

# sec news digest

Issue 80-78

LIBRARY

April 21, 1980

## RULES AND RELATED MATTERS

### EXEMPTION OF CERTAIN PURCHASE OR SALE TRANSACTIONS BETWEEN A REGISTERED INVESTMENT COMPANY AND CERTAIN AFFILIATED PERSONS

The Commission today proposed for public comment an amendment to Rule 17a-7 under the Investment Company Act of 1940 which would expand the existing rule in two respects. First, the proposed amendment would extend the existing exemptive relief to include transactions between a registered investment company and any person which is an affiliated person of such company, or an affiliated person of such person, solely by virtue of having a common investment adviser, common officers and/or common directors, regardless of whether the affiliated person is a registered investment company. Second, the proposed amendment would exempt purchases or sales involving any security for which market quotations are readily available. Absent this amendment, such a transaction would be permissible only upon the issuance, pursuant to an application, of an exemptive order by the Commission. Comments should be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 on or before June 5 and should refer to File No. S7-832. All comments will be available for public inspection. (Rel. IC-11136)

FOR FURTHER INFORMATION CONTACT: Mark J. Mackey at (202) 272-3045

## CIVIL PROCEEDINGS

### PERMANENT INJUNCTION ENTERED AGAINST TERRENCE C. MADDEN

The Washington Regional Office and the Philadelphia Branch Office announced that on April 2 Judge Vincent P. Bionno of the U.S. District Court for the District of New Jersey entered an Order for Final Judgment permanently enjoining Terrence C. Madden, a former officer, director and shareholder of Investors Economic Systems, Inc., from further violating and aiding and abetting violations of the registration, antifraud, customer protection and financial responsibility provisions of the securities laws in connection with the offer and sale of interests in limited partnerships or any other securities.

The entrance of the permanent injunction was in accordance with the opinion of the U.S. Court of Appeals for the Third Circuit, filed on February 7, 1980, which mandated a reversal of the District Court's decision of December 13, 1978, which entered summary judgment against Madden but failed to issue the injunction requested by the Commission. (SEC v. Peter J. Bonastia, et al., D.N.J. 1978, Civil Action No. 78-496). (LR-9064)

## INVESTMENT COMPANY ACT RELEASES

### DREYFUS TAX EXEMPT MONEY MARKET FUND, INC.

A notice has been issued giving interested persons until May 9 to request a hearing on an application of Dreyfus Tax Exempt Money Market Fund, Inc. (Applicant), for an order conditionally exempting Applicant from the provisions of Section 2(a)(41) of the Investment Company Act of 1940 and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to permit Applicant to use amortized cost valuation in pricing its shares for sale and redemption. (Rel. IC-11134 - Apr. 18)

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## HOLDING COMPANY ACT RELEASES

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### ALLEGHENY POWER SYSTEM, INC.

A notice has been issued giving interested persons until May 19 to request a hearing on a proposal of Allegheny Power System, Inc., a registered holding company, to become bonded as surety to the State of West Virginia in such amount, expected not to exceed \$51,500,000, as shall be determined by the West Virginia Public Service Commission, said bond being required by the state commission in connection with the collection of increased rates and charges by Allegheny's wholly-owned subsidiary, Monongahela Power Company. (Rel. 35-21529 - Apr. 18)

### SOUTHWESTERN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until May 14 to request a hearing on a proposal of Southwestern Electric Power Company, subsidiary of Central and South West Corporation, that SWEPCO issue and sell 400,000 shares of new preferred stock at competitive bidding. (Rel. 35-21530 - Apr. 18)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until May 8 to comment on the Midwest Stock Exchange, Boston Stock Exchange and the Philadelphia Stock Exchange's applications for unlisted trading privileges in one, one, and eleven issues respectively, which are listed and registered on other national securities exchanges. (Rel. 34-16757)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by The Options Clearing Corporation (SR-OCC-79-6) providing a third party pledge system for writers of put options. (Rel. 34-16755)

