON FORM 8-K | | |
| INTERNATIONAL HARVESTER CO | 8 | 07/76 |
| TRI SOUTH MORTGAGE INVESTORS | 14 | 08/76 |
| AMCOMP INC | 14 | 08/76 |
| GENERAL FELT INDUSTRIES INC | 2 | 03/76 |
| HARMAN INTERNATIONAL INDUSTRIES INC | 7 | 02/76 |
| HOMESTEAD MORTGAGE CO | 13 | 01/76 |
| JENSEN INDUSTRIES | 2 | 08/76 |
| MEMUREX CORP | 13 | 08/76 |

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.

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