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RULES AND RELATED MATTERS

U.S. SECURITIES AND EXCHANGE COMMISSION

SECURITIES CONFIRMATIONS -- PROPOSED AMENDMENTS TO RULE 10b-10

The Commission has published for comment proposed amendments to Securities Exchange Act Rule 10b-10 which prescribes confirmation delivery and disclosure requirements. The proposed amendments relate to, among other things, the disclosure of best bid and offer prices entered in the NASDAQ interdealer quotation system, remuneration received by broker-dealers in some principal transactions, and the use of quarterly statements for certain transactions in securities issued by various types of investment companies. Interested persons are invited to submit comments no later than August 10 to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549. All comments should refer to File No. S7-654. (Rel. 34-13661)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

NASD PROCEEDINGS ON THE MEMBERSHIP CONTINUANCE APPLICATION OF STEPHEN R. FLAKS REMANDED

The application of Stephen R. Flaks of Bronx, New York, for permission to become associated with a member of the National Association of Securities Dealers, Inc. has been remanded to the Association for reconsideration. The NASD had denied Flaks's application on the basis of a previous NASD bar order and of a previous Commission bar order. The Commission remanded because the NASD's denial of Flaks's application rested to some extent on a misapprehension as to the charges and the findings in the Association's prior disciplinary proceeding with respect to Mr. Flaks.

The Commission expressed no opinion as to the merits of the application. (Rel. 34-13638)

COURT ENFORCEMENT ACTIONS

MANAGEMENT CONSULTANTS, INC., SAM PAPPAS ENJOINED

The Chicago Regional Office announced that on June 10 a complaint was filed in the U.S. District Court for the Northern District of Ohio, Eastern Division, seeking to enjoin Management Consultants, Inc. (Management), a Delaware corporation, and Sam Pappas (Pappas), a resident of Ashtabula, Ohio, from further violations of the registration and antifraud provisions of the securities laws in the offer and sale of common stock in Management. Simultaneously with the filing of the complaint, Judge Thomas D. Lambros signed an order of permanent injunction against Management and Pappas who consented to the entry of the final judgment of permanent injunction without admitting or denying the allegations set forth in the Commission's complaint. (SEC v. Management Consultants, Inc., et al., S.D. Ohio, E. Div., C-77-116Y). (LR-7988)

POM CORP. ENJOINED

The Chicago Regional Office announced that on June 21 the Federal Court at Detroit, Michigan, entered a final judgment permanently enjoining POM Corporation, a Michigan corporation with offices in Detroit, from further violations of the registration, antifraud and reporting provisions of the securities laws. The company consented to the entry of the injunction without admitting or denying the allegations in the complaint. The complaint alleged that POM had violated the registration and antifraud provisions of the securities laws in the sale of POM common stock and fractional interests in oil and gas leaseholds. In addition, POM was charged with violations of the antifraud and reporting provisions of the Securities Exchange Act by, among other things, filing with the Commission a misleading registration statement which overstated the value of certain POM oil and gas properties by some \$1.6 million, and by filing certain quarterly reports which overstated POM's net income for the periods concerned. (SEC v. POM Corp., et al., E.D. Mich., S. Div., Civil Action No. 77-1307). (LR-7989)

**RICHARD P. KLEIN ENJOINED; INJUNCTION
DENIED AS TO EDWARD D. GILLETT**

The Fort Worth Regional and the Houston Branch Offices, announced the entry in Federal District Court at Houston, Texas, on June 6 of Findings of Fact and Conclusions of Law following a hearing on the Commission's motion for preliminary injunction as to Edward D. Gillett and Richard P. Klein, both of Houston. The Court found that both Gillett and Klein violated the antifraud provisions of the securities laws in the offer and sale of fractional undivided working interests in Cumberland County, Kentucky, oil and gas leases issued by Sincero Oil & Gas Company, Houston. The Court preliminary enjoined Klein from further violations of the registration and antifraud provisions of the securities laws and denied a preliminary injunction against Gillett. (SEC v. Sincero Oil & Gas Co., et al., S/D Tex., Civil Action No. 76-H-2601). (LR-7990)

