

sec news digest

Issue 78-121

June 22, 1978

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

OPEN MEETING - TUESDAY, JUNE 27, 1978 - 10 A.M.

The subject matter of the June 27 open meeting will be:

Oral argument in the matter of International Postal System, Inc. to determine whether to postpone the effective date of subject's registration as a transfer agent.

CLOSED MEETING - TUESDAY, JUNE 27, 1978 - IMMEDIATELY FOLLOWING OPEN MEETING

The subject matter of the June 27 closed meeting will be: Administrative proceedings of an enforcement nature; Formal orders of investigation; Referral of investigative files to Federal, State or Self-Regulatory authorities; Institution of injunctive actions; Settlement of injunctive actions; Institution of administrative proceedings of an enforcement nature; Settlement of administrative proceedings of an enforcement nature; Freedom of Information Act appeals; Regulatory matters bearing enforcement implications; Confidential Treatment; Other litigation matters.

OPEN MEETING - WEDNESDAY, JUNE 28, 1978 - 9:00 A.M.

The subject matter of the June 28, 9:00 a.m. open meeting will be:

Consideration of report proposed to be sent to Congress on the accounting profession and the Commission's oversight role.

OPEN MEETING - WEDNESDAY, JUNE 28, 1978 - 2:30 P.M.

The subject matter of the June 28, 2:30 p.m. open meeting will be:

Oral argument in the matter of Robert Lechman, concerning an appeal from disciplinary action taken by the Chicago Board Options Exchange.

CLOSED MEETING - WEDNESDAY, JUNE 28, 1978 - IMMEDIATELY FOLLOWING 2:30 OPEN MEETING

The subject matter of the June 28 closed meeting will be: Post oral argument discussion.

OPEN MEETING - THURSDAY, JUNE 29, 1978 - 2:30 P.M.

The subject matter of the June 29 open meeting will be:

(1) Consideration of the proposed amendment of Rule 254 of Regulation A under the Securities Act of 1933 to raise the aggregate offering price of securities which may be sold under Regulation A to \$1,500,000.

(2) Consideration of a release announcing the adoption of an amendment to the beneficial ownership rules to provide, among other things, an exception for broker-dealers who are pledgees under a standard margin agreement.

(3) Consideration of a release proposing amendments to the net capital rule (1) to limit the exclusion from aggregate indebtedness of fixed assets of a broker or dealer, to the extent that such liabilities are for a period of less than six months (this amendment would also affect the computation of net capital); and (2) that loans payable to certain persons associated with the broker or dealer be treated in effect as capital under certain conditions.

(4) Authorization for the release to the Office of Management and Budget of information in a Staff Report regarding H.R. 7485, a bill to authorize national banks to underwrite and deal in certain municipal revenue bonds.

FOR FURTHER INFORMATION CONTACT: George Yearsich at (202) 755-1100

ADMINISTRATIVE PROCEEDINGS

DENIAL PROCEEDINGS ORDERED AGAINST INTERNATIONAL POSTAL SYSTEMS, INC.

Public administrative proceedings have been instituted under Section 17A(c)(3) of the Securities Exchange Act of 1934 against International Postal Systems, Inc., Tupelo, Mississippi, to determine whether its application for registration as a transfer agent should be denied. The Commission postponed the effective date of the registration until June 30, 1978, and ordered a hearing to determine whether to postpone the effective date of International's registration until final determination of whether such registration should be denied. (Rel. 34-14860)

FDI SECURITIES, INC., OTHERS SUSPENDED

The Commission has suspended the broker-dealer registration of FDI Securities, Inc. (FDI), of Wilmington, Delaware, for a period of 60 days; suspended FDI Financial Corporation, of Wilmington, Delaware, from being associated with any broker or dealer for a period of 60 days; suspended F. Lamar Watson and Robert V. Holton, Jr., both of Wilmington, Delaware, from associating with any broker or dealer for a period of 90 days, and limited their activities to those of a nonsupervisory nature in connection with their association with any broker or dealer, provided that after a period of twelve months they may apply to have this limitation removed, upon a proper showing; and suspended Edmund Pendleton, of Wilmington, Delaware, and Carl E. Kraus, of Ridley Park, Pennsylvania, from associating with any broker-dealer for 60 days. The Commission further ordered FDI to establish, implement and maintain written procedures designed to assure compliance by it with the securities laws, and to comply with its undertaking to attempt to secure the employment of a person knowledgeable in the operation of a broker-dealer who shall have the responsibility of supervisions of FDI's compliance activities.

