

2 sec news digest

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ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND EXCHANGE COMMISSION

ROYAL W. CARSON & CO., INC., OTHERS

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Royal W. Carson & Co., Inc., a registered broker-dealer, Royal W. Carson, Jr. and Royal W. Carson III, all of Oklahoma City, Oklahoma. The proceedings are based on staff allegations of violations of the registration provisions of the securities laws and the Commission's rule pertaining to the maintenance of required books and records in connection with the offer and sale of West Virginia gas leases. A hearing will be scheduled by further order on the charges against the respondents. (Rel. 34-14338)

POWELL SECURITIES, INC.

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Powell Securities, Inc., a Coral Gables, Florida broker-dealer, and Frank H. Powell, its president and principal stockholder. The proceedings are based upon staff allegations that the respondents failed to supervise and violated the rules under the Exchange Act relating to standards for underwriting a public distribution of an affiliate's securities, disclosure of control by the issuer, net capital, books and records, customer information, fidelity bond and confirmation requirements. A hearing will be scheduled by further order to take evidence on the allegations against the respondents. (Rel. 34-14339)

SHAW, HOOKER & CO. AND PRESIDENT CENSURED, SALESMAN BARRED

The Commission has censured Shaw, Hooker & Co., a San Francisco broker-dealer, and its president, Arthur A. Gambarasi. LeRoy Zack Taylor, a former salesman of the firm, was barred from association with any broker or dealer. After six months, however, he may apply to become so associated in a supervised capacity, upon a showing that he will be adequately supervised.

The Commission found that Taylor had defrauded customers in connection with his sale of options and warrants of Atlantic Richfield Co., and that the firm and Gambarasi had failed to exercise proper supervision over another salesman who had engaged in similar activities. In determining that censure was an adequate sanction for the firm and its president, the Commission noted, among other things, that they had suffered very heavy losses and were major victims of that salesman's fraudulent activities. (Rel. 34-14289)

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 mornings. 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 tape record Commission meetings must obtain permission in advance from the Secretary of the Commission.

OPEN MEETING - TUESDAY, JANUARY 10, 1978 - 10 A.M.

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

(1) Consideration of the adoption of rules defining the term "common trust fund" so as to exempt from the federal securities laws, common trust funds for constituent banks of a bank holding company to the same extent that common trust funds are exempt for single banks.

(2) Consideration of the Commission's Statement of Policy governing sales literature of registered investment companies, previously published for comment in September, 1977.

(3) Discussion of the recommendations for Commission consideration from the Advisory Committee on Corporate Disclosure.

CLOSED MEETING - TUESDAY, JANUARY 10, 1978 - Immediately following open meeting.

The subject matter of the January 10 closed meeting will be: Referral of files to Federal, State or Self-Regulatory authorities; Formal orders; Institution of injunctive actions; Settlement of injunctive actions; Institution of administrative proceedings of an enforcement nature; Settlement of administrative proceedings; Freedom of Information Act appeal; Opinions; Other litigation matters.

FOR FURTHER INFORMATION CONTACT: Michael Blount at (202) 755-1224 or Katherine A. Malfa at (202) 376-8004

TRADING SUSPENSIONS

TRADING SUSPENDED IN GAC CORP.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the common and preferred stock of GAC Corp. (GAC), a Delaware corporation located in Coral Gables, Florida, beginning on January 3 and terminating at midnight (EST) on January 12, 1978.

The Commission ordered the suspension at the request of GAC's Chapter X trustees for the purpose of allowing time for dissemination of a press release concerning the filing of a supplemental report with the Chapter X Court. (Rel. 34-14334)

COURT ENFORCEMENT ACTIONS

ORDER ENTERED AGAINST DEAN ARDINE CARLTON, JR.

The New York Regional Office announced that on November 28 a Stipulated Undertaking was ordered against Dean Ardine Carlson, Jr., a Dallas, Texas Attorney, by the Honorable Lawrence W. Pierce of the U.S. District Court for the Southern District of New York. Carlton, in consenting to the entry of the order which also dismissed the complaint against him, undertook, without admitting or denying the allegations contained in the complaint, that he would not, in connection with the authorship of any opinion letters dealing with the securities laws or acting as counsel for an issuer or underwriter in a public offering of securities, violate or aid and abet violations of the registration and antifraud provisions of the securities laws. Additionally, Carlton undertook that, for a period of two years following the date the order is entered and, prior to writing any opinion letters dealing with the securities laws, he will consult with an attorney independent of him who is experienced in the requirements and procedures relating to the writing of such opinion letters and who practices law before the Commission.

