

sec news digest

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U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

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RULES AND RELATED MATTERS

EDITORIAL AMENDMENTS TO RULES UNDER THE INVESTMENT ADVISERS ACT OF 1940

LIBRARY

The Commission has announced the adoption of amendments to rules under the Investment Advisers Act of 1940 correcting certain statutory references in Rule 203-2 which have become inaccurate as a result of redesignations effected by the Securities Acts Amendments of 1975 and deleting an unnecessary statutory reference in Rule 203-1. (Rel. IA-487)

NOTICE OF COMMISSION APPROVAL OF PROPOSED RULE CHANGE BY SELF-REGULATORY ORGANIZATIONS

The Commission has approved the PSE's proposal to implement depository interfaces between PSDTC and MSTC and DTC. (Rel. 34-11857)

The Commission has also approved the PSE's proposal to establish a satellite facility for Pacific Securities Depository Trust Company in Seattle, Washington. (Rel. 34-11856)

The Commission has approved the Boston Stock Exchange's proposal to establish a maximum fine of one thousand dollars (\$1,000.00) for Acts inconsistent with good order and decorum on the Exchange floor. (Rel. 34-11861)

NOTICE OF PROPOSED RULE CHANGE BY SELF-REGULATORY ORGANIZATIONS

The Midwest Stock Exchange has filed a proposed rule change under Rule 19b-4 to remove certain restrictions and requirements relating to the sale of insurance by member firms. Publication of the proposal is expected to be made in the Federal Register during the week of November 24. (Rel. 34-11858)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

SANCTIONS IMPOSED AGAINST PRINCIPALS OF MORGAN KENNEDY & CO., INC.

The Commission has accepted offers of settlement from Alan Kern, Christina Capital Corp., Irwin Rudnet, Gerald Rudnet, Patrick Brady, and Stuart Siegle. In connection therewith, the Commission ordered that each of the respondents be barred from association with any broker-dealer investment company, or investment adviser provided that after two years, Kern, I. Rudnet, G. Rudnet, Brady, and Siegle, may apply to become re-associated in a non-supervisory capacity upon a showing that they will be properly supervised. (Rel. 34-11840)

NORTH PENN GAS COMPANY

The Commission has issued its findings, opinion and order finding "fair and equitable" a Section 11(e) plan filed in connection with the application of Penn Fuel System, Inc., a new holding company, Penn Fuel Gas, INC., an exempt holding company, and John H. Ware, the controlling stockholder of Penn Fuel and North Penn Gas Company, to retire the minority stock interest in North Penn. System also was granted an exemption under Section 3(a)(1). (Rel. 35-19254)

COMMISSION ANNOUNCEMENTS

COMMISSION POSITION ON DISCRIMINATORY PRACTICES

The Commission expressed its support for President Ford's strong statement reiterating the United States' policy of opposition to discriminatory practices against United States citizens or businesses resulting from foreign boycotts. It further stated that the formation by investment banking firms, or their affiliates, subject to regulation by the Commission, of syndicates to distribute securities in the United States or abroad, the composition of which reflects attempts to implement discriminatory practices, would be inconsistent with just and equitable principles of trade and could subject those involved to NASD disciplinary proceedings or appropriate action by the Commission. (Rel. 34-11860)

TRADING SUSPENSIONS

TRADING SUSPENDED IN TRANSJERSEY BANCORP

The SEC has announced the temporary suspension of over-the-counter trading in the securities of Transjersey Bancorp, located in Bloomfield, N.J., for the ten-day period beginning on November 23 and continuing through midnight (EST) on December 3, 1975.

The Commission suspended trading in the securities of Transjersey Bancorp because of continuing questions concerning the recent market activity in the company's common stock and other matters pertaining to the company. (Rel. 34-11863)

COURT ENFORCEMENT ACTIONS

MANAGEMENT DYNAMICS DEFENDANTS ENJOINED

The New York Regional Office announced that a final judgment was entered by the U.S. District Court for the Southern District of New York, pursuant to consents, enjoining the following defendants from violations of the antifraud and registration provisions of the securities laws: Thomas F. Brennan III (October 16, 1975); Joseph Cirello (October 16, 1975); and Samuel D. Hudge (September 3, 1975). (SEC v. Management Dynamics, Inc., 73 Civ. 2642). (LR-7173)

INVESTMENT COMPANY ACT RELEASES

PATHE INDUSTRIES, INC.

