

sec news digest

Issue 78-132

JUL 11 1978

July 10, 1978

RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

DELAY IN EFFECTIVE DATE OF RULE 10b-10

The Commission is postponing until December 18 the effective date of its Rule 10b-10, prescribing delivery and disclosure requirements for conformations sent to customers by brokers and dealers. The confirmation rule was to become effective on August 1 with the exception of certain paragraphs which had previously become effective on June 1, 1977. The Commission is postponing the effective date in order to coordinate implementation of the new rule with the possible adoption of amendments to that rule currently under consideration. (Rel. 34-14942)

FOR FURTHER INFORMATION CONTACT: Jeffrey L. Steele at (202) 755-7587

COURT ENFORCEMENT ACTIONS

THE INCOME BUILDERS, INC., OTHERS ENJOINED

The Fort Worth Regional Office, the Houston Branch Office and the Seattle Regional Office announced the filing of two related civil injunctive actions in Federal District Courts at Houston, Texas and Tacoma, Washington. The Houston action filed on June 21 seeks to enjoin The Income Builders, Inc., a Houston broker-dealer and Delbert K. Burkhardt also of Houston, from further violations of the registration and antifraud provisions of the securities laws in the offer and sale of interests in four tax shelter limited partnerships formed by Burkhardt in West Virginia for the purported purpose of developing coal properties. The Tacoma, Washington action filed on June 14 seeks to enjoin Douglas F. Brown Financial Services, Inc. (Brown Financial), a Longview, Washington broker-dealer; Brown Management Services Incorporated, Longview; Douglas F. Brown, formerly of Longview and Income Builders from further violations of the anti-fraud and net capital provisions of the securities laws.

The Commission's complaint in the Houston action alleged that Burkhardt and Income Builders employed a scheme to defraud the investing public in the offer and sale of interests in four coal mining limited partnerships through numerous false and misleading statements and omissions of material facts. The Commission's complaint in the Tacoma action alleged that Brown, operating through Brown Management Services Incorporated and as a registered representative of first Income Builders and subsequently Brown Financial, misapplied customer funds received for securities transactions and failed to execute customers' orders for securities causing each broker-dealer firm to incur liabilities which render them insolvent. The Securities Investor Protection Corporation has filed an application for an order appointing a trustee for Brown Financial in the Tacoma action. (SEC v. The Income Builders, Inc., et al., S.D. Tex., Civil Action No. H-78-1140 and SEC v. Douglas F. Brown Financial Services, Inc., et al., W.D. Wash., No. C78-139T). (LR-8456)

ROBERT WALDMAN AND DAVID E. DICK CONVICTED

The Boston Regional Office announced that on June 16 the U.S. Court of Appeals for the First Circuit affirmed the convictions of Robert Waldman and David E. Dick in the U.S. District Court for the District of Massachusetts. The Court of Appeals ruled against the Defendants-Appellants assertions: (1) that they were not adequately warned of the dangers inherent in joint representation; (2) that the district court abused its discretion by not granting requested continuances; and (3) that the counts of the indictment were multiplicitous and duplicitous. The U.S. District Court had previously sentenced Dick to 10 years imprisonment and Waldman to 5 years imprisonment after a jury found them guilty of 15 counts of securities fraud in the offer and sale of interests in three Massachusetts real estate limited partnerships. (U.S. v. Robert Waldman and David E. Dick, et al., 77-1434, CA-1-1978). (LR-8457)

INVESTMENT COMPANY ACT RELEASES

WESTFIELD GROWTH FUND

An order has been issued declaring that Westfield Growth Fund, Inc. has ceased to be an investment company. (Rel. IC-10310 - July 6)

WESTFIELD INVESTMENT FUND

An order has been issued declaring that Westfield Investment Fund, Inc. has ceased to be an investment company. (Rel. IC-10311 - July 6)

LINCOLN NATIONAL INVESTMENT PLAN

A notice has been issued giving interested persons until July 31 to request a hearing on an application of Lincoln National Investment Plans, a registered unit investment trust, declaring that it has ceased to be an investment company. (Rel. IC-10312 - July 6)

