

sec news digest

Issue 77-49
(SEC Docket, Vol. 11, No. 13 - March 29)

MAR 15 1977

March 14, 1977

RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

SUNSHINE RULES ADOPTED

The Commission has announced final rulemaking action to implement the Government in the Sunshine Act, 5 U.S.C. 552b, which has, as its principal provision, the requirement that, unless exempt, "every portion of every meeting of an agency shall be open to public observation." Except for minor amendments, the rules the Commission has adopted are identical to the proposals on which public comment was solicited in Securities Act Release No. 5802 (February 2, 1977). The Commission stated that it reviewed those proposals, and the public comment received thereon, and concluded that, with minor modifications, the proposed rules would fully implement both the letter and spirit of the Sunshine Act while at the same time protecting the Commission's need, in order properly and fairly to discharge its responsibilities under the securities laws, to prevent public disclosure of certain information. These rules take effect on March 12, 1977. (Rel. 33-5814)

COMMISSION ANNOUNCEMENTS

WITHDRAWAL OF INVESTMENT ANNUITY NO-ACTION LETTERS

The Commission has announced that in view of the recent change in tax treatment of investment annuities, the resulting disclosure problems, and the probability that changes will be made in the structure of the product, the Division of Investment Management on March 7, 1977 withdrew prospectively its previously issued no-action letters with respect to the offer and sale of investment annuity contracts without registration under the Securities Act of 1933 (1933 Act) and with respect to the registration of the issuers of such contracts under the Investment Company Act of 1940 (1940 Act). However, with respect to investment annuity contracts previously issued in connection with tax-qualified retirement or annuity plans, the Division will not recommend enforcement action if additional contributions are received on such contracts without registration under the 1933 and 1940 Acts.

Investment annuity contracts are contracts issued by life insurance companies in which benefits vary depending upon the investment performance of the assets held as reserves for contract liabilities. In an investment annuity the purchaser is permitted to direct the investment of the assets held in a segregated custodial account and, typically, can select investment media for his annuity contributions from a very broad list of acceptable assets. (Rel. 33-5816)

COURT ENFORCEMENT ACTIONS

ICN PHARMACEUTICALS ENJOINED

The Los Angeles Regional Office announced that on March 1 a complaint was filed in the U.S. District Court in Los Angeles against ICN Pharmaceuticals, Inc. of Irvine, California and Milan Panic of Los Angeles, California, alleging violations of the antifraud and reporting provisions of the securities laws. On March 1 the Honorable Lawrence T. Lydick, U.S. District Judge in Los Angeles, entered a permanent injunction against future violations of the securities laws as alleged in the complaint. Both defendants consented to the entry of the permanent injunctions without admitting or denying the allegations of the complaint. (SEC v. ICN Pharmaceuticals, Inc., C.D., CA., CV-77-0768-LTL). (LR-7819)

INVESTMENT COMPANY ACT RELEASES

FEDERATED MUNICIPAL BOND FUND, LTD.

A notice has been issued giving interested persons until April 5 to request a hearing on an application of Federated Municipal Bond Fund, Ltd., and Managed Municipal Bond Fund, Ltd., both registered, open-end diversified management investment companies, for an order declaring that they have each ceased to be investment companies. (Rel. IC-9674 - Mar. 11)

ADVISERS FUND

An order has been issued on an application of Advisers Fund, Inc., an open-end investment company, declaring that it has ceased to be an investment company. (Rel. IC-9675 - Mar. 11)

HOLDING COMPANY ACT RELEASES

INDIANA-KENTUCKY ELECTRIC CORPORATION

An order has been issued authorizing Indiana-Kentucky Electric Corporation (IKEC), subsidiary of Allegheny Power System, Inc., American Electric Power Company, Inc., and Ohio Edison Company, to enter an agreement with a municipal authority for the construction of pollution control equipment. (Rel. 35-19929 - Mar. 10)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING SOUGHT

Notices have been issued giving interested persons until March 31 to request a hearing on applications of the following companies to withdraw their common stock from listing and registration on the American Stock Exchange, Inc. - Bundy Corp.; and Shearson Hayden Stone Inc.

