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September 19, 1977

RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

RULE 148 AND AMENDMENT TO FORM 8-K PROPOSED

The Commission announced that it is soliciting public comments on the proposed adoption of Rule 148 under the Securities Act of 1933. The proposed rule is intended to provide objective standards for the resale without registration under the Act of two types of securities that are directly related to bankruptcy proceedings: (1) securities issued by a debtor to creditors and others pursuant to a plan of bankruptcy; and (2) securities issued by someone other than the debtor which were held in the debtor's portfolio at the time the bankruptcy proceedings were commenced. The standards for resale set forth in the proposed rule are concerned with three basic matters: 1) the amount of securities that can be sold during any six-month period; 2) the adequacy of information available to the public about the debtor and the bankruptcy proceedings in which it has participated; and 3) the manner in which the securities are sold to the public.

The provisions of the proposed rule are modeled to a large extent after Rule 144 under the Act, although there are several significant variances designed to reflect the exigencies of bankruptcy situations. Chief among these variances is the lack of a holding period requirement in Rule 148. Other variances include different volume limitations and current public information requirements and the lack of a notice requirement with respect to proposed sales under the rule.

In a related matter, the Commission also is proposing to amend Items 3 and 6 of Form 8-K to require information to be furnished about the debtor and the bankruptcy proceedings in which it has participated. Proposed Rule 148 specifies that such information must be available for debtors who are subject to the Form 8-K filing requirement before any offers or sales of their securities can be made in reliance upon the rule.

All interested persons are invited to submit their views and comments on the proposed rule and form amendments in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, N.W., Washington, D.C. 20549, by December 15, 1977. Reference should be made to File No. S7-717 and will be available for public inspection. (Rel. 33-5865)

COURT ENFORCEMENT ACTIONS

ROYAL AMERICAN CHINCHILLA, INC., OTHERS ENJOINED

The Denver Regional Office announced that the Honorable Earl E. O'Connor, U.S. District Judge for the District of Kansas, on September 9 signed a final judgment of permanent injunction against Royal American Chinchilla, Inc., Universal Acceptance, Inc., Universal Advertising Associates and Donald W. Bishop, all of Kansas City, Kansas, enjoining these defendants, in substance, from violating the registration and antifraud provisions of the securities laws in the offer and sale of securities issued or offered by Royal American Chinchilla, Inc. or any other security of any issuer. The defendants consented to the entry of the final order of permanent injunction without admitting or denying the allegations of the complaint filed against them on July 5, 1977. The action is still pending against Kenneth R. Larsen. (SEC v. Royal American Chinchilla, Inc., et al., U.S.D.C., D. Kansas, Civil Action No. 77-2176). (LR-8117)

HARRY S. SAMUELS ENJOINED

The SEC announced that on September 7 the Honorable Richard Owen, U.S. District Judge, signed a final judgment of permanent injunction against Harry S. Samuels, the sole remaining defendant in this action. Samuels consented to the injunction, which enjoins him from further violations of the antifraud provisions of the securities laws by purchasing or selling or recommending the purchase or sale of any security while in

possession of material, non-public information, without admitting or denying the allegations in the Commission's complaint. In addition to the injunction, the judgment provides that Samuels shall distribute the sum of \$20,000 (over a four year period) representing a portion of the proceeds received by him in the disposition of his stock in St. Johnsbury Trucking Co. (STJ) pursuant to a plan acceptable to the Commission. (SEC v. Milton Zabarsky, et al., U.S.D.C. S.D.N.Y., 76 Civ. 2457 RO). (LR-8118)

INVESTMENT COMPANY ACT RELEASES

SCYTHIAN FUND

A notice has been issued giving interested persons until October 11 to request a hearing on an application of Scythian Fund, Inc., for an order declaring that it has ceased to be an investment company. (Rel. IC-9933 - Sept. 16)

PUTNAM OPTION INCOME TRUST

An order has been issued pursuant to Section 6(c) of the Act declaring that Avery Rockefeller, Jr., Donald J. Hurley and Hans H. Estin are not interested persons, as defined by Section 2(a)(19) of the Act, of Putnam Option Income Trust, The Putnam Management Co., Inc., or Putnam Fund Distributors, Inc. (Rel. IC-9934 - Sept. 15)

INVESTORS SYNDICATE OF AMERICA

An order has been issued on an application of Investors Syndicate of America, Inc. (Applicant), a face-amount certificate company registered under the Investment Company Act of 1940, pursuant to Section 28(c) of the Act, approving an amendment of the general depository agreement between Applicant and the Marquette National Bank of Minneapolis so as to require annual rather than semi-annual certification of financial statements of Applicant by an independent public accountant. (Rel. IC-9935 - Sept. 16)

