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# sec news digest

Issue 78-63

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March 31, 1978

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## RULES AND RELATED MATTERS

APR 3 1978

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ADOPTION OF RULE 148 AND RELATED AMENDMENTS  
TO FORMS 8-K, 10-Q AND 10-K

U.S. SECURITIES AND  
EXCHANGE COMMISSION

The Commission has announced the adoption of Rule 148 under the Securities Act of 1933 as well as certain amendments to Forms 8-K, 10-Q and 10-K relating to the rule. Rule 148 is designed to provide a safe harbor under the 1933 Act for the resale of securities which were either acquired in bankruptcy proceedings by creditors and others or which were in the debtor's portfolio. The rule establishes certain objective standards for the resale of such securities which are modeled to a large extent after similar standards set forth in Rule 144 under the 1933 Act. Rule 148, however, is different from Rule 144 in several material respects in that it does not require a holding period for the securities to be sold and the volume limitation and public information requirements are somewhat less restrictive than those in Rule 144.

The amendments to Forms 8-K, 10-Q and 10-K are intended to provide information in conjunction with the requirements of Rule 148. Thus, the amendments to Form 8-K will require the debtor to disclose information about the bankruptcy proceedings in which it has participated, as well as recent financial data about itself. The amendments to Forms 10-Q and 10-K will involve the front cover pages only of those forms and will require debtors to state for a period of five years following the termination of bankruptcy proceedings whether they have filed all reports required under the Securities Exchange Act of 1934 during that period.

Rule 148 and the amendments to Forms 8-K, 10-Q and 10-K will become effective on May 1, 1978. (Rel. 33-5918)

FOR FURTHER INFORMATION CONTACT: Peter J. Romeo at (202) 755-1240

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## COURT ENFORCEMENT ACTIONS

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COMPLAINT NAMES AMERICAN BEVERAGE CORPORATION,  
OTHERS

The SEC announced that on March 27 it filed a complaint in the U.S. District Court for the District of Columbia against American Beverage Corporation (ABC), Selwyn Cohen, Alex Mechlowitz, and Norman Gordon. The Commission also announced that the Court entered a judgment of permanent injunction restraining and enjoining the named defendants from further violations of Section 13(a) of the Securities Exchange Act of 1934 and Rules 13a-1 and 13a-13 promulgated thereunder. ABC, Cohen, Mechlowitz, and Gordon consented to the entry of the Court's judgment and order without admitting or denying the allegations in the Commission's complaint. Cohen, Mechlowitz and Gordon also undertook not to be associated in any capacity as a director with any corporation whose securities are publicly owned, for a period of two years from the date of the entry of this judgment, without obtaining the prior approval of the Commission.

The Commission's complaint alleges that during the period 1971 to 1975, ABC extended credit and sold raw materials, finished products and the franchise rights to its Hoffman sodas label to several companies without any disclosure to ABC's shareholders that these companies were incorporated, funded and managed by Cohen, Mechlowitz and Gordon. As part of this violative conduct, ABC filed materially false and misleading annual and periodic reports with the Commission. (SEC v. American Beverage Corporation, et al., U.S.D.C., Civil Action No. 78-0537). (LR-8351)

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## INVESTMENT COMPANY ACT RELEASES

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### ADMIRALTY FUND PLANS FOR ADMIRALTY FUND GROWTH SERIES

A notice has been issued giving interested persons until April 24 to request a hearing on an application of Admiralty Investment Plans for the Accumulation of Shares of Admiralty Fund, Growth Series, and Admiralty Investment Plans for the Accumulation of Shares of Admiralty Fund, Insurance Series, for an order declaring that they have ceased to be investment companies. (Rel. IC-10184 - Mar. 29)

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## HOLDING COMPANY ACT RELEASES

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### NEW ENGLAND ELECTRIC SYSTEM

