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ADMINISTRATIVE PROCEEDINGS

U.S. SECURITIES AND
EXCHANGE COMMISSION

FIRST PITTSBURGH SECURITIES CORPORATION, OTHERS

Public administrative proceedings have been ordered under Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 against First Pittsburgh Securities Corporation, a registered broker-dealer located in Pittsburgh, Pennsylvania. The order also names Edward B. Boyer of Pompano Beach, Florida; Salvatore F. Geswaldo of Pittsburgh, Pennsylvania; Donald R. Kohl of Monroeville, Pennsylvania; and Carl B. Benson, Bernard H. Golling and Charles Krzywicki, all of Pittsburgh, Pennsylvania, all of whom have been or are persons associated with First Pittsburgh Securities Corporation.

The Commission's order is based on alleged violations of the registration and antifraud provisions of the Securities Act of 1933, and of the antifraud and broker-dealer books and records provisions of the Securities Exchange Act of 1934. A hearing will be scheduled to take evidence on the staff's allegations and to afford the respondents an opportunity to offer any defenses thereto for the purpose of determining whether any action of a remedial nature should be ordered by the Commission. (Rel. 34-14740)

CARDINAL MANAGEMENT COMPANY'S REGISTRATION REVOKED

The Commission announced that Cardinal Management Company and the firm's president, Lee H. Hallowell consented to the entry of an order instituting proceedings and findings and order imposing remedial sanctions under which Cardinal's registration as an investment adviser was revoked and Hallowell undertook for six months not to assume any position involving the management of an investment advisory business. The Commission instituted proceedings and simultaneously accepted the respondents' offer of settlement whereunder the respondents neither admitted nor denied any allegations and waived a hearing.

As more fully described in the order, the Commission found that Cardinal and Hallowell violated various antifraud and records provisions of the Investment Advisers Act of 1940. The respondents adopted discriminatory and unfair policies and practices respecting refunds of prepaid advisory fees to clients who terminated their management contracts before the end of the prepaid period. The respondents misled clients directly or indirectly as to, among other things, (a) the kind of individual attention afforded client accounts, (b) the financial condition of Cardinal, (c) the suitability of Cardinal's services for certain clients, and (d) Cardinal's refund policy. In addition, the respondents failed to maintain certain required books and records. Finally, Cardinal failed to amend its registration information to disclose the loss of key personnel and changes in the ownership of Cardinal. (Rel. IA-628)

FLOW OF CAPITAL SECURITIES, INC.

The findings and order imposing remedial sanctions, entered on February 15, in the matter of Flow of Capital Securities, Inc., et al., have been amended by substituting in the paragraph enumerating certain of the respondents undertakings the words "as a financial principal" for the words "in a supervisory capacity". (Rel. 34-14724)

COURT ENFORCEMENT ACTIONS

POTOMAC INVESTMENT ADVISORS, LTD., OTHERS ENJOINED

The Washington Regional Office announced that on May 9 a civil complaint was filed in the U.S. District Court for the Eastern District of Virginia, Alexandria Division, against Potomac Investment Advisors, Ltd., a registered investment adviser with its principal place of business in McLean, Virginia; Willard John Miller (W. Miller) of McLean, Virginia, who is president, treasurer, director and approximately 50% shareholder of Potomac; and John Scott Miller (S. Miller) of McLean, Virginia, who is vice-president, secretary, and director of Potomac. The complaint seeks to enjoin Potomac and W. Miller from violations of the antifraud provisions of the securities laws, and it seeks to enjoin Potomac, W. Miller and S. Miller from violations of the books and records provisions of the securities laws.

The complaint alleges, among other things, that from around January 1974 to the present, in connection with a checking account (Special Account) which Potomac and W. Miller maintained for the purpose of holding clients' funds, W. Miller converted to his own use and purpose funds belonging to the Potomac clients. Moreover, W. Miller allowed various Potomac clients to withdraw from the Special Account funds in excess of those they had deposited into the Special Account. Consequently, as of March 31, W. Miller had converted approximately \$135,000 from the Special Account and had allowed approximately 40 Potomac clients to overdraw approximately \$49,000 from the Special Account. The complaint also charges that the defendants failed to maintain all the necessary books and records that are required to be kept by registered investment advisers.

On May 10 permanent injunctions were entered against all defendants. The judgment further ordered the defendants to perform an accounting of its clients' funds and securities within their custody or possession, to provide the clients with copies of the complaint and judgment, and to make its books and records available to the clients pending the accounting. (SEC v. Potomac Investment Advisors, Ltd., et al., U.S.D.C. for the E.D. Va., Alex. Div., Civil Action No. 78-300-A). (LR-8408)

INVESTMENT COMPANY ACT RELEASES

GPM BALANCED FUND

An order has been issued on an application of GPM Balanced Fund, Inc. and Mediterranean Fund, Inc., both registered under the Investment Company Act of 1940 as diversified, open-end management investment companies, Studley, Shupert & Co., Inc. of Boston, investment adviser to the Funds, Gardner and Preston, Moss, Inc. (Gardner), a parent company of Studley Shupert, John L. Gardner, a control person of Gardner and an affiliated person of Mediterranean, and Robert F. Birch, also a control person of Gardner, pursuant to Section 17(b) of the Act, exempting from the provisions of Section 17(a) of the Act the proposed merger of Mediterranean into Balanced, and pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder, permitting the joint participation of all Applicants in the proposed merger. (Rel. IC-10232 - May 9)

