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# sec news digest

Issue 78-223

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November 17, 1978

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## **RULES AND RELATED MATTERS**

U.S. SECURITIES AND EXCHANGE COMMISSION

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### AMENDMENTS PROPOSED TO REGULATION A

The Commission announced the publication for comment of an amendment to Rule 256 of Regulation A. Regulation A, promulgated pursuant to Section 3(b) of the Securities Act of 1933, provides a simplified manner for selling securities when an issuance does not exceed \$1,500,000. The proposed amendment would permit under certain conditions the use of a preliminary offering circular between the date of filing of a notification relating to a firm commitment underwritten public offering of securities in reliance upon this exemptive rule and the date on which the offering is commenced. Interested persons should submit their views and comments in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549, on or before December 31, 1978. All submissions will be available for public inspection at the Commission's Public Reference Room, and should refer to File No. S7-762. (Rel. 33-5997)

FOR FURTHER INFORMATION CONTACT: Ruth D. Appleton at (202) 755-1290 or  
Linda Griggs at (202) 755-1803

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## **ADMINISTRATIVE PROCEEDINGS**

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### PUBLIC ADMINISTRATIVE PROCEEDINGS INSTITUTED AGAINST E.F. HUTTON & CO. INC., OTHERS

The Commission announced today that public administrative proceedings have been instituted under the Securities Exchange Act of 1934 against E.F. Hutton & Co. Inc., a registered broker-dealer, Jerome D. Rosenstein, a vice president of Hutton and office manager of its Miami Beach offices and Bernard Berger, formerly associated with Hutton's Miami Beach Office.

The Commission's order for proceedings alleges that Berger violated and that Hutton, Rosenstein and Berger aided and abetted violations of the antifraud provisions of the securities laws in a scheme to increase the price of the common stock of Rapid American Corp. at the close of trading on the NYSE on a daily basis during the period from August to October, 1976. The order further alleges that Rosenstein and Hutton failed reasonably to supervise a person subject to their supervision with a view to preventing violations of the antifraud provisions of the securities laws. A hearing on the allegations against the respondents will be scheduled by further order. (Rel. 34-15340)

### INSTITUTION OF PROCEEDINGS AGAINST WOODS CORPORATION FOR DEFICIENT FILINGS

The Commission announced the issuance of an Order instituting proceedings pursuant to Section 15(c)(4) of the Securities Exchange Act of 1934 and Findings and Order of the Commission against Woods Corporation, a corporation headquartered in Oklahoma City, Oklahoma, engaged in the transportation of motor vehicles and the manufacture and marketing of pre-engineered steel buildings. Woods, under the terms of its Offer of Settlement, consented to the entry of the Findings and Order of the Commission without admitting or denying any of the matters contained therein.

In its Order, the Commission found that certain of Wood's periodic reports filed with the Commission failed to comply with the requirements of Sections 12 and 13 of the Exchange Act and rules and regulations thereunder. Further, the Commission found that certain of the filings of Woods were materially deficient in failing to disclose the full facts and circumstances surrounding a proposed sale of assets transaction, including, the purposes, and the determination of the price to be offered to its shareholders. Further, the Commission found that an April, 1978 proxy statement of Woods filed with the Commission was materially deficient.

In its Order, the Commission ordered Woods to comply with the reporting requirements of the Exchange Act, to amend its report currently on file with the Commission, and to comply with certain undertakings. In its undertakings, among other things, Woods agreed to retain a Special Review Person to represent and negotiate on behalf of the interests of the public stockholders of Woods in connection with any future proposed transaction involving a sale of assets. (Rel. 34-15337)

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## COMMISSION ANNOUNCEMENTS

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### STAFF ACCOUNTING BULLETIN NO. 27

The staff of the Commission has issued an interpretive release presenting the staff's views that the general principles expressed in Staff Accounting Bulletins are intended to provide guidance for events and transactions with similar accounting implications. (Rel. SAB-27)

FOR FURTHER INFORMATION CONTACT: Gary A. Zell at (202) 755-0222

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## NOTICE OF COMMISSION MEETINGS

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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 obtain a tape recording of Commission meetings must obtain permission in advance from the Secretary of the Commission.

