

sec news digest

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Issue 78-243

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December 18, 1978

U.S. SECURITIES AND EXCHANGE COMMISSION

TRADING SUSPENSIONS

TRADING SUSPENDED IN SOURCE INVESTMENT, INC.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Source Investment, Inc., a Utah corporation located in Encino, California, for the period beginning on December 15 and terminating at midnight (EST) on December 24, 1978. The Commission suspended trading because of questions concerning recent unusual market activity and because of the lack of publicly available information concerning the company's business and financial status, including the ownership of the company's outstanding shares. (Rel. 34-15412)

CIVIL PROCEEDINGS

MCDONNELL DOUGLAS CORP. ENJOINED

The SEC announced that on December 14 a civil injunctive action was filed in the U.S. District Court for the District of Columbia seeking to enjoin McDonnell Douglas Corp. (MDC) from further violations of the antifraud, reporting and proxy provisions of the Securities Exchange Act of 1934 and various rules thereunder.

A judgment of permanent injunction, which was consented to by MDC, without admitting or denying the allegations in the complaint, was entered on December 15 by Judge Aubrey Robinson, Jr. MDC has filed with the Commission a report on Form 8-K which describes in greater detail certain of the transactions referred to in the complaint. In addition, MDC agreed to establish a special review committee to review the adequacy and accuracy of the disclosures contained in the Form 8-K Report and investigate further certain matters alleged in the complaint.

The complaint alleges, among other things, that since about 1969 MDC engaged in an undisclosed course of business whereby in connection with the procurement and/or maintenance of its foreign business it made: (1) payments of approximately \$4.6 million to government officials and officials of government owned airlines; (2) payments of approximately \$3.7 billion to airline officials; and (3) commission payments of approximately \$7.3 million which were made without accounting procedures and controls sufficient to ensure that such payments were actually made for the purpose indicated and that services rendered were commensurate with amounts paid. In addition, the complaint alleged that since at least 1969, MDC utilized commission and consultant contracts designed to facilitate the payment of money into accounts maintained by persons outside their home countries in order to, among other things, facilitate the avoidance of tax and currency control laws of their home countries. (SEC v. McDonnell Douglas Corp., U.S.D.C. D.C., Civil Action No. 78-2353). (LR-8620)

INVESTMENT COMPANY ACT RELEASES

INVESTORS CORPORATION OF NORTH CAROLINA

A notice has been issued giving interested persons until January 5, 1979 to request a hearing on an application of Investors Corporation of North Carolina, an open-end, diversified, management investment company, declaring that Investors has ceased to be an investment company. (Rel. IC-10523 - Dec. 13)

CONSTITUTION FUND, INC.

A notice has been issued giving interested persons until January 8, 1979, to request a hearing on an application of Constitution Fund, Inc. (Fund), a registered investment company, Keystone Investment Management Company, Inc., Keystone Securities Company, Inc., and Daniel A. Phillips, for an order declaring that Mr. Phillips shall not be

deemed an "interested person" of the Fund, its investment adviser or its principal underwriter by reason of his status as a member of and President of Fiduciary Association, a registered broker-dealer. (Rel. IC-10524 - Dec. 14)

BAYROCK CAPITAL SERIES, INC.

An order has been issued declaring that Bayrock Capital Series, Inc. has ceased to be an investment company. (Rel. IC-10525 - Dec. 14)

HOLDING COMPANY ACT RELEASES

PENNSYLVANIA ELECTRIC COMPANY

A notice has been issued giving interested persons until January 5, 1979 to request a hearing on a proposal of Pennsylvania Electric Company (Penelec), subsidiary of General Public Utilities Corporation, that Penelec sell transmission lines to an unaffiliated electric utility. (Rel. 35-20827 - Dec. 12)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the National Association of Securities Dealers, Inc. (SR-NASD-77-21) amending Sections 6 and 19 of the NASD's Code of Procedure for Handling Trade Practice Complaints to require NASD District Business Conduct Committees to give members notice of complaints filed against associated persons and advise members of the final disposition of those complaints. (Rel. 34-15393)