The sanctions were based on findings that respondents wilfully violated registration and antifraud provisions of the securities laws and that respondents had been permanently enjoined from violations of the securities laws by the U.S. District Court for Delaware. The Commission's action was taken pursuant to offers of settlement submitted by the respondents in which, without admitting or denying the Commission's findings, they consented to the above sanctions and findings. (Rel. 34-14875)
(See LR-8441)

COURT ENFORCEMENT ACTIONS

FDI SECURITIES, INC., OTHERS ENJOINED

The Washington Regional Office announced that on June 19 the U.S. District Court for the District of Delaware entered orders of permanent injunction against FDI Securities, Inc., FDI Financial Corporation, FDI Properties, Inc., First Delaware Investors, Inc., FDI Management Corporation, F. Lamar Watson, Robert V. Holton, Jr., and Edmund Pendleton, all of Wilmington Delaware, and Carl E. Kraus of Ridley Park, Pennsylvania. The injunctions permanently enjoin the defendants from violations of the registration and antifraud provisions of the securities laws and order FDI Financial Corporation, FDI Properties, Inc., First Delaware Investors, Inc. and FDI Management Corporation to pay approximately \$72,000 to two limited partnerships.

The defendants consented to the entry of these injunctions without admitting or denying the allegations of the Commission's complaint which was filed simultaneously with the consents. The complaint charged that the defendants formed, managed, and offered and sold interests in limited partnerships through the use of materially misleading

information concerning, among other things, promised refunds to investors if partnership offerings were not sold out by stated termination dates, the financial condition of FDI Financial Corporation, and the commingling of money among partnerships and between partnerships and FDI Financial Corporation. (SEC v. FDI Securities, Inc., et al., D. Del., Civil Action No. 78-250). (LR-8441) (See Rel. 34-14875)

INVESTMENT COMPANY ACT RELEASES

E. F. HUTTON TRUST FOR GOVERNMENT GUARANTEED SECURITIES, FIRST SERIES

A notice has been issued giving interested persons until July 17 to request a hearing on an application E. F. Hutton Trust for Government Guaranteed Securities, First Series (and all subsequent series) (Applicant), for an order pursuant to Section 6(c) of the Act exempting Applicant from the initial net worth requirements of Section 14(a), exempting the frequency of capital gains distributions of Applicant from the provisions of Rule 19b-1, and exempting the secondary market operations of Applicant's sponsor from the provisions of Rule 22c-1. (Rel. IC-10285 - June 21)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until July 17 to request a hearing on a proposal of Consolidated Natural Gas Company, a registered holding company, and two of its subsidiaries, CNG Development Company Ltd. and CNG Producing Company, whereby the companies request an extension, for the years 1978 and 1979, of the Commission's authorization to allocate the system's consolidated income tax liabilities in a manner differing in certain respects from that which is prescribed in Rule 45(b)(6). (Rel. 35-20594 - June 20)

COLUMBIA GAS OF OHIO, INC.