### CLOSED MEETING - TUESDAY, NOVEMBER 21, 1978 - 10 A.M.

The subject matter of the November 21 closed meeting will be: Access to investigative files by Federal, State or Self-Regulatory authorities; Chapter X, Formal orders of investigation; Freedom of Information Act appeal; Institution of administrative proceedings of an enforcement nature; Other litigation matters; Regulatory matter regarding financial institutions; Settlement of administrative proceedings of an enforcement nature; Settlement of injunctive action; Subpoena enforcement action.

### OPEN MEETING - WEDNESDAY, NOVEMBER 22, 1978 - 10 A.M.

The subject matter of the November 22 open meeting will be:

(1) Review, by the Commission, pursuant to Section 11A of the Securities Exchange Act of 1934, of a dispute between the Options Price Reporting Authority and Bunker Ramo Corporation and GTE Information Systems, Incorporated, two vendors of securities information. FOR FURTHER INFORMATION CONTACT Nancy H. Wojas at (202) 755-8965.

(2) Consideration of whether to publish for comment proposed amendments to Regulation S-X [17 CFR Part 210] concerning (1) the presentation in financial statements of the amounts applicable to preferred stock subject to mandatory redemption requirements, preferred stocks which are not redeemable or are redeemable solely at the option of the issuer, and common stocks, and (2) certain disclosure requirements for preferred stocks subject to mandatory redemption requirements. FOR FURTHER INFORMATION CONTACT Edmund Coulson at (202) 472-3782.

(3) Consideration of whether to adopt proposed Rule 13d-1(c), which would implement Section 13(g) of the Securities Exchange Act of 1934, and certain technical amendments to Regulation 13D. FOR FURTHER INFORMATION CONTACT John A. Granda at (202) 755-1750.

(4) Consideration of whether to adopt amendments to the management remuneration disclosure requirements of Regulation S-K, Item 4 as proposed in Rel. 33-5950 [July 28, 1978]. FOR FURTHER INFORMATION CONTACT Steven J. Paggioli at (202) 376-8090.

(5) Consideration of an application by Colonial Gas Energy System, a registered holding company, and its two public utility subsidiaries, seeking authorization for the issue and sale of up to \$5,500,000 cumulative convertible preferred stock by Colonial and an exemption from competitive bidding. Authorization is also being sought for the issuance and sale of common stock to Colonial by Lowell Gas Company and Cape Cod Gas Company, its public utility subsidiaries, for an aggregate purchase price of approximately \$3,100,000. FOR FURTHER INFORMATION CONTACT Mary Ann Oliver at (202) 523-5651.

(6) Consideration of whether the Commission should authorize its Division of Investment Management to transmit to the Small Business Administration the Commission's report under Section 308(g)(2)(H)-(J) of the Small Business Investment Act of 1958. FOR FURTHER INFORMATION CONTACT Elizabeth T. Tsai at (202) 755-0210.

CLOSED MEETING - WEDNESDAY, NOVEMBER 22, 1978 - IMMEDIATELY FOLLOWING OPEN MEETING

The subject matter of the November 22 closed meeting will be: Personnel security matter.

FOR FURTHER INFORMATION CONTACT: Beverly C. Rubman at (202) 755-1103

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## **CIVIL PROCEEDINGS**

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INJUNCTION ENTERED AGAINST TIGER OIL INTERNATIONAL, INC.  
AND EDWARD MIKE DAVIS

The SEC announced the filing of a complaint on November 16 in the U.S. District Court for the District of Columbia seeking injunctive relief and alleging violations of the antifraud provisions of the securities laws against Tiger Oil International, Inc. of Houston, Texas, a Delaware corporation engaged in oil and gas exploration and contract drilling, and Edward Mike Davis of Las Vegas, Nevada, Chairman of the Board of Directors and owner of 95% of the common stock of Tiger Oil. The Commission also announced that the Court entered final judgments of permanent injunction restraining and enjoining Tiger Oil and Davis from further violations of the antifraud provisions of the securities laws. Tiger Oil and Davis consented to the entry of the Court's judgments without admitting or denying the allegations in the Commission's complaint.

