

C-2

sec news digest

Issue 78-96

LIBRARY
MAY 18 1978

May 17, 1978

RULES AND RELATED MATTERS

U.S. SECURITIES AND
EXCHANGE COMMISSION

AMENDMENT TO RULE 145 ADOPTED

The Commission has announced the adoption of an amendment to Rule 145 under the Securities Act of 1933 which eliminates the indefinite underwriter status attached to certain persons who receive securities in business combination transactions registered under the rule. The amendment provides that such persons shall not be deemed underwriters of the securities received by them in the Rule 145 transaction if the following conditions are met: (1) the person has held the securities for two years; (2) the person is not affiliated with the issuer of the securities; (3) the issuer is subject to the periodic reporting requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934 and has been so subject for at least the preceding 12 months; and (4) the issuer has filed all of the reports required to have been filed under Sections 13 or 15(d) during the preceding 12 months. Those persons deemed underwriters who are unable to satisfy the above conditions will be permitted to resell limited quantities of their Rule 145 securities at any time in accordance with certain pre-existing provisions of the rule. The newly-adopted amendment will become effective immediately upon publication in the Federal Register. (Rel. 33-5932)

FOR FURTHER INFORMATION CONTACT: Peter J. Romeo at (202) 755-1240

NOTICE OF COMMISSION MEETINGS

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters Building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or obtain a tape recording of Commission meetings must obtain permission in advance from the Secretary of the Commission.

CLOSED MEETING - TUESDAY, MAY 23, 1978 - 10 A.M.

The subject matter of the May 23 closed meeting will be: Referral of investigatory files to Federal, State, or Self-Regulatory authorities; Institution of injunctive action; Settlement of injunctive action; Institution of an administrative proceeding of an enforcement nature; Settlement of an administrative proceeding of an enforcement nature; Freedom of Information Act appeal; Regulatory matters bearing enforcement implications; Other litigation matters.

OPEN MEETING - THURSDAY, MAY 25, 1978 - 10 A.M.

The subject matter of the May 25 10 a.m. open meeting will be:

(1) Consideration of a petition of the Corporate Finance Committee of the Securities Industry Association: (1) requesting the adoption of a rule relating to underwriters' liability with respect to registration statements on Form S-16; and (2) requesting suspension of the effectiveness of the availability of Form S-16 for certain primary offerings, or the adoption of an emergency temporary rule.

(2) Proposed transmittal of comments regarding H.R. 5999, which would amend Section 214 of the Interstate Commerce Act to increase from \$1 million to \$10 million, the maximum value of securities that may be issued by a motor carrier without authorization of the Interstate Commerce Commission.

(3) Proposed adoption of amendments to Form 8-K and proxy rules regarding additional disclosure of information concerning changes in independent accountants.

CLOSED MEETING - THURSDAY, MAY 25, 1978 - IMMEDIATELY FOLLOWING 10:00 OPEN MEETING

The subject matter of the May 25 closed meeting will be: Opinion.

OPEN MEETING - THURSDAY, MAY 25, 1978 - 2:30 P.M.

The subject matter of the May 25 2:30 p.m. open meeting will be:

Oral argument in the matter of Hinkle Northwest, Inc., et al., concerning an appeal from an initial decision of the Administrative Law Judge based upon violations of the net capital and recordkeeping provisions of the federal securities laws.

CLOSED MEETING - THURSDAY, MAY 25, 1978 - IMMEDIATELY FOLLOWING 2:30 OPEN MEETING

The subject matter of the May 25 closed meeting will be: Post-oral argument discussion.

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES AND ENTRY OF JUDGMENT OF PERMANENT INJUNCTION ENTERED AGAINST BERG ENTERPRISES, INC.

The SEC announced on May 16 the filing of a civil injunctive action in the U.S. District Court for the District of Columbia against Berg Enterprises, Inc. (BEI), a real estate brokerage and mortgage banking concern with its headquarters in New Jersey, alleging violations of the securities laws. The Commission's complaint alleged violations of the securities laws in a 1972 land sale transaction. The complaint charged that BEI improperly recognized income of approximately \$114,000 on the sale, which amount represented approximately 10% of BEI's net income, in its 1973 fiscal year.

