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RULES AND RELATED MATTERS

U.S. SECURITIES AND
EXCHANGE COMMISSION

PROPOSED AMENDMENTS TO SCHEDULES RELATING TO BENEFICIAL OWNERSHIP

The Commission has published for comment proposed amendments to the schedules relating to the beneficial ownership of certain classes of equity securities. The purpose of the amendments is to enable the Commission to satisfy its statutory obligation to tabulate and promptly make available the information contained in the beneficial ownership reports filed with it.

Comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol St., Washington, D.C. 20549 on or before December 18, 1978, and should refer to File No. S7-761. All comments received will be available for public inspection and copying in the Commission's Public Reference Room, 1100 L St., N.W., Washington, D.C. (Rel. 34-15317)

FOR FURTHER INFORMATION CONTACT: William H. Carter on (202) 376-8090.

TECHNICAL AMENDMENTS TO RULE 144, FORM 144, AND FORMS S-8 ADOPTED

The Commission has announced the adoption of amendments to Rule 144, Form 144, and Form S-8 under the Securities Act of 1933. The amendments are technical in nature and are designed primarily to conform the rule and the forms in their entirety to certain recent changes to Rule 144 that were announced on September 19, 1978 in Release No. 33-5979. Specifically, the amendments will: (1) change all references to six-month periods that presently appear in the rule and forms to three-month periods; (2) clarify the application of the recently revised volume limitation provisions of the rule to sales of unlisted securities; (3) eliminate the requirement that an amended Form 144 must be filed if all of the securities for which a notice on the form was previously filed are not sold within 90 days; and (4) insert in the rule and in Form 144 statements reflecting the fact that the rule, as recently revised, now permits sales under it to be made not only through brokers but also directly to market makers. All of the amendments described above will become effective on November 15, 1978. (Rel. 33-5995)

FOR FURTHER INFORMATION CONTACT: Peter J. Romeo at (202) 755-1240.

ADMINISTRATIVE PROCEEDINGS

THORNWELL INVESTMENT MANAGEMENT, INC., EARLE ENGLISH THORNWELL SANCTIONED

The Commission has announced the issuance of an order imposing remedial sanctions upon Thornwell Investment Management, Inc. (TIM), an Atlanta, Georgia investment adviser, and Earle English Thornwell (Thornwell), sole owner and president of TIM. The order was entered pursuant to offers of settlement by which TIM and Thornwell, without admitting or denying the allegations in the order for proceedings, consented to certain findings and sanctions.

The Commission's order revokes the registration of TIM and bars it from association with any broker or dealer, investment adviser, or investment company and suspends Thornwell from association with any broker, dealer, investment adviser or investment company for twenty days and thereafter bars him from such association in a supervisory capacity with the right to apply to become re-associated in such a capacity after twelve months. The Commission imposed the sanctions based upon its findings: that TIM wilfully violated and Thornwell wilfully aided and abetted violations of the registration, record keeping and antifraud provisions of the Investment Advisers Act of 1940; that Thornwell, while associated with another registered investment adviser

wilfully violated and wilfully aided and abetted violations of the registration, reporting, compensation, and antifraud provisions of the Investment Advisers Act of 1940 and the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. (Rel. 34-15285)

HOWARD SPENCER HART, ALFRED R. HUGHES, JR.,
AND MARGARET C. THORNAL SANCTIONED

The Commission has accepted offers of settlement submitted by Howard Spencer Hart, Alfred R. Hughes, Jr., and Margaret C. Thornal, all of South Carolina, in proceedings instituted against Stilwell Coker & Co., Inc. and others. Pursuant to the offers of settlement, respondents, without admitting or denying the allegations in the order for proceedings, consented to the entry of findings as alleged in the order for proceedings and the entry of sanctions.

The Commission entered an order suspending Howard Spencer Hart from association with any broker, dealer, investment adviser, or investment company for one year and barring him from association with any broker, dealer, investment adviser, or investment company in a supervisory or proprietary capacity, provided that he may apply to become so associated after two years. It also suspended Alfred R. Hughes, Jr. from association with any broker or dealer for nine months and barred him from association with any broker or dealer in a supervisory capacity, provided that he may apply to become associated in a supervisory capacity after eighteen months. The Commission also suspended Margaret C. Thornal from association with any broker or dealer for forty-five calendar days and barred her from association with any broker or dealer in a supervisory capacity provided that she may apply to become so associated after two years. (Rel. 34-15286)

DONALD & CO. SECURITIES, INC. SANCTIONED

The Commission has issued an order censuring Donald & Co. Securities Inc. (Registrant). The sanction is based upon findings that: (1) on or about April 23, 1976, Barrett Kobrin was convicted, following a jury trial in a Federal District Court, of violating Section 10(b) of the Securities Exchange Act of 1934, United States v. Mendlinger, et al., 75 Crim. 956 (CMM) (S.D.N.Y. 1976); (2) Kobrin was associated with Registrant from in or about August, 1976, to on or about October 1, 1978; (3) from in or about November, 1976, to at least in or about March, 1977, at a time when Registrant had associated with it, both Kobrin, who had been criminally convicted of securities law violations, and a person who had been enjoined from securities law violations, Registrant wilfully violated Section 15(b) of the Exchange Act, and Rule 15b10-4(c) thereunder, in that Registrant failed to establish, maintain, and enforce written procedures relating to the supervision of customer accounts as prescribed by the above rule; (4) in or about March, 1977, at a time when Registrant had associated with it both Kobrin, who had been criminally convicted of securities law violations, and a person who had been enjoined for securities law violations, Registrant wilfully violated Section 15(b) of the Exchange Act and Rule 15b10-6 thereunder in that Registrant failed to obtain the signature of a supervisor on each customer account card.

