

-2

sec news digest

LIBRARY

Issue 78-154

August 9, 1978

AUG 11 1978

NOTICE OF COMMISSION MEETINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or obtain a tape recording of Commission meetings must obtain permission in advance from the Secretary of the Commission.

CLOSED MEETING - TUESDAY, AUGUST 15, 1978 - 9 A.M.

The subject matter of the August 15 closed meeting will be: Access to investigative files by Federal, State, or Self-Regulatory authorities; Formal orders of investigation; Institution of injunctive actions; Institution and settlement of injunctive actions; Regulatory matter bearing enforcement implications; Settlement of injunctive actions; Settlement of administrative proceedings of an enforcement nature; Chapter XI proceeding; Other litigation matters.

OPEN MEETING - WEDNESDAY, AUGUST 16, 1978 - 10 A.M.

The subject matter of the August 16 open meeting will be:

- (1) Consideration of request that the Commission affirm the action of the duty officer approving the transmission of a letter expressing the Commission's views on Title XI of H.R. 13471 -- Right to Financial Privacy -- to the Office of Management and Budget.
- (2) Consideration of request for consideration of the application of Joseph H. Harman II asking permission for him to become associated with Summit Securities, Inc., a registered broker-dealer, in a supervisory capacity.
- (3) Consideration of petition for reconsideration of Commission denial of application for exemption pursuant to Section 12(h) of the Securities Exchange Act of 1934 and request for oral arguments by the Richmond, Fredericksburg, and Potomac Railroad.

CLOSED MEETING - WEDNESDAY, AUGUST 16, 1978 - IMMEDIATELY FOLLOWING THE OPEN MEETING

The subject matter of the August 16 closed meeting will be: Litigation matters.

FOR FURTHER INFORMATION CONTACT: Beverly Rubman at (202) 755-1103

COMMISSION ANNOUNCEMENTS

CHAIRMAN WILLIAMS SPEAKS BEFORE THE AMERICAN BAR ASSOCIATION

Chairman Williams spoke before the Section of Corporation Banking and Business Law, American Bar Association in New York City, on Tuesday, August 8, 1978. The title of his address was "Corporate Accountability and the Lawyer's Role."

STOCK TRANSACTIONS OF SELECTED FINANCIAL INSTITUTIONS
AND FOREIGN INVESTORS, FIRST QUARTER 1978

Private noninsured pension funds, open-end investment companies, life insurance companies and property-liability insurance companies purchased \$7,139 million of common stock and sold \$7,852 million during the first three months of 1978, resulting in net sales of \$713 million. During the first quarter of 1977, their gross purchases were \$9,396 million; gross sales were \$8,808 million; and net purchases were \$588 million. Their common stock activity rate was 18.4 percent for the initial quarter of 1978 as compared to 20.5 percent during the first three months of 1977. For further details, see the August issue of the SEC Statistical Bulletin.

COURT ENFORCEMENT ACTIONS

MARGOLIS & CO., INC. ENJOINED

The New York Regional Office announced that on July 18 the Honorable Charles H. Tenney of the U.S. District Court for the Southern District of New York signed a final judgment of permanent injunction against Margolis & Co., Inc., a former Minneapolis, Minnesota broker-dealer. The judgment enjoins Margolis from further violations of Section 5 and 17(a) of the Securities Act of 1933, Sections 10(b) and 15c(2) of the Securities Exchange Act of 1934, and Rules 10b-5, 10b-6 and 15c2-11 thereunder.

The complaint, which was filed on October 31, 1977, alleges that Margolis and fourteen other defendants participated in an illegal public distribution of, and a manipulation of the trading market for, the common stock of Dimensional Entertainment Corporation. Margolis consented to the entry of the injunction without admitting or denying the allegations of the Commission's complaint. The civil injunctive action is currently pending against two defendants. (SEC v. Dimensional Entertainment Corporation, et al., 77 Civ. 5290, CHT). (LR-8494)

FRANKLIN NATIONAL BANK OFFICIALS INDICTED

The New York Regional Office announced the return of a 15 count indictment on July 13 against Harold V. Gleason, Paul Luftig, and J. Michael Carter, former officers and directors of Franklin National Bank (FNB) and Franklin New York Corporation (FNYC). The indictment charges all three defendants with conspiracy to falsify the records of FNB and its holding company, FNYC, conspiracy to submit false financial statements to Manufacturers Hanover Trust Company, and conspiracy to violate the securities laws in the purchase and sale of common and preferred shares at FNYC. The indictment further charges Gleason, Luftig, and Carter with two counts of falsifying records, ten counts of stock fraud and one count of submitting false financial statements. In addition, Luftig has been charged with one count of giving false testimony to the grand jury.