A notice has been issued giving interested persons until December 11, 1975, to request a hearing on an application by Pathe Industries, Inc. (Pathe), a closed-end, non-diversified management investment company, for an order permitting Pathe, Theta Enterprises, Inc. (Theta), a wholly-owned subsidiary of Pathe, Pathe Laboratories, Inc. (Laboratories), a wholly-owned subsidiary of Theta, (collectively the Companies) and Cadence Industries Corporation (Cadence) to consummate a proposed agreement designed to settle all outstanding disputes between the Companies and Cadence resulting from the sale of substantially all of the assets of Laboratories to Cadence in 1967. (Rel. IC-9040)

THE INVERNESS FUND

A notice has been issued giving interested persons until December 15, 1975, to request a hearing on an application of the Inverness Fund, Inc. for an order that it has ceased to be an investment company. (Rel. IC-9041)

THE FORE FUND, INC.

An order has been issued permitting the withdrawal of an application filed by The Fore Fund, Inc. and The Partners Fund, Inc. for an order pursuant to Section 6(c) of the Act. A notice of the application had been issued. (Rel. IC-9042)

THE SIXTY-SEVEN TWENTY FUND

A notice has been issued giving interested persons until December 15, 1975, to request a hearing on an application of the Sixty-Seven Twenty Fund, Inc., for an order that it has ceased to be an investment company. (Rel. IC-9043)

FIDUCIARY EQUITY SHARES, INC.

A notice has been issued giving interested persons until December 17 to request a hearing on an application of Fiduciary Equity Shares, Inc., for an order that it has ceased to be an investment company. (Rel. IC-9044)

FIDUCIARY INCOME SHARES, INC.

A notice has been issued giving interested persons until December 17 to request a hearing on an application of Fiduciary Income Shares, Inc., for an order that it has ceased to be an investment company. (Rel. IC-9045)

THE AMERICA GROUP COMPANIES FUND

A notice has been issued giving interested persons until December 17 to request a hearing on an application filed by The America Group Companies Fund, a registered open-end investment company, for an order declaring that it has ceased to be an investment company. (Rel. IC-9046)

COMBINED SHARES, INC.

A notice has been issued giving interested persons until December 17 to request a hearing on a proposal of the Commission to declare that Combined Shares, Inc. has ceased to be an investment company as defined in the Act. (Rel. IC-9047)

COLONIAL INCOME FUND, INC.

An order has been issued on an application filed by Colonial Income Fund, Inc., Colonial Fund, Inc., Colonial Convertible & Senior Securities, Inc., Colonial Equities, Inc., Colonial Growth Shares, Inc., Colonial Ventures, Inc., registered open-end investment companies, and Colonial Management Associates, Inc., their principal underwriter, granting an exemption from Section 22(d) to permit shareholders of Colonial Income Fund to reinvest income dividends in shares of the other funds at net asset value. (Rel. IC-9048)

HOLDING COMPANY ACT RELEASES

ST. REGIS PAPER COMPANY

An order has been issued granting an exemption from all the provisions of the Act for St. Regis Paper Company (St. Regis). St. Regis is a holding company by virtue of its ownership of North Western Pulp & Power Ltd. and The Montana Light and Power Company. (Rel. 35-19255)

LOUISIANA POWER & LIGHT COMPANY

A notice has been issued giving interested persons until December 15 to request a hearing on a proposal by Louisiana Power & Light, an electric utility subsidiary of Middle South Utilities, Inc., to sell certain substation and transmission line facilities to Georgia-Pacific Corporation. (Rel. 35-19256)

SECURITIES ACT REGISTRATIONS

(S-14) APPLIED MATERIALS, INC.

3050 Bowers Ave., Santa Clara, Calif. 95051 - 125,299 shares of common stock, to be issued in connection with the acquisition of In-Line Technology, Inc. pursuant to a merger of In-Line Technology, Inc. into a wholly-owned subsidiary of Applied Materials, Inc. Applied Materials designs, manufactures and sells equipment, instrumentation and materials to manufacturers of products utilizing thin film technology, primarily in the semiconductor industry. (File 2-54908 - Oct. 31)

(S-16) COLLINS & AIKMAN CORPORATION

210 Madison Ave., New York, N. Y. 10016 - 162,094 shares of common stock, to be offered for sale from time to time at prices current at the time of sale by certain persons who received such shares under one of the corporation's benefit plans (its 1968 Restricted Stock Plan). The company manufactures and sells a wide variety of textile and related products. (File 2-54983 - Nov. 11)

(S-2) INTERNATIONAL TOBACCO WHOLESALERS ALLIANCE
LIMITED-U.S.A.

