

# sec news digest

Issue 78-130

July 6, 1978

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## RULES AND RELATED MATTERS

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### WITHDRAWAL OF NOTICE OF PROPOSED RULEMAKING RE QUALIFICATIONS OF ACCOUNTANTS

The Commission has withdrawn its proposal to amend its rules pertaining to the independence of accountants regarding situations involving litigation between the accountants and their clients. (Rel. 33-5942)

FOR FURTHER INFORMATION CONTACT: Gary Zell at (202) 755-0222

### INTERPRETATIVE RELEASE RE INDEPENDENCE OF ACCOUNTANTS

The Commission has issued an interpretative release that sets forth its interpretation that litigation between accountants and their clients which is not related to the audit work for that client is among the types of litigation which must be considered individually for its effect on independence. (Rel. 33-5943)

FOR FURTHER INFORMATION CONTACT: Gary Zell at (202) 755-0222

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## ADMINISTRATIVE PROCEEDINGS

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### ROBERT S. GIBSON BARRED

The Commission has simultaneously instituted administrative proceedings against Robert S. Gibson, of Grand Blanc, Michigan, and accepted an offer of settlement from Gibson by which he is barred from being associated with any broker, dealer, investment adviser or investment company. Without admitting or denying, Gibson, formerly a salesman with a registered broker-dealer, consented to findings that he wilfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. (Rel. 34-14894)

### SHEARSON HAYDEN STONE INC., OTHERS CITED

The Commission announced the institution of administrative proceedings against Shearson Hayden Stone Inc., Michael Post, Robert Dickinson, Theodore Saltzman and Victor Tostado alleging that Shearson, Dickinson (a registered representative), Tostado (a former registered representative), and Saltzman (a former branch office manager) violated antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 in connection with the offer and sale of listed options to customers by excessive trading in customers' discretionary accounts and causing such customers to engage in option transactions that were not suitable. The order also alleges that Post, another former branch office manager, and Saltzman failed to adequately supervise Dickinson and Tostado.

The Commission simultaneously announced, pursuant to settlement offers submitted by Shearson, Post, Dickinson and Saltzman in which the respondents neither admitted nor denied the allegations of the order for proceedings, the entry of an order suspending all option trading for periods of 30 and 60 days, respectively, in Shearson's Atlanta, Georgia and Sherman Oaks, California branch offices as to accounts for which an option suitability form has not been submitted to Shearson prior to the entry of the Commission's order; censuring Post; suspending Dickinson for 90 days from association with any broker, dealer, investment company or investment advisor; and barring Saltzman from association in a supervisory capacity with any broker, dealer, investment company or investment advisor. The sanctions were based upon findings that Shearson, Dickinson and Saltzman wilfully violated Sections 17(a) of the Securities Act, 10(b) of the Exchange Act and Rule 10b-5 thereunder and that Post and Saltzman failed reasonably to supervise persons subject to their supervision.

Additionally, Shearson in its offer of settlement, agreed to offer to pay certain present and former customers of Dickinson and Tostado the sum of \$146,026 with respect to option related losses sustained in their accounts. The Commission noted that Shearson adopted certain measures designed to improve its capacity to control option activity in customer accounts and in its offer of settlement represented that it will adopt additional such measures. (Rel. 34-14917 and 34-14918)

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## INVESTMENT COMPANY ACT RELEASES

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### LASTARMCO INC.