The Commission also announced that the Court simultaneously entered a final judgment of permanent injunction restraining and enjoining BEI from further violations of the antifraud and reporting provisions of the securities laws. In addition to the entry of the final judgment of permanent injunction against BEI, the Court ordered BEI to correct and amend its annual and periodic reports currently on file with the Commission. BEI consented to the entry of the Court's judgment and order without admitting or denying the allegations in the Commission's complaint. (SEC v. Berg Enterprises, Inc., U.S.D.C., D.C., Civil Action No. 78-0877). (LR-8411)

HOLDING COMPANY ACT RELEASES

ALABAMA POWER COMPANY

A notice has been issued giving interested persons until June 8 to request a hearing on a proposal of Alabama Power Company, subsidiary of The Southern Company, whereby Alabama will amend its installment sales agreement with an agency of the Town of West Jefferson under which the agency will construct pollution control facilities for Alabama to be financed by the agency's issuance and sale of pollution control revenue bonds. The amount of bonds to be issued by the agency will be increased by \$60 million. Alabama will acquire the facilities upon completion. (Rel. 35-20542 - May 15)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Pacific Stock Exchange Incorporated has filed a proposed rule change under Rule 19b-4 (SR-PSE-78-7) to impose identical affirmative obligations upon PSE options market makers whether they are trading in assigned or unassigned options classes. Publication of the proposal is expected to be made in the Federal Register during the week of May 15. (Rel. 34-14762)

MISCELLANEOUS

MIDWEST CORPORATION

An order has been issued granting the application of Midwest Corporation (Applicant), a West Virginia corporation, pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the reporting requirements of Sections 13 and 15(d) of the Act. It appeared to the Commission that the granting of the requested exemption would not be inconsistent with the public interest or the protection of investors, in view of the fact that none of the securities of Applicant subject to these reporting provisions are held by any other person other than Unarco, Industries Inc. (Rel. 34-14751)

FARRELL LINES, INC.

A notice has been issued giving interested persons until May 30 to request a hearing on an application of Farrell Lines, Inc., successor by merger to American Export Lines, Inc. (Applicant), pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an order exempting Applicant from the provisions of Sections 13 and 15(d) of the Act. (Rel. 34-14752)

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) VALTEC CORPORATION, 99 Hartwell St., West Boylston, Mass. 01583 - 880,000 shares of common stock. Underwriter: E. F. Hutton & Company Inc. The company is a developer of fiberoptic systems. (File 2-61509 - May 12)
- (S-B) CAISSE CENTRALE DE COOPERATION ECONOMIQUE, 233 Boulevard, Saint Germain, 75007 Paris, France - \$75 million of guaranteed bonds, due June 1, 1998. Underwriters: Dillon, Read & Co. Inc., Goldman, Sachs & Co., Warburg Paribas Becker Inc. The company's primary purpose is to act as a development bank for certain developing countries. (File 2-61610 - May 12)
- (S-7) CAROLINA POWER & LIGHT COMPANY, 411 Fayetteville St., Raleigh, N.C. 27602 (919) 836-6111 - \$100 million of first mortgage bonds, due June 1, 2008. The company is engaged in the generation, transmission, distribution and sale of electricity. (File 2-61611 - May 12)
- (S-7) ALLIED TELEPHONE COMPANY, Allied Telephone Bldg., Little Rock, Ark. 72203 (501) 664-4484 - 275,000 shares of common stock. Underwriter: Merrill Lynch White Weld Capital Markets Group. The company operates telephone properties. (File 2-61615 - May 15)
- (S-7) MEDENCO, INC., Medenco Bldg., 3800 Buffalo Speedway, Houston, Tex. 77098 (713) 621-8131 - 50,000 units and \$10 million of subordinated sinking fund debentures, due October 1, 1998 and 200,000 shares of common stock. Underwriters: The First Boston Corporation and Rotan Mosle Inc. The company, among other things, operates hospitals. (File 2-61616 - May 15)
- (S-7) NEW JERSEY BELL TELEPHONE COMPANY, 540 Broad St., Newark, N.J. 07101 (201) 649-9900 - \$100 million of forty-year debentures, due June 1, 2018. (File 2-61617 - May 15)
- (S-8) SAMBO'S RESTAURANTS, INC., 3760 State St., Santa Barbara, Cal. 93105 (805) 687-6777 - 1,465,268 shares of common stock. The company is primarily engaged in the business of developing, operating and managing restaurants. (File 2-61619 - May 15)
- (S-1) DAMSON 1978-79 DRILLING PROGRAM, 366 Madison Ave., New York, N.Y. 10017 - \$17,250,000 of preformation limited partnership interests. Underwriter: Meridian Capital Corporation, 366 Madison Ave., New York, N.Y. 10017 (212) 697-1440. (File 2-61624 - May 15)
- (S-16) UNION INVESTMENT COMPANY, 30100 Telegraph Rd., Birmingham, Mich. 48010 (313) 647-8900 - 26,766 shares of common stock. (File 2-61625 - May 15)