An order has been issued approving an amended proposal of Columbia Gas of Ohio, Inc., Columbia Gas of West Virginia, Inc., Columbia Gas of Kentucky, Inc., Columbia Gas of Virginia, Inc., Columbia Gas of Pennsylvania, Inc., Columbia Gas of New York, N.Y. and Columbia Gas of Maryland, Inc., subsidiaries of the Columbia Gas System, Inc. The proposal, as amended, would establish a system-wide program for all the above-named companies except Columbia of Ohio to assist gas space-heating customers in financing the installation of ceiling insulation in one and two family houses. Columbia of Ohio will establish a separate insulation program which will meet the requirements of a recently enacted Ohio statute requiring electric and gas utilities operating in Ohio to establish such a program. (Rel. 35-20595 - June 20)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Stock Clearing Corporation of Philadelphia has filed a proposed rule change under Rule 19b-4 (SR-SCCP-78-3) which would enable it to represent its members as a direct inquirer for the purposes of the Lost and Stolen Securities Program as established in accordance with Rule 17f-1. (Rel. 34-14863)

Publication of the proposal is expected to be made in the Federal Register during the week of June 19; and The Options Clearing Corporation (SR-OCC-78-3) redefining the term "Government securities" in OCC's By-Laws to include all securities issued or guaranteed by the U.S. Government with current maturities of ten years or less. Previously, that term had been defined to mean government securities with initial maturities of five years or less. (Rel. 34-14868)

Publication of the proposal is expected to be made in the Federal Register during the week of June 26.

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-8) CHURCH & DEWIGHT COMPANY, INC., Two Pennsylvania Plaza, New York, N.Y. 10001 - 175,000 shares of capital stock. (File 2-61859 - June 12)
- (S-6) THE GOVERNMENT SECURITIES INCOME FUND, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 - 45,000 units. Depositor: Merrill Lynch, Pierce, Fenner & Smith Inc. (File 2-61893 - June 15)
- (S-7) DUKE POWER COMPANY, 422 S. Church St., Charlotte, N.C. 28242 - 125,000,000 of bonds. (File 2-61895 - June 15)
- (S-8) ARKANSAS LOUISIANA GAS COMPANY, 525 Milam St., P.O. Box 21734, Shreveport, La. 71151 - 200,000 shares of common stock. The company is engaged in an integrated natural gas utility business. (File 2-61923 - June 20)
- (S-7) H. H. ROBERTSON COMPANY, Two Company Center, Pittsburgh, Pa. 15222 (412) 281-3200 - \$16 million of 8-1/4% convertible subordinated debentures, due 1998. Underwriters: J. C. Bradford & Co., Moore, Leonard & Lynch, Inc. and Edward D. Jones & Co. The company, among other things, is engaged in the manufacture and erection of non-residential building products. (File 2-61928 - June 21)
- (S-1) TELCO MARKETING SERVICES, INC., 625 N. Michigan Ave., Chicago, Ill. 60611 - \$4 million of jr. subordinated debentures. The company primarily leases medical and technical equipment. (File 2-61929 - June 21)
- (S-8) FLEMING COMPANIES, INC., 6601 North Broadway, Box 26647, Oklahoma City, Okla. 73126 - \$2 million of participations and 300,000 shares of common stock. (File 2-61930 - June 21)
- (S-7) AUGAT INC., 33 Perry Ave., P.O. Box 779, Attleboro, Mass. 02703 (617) 222-2202 - 960,000 shares of common stock. Underwriter: Wertheim & Co., Inc. The company designs, manufactures and markets a broad range of electromechanical products and precision components. (File 2-61931 - June 21)
- (S-1) BAMBOO COMPANY, 165 West 46th St., New York, N.Y. - 100,000 of pre-formation limited partnership interests. (File 2-61932 - June 21)
- (S-8) CONTINENTAL TELEPHONE CORPORATION, 56 Perimeter Center East, Atlanta, Ga. 30346 - 250,000 shares of common stock. (File 2-61933 - June 21)
- (S-6) THE CORPORATE INCOME FUND, SEVENTY-SIXTH 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 2-61934 - June 21)
- (S-8) APPLIED DATA RESEARCH, INC., Route 206 Center, Princeton, N.J. 08540 - 30,000 shares of common stock. (File 2-61935 - June 21)
- (S-8) LOCAL LOAN CO., 1415 W. 22nd St., Oak Brook, Ill. 60521 - \$1,000,000 account participations. (File 2-61936 - June 21)
- (S-1) ENERGY CAPITAL DRILLING PROGRAM-1978 PARTNERSHIP, 105 West Adams St., Chicago, Ill. 60603 - 2,500 units of limited partnership interest. (File 2-61937 - June 21)

