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January 19, 1978

RULES AND RELATED MATTERS

U.S. SECURITIES AND
EXCHANGE COMMISSION

AMENDMENT TO THE STATEMENT OF POLICY

The Commission has approved an amendment to its Statement of Policy (Statement) relating to the use of investment company sales literature. The amendment, approved at an open meeting of the Commission on January 10, relates to the use of certain charts and tables used to illustrate investment company performance.

The Commission, in amending the Statement on September 1, 1977, (Rel. 33-5862) had approved the use of Charts E, F, and G, which portray investment results on a total return basis (assuming the reinvestment of capital gains and dividends). As approved in the September 1 amendment, these charts could cover the ten most recent years of a fund, or the life of the fund, if shorter. In the amendment approved on January 10, approval was given to the use of these charts for periods in excess of ten years, up to the life of the fund. Certain technical changes were also made in the requirements relating to the construction of the charts.

The Commission, after considering comments on the matter, decided not to amend the Statement to restrict the use of all charts included in the Statement to periods not exceeding ten years, and further decided not to amend the Statement to require the use of Chart E with all other charts. (Rel. 33-5899)

FOR FURTHER INFORMATION CONTACT: Gene A. Gohlke at (202) 755-1815

ADMINISTRATIVE PROCEEDINGS

NASD ACTION AGAINST STEVEN C. PRUETTE AFFIRMED

The Commission has affirmed the NASD's action barring Steven C. Pruette of Grosse Pointe Woods, Michigan, from association with any NASD member. Pruette was president of Financial House, Inc., a Detroit securities firm.

The Commission affirmed the NASD's finding that Pruette was responsible for the firm's failure to make required deposits in its special bank account for the exclusive benefit of customers, and for its failure to comply with reporting and credit-extension requirements. In addition, it was found that Pruette misused customers' funds. (Rel. 34-14359)

REGISTRATION OF BENJAMIN LEVY SECURITIES, INC. DENIED; A.M.V. CAPITAL CONSULTANTS, LTD. REVOKED; MICHAEL A. ALPERT BARRED

The Commission has denied the application of Benjamin Levy Securities, Inc., of Suffern, New York, for broker-dealer registration, revoked the investment adviser registration of A.M.V. Capital Consultants, Ltd., of Spring Valley, New York, and barred Michael A. Alpert, president and sole shareholder of both firms, from association with any broker-dealer or investment adviser.

In December 1975, Alpert, a certified public accountant, pled guilty to charges that he made false statements in connection with an application by a client for a loan guaranteed by the Small Business Administration. The Commission stated: "We are not persuaded that Alpert meets the standards we consider requisite for an investment adviser. Nor do we consider it appropriate to permit Alpert to engage in the brokerage business, a field where opportunities for dishonesty recur constantly." (Rel. 34-14368)

COURT ENFORCEMENT ACTIONS

JUDGMENTS ENTERED AGAINST VINCENZO CAZZANIGA

The SEC announced that on January 9 the Honorable Gerhard A. Gesell, U.S. District Judge for the U.S. District Court for the District of Columbia, signed a judgment against Vincenzo Cazzaniga, by default, enjoining him from further violations of the reporting and proxy provisions of the Securities Exchange Act of 1934. This default judgment was signed after Cazzaniga advised the Court that he would not appear or file an Answer or other defense to the Commission's complaint.

The Commission's complaint, filed on September 27, 1977, alleged, among other things, that during the period from at least 1963 and continuing to at least 1972, Exxon Corporation and Cazzaniga, a former president and managing director of Esso Italiana, S.p.A., Exxon's wholly-owned subsidiary in Italy, and others, directly and indirectly, expended at least \$55.25 million in Italy as illegal, improper, noncorporate or unaccountable payments and disguised said payments by means of false and improper accounting and the use of unrecorded bank accounts.

Previously, Exxon Corporation consented to the entry against it of a final judgment of permanent injunction, without admitting or denying the allegations contained in the Commission's complaint, enjoining the company from further violations of the reporting and proxy provisions of the Exchange Act. (SEC v. Exxon Corporation, et al., U.S.D.C. D.C., Civil Action No. 77-1681). (LR-8259)

COMPLAINT NAMES SIERRA LIFE INSURANCE COMPANY, OTHERS

The Seattle Regional Office announced that on January 6 the Commission filed a complaint in the U.S. District Court in Boise, Idaho, seeking to enjoin Sierra Life Insurance Company (an Idaho corporation), its president and board chairman, Fred M. Frazier, and 16 other corporate and individual defendants from violating certain antifraud and reporting provisions of the securities laws. The complaint alleges, among other things, that certain of the defendants violated the securities laws through several transactions involving Sierra stock held by the company and members of its board of directors, and that certain of the defendants filed false and misleading reports, and failed to file required reports with the Commission. The violations arose following a 1973 divestiture order to Sierra by the Idaho Insurance Commissioner. (SEC v. Sierra Life Insurance Company, et al., U.S.D.C., D. Ida., Civil Action No. 78-1016). (LR-8260)