The Commission's complaint, filed on February 5, 1973, sought permanent injunctions against twenty-seven defendants charging each with participating in a fraudulent scheme to establish and maintain a public trading market in the unregistered securities of R.D. Philpot Industries, Inc., a now bankrupt Texas corporation, in violation of the registration and antifraud provisions of the securities laws.

Of the other twenty-six defendants named in the complaint, orders of permanent injunction were entered against twenty-five defendants at various times from May, 1973 to July, 1977 and one other defendant, Frank M. Pinedo, also agreed to the entry of a so-ordered stipulated undertaking dismissing the action against him. (SEC v. R. D. Philpot Industries, Inc., et al., 73 Civil 543, S.D.N.Y.). (LR-8239)

**COMPLAINT NAMES INTERNATIONAL INVENTORS
INCORPORATED EAST AND JAMES H. HAREN**

The Washington Regional Office announced the filing of a civil complaint in the U.S. District Court in Alexandria, Virginia, on January 3 seeking to enjoin International Inventors Incorporated East (IIIE), doing business as International Inventors Incorporated and its president James H. Haren from further violations of the securities registration and antifraud provisions of the securities laws. The complaint alleges, among other things, that from January 1973 to the present, the defendants engaged in a fraudulent course of business by selling unregistered investment contracts in the form of evaluation and representation agreements. In connection therewith, the defendants made false statements concerning, among other things, the experience and abilities of the defendants in marketing inventions and the profit potential to inventors. They failed to disclose, among other things, that IIIE has not sold or entered into any license agreements for any inventors' ideas or inventions. Contemporaneously defendants IIIE and James H. Haren consented to the entry of an order for permanent injunction without admitting or denying the allegations in the Commission's complaint. Said order was entered by Judge Albert V. Bryan, Jr. (SEC v. International Inventors Incorporated East, et al., E.D. Va., Civil Action No. 78-3). (LR-8241)

HOLDING COMPANY ACT RELEASES

CENTRAL AND SOUTH WEST CORPORATION

An order has been issued authorizing a proposal of Central and South West Corporation, a registered holding company, and five of its subsidiaries, that they amend a system money pool arrangement concerning short-term borrowings. (Rel. 35-20355 - Dec. 29)

AMERICAN ELECTRIC POWER COMPANY

An order has been issued authorizing American Electric Power Company, Inc. (AEP), a registered holding company, and Michigan Power Company (MPC), its subsidiary, that AEP be granted an extension of time through December 31, 1978 to make open-account advances to MPC in an amount of up to \$12 million. (Rel. 35-20356 - Dec. 30)

GENERAL PUBLIC UTILITIES CORPORATION

An order has been issued authorizing General Public Utilities Corporation, a registered holding company, to make a total of \$70 million in cash capital contributions to Jersey Central Power & Light Company, one of its operating subsidiaries. (Rel. 35-20357 - Dec. 30)

METROPOLITAN EDISON COMPANY

An order has been issued authorizing Metropolitan Edison Company, subsidiary of General Public Utilities Corporation, that it issue short-term notes to banks in the amount of \$66 million through December 31, 1978. (Rel. 35-20358 - Dec. 30)

CEDAR COAL COMPANY

A supplemental order has been issued authorizing Cedar Coal Company, subsidiary of Appalachian Power Company and of American Electric Power Company, Inc., to further extend the payment dates for previously authorized bank borrowings. (Rel. 35-20359 - Dec. 30)

THE COLUMBIA GAS SYSTEM

An order has been issued authorizing a proposal of The Columbia Gas System, Inc., a registered holding company, and 14 of its subsidiaries whereby Columbia will make open account advances to its subsidiaries and such subsidiaries will make intrasystem prepayments of promissory notes held by Columbia. The maximum aggregate amount of such prepayments is estimated at \$710,548,000 at any one time outstanding. Jurisdiction is being reserved over the transactions proposed by one subsidiary, Columbia Gas of Pennsylvania, Inc., pending the obtaining of the requisite state commission approval. (Rel. 35-20360 - Dec. 30)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF ORDER EXTENDING COMMENT PERIOD