REGISTRATIONS EFFECTIVE

June 15: Allis Chalmers Corp., 2-61553; The Corporate Income Fund, Seventy-Fourth Monthly Payment Series, 2-61455; Diamond International Corp., 2-61521; E. F. Johnson Co., 2-61645; Inter-Regional Financial Group, Inc., 2-61514; The Kansas Power and Light Co., 2-61722; NN Corp., 2-61496; National Homes Corp., 2-61584; Nuveen Tax-Exempt Bond Fund, Series 107, 2-61443; Ticor, 2-61675; Tiger International Inc.,

2-61661; Tracor, Inc., 2-61854; UNC Resources, Inc., 2-61761; W. R. Berkley Corp., 2-61401.

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

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
AMTEL INC	2,6	06/05/78
ANALOGIC CORP	5	05/03/78
ARCO PIPE LINE CO	5	05/11/78
ARKANSAS BEST CORP	5,6	05/01/78
ASSOCIATED DRY GOODS CORP	5,6	05/24/78
ATLANTIC RICHFIELD CO	5	05/11/78
BANK OF AMERICA N T & S A MORTGAGE PCCL	6	05/23/78
BECKMAN INSTRUMENTS INC	5	06/01/78
BEECH CREEK RAILROAD CO	5,6	06/07/78
BERG ENTERPRISES INC	5,6	05/16/78
BERMANS INC	5,6	05/16/78
BRUNTON CO	1	05/01/78
CITY STORES CO	2,13	04/10/78 *
CLEVELAND & PITTSBURGH RAILROAD CO	5,6	06/07/78
CLEVELAND CINCINNATI CHICAGO & SAINT LOU	5,6	06/07/78
COAST PHOTO MANUFACTURING CO INC	2,6	05/01/78
COLLEGE UNIVERSITY CORP	5	05/01/78
COMBUSTION ENGINEERING INC	5,6	05/25/78
CONCORDE COMMUNITY FUND INC	5	12/31/77
CUTLER HAMMER INC	5,6	05/01/78
DC TRANSIT SYSTEM INC	2	05/01/78
DIAMOND COAL CO INC	5	05/30/78
DCL RESOURCES INC	1,6	04/30/78
DUNKIN DONUTS INC	5	05/25/78
DYMC INDUSTRIES INC	1,5,6	05/28/78
EL PASO CO	5	05/23/78
EL PASO NATURAL GAS CO	5	05/23/78
ELECTRONIC RESEARCH ASSOCIATES INC	1,2,5,6	05/23/78
EMHART CORP VA	5,6	05/01/78
ENERGY RESOURCES CORP	5,6	05/01/78
EQUILINK CORP	5	05/15/78
EQUITY EDUCATORS ASSURANCE CO	14	02/01/78 *
EVANS ARISTOCRAT INDUSTRIES INC	5	05/01/78
EXECUTIVE INC	5	05/31/78
EXTRACORPORAL MEDICAL SPECIALTIES INC	2,6	05/26/78
FERRIS CORP	5	05/01/78
FIDELITY AMERICAN BANKSHARES INC	5,6	05/23/78
FINANCIAL GUARANTEE GROUP INC	4,6	05/18/78
FIRST AMERICAN FINANCIAL CORP	5,6	05/01/78
FIRST BANKSHARES CORP OF SOUTH CAROLINA	5,6	05/15/78
FIRST NATIONAL BANKCORPORATION INC	5	05/31/78
FIRST LABORATORIES INC	2,6	06/09/78
FOUR PHASE SYSTEMS INC	5	06/01/78

RECENT 8K FILINGS CONT.

