

# sec news digest

LIBRARY

Issue 78-66

April 5, 1978

APR 6 1978

## NOTICE OF COMMISSION MEETINGS

U.S. SECURITIES AND  
EXCHANGE COMMISSION

### CHANGES IN THE MEETING

The following additional item will be considered by the Commission at the open meeting scheduled for Thursday, April 6 at 9 a.m.: Proposed rule change of the Cincinnati Stock Exchange to authorize, as a nine-month pilot program, an electronic "multiple dealer" trading system through which bids and offers may be entered and transactions may be effected without the necessity that either direct party to a trade be physically present on the Cincinnati Stock Exchange floor.

### SCHEDULE OF NEXT WEEK'S MEETINGS

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.

#### OPEN MEETING - MONDAY, APRIL 10, 1978 - 9 A.M.

The subject matter of the April open meeting will be:

- (1) Proposed interpretative release dealing with the exemptive provisions of Section 3(a)(8) of the Securities Act of 1933. This concerns certain contracts issued by insurance companies known as guaranteed investment contracts, tax-deferred annuity contracts and similar products.
- (2) Proposed notice concerning an application filed by Standard Shares, Inc. for an order stating that, the company has ceased to be an investment company and for an order terminating its registration.
- (3) Proposed adoption of amendments to Form S-16 under the Securities Act of 1933, which would expand the availability of this short form for the registration of securities.
- (4) Request filed by the Spokane Stock Exchange, Inc. for an exemption from certain reporting requirements concerning eligible securities under Rule 17a-15 of the Securities Exchange Act of 1934.
- (5) Withdrawal of proposed Rule 17a-14, Reporting of Quotations in Listed Securities under the Securities Exchange Act of 1934, because it has been superseded by Rule 11Ac-1, Dissemination of Quotations for Reported Securities, which becomes effective on May 1, 1978.

#### CLOSED MEETING - MONDAY, APRIL 10, 1978 - IMMEDIATELY FOLLOWING THE OPEN MEETING

The subject matter of the April 10 closed meeting will be: Formal orders of investigation; Referral of investigatory files to Federal, State, or Self-Regulatory authorities; Institution of administrative proceedings of an enforcement nature; Settlement of administrative proceedings of an enforcement nature; Institution of injunctive actions; Settlement of injunctive actions; Freedom of Information Act appeals; Regulatory matter bearing enforcement implications; Subpoena enforcement action; Other litigation matters.

FOR FURTHER INFORMATION CONTACT: Julian Pierce at (202) 376-7155 or Richard Humes at (202) 376-8025

---

## ADMINISTRATIVE PROCEEDINGS

---

### PROCEEDINGS INSTITUTED AND SANCTIONS IMPOSED AGAINST JARROLD R. BACHMANN

The Commission has ordered the institution of public administrative proceedings against Jarrold R. Bachmann of Lakewood, Colorado. Bachmann was formerly a securities salesman of a registered broker-dealer. The proceedings have been instituted to determine what remedial action should be taken against Bachmann based upon his conviction for a violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-6 thereunder, in connection with the offer and sale of the common stock of Industries International, Inc., a now bankrupt manufacturing company located in Littleton, Colorado. Bachmann has submitted an offer of settlement, without admitting or denying the allegations contained in the order for proceedings, which the Commission has determined to accept. Accordingly, on the basis of the order for proceedings and the offer of settlement, the Commission has ordered that Bachmann be barred from association with any broker, dealer, or investment company, provided that after a period of ten (10) years from September 1, 1977, he may apply to become reassociated in any capacity. (Rel. 34-14608)

---

## INVESTMENT COMPANY ACT RELEASES

---

### LEXINGTON RESEARCH FUND, INC.

A notice has been issued giving interested persons until April 28 to request a hearing on an application of Lexington Research Fund, Inc., Lexington Growth Fund, Inc., Lexington Income Fund, Inc., Lexington Tax Free Income Fund, Inc. (Funds), and Piedmont Capital Corporation for an order (1) pursuant to Section 11(a) of the Act to permit Piedmont Capital to offer to exchange shares of Lexington Tax Free Income Fund for shares of the other Funds and (2) pursuant to Section 6(c) of the Act for an exemption from Section 22(d) of the Act in connection with such offer of exchange. (Rel. IC-10187 - Apr. 4)

