

MAR 13 1979

U.S. SECURITIES AND  
EXCHANGE COMMISSION

# sec news digest

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## ADMINISTRATIVE PROCEEDINGS

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### WILLIAM R. CARTER AND CHARLES J. JOHNSON, JR. CITED

Administrative Law Judge Ralph Hunter Tracy has filed an initial decision suspending William R. Carter and Charles J. Johnson, Jr., lawyers having offices in New York City, from appearing or practicing before the Commission for periods of one year and of nine months, respectively. The decision is subject to appeal to the Commission.

Judge Tracy found that Carter and Johnson violated the antifraud and filing provisions of the securities laws in their representation of a corporation before the Commission.

### RESIGNATION OF PHILIP LIEBERMAN ACCEPTED

The Commission announced the entry of an order accepting the resignation of Philip Lieberman, an accountant, from appearance and practice before the Commission. In an earlier civil injunctive action, Lieberman, without admitting or denying the Commission's allegations, consented to the entry of an order of permanent injunction (SEC v. Sanders Career Schools, Inc., et al., 78 Civ. 1900) enjoining him from further violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. (See LR-8404)

The Commission's order instituting and settling the Rule 2(e) proceeding against Lieberman alleged that Lieberman failed to conduct his audits of Sanders Career Schools, Inc., in accordance with generally accepted auditing standards for the years ended March 31, 1971 through March, 1975, and that Sanders' financial statements for that five year period were false and misleading and were not prepared in accordance with generally accepted accounting principles. It was also alleged that Lieberman issued an unqualified opinion on Sanders' 1976 financial statements which stated they were prepared in accordance with generally accepted accounting principles when in fact they were prepared on a cash basis. (ASR-262)

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## NOTICE OF COMMISSION MEETINGS

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### CHANGES IN THE MEETING

The closed meeting to be held on Tuesday, March 13 at 10:00 a.m. has been rescheduled for 9:00 a.m. that date.

The following item will not be considered at an open meeting scheduled for Wednesday, March 14 at 10:00 a.m.:

Consideration of rule proposals submitted by the Institute for Public Representation, a public interest group affiliated with Georgetown University to: (1) amend the Commission's Rules of Practice to set forth the responsibilities of lawyers to report fraud or other violations of the law by corporate clients or others to the Commission, to management and to the board of directors; and (2) amend the Commission's disclosure forms to require disclosure of information concerning (a) the obligations of corporate attorneys to report violations of the law to the board of directors, (b) agreements between corporations and outside counsel and (c) resignations or dismissals of corporate counsel. FOR FURTHER INFORMATION CONTACT Frederic Townsend at (202) 376-3561.

The following item will be considered at an open meeting scheduled for Wednesday, March 14:

Consideration of a request by Proskauer, Rose, Goetz and Mendelsohn for relief from disqualification arising as a result of Richard H. Rowe's joining that firm after leaving the Commission. FOR FURTHER INFORMATION CONTACT Myrna Siegel at (202) 755-4868.

The following additional items will be considered at a closed meeting scheduled for Wednesday, March 14 following the 10:00 a.m. open meeting: Formal orders of investigation; Regulatory matter bearing enforcement implications and Institution of injunctive actions.

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## INVESTMENT COMPANY ACT RELEASES

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### FIDELITY CASH RESERVES

A notice has been issued giving interested persons until April 3 to request a hearing on an application of Fidelity Cash Reserves, registered under the Investment Company Act of 1940 as an open-end, diversified management investment company, requesting an order, pursuant to Section 6(c) of the Act, exempting Fidelity from the provisions of Rules 2a-4 and 22c-1 under the Act to the extent necessary to permit Fidelity to compute its net asset value per share, for the purposes of effecting sales, redemptions and repurchases of its shares, to the nearest one cent on a share value of one dollar. (Rel. IC-10622 - Mar. 9)

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## HOLDING COMPANY ACT RELEASES

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### LOWELL GAS COMPANY

A notice has been issued giving interested persons until April 2 to request a hearing on a proposal of Lowell Gas Company and Cape Cod Gas Company, subsidiary of Colonial Gas Energy, to issue and sell common stock to Colonial for a maximum aggregate purchase price of \$1,000,400, and \$899,775, respectively, and to privately place up to \$1,200,000 of Lowell's first mortgage bonds and up to \$1,250,000 of Cape Cod's first mortgage bonds. (Rel. 35-20951 - Mar. 9)

