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Issue 80-1

U.S. SECURITIES AND  
EXCHANGE COMMISSION

January 2, 1980

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## RULES AND RELATED MATTERS

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### EXEMPTIONS FOR CERTAIN INVESTMENT ADVISERS AND PRINCIPAL UNDERWRITERS OF INVESTMENT COMPANIES

The Commission today adopted two rules under the Investment Company Act of 1940, regarding services rendered to an investment company by certain persons without a written contract or pursuant to an assigned contract. The Act effectively requires that the investment advisory contract or principal underwriting contract with an investment company must, by its terms, terminate upon its assignment. Rule 2a-6 deems not to be an assignment for purposes of that provision a transaction which does not result in a change of actual control or management of an investment adviser or principal underwriter. The Act also provides that a person may not act under an investment advisory contract unless it has been approved by the holders of a majority of the investment company's voting securities. Rule 15a-4 permits, subject to certain restrictions, a person to act temporarily as an investment adviser to an investment company, without the prior approval of the investment company's shareholders. These rules take effect immediately. (Rel. IC-11005)

FOR FURTHER INFORMATION CONTACT: Joseph F. Mazzella at (202) 272-2033

### ACCOUNTANT LIABILITY FOR REPORTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

The Commission announced the publication of a release adopting a rule which provides that a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Securities Act of 1933 shall not include a report by an independent accountant on a review of unaudited interim financial information (SAS No. 24 report). The rule, which was effective December 28, 1979, will have the effect of excluding accountants from potential liability under Section 11(a) of the Securities Act for SAS No. 24 reports included in Securities Act filings. (Rel. 33-6173)

FOR FURTHER INFORMATION CONTACT: James J. Doyle at (202) 272-2130

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## CIVIL PROCEEDINGS

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### COMPLAINT NAMES RESORT CAR RENTAL SYSTEM, INC. AND ABRAHAM GURDON WOLFSON

The Los Angeles Regional Office announced the filing of a complaint on December 31, 1979 against Resort Car Rental System, Inc. and Abraham Gurdon Wolfson, both of Las Vegas, Nevada, alleging violations of the corporate reporting requirements of the Securities Exchange Act of 1934. The complaint further alleges that Wolfson, Resort's former president, failed to file a required Schedule 13D. The complaint seeks a judgment of permanent injunction and an order requiring the delinquent reports to be filed. (SEC v. Resort Car Rental System, Inc., and Abraham Gurdon Wolfson, U.S.D.C., Dist. of Nevada, Civil Action No. 79-282-HEC). (LR-8966)

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## INVESTMENT COMPANY ACT RELEASES

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### INTERCAPITAL HIGH YIELD SECURITIES INC.

An order has been issued on an application pursuant to Section 6(c) of the Investment Company Act of 1940 exempting a director of InterCapital High Yield Securities Inc. (Applicant) from the provisions of Section 2(a)(19) of the Act to the extent that said director might otherwise be deemed an "interested person" of Applicant, solely because said director is also a director of a registered broker-dealer. (Rel. IC-11004 - Dec. 31)

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## HOLDING COMPANY ACT RELEASES

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### METROPOLITAN EDISON COMPANY

An order has been issued authorizing Metropolitan Edison Company, subsidiary of General Public Utilities Corporation, to borrow from banks, not parties to its Revolving Credit Agreement, within the limits of its previously authorized maximum short-term borrowings. (Rel. 35-21368 - Dec. 28)

### JERSEY CENTRAL POWER & LIGHT COMPANY

An order has been issued authorizing Jersey Central Power & Light Company, subsidiary of General Public Utilities Corporation, to borrow from banks, not parties to its Revolving Credit Agreement, within the limit of its previously authorized maximum short-term borrowings. (Rel. 35-21369 - Dec. 28)

### MIDDLE SOUTH UTILITIES, INC.

A supplemental order has been issued granting a proposal of Middle South Utilities, Inc., a registered holding company, to extend for one year until December 31, 1980, its authorization to acquire from Arkansas-Missouri Power Company, its subsidiary, up to \$2,100,000 of Ark-Mo's unsecured short-term promissory notes. (Rel. 35-21370 - Dec. 28)

### GENERAL PUBLIC UTILITIES CORPORATION

A supplemental order has been issued authorizing a proposal of General Public Utilities Corporation (GPU), a registered holding company, and its subsidiary, GPU Service Corporation, whereby Service Corporation will increase its outstanding unsecured notes to GPU from \$10 million to \$14 million. (Rel. 35-21371 - Dec. 28)

An order has also been issued authorizing GPU and Service Corporation to extent their short-term borrowing limit through December 31, 1980 and adjust the computation of the interest rate for such borrowings. (Rel. 35-21372 - Dec. 31)

### THE COLUMBIA GAS SYSTEM, INC.

An order has been issued authorizing a proposal of The Columbia Gas System, Inc., a registered holding company, and 16 of its subsidiaries, whereby Columbia will make open account advances to its subsidiaries and such subsidiaries will make intra-system prepayments of promissory notes held by Columbia. The maximum aggregate amount of such prepayments is estimated at \$739,158,000 at any one time outstanding. (Rel. 35-21373 - Dec. 31)