International Tobacco Wholesalers Alliance Limited-U.S.A., O'Hare Plaza, 5725 East River Road, Chicago, Ill. 60631 - 200 shares of common stock, offering one share to wholesaler distributors of tobacco, confectionary and various sundry products. ITWAL-U.S.A. is a cooperative organized to obtain savings for its members. (File 2-54991 - Nov. 12)

(S-6) E. F. HUTTON TAX-EXEMPT FUND
NATIONAL SERIES 23

One Battery Park Plaza, New York, N. Y. 10004 - \$15 million of units. The Fund is one of a series of unit investment trusts created under a trust indenture and agreement among E. F. Hutton & Company, Inc., as sponsor, United States Trust Company of New York, as trustee and Standard & Poor's Corporation, as evaluator. The Fund consists of interest-bearing obligations of states, counties, territories and municipalities of the United States and authorities or political subdivisions thereof, the interest on which is in the opinion of bond counsel, exempt from Federal income tax under existing law. (File 2-55046 - Nov. 19)

(S-6) E. F. HUTTON CORPORATE INCOME FUND
THIRD SERIES

One Battery Park Plaza, New York, N. Y. 10004 - \$12,500,000 of units. The Fund is one of a series of unit investments trusts created under a trust indenture and agreement among E. F. Hutton & Company Inc., as sponsor, New England Merchants National Bank, as trustee and Telstat Advisory Service, Inc., as evaluator. The Fund's primary objective is providing a high level of current income through investment in a fixed portfolio of long-term corporate debt obligations and fixed dividend sinking fund preferred stocks. (File 2-55047 - Nov. 19)

(S-16) GARDNER-DENVER COMPANY

8585 Stemmons Freeway, Dallas, Tex. 75247 - 130,000 shares of common stock, to be offered for sale from time to time by certain stockholders at prices current at the time of sale. The company is primarily engaged in the manufacture and sale of drilling equipment for various applications in the mining and petroleum industries and for use in various construction projects. (File 2-55052 - Nov. 20)

(S-7) SCOTT PAPER COMPANY

Scott Plaza, Philadelphia, Pa. 19113 - 600,000 shares of common stock, offering memberships to employees in stock purchase and stock investment plans. The company is engaged primarily in the manufacturing and sale of paper products and pulp. (File 2-55055 - Nov. 20)

(S-B) ELECTRICITE DE FRANCE (E.D.F.)

Service National, 2, rue Louis Murat, Paris, France 75008 - \$75 million of guaranteed external notes, due 1983, to be offered for sale through underwriters headed by Lazard Freres & Co., One Rockefeller Plaza, New York, N. Y. 10020. E.D.F. is a national electric utility establishment owned and controlled by The Republic of France. (File 2-55056 - Nov. 20)

(S-7) TEXASGULF, INC.

200 Park Ave., New York, N. Y. 10017 - \$125 million of debentures, due 2000, to be offered for sale through underwriters headed by Morgan Stanley & Co., Inc., 1251 Ave. of the Americas, New York, N. Y. 10020. Texasgulf is engaged in finding, developing, mining and processing natural resources and in the sale of natural resource products. (File 2-55057 - Nov. 20)

(S-7) MIDDLESEX WATER COMPANY

One Woodbridge Center, Woodbridge, N. J. 07095 - 100,000 shares of common stock, to be offered for sale through underwriters headed by Kidder, Peabody & Co. Inc., 10 Hanover Sq., New York, N. Y. The company is a water utility engaged solely in the business of collecting and distributing water for domestic, commercial, industrial and fire protection purposes. (File 2-55058 - Nov. 20)

(S-1) MEGO INTERNATIONAL, INC.

