

# sec news digest

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Issue 79-44

March 6, 1979

MAR 7 1979

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## RULES AND RELATED MATTERS

### U.S. SECURITIES AND EXCHANGE COMMISSION

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#### AMENDMENTS TO RULES 144 AND 148 ADOPTED; RULE 155 RESCINDED

The Commission announced that it has adopted amendments to Rules 144 and 148 under the Securities Act of 1933 and rescinded Rule 155 under the 1933 Act in its entirety.

The amendments to Rules 144 and 148 will apply only to resales of securities by persons who are not affiliates of the issuer of the securities and have not been affiliates for the three months preceding such resales. Under the amendments, such persons need not comply with the limitations in the rules on the amount of securities that can be sold thereunder provided they have held their securities for a specified period of time. In the case of securities which are listed on a national securities exchange or quoted in the National Association of Securities Dealers, Inc.'s NASDAQ quotation system, the requisite holding period will be three years. In the case of securities which are not exchange-listed or NASDAQ-quoted but are issued by entities which file periodic reports with the Commission under the Securities Exchange Act of 1934, the holding period will be four years.

The above amendments will apply only to the volume limitations of the rules. Thus, all other requirements of the rules will continue to be applicable to persons availing themselves of the new provisions.

Rule 155 has until now restricted the resale of certain convertible securities. It was partially rescinded in 1972 at the time Rule 144 was adopted. Since that time it has been applicable only to convertible securities acquired prior to the effective date of Rule 144 and not sold thereafter pursuant to that rule. The Commission has determined to rescind Rule 155 completely so that it no longer will have even partial applicability.

All of the above changes will become effective on March 12, 1979. (Rel. 33-6032)

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

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## NOTICE OF COMMISSION MEETINGS

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### CHANGES IN THE MEETING

The following item will not be considered at the closed meeting scheduled for March 6 at 10:00 a.m., but has been rescheduled for consideration on Tuesday, March 13, at 10:00 a.m.: Authorization to discuss settlement of possible enforcement action.

The following additional items will be considered at the open meeting scheduled for Wednesday, March 7, at 10:00 a.m.:

(1) Consideration of whether to institute major changes in its approach to sales literature regulation: (a) withdrawing the Statement; (b) proposing the adoption of an interpretive rule which provides general guidelines but contains no specific requirements or prohibitions on the use of sales literature; (c) limiting staff comment on sales literature to avoid the appearance of "clearing" material; (d) reviewing sales literature after it is filed by "spot checking" and as part of inspections; (e) publishing from time to time, as appropriate, staff advisory views on the content of sales literature in staff interpretive releases. FOR FURTHER INFORMATION CONTACT Anthony A. Vertuno at (202) 755-1192 or Sarah B. Ackerson at (202) 755-1792

(2) Consideration of a proposed response to the Office of Management and Budget's request for its comments concerning certain legislative proposals for limiting conglomerate mergers. FOR FURTHER INFORMATION CONTACT Donald C. Langevoort at (202) 755-4829.

(3) Consideration of a request for a waiver of certain provisions of the Commission's Conduct Regulation (relating to outside practice and securities transactions) in connection with the temporary employment of Linda A. Wertheimer, Esquire. FOR FURTHER INFORMATION CONTACT Myrna Siegal at (202) 376-3561.

The following additional items will be considered at a closed meeting scheduled for Wednesday, March 7 immediately following the 10:00 a.m. open meeting: Regulatory matter bearing enforcement implications; Institution of injunctive action; Litigation matters.

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## ADMINISTRATIVE PROCEEDINGS

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### ACTION BY MIDWEST STOCK EXCHANGE AGAINST MERICKA & CO., INC. AND JAMES R. MERICKA AFFIRMED

The Commission has affirmed sanctions imposed by the Midwest Stock Exchange (MSE) on Mericka & Co., Inc., a Cleveland brokerage firm, and James R. Mericka, its president. The MSE fined the firm \$2,500, censured Mericka, and suspended him for two years from association with any member organization in any supervisory capacity related to financial or operational activities.