HOLDING COMPANY ACT RELEASES

MONONGAHELA POWER COMPANY

An order has been issued authorizing Monongahela Power Company, The Potomac Edison Company and West Penn Power Company, subsidiaries of Allegheny Power System, Inc., to sublease their interest in certain coal cars. (Rel. 35-20619 - July 6)

TRUST INDENTURE ACT RELEASES

PANHANDLE EASTERN PIPE LINE COMPANY

A notice has been issued giving interested persons until July 21 to request a hearing on an application of Panhandle Eastern Pipe Line Company, pursuant to Section 310(b)(1)(ii) of the Trust Indenture Act of 1939, declaring that the trusteeship of The Chase Manhattan Bank (National Association) (Chase) under two indentures of Panhandle is not so likely to involve a material conflict of interest as to make it necessary to disqualify Chase from acting as trustee. (Rel. TI-509)

MISCELLANEOUS

WESTERN CAROLINA TELEPHONE COMPANY

A notice has been issued giving interested persons until July 25 to request a hearing on an application of Western Carolina Telephone Company, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Applicant from filing an annual report on Form 10-K for the year ended December 31, 1977 and all other reports required to be filed pursuant to Sections 13 and 15(d) of the Act. Applicant is a 98% owned subsidiary of Continental Telephone Corporation. The only class of securities issued by Applicant which is subject to these reporting requirements is its \$5.00 par value common stock. (Rel. 34-14925)

MACRODATA CORPORATION

An order has been issued granting the application of Macrodata Corporation, a California corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the obligation pursuant to Section 15(d) of the Act to file an annual report on Form 10-K for the fiscal year ended December 31, 1977. It appeared to the Commission that granting the requested exemption would not be inconsistent with the public interest or the protection of investors in view of the fact that Applicant has become the wholly-owned subsidiary of Cutler-Hammer, Inc. and there is no trading in Applicant's securities. (Rel. 34-14926)

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-8) ZENITH NATIONAL INSURANCE CORP., 15760 Ventura Blvd., Encino, Cal. 91436 - 64,575 shares of common stock. The company is engaged in the business of writing worker's compensation and contractor's license bond insurance. (File 2-62072 - July 6)
- (S-7) GRAND CENTRAL, INC., 2233 South Third East St., Salt Lake City, Utah 84115 (801) 486-7611 - 200,000 shares of common stock. Underwriter: Dean Witter Reynolds Inc. The company operates self-service department stores. (File 2-62074 - July 7)
- (S-8) MICRODYNE CORPORATION, 627 Lofstrand Lane, Rockville, Md. 20850 - 148,875 shares of common stock. The company is engaged in the design, manufacture and sale of radio frequency communications equipment. (File 2-62075 - July 7)
- (S-5) OPPENHEIMER HIGH YIELD FUND, INC., 3600 South Yosemite St., Denver, Colo. 80237 - an indefinite number of shares of common stock. Underwriter: A. G. Edwards & Sons, Inc. (File 2-62076 - July 7)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, NINETIETH MONTHLY PAYMENT SERIES, 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 2-62077 - July 7)
- (S-7) FORD MOTOR CREDIT COMPANY, The American Rd., Dearborn, Mich. 48121 (313) 322-3000 - \$250 million of notes, due February 1, 1984. Underwriter: Goldman, Sachs & Co. The company provides wholesale financing to and purchases retail installment sales contracts. (File 2-62078 - July 7)

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 their beneficial interest therein exceeds 5%. Persons eligible to use the short form (Form 13D-5) may in lieu of filing a Schedule 13D file a Form 13D-5 within ten days after the end of the calendar quarter in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period June 12 - June 15, 1978. 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 sent forth for each beneficial owner. *Amended Acquisition Reports.

| <u>REPORTING COMPANY OR INDIVIDUAL</u> | <u>ISSUER & NUMBER OF SHARES</u> | <u>DATE FILED</u> |
|---|---|-------------------|
| FN Utah (Wholly-owned subsidiary of F.N. International Societe Anonyme Holding (Luxembourg)) | Browning (Morgan, UT) Common Stock - 1,467,244 shs. (91%) (F.N. International contributed above shares to FN Utah for the purpose of merging Browning into it.) | 6-12-78 |
| Wilmot L. Harris, Jr., Individually, Custodian and as Trustee | Clabir Corporation (Old Greenwich, CT) Common Stock - 310,350 shs. | 6-12-78 |
| Edward A. Cantor | Continental Plastics & Chemicals, Inc. (Avenel, NJ) Common Stock - 242,000 shs. (24%) Common Stock - 9,000 shs. on exercise of an Option | 6-12-78 |
| Alan F. Kane | Family Record Plan, Inc. (Encino, CA) Common Stock - 164,656 shs. (24%) Common Stock - 41,667 shs. on exercise of Option | 6-12-78 |

