

sec news digest

Issue 79-191

October 2, 1979

CIVIL PROCEEDINGS

FINAL ORDER ENTERED AGAINST THE FUNDPACK, INC., OTHERS

The Commission announced that on September 29 the Honorable Oliver Gasch, Federal District Judge for the District of Columbia, entered a Final Order for appointment of independent directors and special counsel (Final Order) as to The Fundpack, Inc., Holding Trust and Holdings of U.S. Government Securities, Inc. (the Funds), a complex of mutual funds with offices in Coral Gables, Florida. The Funds, their investment adviser Fundpack Management, Inc. and its two broker-dealer subsidiaries, and the Funds' former officers, directors and employees comprise the eighteen defendants in the Commission's action. (See LR-8698, March 22, 1979) The Funds agreed to the entry of the Final Order without admitting or denying the allegations of the Commission's complaint. The Final Order concludes the Commission's litigation with the Funds. The action as to the remaining fifteen individual and corporate defendants continues.

Pursuant to the Final Order the Funds are required to appoint and thereafter nominate and recommend for election to their respective boards of directors four individuals satisfactory to the Commission, and the funds must maintain, until at least one year after the next meeting of their shareholders, boards of directors not less than 80% of whose members are satisfactory to the Commission. The newly constituted boards are required to call meetings of the Funds' shareholders within six months, at which time they must recommend to shareholders the election of the required proportion of directors satisfactory to the Commission and recommend arrangements for the future management and disposition of the Funds.

In addition, the Final Order requires that the Funds retain a Special Counsel to advise them until after the aforementioned shareholders' meetings. The Special Counsel must among other things, (1) supervise the filing and dissemination of registration statements, prospectuses, annual and periodic reports and sales literature, receipts and disbursements by the Funds, portfolio transactions and proxy solicitations; (2) consult with and report to the Commission and the Court; and (3) advise the Funds' boards in their consideration of arrangements for the future management and disposition of the Funds. After the performance of all of his duties, the Special Counsel must submit a final report to the Commission and the Court.

The Final Order also requires that within 20 days, the Funds must report to shareholders concerning the Commission's complaint, the history of this litigation, and the action taken and to be taken pursuant to the Final Order and any other consents, undertakings, agreements or orders entered in the action. (SEC v. The Fundpack, Inc., et al., U.S.D.C. D.C., Civil Action No. 79-0859). (LR-8880)

INVESTMENT COMPANY ACT RELEASES

SHORT TERM INCOME FUND, INC.

A notice has been issued giving interested persons until October 23 to request a hearing on an application of Short Term Income Fund, Inc., a registered, open-end, diversified, management investment company, requesting an order pursuant to Section 6(c) of the Act, exempting it from the provisions of Rules 2a-4 and 22c-1 under the Act to the extent necessary to permit it to compute its net asset value per share, for the purposes of effecting sales, redemptions and repurchases of its shares, to the nearest one cent on a share value of one dollar. (Rel. IC-10881 - Sept. 28)

SCANDINAVIAN BANK LIMITED

A notice has been issued giving interested persons until October 23 to request a hearing on an application of Scandinavian Bank Limited (Applicant), a bank incorporated in the United Kingdom and owned by seven commercial banks in Sweden, Finland, Denmark, Norway and Iceland, for an order pursuant to Section 3(b)(2) of the Act

declaring that Applicant is not an investment company within the meaning of the Act, or, alternatively, pursuant to Section 6(c) of the Act exempting Applicant from all provisions of the Act. (Rel. IC-10882 - Oct. 1)

SMITH, BARNEY EQUITY FUND, INC.

A notice has been issued giving interested persons until October 23 to request a hearing on an application of Smith, Barney Equity Fund, Inc. (Fund), an open-end investment company, for an order exempting the Fund from Sections 22(c) and 22(d) of the Act and Rule 22c-1 thereunder in connection with a proposed exchange of Fund shares for substantially all the assets of Nassau Physicians' Fund, Inc., an open-end investment company. (Rel. IC-10883 - Oct. 1)

IPI-INCOME AND PRICE INDEX FUND

A notice has been issued giving interested persons until October 25 to request a hearing on an application of IPI-Income and Price Index Fund, registered under the Investment Company Act of 1940 as an open-end, non-diversified, management investment company, and The Boston Company Income Securities Advisors, Inc., investment adviser and Non-Managing General Partner of the Fund, requesting an order pursuant to Section 6(c) of the Act exempting the Fund and its Managing General Partners from the provisions of Section 2(a)(19) of the Act to the extent that the Fund's Managing General Partners would otherwise be deemed to be "interested persons" of the Fund or its investment adviser and Non-Managing General Partner solely because they are general partners in the Fund. (Rel. IC-10884 - Oct. 1)

HOLDING COMPANY ACT RELEASES

CONSOLIDATED NATURAL GAS COMPANY

A notice has been issued giving interested persons until October 26 to request a hearing on a post-effective amendment filed by Consolidated Natural Gas Company, a registered holding company, and its subsidiaries, regarding open account advances to the subsidiaries and the issuance and sale by the holding company of commercial paper and notes to a bank. (Rel. 35-21232 - Sept. 28)

THE COLUMBIA GAS SYSTEM, INC.