MISCELLANEOUS

ISHAM, LINCOLN & BEALE

A notice has been issued giving interested persons until January 8, 1979 to request a hearing on an application of Isham, Lincoln & Beale, pursuant to Section 3(a)(2) of the Securities Act of 1933, for an order exempting interests or participations in the Isham, Lincoln & Beale Profit-Sharing Plan and Trust from the provisions of Section 5 of the Act. (Rel. 33-6005)

HOME SAVINGS AND LOAN ASSOCIATION

A notice has been issued giving interested persons until January 2, 1979, to request a hearing on an application of Home Savings and Loan Association, as Originator and Servicer, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Home from certain reporting requirements under Section 13 and from the operation of Section 16 of the Act. (Rel. 34-15398)

INTERNATIONAL LIFE INSURANCE COMPANY OF BUFFALO

A notice has been issued giving interested persons until January 2, 1979, to request hearing on an application of International Life Insurance Company of Buffalo, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting International from the provisions of Section 15(d) of the Act. International, is a New York corporation organized under the laws of that State in 1960. Pursuant to an exchange offer initiated on June 8, 1978, and terminated July 17, 1978, International Life Holding Corporation increased its interest in International to 99.363%. As a result of the exchange offer, the number of public shareholders of International's capital stock decreased to approximately 205. (Rel. 34-15399)

INDIAN HEAD INC.

A notice has been issued giving interested persons until January 2, 1979, to request a hearing on an application of Indian Head, Inc., pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Indian from the reporting requirements of Section 15(d) of the Act. (Rel. 34-15400)

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-11) LODGING INVESTMENTS, LTD., 1401 Ponce de Leon Blvd., Coral Gables, Fla. 33134 - 25,000 units of limited partnership units. (File 2-63224 - Dec. 15)
- (S-14) SOUTHWEST BANCSHARES, INC., 20th Floor Southwest Tower, Houston, Tex. 77002 (713) 751-7800 - 110,000 shares of common stock. (File 2-63225 - Dec. 15)
- (S-8) PALL CORPORATION, 30 Sea Cliff Ave., Glen Cove, N.Y. 11542 (516) 671-4000 - 60,000 shares of common stock. (File 2-63226 - Dec. 15)
- (S-14) SOCIETY CORPORATION, 127 Public Sq., Cleveland, Ohio 44114 (216) 861-4000 - 1,914,038 shares of common stock. (File 2-63227 - Dec. 15)
- (S-14) TRUST COMPANY OF GEORGIA, Trust Company of Georgia Bldg., One Park Pl., N.E., Atlanta, Ga. 30303 (404) 588-7711 - 105,000 shares of common stock. (File 2-63228 - Dec. 15)
- (S-14) AMPAL-AMERICAN ISRAEL CORPORATION, 10 Rockefeller Plaza, New York, N.Y. 10020 (212) 586-3232 - 3,034,334 shares of 6-1/2% cumulative convertible preferred stock and 9,103,002 shares of Class A stock. (File 2-63229 - Dec. 15)
- (S-16) SCOPE INCORPORATED, 1860 Michael Faraday Dr., Reston, Va. 22090 (703) 471-5600 - 176,610 shares of common stock. (File 2-63230 - Dec. 15)
- (S-8) ALLIS-CHALMERS CORPORATION, 1205 South 70th St., West Allis, Wis. 53214 (414) 475-2000 - 59,425 shares of common stock. (File 2-63231 - Dec. 15)
- (S-16) ALLIED CHEMICAL CORPORATION, P.O. Box 300R, Morristown, N.J. 07960 (201) 455-2000 - 600,000 shares of common stock. (File 2-63232 - Dec. 15)
- (S-1) HCW DRILLING PARTNERSHIP 1979-I AND 1979-II, One Boston, Pl., 31st Floor, Boston, Mass. 02108 - 1,600 interests of limited partnership. (File 2-63233 - Dec. 15)
- (S-6) NEW YROK MUNICIPAL TRUST, SERIES 2, 55 Water St., New York, N.Y. 10041 - 15,000 units. Depositor: Bear, Stearns & Co. (File 2-63235 - Dec. 15)
- (S-8) MARRIOTT CORPORATION, Washington, D.C. 20058 (301) 986-5000 - 1,000,000 shares of common stock. (File 2-63236 - Dec. 15)

REGISTRATIONS EFFECTIVE

Dec. 12: Prime Motors Inns, Inc., 2-62782.