The Commission has ordered an extension of the comment period in the matter of American Stock Exchange, Inc. File Nos. SR-Amex-77-18 and SR-Amex-77-3. Publication of the order is expected to be made in the Federal Register during the week of January 2. (Rel. 34-14328)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by Bradford Securities Processing Services, Inc. (SR-BSPS-77-7) to establish, and to set fees for, a service for reporting and making inquiries concerning missing, lost, stolen or counterfeit securities. (Rel. 34-14329)

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-1) BOBBIE BROOKS, INC., 3830 Kelley Ave., Cleveland, Ohio 44114 (216) 881-5300 - 140,000 shares of capital stock. (File 2-60584 - Dec. 30).
- (S-8) REXNORD, INC., 3500 First Wisconsin Center, 777 East Wisconsin Ave., Milwaukee, Wis. 53202 - 700,000 shares of common stock. (File 2-60585 - Dec. 30)
- (S-16) BALLY MANUFACTURING CORP., 2640 West Belmont Ave., Chicago, Ill. 60618 (312-267-6060) - 98,500 shares of common stock (File 2-60586 - Dec. 30)
- (S-16) HAMILTON BROTHERS PETROLEUM CORP., 1600 Broadway, Denver, Colo. 80202 (303-861-2456) - 890 shares of common stock. (File 2-60587 - Dec. 30)
- (S-11) THE FOXMOOR DALLAS PARTNERS, LTD., 1820 Dain Tower, Minneapolis, Minn. 55402 - 460 limited partnership units. Underwriters: Dain, Kalman & Quail Inc. and Bosworth, Sullivan & Company, Inc. The partnership will be formed to own a 495 unit garden apartment complex. (File 2-60589 - Dec. 30)
- (S-7) IOWA PUBLIC SERVICE COMPANY, Orpheum Electric Bldg., Sioux City, Iowa 51102 (712-277-7500) - 150,000 shares of Class A preferred stock. (File 2-60590 - Jan. 3)
- (S-14) MICROWAVE ASSOCIATES, INC., South Ave., Burlington, Mass. 01803 (617-272-3000) - 271,545 shares of common stock. (File 2-60591 - Jan. 3)
- (S-16) HOWARD BROS. DISCOUNT STORES, INC., 3030 Aurora St., Monroe, La. 71201 (318-387-6471) - 113,901 shares of common stock. (File 2-60592 - Jan. 3)

REGISTRATIONS EFFECTIVE

Dec. 29: Dana Corp., 2-60466; Data 100 Corp., 2-60247; Dean Witter Organization Inc., 2-60431; Florida Power & Light Co., 2-60413; Middle South Utilities, Inc., 2-60395; Northern States Bancorporation, Inc., 2-60440.

Dec. 30: R. L. Burns Corp., 2-60353; Comten, Inc., 2-59917; Datapoint Corp., 2-60374; Federal Co., 2-60551; Iowa Public Service Co., 2-60411; NN Corp., 2-60366; Sierra Resources Inc., 2-59790 (90 days); Theiss Holdings Limited, 2-60503; Reliance Electric Co., 2-60351; Victoria Station Inc., 2-60505.

NOTE TO DEALERS. When applicable the 90-day period of time dealers are required to use the prospectus is noted above in parentheses after the name of the issuer. As to the other issuers, there may be no such requirement to use a prospectus, or the requirement may be for a period of only 40 days; see Section 4(3) of the Securities Act of 1933 and Rule 174 (17 CFR 230.174) thereunder.

REGISTRATIONS WITHDRAWN

Dec. 28: Blue Grass Partners, 2-59158.