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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-16) ANGLO COMPANY, LTD., 120 Broadway, New York, N.Y. 10005 (212) 577-1660 - 880,000 shares of Class A shares. Underwriters: Drexel Burnham Lambert Inc. and Rotan Mosle Inc. The company is engaged in onshore contract drilling of intermediate and deep oil and gas wells. (File 2-66846 - Mar. 6)
- (S-18) GST LABORATORIES, INC., 3366 North Torrey Pines Court, La Jolla, Cal. 92037 - 600,000 units. Underwriter: Laidlaw Adams & Peck Inc. The company is engaged in the research, development, assembly and marketing of the Graphic Stress Telethermometry System (GST System), a non-invasive screening procedure. (File 2-66893 - Mar. 11)
- (S-18) NEW GENERATION FOODS, INC., One South Columbia Ave., Oglesby, Ill. 61348 - 687,500 shares of common stock. Underwriter: Faherty & Faherty Inc. The company is engaged in the development, manufacture and sale of nutritional food products. (File 2-67055 - Mar. 27)

- (N-1) MERRILL LYNCH INSTITUTIONAL FUND II INC., 125 High St., Boston, Mass. 02110 (617) 357-1460 - an indefinite number of shares of common stock. (File 2-67057 - Mar. 27)
- (S-18) NATIONAL TRANSACTION NETWORK, INCORPORATED, 1020 15th St., Denver, Colo. 80202 - 3,000,000 shares of common stock. Underwriter: Blinder, Robinson & Co., 55 Post Ave., Westbury, N.Y. 11590 (212) 895-9535. The company is engaged in the manufacturing and marketing of point-of-sale electronic funds transfer and check and credit verification systems. (File 2-67079 - Mar. 27)
- (S-8) NATIONAL DISTILLERS AND CHEMICAL CORPORATION, 99 Park Ave., New York, N.Y. 10016 (212) 949-5000 - 300,000 shares of common stock. (File 2-67187 - Apr. 2)
- (S-8) PHELPS DODGE CORPORATION, 300 Park Ave., New York, N.Y. 10022 (212) 940-6400 - 600,000 shares of common stock. (File 2-67317 - Apr. 10)
- (S-8) THE WESTERN COMPANY OF NORTH AMERICA, 6100 Western Pl., Fort Worth, Tex. 76116 (817) 731-5100 - 350,312 shares of common stock. (File 2-67337 - Apr. 11)
- (S-1) STERLING GAS DRILLING FUND 1980-1 AND 2, 622 Third Ave., New York, N.Y. 10017 - 6,500 preformation limited partnership units. Underwriter: Ferris & Company, Inc., 1720 Eye St., N.W., Washington, D.C. 20006 (202) 293-4500. (File 2-67407 - Apr. 17)
- (S-8) CONSUMERS POWER COMPANY, 212 West Michigan Ave., Jackson, Mich. 49201 (517) 788-1030 - 900,000 shares of common stock. (File 2-67409 - Apr. 17)
- (S-8) CONOCO INC., High Ridge Park, Stamford, Conn. 06904 (203) 329-2300 - 1,235,955 shares of common stock. (File 2-67412 - Apr. 17)
- (S-8) FOSTER WHEELER CORPORATION, 110 South Orange Ave., Livingston, N.J. 07039 (201) 533-2211 - 13,713 shares of common stock. (File 2-67417 - Apr. 18)
- (S-8) SAFETY-KLEEN CORP., 655 Big Timber Rd., Elgin, Ill. 60120 (312) 697-8460 - 100,000 shares of common stock. (File 2-67420 - Apr. 18)
- In a separate statement the company seeks registration of 200,000 shares of common stock. (File 2-67421 - Apr. 18)
- (S-11) SECOND WESTERN INCOME REALTY TRUST, 431 Burgess Dr., Menlo Park, Cal. 94025 - 2,200,000 shares of beneficial interest. (File 2-67425 - Apr. 18)
- (S-8) OAKITE PRODUCTS, INC., 50 Valley Rd., Berkeley Heights, N.J. 07922 - 40,000 shares of common stock. (File 2-67426 - Apr. 17)
- (S-8) GEORGE BANTA COMPANY, INC., Curtis Reed Plaza, Menasha, Wis. 54952 (414) 271-2400 - 150,000 shares of common stock. (File 2-67429 - Apr. 17)
- (S-8) ORIOLE HOMES CORP., 1151 Northwest 24th St., Pompano Beach, Fla. 33064 (305) 972-7660 - 100,000 shares of common stock. (File 2-67431 - Apr. 18)
- (S-8) MIRRO CORPORATION, 1512 Washington St., Manitowoc, Wis. 54220 (414) 271-2400 - 150,000 shares of common stock. (File 2-67434 - Apr. 17)