The Commission's complaint alleges that in connection with a contemplated substantial contribution of assets by Davis to Tiger Oil in December 1977, Tiger Oil and Davis engaged in a fraudulent course of conduct which included the issuance of false and misleading press releases and other communications to Tiger Oil shareholders and to other persons.

In addition to the entry of the final judgments of permanent injunction against Tiger Oil and Davis, Davis was ordered not to serve as an officer or director of any publicly-held company for a period of five years from the date of entry of the judgment. (SEC v. Tiger Oil International, Inc. and Edward Mike Davis, U.S.D.C. D.C., Civil Action No. 78-2156). (LR-8597)

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## **INVESTMENT COMPANY ACT RELEASES**

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HARTFORD VARIABLE ANNUITY LIFE INSURANCE CO.

An order has been issued pursuant to Section 9(c) of the Investment Company Act of 1940 granting exemption from Section 9(a) of the Act for Hartford Variable Annuity Life Insurance and Hartford Equity Sales Company, Inc. (Rel. IC-10480 - Nov. 16)

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## **LISTING, DELISTING AND UNLISTED TRADING ACTIONS**

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WITHDRAWAL SOUGHT

Air Express International Corporation has filed an application, pursuant to Section 12(d) of the Securities Exchange Act of 1934, to withdraw its common stock from listing and registration on the Boston Stock Exchange, Inc. Comments or requests for hearings are to be submitted on or before December 15, 1978. (Rel. 34-15333)

## DELISTING SOUGHT

Air Express International Corporation has filed an application, pursuant to Section 12(f)(1)(C) of the Securities Exchange Act of 1934, for unlisted trading privileges of its common stock on the Boston Stock Exchange, Inc. Comments or requests for hearings are to be submitted on or before December 15, 1978. (Rel. 34-15334)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF SUMMARY EFFECTIVENESS OF PROPOSED RULE CHANGE

The Commission has permitted a proposed rule change filed by the National Securities Clearing Corporation (SR-NSCC-78-10) to be put into effect summarily. This rule change extends the effectiveness of rule changes previously approved by the Commission. Section 19(b)(3)(B) of the Securities Exchange Act of 1934 requires that any proposed rule change put into effect summarily shall be filed promptly thereafter in accordance with the provisions of Section 19(b)(1) of the Act. Publication of the text of the rule change in the Federal Register will be made after the receipt of the filing. (Rel. 34-15336)

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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-16) THE DETROIT EDISON COMPANY, 2000 Second Ave., Detroit, Mich. 48226 (313) 237-8000 - 600,000 shares of cumulative preferred stock (\$100 par value). Underwriters: Morgan Stanley & Co. Inc. and E. F. Hutton & Company Inc. (File 2-63052 - Nov. 16)
- (S-1) FIRST BANKSHARES OF WYOMING, 1701 Capitol Ave., P.O. Box 1768, Cheyenne, Wyoming 82001 - 904,450 shares of common stock. (File 2-63053 - Nov. 16)
- (S-6) MUNICIPAL EXEMPT TRUST, NEW YORK SERIES 4, 522 Fifth Ave., New York, N.Y. 10036 - 14,000 units. Depositor: Glickenhau & Co. (File 2-63054 - Nov. 16)
- (S-7) MOTOROLA, INC., 1303 East Algonquin Rd., Schaumburg, Ill. 60196 (312) 397-5000 - 554,375 shares of common stock. (File 2-63055 - Nov. 16)
- (S-6) THE CORPORATE INCOME FUND, ELEVENTH SHORT TERM 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 2-63056 - Nov. 16)
- (S-8) CDI CORPORATION, Five Penn Center Plaza, Philadelphia, Pa. 19103 (215) 569-2200 - 318,875 shares of common stock. (File 2-63057 - Nov. 16)

### REGISTRATIONS EFFECTIVE

Nov. 13: American Re-Insurance Co., 2-62844; Newell Companies, Inc., 2-62321; Zapata Corp., 2-62736.

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.