One Madison Square Plaza, New York, N. Y. 10010 - 33,000 shares of common stock, to be offered for sale from time to time by certain shareholders at prices current at the time of sale. The company is primarily engaged in the manufacture and sale of toys, including articulated doll figures. (File 2-55059 - Nov. 20)

(S-7) ROCHESTER GAS AND ELECTRIC CORPORATION

89 East Ave., Rochester, N. Y. 14649 - 200,000 shares of common stock, to be offered to holders of the company's stock through an Automatic Dividend Reinvestment Plan. The company is a public utility supplying electric, gas and steam service within New York State. (File 2-55063 - Nov. 21)

(S-7) ALABAMA BANCORPORATION

First National-Southern Natural Building, Birmingham, Ala. 35203 - \$30 million of notes, due 1984, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York, N.Y. 10005. Alabama Bancorporation is a bank holding company which owns twelve commercial banks, a mortgage company and a finance company, all headquartered in Alabama. (File 2-55042 - Nov. 19)

(S-14) XEROX CORPORATION

Stamford, Conn. 06904 - 380,000 shares of common stock. It is proposed to offer shares in exchange for the outstanding common stock of Versatec, Inc. Xerox is primarily engaged in the business of developing, manufacturing and marketing xerographic copiers and duplicators, and related supplies and services. The company also develops, produces and markets educational materials and information services. (File 2-55043 - Nov. 19)

(S-14) HACKENSACK WATER COMPANY

4100 Park Ave., Weehawken, N.J. 07087 - \$20 million of first mortgage bonds, due 2006, to be offered for sale through underwriters headed by The First Boston Corporation, 20 Exchange Pl., New York, N.Y. 10005. The company and its subsidiaries own and operate water systems. (File 2-55048 - Nov. 19)

(S-1) AMERICAN EXPRESS CREDIT CORPORATION

One Rollins Plaza, Wilmington, Del. 19803 - \$50 million of senior notes, due 1985, to be offered for sale through underwriters headed by Salomon Brothers, One New York Plaza, New York, N.Y. 10004. The company purchases receivables arising from the use of the American Express (R) Card issued by American Express Company. (File 2-55050 - Nov. 20)

(S-7) CARTER HAWLEY HALE STORES, INC.

600 South Spring St., Los Angeles, Cal. 90014 - \$60 million of debentures, due 2000, to be offered for sale through underwriters headed by Morgan Stanley & Co. Incorporated, 1251 Avenue of the Americas, New York, N.Y. 10020. The company is engaged primarily in the retail business through general and specialty department stores. (File 2-55051 - Nov. 20)

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission on Schedule 13D the acquisition of more than 5% of the equity securities of another company within 10 days of the acquisition. The following companies or individuals filed Schedule 13D's regarding the acquisition of stock of other companies during the period Nov. 10 - 18.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
John W. Kluge	Metromedia, Inc. (New York City) Common Stock - 643,800 shs.	11-10-75
National Factors, Inc.	Dahlman, Inc. (Braham, Minn.) Common Stock - 2,214,905 shs.	11-10-75

ACQUISITION REPORTS CONT.

Group of Shareholders	Pharmacare, Inc. (Largo, Fla.) Common Stock - 401,000 shs. Common Stock - 54,000 shs. on exercise of Options and Warrants	11-10-75
Edward N. Cole	Maritime Fruit Carriers Co. Ltd. (Haifa, Israel) Class A Ordinary Shares - 300,000 shs.	11-10-75
Wheat Service & Equipment Corp.	Dibrell Brothers, Inc. (Danville, Va.) Common Stock - 54,000 shs. on exercise of Warrants	11-10-75
Thomas L. Teague	American Arts & Crafts, Inc. (Garland, Texas) Common Stock - 190,666 shs. on exercise of Options	11-10-75
* J. P. Guerin & Co.	Mitchum, Jones & Templeton, Inc. (Los Angeles, Calif.) Common Stock - 164,500 shs. (36.21%)	11-10-75
* Edward E. Etringer	Frawley Enterprises, Inc. (Los Angeles, Cal.) Common Stock - 170,062 shs. (11.4%) Common Stock - 26,666 shs. on conversion of Debentures	11-10-75
* Sidney Harman	Harman International Industries, Inc. (Lake Success, NY) Common Stock - 200,000 shs. Common Stock - 41,129 shs. on exercise of Options	11-10-75
* Trustees under Harman International Industries, Inc. Employees' Stock Bonus and Ownership Trust U/T/A	Harman International Industries, Inc. (Lake Success, NY) Common Stock - 153,267 shs.	11-10-75
Group of Shareholders	Banks of Iowa, Inc. (Cedar Rapids, Iowa) Common Stock - 223,815 shs.	11-10-75
* Andrew Levitske	Thorofare Markets, Inc. (Youngstown, Ohio) Common Stock - 86,987 shs.	11-10-75
* Raymond J. Adreani	National Terminals Corp. (Chicago, Ill.) Common Stock - 6,350 shs. (Norwood Builders, Inc., a corporation of which he is president and principal shareholder, owns 7,400 shs.)	11-10-75
* David H. Murdock	Pacific Holding Corp. (Los Angeles, Calif.) Common Stock - 118,548 shs.	11-11-75
Group of Shareholders	EDO Corp. (College Point, NY) Common Stock - 120,428 shs. Common Stock - 2,256 shs. on conversion of Debentures	11-11-75
Keystone Custodian Fund Series S4	Comtech Labs (Smithtown, NY) Common Stock - 58,000 shs.	11-12-75
* First Manhattan Co.	Lea Ronal, Inc. (Freeport, NY) Common Stock - 109,950 shs.	11-12-75
* First Manhattan Co.	Sterndent Corp. (Mount Vernon, NY) Common Stock - 129,700 shs.	11-12-75
* Sun Ventures, Inc.	Plastics Development Corp. of America (Phila., Pa.) Common Stock - 1,922,913 shs.	11-12-75

