

sec news digest

Issue 78-214

November 3, 1978

RULES AND RELATED MATTERS

ADOPTION OF AN AMENDMENT TO RULE 6

The Commission announced the adoption of an amendment to Rule 6 of its Rules of Practice relating to the procedure to be followed in giving notice of proceedings instituted by the Commission to persons entitled to such notice. The amendment specifies that, in addition to the persons identified in Section 8(f) of the Securities Act of 1933 as entitled to notice of proceedings relating to the propriety of the Commission's issuance of a stop order suspending the effectiveness of a registration statement pursuant to Section 8(d) of the Act, if the proceedings are commenced

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OPENING FOR DEPUTY CHIEF ACCOUNTANT

The SEC is now accepting, through November 13, 1978, applications for the position of Deputy Chief Accountant, GS-16 or GS-17 (\$44,756 or \$47,500 per annum).

The position is located in the Office of the Chief Accountant, Washington, D.C. and the incumbent will assist the Chief Accountant in supervising the staff of the Office and in formulating and administering the accounting policies of the Commission.

Applicants must possess a certificate as a CPA and at least three years of professional accounting experience which demonstrates:

- A. Management skills necessary to supervise and review the work of other professionals including the ability to establish and accomplish goals, objectives and policies.
- B. Comprehensive knowledge of general accounting and auditing theories, policies, practices, including application of corporate financial accounting and corporate disclosure practices as they relate to diverse industries.
- C. Knowledge of current developments, trends, issues in accounting field.
- D. Ability to persuasively advocate, orally and in writing, personal and agency objectives.

Other factors which will be given special consideration in the evaluation process are:

- E. Understanding of inter-relationship between securities markets and the wider financial community including effects of regulatory policy in the capital formation process.
- F. Ability to implement EEO affirmative action programs.
- G. Knowledge of the securities industry including securities analysis, underwriting procedures and management accounting.

Candidates who meet the minimum qualifications standards will be expected to provide a supplement qualifications statement which will be provided to them.

Interested candidates should file Form 171 (Applications for Federal Employment) no later than November 13, 1978 to SEC, 500 North Capitol Street, Washington, D.C. 20549. Attention: William E. Ford, II, Room 750. Announcement No. 168-78 WF should be noted on the application form.

AN EQUAL OPPORTUNITY EMPLOYER

within ninety days after the registration statement became effective, such notice will be given to the agent for service of process named on the facing sheet of the registration statement and to each person designated on the facing sheet of the registration statement to receive copies of communications to such agent. The amendment should obviate the need for underwriters and others to request telegrams for delivery at the closing of the sale of securities pursuant to the registration statement stating that the Commission has not commenced a stop order proceedings. (Rel. 33-5991)

FOR FURTHER INFORMATION CONTACT: Linda Griggs at (202) 755-1803

DIVISION OF INVESTMENT MANAGEMENT'S INTERPRETATIVE POSITIONS RELATING TO RULE 13f-1 AND RELATED FORM 13F

The Commission has authorized the issuance of a release reflecting the views of its Division of Investment Management regarding the reporting obligation and filing requirements of certain institutional investment managers under the Commission's recently implemented institutional disclosure program. Since the program's implementation was announced, on June 15, the Division of Investment Management has received requests for interpretations with respect to various aspects of its requirements. The interpretative release is intended to assist interested persons in their understanding of, and compliance with, that program. (Rel. 34-15292)

FOR FURTHER INFORMATION CONTACT: Michael S. Lichtenthal at (202) 755-9034 or
W. Scott Cooper at (202) 755-1792

COMMISSION ANNOUNCEMENTS

EXTENSION OF PILOT PERIOD

The Commission authorized the publication of a release announcing the extension of the Lost and Stolen Securities Program's pilot period until June 30, 1979, the re-designation of Securities Information Center, Inc., as the Commission's designee for two years beginning January 1, 1979, and procedures for the required re-registration of institutions subject to Rule 17f-1 with Securities Information Center, Inc. (Rel. 34-15289)

FOR FURTHER INFORMATION CONTACT: Gregory C. Yadley at (202) 376-8129

STAFF ACCOUNTING BULLETIN NO. 24

Staff Accounting Bulletin No. 24 describes a factual situation which, in the view of the staff, rebuts the presumption that a company whose former common shareholders either retain or receive the larger portion of the voting rights in a combined corporation should be treated as the acquirer in a purchase transaction. (Rel. SAB-24)

FOR FURTHER INFORMATION CONTACT: Steven J. Golub at (202) 472-3782

TRADING SUSPENSIONS

TRADING SUSPENDED IN INTERNATIONAL SYSTEMS AND CONTROLS CORP.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of International Systems and Controls Corporation (ISC), Houston, Texas, for the period beginning on November 2 and terminating at midnight (EST) on November 11, 1978.