HOLDING COMPANY ACT RELEASES

SOUTHWESTERN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until October 11 to request a hearing on a proposal of Southwestern Electric Power Company, subsidiary of Central and South West Corporation, to purchase 242 coal hopper rail cars. (Rel. 35-20176 - Sept. 16)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Philadelphia Stock Exchange, Inc. The rule change (SR-PHLX-77-7) would require that options be restricted on that exchange only when such options are required to be restricted on all exchanges which list such options. (Rel. 34-13958)

The Commission has approved a proposed rule change filed by The Depository Trust Company (DTC) pursuant to Rule 19b-4 (SR-DTC-77-5) to enable DTC participants to exercise conversion options on qualifying convertible debt securities and preferred stocks without withdrawing the securities from DTC. (Rel. 34-13963)

MISCELLANEOUS

PEPPER, HAMILTON & SCHEETZ

An order has been issued granting the application of Pepper, Hamilton & Scheetz for an exemption from the registration requirements of the Securities Act of 1933 for interests or participations in the H. R. 10 Profit Sharing Plan of Pepper, Hamilton & Scheetz. (Rel. 33-5866)



OFFICE OF
PUBLIC AFFAIRS

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Dear News Digest Reader:

We here at the Commission look upon the SEC News Digest as one of our most significant means of communicating with people throughout the country who are interested in following the Commission's activities. We hope that you, as a regular reader, agree that it serves an important purpose,

So far as we know, the News Digest is a unique publication among government agencies. Although we are proud of it, we recognize that there undoubtedly are ways in which it can be improved in order to better meet the needs of our readers. However, only you can tell us what those ways are.

Please take a few minutes to complete and return this Readership Survey. I think you will find that the questions are straightforward, and can be answered quickly. The survey is designed as a self-mailer with the Commission's mailing frank incorporated into it. All you need do is fill it out, fold twice, staple and mail.

Thank you for your cooperation.

Sincerely,

Andrew L. Rothman
Director
Public Affairs

SEC NEWS DIGEST
READERSHIP SURVEY

(1) How useful do you find the News Digest?

- _____ Very
_____ Somewhat
_____ Not very

(2) Please describe the value of the following items which are now included in the News Digest by rating them (1) Very useful; (2) Used occasionally; or (3) Not useful.

- _____ Rules and Related Matters
_____ Decisions in Administrative Proceedings
_____ Orders for Public Proceedings
_____ Notice of Commission Meetings
_____ Commission Announcements
_____ Trading Suspensions
_____ Court Enforcement Actions
_____ Investment Company Act Releases
_____ Holding Company Act Releases
_____ Trust Indenture Act Releases
_____ Self-Regulatory Organizations
_____ Listings, Delistings and Unlisted Trading Actions
_____ Securities Act Registrations
_____ Recent 8K Filings
_____ Acquisitions of Securities
_____ Significant No-Action and Interpretive Letters

(3) How often do you use the Section on Securities Act Registrations?

- _____ Daily
_____ Several times a week
_____ Several times a month
_____ Not at all

Does the information currently provided meet your needs in connection with that subject?

- _____ Yes
_____ No

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) SOLAR INDUSTRIES, INC., Suite 210, Denver West Office Park, Golden, Colo. 80401 - 1,000,000 units. Underwriter: First Financial Securities, Inc. (File 2-59845 - Sept. 8)
- (S-1) GROLIER INC., Sherman Turnpike, Danbury, Conn. 06816 (203) 792-1200 - \$32,758,800 of 13% sinking fund debentures, due 2002. (File 2-59889 - Sept. 16)
- (S-6) INSURED MUNICIPALS - INCOME TRUST, SERIES 18, 208 South LaSalle St., Chicago, Ill. 60604 - 5,500 units. Depositor: Van Kampen Sauerma Inc. (File 2-59890 - Sept. 16)
- (S-8) COMBINED COMMUNICATIONS CORPORATION, 411 North Central Avenue, Phoenix, Ariz. 85004 - 250,000 shares of common stock. (File 2-59891 - Sept. 16)
- (S-1) WYLY CORPORATION, 8303 Elmbrook Dr., P.O. Box. 6228, Dallas, Tex. 75222 - 3,818,725 shares of common stock. Underwriter: Allen & Company, Inc. (File 2-59892 - Sept. 16)
- (S-8) BALDOR ELECTRIC COMPANY, 5711 South 7th St., Fort Smith, Ark. 72902 - 164,800 shares of common stock. (File 2-59893 - Sept. 16)
- (S-5) GATEWAY OPTION INCOME FUND, INC., 330 Dixie Terminal Bldg., Cincinnati, Ohio 45202 - 3,000,000 shares of capital stock. (File 2-59895 - Sept. 16)
- (S-8) UNITED NUCLEAR CORPORATION, 7700 Leesburg Pike, Falls Church, Va. 22043 - 200,000 shares of common stock. (File 2-59897 - Sept. 16)

REGISTRATIONS EFFECTIVE

Sept. 15: Empire State Tax Exempt Bond Trust, Series 2, 2-59476; Minnesota Power & Light Co., 2-59690.