INTERNATIONAL INVESTORS

An order has been issued on an application of International Investors, Inc., registered under the Investment Company Act of 1940 as an open-end, diversified management investment company, and I.I.I. Securities Corporation, its principal underwriter, exempting from the provisions of Section 22(d) of the Act proposed transactions pursuant to which shares of International Investors, Inc., will be issued at net asset value without a sales charge in exchange for shares of certain gold mining companies held by Mondial Commercial Limited, a Liechtenstein limited company through two accounts at the Swiss Credit Bank, the Metric Accounting Unit Survival Contract subaccount and the Sovereign Contracts subaccount in which approximately 512 persons have beneficial interests. (Rel. IC-10233 - May 9)

HOLDING COMPANY ACT RELEASES

AMERICAN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until June 5 to request a hearing on a proposal of American Electric Power Company, Inc., a registered holding company, and its subsidiary, American Electric Power Service Corporation, that Service Company borrow up to \$10 million and that AEP guarantee such indebtedness. (Rel. 35-20539 - May 8)

NATIONAL FUEL GAS COMPANY

An order has been issued authorizing proposals of National Fuel Gas Company, a registered holding company, and two of its subsidiaries, National Fuel Gas Distribution Corporation and National Fuel Gas Supply Corporation, whereby (1) National will issue and sell up to \$22 million of short-term notes at any one time outstanding to The Chase Manhattan Bank of New York and issue and sell up to \$40 million at any one time outstanding of other short-term unsecured notes to a group of banks and (2) Distribution Corporation and Supply Corporation will make related borrowings from the holding company. (Rel. 35-20540 - May 9)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTINGS GRANTED

Orders have been issued granting the applications submitted by the following stock exchanges to strike from listing and registration the specified securities of the following companies: American Stock Exchange, Inc. - Chicken Unlimited Enterprises, Inc. (par value \$.10) and Flying Diamond Oil Corporation (par value \$1). (Rel. 34-14741); New York Stock Exchange, Inc. - Allied Stores Corporation, 4% cumulative preferred stock (\$100 par value); Virginia Electric and Power Company, \$4.80 dividend preferred stock (\$100 par value), \$4.20 dividend preferred stock (\$100 par value), \$4.12 dividend preferred stock (\$100 par value) and \$4.04 dividend preferred stock (\$100 par value); Northern Natural Gas Company, \$5.50 cumulative preferred stock (\$100 par value), \$5.60 cumulative preferred stock (\$100 par value); and Pargas, Inc., \$2.64 cumulative preference stock, Series A (no par value). (Rel. 34-14742)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. has filed a proposed rule change which became effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934 (SR-Amex-78-13) to permit transmission of news information to the Amex trading floor on a continuous, non-delayed basis. Publication of the proposal is expected to be made in the Federal Register during the week of May 8. (Rel. 34-14743)

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) ITO-YOKADO CO., LTD., 5, Sanban-cho, Chiyoda-ku, Tokyo 102, Japan - \$50 million of convertible debentures, due August 31, 1993 and \$20 million of notes, due August 31, 1983. Underwriters: Goldman, Sachs & Co., Nomura Securities International, Inc. and J. Henry Schroder Wagg & Co. Ltd. The company sells a broad range of clothing, food and household goods. (File 2-61271 - May 10)
- (S-5) AMERICAN NATIONAL BOND FUND, INC., Two Moody Plaza, Galveston, Tex. 77550 - 1,000,000 shares of common stock. (File 2-61491 - Apr. 28)
- (S-8) VALTEK INCORPORATED, Mountain Springs Parkway, P.O. Box 2200, Springville, Utah 84663 - 17,727 shares of common stock. (File 2-61492 - May 28)
- (S-7) COMMERCIAL CREDIT COMPANY, 300 St. Paul Pl., Baltimore, Md. 21202 (301) 332-3000 - \$100 million of medium-term senior notes. The company, among other things, is engaged in the business of direct lending to individuals instalment sales financing of mobile homes. (File 2-61580 - May 9)
- (S-8) WAINOCO OIL CORPORATION, Suite 600, 1100 Milan Bldg., Houston, Tex. 77002 - 200,000 shares of common stock. The company explores for and produces oil and gas. (File 2-61581 - May 10)
- (S-1) DEMETER FUTURES FUND, Suite 200, 150 South Wacker Dr., Chicago, Ill. 60606 - 5,000 units of limited partnership interest. Underwriter: Dean Witter Reynolds Inc. (File 2-61582 - May 10)
- (S-6) WEEDEN TAX EXEMPT BOND TRUST, SERIES 9, 25 Broad St., New York, N.Y. 10004 - 15,000 units. Depositor: Weeden & Co. (File 2-61583 - May 10)
- (S-8) NATIONAL HOMES CORPORATION, Earl Avenue at Wallace St., Lafayette, Ind. 47904 - 100,000 shares of common stock. (File 2-61584 - May 1)

NOTICE

Many requests for copies of documents referred to in the SEC News Digest have erroneously been directed to the Government Printing Office, 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 requested. All other reference material is available in the SEC Docket.

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