---

## HOLDING COMPANY ACT RELEASES

---

### OHIO EDISON COMPANY

An order has been issued authorizing proposals of Ohio Edison Company, a registered holding company, and its subsidiary Pennsylvania Power Company, that (1) Penn Power issue and sell at competitive bidding up to \$25 million of first mortgage bonds, and (2) Penn Power issue and sell to Ohio Edison, and Ohio Edison purchase from Penn Power, up to 300,000 shares of Penn Power's authorized but unissued common stock. (Rel. 35-20478 - Apr. 3)

### THE COLUMBIA GAS SYSTEM, INC.

A notice has been issued giving interested persons until April 27 to request a hearing on a proposal of The Columbia Gas System, Inc., a registered holding company, and certain of its subsidiaries, whereby the subsidiaries will issue and sell, and the holding company will acquire, installment notes due 1999 in an amount of \$87,600,000 and common stock, including \$25,000,000 for mine development financing. The holding company will also make short-term advances to certain of its subsidiaries in an amount of \$260,700,000. The proceeds of these transactions will be used by the subsidiaries in connection with their construction and gas supply programs. (Rel. 35-20479 - Apr. 3)

A notice has also been issued giving interested persons until April 27 to request a hearing on a proposal of the Columbia Gas System, Inc. and Columbia Gas System Service Corporation (Service), its subsidiary, to increase the return permitted Service to charge the other Columbia subsidiaries and Columbia. (Rel. 35-20481 - Apr. 3)

### MIDDLE SOUTH UTILITIES, INC.

A supplemental order has been issued authorizing a proposal of Middle South Utilities, Inc., a registered holding company, to change some of the terms of the issuance and sale of up to 1,000,000 shares of its common stock pursuant to its dividend reinvestment and stock purchase plan. (Rel. 35-20480 - Apr. 3)

## ALLEGHENY POWER SYSTEM, INC.

An order has been issued authorizing a proposal of Allegheny Power System, Inc., a registered holding company, to enter into an indemnity agreement with an insurance company. The proposed transaction will enable Monongahela Power Company and The Potomac Edison Company, subsidiaries of Allegheny, to impose emergency surcharges as authorized by the West Virginia Public Service Commission. (Rel. 35-20482 - Apr. 4)

An order has also been issued authorizing a proposal of Allegheny Power System, Inc., 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, 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. 35-20483 - Apr. 4)

## AMERICAN ELECTRIC POWER COMPANY, INC.

An order has been issued approving a proposal of American Electric Power Company, Inc., a registered holding company, to act as surety for one of its subsidiaries. (Rel. 35-20484 - Apr. 4)

---

## SELF-REGULATORY ORGANIZATIONS

---

### NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Inc. has filed a proposed rule change which became effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934 (SR-MSE-78-5) to add an interpretation to MSE Article VIII, Rule 14 concerning Exchange members carrying accounts of Exchange employees. Publication of the proposal is expected to be made in the Federal Register during the week of April 3. (Rel. 34-14631)

### NOTICE OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-Amex-78-9) to amend its Rule 174 concerning what disclosures may be made by specialists and to whom. Publication of the proposal is expected to be made in the Federal Register during the week of April 3. (Rel. 34-14632)

### NOTICE OF WITHDRAWAL OF PROPOSED RULE CHANGE

The Commission has approved the withdrawal of the New York Stock Exchange's proposed changes to Rule 405, its "Know Your Customer" rule (SR-NYSE-76-34) and terminated the proceedings with respect to those changes. (Rel. 34-14630)

---

## MISCELLANEOUS

---

### TERMINAL RAILROAD ASSOCIATION OF ST. LOUIS

A notice has been issued giving interested persons until April 24 to request a hearing on an application of Terminal Railroad Association of St. Louis, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the provisions of Section 13 of the Act based upon its claim that it has a small number of debt security holders, and that its obligations attendant to the debt securities are guaranteed regardless of its financial condition. The company, a Missouri corporation, is a terminal and switching railroad company. (Rel. 34-14628)

---

## SECURITIES ACT REGISTRATIONS

---

The following is a list of forms which are used to register securities with the Commission:

- (S-1) - Generalized registration form for the registration of securities for which no other form is authorized or prescribed.
- (S-2) - For registration of securities of certain corporations in the development stage.

