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RULES AND RELATED MATTERS

ADOPTION OF AMENDMENTS TO REGULATION S-X

U.S. SECURITIES AND
EXCHANGE COMMISSION

The Commission announced the adoption of three minor amendments to Regulation S-X. (Rel. 33-5732)

PROPOSED AMENDMENTS TO SECO FIDELITY BONDING RULE

The Commission announced that it proposes to adopt amendments to Rule 15b10-11 under the Act which establishes fidelity bonding requirements for non-member brokers and dealers; and invites comments thereon. The proposals would amend the exemptive and review provisions of the Rule in certain respects and would require the use of the alternative net capital requirement as the basis for determining minimum bonding coverage pursuant to the Rule for broker-dealers operating under such requirement.

All interested persons are invited to submit their views on the proposed amendments in writing to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol St., Washington, D.C. 20549, not later than September 3, 1976. All communications should refer to File Nos. S7-650, and will be available for public inspection in the Commission's Public Reference Room, 1100 L Street, N.W., Washington, D.C. (Rel. 34-12693)

COURT ENFORCEMENT ACTIONS

HOLIDAY MAGIC, FOUR OTHERS INDICTED

The New York Regional Office and Robert B. Fiske, Jr., U.S. Attorney for the Southern District of New York announced that a federal grand jury has returned a 35 count indictment charging Holiday Magic, Inc., a California cosmetics corporation, its former president, Roland R. Nocera of San Raphael, California and three former officials of the company, William Dempsey and David Smile of San Raphael, California and Melvin Christie of Mill Valley, California with mail fraud and making false loan applications in connection with the operations of a multi-million dollar pyramid promotion scheme which operated over the nine year period from 1964 to 1973. The indictment charges that the defendants defrauded thousands of investors throughout the United States by inducing them to make substantial investments in a purportedly legitimate marketing plan for the distribution of Holiday Magic cosmetics, when, in fact, the investors only realistic hope of recouping their money was in the recruitment of others into the chain scheme. (SEC v. Holiday Magic, et al.). (LR-7509)

AMERICAN PETROLEUM, INC., OTHERS ENJOINED

The Atlanta Regional Office announced that on July 19 the Federal District Court in Rome, Georgia ordered the issuance of final judgments of permanent injunction, by default, against American Petroleum, Inc., a Tennessee corporation, and United Petroleum Corporation, a Kentucky corporation, and further ordered a preliminary injunction against Edward S. Thomas, Crossville, Tennessee, pending further order of the court, enjoining these defendants from violations of the registration and antifraud provisions of the securities laws in connection with the offer and sale of fractional undivided interests in oil and gas wells or any other security. (SEC v. American Petroleum, Inc., et al., N.D. Ga., Civil Action No. C-76-25-R). (LR-7510)

HARRY RUDDY ENJOINED

The Washington Regional Office announced that on July 22 the Federal District Court in Alexandria, Virginia, entered an order of permanent injunction, by consent, against Harry Ruddy of Islip, New York. The final judgment to which the defendant consented without admitting or denying the allegations of the Commission's complaint, permanently enjoins Ruddy from violations of the registration and antifraud provisions of the securities laws in connection with the offer and sale of partnership interests and stock and bonds sold by the defendant and others, or any securities of any other issuer.

The Commission filed a complaint on July 20 against General Financial Services, Realty Equities Corp., Novemco Inc., Timothy F. Pegler & Co., Ltd., Preferred Investment Corp., Ruddy, Hans Richard Banziger, Walter Traugott Banziger, David Lester Woody and Timothy Francis Pegler alleging violations of the registration and antifraud provisions of the securities laws in the sale of various partnership interests as well as stock and debentures. The final judgment also ordered the appointment of an accountant to render within 90 days an accounting of the disposition of funds raised from investors as well as an accurate financial statement for the defendant entities, their subsidiaries and the subject partnerships. (SEC v. General Financial Services, Inc., et al., E.D. Va., Alexandria Division, Civil Action No. 76-562-A). (LR-7511)

EDWARD A. WHITE, JULIAN M. WHITE AND WILLIAM W. BAKER CONVICTED

The Chicago Regional Office announced that on July 29 after a two week trial, Edward A. White, Julian M. White and William W. Baker were found guilty on all counts charged against each in a fourteen count indictment. Edward A. White was convicted of securities, mail and wire fraud. Julian M. White was convicted of mail and bank fraud and of violating the statute which prohibits making false statements to a government agency. William W. Baker was convicted of securities and mail fraud. In addition, all were convicted of violating the Commission's bookkeeping statute and rules. (U.S. v. Edward A. White, et al., U.S.D.C., E.D. of Mo., E. Div., No. 75-348-CR). (LR-7512)

