

sec news digest

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January 6, 1977

RULES AND RELATED MATTERS

AMENDMENTS TO RULE 15c3-1 AND TEMPORARY SUSPENSION OF TWO RATINGS REQUIREMENT OF RULE 15c3-1 RESPECTING SHORT TERM COMMERCIAL PAPER

The Commission announced the adoption, effective immediately, of amendments to Rule 15c3-1 under the Securities Exchange Act of 1934, the uniform net capital rule. The amendments are intended to clarify the capital treatment of short term commercial paper not eligible for the reduced haircuts specified by Rule 15c3-1(c)(2)(vi)(E) or for which there is no ready market.

The Commission also propounded for public comment certain questions designed to elicit the views of interested members of the public concerning whether and in what respects it is appropriate to modify or supplement the so-called "two ratings" requirement of Rule 15c3-1(c)(2)(vi)(E). In order to preserve the existing capital treatment of short term commercial paper throughout this public comment period, the Commission also announced the qualified suspension, effective January 1, 1977 and until April 1, 1977, of Rule 15c3-1(c)(2)(vi)(E). During this time, brokers and dealers may apply the haircuts specified by Rule 15c3-1(c)(2)(vi)(E) to short term commercial paper rated in one of the three highest categories by one nationally recognized statistical rating organization. (Rel. 34-13125)

COURT ENFORCEMENT ACTIONS

COURT REQUESTED TO FIND SOUTHWESTERN RESEARCH CORPORATION & F. M. MCCOWN IN CONTEMPT

The SEC announced that on December 27 it filed a motion in the U.S. District Court for the District of Columbia requesting that Court to find Southwestern Research Corporation (Southwestern), City of Industry, California, and its President, F. M. McCown, in civil contempt of the Court for failure to comply with an order and injunction by consent issued by Judge Aubrey E. Robinson, of that Court, on June 12, 1975.

The Commission alleged that Southwestern failed to timely comply with the order and injunction as to its annual reports on Form 10-K for its fiscal years ended May 31, 1975 and May 31, 1976; its quarterly reports on Form 10-Q for its fiscal quarters ended August 31, 1974, November 30, 1974, February 28, 1975, August 31, 1975, and August 31, 1976; and its current report on Form 8-K for the months of May and December, 1975. It also alleged that Southwestern failed to comply with the injunction requiring filing in proper form as to its annual reports on Form 10-K for its fiscal year ended May 31, 1975 and May 31, 1976; its quarterly reports on Form 10-Q for its fiscal quarter's ended November 30, 1975 and February 29, 1976, and its current report on Form 8-K for November, 1975. It further alleged that F. M. McCown, as President, Chief Executive Officer, and holder of 22.8% of the outstanding common stock, is in violation of the court's order and injunction by failing to cause Southwestern to comply with the order and injunction. (SEC v. Southwestern Research Corporation, District of Columbia Civil Action No. 75-0401). (LR-7724)

LESLIE ZACHARIAS AND ARTHUR RUBENSTEIN SENTENCED

The Boston Regional Office announced that on December 20 Leslie Zacharias and Arthur Rubenstein were sentenced. Zacharias received a sentence of two years, the sentence being suspended, two years probation and a \$7,500 fine and Rubenstein received a sentence of one year, the sentence being suspended, two years probation and a \$2,000 fine following guilty pleas to one count of an indictment charging fraud in the sale of securities of Pollution Dynamics Corporation. (U.S. v. Leslie Zacharias, et al., 74 Crim. 403 G USDC, MA.). (LR-7725)

INVESTMENT COMPANY ACT RELEASES

THE HAWICK FUND

An order has been issued declaring that The Hawick Fund, Inc. has ceased to be an investment company. (Rel. IC-9593 - Jan. 4)

NEUWIRTH CENTURY FUND

An order has been issued declaring that Neuwirth Century Fund, Inc. has ceased to be an investment company. (Rel. IC-9594 - Jan. 4)

THE FRANKLIN LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until January 31 to request a hearing on an application of the Franklin Life Insurance Company (The Franklin), an Illinois stock life insurance company, Franklin Life Variable Annuity Fund A, a separate account of The Franklin registered under the Act as a diversified open-end management investment company, and Franklin Financial Services Corporation, a wholly-owned subsidiary of The Franklin and the principal underwriter for Fund A, hereinafter collectively referred to as Applicants), for an order of the Commission pursuant to Section 6(c) of the Act granting exemption from Sections 22(e), 27(c)(1) 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 payments made on variable annuity contracts subsequent to the date of the requested order. (Rel. IC-9595 - Jan. 4)

