

sec news digest

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ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND
EXCHANGE COMMISSION

ARNOLD & CO., INC. AND RICHARD J. ARNOLD

The Commission has ordered public administrative proceedings involving Arnold & Co., Inc. (Registrant), a New Jersey registered broker-dealer for which a temporary receiver was appointed on July 31, 1978, and Richard J. Arnold (Arnold), its president, treasurer, director and majority shareholder. The Commission's order is based upon staff allegations that (1) Registrant and Arnold, upon their consents, were permanently enjoined by a U.S. District Court from further violations of the net capital, bookkeeping and supplemental reporting provisions of the securities laws; and (2) Registrant and Arnold willfully violated an antifraud provision of the securities laws in connection with the purchase and sale of government obligation securities.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defenses. (Rel. 34-15307)

FIRST STATE FINANCIAL, INC., OTHERS

Public administrative proceedings have been ordered against First State Financial, Inc. (FSFI), a registered broker-dealer and investment adviser for First State Capital Fund, Inc. (Fund), Sidney I. Shupack, Meyer (Mike) Robinowitz and Jack W. Warren, all of Tulsa, Oklahoma. In its order, the Commission alleges that FSFI and the other respondents, in the operation of the Fund, violated the antifraud provisions of the securities laws and violated, or caused the fund to violate, numerous provisions of the Investment Company Act, including the provisions relating to transactions between affiliated persons, deviation from fundamental investment policies, approval of investment advisory contracts, and proxy solicitations.

A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defenses. (Rel. 34-15314)

COMMISSION ANNOUNCEMENTS

PUBLIC MEETING RE PUBLIC OFFERINGS OF FOREIGN
BANK SECURITIES UNDER THE INVESTMENT COMPANY ACT

The Division of Investment Management announces that on November 21, 1978, at 10:00 a.m. in Room 876 at the Commission's offices at 500 North Capitol Street, it will hold a meeting with representatives of certain foreign banks to provide them with an opportunity to discuss views on the status under the Investment Company Act of 1940 of public offerings in the United States of securities issued by foreign banks. This meeting will be open to the public. All those wishing to attend or to obtain further information should contact Lee Spencer at (202) 755-0240, by November 20, 1978.

INVESTMENT COMPANY ACT RELEASES

NUVEEN TAX-EXEMPT BOND FUND-MULTI-STATE

A notice has been issued giving interested persons until November 30 to request a hearing on an application of Nuveen Tax-Exempt Bond Fund-Multi-State (Series 1 and Subsequent Series), registered under the Investment Company Act of 1940 as a unit investment trust, and its Sponsor, John Nuveen & Co., Inc., for an order of the Commission pursuant to Section 6(c) of the Act, exempting Applicants from the initial net worth requirements of Section 14(a) of the Act and from the limitations on the distributions of capital gains contained in Rule 19b-1 under the Act. (Rel. IC-10472 - Nov. 7)

CAPITOL LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until November 29 to request a hearing on an application of Capitol Life Insurance Company, a Colorado stock life insurer, and Capitol Life Separate Account A, a unit investment trust registered under the Investment Company Act of 1940, pursuant to Section 11 of the Act approving an offer of exchange and pursuant to Section 6(c) for exemption from Sections 26(a) and 27(c)(2) of the Act. (Rel. IC-10473 - Nov. 7)

CAPITOL LIFE SEPARATE ACCOUNT M

An order has been issued on an application of the Capitol Life Insurance Company, a Colorado stock life insurer, Capitol Life Separate Account M, a separate account of Capitol Life which is registered as a unit investment trust under the Investment Company Act of 1940, and Merrill Lynch High Income Fund, Inc., an open-end management investment company registered under the Act, pursuant to Section 11 of the Act approving an offer of exchange, and pursuant to Section 6(c) of the Act granting exemptions from Sections 26(a) and 27(c)(2) of the Act. (Rel. IC-10474 - Nov. 8)

NEW YORK MUNICIPAL TRUST

An order has been issued on an application of New York Municipal Trust, Series 1 (and Subsequent Series) and Bear, Stearns & Co. pursuant to Section 6(c) of the Act exempting Applicants from the provisions of Sections 14(a) and 22(d) of the Act and from the provisions of Rules 19b-1 and 22c-1 thereunder. (Rel. IC-10475 - Nov. 8)

NUVEEN MUNICIPAL BOND FUND, INC.