Sept. 16: Baltimore Gas & Electric Co., 2-59772; Merrill Lynch Municipal Bond Fund Inc., 2-57354; National Film Investors, Ltd. 1977, 2-57570 (90 days); Niagara Mohawk Power Corp., 2-59655.

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.

RECENT 8K FILINGS

Form 8-K is used by companies to file current reports on the following events: ^{*/}

- Item 1. Changes in Control of Registrant.
- Item 2. Acquisition or Disposition of Assets.
- Item 3. Bankruptcy or Receivership.
- Item 4. Changes in Registrant's Certifying Accountant.
- Item 5. Other Materially Important Events.
- Item 6. Financial Statements and Exhibits.

The companies listed below have filed 8-K reports for the date indicated and/or amendments to 8-K reports previously filed, responding to the item(s) of the form specified. Copies of the reports may be purchased from the Commission's Public Reference Section (in ordering, please give the date of the report). An invoice will be included with the requested material when mailed.

COMPANY	ITEM NO.	DATE
ANZA SHAREHOLDERS LIQUIDATING TRUST	2	08/15/77
ATLANTIC APPLIANCE CO INC	2	08/22/77

RECENT 8K FILINGS CONT.

BENRUS CORP	5,6	08/22/77
CAROLINA CARIBBEAN CORP	2,3,6,8,14	06/77 *
DEJUR AMSCO CORP	5,6	08/18/77
GLADDING CORP	5,6	08/15/77
HAMPSHIRE DESIGNERS INC	2	07/29/77
HANDY DAN HOME IMPROVEMENT CENTERS INC	5	08/22/77
JLG INDUSTRIES INC	5,6	07/28/77
MARK FOUR HOMES INC	5	08/10/77
PACIFIC FAR EAST LINE INC	13	08/26/77 *
REDMAN INDUSTRIES INC	2,6	08/15/77
UNIVERSAL DRILLING CO INC	13,14	08/77 *
AMERICAN EQUITY INVESTMENT TRUST	2,14	08/01/77 *
BURNUP & SIMS INC	5,6	08/31/77
F&M NATIONAL CORP	5	08/01/77
FARADAY LABORATORIES INC	2,5,6	08/17/77
FIRST NATIONAL BANCORPORATION INC	5	08/24/77
GATX CORP	6	09/01/77
HAVATAMPA CORP	2	07/29/77
HEALTHGARDE CORP	5	08/24/77
HYDRO NUCLEAR CORP	5,6	06/07/77
MASS MERCHANDISERS INC	1,4,6	08/19/77
MAYFAIR SUPER MARKETS INC	2	08/10/77
PHILLIPS SCREW CO	5	08/31/77
REDLAW ENTERPRISES INC	4,6	08/15/77
SENECA OIL CO	3,14	06/01/77 *
SYMETRICS INDUSTRIES INC	2,7	07/77
WHITLOCK CORP	2,6	08/16/77
AMENDMENTS TO REPORTS ON FORM 8-K		
NORTH LILY MINING CO	6	08/17/77
OMEGA ALPHA INC	5,14	05/01/77 *
PRINCE CONSOLIDATED MINING CO	6	08/17/77
SMITHKLINE CORP	13	05/76 *
SOVEREIGN INDUSTRIES INC	5	06/77

/ The Form 8-K was amended (Rel. 34-13156, January 13, 1977) effective for all events which occur subsequent to February 28, 1977. Those companies above which are noted with an asterisk () have filed pursuant to the old Form 8-K; the captions of the item numbers under which such reports are filed are as follows:

- | | |
|---|---|
| Item 1. Changes in Control of Registrant | Item 9. Options to Purchase Securities |
| Item 2. Acquisition or Disposition of Assets | Item 10. Extraordinary items, other material charges and credits and capital restatements |
| Item 3. Legal Proceedings | Item 11. Submission of Matters to a Vote of Security Holders |
| Item 4. Changes in Securities | Item 12. Changes in Registrant's Certifying Accountant |
| Item 5. Changes in Security for Registered Securities | Item 13. Other Materially Important Events |
| Item 6. Defaults upon Senior Securities | Item 14. Financial Statements and Exhibits |
| Item 7. Increase in Amount of Securities Outstanding | |
| Item 8. Decrease in Amount of Securities Outstanding | |

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

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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.