

# sec news digest

Issue 77-196

October 11, 1977

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## RULES AND RELATED MATTERS

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### WITHDRAWAL OF ADVANCE NOTICE OF PROPOSED RULEMAKING

The Commission announced that it no longer is considering the formulation of rules to provide a permanent exemption for lessor, switching and terminal company railroads from the financial statement requirements of the Commission's periodic reporting forms under the Securities Exchange Act of 1934. It appeared to the Commission that exemptions from the reporting requirements are best considered in the context of applications filed under Section 12(h) of the Exchange Act, rather than through the adoption of a rule of general application. (Rel. 34-14032)

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## COURT ENFORCEMENT ACTIONS

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### COMPLAINT NAMES CITIZENS LOAN & SAVINGS COMPANY AND RICHARD H. SNOOKS

The Chicago Regional and St. Louis Branch Offices announced the filing on August 12 of an injunctive complaint against Richard H. Snooks of St. Joseph, Missouri. On September 19 the complaint was amended to name as an additional defendant Citizens Loan & Savings Company of St. Joseph, Missouri, a company of which Snooks was president. The complaint alleged that Citizens and Snooks had violated the registration and antifraud provisions of the securities laws in the offer and sale of passbook savings accounts and certificates of deposit issued by Citizens, a loan and investment company. On September 16 Citizens was adjudicated a bankrupt. (SEC v. Richard H. Snooks, W.D. Mo., Civil Action No. 77-6051-CV-SJ). (LR-8143)

### DENIAL FOR PERMANENT INJUNCTION AGAINST TRUSTEES LOAN AND DISCOUNT CO. AND FRANK CATERINICCHIA

The Atlanta Regional Office announced that on September 15 a federal court in Montgomery, Alabama issued an order denying the Commission's request for permanent injunction against Trustees Loan and Discount Co. and Frank Caterinicchia of Birmingham, Alabama, while finding that violations of the antifraud provisions of the securities laws had occurred over a substantial period of time. Trustees Loan and Discount Co. is presently the subject of an arrangement under Chapter XI of the Bankruptcy Act. (SEC v. Trustees Loan and Discount Co. and Frank Caterinicchia, N.D. Ala., C-77-34N). (LR-8144)

### GAMBLE-SKOGMO, INC. CHARGED AND ENJOINED

The Chicago Regional Office announced that on September 14 a complaint was filed in the U.S. District Court for the Northern District of Illinois seeking injunctive relief against Gamble-Skogmo, Inc. (GS), a Delaware corporation primarily engaged in retail operations; Herbert B. Nelson, former president of Gamble Import Corporation (GIC), a subsidiary of GS, and Samuel Luftig, former senior vice president of GIC. The complaint alleges that GS violated the reporting and proxy provisions of the securities laws. The complaint further alleges that Nelson and Luftig aided and abetted the reporting and proxy violations, and also alleges that they violated the antifraud provisions.

On September 15 Federal District Judge Frank J. McGarr entered an order of permanent injunction by consent against GS, enjoining it from further violations of the reporting and proxy provisions of the securities laws. The company consented to the entry of the order without admitting or denying the allegations of the complaint filed against it. The action is still pending against Nelson and Luftig. (SEC v. Gamble-Skogmo, Inc., et al., N.D. Ill., Civil Action No. 77-C-3426). (LR-8146)

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## HOLDING COMPANY ACT RELEASES

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### CENTRAL POWER AND LIGHT COMPANY

An order has been issued approving a proposal by Central Power and Light Company, subsidiary of Central and South West Corporation, to enter into an agreement with a state authority for construction of pollution control equipment financed by the sale of revenue bonds. (Rel. 35-20200 - Oct. 6)

### SYSTEM FUELS

A notice has been issued giving interested persons until October 31 to request a hearing on a proposal of System Fuels, Inc. (SFI), subsidiary of Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company, and New Orleans Public Service, Inc. (collectively the Operating Companies), all subsidiaries of Middle South Utilities, Inc., regarding financing requirements related to the purchase of fuel oil by SFI for use by the Operating Companies. (Rel. 35-20201 - Oct. 6)

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## SELF-REGULATORY ORGANIZATIONS

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### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by The Options Clearing Corporation (OCC) (SR-OCC-77-11) to permit clearing members to deposit government securities as margin in approved depositories. (Rel. 34-14033)

The Commission has also approved a proposed rule change filed by OCC (SR-OCC-77-5) to improve OCC's procedures for dealing with a clearing member's pending purchase transactions when the clearing member fails to make timely payment of the applicable premiums. (Rel. 34-14034)

The Commission has approved a third proposed rule change filed by OCC (SR-OCC-77-4) to modify its procedures relating to insolvent and suspended clearing members. (Rel. 34-14035)