### MIDDLE SOUTH UTILITIES, INC.

A notice has been issued giving interested persons until April 2 to request a hearing on a proposal of Middle South Utilities, Inc., a registered holding company, to issue and sell up to 1,500,000 additional shares of common stock pursuant to its dividend reinvestment and stock purchase plan. (Rel. 35-20952 - Mar. 9)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed a proposed rule change under Rule 19b-4 (SR-MSRB-79-2) to modify existing MSRB rule G-12 to provide that delivery of municipal securities accompanied by a delivery ticket containing an error relating to the CUSIP number of the securities shall constitute good delivery. Publication of the proposal is expected to be made in the Federal Register during the week of March 19. (Rel. 34-16522)

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## MISCELLANEOUS

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### SOUTH SHORE PUBLISHING CO., INC.

An order has been issued granting the application of South Shore Publishing Co., Inc., pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting South Shore from the reporting requirements of Sections 13 and 15(d) of that Act. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and no significant benefit will accrue to either investors or the public if South Shore is required to file the subject reports. (Rel. 34-15609)

## BASIC FOOD INDUSTRIES, INC.

An order has been issued granting the application of Basic Food Industries, Inc., a Delaware corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the reporting requirements of Sections 13 and 15(d) of the Act. 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 Basic has become the wholly-owned subsidiary of Eastern Shores Food Corporation of Delaware, Inc. and there is no trading in Basic's securities. (Rel. 34-15613)

## WORCESTER CONTROLS CORPORATION

An order has been issued granting the application of Worcester Controls Corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Worcester from the provisions of Sections 13 and 15(d) of the Act. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and no significant benefit will accrue to investors or the public if Worcester is required to file the subject reports. (Rel. 34-15616)

## ISL LIQUIDATING CORPORATION

An order has been issued granting the application of ISL Liquidating Corporation formerly Leonard Silver International, Inc., a wholly-owned subsidiary of Towle Manufacturing Company, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the reporting requirements of Section 15(d) of the Act. It appeared to the Commission that the granting of the requested exemption would not be inconsistent with the public interest or the protection of investors inasmuch as ISL's stock is no longer publicly traded. (Rel. 34-15617)

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## SECURITIES ACT REGISTRATIONS

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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-7) COMMUNITY BANKS OF FLORIDA, INC., 7700 Seminole Blvd., Seminole, Fla. 33542 - 700,000 shares of common stock. The company is a bank holding company. (File 2-63723 - Mar. 9)
- (S-16) J. RAY MCDERMOTT & CO., INC., 1010 Common St., New Orleans, La. 70112 (504) 587-4411 - \$150 million of debentures, due 2004. Underwriter: Smith Barney, Harris Upham & Co. Inc. The company's operations consist of marine and onshore construction services; power generation; materials; and industrial products. (File 2-63724 - Mar. 9)
- (S-14) CBI INDUSTRIES, INC., 800 Jorie Blvd., Oak Brook, Ill. 60521 (312) 654-7000 - 19,000,000 shares of common stock. (File 2-63725 - Mar. 9)
- (S-16) OKLAHOMA GAS AND ELECTRIC COMPANY, 321 North Harvey Ave., Oklahoma City, Okla. 73102 (405) 272-3000 - 600,000 shares of common stock. (File 2-63726 - Mar. 9)
- In a separate (S-8) statement the company seeks registration of 375,249 shares of common stock. (File 2-63727 - Mar. 9)
- (S-7) PACIFIC POWER & LIGHT COMPANY, Public Service Bldg., Portland, Ore. 97204 (503) 243-1122 - \$100 million of first mortgage bonds, due 2009. The company is engaged in furnishing electricity. (File 2-63728 - Mar. 9)
- (S-8) INTEL CORPORATION, 3065 Bowers Ave., Santa Clara, Cal. 95051 (408) 987-8080 - 2,000,000 shares of capital stock. (File 2-63729 - Mar. 9)
- (S-8) NICOR INC., 1700 West Ferry Rd., P.O. Box 200, Naperville, Ill. 60540 (312) 242-4470 - 250,000 shares of common stock. (File 2-63730 - Mar. 9)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED SECOND 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 2-63731 - Mar. 9)