# RECENT 8K FILINGS

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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
ACRYLIC OPTICS CORP	5,6	09/16/78
ADAMS RUSSELL CO INC	5	10/02/78
AETNA PROPERTIES INC	2,4,5,6	09/01/78
AMERICAN AIR FILTER CO INC	5	10/02/78
AMERICAN INDUSTRIES LTD	5,6	10/06/78
AMICOR INC	5,6	09/19/78
ANACOMP INC	2,6	08/16/78
ANHEUSER BUSCH INC	5,6	10/01/78
AUTOMATED BUILDING COMPONENTS INC	1	10/03/78
BAZAR INC	5,6	09/22/78
BEELINE INC	5,6	10/10/78
BERNZOMATIC CORP	5	10/10/78
BOLIVIAN POWER CO LTD	5,6	09/18/78
BURING FOOD GROUP INC	5	10/13/78
CANAVERAL INTERNATIONAL CORP	4,6	09/30/78
CARLYLE REAL ESTATE LTD PARTNERSHIP 71	2,6	09/29/78
CDI CORP	5,6	09/29/78
CEDAR POINT INC	2,6	10/02/78
CELINA FINANCIAL CORP	5	10/13/78
CENTURY PROPERTIES FUND XII	2,14	10/16/78 *
CHEFS INTERNATIONAL INC	4	09/15/78
CHICAGO & NORTH WESTERN TRANSPORTATION C	5,6	09/05/78
CHICAGO & NORTH WESTERN TRANSPORTATION C	5	10/15/78
CHICAGO MILWAUKEE CORP	6	10/03/78
CHICAGO ROCK ISLAND & PACIFIC RAILROAD C	13,14	09/01/78 *
CITATION COMPANIES INC	1,5,6	10/17/78
CODDING ENTERPRISES	4	09/01/78
COMMONWEALTH REALTY TRUST	2	09/15/78
CONTINENTAL INVESTMENT CORP	4,6	10/06/78
CONTINENTAL INVESTORS LIFE INSURANCE CO	2,6	10/04/78
CORENCE CORP	4,6	10/10/78
DFM CORP	1,5	09/01/78
DISCOVERY REALTY FUND	1,2,6	10/12/78
DUAL LIFE INC	5	10/16/78
EBERLINE INSTRUMENT CORP	5	09/06/78
ELI SECURITIES CO	5	09/29/78
FALSTAFF BREWING CORP	6	10/13/78
FIDELITY CORP	4	09/28/78
FIRST GOLDEN BANCORPORATION	5	10/19/78
FLOCK INDUSTRIES INC	3,5,6	09/30/78
FOOD FAIR INC	3,5	10/02/78
FOOD HOST USA INC	5,6	09/27/78
GLOBE UNION INC	1,2,6	10/10/78
HANOVER PETROLEUM CORP	5	10/01/78
HERS APPAREL INDUSTRIES INC	4,6	10/13/78
HI LAND SECURITIES CORP	5	10/25/78
HI TECH INDUSTRIES INC	5,6	10/12/78
HOTEL ASSOCIATES OF ATLANTIC CITY	5,6	10/10/78
HOUSING DYNAMICS INC	4	08/01/78
HYDROMETALS INC	5,6	10/16/78
IC INDUSTRIES INC	5,6	09/25/78

RECENT 8K FILINGS CONT.