SECURITIES ACT REGISTRATIONS

(S-5) DMC TAX-FREE INCOME TRUST - PENNSYLVANIA

Seven Penn Center Plaza, Philadelphia, Pa. 19103 - 500,000 shares of beneficial interest, to be offered for sale through Delaware Management Company, Inc., Seven Penn Center Plaza, Philadelphia, Pa. 19103. The trust is an open-end diversified management company which will invest primarily in debt obligations issued by the Commonwealth of Pennsylvania and municipal governments thereof and which will be free of Federal and Pennsylvania income taxes and Pennsylvania personal property taxes. (File 2-57791 - Dec. 2)

(S-14) EDS HOLDINGS, INC.

220 Montgomery St., San Francisco, Cal. 94104 - 1,135,206 shares of common stock. It is proposed through a plan of merger to offer these shares in exchange for the outstanding common stock of EDS Nuclear Inc. on a share-for-share basis. The registrant is a new entity without current operations; EDS Nuclear Inc. is a consulting engineering firm providing engineering management and technical support services. (File 2-58023 - Jan. 4)

(S-14) AMERICAN DISTRICT TELEGRAPH COMPANY

One World Trade Center, New York, N.Y. 10048 - 600,000 shares of common stock, issuable in connection with the proposed merger of Electro Signal Lab, Inc. into a wholly-owned subsidiary of ADT, in accordance with an exchange ratio of 1.9761739 ADT shares for each outstanding ESL share. ADT is an international security systems firm. (File 2-58024 - Jan. 4)

(S-14) THE WACHOVIA CORPORATION

301 North Main St., Winston Salem, N.C. 27101 - 101,375 shares of common stock, being the maximum number of shares that will be issued in connection with the merger of Town and Country Bank, Lumberton, N.C., into Wachovia Bank and Trust Company, N.A., the principal subsidiary of The Wachovia Corporation. The merger ratio is .77 Wachovia Corporation shares for each outstanding Town and Country Bank share. The Wachovia Corporation is a bank holding company which controls one bank. (File 2-58025 - Jan. 4)

(S-11) JMB INCOME PROPERTIES, LTD. - V

875 North Michigan Ave., Chicago, Ill. 60611 - 30,000 limited partnership interests, to be offered for sale at \$1,000 per interest with a minimum purchase required of five

interests. Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 is the selling agent. Income Properties - V is a limited partnership which will invest in real estate. (File 2-58026 - Jan. 5)

(S-7) GULF POWER COMPANY

75 North Pace Blvd., Pensacola, Fla. 32505 - 150,000 shares of cumulative preferred stock, (\$100 par), to be offered for sale by the company at competitive bidding. The company is an electric utility company. (File 2-58027 - Jan. 5)

(S-7) WALTER E. HELLER & COMPANY

105 West Adams St., Chicago, Ill. 60690 - \$50 million of senior notes, due 1987, and \$50 million of senior debentures, due 2002, to be offered for sale through underwriters led by Salomon Brothers and Merrill Lynch, Pierce Fenner & Smith Inc. The company is engaged in the commercial finance business. (File 2-58028 - Jan. 5)

REGISTRATIONS EFFECTIVE

Dec. 30: Alaska Bancorporation, 2-57134 (90 days); Cash Reserve Management Inc., 2-57466; Earth Resources Co., 2-57944; Economics Laboratory Inc., 2-57973; First Maryland Bancorp, 2-57540; Houston Oil & Minerals Corp., 2-57840; Merrill Bankshares Co., 2-57932; Trinity Capital Corp., 2-55648 (90 days).