ACQUISITION REPORTS CONT.

| | | |
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| David Hackman | First Northwest Industries of America, Inc. (Seattle, WA) Common Stock - 165,000 shs. (13.6%) (Above shares were acquired pursuant to the merger of Microsonics Corp. into First Northwest. Mr. Hackman also has rights to 123,750 shares held in escrow.) | 6-12-78 |
| Samuel Schulman, Individually and as Trustee | First Northwest Industries of America, Inc. (Seattle, WA) Common Stock - 475,570.5 shs. (39.2%) Common Stock - 127,500 shs. on exercise of Warrants and Options (Above shares were acquired pursuant to the merger of Microsonics Corp. into First Northwest. Mr. Schulman has rights to 326,250 shares held in excrow.) | 6-12-78 |
| Bechtel Corporation | MCI Communications Corp. (Washington, DC) Common Stock - 60,000 shs. Common Stock - 2,096,237 shs. on conversion of Preferred and Notes Common Stock - 299,500 shs. on exercise of Warrants | 6-12-78 |
| James S. McDonnell John F. McDonnell Willian R. Orthwein, Jr. Sanford N. McDonnell, et al Individually and as Trustees | McDonnell Douglas Corporation (St. Louis, MO) Common Stock - 5,972,494 shs. (Included above are shares owned by their immediate families.) | 6-12-78 |
| Edwin S. Lowe | Miner Industries, Inc. (NYC) Common Stock - 50,000 shs. | 6-12-78 |
| Sol Kittay S&J Investments Al and May Feinstein Sterling Capital Investments, Inc. | NCC Industries, Inc. (NYC) Common Stock - 656,904 shs. (37.5%) | 6-12-78 |
| Servomation Corp. Profit Sharing Plan Committee | Servomation Corp. (NYC) Common Stock - 438,812 shs. (11.3%) | 6-12-78 |
| Friedrich Flick Industriever- waltung KGaA (Wholly-owned subsidiary of KG) Friedrich Flick Kommanditgesell- schaft Dr. Friedrich Karl Flick, Controlling Partner (West Germany) | United States Filter Corporation (NYC) Common Stock - 4,350,000 shs. (34.5%) on conversion of Preference Stock (Above shares were acquired pursuant to Stock Purchase Agreement.) | 6-12-78 |
| * Sharon Steel Corporation | Burnup & Sims, Inc. (W. Palm Beach, FL) Common Stock - 1,185,390 shs. | 6-12-78 |
| * S. H. Scheuer, Individually and as Trustee Donald E. Peiser Leon Meyers Martin Bernstein | CLC of America, Inc. (Chicago, IL) Common Stock - 1,175,265 shs. | 6-12-78 |
| * Studebaker-Worthington, Inc. | Campbell Chain Company (York, PA) Common Stock - 2,339,431 shs. (97%) (933,350 of above shares were acquired pursuant to the Tender Offer.) | 6-12-78 |
| * Masco Corporation | Compac Corporation (Netcong, NJ) Common Stock - 336,166 shs. (31.5%) | 6-12-78 |
| * Telco Marketing Services, Inc. LIBCO Corporation | Hickory Furniture Company (Hickory, NC) Common Stock - 159,200 shs. (13.29%) | 6-12-78 |

ACQUISITIONS REPORTS CONT.