A notice has been issued giving interested persons until July 28 to request a hearing on an application of Lastarmco Inc., a closed-end, non-diversified management investment company, declaring that it has ceased to be an investment company. (Rel. IC-10306 - July 3)

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## HOLDING COMPANY ACT RELEASES

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### LOUISIANA POWER AND LIGHT COMPANY

An order has been issued authorizing Louisiana Power and Light Company, subsidiary of Middle South Utilities, Inc., to issue and sell at competitive bidding up to \$60 million of first mortgage bonds. (Rel. 35-20614 - July 3)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved proposed rule changes filed by the following stock exchanges: The Midwest Stock Exchange, Inc. (SR-MSE-78-8). (Rel. 34-14927); The American Stock Exchange, Inc. (SR-Amex-78-12). (Rel. 34-14928); The Boston Stock Exchange, Inc. (SR-BSE-78-2). (Rel. 34-14929); The Philadelphia Stock Exchange, Inc. (SR-PHLX-78-8). (Rel. 34-14930); and The New York Stock Exchange, Inc. (SR-NYSE-78-27). (Rel. 34-14931).

All of the above rule changes are designed to implement Rule 11Acl-1 under the Securities Exchange Act of 1934.

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## MISCELLANEOUS

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### NATIONAL INDUSTRIES, INC.

An order has been issued exempting National Industries, Inc. from the periodic reporting requirements under Sections 13(a) and 15(d) of the Securities Exchange Act of 1934. On January 3 National became a wholly-owned subsidiary of Fuqua Industries, Inc. as a result of a merger. (Rel. 34-14920)

### WHITING CORPORATION

An order has been issued granting the application of Whiting Corporation, an Illinois corporation, for an exemption from the reporting requirements of Sections 13 and 15 (d) of the Securities Exchange Act of 1934. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-14921)

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## SECURITIES ACT REGISTRATIONS

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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-8) UNITED TELECOMMUNICATIONS, INC., P.O. Box 11315, Kansas City, Mo. 64112 (913) 676-3000 - 400,000 shares of common stock. The company an independent telephone holding company. (File 2-62061 - July 3)
- (S-1) AMWELL PARTNERS 1978, 219 S. Third St., Coshocton, Ohio 43112 - 420 interests. (File 2-62062 - July 5)
- (S-16) AMERICAN HOIST & DERRICK COMPANY, 63 South Robert St., St. Paul, Minn. 55107 (612) 228-4321 - 12,053 shares of common stock. (File 2-62063 - July 5)
- (S-8) HOSPITAL TRUST CORPORATION, One Hospital Trust Plaza, Providence. R.I. 02903 (401) 278-8430 - 80,000 shares of common stock. (File 2-62064 - July 5)

#### REGISTRATIONS EFFECTIVE

June 22: E. F. Hutton Trust for Government Guaranteed Securities, 2-61321.  
June 28: Computerized Automotive Reporting Service, Inc., 2-61494; Copperweld Corp., 2-61780; Government Securities Trust, GNMA Series 1, 2-61501; LDB Corp., 2-61495; Lloyd Capital Corp., 2-59402; McDonald's Corp., 2-61888; Mosinee Paper Corp., 2-61687; The Manhattan Life Corp., 2-61187; Old Stone Bank, 2-61825; Pertec Computer Corp., 2-61812; Yellow Freight System, Inc., 2-61563; United Jersey Banks, 2-61670.

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.

#### REGISTRATIONS WITHDRAWN

June 22: Financial Municipal Bond Fund, Inc., 2-57676.

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## ACQUISITIONS OF SECURITIES

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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 13D-5) may in lieu of filing a Schedule 13D file a Form 13D-5 within ten days after the end of the calendar quarter in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period June 2 - 6, 1978. 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>
* Polk Bros. Inc. Sol Polk Wards Enterprises, Inc.	Bass Financial Corp. (Chicago, IL) Common Stock - 98,890 shs.	6-2-78
* Koppers Company, Inc.	Cutler-Hammer, Inc. (Milwaukee, WI) Common Stock - 1,392,500 shs. (21.1%)	6-2-78
David L. Auld DLA Inc.	Applied Industries, Inc. (Columbus, OH) Common Stock - 383,827 shs. (32%) (Included above are shares owned by his immediate family.)	6-5-78
City Investing Company	C. I. Realty Investors (Boston, MA) Shares of Beneficial Interest - 354,370 (13.58%)	6-5-78
GDV, Inc. (Controlled by City Investing Co.) City Investing Company	Chicago Pneumatic Tool Company Common Stock - 380,400 shs.	6-5-78
REFAC Financial Corporation (Wholly-owned subsidiary of REFAC Technology Develop- ment Corp.)	Electronic Research Associates, Inc. (Moonachie, NJ) Common Stock - 284,800 shs. Common Stock - 140,000 shs. on exercise of Options	6-5-78