The Commission suspended trading in the securities of ISC because of the lack of current adequate and accurate information publicly available concerning the company's overall financial condition including the adequacy of the books and records of at least one significant ISC subsidiary. The Company has been delinquent since October 2, 1978, in filing its annual report on Form 10-K for its fiscal year ended June 30, 1978. On September 27, 1978, ISC announced that preliminary results for the year ended June 30, 1978, indicated a net loss of \$35.7 million and that complete figures would be available in its Form 10-K. On October 30, 1978, the company announced that its Form 10-K will not be filed until sometime in November except for certain textual portions. (Rel. 34-15290)

SEC COMPLAINT UNSEALED

The Commission announced that on November 2 Judge George H. Hart of the U.S. District Court for the District of Columbia denied International Telephone and Telegraph Corporation's (ITT) Motion for a stay pending the Supreme Court's response to a petition ITT had intended to file with the Supreme Court for a writ of certiorari. In its order denying ITT's motion, the Court stated that there was no outstanding order of any court sealing the court record in the Commission's injunctive action instituted on May 4 by the filing of a complaint, and thus no obstacle to such record being made public.

In its complaint, the Commission alleges violations of the antifraud, reporting and proxy provisions of the securities laws in ITT's failure to disclose illegal, improper, current and questionable payments aggregating many millions of dollars, since at least 1970, to foreign governmental officials and employees of non-governmental commercial customers of ITT in order to obtain business for ITT and to improperly influence governmental action. Among the numerous countries in which such payments were alleged to have been made are Indonesia, Iran, the Philippines, Algeria, Nigeria, Mexico, Italy, Turkey and Chile. The complaint alleges that the payments related to contracts and transactions aggregating hundreds of millions of dollars which involved business operations of major ITT subsidiaries including its subsidiaries in Belgium and West Germany. It was further alleged that ITT and its subsidiaries engaged in and aided and abetted violations of the exchange control laws of a number of countries. The Commission also alleged that false and fictitious entries were made on ITT's books and records in connection with the payments and that ITT failed to disclose material facts concerning such payments in its reports, proxy materials, registration statements and prospectuses. (SEC v. International Telephone and Telegraph Corporation, U.S.D.C. D.C., Civil Action No. 78-0807). (LR-8590)

INVESTMENT COMPANY ACT RELEASES**VANCE, SANDERS INVESTORS FUND, INC.**

An order has been issued on an application of Vance, Sanders Investors Fund, Inc. and Eric Pierce, pursuant to Section 17(b), 17(d) and 6(c) of the Act, and Rule 17d-1 thereunder, exempting certain transactions in connection with a proposed reorganization of the Fund with the Pierce Company, Inc., from the provisions of Section 17(a) and 22(d) of the Act, and Rule 22c-1 thereunder, and permitting the participation in the transactions of Eric Pierce. (Rel. IC-10464 - Nov. 1)

WASHINGTON NATIONAL FUND, INC.

A notice has been issued giving interested persons until November 27 to request a hearing on an application of Washington National Fund, Inc., a registered, diversified, open-end investment management company, declaring that it has ceased to be an investment company. (Rel. IC-10465 - Nov. 1)

ANCHOR INCOME FUND, INC.

A notice has been issued giving interested persons until November 27 to request a hearing on an application of Anchor Income Fund, Inc., a registered, diversified, open-end management investment company, declaring that it has ceased to be an investment company. (Rel. IC-10466 - Nov. 1)

HOLDING COMPANY ACT RELEASES**CENTRAL OHIO COAL COMPANY**

An order has been issued authorizing a proposal of Ohio Power Company, subsidiary of American Electric Power Company, Inc., and Central Ohio Coal Company, subsidiary of Ohio, that Ohio assign its rights to certain mining equipment to COCO and that COCO make bank borrowings to finance the cost of such equipment. (Rel. 35-20758 - Nov. 1)

INDIANA & MICHIGAN POWER COMPANY

An order has been issued authorizing a proposal of American Electric Power Company, Inc., a registered holding company, Indiana & Michigan Electric Company, subsidiary of AEP, and Indiana & Michigan Power Company, subsidiary of I&ME, concerning amendments to two previously authorized nuclear fuel leases. (Rel. 35-20759 - Nov. 1)

A notice has been issued giving interested persons until November 24 to request a hearing on a proposal of Northeast Utilities Service Company, subsidiary of Northeast Utilities, whereby the Service Company will sell and leaseback computer equipment to be used to provide central dispatching and other services for the New England Power Pool. (Rel. 35-20760 - Nov. 1)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF EXTENSION OF COMMENT PERIOD

