

sec news digest

Issue 80-4

October 4, 1979

NOTICE OF COMMISSION 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 morning. 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 videotape Commission meetings must obtain permission in advance from the Secretary of the Commission. Persons wishing to tape record a Commission meeting should notify the Secretary's office 48 hours in advance of the meeting.

OPEN MEETING - WEDNESDAY, OCTOBER 10, 1979 - 10:00 A.M.

The subject matter of the October 10 open meeting will be:

(1) Consideration of whether to amend (1) Rule 17a-19 and Form X-17A-19 regarding reports by national securities exchanges and registered national securities associations of changes in the membership status of their members and (2) Rule 17a-5(b) regarding reports filed upon termination of membership interest. FOR FURTHER INFORMATION CONTACT Ellen Kerrigan at (202) 272-2364.

(2) Consideration of what response to make to the request of the Senate Committee on Banking, Finance and Urban Affairs for the Commission's comments concerning S. 1058, the "Voluntary Broadened Stock Ownership, Job Preservation, and Community Stabilization Act," which is intended to preserve jobs and stabilize communities by assisting employee or employee-community organizations in acquiring ownership of business concerns that would otherwise close, be sold to unrelated outside interests, or move away from the community. FOR FURTHER INFORMATION CONTACT Nicholas Gimbel at (202) 272-2438.

(3) Consideration of whether to announce that the Commission will take no enforcement action against issuers for not qualifying indentures pursuant to the Trust Indenture Act of 1939 in connection with offerings of \$1,500,000 or less of debt securities during any consecutive twelve-month period which are registered on Form S-18. FOR FURTHER INFORMATION CONTACT Robert Rupp at (202) 272-2644.

CLOSED MEETING - WEDNESDAY, OCTOBER 10, 1979 - IMMEDIATELY FOLLOWING 10:00 OPEN MEETING

The subject matter of the October 10 closed meeting will be: Subpoena enforcement action; Freedom of Information Act appeals; Litigation matters; Chapter X proceeding; Formal orders of investigation; Application for re-entry into employment and in the securities industry; Order compelling testimony; Institution of administrative proceedings of an enforcement nature; Institution of injunctive actions; Consideration of amicus participation.

OPEN MEETING - WEDNESDAY, OCTOBER 10, 1979 - 1:30 P.M.

The subject matter of the October 10 1:30 open meeting will be:

Meeting with Professor Louis Loss of Harvard Law School to discuss the American Law Institute Proposed Federal Securities Code.

OPEN MEETING - THURSDAY, OCTOBER 11, 1979 - 9:30 A.M.

The subject matter of the October 11 open meeting will be:

Meeting with Professor Louis Loss of Harvard Law School to discuss the American Law Institute Proposed Federal Securities Code.

CLOSED MEETING - THURSDAY, OCTOBER 11, 1979 - 2:30 P.M.

The subject matter of the October 11 closed meeting will be: Institution of injunctive action.

AT TIMES CHANGES IN COMMISSION PRIORITIES REQUIRE ALTERATIONS IN THE SCHEDULING OF MEETING ITEMS. FOR FURTHER INFORMATION AND TO ASCERTAIN WHAT, IF ANY MATTERS HAVE BEEN ADDED, DELETED OR POSTPONED, PLEASE CONTACT: Beverly Rubman at (202) 272-2092

RULES AND RELATED MATTERS

ADOPTION OF AMENDMENTS TO RULE 17d-1

The Commission today adopted two amendments to Rule 17d-1 under Section 17(d) of the Investment Company Act of 1940 (1) to permit under specified circumstances an investment company and certain affiliated persons thereof to enter a joint arrangement to receive securities and/or cash pursuant to a plan of reorganization without filing an exemptive application. (Rel. IC-10890); and (2) to allow the joint purchase by registered investment companies with certain affiliated persons of liability policies. (Rel. IC-10891)

FOR FURTHER INFORMATION CONTACT: Mark B. Goldfus at (202) 272-2048 or Mark J. Mackey at (202) 272-3045

COMMISSION ANNOUNCEMENTS

SCHEDULE OF WITNESSES FOR PAPILSKY HEARINGS

The Commission today announced the schedule of remaining witnesses at its public hearings concerning a proposed rule change of the National Association of Securities Dealers, Inc. (NASD) to amend certain of its rules governing broker-dealer practices with respect to fixed price offerings of securities (File No. NASD-78-3). This rule filing, generally referred to as the "Papilsky" proposal, has been the subject of previous Commission releases published on August 9, 1978 and May 15, 1979 [Rel. 34-15020 and 34-15807] and of earlier hearings on September 11, 20 and 25, 1979. In addition to the witnesses scheduled below, the NASD will reappear at these hearings on a date to be announced shortly.