- (S-3) - For registration of securities of mining corporations in the development stage.
- (S-4) - For registration of securities of closed-end management investment companies.
- (S-5) - For registration of securities of open-end management investment companies.
- (S-6) - For registration of securities of unit investment trusts.
- (S-7) - "Short Form" for registration of securities by companies who meet certain specified conditions.
- (S-8) - For registration of securities to be offered to employees under stock option and other plans.
- (S-10) - For registration of oil or gas interests or rights.
- (S-11) - For registration of securities of certain real estate companies.
- (S-12) - For registration of American Depositary Receipts issued against outstanding foreign securities.
- (S-13) - For registration of voting trust certificates.
- (S-14) - For registration of securities in certain transactions including, but not limited to, parent or subsidiary absorptions, parent or subsidiary creations, mergers with affiliated or unaffiliated companies, and state of incorporation changes.
- (S-16) - "Short Form" used to register securities to be offered for sale by security holders or to be offered by the issuer to holders of certain convertible securities or warrants.

FOR FURTHER INFORMATION ON THESE FORMS SEE 17 CFR 239.11 - .27.

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) COMMERCIAL BANC-CORP., P.O. Box 597, Monroe, Wis. 53566 - 25,578 common shares. (File 2-61093 - Mar. 31)
- (S-8) CITY NATIONAL CORPORATION, 400 North Roxbury Dr., Beverly Hills, Cal. 90210 - 102,334 shares of common stock. (File 2-61095 - Mar. 31)
- (S-8) CLARK EQUIPMENT COMPANY, Circle Dr., Buchanan, Mich. 49107 - 500,000 shares of common stock and \$16 million of participations. (File 2-61096 - Mar. 31)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, EIGHTY-FIFTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-61097 - Mar. 31)
- (S-1) SECURITY-CONNECTICUT LIFE INSURANCE COMPANY, Security Dr., Avon, Conn. 06001 - 63,520 shares of common stock. The company is a stock life insurance company. (File 2-61098 - Mar. 31)
- (S-14) GENUINE PARTS COMPANY, 299 Piedmont Avenue, N.E., Atlanta, Ga. 30308 (404) 659-2450 - 265,000 shares of common stock. (File 2-61099 - Mar. 31) and 201,618 shares of common stock. (File 2-61100 - Mar. 31)
- (S-14) ALCO STANDARD CORPORATION, Box 834, Valley Forge, Pa. 19482 (215) 666-0760 - \$15 million of 6% subordinated debentures, (File 2-61101 - Mar. 31)
- (S-14) COMMERCIAL BANKSHARES, INC., 110 South Hill St., P.O. Drawer C, Griffin, Ga. 30224 (404) 228-2714 - 400,000 shares of common stock. (File 2-61102 - Mar. 31)