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
ALBA WALDENSIAN INC	13	12/76
AMERICAN PACIFIC INTERNATIONAL INC	11	10/76
ATLAS AMERICAN CORP	3,14	12/76
BISHOP GRAPHICS INC	7,14	11/76
BRADLEY MILTON CO	13	12/76
CAMIN INDUSTRIES CORP	11,14	11/76
CENTURY PROPERTIES FUND SEVENTY ONE THRE	12,14	11/76
CENTURY PROPERTIES FUND XI	2,7,12,14	11/76
CENTURY PROPERTIES PREFERRED FUND 73	12,14	11/76
COLT INDUSTRIES INC	7,14	11/76
CONTINENTAL TELEPHONE CO OF VIRGINIA	7,14	12/76
FIRST UNION CORP	13,14	12/76
FORESTVILLE KEYSTONE WCODS ASSOCIATES	10,13,14	11/76
GENERAL TELEPHONE CO OF INDIANA INC	7	11/76
HARVARD INDUSTRIES INC	3,14	11/76
HASBRO INDUSTRIES INC	12,14	11/76
HILLCREST CARPETS INC	2,14	11/76
HIRSCHHORN DON INC	13	12/76
IDENTICON CORP	2,13,14	11/76
INSTRUMENT SYSTEMS CORP	7,8,13	11/76
INTERNATIONAL GENERAL INDUSTRIES INC	3	12/76
KEYSTONE CONSOLIDATED INDUSTRIES INC	13,14	06/76
KORFUND INC	3	10/76
LAWN A MAT CHEMICAL & EQUIPMENT CORP	12,13,14	11/76

RECENT 8K FILINGS CONT.

MERIDIAN INVESTING & DEVELOPMENT CORP	8	12/76
MIDCON INDUSTRIES INC	12,14	11/76
MULTIVEST INC	13	11/76
NATIONAL ENVIRONMENTAL CONTROLS INC	13,14	10/76
ON GUARD CORP OF AMERICA	13	12/76
PATRICK OIL & GAS CORP 1976 DRILLING PRO	7,13	11/76
PEARSALL CHEMICAL CORP	13	10/76
ROBINTECH INC	2	11/76
ROSS AVIATION INC	3	11/76
RUBY MINING CO	1,11	12/76
SAMBOS RESTAURANTS INC	13	11/76
SEA WORLD INC	1	11/76
SHOPWELL INC	3	11/76
SOUTHWESTERN GROUP FINANCIAL INC	11,13	04/76
STEWART & STEVENSON SERVICES INC	3	09/76
SWIFT INDUSTRIES INC	13	11/76
TEXARKANA NATIONAL BANCSHARES INC	13	11/76
TRANSCON BUILDERS INC	3,13	11/76
UNITED FINANCING CORP	13,14	11/76
UNITED REPUBLIC INVESTMENT CO	2,14	12/76
UNITED STATES ENERGY CORP	11	12/76
WILLIAMHOUSE REGENCY INC	11,13	11/76
WINCHESTER CORP	2,3,6,8,9,12,13,14	11/76
WYNN INDUSTRIES INC	13,14	11/76
ALD INC	6	10/76
ALPEX COMPUTER CORP	10	09/76
AUTOCOMP INC	13,14	12/76
BARRYS JEWELERS INC	1,2,14	11/76
BOWMAR INSTRUMENT CORP	3,11,14	11/76
BREWSTER INDUSTRIES INC	13,14	11/76
DEVCON INTERNATIONAL CCRP	6,9,13,14	09/76
FIRESTONE TIRE & RUBBER CO	13,14	12/76
GENERAL SHALE PRODUCTS CORP	7	12/76
GIT INDUSTRIES INC	9,14	09/76
HABANERO CORP	14	12/76
HICO CORP OF AMERICA	14	11/76
HOUSING SYSTEMS INC GEORGIA	3	11/76
HYDE ATHLETIC INDUSTRIES INC	3	12/76
IMPERIAL AMERICAN RESOURCES FUND INC	14	11/76
JAMES RIVER CORP OF VIRGINIA	13,14	12/76
LEHIGH VALLEY RAILROAD CO	2,13	12/76
LOVE OIL CO INC	13	12/76
MANSION INDUSTRIES INC	13,14	11/76
MICROFORM DATA SYSTEMS INC	11,14	12/76
MISSION INVESTMENT TRUST	13	11/76
MUSTANG INVESTMENT CORP	1,2,7,14	11/76
NEW YORK AIRWAYS INC	13	12/76
PEAVEY CO	11	12/76
PROFESSIONAL CARE SERVICES INC	11,14	12/76
REPUBLIC STEEL CORP	13	12/76
SANITARY CONTROLS INC	13	11/76
SFO HELICOPTER AIRLINES INC	3,13	10/76
SOLITRON DEVICES INC	2,3,14	12/76

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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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.