The Commission has issued an order extending to December 15, 1978, the period within which interested persons are invited to comment on a proposed rule change by the National Association of Securities Dealers, Inc. (SR-NASD-78-3) to prohibit certain payments of selling concessions, discounts or other allowances in connection with fixed price offerings. (Rel. 34-15291)

MISCELLANEOUS

FOSTER MANAGEMENT COMPANY

A notice has been issued giving interested persons until November 24 to request a hearing on an application of Foster Management Company (Fomanco), a registered investment adviser, pursuant to Section 206A of the Act, for an order, subject to two conditions, (1) exempting Fomanco's fee arrangements with a foreign corporation advised by Fomanco and three separate venture capital entities managed by Fomanco from the prohibitions of Section 205(1) of the Act, and (2) exempting Fomanco from certain of the recordkeeping requirements of Rule 204-2(b) and (c) promulgated thereunder. (Rel. IA-646)

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-1) FIVE STAR ENERGY CORPORATION, 830 N.E. loop 410, Suite 503, San Antonio, Tex. 78209 - 6,000 shares of common stock. Underwriter: Security Traders, Inc., 909 - 17th Street, Suite 314, Denver, Colo. 80202 (303) 573-6515. The company is engaged in the exploration for, development of, and where warranted, the sale of oil and gas. (File 2-62961 - Nov. 1)
- (S-5) GOLDFUN INC., 919 Third Ave., New York, N.Y. 10022 - an indefinite number of shares of common stock. (File 2-62963 - Nov. 2)
- (S-8) VARO, INC., 2203 W. Walnut St., Garland, Tex. 75040 - 200,000 shares of common stock. The company is engaged in the design, development, manufacture, and sale of products for use in the electronic, electromechanical, and electrooptical markets. (File 2-62964 - Nov. 2)
- (S-6) MARYLAND TAX EXEMPT TRUST, SERIES 1, 7 East Redwood St., Baltimore, Md. 21203 - an indefinite number of units. Depositor: Legg Mason Wood Walker Inc. (File 2-62967 - Nov. 2)
- (S-16) CALLAHAN MINING CORPORATION, CBT Plaza, 1120 Post Rd., Darien, Conn. 06820 (203) 655-7751 - (File 2-62968 - Nov. 2)
- (S-14) THE TRAVELERS CORPORATION, One Tower Sq., Hartford, Conn. 06115 (203) 277-0111 - 750,000 shares of common capital stock. (File 2-62969 - Nov. 2)

REGISTRATIONS EFFECTIVE

Oct. 25: Central and South West Corp., 2-62587.

Oct. 30: American Electric Power Co., Inc., 2-62778; Applied Digital Data Systems, Inc., 2-62558; Automatic Data Processing, Inc., 2-62695 & 2-62696; Xidex Corp., 2-62740.

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
AGM INDUSTRIES INC	5	09/19/78
ALLIS CHALMERS CORP	2,6	10/02/78
AMERICAN CONTINENTAL CORP	5	09/01/78
AMERICAN MEDICORP INC	2,6	09/27/78
ASHLAND OIL CANADA LTD	1,2,6	09/27/78
ATLAS MANAGEMENT CO	3	10/01/78
AUTOMATED DATA ASSOCIATES INC	12	10/02/78 *
BANK OF AMERICA NATIONAL TRUST & SAVINGS	6	09/25/78
BARWICK E T INDUSTRIES INC	1,6	09/29/78
BIO MEDICAL SCIENCES INC	5,6	09/27/78
BOEING CO	5	09/01/78
BROOKWOOD HEALTH SERVICES INC	2,6	09/29/78
BUXTONS CCUNTRY SHOPS	5	09/12/78
CARESSA INC	4	08/01/78
CENTRAL POWER & LIGHT CO	5	10/06/78
CENTRAL TELEPHONE CO OF VIRGINIA	6	09/01/78
CHICAGO MILWAUKEE CORP	2,6	10/03/78
CITIZENS MORTGAGE INVESTMENT TRUST	3,5,6	10/05/78
CMT INDUSTRIES INC	2	10/12/78
COMPREHENSIVE CARE CORP	2,6	09/29/78
CORNING GLASS WORKS	5	09/08/78
CORTERRA CORP	5,6	09/29/78
DASA CORP	5	09/01/78
DIVERSIFIED AGRICULTURAL PROPERTIES	6	05/24/78
ECRM INC	1,6	10/18/78
ELCO INDUSTRIES INC	5,6	09/22/78
ELGIN NATIONAL INDUSTRIES INC	5,6	10/05/78
ENTWISTLE CO	2,6	07/01/78
EQUITY EDUCATORS ASSURANCE CO	14	08/01/78 *
FALSTAFF BREWING CORP	5	08/28/78
FAULTFINDERS INC	1,6	08/25/78
FILIGREE FOODS INC	5	10/01/78
FIMACO INC	1,7	08/31/78
FIRST GENERAL RESOURCES CO	3,5	09/01/78 *
FIRST ILLINOIS TRUST	13	09/01/78 *
FIRST REPUBLIC CORP OF AMERICA	5	09/27/78
FIRST UNITED BANCORPORATION INC	5	09/27/78
FLIGHTSAFETY INTERNATIONAL INC	2,6	10/02/78
FLORIDA POWER CORP	5	09/01/78
FRENCH FRED F INVESTING CO INC	5	09/01/78
GDV INC	2,6	09/29/78
GENERAL TELEPHONE CO OF THE SOUTHWEST	5	06/29/78
GOLDEN NUGGET INC	2	10/02/78
GRAPHIDYNE CORP	5,6	09/18/78
HATLEIGH CORP	5,6	08/31/78
HOUSTON LIGHTING & POWER CO	5	09/21/78
II INC	1,2,4	08/31/78
INDUSTRIAL RESOURCES INC	4,6	10/12/78
INSYTE CORP	2,6	09/29/78
INTERSTATE BRANDS CORP	5,6	10/12/78
KEYSTONE CUSTODIAN FUNDS INC	5,6	10/16/78