#### REGISTRATIONS EFFECTIVE

- Apr. 14: InterCapital Reserve Cash Management Inc., 2-67087; OKC Corp., 2-67053.
- Apr. 15: Zenith National Insurance Corp., 2-67037.
- Apr. 16: Cardinal Tax-Exempt Bond Trust, Fifteenth Series, 2-66550; Florida Power Corp., 2-66912; General Telephone & Electronics Corp., 2-67026; Giddings & Lewis, Inc., 2-67121; John Hancock Cash Management Trust II, 2-67238; Interstate Power Co., 2-67020; Montana-Dakota Utilities Co., 2-67046; Municipal Investment Trust Fund, One Hundred Twenty-Ninth Monthly Payment Series, 2-67175; Otter Tail Power Co., 2-67028; Sunbelt Exploration, Inc., 2-65800; Toltec Royalty Corp., 2-66501; Western Gear Corp., 2-67069; Worthington Industries, Inc., 2-66782.
- Apr. 17: Analog Devices, Inc., 2-67154; The Bell Telephone Co. of Pennsylvania, 2-67292; Communications Industries, Inc., 2-66915; The Corporate Income Fund, Sixty-First Short Term Series, 2-66827; Digicon Inc., 2-66916; The Tax Exempt Securities Trust, Series 36, 2-67200; Treasury Trust, 2-67350; Tymshare, Inc., 2-66964.
- Apr. 18: The Toledo Edison Co., 2-67076.

## SIGNIFICANT NO-ACTION AND INTERPRETIVE LETTERS

The following is a list of significant no-action and interpretative letters recently issued by the Division of Corporation Finance. These letters express the view of the Division with respect to novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Section, 1100 L Street, N.W., Room 6101, Washington, D.C., stating the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date. Copies cost 10 cents per page.

### DIVISION OF CORPORATION FINANCE

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
International Telephone & Telegraph Co.	'34 Act/Rule 14a-8(d)	2/15/80	2/15/80
General Dynamics Corp.	'34 Act/Rule 14a-8(d)	2/25/80	2/25/80
American Airlines	'34 Act/Rule 14a-8(d)	2/27/80	2/27/80
Metro-Goldwyn-Mayer, Inc.	'33 Act/§2(3) '33 Act/§5	3/7/80	4/7/80
Southland Trust Co.	'33 Act/§3(a)(2) '34 Act/§3(a)(12) '34 Act/§12(g)(2)(H) '34 Act/Rule 12h-2	3/14/80	4/14/80
North American Philips Corp.	'33 Act/§3(a)(2) '33 Act/§5 '34 Act/§12(p)(2)(H) '34 Act/Rule 12h-2	3/20/80	4/21/80
Rice Lake Bancorp	'33 Act/§3(a)(10)	3/21/80	4/21/80
Bacardi Corp.	'33 Act/§4(1)	3/17/80	4/17/80
Morgan Guaranty Trust Co.	'33 Act/§5	3/20/80	4/21/80
UV Industries	'33 Act/§5	3/6/80	4/7/80
Republic Airlines	'33 Act/Rule 145(d)	3/18/80	4/18/80
Ron R. Sexton	'34 Act/Rel. No. 34-16327	3/20/80	4/21/80
Faith Colish	'34 Act/Reg. 13D-G	3/24/80	3/24/80
Minnesota Mining & Manufacturing Co.	'34 Act/Rule 14a-8	3/27/80	3/27/80
BankAmerica Corp.	'34 Act/Rule 14a-8	3/10/80	3/10/80
Sears, Roebuck & Co.	'34 Act/Rule 14a-8	3/6/80	3/6/80
Carnation Co.	'34 Act/Rule 16b-3	3/5/80	4/4/80
Conoco, Inc.	'34 Act/Rule 16b-3	3/31/80	5/1/80
Travelers Corp.	'39Act/§304(a)(1)	3/17/80	4/17/80