- (S-16) GENERAL MILLS, INC., 9200 Wayzata Blvd., Minneapolis, Minn. 55440 (612) 540-2311 - \$125 million of sinking fund debentures, due March 1, 2009. Underwriter: Dillon, Read & Co. Inc. The company is a producer of packaged consumer foods. (File 2-63732 - Mar. 9)
- (S-14) AVON PRODUCTS, INC., 9 West 57th St., New York, N.Y. 10019 (212) 593-4017 - 1,951,342 shares of capital stock. (File 2-63734 - Mar. 9)
- (S-16) TEXAS UTILITIES COMPANY, 2001 Bryan Tower, Dallas, Tex. 75201 (214) 653-4600 - 2,000,000 shares of common stock. (File 2-63735 - Mar. 9)
- (S-8) WESTINGHOUSE ELECTRIC CORPORATION, Westinghouse Bldg., Gateway Center, Pittsburgh, Pa. 15222 - 10,000,000 shares of common stock. (File 2-63736 - Mar. 9)
- (S-8) NORTHERN TRUST CORPORATION, 50 South La Salle St., Chicago, Ill. 60675 (312) 630-6000 - 200,000 shares of common stock. (File 2-63737 - Mar. 9)
- (S-6) TAX EXEMPT SECURITIES TRUST, SERIES 24, 14 Wall St., New York, N.Y. 10005 - 15,000 units. Depositors: Loeb Rhoades, Hornblower & Co., 14 Wall St., New York, N.Y. 10005, Smith Barney, Harris Upham & Co. Inc., Blyth Eastman Dillon & Co. Inc. (File 2-63738 - Mar. 9)
- (S-14) COMMONWEALTH TELEPHONE ENTERPRISES, INC., 100 Lake St., Dallas, Pa. 18612 (717) 675-1121 - 2,535,258 shares of common stock. (File 2-63739 - Mar. 9)
- (N-1) NATIONAL AVIATION & TECHNOLOGY CORPORATION, 50 Broad St., New York, N.Y. 10004 (212) 482-8100 - an indefinite number of common shares. (File 2-63740 - Mar. 9)
- (S-8) R.G. BARRY CORPORATION, 13405 Yarmouth Rd., N.W., Pickerington, Ohi 43147 (614) 464-6323 - 55,000 shares of common stock. (File 2-63741 - Mar. 9)

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## SIGNIFICANT NO-ACTION AND INTERPRETIVE LETTERS

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The following is a list of significant no-action and interpretative letters recently issued by the Division of Investment Management and the Division of Market Regulation. These letters express the view of the Division with respect to novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Section, 1100 L Street, N.W., Room 6101, Washington, D.C., stating the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date. Copies costs 10 cents per page.

### DIVISION OF INVESTMENT MANAGEMENT

COMPANY	ACT/SECTION/RULE OR RELEASE	DATE MAILED	PUBLIC AVAILABILITY DATE
The First Trust of Insured Municipal Bonds	ICA '40/ §12(d)(1)(A), 17(a), 22(d)	1/26/79	2/25/79
Rosenberg Capital Management	ICA '40/ §3(c)(1)	1/19/79	2/18/79

## SIGNIFICANT NO-ACTION AND INTERPRETATIVE LETTERS CONT.

## DIVISION OF MARKET REGULATION

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
First Maryland Bancorp	'34 Act/§10b/ Rule 10b-6	12/27/78	1/26/79
National Association of Securities Dealers	'34 Act/§15(c)/ Rule 15c3-3	1/9/79	2/8/79
National Association of Church and Institutional Financing Organizations	'34 Act/§15(c)/ Rule 15c3-1	1/15/79	2/14/79
Cooper Industries, Inc.	'34 Act/§10b/ Rules 10b-6 and 10b-13	2/14/79	2/15/79
Sambo's Restaurant, Inc.	'34 Act/§17A(d)/ Rule 17Ad-4(a)	1/16/79	2/15/79
Mississippi Power and Light Company	'34 Act/§§17A(c)(1) and 17A(c)	1/17/79	2/16/79
Automatic Data Processing, Inc.	'34 Act/§10b/ Rule 10b-6	1/26/79	2/26/79
Integrated Marketing, Inc.	'34 Act/§15(c)/ Rule 15c3-3	1/30/79	3/1/79

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**ACQUISITIONS OF SECURITIES**


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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 13-G) may in lieu of filing a Schedule 13D file a Form 13-G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period February 1 - 5, 1979. 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 &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
Textron, Inc., Administrator of Plans	Stride Rite Corp. (Boston, MA) Common Stock - 153,800 shs.	2-1-79
Capitol Life Insurance Co. Providence Washington Ins. Co. (Wholly-owned subsidiary of Gulf & Western Industries, Inc.)	Uniroyal, Inc. (Middlebury, CT) Common Stock - 1,631,035 shs.	2-1-79
Gulf & Western Industries, Inc. Charles G. Bluhdorn		
*Thomas A Davanzo	Economy Bookbinding Corp. (Kearny, NJ) Common Stock-53,283 shs (10.1%)	2-1-79