An order has been issued authorizing and releasing jurisdiction reserved over a portion of a proposal of The Columbia Gas System, Inc., and certain of its wholly-owned subsidiaries, releasing to the acquisition by Columbia and the issuance and sale by certain subsidiaries of installment notes, due 2000, in an amount of \$11,800,000. (Rel. 35-21233 - Sept. 28)

CENTRAL AND SOUTH WEST FUELS, INC.

A supplemental order has been issued authorizing a fuel exploration and development budget for the coal projects of Central and South West Fuels, Inc. (CSWF), subsidiary of Central and South West Corporation, of up to the amount of \$200,000 for the quarter ending December 31, 1979, and up to the amount of \$250,000 for the quarter ending March 31, 1980. Jurisdiction has been reserved with respect to the amounts requested by CSWF in excess of the aforementioned amounts. (Rel. 35-21234 - Oct. 1)

PENNSYLVANIA ELECTRIC COMPANY

A supplemental order has been issued regarding Pennsylvania Electric Company, subsidiary of General Public Utilities Corporation, authorizing an extension of time until December 31, 1979, for the sale of certain transmission lines to a nonaffiliated company. (Rel. 35-21235 - Oct. 1)

MISCELLANEOUS

SALOMON BROTHERS PROFIT-SHARING PLAN

An order has been issued modifying a previous order issued pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the provisions of Section 5 of the Act interests or participations issued in connection with the Profit-Sharing Plan of Salomon Brothers, an investment banking firm organized as a New York limited partnership. (Rel. 33-6132)

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) SCIENTIFIC-ATLANTA, INC., 3845 Pleasantdale Rd., Atlanta, Ga. 30340 (404) 449-2000 - 50,000 shares of common stock. (File 2-65611 - Sept. 28)
- (S-1) KULICKE AND SOFFA INDUSTRIES, INC., 507 Prudential Rd., Horsham, Pa. 19044 - 400,000 shares of common stock. Underwriters: Loeb Rhoades Shearon and Janny Montgomery Scott Inc. The company develops, manufactures and markets equipment for use in the assembly of semiconductor devices. (File 2-65612 - Sept. 28)
- (S-7) NORSTAN, INC., 15755 - 32nd Avenue North, Plymouth, Minn. 55340 (612) 553-3200 - 242,000 shares of common stock. Underwriter: Robert W. Baird & Co., Inc. (File 2-65613 - Sept. 28)
- (S-1) BRAEWOOD DEVELOPMENT CORP., 4101 McEwen, Suite 540, Dallas, Tex. 75234 - 550,000 shares of common stock, \$11 million of subordinated sinking fund debentures, due November 1, 1994 and 11,000 units of debentures and warrants. Underwriters: Underwood, Neuhaus & Co., Inc. and Bateman Eichler, Hill Richards Inc. The company is engaged in the purchase, subdivision and development of unimproved land. (File 2-65614 - Sept. 28)
- (S-16) LONG ISLAND LIGHTING COMPANY, 250 Old Country Rd., Mineola, N.Y. 11501 (516) 228-2890 - 7,500,000 shares of common stock. Underwriters: Paine, Webber, Jackson & Curtis Inc., Bache Halsey Stuart Shields Inc., Lehman Brothers Kuhn Loeb Inc. and Salomon Brothers. The company supplies electric and gas service. (File 2-65615 - Sept. 28)
- (S-1) TRI CITY BANKSHARES CORPORATION, 6400 South 27th St., Oak Creek, Wis. 51354 - 1,000,000 shares of common stock. (File 2-65616 - Sept. 28)
- (S-16) THE MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY, 931 Fourteenth St., Denver, Colo. 80202 (303) 624-2424 - \$175 million of forty year debentures, due November 1, 2019. The company is engaged in furnishing communications services. (File 2-65617 - Sept. 28)
- (S-11) CITIZENS AND SOUTHERN REALTY INVESTORS, 3300 Holcomb Bridge Rd., Norcross, Ga. 30092 - 250,000 of common shares of beneficial interest. (File 2-65618 - Sept. 28)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, ONE HUNDRED FIFTEENTH MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of 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 2-65619 - Sept. 28)
- (S-1) APACHE OIL AND GAS PROGRAM 1980, Foshay Tower, Minneapolis, Minn. 55402 - 6,666-2/3 preformation partnership units. (File 2-65621 - Sept. 28)

REGISTRATIONS EFFECTIVE

June 19: Standard Pacific Corp., 2-64583.
Sept. 21: Galveston-Houston Co., 2-65413.
Sept. 25: Gamble-Skogmo, Inc., 2-65111; South Carolina Electric & Gas Co., 2-58933.
Sept. 26: Alaska Pacific Bancorp., 2-64864 & 2-65576; Argonaut Energy Corp., 2-65183; Emerson Electric Co., 2-65420; Hollymatic Corp., 2-50273; John Fluke Manufacturing Co., Inc., 2-58381 & 2-63578; Knox Lumber Co., 2-65398; Lanier Business Products, Inc., 2-60840; Morrison, Inc., 2-53727 & 2-54707; Municipal Investment Trust Fund, One Hundred Thirteenth Monthly Payment Series, 2-65340; Northwest Energy Co., 2-65407; Oxford Industries, Inc., 2-60057; The Presley Companies, 2-62738; Scriptomatic, Inc., 2-65278 & 2-65279; Southwest Gas Corp., 2-65305; United States Mutual Real Estate Investment Trust, 2-65159; Weaver 1979 Drilling Program, 2-63336.

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