An order has been issued authorizing Granite State Electric Company and New England Power Company (NEPCO); subsidiaries of New England Electric System (NEES), to issue short-term notes to banks and/or to NEES, and for NEPCO to issue and sell commercial paper. (Rel. 35-20474 - Mar. 29)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the American Stock Exchange, Inc. The rule change (SR-Amex-77-38) would establish priority with respect to spread and straddle orders over other types of orders under certain circumstances. (Rel. 34-14619)

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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-8) WESTERN GEAR CORPORATION, 2600 East Imperial Highway, Box 182, Lynwood, Cal. 90262 - 150,000 shares of common stock. (File 2-61062 - Mar. 30)
- (S-8) FINANCIAL FEDERATION, INC., 615 South Flower St., Los Angeles, Cal. 90017 - 150,000 shares of common stock. (File 2-61063 - Mar. 30)
- (S-14) I.R.E. SERIES I, INC., 2000 South Dixie Highway, Miami, Florida - 1,250,882 shares of common stock and 637,950 Series A preferred stock. (File 2-61064 - Mar. 30) and 1,021,471 shares of common stock and 523,400 Series A preferred stock. (File 2-61065 - Mar. 30)
- (S-16) BALLY MANUFACTURING CORPORATION, 2640 West Belmont Ave., Chicago, Ill. 60618 (312) 267-6060 - 10,000 shares of common stock. (File 2-61066 - Mar. 29)
- (S-8) MAYNARD OIL COMPANY, 600 North Dallas Bank Tower, 12900 Preston Rd., Dallas, Tex. 75230 - 220,000 shares of common stock. (File 2-61067 - Mar. 29)
- (S-8) UNITED STATES LEASING INTERNATIONAL, INC., 633 Battery St., San Francisco, Cal. 94111 - 300,000 shares of common stock. (File 2-61068 - Mar. 30)
- (S-1) VSC, INC., Clara City, Minn. 56222 (612) 847-2121 - \$700,000 of subordinated debentures, Series A through D; 6,000 shares of common stock; and 400,000 shares of Class B common stock. The company is engaged in the wholesale distribution of dry goods and variety merchandise. (File 2-61069 - Mar. 30)
- (S-14) U. S. ENERGY SEARCH, INC., Suite 1814, The Capital Towers Bldg., 125 South Congress St., Jackson, Miss. 39201 (601) 354-2513 - \$733,149.00 of 6% convertible subordinated debenture bonds, due 1998 and 336,574 shares of common stock. (File 2-61070 - Mar. 30)