### BLACKSTONE VALLEY ELECTRIC COMPANY

A notice has been issued giving interested persons until January 25 to request a hearing upon a proposal by Blackstone Valley Electric Company, subsidiary of Eastern Utilities Associates, that its \$25 million bank loan be extended until January 28, 1981. (Rel. 35-21374 - Dec. 31)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGES AND ORDER EXTENDING TIME PERIOD

The National Association of Securities Dealers, Inc. has filed a proposed rule change under Rule 19b-4 (SR-NASD-79-16) in response to certain recommendations made by the Commission's Special Study of the Options Markets which the Commission requested the self-regulatory organizations which currently list and trade standardized options or which have proposed to list and trade standardized options to implement before further expansion of the standardized options markets is permitted. Persons are invited to submit six copies of their written data, views and arguments within 21 days of the date of publication to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. Reference should be made to File No. SR-NASD-79-16.

Publication of the proposal is expected to be made in the Federal Register during the week of December 31. (Rel. 34-16460)

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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-18) DETECTION SCIENCES, INC., 7731 Country Club Dr., Minneapolis, Minn. 55427 - 530,000 shares of common stock. Underwriter: Craig-Hallum, Inc. The company is engaged in the digital process control and the hearing aid businesses. (File 2-66322 - Dec. 27)
- (S-11) GRANITE HOME LOANS, LTD., 1500 Twenty-First St., Sacramento, Cal. 95814 - 10,000 units of subordinate mortgage-backed pass-through certificates. (File 2-66344 - Dec. 31)
- (S-1) EPC 1980, LTD., Eleventh Floor Vaughn Bldg., Midland, Tex. 79701 (915) 683-6101 - 400 units of preformation limited partnership interests. Underwriter: Rotanmisle. (File 2-66345 - Dec. 27)
- (S-1) ENERGY SOURCES 1980 PROGRAM, Suite 711, One Energy Sq., 4925 Greenville Ave., Dallas, Tex. 75206 - 2,000 units of limited partnership interest. (File 2-66346 - Dec. 31)
- (S-1) UNIT DRILLING AND EXPLORATION COMPANY, 1101 Petroleum Club Bldg., Tulsa, Okla. 74119 - 550,000 shares of common stock. Underwriter: Blyth Eastman Paine Webber Inc. The company is engaged in onshore contract drilling of oil and gas wells. (File 2-66347 - Dec. 31)
- (S-14) BOOTHE INTERIM CORPORATION, 555 California St., San Francisco, Cal. 94104 (415) 989-6580 - 1,620,800 shares of common stock. (File 2-66348 - Dec. 31)
- (S-16) M/A-COM, INC., 7 New England Executive Park, Burlington, Mass. 01803 (617) 272-9600 - 990,000 shares of common stock. Underwriters: E.F. Hutton & Company Inc. and Salomon Brothers. The company is a manufacturer of electronic equipment and systems. (File 2-66349 - Dec. 31)
- (S-11) CARLYLE REAL ESTATE LIMITED PARTNERSHIP-X, 875 North Michigan Ave., Chicago, Ill. 60611 - 82,500 limited partnership interests. Underwriter: Carlyle Securities Corporation. (File 2-66350 - Dec. 31)
- (S-14) RAYTHEON COMPANY, 141 Spring St., Lexington, Mass. 02173 (617) 862-6600 - 10,333,070 shares of common stock. (File 2-66352 - Dec. 31)
- (S-14) MINEX, INC., 275 Madison Ave., New York, N.Y. 10016 (212) 335-6616 - 46,606,845 shares of common stock. (File 2-66353 - Dec. 31)
- (S-14) FISCHBACH CORPORATION, 485 Lexington Ave., New York, N.Y. 10017 (212) 986-4100 - 3,856,964 shares of common stock. (File 2-66354 - Dec. 31)
- (S-8) AVNET, INC., 767 Fifth Ave., New York, N.Y. 10022 (212) 644-1050 - 55,402 shares of common stock. The company is a manufacturer and distributor of electronic components, among other things. (File 2-66355 - Dec. 31)
- (S-1) TREXCO 1980 DRILLING PROGRAM, 1400 First National Bank Tower, Shreveport, La. 71101 - \$25 million of limited partnership interests. (File 2-66356 - Dec. 31)
- (N-1) BROKERS CASH MANAGEMENT TRUST, 421 Seventh Ave., Pittsburgh, Pa. 15219 (412) 288-1900 - an indefinite number of shares of beneficial interest. (File 2-66357 - Dec. 31)

### REGISTRATIONS EFFECTIVE

Dec. 27: American Tax-Exempt Bond Trust, Series 40, 2-66074; ENI Completion Program 1980, 2-65943 & 2-65850 (both 90 days); Sensormatic Electronics Corp., 2-66131.  
Dec. 28: American Property Investors X, 2-65139 (90 days); Dominion Bankshares Corp., 2-65905; Equitable Gas Co., 2-66128; Genstar Limited, 2-66135; Gerber Products Co., 2-66178; INA Corp., 2-65345 & 2-65634; Madison Gas and Electric Co., 2-66175; Malone & Hyde, Inc., 2-66218; Oklahoma Natural Gas Co., 2-66097; Public Service Co. of Colorado, 2-66236.

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