Dec. 13: Cobesco Industries, Ltd., 2-62802; Commercial Shearing Inc., 2-62512; Lucky Stores, Inc., 2-63146; The Municipal Bond Trust, Series 46, 2-61713; Petroleum Equipment Tools Co., 2-62711 (90 days); The Southland Corp., 2-63148; The Toro Co., 2-63121; Utah Power & Light Co., 2-63013; Van Dusen Air Inc., 2-63012.

Dec. 14: Cross & Thecker Corp., 2-63076; Cyclops Corp., 2-63179; Newport Laboratories, Inc., 2-62567; Peoples Gas Co., 2-63127 & 2-63128; Transohio Financial Corp., 2-62920; United Kentucky Inc., 2-63117; Western Air Lines, Inc. and Continental Air Lines, Inc., 2-62977.

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.

REGISTRATION WITHDRAWN

Dec. 14: Uniroyal, Inc., 2-61941.

CORRECTION RE TEMP-STIK CORPORATION AND
COMPARATOR SYSTEMS CORPORATION

In the News Digest dated December 5 and December 6, respectively, notice was given that Temp-Stik Corporation (2-63163) and Comparator Systems Corporation (2-63154) had filed S-2's. In both notices the amount of common stock registered was erroneously stated at 10,000 shares. The correct number of shares for both is 10,000,000.

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within 10 days on Schedule 13D if after the acquisition of equity securities of a public company their beneficial interest therein exceeds 5%. Persons eligible to use the short form (Form 13-G) may in lieu of filing a Schedule 13D file a Form 13-G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D's during the period November 14 - 20, 1978. The number of shares of the security which are beneficially owned, and the number of shares concerning which there is a right to acquire are sent forth for each beneficial owner. *Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
James A. Brown, Jr. James A. Brown, Jr., d/b/a Paramount International Co.	Summit Energy, Inc. (Dallas, TX) Common Stock - 88,800 shs.	11-14-78
Walco National Corp.	Vulcan, Inc. (Latrobe, PA) Common Stock - 91,900 shs. Common Stock - 10,200 shs. on conversion of Preferred Stock	11-14-78
Penn Virginia Equities Corp. (Wholly-owned subsidiary of Penn Virginia Corp.)	Westmoreland Coal Co. (Philadelphia, PA) Common Stock - 2,119,700 shs. (31.08%)	11-14-78
* American First Insurers, Inc.	Founders Financial Corp. (Tampa, FL) Common Stock - 364,687 shs. Common Stock - 131,249 shs. on exercise of Options (American has entered into an agreement with Founders to purchase an additional 600,000 shares of Common Stock.)	11-14-78
* Chandler Corp.	MC, Inc. (Halstead, KS) Common Stock - 682,367 shs. (90%) (231,709 of above shares were acquired pursuant to the Tender Offer.)	11-14-78
* N. David Hanania Ruben P. Rosen	Poloron Products Inc. (Harrison, NY) Common Stock - 449,780 shs. Common Stock - 290,000 shs. on exercise of Warrants	11-14-78
Stephen I. Johnson Anna M. Johnson Agnes Evelyn Blackledge Thomas A. Leary & Nellie Manoli, Trustees, et al (Stockholder Group)	Hastings Manufacturing Co. (Hastings, MI) Common Stock - 383,873 shs. (44.5%)	11-15-78
Cargill Holdings, Inc. (Wholly-owned subsidiary of Cargill, Inc.)	MBPXL Corp. (Wichita, KS) Common Stock - 667,000 shs. (26%) (Cargill contracted to purchase above shares from certain shareholders.)	11-15-78
Michael J. Desiderio John R. Desiderio Thomas Desiderio, Individually and as Trustees under Voting Trust	Whippany Paper Board Co., Inc. (Whippany, NJ) Common Stock - 1,296,182 shs. (53.41%) on conversion of Class B Stock (Individually the group owns 115,470 shs. (15.61%))	11-15-78

ACQUISITION REPORTS CONT.