- (S-8) NATIONAL CENTRAL FINANCIAL CORPORATION, 100 North Queen St., Lancaster, Pa. 17604 - 95,000 shares of common stock. (File 2-61071 - Mar. 30)
- (S-11) REALAMERICA INVESTMENT CORPORATION, 4333 Edgewood Rd N.E., Cedar Rapids, Iowa 52406 - 1,750,000 shares of common stock. Underwriter: Life Investors Management Corporation, 4333 Edgewood Road NE, Cedar Rapids, Iowa 52406 (319) 398-8511. (File 2-61072 - Mar. 30)
- (S-7) THE DOW CHEMICAL COMPANY, 2030 Dow Center, Midland, Mich. 48640 (517) 636-1000 - 1,800,000 shares of common stock. The company is engaged in the manufacture and sale of chemicals, metals, plastic materials and products and pharmaceutical, agricultural and consumer products. (File 2-61073 - Mar. 30)
- (S-6) THE CORPORATE INCOME FUND, SEVENTY THIRD MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-61074 - Mar. 30)
- (S-8) UNITED BANK CORPORATION OF NEW YORK EMPLOYEES' INCENTIVE SAVINGS PLAN, 75 State St., Albany, N.Y. 12207 - \$2,967,000 of participations. The company is a bank holding company. (File 2-61075 - Mar. 30)
- (S-1) VOLUNTEER CAPITAL CORPORATION, 1100 Third National Bank Bldg., Nashville, Tenn. 37219 - \$6 million of convertible subordinated debentures, due 1993. Underwriter: Bache Halsey Stuart Shields Inc. The company is engaged in operating quick-service restaurants. (File 2-61076 - Mar. 30)
- (S-8) BURLINGTON NORTHERN INC., 176 East Fifth St., St. Paul, Minn. 55101 - 600,000 shares of common stock. (File 2-61077 - Mar. 30)
- (S-14) BEATRICE FOODS CO., 120 South LaSalle St., Chicago, Ill. 60603 - 2,270,184 shares of common stock. (File 2-61078 - Mar. 30)
- (S-14) AMERICAN NATURAL RESOURCES COMPANY, One Woodward Ave., Detroit, Mich 48226 (313) 965-1200 - 731,115 shares of common stock. (File 2-61080 - Mar. 30)
- (S-8) BRISTOL-MYERS COMPANY, 345 Park Ave., New York, N.Y. 10022 - 45,482 shares of common stock. (File 2-61081 - Mar. 30)
- (S-7) SHELL OIL COMPANY, One Shell Plaza, Houston, Tex. 77002 (713) 241-4083 - 7,000,000 shares of common stock. (File 2-61082 - Mar. 31)
- (S-8) CRONUS INDUSTRIES, INC., 3000 Southland Center, Dallas, Tex. 75201 - 227,486 shares of common stock. (File 2-61084 - Mar. 31)
- (S-8) OCEAN DRILLING & EXPLORATION COMPANY, 1600 Canal St., New Orleans, La. 70112 - 85,900 shares of common stock. (File 2-61085 - Mar. 31)

#### REGISTRATIONS EFFECTIVE

Mar. 28: Burlington Northern Inc., 2-61005; The Corporate Income Fund, Twenty-Second Intermediate Term Series, 2-60633; General Motors Acceptance Corp., 2-60904; Long Island Lighting Co., 2-60902 & 2-60903; Montgomery Ward Credit Corp., 2-60479; Northeast Utilities, 2-60875; Solar Development Inc., 2-59566 (90 days).

**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.

## 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 (Form 13D-5) may in lieu of filing a Schedule 13D file a Form 13D-5 within ten days after the end of the calendar quarter in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period March 20 - 24, 1978. 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 sent 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>
* Masco Corporation	Braun Engineering Comapny (Detroit, MI) Common Stock - 80,700 shs. (14.97%)	3-20-78
* Bridget B. Baird, Individually and as successor trustee Anne S. Baird, Custodian and Trustee Brent D. Baird, Individually and as Trustee Aries Hill Corp., et al	Citizens Growth Properties (Rocky River, OH) Shares of Beneficial Interest - 141,500 (17.45%)	3-20-78
* Illinois Tool Works, Inc.	Computer Products, Inc. (Fort Lauderdale, FL) Common Stock - 429,600 shs.	3-20-78
* American Financial Corp.	Fairmont Foods Co. (Houston, TX) Common Stock - 1,123,309 shs.	3-20-78
* American General Insurance Company	Reliable Life Insurance Co. (Webster Groves, MO) Common Stock - 138,787 shs.	3-20-78
* Jim Long	Starr Broadcasting Group, Inc. (NYC) Common Stock - 151,043 shs. (In addition, Mr. Long has proxies to vote 111,000 shares.)	3-20-78
* HTC-VI Stock Company (Wholly-owned subsidiary of Heath Tecna Corp.) Heath Tecna Corporation	Viking Industries, Inc. (Chatsworth, CA) Common Stock - 614,398 shs. (91.7%) (316,491 of above shares were acquired pursuant to the Tender Offer.)	3-20-78
S. H. Scheuer, Individually and as Trustee Leon Meyers Donald E. Peiser Martin Bernstein (Stockholder Group)	Austral Oil Co. Inc. (Houston, TX) Common Stock - 234,500 shs.	3-21-78
Rodman Wanamaker Trust	Carter Hawley Hale Stores, Inc. (Los Angeles, CA) Common Stock - 2,000,000 shs. (Carter is to purchase 54,206 shares of Common Stock of John Wanamaker, Philadelphia in exchange for above shares pursuant to a Stock Purchase Agreement.)	3-21-78
T.M.G.C., Inc. (Wholly-owned subsidiary of Times Mirror Co.)	Graphic Controls Corporation (Buffalo, NY) Common Stock - 1,203,200 shs. 4-3/4% Convertible Debentures - \$2,282,000 (Above securities were acquired pursuant to the Tender Offer.)	3-21-78
* Econtech Ltd. (Canada) (Wholly-owned subsidiary of Camp Investments Ltd.) 85719 Canada Ltd.-Ltée (Canada) Camp Investments Ltd. (Canada)	Bow Valley Industries Ltd. (Calgary, Alberta, Canada) Common Stock - 484,700 shs. Convertible Second Preference - 87,280 shs.	3-21-78
* Harry H. Wise	Ealing Corp. (South Natick, MA) Common Stock - 2,500 shs.	3-21-78

