

MAR 7 1978

sec news digest

Issue 78-44

March 6, 1978

RULES AND RELATED MATTERS

INDUSTRY SEGMENT DETERMINATION - STAFF INTERPRETATIONS

The Commission authorized the publication of a release which contains current information on interpretations, guidelines and administrative determinations of the Commission's staff regarding the classification by registrants of their business into industry segments. The staff has discussed with some registrants the appropriate segmentation of their business as a result of both the issuance by the Financial Accounting Standards Board of Statement of Financial Accounting Standards No. 14, "Financial Reporting for Segments of a Business Enterprise", and the adoption by the Commission in December 1977 of industry segment reporting requirements. This release is intended to assist registrants with the implementation of the segment reporting requirements. (Rel. 33-5910)

FOR FURTHER INFORMATION CONTACT: Howard P. Hodges, Jr. on 202/755-1744, Linda L. Griggs on 202/755-1750 or Edward R. Cheramy on 202/376-8020.

COMMISSION ADOPTS TECHNICAL AMENDMENT TO INDUSTRY SEGMENT REPORTING REQUIREMENTS

The Commission adopted a technical amendment to its recently adopted disclosure regulation, Regulation S-K, to clarify that registrants may present line of business data for fiscal years beginning before December 16, 1976 in lieu of industry segment information for those years provided such data was included in a document previously filed with the Commission. (Rel. 33-5911)

FOR FURTHER INFORMATION CONTACT: Linda L. Griggs on 202/755-1750 or Edward R. Cheramy on 202/376-8020.

COMMISSION ANNOUNCEMENTS

ALBERT FONTES AND JAMES FOSTER APPOINTED TO KEY POSITIONS

Chairman Williams today announced the appointments of Albert Fontes as Assistant Executive Director and James C. Foster as Director of Personnel. The appointments will become effective on March 12, 1978.

Mr. Fontes joined the Commission as a budget and accounting trainee in 1941. He has served in a variety of successively more responsible positions, both in the budgetary and personnel areas, leading up to his present position as Director of Personnel. As Assistant Executive Director, Mr. Fontes will work closely with the Chairman and the Executive Director on two of the Commission's highest priority management projects -- development of a more effective performance appraisal system and an improved program for management development. Mr. Fontes will also play a major role in implementing policies and procedures related to the President's restructuring of the Federal personnel system announced on March 2, 1978, as they affect the Commission.

Mr. Foster joined the Commission in 1955 as a mail clerk and became an administrative trainee in what is now the Division of Enforcement. He was subsequently appointed administrative officer, with responsibility for the division's personnel management program, and he has since served in increasingly responsible positions, leading up to his present position as Director of the Office of Reports and Information Services. Coming from the Commission's third largest office, he will bring to the Office of Personnel the perspective of a manager with extensive operating experience. In addition to the traditional responsibilities of his new position, including, among other things, recruiting, merit promotions, awards, classification, grievances and labor-management relations, Mr. Foster will direct the implementation of an automated personnel system.

**FRANCIS T. VINCENT, JR., NAMED ASSOCIATE
DIRECTOR OF CORPORATION FINANCE**

Richard H. Rowe, Director of the Division of Corporation Finance, announced today the appointment of Francis T. Vincent, Jr. as Associate Director (Disclosure Compliance). Prior to accepting this appointment, Mr. Vincent was a member of a Washington, D.C. law firm where he specialized in corporate, federal securities and banking law matters. He received his BA from Williams College and his LLB from Yale Law School. He is a member of the Bars of Connecticut, New York and the District of Columbia.

As Associate Director (Disclosure Compliance) Mr. Vincent will have primary responsibility for the compliance and legal interpretive functions of the Full Disclosure Program which the Division administers. Mr. Vincent will be the principal liaison with the Division of Enforcement on compliance matters and the Division's Office of Chief Counsel and Office of Tender Offers and Small Issues will report to him. As a member of top management he will also participate in formulating and effectuating policies and programs with respect to the Division's overall functional responsibilities.

TRADING SUSPENSIONS

TRADING SUSPENDED IN AMINEX RESOURCES CORP.

The SEC announced the single ten day suspension of exchange and over-the-counter trading in the securities of Aminex Resources Corp., a Delaware corporation located in New York, New York, for the period beginning on March 6 and terminating at midnight (EST) on March 15, 1978. The Commission suspended trading at the company's request pending release of information regarding major corporate developments.
(Rel. 34-14528)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES AMERICAN ELECTRIC POWER COMPANY, OTHERS

The Commission announced the filing of a complaint in the U.S. District Court for the District of Columbia against American Electric Power Company, Inc. (AEP), a registered public utility holding company, and the following subsidiaries of AEP: American Electric Power Service Corp., Appalachian Power Co., Franklin Real Estate Co., Indiana and Michigan Electric, Indiana Franklin Realty, Inc., Kentucky Power Co., Kingsport Power Co., Michigan Power Co., Ohio Power Co., and Wheeling Electric Co.