INDICTMENT NAMES NICHOLAS CHIOLA

The Chicago Regional Office announced that on July 21 Nicholas Chiola pled guilty to a one count indictment charging him with violations of Sections 17(a) and 32(a) of the Securities Exchange Act of 1934, as amended. (U.S. v. Nicholas Chiola, N.D. Ill., 76-CR-194). (LR-7513)

GERALD M. BARNES AND ARTHUR HERZBERG CONVICTED

The Denver Regional Office announced that on July 28 a federal grand jury at El Paso, Texas, returned guilty verdicts on nine counts of mail fraud against Gerald M. Barnes and Arthur L. Herzberg, both of Phoenix, Arizona. The jury acquitted Frank Annunziato of El Paso on all counts of the indictment.

The indictment in this was returned on October 21, 1975 and charged the defendants with ten counts of mail fraud in the offer and sale of securities of Bankers Trust Company, Inc. of New Mexico. (U.S. v. Barnes, Herzberg and Annunziato, EP-75-CR555, W.D. Tex.). (LR-7514)

HOLDING COMPANY ACT RELEASES

OHIO EDISON COMPANY

An order has been issued authorizing a proposal by Ohio Edison Company, a registered holding company, and its subsidiary Pennsylvania Power Company, that the companies enter into an agreement with a county authority for the construction of pollution control facilities, issue their pollution control notes and granting an exception from competitive bidding. (Rel. 35-19640 - August 6)

APPALACHIAN POWER COMPANY

A notice has been issued giving interested persons until August 31 to request a hearing on a proposal of Appalachian Power Company, subsidiary of American Electric Power Company, Inc., to enter into an agreement of sale with Putnam County, West Virginia (County), for Appalachian to construct a high efficiency electrostatic precipitator to be financed by pollution control revenue bonds to be issued by the County. (Rel. 35-19641 - August 6)

SECURITIES ACT REGISTRATIONS

(S-16) AMERICAN FINANCIAL CORPORATION

One East Fourth St., Cincinnati, Ohio 45202 - 2,068,422 shares of common stock, issuable upon exercise of warrants at \$22.50 per share. American Financial Corporation is a financial holding company with over \$2 billion in assets primarily engaged in property and casualty insurance business. It also has substantial banking, savings and loan and life insurance operations. (File 2-56850 - July 16)

(S-14) MODULAR COMPUTER SYSTEMS, INC.

1650 West McNab Rd., Ft. Lauderdale, Fla. 33309 - 70,000 shares of common stock, to be offered in exchange for the outstanding shares of ECS Information Systems, Inc., 50,000 shares immediately at the rate of .0814 share for each ECS share, and up to an additional 20,000 of such shares, subject to certain conditions, at the rate of .0326 share for each ECS share. Modular Computer Systems, Inc. is engaged in the design, manufacture and sale of real time digital computer systems used primarily in measurement, control and communications applications. (File 2-56868 - July 22)

(S-16) RESERVE OIL AND GAS COMPANY

550 South Flower St., Los Angeles, Cal. 90071 - 312,147 shares of common stock, issuable upon conversion of the company's Series A and Series B cumulative convertible (voting) preferred stock, which has been called for redemption. Pursuant to a Stand-By agreement with Dean Witter & Co., Incorporated, Dean Witter has offered to purchase all outstanding Series A and Series B preferred stock tendered to it prior to the close of business on September 2, 1976, convert such preferred stock to common stock and reoffer such common stock from time to time to the public. The registration statement covers such public offering and sales. Reserve and its subsidiaries are engaged in oil and gas operations, including exploration, development, refining, transmission and marketing. Reserve is also engaged in the California real property development. (File 2-56951 - August 5)

(S-6) AMERICAN TAX-EXEMPT BOND TRUST, SERIES 12

215 North Main St., West Bend, Wis. 53095 - \$6 million of units, to be offered for sale at net asset value (\$1,050 maximum). The Trust is the twelfth of a series of unit investment trusts proposed to be created under a trust indenture among B. C. Ziegler and Company, as sponsor, United States Trust Company of New York, as trustee, and Standard & Poor's Corporation, as evaluator. It consists of a portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-56954 - August 5)

(S-1) WENDY'S INTERNATIONAL, INC.

