

sec news digest

J. S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

Issue 76-42
(SEC Docket, Vol. 9, No. 1 - March 16)

March 2, 1976

RULES AND RELATED MATTERS

MAR 3 1976

PROPOSED RULE RELATING TO TERMINATION OF
REGISTRATION UNDER SECTION 12(g) OF THE
SECURITIES EXCHANGE ACT OF 1934

LIBRARY

The SEC has announced a proposal to adopt Rule 12g-4 which would require the filing of a form with the Commission by an issuer certifying that the number of holders of record of a class of security registered under Section 12(g) is reduced to less than three hundred holders. The Commission is proposing to amend Form 15d-6 to consolidate it with a new form to be used for filing notices under Rule 15d-6 and certifications under the proposed rule. The Commission believes that the proposed rule would facilitate compliance with the Act, expedite the processing of the certification by the staff and would parallel the requirements under Rule 15d-6. (Rel. 34-12153)

COMMISSION ANNOUNCEMENTS

A.J. CARNO CO., INC., ANTHONY NADINO

Administrative Law Judge Ralph Hunter Tracy has filed an initial decision ordering that the registration as a broker-dealer of A.J. Carno Co., Inc., New York, New York, be revoked and the firm expelled from the NASD; and that its former vice-president Anthony Nadino be barred from association with a broker-dealer except that after six months he may, upon appropriate application to the SEC be permitted to become associated with a broker-dealer in a nonsupervisory capacity. The decision is subject to appeal to the Commission.

The Administrative Law Judge found that A.J. Carno Co., Inc., and Mr. Nadino had willfully violated the antifraud provisions of the securities laws in connection with participating in a manipulation of the common stock of Management Dynamics, Inc. during the period from September 1, 1972 until December 8, 1972, when the Commission suspended trading.

COMMISSION ACTION FOIA APPEAL

The Commission has denied the appeal of Martin E. Firestone from the staff's initial denial of his request under the Freedom of Information Act for access to documents in the Commission's investigatory file relating to certain allegations in the complaint filed in July 1975 against Stirling Homex Corporation. Mr. Firestone has requested any documents indicating "how, by whom and to whom the illegal political contributions of Stirling Homex Corporation were made, the amount of such contributions, and the nature of the documents created by Stirling Homex Corporation and by whom such documents were created."

The Commission denied Mr. Firestone's request on the basis among others, that disclosure would tend to interfere with law enforcement proceedings and deprive those who may be named in such proceedings of the right to a fair trial or impartial adjudication. See 5 U.S.C. 552(b)(7). The Commission noted that the investigative file in question had been transferred to the Office of the United States Attorney for the Southern District of New York in connection with a criminal investigation being conducted by that Office. (Rel. FOIA-43)

ARO SECURITIES REGULATION AND ENFORCEMENT
CONFERENCE ANNOUNCED

The Atlanta Regional Office will sponsor its 3rd annual securities regulation and enforcement conference for accountants, attorneys, financial analysts, broker-dealers, state securities regulators, NASD and stock exchange representatives and other interested persons. The conference will be held on April 29 and 30 at the Peachtree Plaza Hotel in Atlanta, Georgia.

Recognized authorities in their fields will discuss such subjects as: corporate reporting, disclosure, SIPC, recent developments in broker-dealer regulation, registration of municipal bond dealers, and various enforcement, litigation, and regulatory problems.

For additional information and a registration application, call or write: Securities and Exchange Commission, Suite 788, 1375 Peachtree Street, N.E., Atlanta, Georgia 30309. Telephone (404) 892-0737.

**NOTICE OF PUBLICATION OF STAFF
ACCOUNTING BULLETIN NO. 6**

The Division of Corporation Finance and the Office of the Chief Accountant today announced the publication of Staff Accounting Bulletin No. 6 which provides interpretations of Accounting Series Release No. 177.

