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RULES AND RELATED MATTERS

WITHDRAWAL OF PROPOSED AMENDMENT TO RULE 14a-3(d)

The Commission announced the withdrawal of a proposed amendment to Rule 14a-3(d) under the Securities Exchange Act of 1934, which was intended to clarify the obligation of issuers to make inquiry of certain intermediary-recordholders concerning the dissemination of proxy information to beneficial shareowners. While the Commission continues to be concerned about improving the effectiveness of shareowner communications, the proposal being withdrawn does not appear to assure transmittal of issuer communications to the intended beneficial owners without imposing an undue regulatory burden on the issuers. The Commission will explore other avenues to deal with the problem, however. (Rel. 34-14486)

FOR FURTHER INFORMATION CONTACT: Linda Kurjan at (202) 376-7470

COMMISSION ANNOUNCEMENTS

NEW YORK REGIONAL OFFICE TO CONDUCT SEMINAR ON RULE 15c2-11

The New York Regional Office will conduct a seminar on March 2 from 10:00 a.m. to 12:00 p.m., to discuss with broker-dealers the operation of Rule 15c2-11, and any difficulties that they may have in complying with the Rule. Rule 15c2-11 promulgated under the Securities Exchange Act of 1934 (subject to certain exemptions) prohibits broker-dealers from submitting any quotation for the securities of any issuer in any quotation medium, unless certain financial and other information about the issuer is available to the investing public. The New York Regional Office has been reviewing applications submitted by broker-dealers throughout the nation to public quotations for securities in the National Daily Quotation Service (pink sheets), a publication of the National Quotation Bureau, Inc. (NQB), to ascertain whether broker-dealers are in compliance with Rule 15c2-11. This review has shown that a significant number of broker-dealers are failing to comply with the Rule. All interested broker-dealers are invited to attend the seminar, to be held in Room 3105, 26 Federal Plaza, New York, New York 10007. Those broker-dealers who plan to attend the seminar should notify Alexander Bienenstock, Esq., Securities and Exchange Commission, 26 Federal Plaza, New York, New York 10007 (212) 264-8506.

COURT ENFORCEMENT ACTIONS

HAROLD L. MCCANN ENJOINED

The Chicago Regional Office announced that on February 14 the U.S. District Court for the Eastern District of Wisconsin entered a final judgment of permanent injunction against Harold L. McCann, Webb Lake, Wisconsin. The order permanently enjoins McCann from violating the antifraud provisions of the Securities Exchange Act of 1934 in connection with tender offers. McCann consented, without admitting or denying the allegations of the complaint, to the entry of this final judgment of permanent injunction. (SEC v. Farm House Corporation, et al., E.D. Wisconsin, Civil Action No. 78-C-36). (LR-8294)

INDICTMENT ENTERED AGAINST LUIGI M. DI FONZO

The Chicago Regional Office announced that on February 1 an indictment was returned against Luigi M. DiFonzo by the Special February 1975 Grand Jury for the Northern District of Illinois, Eastern Division. The three-count indictment alleges that DiFonzo submitted false, fictitious and fraudulent statements to the Commission in violation of Title 18, U.S. Code, Section 1001. (U.S. v. Luigi M. DiFonzo, U.S.D.C., N.D. of Illinois, Eastern Division, Chicago, Illinois). (LR-8295)

F AND R OIL CO., INC., WOODROW FRANKLIN CHARGED AND ENJOINED

The Chicago Regional Office announced that on January 20 a complaint was filed in the U.S. District Court for the Western District of Missouri seeking injunctive relief against F and R Oil Co., Inc. (FR), a Missouri corporation primarily engaged in oil operations, and Woodrow Franklin, president of FR. The complaint alleged that FR and Franklin violated the registration and antifraud provisions of the securities laws. On January 24, Federal District Judge William Collinson entered an order of permanent injunction, by consent, against FR and Franklin, enjoining them from further violations of the registration and antifraud provisions of the securities laws. The order also provided for certain ancillary relief, including the filing of current financial information, and the power to appoint a permanent receiver. The defendants consented to the entry of the order without admitting or denying the allegations in the Commission's complaint. (SEC v. F and R Oil Co., Inc., et al., W.D. Mo., Civil Action No. 78-3022-CV-S). (LR-8296)

LEE SHOAF ENJOINED

The Chicago Regional Office announced that on January 4 Federal District Judge Nicholas J. Bua entered an order of permanent injunction by summary judgment against Lee Shoaf enjoining him from further violations of the registration provisions of the securities laws. In addition, Judge Bua reserved ruling and allowed additional time for the Commission and Shoaf to submit further proof in regard to the Commission's motion for summary judgment against Shoaf for violations of the antifraud provisions of the securities laws. (SEC v. Investment Diversified, Ltd., et al., N.D. Ill., Civil Action No. 76-C-4184). (LR-8297)

SAMUEL LUFTIG AND HERBERT NELSON ENJOINED

The Chicago Regional Office announced that Federal District Judge Frank J. McGarr at Chicago, Illinois entered orders of permanent injunction, by consent, against Samuel Luftig on December 6, 1977 and Herbert Nelson on January 4, enjoining them from further violations of the reporting, proxy and antifraud provisions of the securities laws. The corporate defendant, Gamble-Skogmo, Inc., previously consented to an order of permanent injunction which enjoined it from further violations of the reporting and proxy provisions of the securities laws. Judge McGarr entered this order on September 15, 1977. All three of the defendants consented to the entry of the orders without admitting or denying the allegations of the complaint filed against them. (SEC v. Gamble-Skogmo, Inc., et al., N.D. Ill., Civil Action No. 77C-3426). (LR-8298)