## ACQUISITION REPORTS CONT.

Loyal American Life Insurance Company (Controlled by M. P. McLean)	Farm and Home Life Insurance Company (Phoenix, AZ) Common Capital Stock - 24,275 shs.	6-6-78
Manor Care, Inc.	Hillhaven Corporation (Tacoma, WA) Common Stock - 665,994 shs. (Above shares were acquired pursuant to the Tender Offer.)	6-5-78
Galdi Securities Corp.	Stetson (John B.) Co. (NYC) Common Stock - 14,495 shs. (Included above are shares held by Mr. Galdi's children.)	6-5-78
* Newell Companies, Inc.	Bernzomatic Corporation (Rochester, NY) Common Stock - 450,000 shs. (23.6%) Common Stock - 103,125 shs. on conversion of Debentures	6-5-78
* William S. Hack	Macro Communications, Inc. (NYC) Common Stock - 433,333 shs. (Included above are shares owned by his wife. Mr. Hack also holds a Convertible Note in the amount of \$150,000.)	6-5-78
* Ash Grove Cement Company	Oregon Portland Cement Company (Portland, OR) Common Stock - 116,500 shs.	6-5-78
* Creusot-Loire (France)	Phoenix Steel Corporation (Claymont, DE) Common Stock - 1,018,182 shs. Common Stock - 1,504,000 shs. on conversion of Preferred Stock Common Stock - 606,061 shs. on exercise of Warrants	6-5-78
* Goldman, Sachs & Co.	Sycor, Inc. (Ann Arbor, MI) Common Stock - 254,200 shs.	6-5-78
Johnson Controls, Inc.	Globe-Union Inc. (Milwaukee, WI) Common Stock - 1,000,000 shs. (16%) on exercise of an Option (Johnson has acquired above Options from UV Industries, Inc.)	6-6-78
* Central Cortage Co. (Wholly-owned subsidiary of Centra, Inc.) Centra, Inc. M. J. Moroun	Detroit International Bridge Co. (Detroit, MI) Common Stock - 307,175 shs. (24.23%)	6-6-78
* Imperial Industries, Inc. Employee Stock Ownership Plan	Imperial Industries, Inc. (Miami, FL) Common Stock - 108,239 shs. (13%)	6-6-78
* Decision Systems, Inc.	Korfund, Incorporated (Westbury, NY) Common Stock - 729,838 shs. (84.4%)	6-6-78
Mervin G. Morris	Dayton-Hudson Corporation (Minneapolis, MN) Common Stock - 1,867,438 shs. (Above shares were acquired pursuant to the conversion of Mervyn's Common Stock into Dayton-Hudson.)	6-7-78
William C. Richardson	Electronic Research Associates, Inc. (Moonachie, NJ) Common Stock - 150,000 shs. (22.24%)	6-7-78
Arthur H. Stromberg	URS Corporation (San Mateo, CA) Common Stock - 136,801 shs.	6-7-78
* Oakbrook Consolidated, Inc. Joseph C. Szabo	Chemical Leaman Corporation (Downington, PA) Common Stock - 387,583 shs. (29.67%)	6-7-78