- (S-16) GENERAL SIGNAL CORPORATION, High Ridge Park, Stamford, Conn. 06904 (203) 357-8800 - 571,807 shares of common stock. (File 2-61628 - May 15)
- (S-1) GENRAD, INC., 300 Baker Ave., Concord, Mass. 01742 - 700,000 shares of common stock. Underwriter: Lehman Brothers Kuhn Loeb Inc. The company develops, manufactures, markets and services electronic measurement, test and analysis systems and instruments. (File 2-61629 - May 16)
- (S-14) FIRST NATIONAL HOLDING CORP., 2 Peachtree St., N.W., Atlanta, Ga. 30303 (404) 588-5000 - 658,793 shares of common stock. (File 2-61631 - May 15)
- (S-16) CHIEFTAIN DEVELOPMENT CO. LTD., 1201 Toronto Dominion Tower, Edmonton Centre, Edmonton, Alberta, Canada T5J 2Z1 - 817,275 common shares. (File 2-61632 - May 16)
- (S-16) AMERICAN HOIST & DERRICK COMPANY, 63 South Robert St., Saint Paul, Minn. 55107 (612) 228-4321 - 150,000 shares of common stock. (File 2-61633 - May 12)
- (S-8) HUGHES SUPPLY, INC., 521 W. Central Blvd., Orlando, Fla. 32802 - 63,873 shares of common stock. The company is principally engaged in the wholesale distribution of electrical fixtures and supplies. (File 2-61634 - May 16)
- (S-8) RORER GROUP INC., 500 Virginia Dr., Fort Washington, Pa. 19034 - 500,000 common shares. (File 2-61635 - May 12)
- (S-8) KAMAN CORPORATION, Blue Hills Ave., Bloomfield, Conn. 06002 - 200,000 shares of Class A common stock. (File 2-61636 - May 12)
- (S-16) SPECTOR INDUSTRIES, INC., 1050 Kingery Highway, Bensenville, Ill. 60106 (312) 595-4000 - 130,000 shares of common stock. (File 2-61638 - May 10)
- (S-2) MONEY TRUST MANAGEMENT COMPANY, 112 South 16th St., Philadelphia, Pa. 19102 - 210,000 Class A common stock. Underwriter: Seaboard Planning Corporation, 215 Main St., Chatham, N.J. 07928. (File 2-61639 - May 10)

REGISTRATIONS EFFECTIVE

Apr. 28: Johnson & Johnson, 2-61088; McDonnell Douglas Corp., 2-60891; Manufactures Hanover Corp., 2-61058; Milton Roy Co., 2-61269; Monsanto Co., 2-61107; Mountain Fuel Supply Co., 2-61200; NCR Corp., 2-61327; NLT Corp., 2-61184; Pacific Gas and Electric Co., 2-60984; Pepsico, Inc., 2-61173; Pitney Bowes, Inc., 2-61090; Service Corporation International, 2-60813; Sierra Pacific Power Co., 2-60954.

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.

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 Investment Management. 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 INVESTMENT MANAGEMENT

COMPANY	ACT/SECTION/RULE OR RELEASE	DATE MAILED	PUBLIC AVAILABILITY DATE
Crocker Investment Management Corporation	IAA '40/Rule 206(4)-2	3/15/78	4/15/78
Data Exchange	IAA '40/§202(a)(11)	3/14/78	4/13/78

ACQUISITION REPORTS CONT.