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## MISCELLANEOUS

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### MPB CORPORATION

A notice has been issued giving interested persons until October 31 to request a hearing on an application by MPB Corporation (Applicant) pursuant to Section 12(h) of the Securities Exchange Act of 1934 for an order exempting Applicant, an indirect wholly-owned subsidiary of Wheelabrator-Frye, Inc., from the reporting requirements imposed by Sections 13 and 15(d) of the Act. (Rel. 34-14036)

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## SECURITIES ACT REGISTRATIONS

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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) THE GAP STORES, INC., 875 Mahler Rd., Burlingame, Cal. 94010 - 392,396 shares of common stock. (File 2-60029 - Oct. 7)
- (S-7) NORTHERN INDIANA PUBLIC SERVICE COMPANY, 5265 Hohman Ave., Hammond, Ind. 46320 (219) 853-5200 - 2,000,000 shares of common stock. Underwriters: Dean Witter & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (File 2-60030 - Oct. 7) and \$25 million of first mortgage bonds, Series AA. Underwriters: same as above. (File 2-60031 - Oct. 7)
- (S-8) TIME, INC., Time & Life Bldg., Rockefeller Center, New York, N.Y. 10020 - \$18 million of interests and 900,000 shares of common stock. (File 2-60032 - Oct. 7)

- (S-6) THE DEAN WITTER TAX-EXEMPT TRUST, THIRTY-SECOND SERIES, 45 Montgomery St., San Francisco, Cal. 94106 - 12,000 units. Depositor: Dean Witter & Co. Inc. (File 2-60033 - Oct. 7)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, SEVENTH NEW YORK SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006, Bache Halsey Stuart Shields Inc. and Reynolds Securities Inc. (File 2-60034 - Oct. 7)
- (S-6) THE CORPORATE INCOME FUND, ELEVENTH PREFERRED STOCK SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10006 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10006, Bache Halsey Stuart Shields Inc. and Reynolds Securities Inc. (File 2-60035 - Oct. 7)

#### REGISTRATIONS EFFECTIVE

Oct. 3: Advent Corp., 2-59686; Kaufman and Broad Inc., 2-59105 & 2-59106; Long Island Lighting Co., 2-59858; Mutz Corp., 2-59861; National Semiconductor Corp., 2-59851; Sycor, Inc., 2-59768.

Oct. 4: American Hospital Supply Corp., 2-59730; Falcon Products Inc., 2-59818 & 2-59820; Federal Mogul Corp., 2-59930; Gracer Energy 1977 Drilling Program, Ltd., 2-59109 (90 days); Hawaiian Electric Co. Inc., 2-59835; Highway Equipment Co., 2-59712 (90 days); La Quinta Motor Inns Inc., 2-59872; Reliable Investors Corp., 2-59750; Rockaway Corp., 2-59884 (90 days); Teradyne, Inc., 2-59964; Wang Laboratories, Inc., 2-59860.

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: <sup>\*/</sup>

- 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
ALPHA AIRLINES INC	2,6	09/15/77
BANKERS MORTGAGE CORP	2,6	04/01/77
CIP CORP	14	08/01/77 *
COLONIAL GAS ENERGY SYSTEM	5	09/77
DRAGON CONSOLIDATED MINING CO	4	09/14/77
DWG CORP	5,6	09/20/77
EXXON CORP	5	09/27/77
FREMONT BANCCORPORATION	4	09/15/77
FUQUA INDUSTRIES INC	5	09/17/77
GEARHART OWEN INDUSTRIES INC	5	09/20/77
HATHAWAY INSTRUMENTS INC	2,6	06/28/77
HATHAWAY INSTRUMENTS INC	2,6	08/10/77
IDS MCCULLCCH 1974 OIL EXPLORATION DEVEL	5	09/26/77
ILIKCN CCRP	2,5,6	09/13/77
JAMES RIVER CORP OF VIRGINIA	2,6	09/19/77
JETCC INC	1,7,12	08/01/77 *
KIRSHNER ENTERTAINMENT CORP	2,6	09/09/77
MACRODYNE INDUSTRIES INC	5	08/01/77
OLIPHANT JAMES H & CO INC	5,6	09/16/77
ORCHARD MACHINERY CORP	5	09/01/77

RECENT 8K FILINGS CONT.

RODAC CORP	2,6	09/15/77
ROHR INDUSTRIES INC	2	09/01/77
ROYALPAR INDUSTRIES INC	5	09/20/77
RUST CRAFT GREETING CARDS INC	1	09/15/77
TELEPROMPTER CORP	5,6	09/14/77
VERTIPILE INC	2,13	09/01/77 *
WEST BAY FINANCIAL CORP	2,5,6	09/01/77
YARDNEY ELECTRIC CORP	5	08/01/77
AMENDMENTS TO REPORTS ON FORM 8-K		
AMERICAN CONSUMER INDUSTRIES INC	2,6	11/76
COMMERCIAL TECHNOLOGY INC	5	08/01/77
ECONOMICS LABORATORY INC	5	04/01/77

\* / 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:

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

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.

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