INVESTMENT COMPANY ACT RELEASES

AMERICAN FUND FOR SAVINGS

An order has been issued terminating the registration of American Fund for Savings under the Act on the Commission's own motion. (Rel. IC-9183 - Mar. 1)

MILWAUKEE EQUITY FUND

An order has been issued declaring that Milwaukee Equity Fund, Inc., has ceased to be an investment company. (Rel. IC-9184 - Mar. 1)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

An order has been issued approving a proposal by Consolidated, a registered holding company, to amend its corporate charter to further limit preemptive rights with respect to new issues of its common stock and to solicit proxies in connection therewith. (Rel. 35-19409 - Mar. 1)

OHIO EDISON COMPANY

A notice has been issued giving interested persons until March 29 to request a hearing on a proposal by Ohio Edison Company, an electric utility and a registered holding company, that it issue and sell 4,000,000 shares of its common stock by competitive bidding. (Rel. 35-19410 - Mar. 1)

CENTRAL AND SOUTH WEST CORPORATION

An order has been issued authorizing Central and South West Corporation, a registered holding company, to make a capital contribution of \$20 million to Central Power and Light Company, one of its electric utility subsidiaries. (Rel. 35-19411 - Mar. 1)

NEW ENGLAND ELECTRIC SYSTEM

A notice has been issued giving interested persons until March 26 to request a hearing on a proposal of New England Electric System (NEES), a registered holding company, and certain of its subsidiary electric utility companies, for the subsidiaries to issue short-term promissory notes to banks and/or NEES, and commercial paper to dealers in commercial paper. (Rel. 35-19412 - Mar. 1)

SECURITIES ACT REGISTRATIONS

(S-5) CHESTNUT MONTHLY INCOME FUND, INC.

120 Wall St., New York, N.Y. 10005 - 1,000,000 shares of common stock, to be offered for sale through First Investors Management Company, Inc., 120 Wall St., New York, N.Y. 10005. The company is an open-end investment company with a stated objective of income. (File 2-55545 - Feb. 20)

(S-14) MERCANTILE TEXAS CORPORATION

1704 Main St., Dallas, Tex. 75201 (Mercantile) - 1,420,118 shares of common stock and 568,047 shares of \$3.00 Series A cumulative convertible preferred stock (\$50 par). Mercantile proposes to issue such shares to the stockholders of Federated Capital Corporation, 1300 Main St., Houston, Tex. 77002 (Federated) pursuant to a Plan of Reorganization Agreement of Merger dated as of January 22, 1976, between Mercantile and Federated at the rate of .25 of a share of Mercantile common stock and .1 of a share of Series A preferred stock for each outstanding share of common stock of Federated. Mercantile and Federated are bank holding companies. (File 2-55592 - Feb. 26)

(S-1) GREYHOUND LEASING & FINANCIAL CORPORATION

Greyhound Tower, Phoenix, Ariz. 85077 - \$50 million of notes, due 1984, to be offered for sale through underwriters represented by White, Weld & Co. Inc., One Liberty Plaza, New York, N.Y. 10006. Greyhound Leasing & Financial Corporation is engaged in financing, principally through full-payout leases, general industrial and commercial equipment. (File 2-55594 - Feb. 26)

(S-14) VALLEY OF VIRGINIA BANKSHARES, INC.

141 East Market St., Harrisonburg, Va. 22801 - 130,625 shares of common stock. It is proposed to offer these shares for assets to be transferred by merger from the First National Bank of Troutville into Troutville Bank, N.A. at the rate of 4.75 shares for each of Registrant's shares. Troutville Bank, N.A. is or will be a wholly-owned subsidiary of Registrant. Valley of Virginia Bankshares, Inc. is a Virginia corporation and a registered bank holding company. (File 2-55600 - Feb. 27)

(S-1) TEXLAND DRILLING PROGRAM - 1976

3402 Fort Worth National Bank Bldg., Fort Worth, Tex. 76102 - \$2 million of preformation limited partnership interests (200 units of participation), to be offered for sale at \$10,000 per unit, by McDonald & Company, as dealer-manager, and selected NASD members, as soliciting dealers, on a best efforts basis. Such interests are subject to possible assessments not to exceed \$500,000, with Texland Petroleum Inc., as the general partner, obligated under certain conditions to repurchase a portion of the interests. The partnership will be formed to drill for and produce oil and gas and purchase oil and gas properties. (File 2-55602 - Feb. 27)

(S-11) BALCOR INCOME PROPERTIES LTD.