The Commission found, as did the MSE, that the firm failed to comply with net capital and reporting provisions, and that Mericka failed to effect compliance by his firm with net capital requirements. The Commission concluded that the sanctions imposed by the MSE were not too severe, in light of the fact that this was the sixth disciplinary action involving applicants in the last ten years. (Rel. 34-15576)

### AMERICAN WESTERN SECURITIES, INC., OTHERS CITED

Public administrative proceedings have been instituted against American Western Securities, Inc. (Amwest), a Colorado broker-dealer registered with the Commission and a member of the National Association of Securities Dealers, Inc.; Jack Darold Kelley, its president and major shareholder; Lloyd John Harty, its head trader and registered representative; and Andrew Kovschak, Jr., a trader and registered representative with Amwest. The proceedings are based on allegations by the staff that Amwest, Kelley, Harty, and Kovschak wilfully violated and wilfully aided and abetted violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 in connection with the offer and sale of various OTC traded securities in which Amwest was the major market-maker and also violated and aided and abetted violations of the recordkeeping requirements applicable to registered broker-dealers.

A hearing will be scheduled by further order to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defenses thereto for the purpose of determining whether any action of a remedial nature should be ordered by the Commission. (Rel. 34-15585)

### EASTERN UTILITIES ASSOCIATES

The SEC has issued its Findings and Opinion and Order approving a voluntary plan of Reorganization filed by Eastern Utilities Associates, a registered holding company, and its subsidiaries, Brockton Edison Company, Fall River Electric Light Company and Blackstone Valley Electric Company, pursuant to Section 11(e) of the Public Utility Holding Company Act of 1935. Under the terms of the Plan, Fall River will be merged into Brockton, the existing Fall River and Blackstone indentures will be discharged and the Fall River and Blackstone bonds will be replaced by new Brockton bonds issued under a supplement to the existing Brockton indenture. (Rel. 35-20931)

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## COMMISSION ANNOUNCEMENTS

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### CHAIRMAN WILLIAMS SPEAKS BEFORE THE PRACTICING LAW INSTITUTE

Chairman Harold M. Williams spoke before The Practicing Law Institute in Washington, D.C., on March 2, 1979. The title of his address was "The State of the Securities and Exchange Commission -- 1979."

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## HOLDING COMPANY ACT RELEASES

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### THE SOUTHERN COMPANY

An order has been issued authorizing The Southern Company, a registered holding company, to issue and sell up to 6,000,000 shares of common stock, pursuant to its Dividend Reinvestment and Stock Purchase Plan. Jurisdiction has been reserved over the issuance and sale of up to 1,500,000 shares of common stock pursuant to its Employee Savings Plan. (Rel. 35-20941 - Mar. 2)

A notice has been issued giving interested persons until March 26 to request a hearing on a proposal of The Southern Company, and two of its subsidiaries, Gulf Power Company and Mississippi Power Company, to issue from time to time on or before March 31, 1980 notes to banks and commercial paper to dealers. These borrowings shall be in the following amounts outstanding at any one time: Southern, \$100 million; Gulf, \$93 million; and Mississippi, \$20 million. Among other things, the proceeds of the sales are to be used by Southern to make capital contributions to its subsidiaries and by the subsidiaries to finance their respective construction programs and for other corporate purposes. (Rel. 35-20942 - Mar. 2)

### ARKANSAS POWER & LIGHT COMPANY

A notice has been issued giving interested persons until March 30 to request a hearing on a proposal of Arkansas Power & Light Company, subsidiary of Middle South Utilities, Inc., whereby Arkansas proposes to sell a 35% undivided interest in its Independence Steam Electric Station to Arkansas Electric Cooperative Corporation for an estimated consideration of \$6,454,000. (Rel. 35-20943 - Mar. 2)

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## SELF-REGULATORY ORGANIZATIONS

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### WITHDRAWAL OF PROPOSED RULE CHANGE

By letter dated February 16 the Boston Stock Exchange, Inc. withdrew a proposed rule change (SR-BSE-78-8) which had been filed on July 10, 1978 and which concerned procedures for the arbitration of claims by BSE members against each other as well as claims by public customers against BSE members. (Rel. 34-15597)

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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-1) INEDCO, LTD., Indiana National Bank Bldg., Suite 3000, Indianapolis, Ind. 46204 - 1,000,000 shares of common stock. The company is engaged in marketing educational motion pictures and cassette recordings. (File 2-63683 - Mar. 2)
- (S-8) COMMERCE SOUTHWEST INC., 1525 Elm St., P.O. Box 2249, Dallas, Tex. 75221 (214) 658-6111 - 776,500 shares of common stock. (File 2-63684 - Mar. 5)
- (S-8) NLT CORPORATION, National Life Center, Nashville, Tenn. 37250 (615) 749-1894 - 200,000 shares of common stock. The company, among other things, is engaged in the life and health insurance business. (File 2-63685 - Mar. 5)