ACQUISITION REPORTS CONT.

* Financial International Corp.	First Railroad & Banking Company of Georgia (Augusta, GA)	3-21-78
	Common Stock - 186,806 shs. (Financial has agreed to purchase an additional 35,000 shares.)	
* Rudi E. Scheidt, Individually Custodian and Trustee	United Tennessee Bancshares Corp. (Memphis, TN)	3-21-78
	Common Stock - 158,362 shs. (Included above are shares owned by his wife and held in Trusts for his children.)	
LDB Corporation	Frozen Food Express Industries, Inc. (Dallas, TX)	3-22-78
	Common Stock - 72,642 shs.	
Robert Thomas, III	Mobile America Corporation (Jacksonville, FL)	3-22-78
	Common Stock - 115,406 shs.	
Ideal National Insurance Company	Zenith United Corporation (Chicago, IL)	3-22-78
	Common Stock - 496,000 shs. (Ideal has the right to acquire above shares.)	
* Hermetite Corp. Employees Bonus Stock Ownership Trust	Hermetite Corp. (Avon, MA)	3-22-78
	Common Stock - 148,900 shs. (35.9%)	
Harold B. Pearson Walter H. Brodie Robert R. Turner Charles E. McNeil, et al	Den-Tal-Ez, Inc. (West Des Moines, IA)	3-23-78
	Common Stock - 135,647 shs.	
Bow Valley (F.D.) Inc. (Canada)	Flying Diamond Oil Corp. (Denver, CO)	3-23-78
Bow Valley (F.D.) I Inc. (Canada)	Common Stock - 3,069,542 shs. (72%) (1,394,542 of above shares were acquired pursuant to the Tender Offer.)	
Bow Valley (F.D.) II Inc. (Canada)		
(Wholly-owned subsidiaries of Bow Valley Industries Ltd. (Canada)		
* Lee Gray	Transco Realty Trust (Boston, MA)	3-23-78
	Shares of Beneficial Interest - 87,790 Shares of Beneficial Interest - 19,000 on exercise of Options	
* Greyhound Corporation	Verex Corporation (Madison, WI)	3-23-78
	Common Stock - 3,477,082 shs. (77%) (2,500,000 of above shares were acquired pursuant to the Tender Offer.)	
* CEI, Inc. (Wholly-owned subsidiary of Combustion Engineering, Inc.)	Vetco Inc. (Ventura, CA)	3-23-78
	Common Stock - 6,758,752 shs. (98.1%)	
Partnership Composed of: Kenneth M. Poovey Leslie S. Buck John W. Scales	R. L. Burns Corp. (San Diego, CA)	3-24-78
	Common Stock - 3,650,000 shs. (54.9%) on exercise of an Option	
Cheyenne Investment S.A. (Panama)	Citizens and Southern Realty Investors (Tucker, GA)	3-24-78
Morgan Investment S.A. (Panama)	Common Stock - 1,550,000 shs. (29%) on exercise of Warrants	
Heather Bay Ltd. (British Virgin Islands)		
(Wholly-owned by Inter-American Investment Group Ltd.)		
Inter-American Investment Group Ltd. (Bermuda)		
De Rance, Inc.	Jensen Industries (Los Angeles, CA)	3-24-78
	Common Stock - 54,600 shs.	