A notice has also been issued giving interested persons until April 4 to request a hearing on an application of the Bunnington Corp. to withdraw its common stock from listing and registration on the Boston Stock Exchange. (Rel. 34-13364)

DELISTING GRANTED

Orders have been issued granting the applications of the following stock exchanges to strike the common stock of the following companies from listing and registration thereon: New York Stock Exchange, Inc. - Morse Electro Products Corp. Pacific Stock Exchange, Inc. - Servisco. American Stock Exchange, Inc. - Westates Petroleum Co. (Rel. 34-13365)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Midwest Stock Exchange, Incorporated (MSE) has filed a proposed rule change under Rule 19b-4 (SR-MSE-77-5) to remove the requirement that one of the sponsors of an applicant for membership be a member. Publication of the proposal is expected to be made in the Federal Register during the week of March 14. (Rel. 34-13357)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Pacific Stock Exchange (PSE). The rule change (SR-PSE-77-3) amends PSE Rule XIII to eliminate restrictions contained therein on the ability of PSE members to effect agency transactions in PSE listed securities over-the-counter with third market makers and non-member block positioners. (Rel. 34-13358)

MISCELLANEOUS

FORT WORTH STEEL & MACHINERY COMPANY

A notice has been issued giving interested persons until April 4 to request a hearing on an application of Fort Worth Steel & Machinery Company, pursuant to Section 12(h) of the Securities Exchange Act of 1934 for an order exempting Applicant from filing an annual report on Form 10-K for the fiscal year ended December 31, 1976 and from the reporting requirements of Sections 13 and 15(d) of that Act. (Rel. 34-13366)

SECURITIES ACT REGISTRATIONS

(S-1) CRONUS INDUSTRIES, INC.

3000 Southland Center, Dallas, Tex. 75201 - 2,275,000 shares of common stock. Of these shares, up to 1,957,700 will be distributed by Tyler Corporation as a dividend to its stockholders at the rate of one share for each three shares of Tyler common stock, and an estimated 317,300 shares will be sold by Tyler, in exchange for cash or Tyler common stock, to key employees of the company at an estimated rate of \$3.34 per share. The company designs and fabricates heat transfer equipment for the electric power generating industry. (File 2-58256 - Feb. 22)

(S-6) NUVEEN TAX-EXEMPT BOND FUND, SERIES 97

209 South LaSalle St., Chicago, Ill. 60604 - \$10 million of units, to be offered for sale at net asset value. The Fund is one of a series of unit investment trusts created under a trust indenture between John Nuveen & Co. Inc. as sponsor and United States Trust Company of New York as trustee. It consists of a portfolio of interest-bearing obligations issued by or on behalf of states, counties, municipalities and territories of the United States and authorities and political subdivisions thereof, the interest on which is, in the opinion of bond counsel, exempt from all Federal income tax under existing law. (File 2-58364 - Mar. 8)

(S-7) EL PASO ELECTRIC COMPANY

215 N. Stanton St., El Paso, Tex. 79909 - 100,000 shares of dividend preferred stock and \$25 million of first mortgage bonds, due 2007, to be offered for sale at competitive bidding. The company is a public utility which produces, transmits, distributes and sells electric energy. (File 2-58366 - Mar. 9)

(S-7) GENERAL MOTORS ACCEPTANCE CORPORATION

767 Fifth Ave., New York, N.Y. 10022 - \$600 million of medium-term notes, due from 9 months to five years from date of issue, to be offered for sale through offices of the company. The company provides wholesale financing to, and acquires retail instalment obligations from, dealers in General Motors products. (File 2-58367 - Mar. 9)

(S-16) XEROX CORPORATION

Stamford, Conn. 06904 - 71,404 shares of common stock, to be offered for sale from time to time by certain selling shareholders at prices based upon fluctuating market prices. Xerox is in the information processing business. (File 2-58368 - Mar. 8)

(S-7) THE DETROIT EDISON COMPANY

2000 Second Ave., Detroit, Mich. 48226 - 4,000,000 shares of common stock, to be offered for sale through underwriters headed by Morgan Stanley & Co. Inc., 1251 Avenue of the Americas, New York, N.Y. 10020 and E. F. Hutton & Company Inc., One Battery Park Plaza, New York, N.Y. 10004. The company is a public electric utility. (File 2-58369 - Mar. 9)