## ACQUISITION REPORTS CONT.

* AMBG Corp. (Wholly-owned subsidiary of Tyco) Tyco Laboratories, Inc.	Cutler-Hammer, Inc. (Milwaukee, WI) Common Stock - 1,919,300 shs. (29%)	6-7-78
Jacobs Industries, Incorporated	Arctic Enterprises, Inc. (Thief River Falls, MN) Common Stock - 700,000 shs. (23%) Common Stock - 100,000 shs. on exercise of Options (Above shares were acquired pursuant to Stock Purchase and Stock Option Agreements.)	6-8-78
Joel Greenberg Riverside Foods, Ltd.	Buring Food Group, Inc. (Memphis, TN) Common Stock - 34,500 shs.	6-8-78
Warren H. Barry	Highland Inns Corporation (Nashville, TN) Common Stock - 44,775 shs.	6-8-78
William H. Edmiston, Jr.	Highland Inns Corporation (Nashville, TN) Common Stock - 31,950 shs.	6-8-78
Thomas W. Frazier	Highland Inns Corporation (Nashville, TN) Common Stock - 52,600 shs.	6-8-78
W. F. Jameson, Jr.	Highland Inns Corporation (Nashville, TN) Common Stock - 22,800 shs.	6-8-78
Mercantile Trust Company National Association (Wholly-owned subsidiary of Mercantile Bancorporation Inc.) Mercantile Bancorporation Inc.	Maine Central Railroad Company (Portland, ME) Common Stock - 48,357 shs. (34.6%) (Mercantile Trust acquired above shares by appointment as successor trustee.)	6-8-78
Armand P. Ortega	Medco Jewelry Corporation (Overland Park, KS) Common Stock - 124,500 shs. (13.1%)	6-8-78
Ideal National Insurance Co.	Zenith United Corporation (Chicago, IL) Common Stock - 1,142,219 shs. (78%) (Above shares were acquired pursuant to the Tender Offer.)	6-8-78
* Joel Greenberg Riverside Foods, Ltd.	Blue Bird, Inc. (Philadelphia, PA) Common Stock - 1,041,200 shs. (19%)	6-8-78
* Redlaw Enterprises, Inc. (Canada)	Grand Rapids Metalcraft Inc. (Grand Rapids, MI) Common Stock - 315,427 shs. (50.2%)	6-8-78
* Transco Realty Trust	Hospital Mortgage Group (No. Miami, FL) Shares of Beneficial Interest - 192,300	6-8-78
* Richard Lee Kamen	Morton's Shoe Store, Inc. (Boston, MA) Common Stock - 137,900 shs.	6-8-78
* Slattery Associates, Inc.	RET Income Fund (Boston, MA) Common Stock - 493,000 shs.	6-8-78
ARCS Equities Corp. Adolf Marcus	Bates Manufacturing Company Inc. (NYC) Common Stock - 749,643 shs.	6-9-78
Harold Oelbaum, Individually and as Trustee	Kane-Miller Corp. (Tarrytown, NY) Common Stock - 198,584 shs. Common Stock - 37,796 shs. on exercise of Options (Included above are shares held by his wife.)	6-9-78
Dreyfus Leverage Fund, Inc.	M. Lowenstein & Sons Inc. (NYC) Common Stock - 168,900 shs.	6-9-78
Joseph Rosener, Jr., Individually and as Trustee	Moxon Inc. (Irvine, CA) Common Stock - 1,098,809 shs. (33%)	6-9-78

