

# sec news digest

U.S. SECURITIES AND  
FINANCIAL COMMISSION

OCT 30 1980

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## 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 space 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.

### CLOSED MEETING - TUESDAY, NOVEMBER 4, 1980 - 10:00 A.M.

The subject matter of the November 4 closed meeting will be: Formal orders of investigation; Access to investigative files by Federal, State, or Self-Regulatory authorities; Litigation matters; Regulatory matters bearing enforcement implications; Regulatory matter regarding financial institution; Institution of administrative proceeding of an enforcement nature; Institution of injunctive action; Freedom of Information Act appeal; Opinion.

### OPEN MEETING - WEDNESDAY, NOVEMBER 5, 1980 - 10:00 A.M.

The subject matter of the November 5 open meeting will be:

(1) Consideration of whether to grant the appeal of Walter R. Davis from the decision of the Commission's Freedom of Information Act Officer denying Mr. Davis' request for confidential treatment of a transcript of investigative testimony given by him in the course of a private Commission investigation. FOR FURTHER INFORMATION CONTACT David Knight at (202) 272-2454.

(2) Consideration of whether to grant the application of Geoffrey P. E. Clarkson for relief pursuant to Rule 242(a)(5)(v) of the Securities Act of 1933. FOR FURTHER INFORMATION CONTACT Thomas J. Baudhuin at (202) 272-2644.

(3) Consideration of whether or not to delegate authority to the Director of the Office of Opinions and Review to rule on (1) motions to stay final Commission orders in disciplinary proceedings pending appeal to the federal courts; (2) motions to stay disciplinary action taken by a self-regulatory organization pending review of that action by the Commission; and (3) requests for oral argument in appeals from disciplinary or exclusionary action taken by self-regulatory organizations. FOR FURTHER INFORMATION CONTACT William Stern at (202) 272-2754.

### CLOSED MEETING - WEDNESDAY, NOVEMBER 5, 1980 - FOLLOWING THE OPEN MEETING

The subject matter of the November 5 closed meeting will be: Institution of administrative proceedings of an enforcement nature; Settlement of administrative proceedings of an enforcement nature.

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: Paul Lowenstein at (202) 272-2092

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## RULES AND RELATED MATTERS

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### PROCEDURES FOR RENDERING INFORMAL ADVICE

The Commission has issued a release discussing certain procedures utilized by the Division of Corporation Finance for providing informal advice to the public. Among other things, the release describes a recently adopted abbreviated procedure for responding to all requests for no-action and interpretive letters except those involving shareholder proposals. Further, it enumerates those matters which the staff of the Division, for policy or other reasons, will not express any view on when raised in a request for no-action or interpretive advice. (Rel. 33-6253)

FOR FURTHER INFORMATION CONTACT: William E. Morley or Peter J. Romeo at (202) 272-2573

### ADOPTION OF RULE PERMITTING USE OF MUTUAL FUND ASSETS FOR DISTRIBUTION

The Commission announced that it has adopted Rule 12b-1 under the Investment Company Act of 1940 permitting open-end management investment companies to finance distribution of their shares under certain conditions. At the same time, the Commission adopted Rule 17d-3 under the Investment Company Act to provide a limited exemption for mutual funds which comply with Rule 12b-1. Finally, the Commission adopted certain related disclosure requirements. (Rel. 33-6254)

FOR FURTHER INFORMATION CONTACT: Richard W. Grant at (202) 272-2041

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## COMMISSION ANNOUNCEMENTS

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### WEEKLY CALENDAR

The following is a schedule of speaking engagements, Congressional testimony, Commission hearings and other public events involving the Commission for the week of November 2, 1980. (Commission Meetings are announced separately in the News Digest)

#### Monday, November 3

- \* Chairman Williams will be the luncheon speaker at the New York State Society of Certified Public Accountants' SEC Accounting Conference and Annual Meeting to be held in New York City at the Barbizon Plaza Hotel. His speech will be entitled "Accounting and Financial Reporting -- The Challenges in the 1980's."