* Renfield Corporation	Barth-Spencer Corp. (Valley Stream, NY) Common Stock - 426,065 shs. (37%)	11-15-78
* Econtech Ltd. (Canada) (Wholly-owned subsidiary of Camp Investments Ltd.) 85719 Canada Ltd.-LTEE (Canada) Camp Investments Ltd. (Canada), et al	Bow Valley Industries Ltd, (Calgary, Alberta, Canada) Common Stock - 922,470 shs. (In addition, the group own 87,280 shares Convertible Preference Stock.)	11-15-78
* Monogram Industries, Inc.	Craig Corp. (Los Angeles, CA) Common Stock - 994,301 shs. (31.98%)	11-15-78
* B. F. Saul Company Chevy Chase Lake Corp. Columbia Management & Investment Co. Manor Investment Co., et al	Financial General Bankshares, Inc. (Washington, DC) Common Stock - 833,511.7898 shs. (14.4%)	11-15-78
* Richard Lee Kamen	Midland Co. (Cincinnati, OH) Common Stock - 101,200 shs.	11-15-78
* P. Scott Thurner, Individually and as Custodian Doris Thurner Scott Thurner & Co. Stephen M. Gose, Jr., et al	Trans Delta Corp. (Fort Worth, TX) Common Stock - 1,446,166 shs. (49.4%)	11-15-78
Nathaniel Lieb Mary Lieb, Trustee and Individually Harvey & Bernice Rosenbluth Edward K. Hueber, et al	American Pacific International, Inc. (Los Angeles, CA) Common Stock - 3,638,389 shs. (55.88%) (Above shares were acquired pursuant to 1972 and 1973 Security Agreements.)	11-16-78
Albert W. Dugan	DataMate Computer Systems, Inc. (Houston, TX) Common Stock - 3,000,000 shs. (Above shares were acquired from a selling shareholder.)	11-16-78
Colonial General, Inc. (Wholly-owned by Mr. Dudhia) Bellevue Holding Corp. (Panama) (Wholly-owned by Mr. Dudhia) Ismael Dudhia (U.K.)	First Coolidge Corp. (Watertown, MA) Common Stock - 857,143 shs. (70%) (Colonial acquired above shares pursuant to a Stock Purchase Agreement.)	11-16-78
Marvin Josephson Associates, Inc.	Harcourt Brace Jovanovich, Inc. (NYC) Common Stock - 375,000 shs.	11-16-78
Reserve Oil & Minerals Corp. (Controlled by Melfi Corp.)	New Mexico & Arizona Land Co. (Phoenix, AZ) Common Stock - 118,700 shs.	11-16-78
Y. R. J. Corporation Yandell Rogers, Jr. Carolynne Rogers Mrs. Louis J. Ridgway, Executrix and Co-Trustee	Ridgway, Inc. (Houston, TX) Common Stock - 501,796 shs. (52.4%) Common Stock - 7,875 shs. on exercise of Options	11-16-78
* Textron Inc.	Allied Chemical Corp. (Morris Township, NJ) Common Stock - 1,334,670 shs. (In addition, Textron has the right of Agreement to vote 1,067,737 shares.)	11-16-78
* Louis Berkman Co.	Ampco-Pittsburgh Corp. (Pittsburgh, PA) Common Stock - 819,004 shs. (28.4%)	11-16-78
* Joseph E. Magaro, M.D.	Barnwell Industries, Inc. (Shreveport, LA) Common Stock - 134,400 shs. (10.7%)	11-16-78
* Textron Inc.	Conrac Corp. (NYC) Common Stock - 196,280 shs.	11-16-78

ACQUISITION REPORTS CONT.

