

sec news digest

SECURITIES & EXCHANGE COMMISSION
RECEIVED

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COMMISSION ANNOUNCEMENTS

LIBRARY

COMMISSION ACTION ON FOIA APPEAL

The Commission has denied a request, pursuant to the Freedom of Information Act (FOIA) for access to a transcript of testimony given before Commission staff investigators and informal investigation which had been collected without further agency action. The Commission was of the opinion that portions of the transcript were exempt pursuant to FOIA Exemption 4, since disclosure was likely to reveal confidential information of the sort that a corporation was not likely to disclose publicly. In addition, the Commission determined that disclosure of any meaningful part of the transcript would impermissibly invade the personal privacy of the person who gave the testimony, and that the transcript was therefore exempt pursuant to FOIA Exemption 7(C). (FOIA-52)

SIGNIFICANT NO-ACTION AND INTERPRETIVE LETTERS

The following is a list of significant no-action and interpretative letters recently issued by the Division of Corporation Finance and the Division of Market Regulation. These letters express the view of the Division with respect to novel or important questions arising under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940. Copies of these letters may be obtained by writing to the Public Reference Section, Securities and Exchange Commission, Washington, D.C. 20549, or by making a request in person at the Public Reference Section, 1100 L Street, N.W., Room 6101, Washington, D.C., stating the name of the subject company, the Act and the Section of the Act to which it relates, and the public availability date. Copies cost 10 cents per page.

Division of Corporation Finance

COMPANY	ACT/SECTION/RULE OR RELEASE	DATE MAILED	PUBLIC AVAILABILITY DATE
Mid-America Dairymen, Inc.	'33 Act/§2(1)	2-2-77	3-2-77
G. Carroll Stribling, Jr.; Wine and Spirits Shippers Cooperative, Inc.	'33 Act/§2(1)	2-8-77	3-8-77
Giles A. Powers	'33 Act/§2(1)	2-10-77	3-10-77
Sheller-Globe Corporation	'33 Act/Rule 144	2-10-77	3-10-77
First City National Bank of Houston	'33 Act/Rule 144	2-28-77	3-28-77
Gary Kappler and Mark Clark, General Partners	'33 Act/Rule 147	2-9-77	3-9-77
William E. Chatlos, Georgeson & Co.	'33 Act/§5	2-3-77	3-3-77
Pfizer, Inc.	'34 Act/§14	2-2-77	3-2-77
Trans World Airlines, Inc.	'34 Act/§14	2-15-77	3-15-77
E.I. du Pont de Nemours & Company, Inc.	'34 Act/§14	2-8-77	3-8-77
United States Gypsum Co.	'34 Act/§14	2-8-77	3-8-77

Division of Market Regulation

<u>Company</u>	<u>Act/Section/Rule or Release</u>	<u>Date Mailed</u>	<u>Public Avail. Date</u>
Dillon, Read & Co.,	Rule 10b-6	3/25/77	3/25/77
Ethyl Corp.	Rule 10b-6	3/24/77	3/24/77
IC Industries	Rule 10b-6	3/22/77	4/5/77

TRADING SUSPENSIONS

TRADING SUSPENDED IN INTERNATIONAL SYSTEMS AND CONTROLS CORP. AND CHEMTRUST INDUSTRIES CORP.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of International Systems & Controls Corp., (ISC) a Texas corporation located in Houston, Texas for the period beginning on April 7 and terminating at midnight (EST) on April 16, 1977.

The Commission ordered the suspension because of questions which have arisen concerning recent trading activity in the common stock of ISC. The Commission has been informed that numerous apparent "wash sale" transactions may have occurred recently in the common stock of ISC and, as a result of those transactions, the Commission believes broker-dealers should pay particular attention to all transactions in the securities of ISC to assure themselves that "wash sales" or other improper trading practices are not taking place.

In addition, broker-dealers should also be extremely cautious in dealing with Regulation T extensions of settlement dates. A broker-dealer has an obligation to ascertain whether a customer will be able to pay for purchases at the settlement date and must be concerned about the availability of liquid assets when a customer has a high concentration of securities of a particular issuer in a margin account, or where a customer has a previous record of delinquent payment. (Rel. 34-13435)

The SEC also announced the temporary suspension of over-the-counter trading in the securities of Chemtrust Industries Corp. for a ten-day period beginning on April 7 and terminating at midnight (EST) on April 16, 1977. The company has failed to file with the Commission its annual report on Form 10-K for its fiscal year ended December 31, 1976. The Commission initiated the suspension because the company failed to comply with the reporting provisions of the Exchange Act resulting in the lack of current and accurate information available to the public. (Rel. 34-13436)

COURT ENFORCEMENT ACTIONS

CADMUS L. G. GOSS SENTENCED; DONALD W. SPARKS AND ELARY RINEHART PLEA WITHDRAWN

The Chicago Regional Office and the Denver Regional Office announced that on March 21 Cadmus L. G. Goss was sentenced by Chief Judge Walter E. Craig to 15 years in the Federal Penitentiary. Mr. Goss was found guilty of violation of the securities laws, mail fraud statute and conspiracy, all in connection with the offer and sale of New Life Trust, Inc. securities. Judge Craig also granted a motion by attorneys for Donald W. Sparks and Elary Rinehart to withdraw their guilty plea to a one count information charging violation of the antifraud provisions of the securities laws. (U.S. v. Goss, et al., U.S.D.C. Arizona, Crim. No. 75-560 PHX). (LR-7860)