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## ADMINISTRATIVE PROCEEDINGS

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### FINANCIAL PRINCIPLES CO., INC., OTHERS CITED

Public administrative proceedings have been ordered pursuant to the Securities Exchange Act of 1934 (Exchange Act) and the Investment Advisers Act of 1940, against Financial Principles Co., Inc. (FPCI), a registered investment adviser located in Dallas, Texas, and Melvin Ray Hassell (M. Hassell) and Danny Ray Hassell (D. Hassell), president and vice president of FPCI, respectively, also of Dallas. Simultaneous with the institution of the proceedings, the Commission approved a Joint Offer of Settlement submitted by FPCI and the Hassells in which they consented to the findings and sanctions described below, without admitting or denying the Commission's allegations, and entered into certain voluntary undertakings.

The Commission found that FPCI and the Hassells had wilfully violated, and had wilfully aided and abetted each other in violating, the Exchange Act in that they had engaged in the regular business of effecting transactions in securities for the accounts of others without being registered with the Commission as broker-dealers. Based upon this activity, the Commission censured FPCI and the Hassells.

In addition, FPCI and the Hassells consented voluntarily to undertake to register FPCI with the Commission as a broker-dealer, or to insure that all transactions in securities effected by the Hassells for the accounts of others be properly reflected on the books and records of a registered broker-dealer which is a member of the NASD, unless prior to making any offers or sales, the Hassells obtain a written opinion of counsel that the investment vehicle is not a security. (Rel. 34-17229)

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## TRUST INDENTURE ACT RELEASES

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### PACIFIC SOUTHWEST AIRLINES

An order has been issued on an application by Pacific Southwest Airlines pursuant to Section 310(b)(1)(ii) of the Trust Indenture Act of 1939 declaring that the trusteeships of United States Trust Company of New York under (a) an existing Indenture qualified under the Act in 1967; (b) an existing Indenture qualified under the Act of 1979; and (c) two proposed Trust Agreements that will not be qualified under the Act, are not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trust Company from acting as trustee under such Indentures or Trust Agreements. (Rel. TI-595)

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## INVESTMENT COMPANY ACT RELEASES

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### MIDWEST INCOME INVESTMENT COMPANY

An order has been issued exempting Midwest Income Investment Company, a money market fund registered under the Investment Company Act of 1940 as an open-end, non-diversified management company, pursuant to Section 6(c) of the Act, from the provisions of Section 2(a)(41) of the Act and Rules 2a-4 and 22c-1 thereunder, to the extent necessary to enable Applicant to utilize amortized cost valuation for the purpose of pricing its shares for sale, repurchase and redemption. (Rel. IC-11415 - Oct. 28)

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## HOLDING COMPANY ACT RELEASES

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### NEW ENGLAND ENERGY INCORPORATED

An order has been issued authorizing New England Energy Incorporated, subsidiary of New England Electric System, to increase its permitted bank loans from \$60 million to \$80 million in 1980, and reserving jurisdiction over a proposed increase in said loans from \$80 million to \$105 million in 1981. (Rel. 35-21761 - Oct. 28)

### THE POTOMAC EDISON COMPANY

A notice has been issued giving interested persons until November 25 to request a hearing on a proposal by The Potomac Edison Company, subsidiary of Allegheny Power System, Inc., whereby Potomac will issue and sell up to \$25 million of preferred stock at competitive bidding. The proceeds will be used to prepay Potomac's short-term debt, to finance its construction program and for other corporate purposes. (Rel. 35-21762 - Oct. 28)

### NATIONAL FUEL GAS COMPANY

An order has been issued authorizing National Fuel Gas Company, a registered holding company, and its four subsidiaries, to allocate, for the 1980 and 1981 fiscal years, the system's consolidated income taxes in a manner differing from that set forth in Rule 45 under the Public Utility Holding Company Act of 1935. (Rel. 35-21763 - Oct. 28)

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## LISTING, DELISTING AND UNLISTED TRADING ACTIONS

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### UNLISTED TRADING GRANTED

An order has been issued granting the applications of the Midwest Stock Exchange, Incorporated for unlisted trading privileges in four stocks which are listed and registered on one or more other national securities exchanges and are reported on the consolidated transaction reporting system. (Rel. 34-17254)