An order has been issued on an application of Nuveen Municipal Bond Fund, Inc. (Fund), registered under the Investment Company Act of 1940 as an open-end, diversified management investment company, and Nuveen Advisory Corp. (Nuveen), investment adviser to the Fund, pursuant to Section 6(c) of the Act exempting from the provisions of Section 22(c), Rule 22c-1 thereunder, and Section 22(d) of the Act, a proposed exchange of Fund shares at net asset value without a sales charge and at a price other than the price next determined after receipt of a purchase order for substantially all the assets of EDEV Corporation, a personal holding company; and pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder permitting an agreement between the Fund and Nuveen calling for the Fund and Nuveen each to bear one-half of the Fund's out-of-pocket expenses related to the proposed exchange. (Rel. IC-10476 - Nov. 8)

HOLDING COMPANY ACT RELEASES

GEORGIA POWER COMPANY

An order has been issued authorizing a proposal of Georgia Power Company, subsidiary of The Southern Company, whereby Georgia will enter into arrangements for the lease of coal cars. (Rel. 35-20768 - Nov. 7)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF AMENDED PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed amended proposed rule changes under Rule 19b-4 (SR-MSRB-78-5) to substitute in proposed rule G-34 concerning product advertising a new standard of care for the currently proposed standard. (Rel. 34-15315) and (SR-MSRB-78-8) to remove the provision in proposed MSRB rule G-35, the MSRB's proposed arbitration code, requiring a unanimous vote for referral of a matter by a panel of arbitrators to an appropriate regulatory authority or organization. (Rel. 34-15316)

Publication of the above proposals are expected to be made in the Federal Register during the week of November 13.

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Pacific Stock Exchange Inc. (SR-PSE-78-15) amending Rule VI, Section 11 to provide additional exceptions to the restrictions on trading out-of-the-money options. (Rel. 34-15304)

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-16) NEW YORK STATE ELECTRIC & GAS CORPORATION, 4500 Vestal Parkway East, Binghamton, N.Y. 13902 (607) 729-2551 - 1,000,000 shares of common stock. The company is engaged in the business of generating, purchasing, transmitting and distributing electricity and gas. (File 2-62993 - Nov. 7)
- (S-14) WHEELABRATOR-FRYE INC., Liberty Lane, Hampton, N.H. 03842 (603) 926-5911 - 2,801,781 shares of common stock. (File 2-63003 - Nov. 9)
- (S-8) FRUEHAUF CORPORATION, 10900 Harper Ave., Detroit, Mich. 48232 - 50,000 shares of common stock. (File 2-63004 - Nov. 9)
- (S-8) THE PERKIN-ELMER CORPORATION, Main Ave., Norwalk, Conn. 06856 - 500,000 shares of common stock. (File 2-63005 - Nov. 9)
- In a separate statement the company seeks registration of 1,000,000 shares of common stock. (File 2-63006 - Nov. 9)
- (S-7) KANEB SERVICES, INC., Kaneb Bldg., 5251 Westheimer Rd., Houston, Tex. 77056 (713) 622-3456 - 5,126,276 shares of common stock. (File 2-63007 - Nov. 9)
- (S-7) GENERAL MOTORS ACCEPTANCE CORPORATION, 767 Fifth Ave., New York, N.Y. 10022 (212) 486-3824 - \$250 million of notes, due June 1, 1984. Underwriter: Morgan Stanley & Co. Inc. (File 2-63008 - Nov. 9)
- (S-7) CHAMPION PARTS REBUILDERS, INC., 2525 22nd St., Oak Brook, Ill. 60521 (312) 986-6100 - \$15 million of subordinated debentures, due December 1, 1993. Underwriter: Drexel Burnham Lambert Inc. The company remanufactures a broad line of functional replacement parts for automobiles, trucks and farm equipment. (File 2-63009 - Nov. 9)
- (S-6) THE CORPORATE INCOME FUND, EIGHTY-FIRST 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 2-63010 - Nov. 9)
- (S-16) CENTRAL ILLINOIS PUBLIC SERVICE COMPANY, 607 East Adams St., Springfield, Ill. 62701 (217) 523-3600 - 1,700,000 shares of common stock. Underwriters: Kidder, Peabody & Co. Inc. and A. G. Edwards & Sons, Inc. The company is engaged in generating, purchasing, distributing and selling electric energy. (File 2-63011 - Nov. 9)
- (S-16) VAN DUSEN AIR INCORPORATED, 2801 East 78th St., Minneapolis, Minn. 55420 (612) 854-8776 - 28,800 shares of common stock. (File 2-63012 - Nov. 8)
- (S-7) UTAH POWER & LIGHT COMPANY, 1407 West North Temple St., P.O. Box 899, Salt Lake City, Utah 84110 (801) 350-3535 - 1,800,000 shares of common stock. Underwriters: Kidder, Peabody & Co. Inc., Merrill Lynch White Weld Capital Markets Group and Dean Witter Reynolds Inc. The company is engaged in generating and selling electric energy. (File 2-63013 - Nov. 9)

REGISTRATIONS EFFECTIVE

Nov. 8: American Telephone and Telegraph Co., 2-62887; Capital Life Separate Account M, 2-62668; Colgate-Palmolive Co., 2-62606; Consumers Water Co., 2-62818; Fairchild Industries, Inc., 2-62519; Kansas Gas & Electric Co., 2-62791; Nicor, Inc., 2-62835; T.N.B. Financial Corp., 2-62732; UMC Industries, Inc., 2-62898; W.R. Grace & Co., 2-62858.

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.



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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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