* Clift C. Lane Dorothy P. Lane	First S & L Shares, Inc. (Denver, CO) Common Stock - 162,700 shs.	11-16-78
* Lane Processing, Inc.	General Bancshares Corp. (St. Louis, MO) Common Stock - 257,700 shs.	11-16-78
* Daniel J. Terra	Hach Chemical Co. (Ames, IA) Common Stock - 252,625 shs. (Included above are shares owned by his wife, individually and as Trustee.)	11-16-78
* Victor L. Sayyah Sayyah Corp.	Holding Corporation of America (Englewood, CO) Class A Common Stock - 630,775 shs. (63.7%) Class B Common Stock - 299,778 shs. (60%) (Sayyah has the right to acquire 35,779 shares Class B Common Stock pursuant to an Agreement.)	11-16-78
* David H. Murdock Pacific Holding Corp. (Wholly-owned by D. H. Murdock) International Mining Corp., et al	Iowa Beef Processors, Inc. (Dakota, NB) Common Stock - 810,492 shs. (18%)	11-16-78
* Mrs. Paul's Kitchens, Inc.	Orange-Co, Inc. (Columbus, OH) Common Stock - 265,300 shs.	11-16-78
* Gulf & Western Industries, Inc. Charles G. Bluhdorn	Sherwin-Williams Co. (Cleveland, OH) Common Stock - 572,600 shs. (10.56%)	11-16-78
* Victor L. Sayyah Sayyah Corp. Mass. General Life Insurance Co., et al	Van Schaak & Co. (Denver, CO) Common Stock - 172,000 shs. (12.7%)	11-16-78
Unicorp Financial Corp. (Canada) George S. Mann (Canada)	GREIT Realty Trust (Drexel Hills, PA) Shares of Beneficial Interest - 81,600	11-17-78
Kaufman and Broad, Inc. Sun Life Group, Inc. (Wholly-owned subsidiary of Kaufman & Broad, Inc.) Sun Life Insurance Co. of America (Wholly-owned subsidiary of Sun Life Group Inc.)	Monumental Corp. (Baltimore, MD) Common Stock - 272,562 shs. Common Stock - 659,323 shs. on exercise of Options	11-17-78
* Avemco Corp.	Classified Financial Corp. (Milwaukee, WI) Common Stock - 81,901 shs. (10.58%)	11-17-78
* H. A. Fuente	CorTerra Corp. (Chicago, IL) Common Stock - 265,050 shs. Common Stock - 250,000 shs. on exercise of Warrants	11-17-78
* Chattem, Inc.	De Witt International Corp. (Taylors, SC) Common Stock - 171,500 shs. on exercise of Options	11-17-78
* Telco Marketing Services, Inc. Telvest, Inc. (Wholly-owned subsidiary of Telco) Libco Corp.	Hickory Furniture Co. (Hickory, NC) Common Stock - 325,660 shs. (27.1%) Common Stock - 33,000 shs. on conversion of a Note	11-17-78
* National Medical Enterprises, Inc.	Hillhaven Corp. (Tacoma, WA) Common Stock - 164,600 shs. (12%) Common Stock - 484,000 shs. (18%) on conversion of Preferred & Debentures Common Stock - 175,000 shs. on exercise of Warrants	11-17-78

ACQUISITION REPORTS CONT.

* HCI, Inc. R. H. Medical Services, Inc., Parent	House of Vision, Inc. (Chicago, IL) Common Stock - 70,000 shs.	11-17-78
* Pan American World Airways Inc. First Women's Bank, Trustee	National Airlines, Inc. (Miami, FL) Common Stock - 1,789,600 shs. (20.9%)	11-17-78
* Land O'Lakes, Inc.	Spencer Foods, Inc. (Spencer, IA) Common Stock - 946,417 shs. (95.3%) (614,898 of above shares were acquired pursuant to the Tender Offer.)	11-17-78
* Care Corporation	Treadway Companies, Inc. (Paterson, NJ) Common Stock - 317,770 shs. (24.21%)	11-17-78
Kirk Kerkorian Tracinda Investment Corp. (Wholly-owned by Kirk Kerkorian)	Columbia Pictures Industries, Inc. (NYC) Common Stock - 490,700 shs.	11-20-78
John M. Morrison Gerald D. Helgeson, Individu- ally and Trustee	El Dorado International, Inc. (Minneapolis, MN) Common Stock - 249,697 shs.	11-20-78
Clabir Corporation	Florida Capital Corp. (Greenwich, CT) Common Stock - 75,000 shs.	11-20-78
Salomon Brothers	Monumental Corp. (Baltimore, MD) Common Stock - 286,979 shs.	11-20-78
<u>CANCEL ENTRY:</u>		
* PII Investment Corp. Jack Farber	City Stores Company (NYC) Common Stock - 569,195 shs.	10-30-78



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