(S-1) BROCK EXPLORATION CORPORATION 1977 OIL AND GAS DRILLING PROGRAM

150 Baronne St., New Orleans, La. 70112 - \$10 million of units of limited partnership interest in two Texas limited partnerships to be offered for sale at a minimum subscription of \$5,000 per unit by participating NASD dealers. Brock Exploration is the managing general partner. Brock Securities Corp., a wholly-owned subsidiary, is the dealer-manager. The partnerships will engage in exploratory and development drilling activities for oil and gas. (File 2-58370 - Mar. 9)

(S-1) GRAPHIC SCANNING CORP.

99 West Sheffield Ave., Englewood, N.J. 07621 - 440,000 units, each unit consisting of one share of common stock and one warrant to purchase a half share of common stock, to be offered for sale through underwriters represented by Faherty & Swartwood Inc., 70 Pine St., New York, N.Y. 10005, and Hoppin Watson Inc., One State St., New York, N.Y. 10004. The company and its subsidiaries provide a wide variety of information handling services. (File 2-58372 - Mar. 9)

REGISTRATIONS EFFECTIVE

March 8: Grantree Corp., 2-58213,

March 9: Commonwealth Edison Co., 2-58252; First International Bancshares Inc., 2-58172; Kansas Gas & Electric Co., 2-58181; Kubota Ltd., 2-58155; Meenan Oil Co., Inc., 2-58258; Minnesota Mining and Manufacturing Co., 2-58005; The Morris Plan Co., 2-55957; Old Stone Corp., 2-58038; Public Service Company of New Mexico, 2-58137; Saxon Oil Co., 2-57980; Spectral Dynamics Corporation of San Diego, 2-58253; Universal Leaf Tobacco Co., 2-58233.

March 10: BRK Petroleum Inc., 2-57990 (90 days); Caisse Nationale des Autoroutes, 2-58247; Central Pacific Minerals N.L., 2-58279; The Corporate Income Fund Thirteenth Intermediate Term Series, 2-58014; Dun & Bradstreet Companies, Inc., 2-58244; First International Bancshares Inc., 2-58222; Rank Organisation Ltd., 2-58282.

March 11: American Crystal Sugar Co., 2-58277; Beard Oil Co., 2-58298; Condec Corp., 2-58184; Southern Union Co., 2-58314; Zapata Corp., 2-58337.

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.

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 February 28 - March 7. 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>
* International Mining Corp.	Iowa Beef Processors, Inc. (Dakota City, Neb.) Common Stock - 503,150 shs.	2-25-77
* Trade Development Bank Holding S.A. (Luxembourg) Trade Development Holland Holding B.V. (Netherlands) Trade Development Europe Holding B.V. (Netherlands) Edmond J. Sofra (Switzerland) et al	Republic New York Corp. (New York City) Common Stock - 2,113,382 shs.	2-25-77
* Home State Financial Services, Inc. Standard Security Life Insurance Co. of New York First International Reinsurance Company	Bancroft Convertible Fund, Inc. (New York City) Common Stock - 113,201 shs.	2-25-77
Robert Bosch North America Inc. (Wholly-owned subsidiary of Robert Bosch GmbH (West Germany)	Borg-Warner Corp. (Chicago, Ill.) Common Stock - 2,000,000 shs. (Above shares were acquired pursuant to the Purchase Agreement.)	2-28-77
Donald F. Barrengos Diana K. Barrengos, Individually and as Trustees	Family Record Plan, Inc. (Los Angeles, Calif.) Common Stock - 69,838 shs.	2-28-77

ACQUISITION REPORTS CONT.