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| * Fred Schwartzstein Joseph L. Mailman Abraham L. Mailman | Hudson General Corp. (Great Neck, NY) Common Stock - 267,103 shs. Common Stock - 112,342 shs. on conversion of Debentures Common Stock - 48,352 shs. on exercise of Warrants | 6-12-78 |
| * Reliance Financial Services Corporation | Imperial Corporation of America (San Diego, CA) Common Stock - 1,383,400 shs. (10.02%) | 6-12-78 |
| * John E. Forester Alice Woodson Forester Nancy Woodson Spire Frederick W. Fisher | Mosinee Paper Corporation (Mosinee, WI) Common Stock - 886,035 shs. (46.8%) | 6-12-78 |
| * John T. Horton | Riverside Properties (Jacksonville, FL) Common Stock - 16,611 shs. 8% Jr. Convertible Bonds - \$50,000 (Bonds were acquired by his wife as Custodian) | 6-12-78 |
| * UIC Investments, Inc. United Life Insurance Co. of America Argonaut Insurance Co. Trinity Universal Ins. Co., et al Teledyne, Inc., Parent | Brockway Glass Co., Inc. (Brockway, PA) Common Stock - 1,406,700 shs. | 6-9-78 |
| * UIC Investments, Inc. United Life Insurance Co. of America Argonaut Insurance Co. Trinity Universal Ins. Co., et al Teledyne, Inc., Parent | Litton Industries, Inc. (Beverly Hills, CA) Common Stock - 9,474,533 shs. Common Stock - 81,911 shs. on conversion of Preference Stock | 6-9-78 |
| * UIC Investments, Inc. United Life Insurance Co. of America Argonaut Insurance Co. Trinity Universal Ins. Co., et al Teledyne, Inc., Parent | Reichhold Chemicals, Inc. (White Plains, NY) Common Stock - 1,535,400 shs. | 6-9-78 |
| * Goldman, Sachs & Co. | St. Louis-San Francisco Railway Co. (St. Louis, MO) Common Stock - 220,000 shs. | 6-12-78 |
| * Components Corporation of America | Staco, Inc. (Costa Mesa, CA) Common Stock - 548,766 shs. (82.6%) | 6-12-78 |
| * National City Lines, Inc. | T. I. M. E.-DC, Inc. (Lubbock, TX) Common Stock - 2,054,708 shs. (78.73%) Convertible Preferred Stock - 197,038 shs. (26.69%) | 6-12-78 |
| * Sharon Steel Corporation | UV Industries, Inc. (NYC) Common Stock - 2,052,794 shs. | 6-12-78 |
| * Stauffer Chemical Company | Warnaco, Inc. (Bridgeport, CT) \$1.50 Convertible Preferred Stock - 23,800 shs. (18%) | 6-12-78 |
| William M. Matthews | Cannon Group, Incorporated (NYC) Common Stock - 181,000 shs. | 6-13-78 |
| Orville M. Griffin Carmelita Griffin Ronald T. McDaniel James L. Mitchell | Cenco Incorporated (Chicago, IL) Common Stock - 640,600 shs. | 6-13-78 |
| Bank of New York | Diversified Industries Inc. (Clayton, MO) Common Stock - 1,012,200 shs. (16.4%) | 6-13-78 |
| Bank of New York | Dreyfus Corporation (NYC) Common Stock - 463,715 shs. (27.8%) | 6-13-78 |

ACQUISITION REPORTS CONT.