CARL F. LONG PLEADS GUILTY

The Chicago Regional Office and the Cleveland Branch Office announced that on January 3 Carl F. Long, Wichita, Kansas, formerly of Fairlawn, Ohio, pleaded guilty to a one-count information filed the same day charging him with the offer and sale of an unregistered security, a limited partnership interest in an oil and gas venture. On the same day, Long, president of Western Exploration, Inc. and Monarch Royalty, Inc., Cardington, Ohio, was sentenced by Robert J. Kelleher, Federal District Judge at Los Angeles, California, to five years probation on condition that he not engage, directly or indirectly, in the offer and sale of securities. (U.S. v. Carl F. Long, C.D. California, Criminal No. 77-738). (LR-8261)

INVESTMENT COMPANY ACT RELEASES

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY SEPARATE ACCOUNT #2

A notice has been issued giving interested persons until February 13 to request a hearing on an application of Hartford Variable Annuity Life Insurance Company Separate Account #2, declaring that it has ceased to be an investment company. (Rel. IC-10094 - Jan. 18)

HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY SEPARATE ACCOUNT #3

A notice has been issued giving interested persons until February 13 to request a hearing on an application of Hartford Variable Annuity Life Insurance Company Separate Account #3, declaring that it has ceased to be an investment company. (Rel. IC-10095 - Jan. 18)

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER COMPANY

An order has been issued authorizing American Electric Power Company, Inc., a registered holding company, to act as surety on a supersedeas bond for one of its subsidiaries. (Rel. 35-20389 - Jan. 18)

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-14) ASTRON MANAGEMENT CORPORATION, 975 South West Temple, Salt Lake City, Utah 84101 - 6,327,775 shares of common stock. (File 2-60642 - Jan. 18)
- (S-16) EXECUTONE, INC., 29-10 Thomson Ave., Long Island City, N.Y. 11101 (212) 392-4800 - 83,115 shares of common stock. (File 2-60643 - Jan. 18)
- (S-8) GUILFORD MILLS, INC., 4925 Winston-Salem Rd., Greensboro, N.C. 27402 - 170,136 shares of common stock. (File 2-60644 - Jan. 18)
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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. 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	ITEM NO.	DATE
MACREDATA CORP	2	12/12/77
MARICN CORP	5	12/77
MAYER CSCAR & CO INC	5,6	12/01/77

RECENT 8K FILINGS CONT.

MCCULLOUGH CIL CORP	2,6	12/28/77
MESABI TRUST CO	5,6	12/08/77
MINNEAPOLIS SHAREHOLDERS CC	1	11/23/77
MONTANA CCRP	5	12/01/77
MONTANA ENERGY UTILITIES CC	5	12/07/77
NFT LIQUIDATING TRUST	2	12/30/77
NORTHEAST UTILITIES	7	12/22/77
NORTHERN INDIANA PUBLIC SERVICE CO	5	12/01/77
OEA INC	5	12/01/77
OMEGA ALPHA INC	5,6	12/01/77
PENN DIXIE INDUSTRIES IAC	5,6	12/09/77
RESORT OF THE WORLD N V	5,14	12/01/77 *
ROYSTER CO	5	12/21/77
SALEM NATIONAL CCRP	5	12/30/77
SAMBGS RESTAURANTS INC	5	12/01/77
SAVIN BUSINESS MACHINES CCRP	5	12/01/77
SOUTHERN INDUSTRIES CORP	5	12/01/77
STEPHENS JOHN & CO INC	5,6	12/16/77
SULLAIR CCRP	2,6	12/16/77
SUNAMERICA CCRP	5	12/01/77
TANDY CORP	5	12/01/77
TANNETICS INC	5	12/01/77
TEJON FANCH CO	5,6	12/30/77
TEXAS ELECTRIC SERVICE CC	5	12/27/77
TIMEPLEX INC	5	12/05/77
TOWN ENTERPRISES INC	3	12/01/77
TRANSOK PIPE LINE CO	5	01/03/78
VICC CCRP	2,6	12/31/77
WASHINGTON WATER POWER CO	5,6	12/01/77
WILEY JOHN & SONS INC	5	12/01/77
AMENDMENTS TO REPORTS ON FORM 8-K		
CENTURY PROPERTIES FUND XI	14	12/31/76 *
MGF CIL CCRP	6	10/26/77
SAMBGS RESTAURANTS INC	5	11/30/77

/ The Form 8-K was amended (Rel. 34-13156, January 13, 1977) effective for all events which occur subsequent to February 28, 1977. Those companies above which are noted with an asterisk () have filed pursuant to the old Form 8-K; the captions of the item numbers under which such reports are filed are as follows:

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| Item 1. Changes in Control of Registrant | Item 9. Options to Purchase Securities |
| Item 2. Acquisition or Disposition of Assets | Item 10. Extraordinary items, other material charges and credits and capital restatements |
| Item 3. Legal Proceedings | Item 11. Submission of Matters to a Vote of Security Holders |
| Item 4. Changes in Securities | Item 12. Changes in Registrant's Certifying Accountant |
| Item 5. Changes in Security for Registered Securities | Item 13. Other Materially Important Events |
| Item 6. Defaults upon Senior Securities | Item 14. Financial Statements and Exhibits |
| Item 7. Increase in Amount of Securities Outstanding | |
| Item 8. Decrease in Amount of Securities Outstanding | |

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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SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in U.S. first class mail; \$18.75 elsewhere.

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