Wednesday, October 17

Morning - McCarthy, Ried, Crisanti & Maffei, Inc.
Paul J. McCarthy, President
Joseph S. Crisanti, Executive Vice President - Marketing
Phillip T. Maffei, Executive Vice President - Research
Neil Flanzraich, Counsel (Holtzman, Wise, Shepard)

Alex. Brown & Sons
Alexander Daignault, Jr., Departmental Vice President

Afternoon - Piper, Jaffray & Hopwood Incorporated
John Bacon, Vice President/Syndicate
Van Zandt Hawn, Corporate Finance; and
Dain, Kalman & Quail, Inc.
Fred Friswold, Executive Vice President and Director

Charles Schwab & Co., Inc.
Richard W. Arnold, Vice President - Finance

Thursday, October 25

Morning - Goldman Sachs & Co.
John C. Whitehead, Senior Partner

William Blair & Company
James M. McMullen, Syndicate Partner
F. David Laidley, Associate, Compliance Department

Afternoon - Arnhold and S. Bleichroeder, Inc.
Charles R. Treuhold, Senior Vice President

The Robinson-Humphrey Company, Inc.
J. Coleman Budd, Executive Vice President

Thursday, November 8

Morning - Morgan Stanley & Co. Incorporated
Robert H. B. Baldwin, President
William R. Harman, Vice President and General Counsel

The morning sessions of the hearings will commence at 9:30 a.m. and the afternoon sessions at 2:00 p.m. at the Commission's headquarters, 500 North Capitol Street, Washington, D.C., in Room 776.

FOR FURTHER INFORMATION CONTACT: Lucy Weisz at (202) 272-2839

CIVIL PROCEEDINGS

PLAN OF DISTRIBUTION ENTERED RE
FIRST LIBERTY INVESTORS LIFE INSURANCE COMPANY

The Atlanta Regional Office and the Miami Branch Office announced that on September 5 the Honorable Terrell Hodges, Judge, U.S. District Court, Middle District of Florida, Tampa Division, signed an Order approving the sale of First Liberty Investors Life Insurance Company, a wholly-owned subsidiary of First Liberty Corporation (First Liberty), and a Plan of Distribution of the assets of First Liberty to its creditors and shareholders.

First Liberty, which had consented to the entry of an Order of Permanent Injunction on January 12, 1978, without admitting or denying the allegations in the Commission's complaint, had been charged with violations of the registration and antifraud provisions of the securities laws relating to a "minimum-maximum" public offering of the securities of First Liberty. The Plan of Distribution provides that First Liberty will return to its shareholders more than \$1,200,000 of the proceeds of the sale of its common stock. (SEC v. First Liberty Corporation, et al., M.D. Fla., Civil Action No. 77-623-CIV-TH). (LR-8882)

CRIMINAL PROCEEDINGS

RUSSELL REED, OTHERS INDICTED

The New York Regional Office announced that on September 12 Russell Reed, also known as Stephen Whitney (Reed), of Clinton Corners, New York, James S. Doyle, of Brentwood, New York, and Thomas Francis Ryan, of Kings Park, New York, were indicted by a federal grand jury and charged with twenty counts of conspiracy, securities and mail fraud. A hearing date had not been set for the case.

The indictment charges that on or about and between August 24, 1978 and September 26, 1978, Reed opened three securities brokerage accounts at the Huntington, New York branch office of Shearson Hayden Stone, Inc., through Ryan, his registered representative. From on or about August 24, 1978, until on or about October 20, 1978, Reed placed orders through Ryan for the purchase of approximately \$2 million in various securities.

Ryan and Doyle, the operations manager at Shearson's Huntington office, allowed Reed to engage in a practice known in the securities industry as "free riding", by permitting Reed to pay for the securities with checks drawn on banks located in Florida, Canada, and Puerto Rico, where he had insufficient funds to pay the stated amounts, and to later sell certain securities he had not paid for.

In a related matter Final Judgments of Permanent Injunction by Consent were issued by the Honorable Henry F. Werker against Reed (and the three accounts controlled by Reed), Doyle and Ryan in SEC v. Reed, et al., 78 Civil 5581, S.D.N.Y. (U.S. v. Russell Reed, et al.). (LR-8881)

INVESTMENT COMPANY ACT RELEASES

FINANCIAL TRENDS MUTUAL FUND, INC.

An order has been issued declaring that Financial Trends Mutual Fund, Inc. has ceased to be an investment company. (Rel. IC-10887 - Oct. 3)

MONEY MARKET TRUST

An order has been issued on an application of Money Market Trust (Applicant), a "money market" fund registered under the Investment Company Act of 1940 as an open-end, diversified, management investment company, pursuant to Section 6(c) of the Act, exempting Applicant, subject to conditions, from the provisions of Section 2(a)(41) of the Act, and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to permit Applicant to utilize amortized cost valuation for the purpose of pricing its shares for sale and redemption. (Rel. IC-10888 - Oct. 3)

FIRST INCOME SHARES, INC.