In a separate statement the company seeks registration of 18,000 shares of common stock. (File 2-63686 - Mar. 5)

In a third (S-7) statement the company seeks registration of 150,000 shares of common stock. (File 2-63687 - Mar. 5)

- (N-5) GREATER WASHINGTON INVESTORS, INC., 1015 18th St., N.W., Washington, D.C. 20036 - 1,200,000 shares of common stock. (File 2-63688 - Mar. 5)

- (S-1) EASTERN INDEMNITY COMPANY, 4340 East West Highway, Bethesda, Md. 20014 - 2,200,000 shares of common stock. The company will engage in providing construction contract bonds for small contractors. (File 2-63689 - Mar. 5)
- (S-16) MIDDLE SOUTH UTILITIES, INC., 2225 Baronne St., New Orleans, La. 70112 - 1,500,000 shares of common stock. (File 2-63690 - Mar. 5)
- (S-8) SCHWARTZ BROTHERS, INC., 2146-24th Pl., N.E., Washington, D.C. 20018 (202) 529-5700 - 47,333 shares of common stock. (File 2-63691 - Mar. 5)
- (S-8) H. B. FULLER COMPANY, 2400 Kasota Ave., St. Paul, Minn. 55108 (612) 645-3401 - 150,000 shares of common stock. (File 2-63692 - Mar. 5)

REGISTRATIONS EFFECTIVE

Feb. 26: South Central Bell Telephone Co., 2-63519.

Mar. 1: The Municipal Bond Trust, Series 50, 2-63416; The New York Municipal Trust, Series 3, 2-63439.

## ACQUISITIONS OF SECURITIES

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 13-G) may in lieu of filing a Schedule 13D file a Form 13-G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13G's during the period February 5 - 7, 1979. 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>
Pauline G. Clements, Individually and Trustee	SEDCO, Inc. (Dallas, TX) Common Stock - 809,444 shs.	2-5-79
Janet Oliver DeCamp	Scholastic Magazines, Inc. (NYC) Class A Stock - 16,620 shs.	2-5-79
Margaretta Oliver Schroeder	Scholastic Magazines, Inc. (NYC) Class A Stock - 16,620 shs.	2-5-79
George Sturges Oliver II	Scholastic Magazines, Inc. (NYC) Class A Stock - 16,620 shs.	2-5-79
Joseph W. Oliver	Scholastic Magazines, Inc. (NYC) Class A Stock - 16,600 shs.	2-5-79
E. W. Scripps Company	Scripps-Howard Broadcasting Co. (Cincinnati, OH) Common Stock - 1,874,920 shs. (72.5%)	2-5-79
Forsam & Co.	Shenandoah Oil Corp. (Fort Worth, TX) Common Stock - 345,430 shs. (10.69%)	2-5-79
Edwin J. Beinecke, Jr.	Sperry & Hutchinson Co. (NYC) Common Stock - 1,555,236 shs. (17.39%)	2-5-79
Manufacturers Hanover Trust Co. Manufacturers Hanover Corp., Parent	Sperry & Hutchinson Co. (NYC) Common Stock - 1,087,113 shs. (12.09%)	2-5-79
John R. Robinson	Sperry & Hutchinson Co. (NYC) Common Stock - 1,141,005 shs. (12.76%)	2-5-79
J. Adalberto Roig, Individually and Executor	Sterling Sugars, Inc. (Franklin, LA) Common Stock - 551,148 shs. (22.49%)	2-5-79
Antonio Roig Sucesores Inc. (Puerto Rico)	Sterling Sugars, Inc. (Franklin, LA) Common Stock - 130,000 shs.	2-5-79