One Concourse Plaza, 4711 Golf Rd., Skokie, Ill. 60076 - 10,000 limited partnership interests, to be offered for sale at \$1,000 per interest by the following dealer-managers: Blyth Eastman Dillon & Co. Inc., 135 South LaSalle St., Chicago, Ill. 60603; Paine, Webber, Jackson & Curtis, 208 South LaSalle St., Chicago, Ill. 60604; and The Robinson-Humphrey Company, Inc., Two Peachtree St., N.W., Atlanta, Ga. 30303. Balcors is an Illinois limited partnership which will invest primarily in existing commercial real properties, some of which may be Triple Net Leased to others, and in existing residential properties. (File 2-55603 - Feb. 27)

(S-14) BANCSHARES OF NEW JERSEY

312 West Route 38, Moorestown, N.J. 08057 - 255,553 shares of common stock, to be offered to the shareholders of Beach Haven National Bank and Trust Co. on the basis of 1 Bancshares share for 1-1/4 shares of Beach Haven National Bank and Trust Co.'s capital stock. Bancshares is a bank holding company. (File 2-55604 - Feb. 27)

(S-6) THE MUNICIPAL BOND FUND, SERIES 28

c/o Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York, N.Y. 10005 and Hornblower & Weeks-Hemphill, Noyes Inc., 8 Hanover St., New York, N.Y. 10005 - \$5 million of units. The Fund will be created under a trust indenture among Paine, Webber, Jackson & Curtis Inc. and Hornblower & Weeks-Hemphill, Noyes Inc. as sponsors, United States Trust Company of New York, as trustee, and Standard & Poor's Corp., as evaluator. The Fund will consist of interest bearing obligations issued by or on behalf of states, counties, municipalities and territorial possessions of the United States and authorities, agencies and other political subdivisions thereof, the interest on which is, in the opinion of counsel to the issuers of such obligations, exempt from Federal income tax. (File 2-55606 - Feb. 27)

(S-1) HY-GAIN ELECTRONICS CORPORATION

8601 N. E. Highway 6, Lincoln, Neb. 68505 - 1,000,000 common shares, to be offered for sale to the public through underwriters represented by E. F. Hutton & Company Inc., One Battery Park Plaza, New York, N.Y. 10004. Of the 1,000,000 common shares being

offered, 500,000 shares are being sold by the company and 500,000 shares are being sold by certain shareholders of the company. The company and its subsidiaries design, manufacture and sell two-way radio communication equipment, including Citizens Band radios. The company also manufactures and sells a broad line of communication antennas. (File 2-55610 - Feb. 27)

(S-7) PENNSYLVANIA POWER COMPANY

1 East Washington St., New Castle, Pa. 16103 - 80,000 shares of preferred stock, to be offered for sale at competitive bidding. The company is an electric utility company operating in Pennsylvania, and is a wholly-owned subsidiary of Ohio Edison Company, an electric utility company operating in Ohio. (File 2-55612 - Feb. 27)

(S-7) OHIO EDISON COMPANY

47 North Main St., Akron, Ohio 44308 - up to 250,000 shares of common stock, to be offered by the company pursuant to a Dividend Reinvestment and Stock Purchase Plan. The company is an electric utility operating in Ohio and owns all the outstanding common stock of Pennsylvania Power Company, an electric utility operating in Pennsylvania. (File 2-55613 - Feb. 27)

(S-5) DREYFUS INTERMEDIATE BOND FUND, INC.

767 Fifth Ave., New York, N.Y. 10022 - 250,000 shares of common stock, to be offered for sale from time to time at net asset value. The initial offering price will be \$20.00 per share. The Dreyfus Sales Corporation is principal underwriter. Dreyfus Intermediate Bond Fund, Inc. is a diversified, open-end investment company. (File 2-55614 - Feb. 27)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Bowne & Co., Inc., New York, N.Y. (File 2-55555 - Feb. 23) - 60,000 shares
Vickers Energy Corp., Wichita, Kansas (File 2-55561 - Feb. 23) - 50,000 shares
May Petroleum Inc., Dallas, Tex. (File 2-55562 - Feb. 23) - 10,000 shares
The Southland Corp., Dallas, Tex. (File 2-55567 - Feb. 24) - 103,000 shares
King's Department Stores, Inc., Newton, Mass. (File 2-55578 - Feb. 24) - 50,000 shares
Interstate United Corp., Chicago, Ill. (File 2-55579 - Feb. 24) - 150,000 shares
Reliance Electric Company, Cleveland, Ohio (File 2-55580 - Feb. 23) - 100,000 shares
A. E. Staley Manufacturing Company, Decatur, Ill. (File 2-55611 - Feb. 27) - 200,000 shares

REGISTRATIONS EFFECTIVE

February 26: American Crystal Sugar Company, 2-55466.

February 27: Energy Absorption Systems Inc., 2-55334; International Harvester Company, 2-55544 & 2-55543; Oscar Mayer & Co., Inc., 2-55502; Saxon Funds 1976 Program, 2-55182 (90 days); Uniservice Corporation, 2-55315.

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.

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 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced 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.