The complaint alleges that defendants invested in, and financed the acquisition and development of, real estate in contravention of provisions of the Holding Company Act of 1935. It also alleges that the defendants made substantial investments in fuel-related activities without seeking or obtaining required Commission approval.

The defendants, without admitting or denying the allegations of the Commission's complaint, consented to an order of the court prohibiting them from: (1) issuing or selling securities except in compliance with Section 6 or 7 of the Holding Company Act; (2) acquiring securities, utility assets or any other interests in any businesses except in compliance with Sections 9 or 10 of the Holding Company Act; and (3) performing services or construction work for, or selling goods to, any associate company except in compliance with Section 13 of the Holding Company Act. The Court's order requires the defendants to divest themselves of all remaining assets and interests involving real estate, as defined by an Undertaking and Stipulation of the defendants, and to report to the Court and the Commission on their progress in and plans for divesting such assets and interests (the Court retaining jurisdiction for the purpose of issuing any supplemental orders in this respect).

The defendants undertake to appoint a Special Auditor satisfactory to the Commission to conduct an investigation and issue a written report to AEP, the Court and the Commission within 180 days of his appointment. Within 60 days of the receipt of the Special Auditor's Report, the defendants must file with the Commission any amended or corrected reports as are necessary in light of the findings of the Special Auditor. (SEC v. American Electric Power Company, Inc., et al., U.S.D.C. D.C.) (LR-8310)

HOLDING COMPANY ACT RELEASES

THE COLUMBIA GAS SYSTEM, INC.

An order has been issued authorizing a proposal of Columbia and its subsidiaries to specially allocate consolidated return tax liabilities among system companies in a manner other than prescribed in Rule 45(b)(6) for the taxable year 1977 and reserving jurisdiction over Columbia's request to allocate tax liability in the same manner for taxable year 1978. (Rel. 35-20427 - Mar. 7)

ALLEGHENY POWER SYSTEM

A notice has been issued giving interested persons until April 3 to request a hearing on a proposal of Allegheny Power System, Inc., a registered holding company, whereby Allegheny proposes to become bonded as surety to the State of West Virginia in an amount and at an interest rate to be determined by the appropriate West Virginia authority. The proposed transaction will enable The Potomac Edison Company, a subsidiary of Allegheny, to begin applying new increased rates for which it has applied to the West Virginia Commission prior to that Commission's decision on the matter. (Rel. 35-20408 - Mar. 2)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

LISTING ACTIONS

Orders have been issued pursuant to Section 12(d) of the Securities Exchange Act of 1934 granting the applications of the following companies to list the specified securities on the following stock exchanges: New York Stock Exchange, Inc. - The Pacific Telephone and Telegraph Co., 9% Forty Year debentures, due 2018 (effective as of Feb. 7, 1978); Kingdom of Sweden, 8-1/2% bonds, due 1987 and 9% bonds, due 1997; Societe Nationale Des Chemins De Fer Francais, 9% guaranteed bonds, due 1992 (both effective as of Feb. 1, 1978); Sea Containers Atlantic Ltd., \$1.4625 cumulative preferred shares (effective as of Feb. 6, 1978); International Aluminum Corp., common stock; Medenco, Inc., common stock; Detroit Edison, Co., \$2.28 Series preference stock (cumulative) (all effective as of Feb. 10, 1978). American Stock Exchange, Inc. - Petro-Lewis Corp., 11% subordinated debentures, due 1997 (effective as of Feb. 6, 1978). Pacific Stock Exchange, Inc. - The Pacific Telephone and Telegraph Co., 9% forty year debentures, due 2018 (effective as of Feb. 7, 1978).