Registrant consented to the above findings and sanction in an offer of settlement, solely for the purpose of this proceeding and without admitting or denying the charges against it. (Rel. 34-15288)

CIVIL PROCEEDINGS

175 COUNT INDICTMENT ENTERED AGAINST
22 INDIVIDUALS

The Chicago Regional Office announced that on October 27 a Federal grand jury in Kansas City, Missouri returned a 175 count indictment against 22 individuals on securities and mail fraud and racketeering conspiracy.

The indictment resulted from a 15 month investigation of the operations of certain corporations organized as farm cooperatives in Missouri, Oklahoma and Arkansas. Among the defendants are Russell E. Phillips, Quentin Darence Cloninger and Paul D. Canaday, all of Springfield, Missouri, Donald E. Burks of Fordland, Missouri, and Carl L. Bledsoe, of Marionette, Wisconsin.

The investigation covered the offer and sale of the securities of Progressive Farmers Association and United Farmers Association of America, Inc., both of Springfield, Missouri, United Farmers Association of America, Inc., Tulsa, Oklahoma, Consumer-Farmers Association, North Little Rock, Arkansas, and Progressive Investors, Inc., a former Missouri corporation.

Phillips, Burks, Bledsoe and Cloninger were indicted for securities fraud, mail fraud and violations of the Racketeering and Organized Crime provisions of the Federal criminal code. Phillips was also indicted for income tax evasion and failure to file corporate tax returns. Canaday was indicted for violations of the Racketeering and Organized Crime provisions. The indictment charges that certain real property of Phillips and certain property of Canaday is subject to criminal forfeiture to the United States.

Also indicted for securities fraud and violations of the Racketeering and Organized Crime provisions were Ronald M. Elia, Truman W. "Bay" Harmon, Warren H. Moore, Ronald Stafford, William Frederick Suedekum, Charles F. Thrower and Thomas H. Thrower, all of Springfield, Missouri; Donald Owen Beaver, North Miami, Oklahoma; Quenten Leroy Cloninger, Brandon, Florida; Charles Hoose and Thomas B. Moffit, both of California, Missouri; Robert Moore, Tampa, Florida; Dennis Moore, Phoenix, Arizona; James H. Morrison, Memphis, Tennessee; and Gerald B. Nance, Bois D'Arc, Missouri.

Indicted for violations of the Racketeering and Organized Crime provisions were Nancy L. Haney, Springfield, Missouri. John Weston Chase, Springfield, Missouri, was indicted for securities fraud, mail fraud and violations of the Racketeering and Organized Crime provisions. (US v. Russell E. Phillips, et al., 78-03382-01-CR-S). (LR-8596)

INVESTMENT COMPANY ACT RELEASES

AMERICAN NATIONAL GROWTH FUND, INC.

A notice has been issued giving interested persons until November 30 to request a hearing on an application of American National Growth Fund, Inc., American National Income Fund, Inc., American National Bond Fund, Inc., registered under the Investment Company Act of 1940 as open-end management investment companies, and Securities Management & Research, Inc., investment adviser and principal underwriter for the Funds, for an order of the Commission pursuant to Section 11(a) of the Act, permitting certain share transfers among the Funds on a basis other than their respective net asset value per share at the time of the transfer and, pursuant to Section 6(c) of the Act, exempting such transfers from the provisions of Section 22(d) of the Act and Rule 22d-1 thereunder. (Rel. IC-10468 - Nov. 6)

PUTNAM MARINER FUND, INC.

A notice has been issued giving interested persons until December 1 to request a hearing on an application of Putnam Mariner Fund, Inc. declaring that it has ceased to be an investment company. (Rel. IC-10470 - Nov. 6)

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-1) PHOENIX LEASING INCOME FUND 1977, 180 Harbor Dr., Sausalito, California 94965 - 10,000 shares of limited partnership units. The partnership was formed for the purpose of acquiring various types of capital equipment and leasing the same to third parties on either a long-term or short-term basis. (File 2-63001 - Nov. 8)
- (S-8) PENGU INDUSTRIES, INC., 1400 Everman Parkway, Fort Worth, Tex. 76140 - 75,000 shares of common stock. (File 2-63002 - Nov. 8)

REGISTRATIONS EFFECTIVE

- Nov. 1: Heublin, Inc., 2-62857; Norton Simon, Inc., 2-62935, 2-62945, 2-62934, 2-62944, 2-62946 and 2-62933.
- Nov. 3: General American Oil Co. of Texas, 2-62766; National Health Enterprises, Inc., 2-62712.
- Nov. 6: Dyco 1979 Oil and Gas Programs, 2-62275.
- Nov. 7: American Property Investors IX, 2-61899; Dinner Bell Foods, Inc., 2-60122; Otter Tail Power Co., 2-62815; Purecycle Corp., 2-62483.



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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 10c per page plus postage (7 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.

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SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in U.S. first class mail; \$18.75 elsewhere.

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