Bevin V. Cherot, Individually and as Trustee	Omni Spectra, Inc. (Merrimack, N.H.) Common Stock - 276,250 shs. (Above shares were acquired pursuant to an Exchange Agreement with American Microwave Industries, Inc. and Omni.)	2-28-77
Standard Security Life Insurance Co. of New York Chaparral Insurance Company (Wholly-owned subsidiary of Netter International Ltd.)	Associated Madison Companies, Inc. (New York City) Common Stock - 131,000 shs.	2-28-77
Guy Odom	U. S. Home Corporation (Clearwater, Fla.) Common Stock - 734,590 shs.	2-28-77
* United Insurance Company of America Trinity Universal Insurance Co. UIC Investments, Inc. Argonaut Insurance Co., et al	Eltra Corp. (New York City) Common Stock - 875,300 shs.	2-28-77
* Paul O. Koether	Hydrophilics International, Inc. (Far Hills, NJ) Common Stock - 55,051 shs. (Incorrectly stated in original Sch. 13D.)	2-28-77
Leonard Silverman	Levitt Industries, Inc. (Holbrook, Mass.) Common Stock - 102,300 shs.	3-1-77
Clift C. Lane Dorothy P. Lane	First S & L Shares, Inc. (Denver, Colo.) Common Stock - 14,700 shs.	3-1-77
Hermitite Corp. Employee Bonus Stock Ownership Trust	Hermitite Corp. (Avon, Mass.) Common Stock - 134,000 shs. (33.5%) (Above shares were acquired pursuant to the Tender Offer.)	3-1-77
* United Insurance Co. of America Trinity Universal Insurance Co.	TRW, Inc. (Cleveland, Ohio) Convertible Preferred Stock - 136,000 shs.	3-1-77
* Harry Weinberg	Drug Fair, Inc. (Alexandria, Va.) Common Stock - 109,670 shs.	3-2-77
* Sidney Warner	Monroe Group, Inc. (New York City) Common Stock - 325,115 shs.	3-2-77
American General Insurance Company	Nationwide Corporation of Ohio (Columbus, Ohio) Class A Common Stock - 336,500 shs.	3-3-77
Jimmie C. Thomas Theodore N. Thomas	Oklahoma Brick Corp. (Oklahoma City, Okla.) Common Stock - 88,628 shs.	3-3-77
Tom A. Thomas, Jr. Jimmie C. Thomas Tom A. Thomas, III Michael C. Thomas, et al	Oklahoma Brick Corp. (Oklahoma City, Okla.) Common Stock - 238,505 shs.	3-3-77
* Frank B. Whitbeck	American Foundation Life Insurance Co. (Little Rock, Ark.) Common Capital Stock - 187,509 shs. (22.06%)	3-3-77
W. R. Grace & Co.	Channel Companies, Inc. (Whippany, N.J.) Common Stock - 1,131,065.5 shs. (Above shares were acquired pursuant to the Merger of a wholly-owned subsidiary of Grace into Channel and Channel became a wholly-owned subsidiary of Grace.)	3-4-77
Edward Elliman Edwin Jay Gould John G. McDonough Lawrence P. McGauley	Douglas L. Elliman & Co., Inc. (New York City) Common Stock - 185,000 shs.	3-4-77

ACQUISITION REPORTS CONT.