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%. The following companies or individuals filed Schedule 13D's during the period December 6 - 22, 1977. 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 report.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Frank A. Nelson, Jr.	Strategic Medical Research Corp. (Greenwich, CT) Common Stock - 378,750 shs.	12-6-77
* B. F. Saul Company Chevy Chase Financial Ltd. B. F. Saul Co. Employees' Profit Sharing Retirement Trust B. Francis Saul II, et al	B. F. Saul Real Estate Investment Trust (Chevy Chase, MD) Shares of Beneficial Interest - 603,910.8928 Shares of Beneficial Interest - 7,000 on exercise of Option Shares of Beneficial Interest - 130 on conversion of Debentures	12-6-77
Harold W. Powers	Fanny Farmer Candy Shops, Inc. (Bedford, MA) Common Stock - 25,000 shs.	12-8-77
* Oklahoma Management Co. James K. DeVore John W. DeVore	Progress Life & Accident Insurance Co. (Oklahoma City, OK) Common Stock - 163,825 shs.	12-16-77
Sucsy Fischer Securities Lester Shapiro Robert Shapiro SLD Corp., et al	Baldwin & Lyons, Inc. (Indianapolis, IN) Common Stock - 59,350 shs.	12-19-77
Fidelity Capital Fund, Inc. Fidelity Trend Fund, Inc. Contrafund	Varian Associates, Inc. (Palo Alto, CA) Common Stock - 783,098 shs.	12-19-77
* Yehochai Schneider Nicholas H. Carozzi Harry H. Lynch Robert Phillips	A. & E. Plastik Pak Co., Inc. (Industry, CA) Common Stock - 303,233 shs. Common Stock - 105,500 shs. on exercise of Options	12-19-77
* Stelux Manufacturing Co. Ltd. (Controlled by Yee Hing Co. Ltd. Hong Kong) Chue Meng Ng (Hong Kong) Chong Po Wong (Hong Kong)	Bulova Watch Company, Inc. (NYC) Common Stock - 1,143,600 shs.	12-19-77
* Drummond Company Drummond Investment Company (Wholly-owned subsidiary of Drummond Co.)	Alabama By-Products Corp. (Birmingham, AL) Class B Common Stock - 178,114 shs. (17.8%) (Drummond also owns 74,038 shs. (9.7%) of Class A Common Stock.)	12-19-77
* Hillman Company	Amarex, Inc. (Oklahoma City, OK) Common Stock - 921,000 shs. (47.7%)	12-19-77
* Louart Corporation	Arden-Mayfair, Inc. (City of Commerce, CA) \$3 Preferred Stock - 23,832 shs. Common Stock - 737,700 shs.	12-19-77
* Bio-Rad Laboratories, Inc.	Block Engineering, Inc. (Cambridge, MA) Common Stock - 351,850 shs. (29.1%)	12-19-77
* Lester Miller	Contico International, Inc. (St. Louis, MO) Common Stock - 85,000 shs. Common Stock - 17,647 shs. on conversion of Debentures	12-19-77

ACQUISITION REPORTS, cont.

* Kins Management Ltd. (Canada) (Wholly-owned by Saul Sinkin (Canada)	Glen-Gery Corporation (Reading, PA) Common Stock - 433,513 shs. (33.2%) (Mr. Sinkin and his brothers own 335,000 shares (25.7%). Above shares were acquired pursuant to the Tender Offer.)	12-19-77
* Susanna Jacobus Souder	Inland Heritage Corp. (Milwaukee, WI) Common Stock - 109,887 shs. Common Stock - 29,953 shs. on conversion of Debentures	12-19-77
* Richard G. Jacobus	Inland Heritage Corp. (Milwaukee, WI) Common Stock - 109,227 shs. Common Stock - 30,327 shs. on conversion of Debentures	12-19-77
* John T. Jacobus	Inland Heritage Corp. (Milwaukee, WI) Common Stock - 107,869 shs. Common Stock - 29,953 shs. on conversion of Debentures	12-19-77
* Charles D. Jacobus	Inland Heritage Corp. (Milwaukee, WI) Common Stock - 107,698 shs. Common Stock - 29,931 shs. on conversion of Debentures	12-19-77
* Harriet G. Jacobus Trust	Inland Heritage Corp. (Milwaukee, WI) Common Stock - 98,740 shs. on conversion of Preferred & Debentures Common Stock - 24,384 shs. on exercise of Warrants	12-19-77
* Bridget B. Baird, Individually and as successor Trustee Brent D. Baird Anne S. Baird, Custodian and Trustee Aries Hills Corp., et al	National Mortgage Fund (Rocky River, OH) Shares of Beneficial Interest - 255,100	12-19-77
* Bridget B. Baird, Individually and as successor Trustee Cameron Baird Foundation Brent D. Baird, Individually and as Trustee Jane D. Baird, et al	Northwestern Financial Investors (Charlotte, NC) Shares of Beneficial Interest - 153,300 (10.15%)	12-19-77
* Goliad Oil & Gas Co. Harry W. Bass, Jr.	Vail Associates, Inc. (Vail, CO) Common Stock - 626,789 shs.	12-19-77
* Isidore A. Becker	AITIS, Inc. (Newton, MA) Common Stock - 348,826 shs. Common Stock - 160,000 shs. on exercise of Warrants (Included above are shares owned by his wife and children.)	12-19-77
* Cooper Laboratories Inc.	Berkeley-Bio-Medical, Inc. (San Leandro, CA) Common Stock - 305,303 shs. (12.9%)	12-20-77
* Halle & Stieglitz, Inc.	Irwin Industries, Inc. (Stamford, CT) Common Stock - 100,000 shs. Common Stock - 140,000 shs. on exercise of an Option	12-20-77
* Beneficial Corporation and Subsidiaries Employees' Retirement Plan	Commonwealth Loan Company (Indianapolis, IN) 4% Preferred Stock - 19,442 shs.	12-20-77