### WITHDRAWAL SOUGHT

A notice has been issued giving interested persons until November 18 to comment on the application of John H. Harland Company to withdraw its common stock (\$1 par value) from listing and registration on the American Stock Exchange, Inc. (Rel. 34-17255)

### DELISTING GRANTED

An order has been issued granting the application of the Pacific Stock Exchange, Inc. to strike the 9% subordinated debentures, due 6-1-95, of Brown Company from listing and registration thereon. (Rel. 34-17256)

### UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until November 19 to comment on the application of the Cincinnati Stock Exchange for unlisted trading privileges in the common stock (no par value) of Metro-Goldwyn-Mayer Film Co. (Rel. 34-17257)

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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; File number and date filed; Assigned Branch; and whether the registration statement is a New Issue.

- (S-16) POGO PRODUCING COMPANY, 707 McKinney - Suite 900, Houston, Tex. 77002 (713) 651-4300 - \$60 million of 8% convertible subordinated debentures, due December 31, 2005. Underwriters: Merrill Lynch White Weld Capital Markets Group and Lehman Brothers Kuhn Loeb Incorporated. The company is engaged in oil and gas exploration, development and production operations. (File 2-69428 - Oct. 16) (Br. 3)
- (S-18) PAY-FONE SYSTEMS, INC., 11255 West Olympic Blvd., Los Angeles, Cal. 90064 - 660,000 shares of common stock. Underwriter: D.H. Blair & Co., Inc. The company provides its customers with computerized payroll preparation services. (File 2-69590-LA - Oct. 22) (Br. 10 - New Issue)
- (S-18) ENGINEERING MEASUREMENTS COMPANY, 600 Diagonal Highway, Longmont, Colo. 80501 (303) 449-8800 - 907,500 shares of common stock. Underwriter: Hanifen Imhoff & Samford, Inc. The company manufactures and sells flow measurement devices and systems. (File 2-69601-D - Oct. 23) (Br. 8 - New Issue)
- (S-18) FIDELITY MEDICAL SERVICES, INC., 1310 King St., Wilmington, Del. - 1,000,000 units, 2,000,000 shares of common stock and 1,000,000 common stock purchase warrants. Underwriter: Patten Securities Corp. The company is engaged in providing non-invasive cardiac testing. (File 2-69627 - Oct. 24) (Br. 6 - New Issue)
- (S-14) SCURRY-RAINBOW OIL LIMITED, 2300 Home Oil Tower, 324 Eighth Avenue S.W., Calgary, Alberta T2P 2Z5 (403) 232-7101 - 152,000 preferred shares. (File 2-69632 - Oct. 27) (Br. 3 - New Issue)
- (S-14) GROSSER-HINDS COMPANY, Wolf and Seventh North Sts., Syracuse, N.Y. 13221 (315) 457-7000 - 5,400,000 shares of common stock. (File 2-69646 - Oct. 27) (Br. 8)