A notice has been issued giving interested persons until October 26 to request a hearing on an application of First Income Shares, Inc., a registered, open-end, diversified, management investment company, declaring that it has ceased to be an investment company. (Rel. IC-10889 - Oct. 3)

HOLDING COMPANY ACT RELEASES

MIDDLE SOUTH UTILITIES, INC.

A notice has been issued giving interested persons until October 29 to request a hearing on a proposal of Middle South Utilities, Inc., a registered holding company, to issue and sell at competitive bidding up to 7,000,000 shares of its common stock, par value \$5 per share. The net proceeds of the sale, estimated to aggregate \$105 million, will be used to repay Middle South's outstanding bank loans. (Rel. 35-21238 - Oct. 2)

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-16) WELLS FARGO & COMPANY, 420 Montgomery St., San Francisco, Cal. 94104 (415) 396-0123 - 500,000 shares of common stock. (File 2-65642 - Oct. 2)

(S-14) THE HARTFORD SPECIAL MACHINERY CO., 82 Hopmeadow St., Simsbury, Ct. 06070 - 64,870 shares of common stock. (File 2-65643 - Oct. 2)

(S-8) RICHARDSON-MERRELL, INC., Ten Westport Rd., Wilton, Conn. 06897 (203) 762-2222 - 1,000,000 shares of common stock. (File 2-65644 - Oct. 2)

(S-18) SUNSAV, INC., 640 South Union St., Lawrence, Mass. 01843 - 500,000 shares of common stock. Fahnestock & Co. The company intends to design, assemble, market and install solar thermal collectors and solar systems. (File 2-65603 - Sept. 27)

(S-8) LA QUINTA MOTOR INNS, INC., Century Bldg., 84 N.E. Loop 410, San Antonio, Tex. 78216 (512) 349-1221 - 506,057 shares of common stock. (File 2-65645 - Oct. 2)

- (S-1) ASSOCIATES FIRST CAPITAL CORPORATION, 1 Gulf & Western Plaza, New York, N.Y. 10023 - \$75 million of investment notes. The company is engaged in providing financing and related insurance services. (File 2-65646 - Oct. 3)
- (S-16) ENSERCH CORPORATION, 301 South Harwood St., Dallas, Tex. 75201 (214) 651-8700 - 3,000,000 shares of common stock. Underwriters: Salomon Brothers and Goldman, Sachs & Co. The company is a diversified energy company. (File 2-65647 - Oct. 3)
- (S-8) KANEB SERVICES, INC., Kaneb Bldg., 5251 Westheimer Rd., Houston, Tex. 77056 (713) 622-3456 - \$5,617,006 of interests and 150,000 shares of common stock. (File 2-65648 - Oct. 3)
- (S-1) PENINSULA RESOURCES CORPORATION, 823 N. Tanchua, Corpus Christi, Tex. 78403 - 550,000 shares of common stock. Underwriter: Bateman Eichler, Hill Richards Inc. The company is engaged in oil and gas exploration, development and production. (File 2-65650 - Oct. 3)
- (S-8) VOLUNTEER CAPITAL CORPORATION, Two Maryland Farms, Suite 100, Brentwood, Tenn. 37027 (615) 373-5700 - 72,998 shares of common stock. (File 2-65653 - Oct. 3)
- (S-7) NICOLET INSTRUMENT CORPORATION, 5225 Verona Rd., Madison, Wis. 53711 (608) 271-3333 - 550,000 shares of common stock. Underwriter: E. F. Hutton & Company Inc., Piper, Jaffray & Hopwood Incorporated and Dain Bosworth Incorporated. The company is a manufacturer of digital electronic test, measurement, analytical and graphic display instruments. (File 2-65654 - Oct. 3)

RECENT 8K FILINGS

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

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Resignations of Registrant's Directors.
- Item 7. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date 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 the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEMS NO.	DATE	
REDFERN FOODS CORP	2,7	08/17/79	
RELIANCE GROUP INC	5	08/01/79	
REPUBLIC CORP /TX/	5	06/30/79	
REDEL INDUSTRIES	5	08/01/79	
REUTER INC	2,7	08/27/79	
REVLON INC	5	08/06/79	
REXNORD INC	5	08/01/79	
RIVERSIDE PROPERTIES	5,6	06/15/79	
ROADWAY EXPRESS INC	5	06/29/79	AMEND
ROBERTSON H H CO	2,5	08/01/79	
ROCHESTER GAS & ELECTRIC CORP	5	08/15/79	
RODAC CORP	6	08/28/79	
ROGERS CORP	5	07/09/79	
RJM AMER PHARMACEUTICALS LTD	5	09/07/79	
ROYSTER CO	5	09/07/79	
RULE INDUSTRIES INC	2,7	08/16/79	
RUSCO INDUSTRIES INC /DE/	5	08/20/79	
SAINT LOUIS NATIONAL STOCKYARDS CO	5	08/08/79	
SAMBOS RESTAURANTS INC	5	08/01/79	AMEND
SANYO MANUFACTURING CORP	5	08/05/79	
SARGENT INDUSTRIES INC	5	08/06/79	
SCHWERMAN TRUCKING CO	5	08/20/79	

RECENT 8K FILINGS CONT.