## ACQUISITION REPORTS CONT.

National Indemnity Company (Subsidiary of Berkshire Hathaway)	SAFECO Corporation (Seattle, WA) Common Stock - 836,515 shs.	6-9-78
Wesco Financial Corp. (Subsidiary of Blue Chip Stamps)		
Cypress Insurance Company (Wholly-owned subsidiary of National Fire & Marine Ins. Co.), et al		
Elena U. Crim, Individually and as Trustee	Jos. Schlitz Brewing Company (Milwaukee, WI) Common Stock - 1,931,685 shs.	6-9-78
Daniel F. McKeithman, Individually, Trustee and as Custodian	Jos. Schlitz Brewing Company (Milwaukee, WI) Common Stock - 1,925,214 shs.	6-9-78
Willis J. Stauffacher, Trustee	Jos. Schlitz Brewing Company (Milwaukee, WI) Common Stock - 2,602,292 shs.	6-9-78
* Diversified Retailing Co., Inc.	Berkshire Hathaway Inc. (New Bedford, MA) Common Stock - 177,965 shs. (18.32%)	6-9-78
* Berkshire Hathaway Inc.	Blue Chip Stamps (Los Angeles, CA) Common Stock - 1,995,903 shs. (38.52%)	6-9-78
* AMBG Corp. (Wholly-owned subsidiary of Tyco)	Cutler-Hammer, Inc. (Milwaukee, WI) Common Stock - 2,103,500 shs. (32%)	6-9-78
Tyco Laboratories, Inc.		
* UIC Investments, Inc. United Insurance Co. of America	Eltra Corporation (NYC) Common Stock - 1,100,500 shs.	6-9-78
Trinity Universal Insurance Company, et al		
Teledyne, Inc., Parent		
* William Belzberg (Canada) Samuel Belzberg (Canada) Hyman Belzberg (Canada)	Far West Financial Corporation, Ltd. (Newport Beach, CA) Capital Stock - 907,400 shs. (46.1%)	6-9-78
* Friedrich Flick Industriever- waltung KGaA (West Germany)	W. R. Grace & Co. (NYC) Common Stock - 4,739,460 shs. (Above shares were acquired pursuant to the merger of VG-Verwaltungsgesellschaft into Industrieverwaltung.)	6-9-78
* Daniel Kane	Kane-Miller Corporation (Tarrytown, NY) Common Stock - 433,542 shs. (12%)	6-9-78
* Stanley B. Kane	Kane-Miller Corporation (Tarrytown, NY) Common Stock - 512,966 shs. (14%) Common Stock - 78,452 shs. on exercise of Options (Included above are shares held by Mr. Kane and his wife, as Custodian and shares held by an adult child.)	6-9-78
* LGS Employees Savings and Investment Trust	Louisiana General Services, Inc. (Harvey, LA) Common Stock - 177,376 shs.	6-9-78
* E. Peter Hoffman, Jr., Individually and as Custodian	Midland Mortgage Investors Trust (Oklahoma City, OK) Shares of Beneficial Interest - 292,100 (12.26%)	6-9-78
* UMC Industries, Inc.	Resistoflex Corporation (Roseland, NJ) Common Stock - 5,000,000 shs. (100%) (Resistoflex Corp. has been merged into UMC)	6-9-78
* United Insurance Co of America Argonaut Insurance Co. Trinity Universal Ins. Co. Argonaut-Midwest Ins. Co., et al	Rexnord, Inc. (Milwaukee, WI) Common Stock - 1,164,700 shs. Common Stock - 114,000 shs. on conversion of Preferred Stock	6-9-78
Teledyne, Inc., Parent		

ACQUISITION REPORTS CONT.

* Financial Land Investment Corp. Phillip J. Matthew	S-G Industries, Inc. (Haddonfield, NJ) Common Stock - 122,300 shs.	6-9-78
* Maurice Wiener	Transco Realty Trust (Boston, MA) Shares of Beneficial Interest - 7,964 Shares of Beneficial Interest - 19,000 on exercise of Options	6-9-78
* United Insurance Co. of America Teledyne, Inc., Parent	Travelers Corporation (Hartford, CT) \$2 Preference Stock - 197,200 shs. (11.46%)	6-9-78
* Daniel Cowin	Treadway Companies, Inc. (Paterson, NJ) Common Stock - 126,000 shs. (Included above are shares owned by his wife.)	6-9-78
Lewis M. Schott, Trustee and Individually	Arnold Constable Corporation (NYC) Common Stock - 74,350 shs. (19%) Common Stock - 1,000 shs. on conversion of Preferred Stock (Included above are shares owned by his children.)	6-12-78



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