The Commission has also announced that the specified securities of the following companies have become listed on the following stock exchanges: New York Stock Exchange Inc. - D. H. Baldwin Co., common stock (effective as of Jan. 22, 1978); Carrier Corp., \$1.86 cumulative preferred stock, Series (Convertible) (Stated value \$31.00 per share) (effective as of Feb. 2, 1978); Pacific Northwest Bell Telephone Co., common stock (effective as of Feb. 5, 1978); Fuqua Industries, Inc., National Industries Inc. (Assumed Obligation), 8% subordinated debentures, due March 1, 1981 and National Industries Inc. (Assumed Obligation), 10% Subordinated debentures, due 1999 (effective as of Feb. 8, 1978); Buttes Gas & Oil Company, common stock, 10-1/4% subordinated debentures, due 1997, and 5-1/2% convertible subordinated debentures, due 1988 (effective as of Feb. 19, 1978). American Stock Exchange, Inc. - Fuqua Industries, Inc., Warrants to Purchase shares of common stock, expiring October 31, 1978 (effective as of Feb. 9, 1978). Pacific Stock Exchange, Inc. - Buttes Gas & Oil Co., common stock (effective as of Feb. 3, 1978). Midwest Stock Exchange - Carrier Corp., \$1.86 cumulative preferred stock, Series (convertible) (stated value \$31.00 per share) (effective as of Jan. 26, 1978). Cincinnati Stock Exchange - D. H. Baldwin Co., common stock (effective as of Feb. 8, 1978).

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) MCLEAN FUTURES FUND, Suite 1800, 141 West Jackson Blvd., Chicago, Ill. 60604 - 8,000 units of limited partnership interest. Selling Agents - Contisecurities, Inc. and Wheat, First Securities, Inc. The partnership was organized to engage in speculative trading of commodity futures contracts and possibly commodity options. (File 2-60877 - Mar. 2)
- (S-4) VARICK GROWTH FUND, INC., 150 Varick St., 10th Floor, New York, N.Y. 10013 - 20,000 shares of common stock. The Fund is a new closed-end diversified investment company. (File 2-60879 - Mar. 2)
- (S-8) CONROCK CO., 3200 San Fernando Rd., Los Angeles, Cal. 90065 - 100,000 shares of capital stock. (File 2-60880 - Mar. 3)
- (S-11) HOME SAVINGS AND LOAN ASSOCIATION, 3731 Wilshire Blvd., Los Angeles, Cal. 80010 - 4,000 mortgage-backed certificates, First Series, Variable Pass-Through Rate. Underwriters: Salomon Brothers and Goldman, Sachs & Co. (File 2-60881 - Mar. 3)
- (S-6) CORPORATE SECURITIES TRUST, LONG-TERM DEBT SERIES 5 - 14,000 units. Depositors: Smith Barney, Harris Upham & Co. Inc., 1345 Avenue of the Americas, New York, N.Y. 10019; Loeb Rhoades, Hornblower & Co.; Blyth Eastman Dillon & Co. Inc.; Shearson Hayden Stone Inc; and Thomson McKinnon Securities Inc. (File 2-60882 - Mar. 3)
- (S-7) A-T-O INC., 4420 Sherwin Rd., Willoughby, Ohio 44094 (216-946-9000) - \$20 million of subordinated debentures, due 1998. Underwriter: E.F. Hutton & Company Inc. The company produces fire protection and safety products and systems and recreational and proprietary industrial products. (File 2-60883 - Mar. 3)
- (S-7) CONSUMERS POWER COMPANY, 212 West Michigan Ave., Jackson, Mich. 49201 (517-788-1030) - 1,200,000 shares of common stock. The company is a public utility. (File 2-60884 - Mar. 3)
- (S-7) FIRST NATIONAL STATE BANCORPORATION, 550 Broad St., Newark, N.J. 07102 (201-565-3681) - \$30 million of notes, due 1988. Underwriters: Goldman, Sachs & Co. and John J. Ryan & Co. (File 2-60885 - Mar. 3)
- (S-8) THE QUAKER OATS COMPANY, Merchandise Mart Plaza, Chicago, Ill. - \$20 million of participations. (File 2-60886 - Mar. 3)
- (S-7) THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY, 931 Fourteenth St., Denver, Colo. 80202 (303-624-2424) - \$225 million of forty-year debentures, due 2018. (File 2-60887 - Mar. 3)
- (S-7) R. G. BARRY CORPORATION, 13405 Yarmouth Rd., N.W., Pickerington, Ohio 43147 (614-864-6400) - \$5,500,000 of debentures. Underwriter: The Ohio Company. The company designs, manufactures and sells leisure time comfort footwear. (File 2-60888 - Mar. 3)
- (S-1) AMERICAN MOTORS CORPORATION, 27777 Franklin Rd., Southfield, Mich. 48034 - 256,588 shares of capital stock to be sold from time to time by selling stockholders. The company manufactures, assembles and sells automotive vehicles and their parts and related accessories. (File 2-60889 - Mar. 3)
- (S-1) ARGONAUT ENERGY CORPORATION, Suite 1305, American National Bank Bldg., Amarillo, Tex. 79101 - 13,500 shares of common stock. (File 2-60890 - Mar. 6)

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 on 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.