Katharine Graham Donald E. Graham, Individually and as Trustees	Washington Post Co. (Washington, D.C.) Class B Common Stock - 96,518 shs. Class B Common Stock - 768,308 shs. on conversion of Class A Common Stock (Mrs. Graham has the right to vote 540,786 shares Class A Common Stock. Mr. Graham has the right to vote 970,240 shares of Class B Common Stock and 352,746 shares Class A Common Stock. Mrs. Graham and son have the right to vote an additional 174,960 shares as Co-Trustees of a Fund.)	3-4-77
Robert C. Reed	Chicago Milwaukee Corp. (Chicago, Ill.) Common Stock - 115,000 shs. (Included above are shares owned by his wife.)	3-4-77
American Securities Corp.	Apco Oil Corp. (Houston, Tex.) 5% Convertible Debentures - \$685,000	3-4-77
* Paul L. Snyder	Twin Fair, Inc. (Buffalo, N.Y.) Common Stock - 229,400 shs.	3-4-77
* Ronald M. Florance	Compac Corporation (Netcong, N.J.) Common Stock - 69,666 shs.	3-1-77
Goldman, Sachs & Co.	United Technologies Corp. (East Hartford, Conn.) 4 1/2% Convertible Debentures - \$6,798,000	3-7-77
James E. Lakin Thomas W. Gamel Ray Co. Bissell Douglas E. Walliser David W. Benbow	Timpte Industries, Inc. (Denver, Colo.) Common Stock - 285,719 shs.	3-7-77
Monumental Life Insurance Co. Volunteer State Life Insurance Co. American Mutual Life Insurance Co.	Kansas-Nebraska Natural Gas Co., Inc. (Hastings, Neb.) \$8.50 Preferred Stock - 17,500 shs. (Above shares were acquired pursuant to a Purchase Agreement.)	3-7-77
Cherry Green Property Corp.	Knickerbocker Village, Inc. (New York City) Common Stock - 93,201 shs. (63%) (Above shares were purchased from Fred F. French Investing Co., Inc.)	3-7-77
Howard Bros. Discount Stores, Inc.	Howard Discount Centers, Inc. (Texarkana, Tex.) Common Stock - 1,144,260 shs. (Above shares were acquired pursuant to an Agreement from certain selling shareholders.)	3-7-77
Henry L. Goldberg	Garsite Products, Inc. (Deer Park, L.I., N.Y.) Common Stock - 40,640 shs. (Included above are shares owned by his wife.)	3-7-77
Albert J. Simeri	Parkwood Homes, Inc. (Elkhart, Ind.) Common Stock - 63,333 shs.	3-7-77
John G. Nitsos	Parkwood Homes, Inc. (Elkhart, Ind.) Common Stock - 63,333 shs.	3-7-77
Anthony N. Prathaftakis	Parkwood Homes, Inc. (Elkhart, Ind.) Common Stock - 63,334 shs.	3-7-77
Honey Recreational Vehicles, Inc.	Parkwood Homes, Inc. (Elkhart, Ind.) Common Stock - 2,209,401 shs.	3-7-77
Cary M. Maguire	Staco, Inc. (Costa Mesa, Calif.) Common Stock - 509,199 shs. on exercise of an Option	3-7-77
S. H. Scheuer, Individually and as Trustee	Florida East Coast Railway Co. (St. Augustine, Fla.)	3-7-77

ACQUISITION REPORTS CONT.

	Common Stock - 76,200 shs. (Included above are shares owned by his wife.)	
I.C.H. Corp.	Modern American Life Insurance Co. (Springfield, Mo.)	3-7-77
	Common Stock - 124,000 shs. (64,000 of above shares were acquired pursuant to a Tender Offer.)	
CSC Capital Corp. (Wholly-owned subsidiary of Capital Southwest Corp.)	Tejas Gas Corp. (Corpus Christi, Tex.)	3-7-77
	Common Stock - 100,000 shs.	
* Diversified Retailing Co. Inc.	Berkshire Hathaway Inc. (New Bedford, Mass.)	3-7-77
	Common Stock - 166,248 shs.	
* H. A. Pope & Sons, Inc.	Forum Restaurants, Inc. (Kansas City, Mo.)	3-7-77
	Common Stock - 120,270 shs.	
* Mitchell Corporation of Owosso	MMA Company (Owosso, Mich.)	3-7-77
	Common Stock - 215,856 shs.	
* Center Plaza Associates	Realty Income Trust (Providence, R.I.)	3-7-77
	Common Stock - 124,220 shs. on conversion of Debentures	
* FSC, Inc. of Wisconsin De Wayne B. Reinhart Donald P. Zietlow	Farmers Store Co. (Eau Claire, Wisc.)	3-7-77
	Common Stock - 224,857 shs.	
* Berkshire Hathaway Inc.	Tenneco Offshore Co., Inc. (Houston, Tex.)	3-7-77
	Common Stock - 690,500 shs. on conversion of Debentures	
* Amended Acquisition Report		

The following have made offers to acquire stock of companies listed below pursuant to tender offers as reported to the Commission on Schedule 13D:

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Acme General Corp.	Burgess Vibrocrafters, Inc. (Grayslake, Ill.) Common Stock - All outstanding shares for cash at \$27.00 net per share (Acme presently owns 100 shares.)	3-3-77
Gulf & Western Industries, Inc.	Madison Square Garden Corporation (New York City) Common Stock - All outstanding shares for cash at \$10.00 net per share (G & W and subsidiaries presently own 1,877,124 shares of Common Stock (39.1%))	3-7-77

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.

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. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.