DENNIS TINSKY, OTHERS ENJOINED

The SEC announced that the U.S. District Court for the Southern District of New York entered final judgments of permanent injunction against Dennis Tinsky; Stephen Myers; and Myertin, Inc. and final orders with respect to Midland Cable Systems, Inc. and Barry Silverman (who is not an attorney and shouldn't be confused with any attorneys by that name) on January 23. (SEC v. John P. Galanis, et al., U.S.D.C. S.D.N.Y., Civil Action No. 78-0259). (LR-8299)

CHARLES H. ELDREDGE, JR. SENTENCED

The Chicago Regional Office announced that on February 3 Judge George N. Leighton of the U.S. District Court for the Northern District of Illinois, sentenced Charles H. Eldredge, Jr. to three years in the federal penitentiary. Eldredge, an investment adviser, pleaded guilty to one count of securities fraud and one count of mail fraud alleging that he liquidated clients' portfolios and utilized the proceeds for his own use. (SEC v. Charles H. Eldredge, Jr., N.D. Ill. 75 C 3198). (LR-8300)

INVESTMENT COMPANY ACT RELEASES

VANCE, SANDERS MUNICIPAL BOND FUND, LTD.

A notice has been issued giving interested persons until March 14 to request a hearing on an application of Vance, Sanders Municipal Bond Fund, Ltd. (a California limited partnership) (Fund), registered under the Act as an open-end, diversified management investment company, and Vance, Sanders & Company, Inc., the Fund's Advisor General Partner, investment adviser, and principal underwriter, requesting an order pursuant to Section 6(c) of the Act exempting the Fund and its general partners from the provisions of (1) Section 2(a)(19) of the Act to the extent that the Fund's general partners would otherwise be deemed to be "interested persons" of the Fund or its

Advisor General Partner solely because they are partners in the Fund, and (2) Section 15(c) of the Act so that the Director General Partners will not be deemed to be parties to the investment advisory contract solely by reason of their being parties to the Fund's partnership agreement. (Rel. IC-10123 - Feb. 17)

AMERICAN MEDICAL ASSOCIATION TAX-EXEMPT INCOME FUND

A notice has been issued giving interested persons until March 13 to request a hearing on an application of American Medical Association Tax-Exempt Income Fund Inc. (the Fund), a Maryland corporation registered as a diversified, open-end management investment company, and Continental Illinois National Bank and Trust Company of Chicago, the Fund's investment adviser, pursuant to Section 10(f) of the Investment Company Act of 1940, for an order exempting certain transactions of the Fund from the provisions of Section 10(f) of the Act so as to permit the Fund to purchase municipal bonds in public offerings in which the Fund's investment adviser participates as a principal underwriter, subject to certain conditions specified in the application. (Rel. IC-10124 - Feb. 17)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the American Stock Exchange, Inc. (SR-Amex-77-34) which requires that applicants for membership pass a floor qualification examination before being permitted to execute orders on the Exchange floor. (Rel. 34-14488)

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-7) KANSAS GAS AND ELECTRIC COMPANY, 201 North Market St., Wichita, Kan. 67201 (316) 264-1111 - 200,000 shares of common stock. The company is an electric utility. (File 2-60776 - Feb. 17) and \$30 million of first mortgage bonds, due 2008. (File 2-60777 - Feb. 17)
- (S-8) MANAGEMENT ASSISTANCE INC., 300 East 44th St., New York, N.Y. 10017 - 300,000 shares of common stock. (File 2-60778 - Feb. 17)
- (S-6) EMPIRE STATE TAX EXEMPT BOND TRUST, SERIES 4, 25 Broad St., New York, N.Y. 10004 - 20,000 units. Depositor: Weeden & Co. (File 2-60779 - Feb. 17)
- (S-8) OSCAR MAYER & CO. INC., 910 Mayer Ave., Madison, Wis. 53707 - 400,000 shares of common stock. (File 2-60781 - Feb. 17)
- (S-16) WELDED TUBE CO. OF AMERICA, 2400 South Weccacoe Ave., Philadelphia, Pa. 19148 - \$1,675,000 of 10% subordinated debentures, due 1995. (File 2-60782 - Feb. 17)
- (S-7) TEXAS UTILITIES COMPANY, 2001 Bryan Tower, Dallas, Tex. 75201 (214) 653-4600 - 5,000,000 shares of common stock. Underwriters: Morgan Stanley & Co. Inc., Bache Halsey Stuart Shields Inc., E.F. Hutton & Co. Inc., Paine, Webber, Jackson & Curtis Inc. and Dean Witter Reynolds Inc. The company is a holding company. (File 2-60783 - Feb. 17)
- (S-7) MONTANA-DAKOTA UTILITIES CO., 400 North Fourth St., Bismarck, N.D. 58501 (701) 224-3000 - 750,000 shares of common stock. The company is primarily engaged in the production, transmission, distribution and sale of natural gas and electricity. (File 2-60784 - Feb. 17)
- (S-6) E.F. HUTTON CORPORATE INCOME TRUST, FIFTEENTH SERIES, One Battery Park Plaza, New York, N.Y. 10004. 18,750 units. Depositor: E.F. Hutton & Company Inc. (File 2-60787 - Feb. 17)

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