- (S-7) INTEGRATED RESOURCES, INC., 666 Third Ave., New York, N.Y. 10017 (212) 878-9200 - 880,000 shares of cumulative convertible preferred stock. Underwriters: Drexel Burnham Lambert Incorporated and Bache Halsey Stuart Shields Incorporated. The company is a financial services marketing company. (File 2-69648 - Oct. 27) (Br. 6)
- (S-6EL24) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED FIFTY-SIXTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Incorporated, Dean Witter Reynolds Inc. and Shearson Loeb Rhoades Inc. (File 2-69649 - Oct. 27) (Br. 17 - New Issue)
- (S-6EL24) THE CORPORATE INCOME FUND, SEVENTY-NINTH SHORT TERM SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Incorporated, Dean Witter Reynolds Inc. and Shearson Loeb Rhoades Inc. (File 2-69650 - Oct. 27) (Br. 17 - New Issue)
- (S-6) THE CORPORATE INCOME FUND, EIGHTIETH SHORT TERM SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Incorporated, Dean Witter Reynolds Inc. and Shearson Loeb Rhoades Inc. (File 2-69651 - Oct. 28) (Br. 17 - New Issue)
- (S-6EL24) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED FIFTY-FIFTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Incorporated, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Incorporated, Dean Witter Reynolds Inc. and Shearson Loeb Rhoades Inc. (File 2-69652 - Oct. 27) (Br. 17 - New Issue)
- (N-1) DAILY TAX EXEMPT CASH FUND, INC., 3600 South Yosemite St., Denver, Colo. 80237 (303) 770-2345 - an indefinite number of shares. (File 2-69653 - Oct. 28) (Br. 18 - New Issue)
- (S-1) BROCK HOTEL CORPORATION, 2209 West 29th St., Topeka, Kan. 66611 - 546,500 shares of common stock. Underwriters: E.F. Hutton & Company Inc., Montgomery Securities and R. G. Dickinson & Co. The company is an independent operator of Holiday Inn hotels. (File 2-69654 - Oct. 28) (Br. 5)
- (S-15) REPUBLIC OF TEXAS CORPORATION, 1800 Republic National Bank Bldg., Dallas, Tex. 75201 (214) 653-5031 - 217,500 shares of common stock. (File 2-69655 - Oct. 28) (Br. 2)
- (S-8) COMPUTERIZED AUTOMOTIVE REPORTING SERVICE, INC., P.O. Box 235, Birmingham, Ala. 35201 (205) 956-7500 - 50,000 shares of common stock and 50,000 shares of Class B common stock. (File 2-69656 - Oct. 27) (Br. 10)
- (S-8) H. B. FULLER COMPANY, 2400 Kasota Ave., Saint Paul, Minn. 55108 (612) 645-3401 - 150,000 shares of common stock. (File 2-69657 - Oct. 28) (Br. 1)
- (S-8) PARADYNE CORPORATION, 8550 Ulmerton Rd., Largo, Fla. 33540 - 200,000 shares of common stock. (File 2-69658 - Oct. 28) (Br. 9)
- (S-1) BASIC EARTH SCIENCE SYSTEMS, INC., 44 Inverness Drive East, P.O. Box 8255, Denver, Colo. 80201 (303) 771-5230 - 1,000,000 units each unit consisting of one share of common stock and a warrant to purchase one share of common stock. Underwriter: John Muir & Co., 61 Broadway, New York, N.Y. 10006. The company is engaged in oil and gas exploration, development, and production. (File 2-69659 - Oct. 28) (Br. 4)
- (S-14) CENTRAL AND SOUTHERN HOLDING COMPANY, 150 W. Green St., Milledgeville, Ga. 31061 (912) 452-5541 - 240,000 shares of common stock. (File 2-69660 - Oct. 28) (Br. 1 - New Issue)
- (S-7) SCHAAK ELECTRONICS, INC., 1415 Mendota Heights Rd., St. Paul, Minn. 55120 (612) 454-6830 - 385,000 shares of common stock. Underwriter: Piper, Jaffray & Hopwood Incorporated. The company operates retail stores specializing in consumer electronics products. (File 2-69661 - Oct. 28) (Br. 10)