## ACQUISITION REPORTS CONT.

* Rhone-Poulenc S.A. (France)	Morton- Norwich Products, Inc. (Chicago, IL) Common Stock- 2,688,200 shs. (20%)	2-1-79
* Lionel Lieberman	Nuclear Data, Inc. (Schaumburg, IL) Common Stock- 73,900 shs.	2-1-79
* Lionel Lieberman Robert McAndrews Gregory E.V. Dodgson	Nuclear Data, Inc. (Schaumburg, IL) Common Stock - 111,000 shs.	2-1-79
* Robert J. McAndrews Gregory E.V. Dodgson Mr. & Mrs Leonard P Brenner etal	Nuclear Data, Inc. Schaumburg, IL) Common Stock- 96,290 shs.	2-1-79
* Emerson Electric Co.	Skil Corporation (Chicago, IL) Common Stock- 173,500 shs.	2-1-79
* James A Brown, Jr , Ind. Paramount International Co.	Summit Energy, Inc. (Dallas, TX) Common Stock- 99,7000	2-1-79
* Eastover Corporation	Texas First Mortgage Reit (Houston, TX) Shs of Beneficial Interest- 199,900 (18.94%)	2-1-79
Mc Donnell Douglas Corp.	American Monitor Corp (Indianapolis, IN) Common Stock- 150,000 shs (10.3%) Pursuant to a stock Purchase agreement McDonnell may acquire up to 250,000 shs.)	2-1-79
William S. Manning Beverly M. Manning	Bibb Company (Macon, GA) Common Stock- 79,357 shs " " - 2,000 shs. on exer of options	2-2-79
Alpha Capital Company	Devon Group, Inc. (Los Angeles, CA) Common Stock- 26,1000 shs.	2-2-79
Ronald R. Weiszman Deborah C. Weiszman Mary T. Pikrone Carole J. White	First Golden Bancorporation (Golden, CO) Common Stock- 4,205 shs.	2-2-79
Intermark, Inc.	Mission Investment Trust (San Diego, CA) Shs. of Beneficial Interest- 156,500	2-2-79
John A Ross	Port Huron Paper Co. (Port Huron, MI) Common Stock- 51,113 shs.	2-2-79
International Mining Corp. Pato Consolidated Mining Corp. (Bermuda) Pacific Holding Corp. (Wholly owned by D.H. Murdock) David H. Murdock, etal	Southwest Forest Industries, Inc. (Phoenix, AZ) Common Stock- 549,500 shs.	2-2-79
Lawrence J. Weimberg Individually & Trustee	United Realty Trust (Beverly Hills, CA) Shs. of Beneficial Interest- 455,600 (12.6%)  Shs. of Beneficial Interest- 101,086 On exer of warrants	2-2-79
* Walter Scheuer Gaymark Associates Edwin Robbins	Athlone Industries, Inc. (Parsippany, NJ) Common Stock- 223,800 shs. Common Stock- 224,196 shs. On conversion of Debs. (Reporting individuals & Company are deemed to control Highland Capital Corp. Included above are shares owned by Mr. Scheuer's wife & children.)	2-2-79

ACQUISITION REPORTS CONT.

*Joel Greenberg Riverside Foods, Ltd.	Bluebird Inc. (Philadelphia, PA) Common Stock- 1,623,400 shs. (29.2%)	2-2-79
*Sitronix, Inc. (Wholly) owned sub of Siemens Aktiengesellschaft (West Germany)	Litronix, Inc. (Cupertino, CA) Common Stock- 11,721,472 shs. (96.5%)	2-2-79
Trans Canada Freezers Ltd. (Canada) (Wholly owned sub of Eastern Utilities Ltd. (Canada)	American Consumer Industries, Inc. (Nyc) Common Stock- 445,393 shs. (5.2%)	2-5-79
Lee Balter Individually Trustee & Custodian	Hanover Square Realty Investors Shares of Beneficial Interest- 7,400 7 $\frac{1}{4}$ Convertible Debs.- \$32,000 (Not included above shs. & Debs. owned by brokerage customers & his employer.) Mr. Balter & customers owned 110,500 shs. Com. (12.5%) & 63,000 Debs. (10.9%)	2-5-79
* Thomas G. Wyman, Individually Trustee & Co. Trustee	GF Business Equipment, Inc. (Youngstown, OH) Common Stock- 465,500 shs. (18.61%)	2-5-79



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