ACQUISITION REPORTS CONT.

Group of Shareholders	Argus Inc. (Ann Arbor, Mich.) Common Stock - 4,518,415 shs. (53.8%) (Above shares were acquired from Fasco A.G. The Purchasers have also agreed to purchase an additional 2,502,355 shs. from Fasco which shares Argus has agreed to issue in consideration of the cancellation of certain indebtedness)	11-12-75
Exchange Investment Corp.	Georgetown Life Insurance Co. (Peoria, Ill.) Common Stock - 831,412 shs. (100%) (Under a Plan of Exchange, 381,664 of above shares were acquired in exchange for 763,328 Class A Common shares of Exchange Investment Corp.)	11-13-75
* New America Fund, Inc.	CapTech Inc. (Long Beach, Calif.) Common Stock - 150,000 shs. (An additional 10,000 shares have been contracted for)	11-13-75
* First Manhattan Co.	Turner Construction Co. (New York City) Common Stock - 61,917 shs.	11-13-75
* Amended Acquisition Report		

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>
Semiconductor Electronics Inc. (Wholly-owned by Thomson-CSF, S.A. (France))	Nucleonic Products Co., Inc. (Canoga Park, Calif.) Common Stock - All Outstanding shares for cash at \$3.50 net per share (Thomson-CSF owns 312,000 shares (62.3%))	11-10-75
* United Technologies Corp.	Otis Elevator Co. (New York City) Common Stock - All Outstanding shares for cash at \$44.00 net per share (Price per share increased from \$42.00)	11-11-75
* IMETAL (France)	Copperweld Corp. (Pittsburgh, Pa.) Common Stock - All Outstanding shares for cash at \$40.48 net per share (after adjustment for the 5% stock dividend) 5% Convertible Debentures - for cash at \$1,529.86 per \$1,000 principal amount	11-13-75
Employers Reinsurance Corp.	American Defender Life Insurance Co. (Raleigh, NC) Common Stock - 1,399 shares for cash at \$80.59 net per share (Employers purchased 98,608 shs. (98.6%) pursuant to the Offer of 9-12-75)	11-13-75
* Cavenham (USA) Inc. Cavenham Holdings Inc. Cavenham (Overseas) Ltd. (England) Cavenham Ltd. (England)	Grand Union Co. (Elmwood Park, NJ) Common Stock - 1,900,000 shares in exchange for 11 1/2% SF Debentures of Cavenham (USA) in the ratio of \$18.00 Prin. Amt. Debentures for each share Grand Union	11-14-75
Colt Industries Inc.	Garlock Inc. (Rochester, NY) Common Stock - All Outstanding shares for cash at \$32.00 net per share	11-17-75

Babcock International Inc.
(Wholly-owned by
Babcock & Wilcox Ltd.
(England)

American Chain & Cable Co., Inc.
(Bridgeport, Conn.)
Common Stock - All Outstanding shares
for cash at \$27.00 net per share

11-18-75

* Amended Tender Offer

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 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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