SCIENTIFIC ATLANTA INC	5,7	08/21/79	
SCIENTIFIC EXPLORATION INC	2,6	08/15/79	
SCRIPPS HOWARD BROADCASTING CO	5	08/01/79	
SFABOARD WORLD AIRLINES INC	5,7	08/01/79	
SEARS INDUSTRIES INC	5,7	08/01/79	
SECURITY MORTGAGE INVESTORS	5,6	08/02/79	
SHAKESPEARE CO /DE/	7	08/27/79	
SILCO INC /NV/	2,7	04/11/79	
SILCO INC /NV/	2,7	04/12/79	
SIMKINS INDUSTRIES INC	5	07/31/79	
SOLITRON DEVICES INC	4	08/29/79	
SONICS INTERNATIONAL INC	2,6	08/31/79	
SOUTHERN CALIFORNIA GAS CO	5	08/01/79	
SOUTHWESTERN ELECTRIC POWER CO	5	08/13/79	
SOUTHWESTERN RESEARCH CORP	5	03/01/79	
SPERTI DRUG PRODUCTS INC	5	08/31/79	
SRC LABORATORIES INC	5,7	08/06/79	
STANDARD SHARES INC	4,5,7	07/31/79	
STARLITE INDUSTRIES INC	5	08/01/79	
STERLING COMPUTER SYSTEMS INC	13	09/05/79	
STERLING ELECTRONICS CORP	5	04/01/79	
SUN HEET INC	5	08/20/79	
SUN HEET INC	5	09/05/79	
SUPER STORES INC	2,5,6,7	07/30/79	
SUPERIOR ELECTRIC CO	5	08/27/79	
SUSQUEHANNA CORP	5,7	08/21/79	
TBC INDUSTRIES INC	2,4,7	08/28/79	
TEJON AGRICULTURAL PARTNERS	5,6	07/20/79	
TEJON RANCH CO	5,7	08/20/79	
TEXAS UTILITIES CO	5	08/30/79	
THIokol CORP	2,7	08/21/79	
THRIFTMART INC	5	08/10/79	
TIDEWATER GROUP INC	2,5,6,7	08/01/79	
TOWER PRODUCTS INC	5	08/23/79	
TOWLE MANUFACTURING CO	5	08/24/79	
TREASURE ISLE INC	5,7	08/08/79	
TULSTAR FACTORS INC	5,7	08/03/79	
TULTEX CORP	5,7	08/03/79	
U&I INC	5	08/15/79	
UIP CORP	5,7	08/23/79	
UNION ELECTRIC CO	5	08/14/79	
UNITED GROUP INC	2	07/01/79	
UNITED JERSEY BANKS	5	08/01/79	
UNITED PARK CITY MINES CO	5,7	08/20/79	
UNITED STATES ENERGY CORP	1	08/01/79	
UNITED STATES ENERGY CORP	1	08/01/79	
UNITED STATES RUBBER RECLAIMING CO INC	1,7	08/29/79	
UNIVERSAL VOLTRONICS CORP	5	08/29/79	
VAHLING INC	5	08/01/79	
VENTAVO RANCHOS LTD 3	2,6	06/08/79	
VOLUME SHOP CORP	5	07/23/79	
WASHINGTON REAL ESTATE INVESTMENT TRUST	2	08/14/79	
WENTWORTH MANUFACTURING CO	2	08/21/79	
WEST BAY FINANCIAL CORP /CA/	2	06/15/79	AMEND
WEST CHEMICAL PRODUCTS INC	5	08/24/79	
WEST MICHIGAN FINANCIAL CORP	5	08/21/79	
WESTBURNE INTERNATIONAL INDUSTRIES LTD	2,7	08/17/79	
WESTERN FINANCIAL CORP	5	08/30/79	
WHEELING PITTSBURGH STEEL CORP	5,6,7	08/29/79	
WILLCOX & GIBBS INC	7	06/14/79	AMEND
WILSHIRE OIL CO OF TEXAS	2	08/20/79	
WYOMING BANKCORPORATION	6	07/24/79	
XACRON CORP	2,5,6,7	08/01/79	
XEROX CORP	5	08/20/79	
XONICS INC	5	08/14/79	
ZALE CORP	5,7	08/01/79	
ZENITH UNITED CORP	5,7	08/16/79	

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