DIVISION OF CORPORATION FINANCE

<u>COMPANY</u>	<u>ACT/SECTION/RULE OR RELEASE</u>	<u>DATE MAILED</u>	<u>PUBLIC AVAILABILITY DATE</u>
Puerto Rico Industrial & Environmental Pollution Control Facilities Financing Authority	'33 Act/§3(a)(2)	3/21/78	4/21/78
Barber Company	'33 Act/Rule 134	3/3/78	4/3/78
Amtex Oil & Gas, Inc.	'33 Act/Rule 240	3/13/78	4/13/78
Dow Chemical Co.	'34 Act/§14	3/1/78	3/1/78
General Dynamics Corp.	'34 Act/§14	3/6/78	3/6/78
CSE Corp.	'34 Act/§14	3/8/78	3/8/78
General Telephone & Electronics Corp.	'34 Act/Rule 16a-8(g)(3)	3/20/78	4/20/78
Israel Bank of Agriculture	'39 Act/§304(a)(6)	3/14/78	4/14/78

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%. The following companies or individuals filed Schedule 13D's during the period May 1 - 3, 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 set forth for each beneficial owner.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
Rapid-American Corporation	McCrorry Corp. (NYC) 4-1/2% Preference B Stock - 14,578 shs. (24%) (210 of above shares were acquired pursuant to the Tender Offer.)	5-1-78
Rapid-American Corporation	McCrorry Corp. (NYC) \$6 Convertible Preferred Stock - 17,769 shs. (18%) (210 of above shares were acquired pursuant to the Tender Offer.)	5-1-78
Walter Funk, Jr. Max Diamant Investment Company Halliday's Exchange, Inc. John H. Pahlmann	Missouri Research Laboratories, Inc. (St. Charles, MO) Common Stock - 600,406 shs. (28.2%) (Included above are shares owned by Mr. Funk's wife.)	5-1-78
Profile-United Industries Limited (Canada)	Odyssey Incorporated (Wilmette, IL) Common Stock - 108,194 shs. (15%)	5-1-78
Arlen Realty, Inc.	Perkins Foods, Inc. (Cincinnati, OH) Common Stock - 175,000 shs. (Above shares were acquired upon exercise of Warrants.)	5-1-78
Goldman, Sachs & Co.	Sycor, Inc. (Ann Arbor, MI) Common Stock - 180,600 shs.	5-1-78
Goldman, Sachs & Co.	Tejas Gas Corp. (Corpus Christi, TX) Common Stock - 91,807 shs.	5-1-78

ACQUISITION REPORTS CONT.

* Virgil Thomas Hartquist	Environmental Control Products, Inc. (Charlotte, NC) Common Stock - 41,333 shs. Common Stock - 105,556 shs. on exercise of Warrants	5-1-78
* Clark Foundation Clark Estates, Inc.	Gulf Energy & Development Corp. (San Antonio, TX) Common Stock - 183,374 shs. (12.73%)	5-1-78
* Canadian Imperial Bank of Commerce Trust Company (Bahamas) Limited, as Trustee of Settlement T-550, T-551 and T-577	W. F. Hall Printing Co. (Chicago, IL) Common Stock - 830,670 shs. (45%)	5-1-78
* William H. Burgess Elmer A. Sticco Michael R. Rossi, Jr. Morton Fearey, et al	International Controls Corp. (Thomaston, CT) Common Stock - 178,800 shs. Common Stock - 7,500 shs. on exercise of Options	5-1-78
* E. Peter Hoffman, Jr., Indi- vidually and as Custodian	Midland Mortgage Investors Trust (Oklahoma City, OK) Shares of Beneficial Interest - 222,800	5-1-78
Andrew Kalman	Acme Precision Products, Inc. (Detroit, MI) Common Stock - 129,778 shs. (14.28%) (Included above are shares owned by his wife and shares held in trusts for his children. Mr. Kalman has the right to purchase an additional 69,909 shares.)	5-2-78
Han Ping Ching, Individually and as Trustee	Aloha Airlines, Inc. (Honolulu, HI) Preferred Stock - 3,590 shs. (Mr. Ching also owns 17,249 shares of Common Stock, as trustee an additional 29,793 shares. His parents own 189,917 shares of Common Stock.)	5-2-78
Han Hsin Ching	Aloha Airlines, Inc. (Honolulu, HI) Preferred Stock - 3,649 shs. (Mr. Ching, his wife and children also own 29,963 shares of Common Stock.)	5-2-78
Myrna Ching	Aloha Airlines, Inc. (Honolulu, HI) Preferred Stock - 5,949 shs. (12.42%) (In addition, Mrs. Ching owns 39,804 shares of Common Stock.)	5-2-78
Walter Scheuer Gaymark Associates Edwin Robbins	Athlone Industries, Inc. (Parsippany, NJ) Common Stock - 237,600 shs. Common Stock - 70,800 shs. on conversion of Debentures (Reporting individuals and company are deemed to control Highland Capital Corp.)	5-2-78
John Curci	Calprop Corporation (Los Angeles, CA) Common Stock - 125,548 shs.	5-2-78
W. Tom ZurSchmiede, Jr., Indi- vidually, Custodian and as Trustee	Federal Screw Works (Detroit, MI) Common Stock - 239,086 shs. (19.44%)	5-2-78
Robert B. Peltz Ellis M. Flink Sidney R. Rosenbloom LeRoy Greespan	Flagstaff Corporation (NYC) Common Stock - 794,610 shs. Common Stock - 95,000 shs. on exercise of Options (Included above are shares owned by wives and children.)	5-2-78
Drexel Burnham Lambert Inc.	Hanover Square Realty Investors (NYC) Common Stock - 57,430 shs. on conversion of Debentures	5-2-78