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| Bank of New York | Fairchild Camera Instrument Corp. (Germantown, MD) Common Stock - 632,696 shs. (11.7%) | 6-13-78 |
| Docks U.S.A., Inc. (Wholly-owned subsidiary of Societe Docks de France) Societe Docks de France (France) | Lil' Champ Food Stores, Inc. (Jacksonville, FL) Common Stock - 223,600 shs. (57%) (219,800 of above shares were acquired pursuant to the Tender Offer.) | 6-13-78 |
| Bank of New York | National Industrial Services Corp. (White Plains, NY) Common Stock - 77,760 shs. (14.5%) | 6-13-78 |
| Bank of New York | National Starch & Chemical Corp. (Bridgewater, NJ) Common Stock - 725,806 shs. (11%) | 6-13-78 |
| Arnold Kimmel Grosvenor Associates | Odyssey, Inc. (Evanston, IL) Common Stock - 42,900 shs. (The group has agreed to sell above shares to Profile-United Industries Ltd. (Canada)) | 6-13-78 |
| Bank of New York | Petroleum & Resources Corp. (Baltimore, MD) Common Stock - 762,859 shs. (16.4%) | 6-13-78 |
| Bank of New York | Solitron Devices Inc. (Tappan, NY) Common Stock - 564,690 shs. (12.1%) | 6-13-78 |
| Bank of New York | United McGill Corp. (Columbus, OH) Common Stock - 87,700 shs. (10.7%) | 6-13-78 |
| * Louis Berkman Company | AMPCO-Pittsburgh Corp. (Pittsburgh, PA) Common Stock - 674,604 shs. | 6-13-78 |
| * S. H. Scheuer Joseph W. Rose Carroll L. Shaughnessy, et al Individually and as Trustees | CLC of America, Inc. (Chicago, IL) Common Stock - 1,495,265 shs. | 6-13-78 |
| * AMBG Corp. (Wholly-owned subsidiary of Tyco) Tyco Laboratories, Inc. | Cutler-Hammer, Inc. (Milwaukee, WI) Common Stock - 2,106,900 shs. | 6-13-78 |
| * TBK Partners, Ltd. | Investors Insurance Holding Corp. (Paramus, NJ) Common Stock - 263,862 shs. | 6-13-78 |
| * American General Insurance Company | Kentucky Central Life Insurance Co. (Lexington, KY) Common Stock - 344,000 shs. | 6-13-78 |
| * Mitchell Corporation of Owosso Christine Wetzel Trust, dated 4-24-72 William F. Mitchell | MWA Company (Owosso, MI) Common Stock - 291,036 shs. (44.3%) | 6-13-78 |
| S. A. La Razon (Argentina) | R. Hoe & Co., Inc. (Scarsdale, NY) Common Stock - 150,122 shs. | 6-14-78 |
| Barbara Massey Clark Clarence Edmonds, Individually and as Trustees | Volunteer Capital Corp. (Nashville, TN) Common Stock - 198,604 shs. (20.7%) (Included above are shares owned by their spouses.) | 6-14-78 |
| * Sitronix, Inc. (Wholly-owned subsidiary of Siemens Aktiengesellschaft (West Germany)) | Litronix, Inc. (Cupertino, CA) Common Stock - 9,699,108 shs. | 6-14-78 |

ACQUISITION REPORTS CONT.

| | | |
|--|---|---------|
| * Federated Reinsurance Corp. (Wholly-owned subsidiary of Federated Development Co.) Federated Development Co. Gregory A. Kozmetsky 1964 Trust, et al | McCulloch Oil Corporation (Los Angeles, CA) Common Stock - 1,132,000 shs. (Federated Reinsurance has the right to acquire an additional 1,216,931 shares.) | 6-14-78 |
| * Harvey Hubbell, Incorporated | Ohio Brass Company (Mansfield, OH) Common Stock - 99,900 shs. (13.38%) | 6-14-78 |
| * Jack C. Massey, Individually and as Trustee | Volunteer Capital Corp. (Nashville, TN) Common Stock - 148,850 shs. Common Stock - 25,000 shs. on exercise of Options (Included above are shares owned by his wife.) | 6-14-78 |
| * Superior Tube Company | Williams and Company, Inc. (Pittsburgh, PA) Common Stock - 987,777 shs. (87.2%) | 6-14-78 |
| Ivan F. Boesky & Co. | AMBAC Industries, Inc. (Carle Place, NY) Common Stock - 422,355 shs. | 6-15-78 |
| Renfield Corporation Herbert Zlotnick | Barth-Spencer Corp. (Valley Stream, NY) Common Stock - 428,671 shs. (37.2%) | 6-15-78 |
| Magda Eshel | Caltran Systems, Inc. (Clifton, NJ) Common Stock - 567,380 shs. (53.7%) | 6-15-78 |
| Ivan F. Boesky & Co. | Diversey Corporation (Chicago, IL) Common Stock - 174,600 shs. | 6-15-78 |
| Gamble-Skogmo, Inc. | Howard Bros. Discount Stores, Inc. (Monroe, LA) Common Stock - 1,829,622 shs. (70.8%) (Above shares were acquired from certain stockholders pursuant to a Stock Purchase Agreement. In addition, Gamble owns 103,816 shares of Convertible Preferred Stock.) | 6-15-78 |



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NOTICE

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