INDIAN HEAD BANKS INC	2,6	10/10/78
INDIANA LIMESTONE CO INC	4	10/25/78
INFORMATION MAGNETICS CORP	2,6	10/06/78
INTERCONTINENTAL TRAILSEA CORP	2,6	09/25/78
INTERNATIONAL VIDEO CORP	5	10/01/78
INVESTEX INC	5,6	09/01/78
JMB INCOME PROPERTIES LTD 1973	2,6	10/13/78
JOHNSON CONTROLS INC	2,6	10/10/78
LANCHART INDUSTRIES INC	1	10/11/78
LAPDINTE INDUSTRIES INC	4	09/01/78
LASER ENERGY INC	13	10/10/78 *
LRC INC	5	09/25/78
LUNN INDUSTRIES INC	5,6	10/01/78
MANCHESTER LIFE & CASUALTY MANAGEMENT CO	5,6	09/01/78
MEBCC INDUSTRIES INC	3,6	09/01/78
MONTEREY VINEYARDS	5,6	10/23/78
MUTUAL ENTERPRISES INC	4	09/01/78
NATIONAL PROPERTY INVESTORS	2,6	10/23/78
NATIONAL SILVER INDUSTRIES INC	4,6	10/13/78
NSA INC	5,6	10/10/78
OEA INC	2,5,6	10/01/78
OKLAHOMA OIL CO	5	09/11/78
OMEGA OPTICAL CO INC	2,6	09/29/78
ONEIDA LTD	2	10/16/78
PEOPLES GAS CO	5,6	09/01/78
PIEDMONT MANAGEMENT CO INC	5	10/01/78
QUALITY CARE INC	5,6	09/01/78
RAMADA INNS INC	5	09/29/78
REAL ESTATE PARTNERS OF AMERICA	1,3	07/17/78
REPUBLIC AUTOMOTIVE PARTS INC	2,6	10/20/78
REPUBLIC CORP	13	10/30/78 *
SEAELECTRC CORP	4	10/16/78
SEATRAN LINES INC	5	09/01/78
SERVAMERICA INC	2,5,6	10/20/78
SERVO CORP OF AMERICA	4	10/04/78
SEW SIMPLE INC	4,5,6	10/18/78
SIGMATICS	5,6	10/01/78
SILCO INC	2,6	07/01/78
SIMON STORES INC	5,6	08/01/78
SONOMA INTERNATIONAL	2,5,6	10/07/78
STIRLING HOMEX CORP	6	09/01/78
TAPPAN CO	2,6	10/18/78
TEJON AGRICULTURAL PARTNERS	4,6	09/19/78
TERRYDALE REALTY TRUST	2,6	10/10/78
TOWN ENTERPRISES INC	3	09/01/78 *
TRAILERANCHO CORP	5	09/22/78
UNITED CAROLINA BANCSHARES CORP	5	10/10/78
UNIVERSAL CHEMICALS INC	4,6	09/21/78
WAVETEK	5	09/27/78
WELLINGTON HALL LTD	1,2,5	09/20/78
WORLD AIRWAYS INC	2,6	10/18/78
AMENDMENTS TO REPORTS ON FORM 8-K		
CITIZENS & SOUTHERN REALTY INVESTORS	2	08/03/78
DIVERSIFIED AGRICULTURAL PROPERTIES	6	05/11/78
DIVERSIFIED AGRICULTURAL PROPERTIES	6	08/12/78
HOTEL ASSOCIATES OF ATLANTIC CITY	2,6	07/30/78
MCNEIL REAL ESTATE FUND VIII LTD	5	08/30/78
MCNEIL REAL ESTATE FUND VIII LTD	2,6	08/29/78

RECENT 8K FILINGS CONT.

MICHIGAN GENERAL CORP	4	08/25/78
PETRO LEWIS OIL INCOME PROGRAM VII	2,6	06/01/78
PETRO LEWIS OIL INCOME PROGRAM VII	2,6	08/01/78
POWER CONVERSION INC	5	10/20/78
TRITON OIL & GAS CORP	2	08/01/78
WEBB RESOURCES INC	1	08/01/78

\*/ 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:

*Item 1. Changes in Control of Registrant*

*Item 2. Acquisition or Disposition of Assets*

*Item 3. Legal Proceedings*

*Item 4. Changes in Securities*

*Item 5. Changes in Security for Registered Securities*

*Item 6. Defaults upon Senior Securities*

*Item 7. Increase in Amount of Securities Outstanding*

*Item 8. Decrease in Amount of Securities Outstanding*

*Item 9. Options to Purchase Securities*

*Item 10. Extraordinary items, other material charges and credits and capital restatements*

*Item 11. Submission of Matters to a Vote of Security Holders*

*Item 12. Changes in Registrant's Certifying Accountant*

*Item 13. Other Materially Important Events*

*Item 14. Financial Statements and Exhibits*



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*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 on request. All other reference material is available in the SEC Docket.*

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