GEORGE E. WADOWIK, JOHN CHARLES MASSIE SENTENCED

The Chicago Regional Office announced that on March 7 George E. Wdowik was sentenced to three years imprisonment and fined \$3,000 upon a guilty plea to four-counts of mail fraud in connection with the sale of securities of Marketing Specialists, Inc. John Charles Massie was sentenced on March 14 to two years imprisonment and fined \$3,000 on a guilty plea to four-counts of mail fraud in connection with the sale of securities of Marketing Specialists, Inc. (U.S. v. Wdowik, D.Az, CR-76-340). (LR-7861)

**JAYMEE INDUSTRIES, INC. PRINCIPALS
PLEAD GUILTY**

The New York Regional Office announced that on March 3 Richard Chwatt, Martin Brustein, Jack Barnett and Bernard Kasper pled guilty to an information filed by the U.S. Attorney. The information charged each with violations of the antifraud provisions of the securities laws in a public offering of the securities of Jaymee Industries, Inc., a bankrupt corporation formerly located in Brooklyn, New York. The defendants are former officers, directors, and shareholders of Jaymee Industries, Inc.

The defendants were previously permanently enjoined from further violations of the securities laws in a related civil injunctive proceeding instituted on October 3, 1974 and entitled SEC v. Jaymee Industries, Inc., et al., 74 Civil 4336 (S.D.N.Y.). (See LR-6542 and LR-6942). (U.S. v. Richard Chwatt, et al., 77 Crim. 173, S.D.N.Y.). (LR-7682)

INVESTMENT COMPANY ACT RELEASES

ALL AMERICAN FUND

A notice has been issued giving interested persons until May 2 to request a hearing on an application of All American Fund, Inc., a registered open-end, diversified management investment company, for an order declaring that it has ceased to be an investment company. (Rel. IC-9614 - Apr. 6)

C. G. MUNICIPAL BOND FUND

A notice has been issued giving interested persons until May 2 to request a hearing on an application of C. G. Municipal Bond Fund, Inc. (Fund), Connecticut General Life Insurance Company (CG Life) and CG Equity Sales Company (collectively Applicants) exempting Applicants from Section 22(d) of the Act to permit the purchase of shares of the Fund at a reduced sales charge when such purchases are from proceeds of insurance contracts issued by CG Life. (Rel. IC-3715 - Apr. 7)

ANCHOR RESERVE FUND

An order has been issued on an application of Anchor Reserve Fund, Inc., a Delaware corporation, declaring that it has ceased to be an investment company. (Rel. IC-9716 - Apr. 7)

TRUST INDENTURE ACT RELEASES

THE STANDARD OIL COMPANY

An order has been issued under the Trust Indenture Act of 1939 on an application of The Standard Oil Company, an Ohio corporation, pursuant to Section 310(b)(1)(ii) of the Act declaring that the trusteeship of Manufacturers Hanover Trust Company under four indentures with Standard Oil and two indentures with the Delaware County Industrial Development Authority, Pennsylvania, is not so likely to involve a material conflict of interest as to make it necessary to disqualify Manufacturers Hanover Trust Company from acting as trustee under any of the indentures. (Rel. TI-466)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Inc. (CBOE) has filed a proposed rule change under Rule 19b-4 (SR-CBOE-77-6) to provide for the award of Board Broker appointments on the basis of competitive bidding and to empower the CBOE to impose and collect charges from its members for services performed by Board Brokers. Publication of the proposal is expected to be made in the Federal Register during the week of April 11. (Rel. 34-13434)

SECURITIES ACT REGISTRATIONS

(S-7) CENTRAL VERMONT PUBLIC SERVICE CORPORATION

77 Grove St., Rutland, Vt. 05701 - 150,000 shares of common stock, to be offered to
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holders of the company's common and preferred stock and to its employees and employees of its subsidiaries and Vermont Yankee Nuclear Power Corporation pursuant to the company's Dividend Reinvestment and Common Stock Purchase Plan. The company is an electric utility. (File 2-58620 - Apr. 6)

In a separate statement the company seeks registration of \$1,718,000 of first mortgage 3-3/8% bonds, Series U; \$1,672,000 of first mortgage 4% bonds, Series V; \$1,272,000 of first mortgage 3-7/8% bonds, Series W; and \$3,439,000 of first mortgage 3-3/4% bonds, Series X, to be offered in exchange for equal principal amounts of the company's first mortgage 2-7/8% bonds, Series F; first mortgage 3-1/2% bonds, Series G; first mortgage 3-3/8% bonds, Series H; and first mortgage 3-1/4% bonds, Series K, respectively. (File 2-58621 - Apr. 6)

(S-7) EASTERN UTILITIES ASSOCIATES

P.O. Box 2333, Boston, Mass. 02107 - 600,000 common shares, to be offered for sale at competitive bidding. Eastern Utilities Associates is a registered public utility holding company. (File 2-58625 - Apr. 6)

REGISTRATIONS EFFECTIVE

April 6: Applied Devices Corp., 2-58473; Convest Energy 1977 Oil & Gas Program, 2-57860 (90 days); The Corporate Income Fund, Fourteenth Intermediate Term Series, 2-58177; The Corporate Securities Trust Preferred Stock, Series 4, 2-58387; The Dean Witter Tax-Exempt Trust, Twenty-Seventh Series, 2-58388; Frederick & Herrud, Inc., 2-58423; The Insured Municipals Income Trust, Series 13, 2-58260; John Fluke Manufacturing Co., Inc., 2-58381; R. J. Reynolds Industries Inc., 2-58440; Smithkline Corp., 2-58503; Tetra Tech, Inc., 2-58443; Texas International Co., 2-58438; Trio Kenwood Corp., 2-58230 & 2-58231.

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.

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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ 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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