## ACQUISITION REPORTS CONT.

Agustin Cabrer, Individually and Trustee	Sterling Sugars, Inc. (Franklin, LA) Common Stock - 335,523 shs. (13.69%) (Included above are shares owned by his wife.)	2-5-79
Gladys Roig Cabrer	Sterling Sugars, Inc. (Franklin, LA) Common Stock - 198,426 shs.	2-5-79
University of Rochester (Employee Retirement Income Plan)	Sykes Datatronics, Inc. (Rochester, NY) Common Stock - 86,240 shs.	2-5-79
Robert Winkler	TeleConcepts Corp. (West Hartford, CT) Common Stock - 108,065 shs. (15%) (Mr. Winkler's wife owns 24,750 shares.)	2-5-79
George H. Hightower	Thomaston Mills, Inc. (Thomaston, GA) Common Stock - 184,845 shs. (19.7%)	2-5-79
William H. Hightower, Jr.	Thomaston Mills, Inc. (Thomaston, GA) Common Stock - 203,080 shs. (21.7%)	2-5-79
Equitable Life Assurance Society of the United States	United Founders Life Insurance Co. (Oklahoma City, OK) Common Stock - 1,271,527 shs. (26.074%)	2-5-79
Manufacturers Hanover Trust Co. Manufacturers Hanover Corp., Parent	U. S. & Foreign Securities Corp. (NYC) Common Stock - 1,674,203 shs. (31.09%)	2-5-79
Irvin Kovens	Universal Security Instruments, Inc. (Owings Mills, MD) Common Stock - 226,163 shs. (14.3%)	2-5-79
L. W. Miles	University Patents, Inc. (Norwalk, CT) Common Stock - 50,032 shs. Common Stock - 70,516 shs. on exercise of Warrants and Options	2-5-79
Langdon Hockmeyer	Vertipile, Inc. (Leominster, MA) Common Stock - 421,975 shs. (34.1%)	2-5-79
George R. Wackenhut Ruth J. Wackenhut	Wackenhut Corp. (Coral Gables, FL) Common Stock - 1,401,779 shs. (56.3%)	2-5-79
Max J. Pincus, Individually and Co-Trustee	Widener Place Fund, Inc. (Detroit, MI) Common Stock - 148,785 shs. (15.2%)	2-5-79
Bernard E. Pincus, Indivi- dually and Co-Trustee	Widener Place Fund, Inc. (Detroit, MI) Common Stock - 156,185 shs. (16%)	2-5-79
Fred Goodstein	Wyoming National Corp. (Casper, WY) Common Stock - 61,500 shs.	2-5-79
* Manufacturers Hanover Trust Co. Manufacturers Hanover Corp., Parent	Cross Co. (Fraser, MI) Common Stock - 135,000 shs.	2-5-79
* H. Douglas Barclay, Indivi- dually, Executor & Custodian	Excelsior Insurance Co. of New York (Syracuse, NY) Common Stock - 74,694 shs. (19%)	2-5-79
* Manufacturers Hanover Trust Co. Manufacturers Hanover Corp., Parent	King Kullen Grocery Co. Inc. (Westbury, NY) Common Stock - 303,565 shs. (44.18%)	2-5-79
Chase Manhattan Bank Chase Manhattan Corp., Parent	American Century Mortgage Investors (Jacksonville, FL) Shares of Beneficial Interest - 117,390 on exercise of Warrant	2-6-79
Zuma Richardson, Jr.	American Consumers, Inc. (Fort Oglethorpe, GA) Common Stock - 200,000 shs. (18.24%)	2-6-79
John D. Joseph	Automated Marketing Systems, Inc. (Chicago, IL) Common Stock - 44,588 shs.	2-6-79