## 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 there beneficial interest therein exceeds 5%. Persons eligible to use the short form (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G 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 13D's during the period March 28 - April 2, 1980. 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 set 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>
Jordan L. Heiman, Individually and Trustee	Intertherm, Inc. (St. Louis, MO) Common Stock - 585,540 shs. (25.6%)	3-28-80
Ruth A. Heiman, Individually and Trustee	Intertherm, Inc. (St. Louis, MO) Common Stock - 461,556 shs. (20.2%)	3-28-80
Theodore H. Heiman, Individually and Trustee	Intertherm, Inc. (St. Louis, MO) Common Stock - 341,973 shs. (14.9%)	3-28-80
Marilyn P. Young, Individually and Trustee	Intertherm, Inc. (St. Louis, MO) Common Stock - 411,925 shs. (18%)	3-28-80
* John Brown Industries Ltd. (Wholly-owned subsidiary of John Brown & Co. Ltd. (U.K.))	Leesona Corporation (Warwick, RI) Common Stock - 1,266,089 shs. Common Stock - 228,571 shs. on exercise of warrant	3-28-80
* Compagnie de L'Occident pour la Finance et L'Industrie S.A. (Luxembourg)	LITCO Bancorporation of New York, Inc. (NYC) Common Stock - 236,717 shs.	3-28-80
* Patricia Ann Monfort, Individually and Custodian	Monfort of Colorado, Inc. (Greeley, CO) Common Stock - 266,642 shs.	3-28-80
* Kaye C. Monfort	Monfort of Colorado, Inc. (Greeley, CO) Common Stock - 419,355 shs.	3-28-80
* Chris-Craft Industries, Inc.	Twentieth Century-Fox Film Corp. (Los Angeles, CA) Common Stock - 1,492,000 shs. (19%) Common Stock - 1,200 shs. on conversion of Preferred Stock	3-28-80
* Carl D. Glickman, Individually and Trustee	Union Commerce Corp. (Cleveland, OH) Common Stock - 392,293 shs. (10.4%) Common Stock - 40,653 shs. on exercise of options	3-28-80
* Lane Processing, Inc.	Valmac Industries, Inc. (Memphis, TN) Common Stock - 307,750 shs.	3-28-80
* Roy M. Huffington, Inc. Roy M. Huffington	Alaska Interstate Company (Houston, TX) Common Stock - 403,567 shs.	3-31-80
* Burke Beverage Company, Inc. First National, Inc. of Springfield, Co. Waite & Co., Inc. of Bozeman Associated Bankers Corp.	Bank of Montana System (Great Falls, MT) Common Stock - 181,880 shs. on exercise of options (Group also has an option to acquire \$388,000 Convertible Debentures.)	3-31-80
* William S. Manning Beverly M. Manning	Bibb Company (Macon, GA) Common Stock - 79,057 shs. Common Stock - 2,000 shs. on exercise of options	3-31-80