RECENT 8K FILINGS CONT.

LLOYDS ELECTRONICS INC	5,6	10/16/78
MARK PRODUCTS INC	2,6	10/02/78
MEDUSA CORP	1	09/29/78
MIDLAND SOUTHWEST CORP	5	10/09/78
MIDWEST COMMODITIES INC	5,6	09/01/78
MISCHER CORP	5	09/25/78
MOBILAND INC	13,14	09/01/78 *
MODERN DIVERSIFIED INDUSTRIES INC	5,6	10/01/78
MODERN MERCHANDISING INC	5	07/26/78
NARCO SCIENTIFIC INDUSTRIES INC	2,6	09/30/78
NORFOLK & WESTERN RAILWAY CO	5,6	10/01/78
NCRRIS CIL CO	5	09/01/78
OKC CORP	5	09/01/78
PATRICK PETROLEUM CO 1978 COMBINATION PR	5	09/30/78
PATRICK PETROLEUM CO 1978 DRILLING PROGR	5	09/30/78
PENN DIXIE INDUSTRIES INC	4,5,6	09/29/78
PENN VIRGINIA CORP	2,6	09/28/78
PENTAIR INC	5	10/05/78
PGST CORP	2,6	07/27/78
PRECISION POLYMERS INC	1,5	09/01/78
RESOURCE MANAGEMENT CORP	2,6	10/05/78
RETAIL MERCHANTS INDUSTRIES INC	4,6	10/04/78
RUST CRAFT GREETING CARDS INC	1,6	12/23/77
SAVANNAH FOODS & INDUSTRIES INC	5	10/04/78
SFM CORP	5	09/29/78
SCRG PAPER CO	5	09/01/78
SSP INDUSTRIES	1	10/05/78
SULLIVAN COUNTY HARNESS RACING ASSOCIATI	5,6	09/21/78
SUMMIT PROPERTIES	5	09/01/78
TALCOJT JAMES INC	5,6	09/20/78
TRACOR INC	5	10/13/78
TRECO	5,6	10/12/78
TRICO PRODUCTS CORP	1	10/02/78
UNITED STATES REALTY INVESTMENTS	5	09/25/78
UNIVERSAL CIGAR CORP	2,6	09/29/78
WEBB DEL E CORP	5	09/01/78
WESTERN INVESTMENT REAL ESTATE TRUST	5	09/20/78
APPLICATION ENGINEERING CORP	2,6	10/17/78
CENTRAL RAILROAD CO OF NEW JERSEY	5,6	09/01/78
COMMODORE CORP	5,6	10/04/75
DATAMATION SERVICES INC	13,14	10/01/78 *
FILMWAYS INC	5,6	10/09/78
GOLDBLATT BROTHERS INC	5	07/20/78
HECKS INC	2,6	10/05/78
LANE BRYANT INC	5	08/01/78
OPTICAL COATING LABORATORY INC	2	10/20/78
OVERNITE TRANSPORTATION CO	5	10/20/78
PENN CENTRAL TRANSPORTATION CO	5,6	10/20/78
SYNALLOY CORP	1,6	10/12/78
TEXAS AMERICAN BANCSHARES INC	5,6	10/01/78
TOKHEIM CORP	5	10/11/78
WORLDWIDE ENERGY CORP	5	10/10/78
ZENITH LABORATORIES INC	5	09/15/78
AMENDMENTS TO REPORTS ON FORM 8-K		
CARDIFF INDUSTRIES INC	6	07/01/78
PATRICK PETROLEUM CO 1978 COMBINATION PR	5	10/10/78
SCAN DATA CORP	5	07/31/78

/ 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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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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