ACQUISITION REPORTS, cont.

Gas Accumulator Corporation (Wholly-owned subsidiary of AGA AB (Sweden)	Burdox, Inc. (Cleveland, OH) Common Stock - 453,814 shs. (50.1%) Common Stock - 60,000 shs. on exercise of Warrants (Gas Accumulator has the right to acquire above shares.)	12-21-77
United California Bank	Chase Manhattan Mortgage & Realty Trust (Hyannis, MA) Common Stock - 319,961 shs. on exercise of a Warrant	12-21-77
* Hillman Company	Copeland Corp. (Sidney, OH) Common Stock - 1,845,344 shs. (32.91%) (Included above are shares owned by Mr. Hillman and members of his family.)	12-21-77
* Kins Management Ltd. (Canada) (Wholly-owned by Saul Simkin) Saul Simkin (Canada) Abraham L. Simkin (Canada) Blackie I. Simkin (Canada)	Glen-Gery Corporation (Reading, PA) Common Stock - 768,813 shs. (58.9%) (433,513 of above shares were acquired pursuant to the Tender Offer.)	12-21-77
* W. T. Richards S. T. Richards K. R. Richards	Mid-America Bancorporation, Inc. (Minneapolis, MN) Common Stock - 421,812 shs.	12-21-77
American Brands, Inc.	Franklin Life Insurance Co. (Springfield, IL) Common Stock - 5,774,624 shs. (27.5%) (Above shares were acquired from Continental Corp.)	12-22-77
Investors Fidelity Life Insurance Company (Wholly-owned subsidiary of Life Investors, Inc.)	United Fire & Casualty Company (Cedar Rapids, IA) Common Stock - 74,250 shs.	12-22-77

The following have made offers to acquire stock of companies listed below pursuant to tender offers as reported to the Commission on Schedule 13D:

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
D. H. Baldwin Company	United Corporation (NYC) Common Stock - All outstanding shares (Pursuant to the Merger Agreement, each share of United Common Stock will be exchanged for 0.23 of a share of Baldwin-United \$2.06 Con- vertible Preferred and a fraction of a share of Baldwin-United Common Stock or cash Options (in limited amounts.)	12-19-77
Lawrence Phillips, Jr.	Unicorn Industries (Anabels, CA) Common Stock - 50,000 shs. for cash at \$1.00 net per share (Mr. Phillips presently owns 476,000 shares 68.98%).	12-16-77
Beneficial Finance Co. of Indiana (Wholly-owned subsidiary of Beneficial Corp.)	Commonwealth Loan Company (Indianapolis, IN) 4% Preferred Stock - 40,000 shs. for cash at \$60.00 net per share (Beneficial owns all common stock of the company. Beneficial Employees' Retirement Plan owns 19,442 shares of Preferred Stock (48.6%)	12-20-77
Hilton International Co. (Wholly-owned subsidiary of Trans World Airlines, Inc.)	American Medicorp, Inc. (Bala Cynwyd, PA) Common Stock - 6,000,000 shs. for cash at \$20.00 net per share	12-21-77

ACQUISITION REPORTS, cont.

Manhattan Life Corporation	Northern National Life Insurance Co. (Bismark, MD) Common Stock - All outstanding shares Preferred Stock - All outstanding shares (Manhattan offers to exchange 1 share of its Common Stock for each share of Common and Preferred Stock.)	12-21-77
Southland Holding Company	Southland Racing Corporation (West Memphis, AR) Common Stock - All outstanding shares for cash at \$25.00 net per share (Southland Holding presently owns 419,974 shares (78.6%).	12-22-77

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 10c per page plus postage (7 days) (\$3.50 minimum); 20c per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30c per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.

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