GENERAL PUBLIC UTILITIES CORP	5	06/01/78
GETTY OIL CO	5	05/01/78
GRAPHICONE CORP	2,6	05/12/78
HEALTH CARE FUND	5,6	05/16/78
HEINZ F J CO	5	05/04/78
HOUSTON FIRST FINANCIAL GROUP INC	5,6	05/01/78
INTERCITY AUTOMATIC INC	5	05/05/78
INTERNATIONAL BASIC ECONOMIC CORP	5,6	06/07/78
INTERNATIONAL LIFE HOLDING CORP	11,14	05/01/78 *
INTERNATIONAL LIFE INSURANCE CO OF BUFFA	11,14	05/01/78 *
INTERSTATE POWER CO	5	05/01/78
JONES J A CONSTRUCTION CO	5,6	05/24/78
KAPCK TREE INNS CORP	13	05/15/78 *
KAPCK TREE INNS CORP	13,14	05/15/78 *
KNIGHT INDUSTRIES INC	1,6	05/18/78
LANCE INC	5	05/01/78
LITTLE MIAMI RAILROAD CO	6	06/07/78
LCMAS & NETLETON MORTGAGE INVESTORS	5,6	05/01/78
MANHATTAN INDUSTRIES INC	2,14	05/01/78 *
MCNEIL REAL ESTATE FUND VII LTD	5	05/01/78
MEASUREX CORP	5	05/01/78
METROPOLITAN EDISON CO	5	05/01/78
MICHIGAN CENTRAL RAILROAD CO	5,6	06/07/78
MISSISSIPPI RIVER TRANSMISSION CORP	5	05/01/78
MCDLLAR COMPUTER SYSTEMS INC	5,6	05/09/78
MERRISON KALDSEN CO INC	5,6	06/08/78
NATIONWIDE REAL ESTATE INVESTORS	5,6	06/01/78
NATURAL GAS PIPELINE CO OF AMERICA	5	05/01/78
NEW YORK & HARLEM RAILROAD CO	5,6	06/07/78
NEW YORK CONNECTING RAILROAD CO	5,6	06/07/78
NFC CORP	5	05/11/78
NJB PRIME INVESTORS	5	05/26/78
NI INDUSTRIES INC	5,6	05/12/78
NORTH AMERICAN BIOLOGICALS INC	5,6	05/24/78
NORTHERN CENTRAL RAILWAY CO	5,6	06/07/78
NORTHERN INDIANA PUBLIC SERVICE CO	5,6	05/01/78
NORTHWEST NITRO CHEMICALS LTD	5	05/19/78
OMEGA ALPHA INC	5	05/01/78
PACIFIC HOLDING CORP	5,6	05/25/78
PENN CENTRAL TRANSPORTATION CO	5,6	06/06/78
PENNSYLVANIA CO	5,6	05/11/78
PEOPLES GAS CO	5	05/01/78
PEOPLES GAS LIGHT & COKE CO	5	05/01/78
PEGRIA & EASTERN RAILWAY CO	5,6	06/07/78
PHILADELPHIA BALTIMORE & WASHINGTON RAIL	5,6	06/07/78
PHENIX CANCO CO INC	1,2,6	05/02/78
PITTSBURGH YOUNGSTOWN & ASHTABULA RAILWA	5,6	06/07/78
PRESTO PRODUCTS INC	1,2,6	05/31/78
PULLMAN INC	11,14	05/01/78 *
PVC INTERNATIONAL INC	5,14	05/01/78 *
REGAL BELCIT CORP	5	05/01/78
RICHFORD INDUSTRIES INC	2,5,6	05/25/78
RMIC CORP	5,6	05/01/78
SAINT LOUIS SOUTHWESTERN RAILWAY CO	5	05/23/78
SEARS INDUSTRIES INC	4,6	05/01/78
SERACC INC	5	06/01/78

/ 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

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

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