- (S-1) HICOR EXPLORATION SERIES 1981, Suite 1801, 601 California St., San Francisco, Cal. 94108 - 33,000 units of limited partnership interests. Distributor: Tartan Investment Corporation. (File 2-69663 - Oct. 28) (Br. 3 - New Issue)
- (S-8) CONSOLIDATED OIL & GAS, INC., 1860 Lincoln St., Denver, Colo. 80295 (303) 861-5252 - 600,000 shares of common stock. (File 2-69664 - Oct. 28) (Br. 4)
- (S-1) ADVANCE CIRCUITS, INC., 15102 Minnetonka Industrial Rd., Minnetonka, Minn. 55343 (612) 935-3311 - 165,000 units, each consisting of one share of common stock and one-half stock purchase warrant. Underwriter: John G. Kinnard and Company, Incorporated. The company is engaged in manufacturing and marketing printed circuit boards. (File 2-69665 - Oct. 28) (Br. 8)
- (S-8) JOSTENS, INC., 5501 Norman Center Dr., Minneapolis, Minn. 55437 (612) 830-3300 - 500,000 shares of common stock. (File 2-69666 - Oct. 28) (Br. 6)
- (S-16) TELE-COMMUNICATIONS, INC., 54 Denver Technological Center, 5455 South Valentia Way, Englewood, Colo. 80111 (303) 771-8200 - 3,300,000 shares of Class A common stock. The company is engaged in the development and operation of community antenna television systems. (File 2-69667 - Oct. 28) (Br. 7)
- (S-1) JENNINGS 1981 OIL & GAS PROGRAM, 2415 Owens Rd., P.O. Box 24, Fenton, Mich. 48430 (313) 629-7312 - 2,400 units of preformation limited partnership interests. (File 2-69668 - Oct. 28) (Br. 4 - New Issue)
- (S-16) GENERAL INSTRUMENT CORPORATION, 1775 Broadway, New York, N.Y. 10019 (212) 974-8700 - 750,000 shares of common stock. Underwriters: Goldman, Sachs & Co. and Lazard Freres & Co. The company is engaged in the design, manufacture and sale of electronic and electro-mechanical components, systems, and related services. (File 2-69670 - Oct. 28) (Br. 8)

## 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 (Schedule 13G) may in lieu of filing a Schedule 13D file a Schedule 13G 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 October 8 - 9, 1980. 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 set 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>
Seymour Friend	Automated Medical Laboratories, Inc. (Miami, FL) Common Stock - 225,205 shs. Common Stock - 13,700 shs. on exercise of warrants	10-8-80
Steve Michael Ondek Violet Cecilia Ondek	Corporate Investment Company (Biglerville, PA) Class A Common Stock - 82,500 shs.	10-8-80
Mansell Weldon Branum	Midland Southwest Corp. (Midland, TX) Common Stock - 2,464,000 shs. (65.8%)	10-8-80
* E. E. Richter N. L. Doligalski D. L. Kasdorf, Individually and as Trustees	Modine Manufacturing Co. (Racine, WI) Common Stock - 535,861 shs. Common Stock - 13,000 shs. on exercise of options	10-8-80
* Transamerica Corporation Transamerica Mortgage Advisors Inc. Transamerica Mortgage Co. Transamerica Land Capital, Inc.	Mortgage Trust of America (San Francisco, CA) Shares of Beneficial Interest - 529,300 (13.3%)	10-8-80
* William Bolton	Terrydale Realty Trust (Kansas City, MO) Shares of Beneficial Interest - 2,800 Shares of Beneficial Interest - 15,000 on exercise of warrants	10-8-80

## ACQUISITION REPORTS CONT.

APS, Inc.	UNR Industries, Inc. (Chicago, IL) Common Stock - 240,000 shs.	10-8-80
Myro R. Leavitt	UNR Industries, Inc. (Chicago, IL) Common Stock - 264,600 shs. (At present, Mr. Leavitt does not own any shares.)	10-8-80
* American International Group, Inc. National Union Fire Insurance Co. of Pittsburgh, PA New Hampshire Insurance Co.	United Guaranty Corp. (Greensboro, NC) Common Stock - 1,064,500 shs. (21.89%)	10-8-80
* Charles S. Bird, Jr., Individually and as Co-Trustee	Bird & Son, Inc. (Walpole, MA) Common Stock - 772,743 shs. (18.7%)	10-9-80
* Allegheny Corporation Investors Diversified Services, Inc. (Wholly-owned subsidiary of Allegheny Corp.)	Boothe Financial Corporation (San Francisco, CA) Common Stock - 481,599 shs. (21.4%)	10-9-80
* AAR Corp.	Brooks & Perkins, Inc. (Southfield, MI) Common Stock - 309,100 shs. (25.3%)	10-9-80



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. When you are ordering more than one, we prefer that the documents be listed in alphabetical order to expedite service. The reproduction cost is 10c per page plus postage (\$3.50 minimum); 20c per page plus postage for expedited service (\$5.00 minimum) and 30c per page plus postage for priority service (\$5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.*

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