ACQUISITION REPORTS CONT.

Charter Oak Partners Jerrold N. Fine	Perini Corporation (Framingham, MA) Common Stock - 192,400 shs. (Included above are shares owned by Mrs. Fine, as Trustee.)	5-2-78
* Transco Realty Trust	Hospital Mortgage Group (No. Miami, FL) Shares of Beneficial Interest - 184,300	5-2-78
* Ted D. Nelson Daniel C. Montano Victoria G. Montano Dr. Paul Kouri, et al	Lincoln Mortgage Investors (Fullerton, CA) Shares of Beneficial Interest - 121,600 (10.53%)	5-2-78
* J. Y. Robichaud (Canada)	Odyssey Incorporated (Wilmette, IL) Common Stock - 84,226 shs. (Mr. Robichaud is sole stockholder of Profile-United Industries Ltd. (Canada))	5-2-78
*BOC Financial Corp. (Wholly-owned subsidiary of BOC International Ltd. (U.K.))	Airco, Inc. (Montvale, NJ) Common Stock - 11,490,500 shs. (93%) Common Stock - 210,000 shs. on conversion of Debentures	5-3-78
David W. Grainger Lee J. Flory Max E. Meyer, Trustees	W. W. Grainger, Inc. (Chicago, IL) Common Stock - 3,041,786 shs. (21.6%) on exercise of Options	5-3-78
Southam Printing Limited (Canada) (Wholly-owned subsidiary of Southam Press Ltd. (Canada))	R. Hoe & Co. Incorporated (Scarsdale, NY) Common Stock - 160,988 shs.	5-3-78
Walter F. Cooling	Maryland Old Line Corporation (Elkton, MD) Common Stock - 85,123 shs.	5-3-78
American General Insurance Co.	NLT Corporation (Nashville, TN) Common Stock - 1,756,600 shs.	5-3-78
Estate of Adolph Storch Horty Lee Storch Victor J. Storch, Individually and as Custodian Jeffrey K. Gallin, et al	Purepac Laboratories Corp. (Elizabeth, NJ) Common Stock - 492,508 shs. (54%) Common Stock - 36,500 shs. on exercise of Options	5-3-78
John E. McConnaughy, Jr. Anthony J. Giglio Wilbur L. Ross, Jr. Murray Cohen	Valley Metallurgical Processing Co., Inc. (NYC) Common Stock - 1,717,188 shs. (23.1%)	5-3-78
* AMBG Corp. (wholly-owned subsidiary of Tyco) Tyco Laboratories, Inc.	Cutler-Hammer, Inc. (Milwaukee, WI) Common Stock - 1,416,200 shs. (24%)	5-3-78

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 on request. All other reference material is available in the SEC Docket.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45/yr in U.S. first class mail; \$80.60 elsewhere. SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail; \$54.65 elsewhere. SEC STATISTICAL BULLETIN is published monthly. Subscription rates: \$15.00/yr in U.S. first class mail; \$18.75 elsewhere. The News Digest, the Docket, and the Statistical Bulletin are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FIRST CLASS MAIL

POSTAGE AND FEES PAID
U. S. SECURITIES AND EXCHANGE COMMISSION