## ACQUISITION REPORTS CONT.

J. B. Frierson, Jr., Individually, Trustee & Co-Executor	Dixie Yarns, Inc. (Chattanooga, TN) Common Stock - 168,805 shs. (16.86%)	2-6-79
Davis Factor, Sr.	Eldon Industries, Inc. (Hawthorne, CA) Common Stock - 459,579 shs. (41.1%) (Included above are shares owned by his wife.)	2-6-79
Gordon A. MacInnes, Jr. Mary F. Bartol, Individually and Co-Trustees	Hunt Manufacturing Co. (Philadelphia, PA) Common Stock - 62,745 shs.	2-6-79
William M. Ballon	Interdyne Co. (Van Nuys, CA) Common Stock - 185,000 shs. (10.7%)	2-6-79
Earl E. Bakken	Medtronic, Inc. (Minneapolis, MN) Common Stock - 501,261 shs.	2-6-79
Gordon P. Street	North American Royalties, Inc. (Chattanooga, TN) Common Stock - 2,177,275 shs. (66%)	2-6-79
Peter L. Roesner, Individually Trustee & Co-Trustee	Overmyer Corp. (Winchester, IN) Common Stock - 117,990 shs. (Included above are shares owned by his wife.)	2-6-79
Martha C. Roesner	Overmyer Corp. (Winchester, IN) Common Stock - 91,964 shs.	2-6-79
Jay W. Overmyer	Overmyer Corp. (Winchester, IN) Common Stock - 60,537 shs.	2-6-79
Robert D. Overmyer	Overmyer Corp. (Winchester, IN) Common Stock - 126,090 shs. (10.8%)	2-6-79
Ione M. Carpenter, Individually, Trustee & Joint Tenant	Overmyer Corp. (Winchester, IN) Common Stock - 120,719 shs. (10.3%)	2-6-79
Benjamin C. Harris, Jr.	Rampart General, Inc. (Santa Ana, CA) Common Stock - 509,000 shs. (20.4%)	2-6-79
Michael M. Rea	Tyrone Hydraulics, Inc. (Corinth, MS) Common Stock - 207,065 shs. (11.3%)	2-6-79
A. Harry Fishman	APL Corp. (Great Neck, NY) Common Stock - 294,588 shs. (Included above are shares owned by his wife.)	2-7-79
R. H. Bunzl, Individually and Trustee	American Filtrona Corp. (Richmond, VA) Common Stock - 477,228 shs. (20.6%)	2-7-79
American General Enterprise Fund, Inc.	Aneco Reinsurance Co. Ltd. (Hamilton, Bermuda) Common Stock - 180,000 shs.	2-7-79
Jacob Popkin	Berkline Corp. (Morristown, TN) Common Stock - 294,755 shs. (19.6%)	2-7-79
Loran L. Stewart	Bohemia Inc. (Eugene, OR) Common Stock - 184,026 shs.	2-7-79
Robert M. Zell Sylvia G. Zell	Brass-Craft Manufacturing Co. (Detroit, MI) Common Stock - 972,468 shs. (36.7%)	2-7-79
Mathers & Company, Inc.	Burns International Security Services, Inc. (Briarcliff Manor, NY) Common Stock - 182,400 shs.	2-7-79

## ACQUISITION REPORTS CONT.

Wendell M. Fales Lona M. Fales	Calnetics Corp. (Cerritos, CA) Common Stock - 152,777 shs.	2-7-79
Union Trust Company of Maryland	Central Soya, Inc. (Fort Wayne, IN) Common Stock - 971,475 shs.	2-7-79
Mathers & Company, Inc.	Centronics Data Computer Corp. (Hudson, NH) Common Stock - 386,800 shs.	2-7-79
Pioneering Management Corp.	Cummins Engine Co. (Columbus, IN) Common Stock - 427,800 shs.	2-7-79
Kenneth N. Dayton	Dayton-Hudson Corp. (Minneapolis, MN) Common Stock - 742,492 shs. (Included above are shares owned by his wife.)	2-7-79
Silas Ray Halbert	Documation Inc. (Melbourne, FL) Common Stock - 487,300 shs. (15.5%) (Included above are shares owned by his wife, individually and as trustee.)	2-7-79
Pioneering Management Corp.	Dravo Corp. (Pittsburgh, PA) Common Stock - 303,400 shs.	2-7-79
Jack J. Dreyfus, Jr., Indi- vidually and Trustee	Dreyfus Corp. (NYC) Common Stock - 158,081 shs.	2-7-79
William C. Scott	Flagg Industries, Inc. (Van Nuys, CA) Common Stock - 50,600 shs. Common Stock - 50,000 shs. on exercise of Options	2-7-79
Morgan Flagg	Flagg Industries, Inc. (Van Nuys, CA) Common Stock - 269,249 shs. (22.4%)	2-7-79
John C. Crean	Fleetwood Enterprises, Inc. (Riverside, CA) Common Stock - 2,585,420 shs. (23%) (Included above are shares held by his wife and minor children.)	2-7-79
Pioneering Management Corp.	P. H. Glatfelter Co. (Spring Grove, PA) Common Stock - 241,200 shs.	2-7-79
John H. Robinson	Harper Group (San Francisco, CA) Common Stock - 588,408 shs. (29.8%) (Included above are shares held in trust for his children.)	2-7-79
Ray C. Robinson, Jr.	Harper Group (San Francisco, CA) Common Stock - 335,856 shs. (17%)	2-7-79
Pioneering Management Corp.	Hoover Co. (North Canton, OH) Common Stock - 670,500 shs.	2-7-79
American General Capital Management, Inc.	Johnson Controls, Inc. (Milwaukee, WI) Convertible Preferred Stock - 54,300 shs.	2-7-79



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