- (S-7) NEW ENGLAND GAS AND ELECTRIC ASSOCIATION, 675 Massachusetts Ave., Cambridge, Mass. 02139 (617) 864-3100 - 100,000 shares of common shares of beneficial interest. The Association is an unincorporated business organization with transferable shares. (File 2-61103 - Mar. 31)
- (S-16) COLGATE-PALMOLIVE COMPANY, 300 Park Ave., New York, N.Y. 10022 (212) 751-1200 - 107,001 shares of common stock. (File 2-61104 - Mar. 31)
- (S-14) THE RYLAND GROUP, INC., 10221 Wincopin Circle, Columbia, Md. 21044 (301) 730-7222 - 700,000 shares of common stock. (File 2-61105 - Mar. 31)
- (S-1) INDUSTRIAL GAS DRILLING PROGRAM 1978, 5545 Beavercrest Dr., P.O. Box 402, Lorain, Ohio 44052 - 4,000 units of preformation limited partnership interests and 4,000 units of limited partnership interests. Underwriter: Thomson McKinnon Securities Inc. (File 2-61106 - Mar. 31)
- (S-8) MONSANTO COMPANY, 800 North Lindbergh Blvd., St. Louis, Mo. 63166 - 1,400,000 shares of common stock. The company is engaged in the manufacture and sale of petroleum, natural gas and phosphate ore, along with other raw materials. (File 2-61107 - Mar. 31)
- (S-6) PENNSYLVANIA INSURED MUNICIPAL BOND TRUST, SEVENTH SERIES, 1500 Walnut St., Philadelphia, Pa. 19102 - 10,500 units. Depositors: Butcher & Singer Inc., 1500 Walnut St., Philadelphia, Pa. 19102, Elkins, Stroud, Suplee & Co. and Loeb Rhoades, Hornblower & Co. (File 2-61108 - Mar. 31)
- (S-7) LIN BROADCASTING CORPORATION, 1370 Avenue of the Americas, New York, N.Y. 10019 (212) 765-1902 - 135,572 shares of common stock and \$300,000 of interests. The company is engaged in commercial broadcasting and in private message transmissions. (File 2-61113 - Mar. 31)
- (S-14) CENTRAL LOUISIANA ENERGY CORPORATION, 415 Main St., Pineville, La. 71360 (318) 445-8211 - 8,417,148 shares of common stock. (File 2-61118 - Apr. 3)
- (S-8) TRANSCO COMPANIES, INC., 2700 South Post Oak Rd., P.O. Box 1396, Houston, Tex. 77001 (713) 626-8100 - 400,000 shares of common stock. The company is engaged in an interstate gas pipeline. (File 2-61119 - Apr. 3)
- (S-8) J. RAY MCDERMOTT & CO., INC., 1010 Common St., New Orleans, La. 70112 - 470,482 shares of common stock. (File 2-61120 - Apr. 3)
- (S-1) FIRST NATIONAL CHARTER CORPORATION, TenMain Center, P.O. Box 38, Kansas City, Mo. 64183 - 45,000 shares of common stock. The corporation is a bank holding company. (File 2-61121 - Apr. 3)
- (S-8) CFS CONTINENTAL, INC., 100 South Wacker Dr., Chicago, Ill. 60606 - 150,000 shares of common stock. The company provides an extensive range of products and services to customers in the foodservice industry. (File 2-61127 - Apr. 3)
- (S-6) THE CORPORATE INCOME FUND, TWENTY-FOURTY INTERMEDIATE TERM SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-61128 - Apr. 3)
- (S-8) TEXAS INSTRUMENTS INCORPORATED, 13500 North Central Expressway, Dallas, Tex. 75222 - 375,000 shares of common stock. (File 2-61129 - Apr. 3)
- (S-8) W. A. KRUEGER CO., 7301 East Helm Dr., Scottsdale, Ariz. 85260 - 132,850 shares of common stock. (File 2-61130 - Apr. 4) and 59,468 shares of common stock. (File 2-61131 - Apr. 4)
- (S-8) TIME, INCORPORATED, Time & Life Bldg., Rockefeller Center, New York, N.Y. 10020 - 1,000,000 shares of common stock. (File 2-61132 - Apr. 4)
- (S-7) TRAILER TRAIN COMPANY, 300 South Wacker Dr., Chicago, Ill. 60606 (312) 786-1200 - \$20,250,000 of equipment trust certificates, Series 39. The company is engaged in the business of leasing a fleet of standardized railroad flatcars. (File 2-61133 - Apr. 4)
- (S-8) UNITED MISSOURI BANCSHARES, INC., P.O. Box 1771, Kansas City, Mo. 64141 - 115,119 shares of common stock. The company is a bank holding company. (File 2-61134 - Apr. 4)

- (S-14) THE PARSONS CORPORATION, 100 West Walnut St., Pasadena, Cal. 91124 (213) 440-2000 - 3,529,006 shares of common stock. (File 2-61135 - Apr. 4)
- (S-7) INFOREX, INC., 21 North Ave., Burlington, Mass. -1803 (617) 272-6470 - 15,000 units of subordinated debentures, due 1998. Underwriter: E. F. Hutton & Company Inc. The company develops, manufactures, markets, leases and maintains minicomputer-based systems for data entry. (File 2-61137 - Apr. 4)
- (S-14) TIME, INCORPORATED, Time & Life Bldg., Rockefeller Center, New York, N.Y. 10020 (212) 586-1212 - 4,943,000 Series B \$.1575 cumulative convertible preferred stock. (File 2-61138 - Apr. 4)
- (S-8) AMERICAN TELEPHONE AND TELEGRAPH COMPANY, 195 Broadway, New York, N.Y. 10007 - 7,000,000 shares of common shares. (File 2-61139 - Apr. 4)
- (S-7) FIRST PENNSYLVANIA CORPORATION, Centre Square West, 16th and Market Sts., Philadelphia, Pa. 19101 (215) 786-5000 - 300,000 shares of common stock. The company is a bank holding company. (File 2-61140 - Apr. 4)

REGISTRATIONS EFFECTIVE

Mar. 30: Consumers Power Co., 2-60884; Palm Beach Inc., 2-60835; Ryder System, Inc., 2-60917.

**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 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.*