Specifically, the indictment charges all three defendants with making false entries in the books of FNB and FNYC (1) to conceal losses in excess of \$5 million by falsely valuing the FNB's bondtrading account and (2) to show fictitious profits in foreign exchange operations of FNB of approximately \$2 million by entering into false foreign exchange contracts with Amincor Bank, Zurich, Switzerland, and Banca Unione, Milan, Italy. The indictment also charges the three defendants with filing false financial statements with Manufacturers Hanover Trust Company for the purpose of influencing that bank with respect to a \$35 million loan. In addition, all three defendants have been charged with securities fraud in contravention of Rule 10b-5 under the Securities Exchange Act of 1934.

On October 17, 1974, the Commission filed a related civil injunctive action entitled SEC v. Harold V. Gleason, et al. Of the ten defendants originally named in this action, only Sindona, Gleason, and Luftig remain as active litigants. (U.S. v. Harold V. Gleason, et al., 78 Crim. 522, S.D.N.Y.). (LR-8495)

HOLDING COMPANY ACT RELEASES

ALABAMA POWER COMPANY

A notice has been issued giving interested persons until September 1 to request a hearing on a proposal of Alabama Power Company, subsidiary of The Southern Company, whereby Alabama will enter into arrangements for the lease of nuclear fuel. (Rel. 35-20654 - Aug. 8)

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) OIL & GAS ROYALTY FUND, LTD., 300 Franklin St., Natchez, Miss. 39120 - 5,000 limited partnership interests. (File 2-62311 - Aug. 7)
- (S-14) RAYMOND INTERNATIONAL INC., L@@ Galleria Tower East, Houston, Tex. 77056 (713) 623-1500 - 6,150,000 shares of common stock. (File 2-62612 - Aug. 8)
- (S-11) LAS VEGAS INVESTORS LTD., 21031 Venture Blvd., Woodland Hills, Cal. 91364 - 7,000 limited partnership interests. (File 2-62313 - Aug. 8)
- (S-8) EMPLOYEE BENEFITS INCORPORATED, 66 East Rosemary St., San Jose, Cal. 95112 - 500,000 shares of common stock. (File 2-62314 - Aug. 8)
- (S-1) BELDEN & BLAKE AND COMPANY LIMITED PARTNERSHIP NO. 69, 7555 Freedom Ave., N.W., North Canton, Ohio 44720 - 396 limited partnership units. (File 2-62315 - Aug. 8)
- (S-7) MONTANA-DAKOTA UTILITIES CO., 400 North Fourth St., Bismarck, N.D. 58501 (701) 224-3000 - \$10 million of first mortgage bonds, due September 15, 2003 and \$10 million of first mortgage sinking fund bonds, due September 15, 1998. The company is engaged in the production, transmission, distribution and sale of natural gas and electricity. (File 2-62316 - Aug. 8)
- (S-8) INSTRUMENTATION LABORATORY INC., 113 Bartwell Ave., Lexington, Mass. 02173 - 20,000 shares of common stock. (File 2-62317 - Aug. 8)

REGISTRATIONS EFFECTIVE

Aug. 1: Affiliated Publications, Inc., 2-62084; A-T-O Inc., 2-62056; Dyco Petroleum Corp., 2-61798; Gulton Industries, Inc., 2-62087; Intel Corp., 2-62129; Municipal Investment Trust Fund, Ninetieth Monthly Payment Series, 2-62077; National Distillers and Chemical Corp., 2-62001; Pacific Northwest Bell Telephone Co., 2-62082; Simmons Co., 2-61769; Southern Indiana Gas and Electric Co., 2-62032; Texas Oil & Gas Corp., 2-62191; Towle Manufacturing Co., 2-62238.

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

July 17: American General Capital Bond Fund, Inc., 2-56880.
July 28: Fund of America, Inc., 2-56937.



U. S. SECURITIES AND EXCHANGE COMMISSION
POSTAGE AND FEES PAID

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FIRST CLASS MAIL

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.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45/yr in

U.S. first class mail: \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in

U.S. first class mail: \$54.65 elsewhere.

SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in

U.S. first class mail: \$18.75 elsewhere.

The News Digest, the Docket, and the Statistical Bulletin are for sale by the superintendent of Documents, Government Printing Office, Washington, D.C. 20402.