ACQUISITION REPORTS CONT.

De Rance, Inc.	Kampgrounds of America, Inc. (Billings, MT) Common Stock - 51,900 shs.	3-24-78
Estate of Claire Elizabeth Degenstein	Weis Markets, Inc. (Sunbury, PA) Common Stock - 593,840 shs. (Executors of Estate own 661,450 shares (10.7%) and are also co-trustees for 1,043,080 shs. (17.3%))	3-24-78
* Joel Greenberg Riverside Foods, Ltd.	Bluebird, Inc. (Philadelphia, PA) Common Stock - 977,000 shs. (17%)	3-24-78
* Harold B. Pearson Walter H. Brodie Robert R. Turner Reaves E. Peters, et al	Den-Tal-Ez, Inc. (West Des Moines, IA) Common Stock - 143,207 shs. (10.02%) Common Stock - 14,890 shs. on exercise of Options	3-24-78
* Fidelity Capital Fund, Inc. Fidelity Destiny Fund, Inc. Contrafund, Inc.	Dentsply International, Inc. (York, PA) Common Stock - 324,600 shs.	3-24-78
* Melvin T. Heller, II	Institute of Broadcast Arts, Inc. (Milwaukee, WI) Common Stock - 121,440 shs. Common Stock - 742,606 shs. on conversion of Notes	3-24-78

The following companies or individuals filed Form 13D-5's during the period March 13-16, 1978.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER &amp; NUMBER OF SHARES</u>	<u>DATE FILED</u>
First Pennsylvania Bank N.A.	Sanitas Service Corp. (Bethany, CT) Common Stock - 457,759 shs. on conversion of Preferred Stock	3-13-78
* Bateman Eichler, Hill Richards, Inc.	Vernitron Corporation (Great Neck, NY) Common Stock - 280,033 shs.	3-15-78
Manufacturers Hanover Trust Company	King Kullen Grocery Co., Inc. (Westbury, NY) Common Stock - 261,812 shs. (38%)	3-16-78

Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1. The following companies or individuals filed Schedule 14D-1's during the period March 15 - 24, 1978. \*Amended Tender Offers.

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER &amp; NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Grand Rapids Metalcraft Inc. (controlled by Galtaco Inc. (Canada))	Founders of American Investment Corp. (Springfield, MO) Common Stock - 1,844,313 shs. for cash at \$1.70 net per share	3-15-78
Equitable of Iowa Companies	Provident Life Insurance Co. (Bismark, ND) Common Stock - All outstanding shares Voting Trust Certificates - All outstanding for cash at \$35.00 net per share (Equitable has an Option to purchase 124,230 shs.)	3-20-78
Peoples Coal Company (Wholly-owned subsidiary of Peoples Gas Co.)	Industrial Fuels Corporation (Troy, MI) Common Stock - All outstanding shares for cash at \$25.00 net per share (Peoples presently owns 514,335 shs. (50.8%))	3-22-78
USF Holding Corporation (Wholly-owned subsidiary of United States Filter Corp.)	Filtrol Corporation (Los Angeles, CA) Common Stock - All outstanding shares for cash at \$18.00 net per share	3-23-78
Amsted Industries Incorporated	Henry Pratt Company (Aurora, IL) Common Stock - All outstanding shares for cash at \$20.00 net per share (Amsted presently owns 974,031 shares (33.8%) acquired pursuant to a Purchase Agreement.)	3-24-78

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