## ACQUISITION REPORTS CONT.

Horace F. McKay	Cobb Nuclear Corporation (Albuquerque, NM) Common Stock - 141,499 shs. (Included above are shares owned by other family members.)	3-31-80
N. V. Euro Shoe Unie (Belgium)	Craddock-Terry Shoe Corporation (Lynchburg, VA) Common Stock - 79,300 shs.	3-31-80
Louis E. Mapp	First Mississippi National Corp. (Hattiesburg, MS) Common Stock - 34,870 shs.	3-31-80
* Clabir Corporation Flinchbaugh Products, Inc. Karman Corporation Wilmot L. Harris, Jr., et al	General Host Corporation (Stamford, CT) Common Stock - 689,600 shs. (22.95%)	3-31-80
Continental Illinois Corp. Continental Illinois National Bank & Trust Company of Chicago	Great American Management & Investment Inc. (Atlanta, GA) Common Stock - 312,992 shs.	3-31-80
* Unicorp Financial Corp. (Canada) George S. Mann (Canada)	GRETT Realty Trust (Warrington, PA) Shares of Beneficial Interest - 290,719 (29.1%)	3-31-80
Kuan Inc.	HOH Corporation (Honolulu, HI) Common Stock - 4,092,515 shs. (82.6%)	3-31-80
SZRL Investment	Hamilton Investment Trust (Elizabeth, NJ) Shares of Beneficial Interest - 109,500	3-31-80
Nathan Freedland Herbert Freedland, Trustee Brenda Pangborn, Custodian and as Representatives	Howell Industries, Inc. (Southfield, MI) Common Stock - 825,578 shs. (57.5%)	3-31-80
Telvest, Inc. Telco Leasing, Inc. Technical Equipment Leasing Corp. Libco Corp. Clyde Wm. Engle	Indiana Financial Investors, Inc. (Indianapolis, IN) Common Stock - 115,000 shs. (10%)	3-31-80
Consolidated Eldorado Mining Company, Inc.	Intermountain Exploration Company (Boulder City, NV) Class B Common Stock - 85,000 shs.	3-31-80
* Life Investors Insurance Company of America	International Bank (Washington, DC) Common Stock - 355,500 shs.	3-31-80
Galdi Securities Corp.	Miller Bros. Industries, Inc. (Dallas, TX) Common Stock - 28,914 shs.	3-31-80
Douglas H. Willson	Moxa Energy Corporation (Casper, WY) Common Stock - 209,000 shs.	3-31-80
Kansas City Life Insurance Company	National Reserve Life Insurance Co. (Topeka, KS) Class A Common Stock - 1,569,385 shs. (91.4%) Class AA Common Stock - 1,357 shs. (90%) (Above shares were acquired pursuant to the Tender Offer.)	3-31-80
De Rance, Inc.	Realty & Mortgage Investors of the Pacific (Oakland, CA) Shares of Beneficial Interest - 96,600	3-31-80
* Mutual Shares Corp. Mrs. Charlotte Heine Arthur Semson Trust, et al	Stecher Traung Schmidt Corp. (Detroit, MI) Common Stock - 58,358 shs. Common Stock - 11,300 shs. on conversion of Debentures	3-31-80
* Alaska Northwest Industries Inc.	Trailer Equipment Distributors, Inc. (Seattle, WA) Capital Stock - 92,357 shs. (16.8%)	3-31-80

## ACQUISITION REPORTS CONT.

* Life Investors, Inc.	20th Century Guardian Life Insurance Co. Common Stock - 1,327,585 shs. (88.5%)	3-31-80
* Utilities & Industries Corp.	Unimax Group, Inc. (NYC) Common Stock - 494,745 shs. (35.8%) Common Stock - 255,362 shs. on exercise of options	3-31-80
Arthur A. Feiner Michael A. Feiner	U. S. Realty Investments (Cleveland, OH) Shares of Beneficial Interest - 165,019 Shares of Beneficial Interest - 22,500 on exercise of options (Included above are shares owned by their wives.)	3-31-80
* David F. Bolger, Trustee	Worcester Bancorp, Inc. (Worcester, MA) Common Stock - 213,344 shs. (13.8%)	3-31-80
Barbara A. Bolger, Trustee	Worcester Bancorp, Inc. (Worcester, MA) Common Stock - 213,344 shs. (13.8%)	3-31-80
G. B. Cruisers(S) Pte. Ltd. (Singapore)	American Marine, Ltd. (Newport Beach, CA) Common Stock - 734,146 shs. (72%) (Above shares were acquired pursuant to an Agreement.)	4-1-80
Christian Hardmeyer (Switzerland)	Kay Corporation (Alexandria, VA) Common Stock - 11,400 shs.	4-1-80
* Richard Lee Monfort	Monfort of Colorado, Inc. (Greeley, CO) Common Stock - 419,355 shs.	4-1-80
* Walco National Corporation	Reece Corporation (Waltham, MA) Common Stock - 345,600 shs. (12%)	4-1-80
* Don G. Hoff	A. T. & E. Corporation (San Francisco, CA) Common Stock - 1,300,645 shs. (45.5%) (Included above are shares owned by his wife and children.)	4-2-80

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