2066 West Henderson Rd., Columbus, Ohio 43220 - 1,000,000 of common shares, of which 720,000 are to be issued by the company and 280,000 are to be sold by selling shareholders through underwriters represented by Bache Halsey Stuart Inc., 100 Gold St., New York, N.Y. 10038 and The Ohio Company, 51 North High St., Columbus, Ohio 43215. The company operates and franchises quick-service restaurants which feature a limited menu of prepared-to-order hamburgers and complementary items. (File 2-56957 - August 5)

(S-1) THE LTV CORPORATION

LTV Tower, 1600 Pacific Avenue, Box 5003, Dallas, Texas 75222 - 2,300,436 shares of common stock issuable to certain underwriters upon conversion of the Company's 7-1/2% convertible notes, due 1977, and 7-1/2% convertible debentures due 1981. The company engages, through its subsidiaries, in the steel and ferrous metal products, meat and food processing and aerospace businesses. (File 2-56956 - August 5)

(S-7) PORTLAND GENERAL ELECTRIC COMPANY

621 S. W. Alder St., Portland, Oregon 97205 - 1,500,000 shares of common stock to be sold at a price to be agreed upon between the registrant and the representative of the underwriters in relation to the price of such common stock on the New York Stock Exchange at the time of the initial public offering. The names and addresses of the managing underwriters are: Blyth Eastman Dillon & Co. Incorporated, 2525 First National Bank Tower, Portland, Oregon 97201, and Dean Witter & Co. Incorporated, 130 Liberty Street, New York, New York 10006. Portland General Electric Company is an electric utility engaged in the generation, purchase, transmission, distribution and sale of electricity. (File 2-56955 - August 5)

300 Windsor Dr., Oak Brook, Ill. 60521 - 400,000 shares of common stock, to be offered for sale through underwriters headed by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004. Portec, Inc. is engaged in the manufacture and sale of engineered products, principally for the railroad and construction industries, as well as for the materials handling and electric power industries. (File 2-56958 - August 6)

REGISTRATIONS EFFECTIVE

August 2: Stuart Hall Company, Inc., 2-56703.

August 3: Ampeco 1976-77 Drilling Program, 2-56005; The Corporate Income Fund Eight Intermediate Term Series, 2-56449; First City Bancorporation of Texas, Inc., 2-56853; Fischer & Porter Company, 2-56870; Hawkeye Bancorporation, 2-56869; International Paper Company, 2-56824; International Paper Company, 2-56588; Jones & Laughlin Steel Corporation, 2-56822; Loral Corporation, 2-56790; Michigan Gas Utilities Company, 2-56863.

August 4: Abbott Laboratories, 2-56852; Beatrice Foods Co., 2-56558; E. F. Hutton Tax-Exempt Fund, National Series 26, 2-56662; Fabri-Centers of America Inc., 2-56349; Marvin Josephson Associates Inc., 2-56813; National Distillers & Chemical Corporation, 2-56855; National Steel Corporation, 2-56833; Virginia National Bankshares, Inc., 2-56825.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events:

<i>Item 1. Changes in Control of Registrant</i>	<i>Item 9. Options to Purchase Securities</i>
<i>Item 2. Acquisition or Disposition of Assets</i>	<i>Item 10. Extraordinary items, other material charges and credits and capital restatements</i>
<i>Item 3. Legal Proceedings</i>	<i>Item 11. Submission of Matters to a Vote of Security Holders</i>
<i>Item 4. Changes in Securities</i>	<i>Item 12. Changes in Registrant's Certifying Accountant</i>
<i>Item 5. Changes in Security for Registered Securities</i>	<i>Item 13. Other Materially Important Events</i>
<i>Item 6. Defaults upon Senior Securities</i>	<i>Item 14. Financial Statements and Exhibits</i>
<i>Item 7. Increase in Amount of Securities Outstanding</i>	
<i>Item 8. Decrease in Amount of Securities Outstanding</i>	

The companies listed below have filed 8-K reports for the month indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give month and year of report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	MONTH
DRIVER HARRIS CO	11	06/76
KILLEARN PROPERTIES INC	2,14	08/75
PARKER DRILLING CO	7	05/76
PUBLICCKER INDUSTRIES INC	13	06/76
AMENDMENTS TO REPORTS ON FORM 8-K		
BOWMAR INSTRUMENT CORP	10,14	06/75
BOWMAR INSTRUMENT CORP	10,14	02/76
MISSISSIPPI VALLEY GAS CO	7,10	07/76
PHILIPSBORN INC	1	07/76

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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