**INJUNCTIVE ACTION COMMENCED AGAINST THE
I.E.S. MANAGEMENT GROUP, INC., OTHERS**

The New York Regional Office announced that on May 27 an injunctive action was commenced in the U.S. District Court for the District of New Jersey against: The I.E.S. Management Group, Inc. (I.E.S.), a registered broker-dealer located in Irvington, New Jersey; Investors Economic Systems, Inc. (Parent), the sole shareholder of I.E.S.; Peter J. Bonastia (Bonastia), the president of Parent; Thomas C. Gaffney (Gaffney), the president of I.E.S. and a vice-president of Parent; and Barry Simmer (Simmer), a vice-president of I.E.S. and Parent. The complaint alleges violations of the net capital, bookkeeping, and supplemental reporting provisions of the Securities Exchange Act of 1934 (Exchange Act), and seeks to enjoin I.E.S., Parent, Bonastia, Gaffney, and Simmer from further violations of the above provisions of the Exchange Act.

On May 31, U.S. District Judge Herbert J. Stern, in accordance with a Stipulation signed by the Commission, I.E.S. and Parent ordered that, between May 31 and June 9: (1) I.E.S. and Parent shall not disburse any assets, except those assets disbursed in the ordinary course of business; (2) I.E.S. shall not engage in any securities transactions; (3) I.E.S. and Parent shall make their books and records maintained in the ordinary course of business available to the Commission's staff; and (4) I.E.S. shall make all reasonable efforts to keep its books and records current and accurate.

On June 9, the date upon which a hearing was scheduled on the Commission's application for a temporary restraining order and appointment of a temporary receiver, I.E.S. and Parent filed a petition in Bankruptcy Court for protection under Chapter 11 of the bankruptcy laws and requested that the Bankruptcy Court appoint a receiver for I.E.S. and Parent. On June 9 John J. Francis, Esq., of the law firm of Shanley & Fisher, Newark, New Jersey, was appointed receiver.

The filing of the petition in bankruptcy stayed the Commission's action against I.E.S. and Parent. On June 10 a hearing was held before U.S. District Judge Vincent P. Biunno. Judge Biunno declined to issue a temporary restraining order against Bonastia, Gaffney and Simmer; however, a hearing was scheduled for July 8 on the Commission's application for a preliminary injunction against the three individual defendants. (SEC v. The I.E.S. Management Group, Inc., et al., Civil Action No. 77-1039, D.N.J. 1977). (LR-7991)

COMPLAINT NAMES GENERAL OIL, INC., OTHERS

The Chicago Regional Office announced that on June 15 the Commission filed a complaint in Federal District Court in Indianapolis (Southern District of Indiana) against General Oil, Inc., Robert S. Chappell, and Bennie L. Ritchison. The complaint seeks an injunction against General Oil, Chappell, and Ritchison from further violations of the antifraud provisions of the securities laws in the sale of fractional undivided interests in oil and gas leaseholds, investment contracts in Brazilian land, and preferred stock in an art company. The Commission's complaint also seeks an injunction against General Oil, Chappell and Ritchison from further violations of the registration provisions of the securities laws. On June 15 the Honorable William Noland entered a temporary restraining order, restraining the defendants from the charged violations of the registration and antifraud provisions of the securities laws, appointing a temporary receiver for the assets of General Oil, and placing a temporary freeze on certain personal assets of Chappell. The Court ordered that the defendants appear before the Court on July 13 and show cause why a preliminary injunction should not be granted. (SEC v. General Oil, Inc., et al., S.D. Ind., Civil Action No. 77-IP-359C). (LR-7992)

HOLDING COMPANY ACT RELEASES

LOUISIANA POWER & LIGHT COMPANY

An order has been issued releasing jurisdiction over the terms of the installment payments to be undertaken by Louisiana Power & Light Company, subsidiary of Middle South

Utilities, Inc., in connection with transactions related to the financing of pollution control facilities and industrial development facilities. (Rel. 35-20089 - June 24)

MIDDLE SOUTH UTILITIES

An order has been issued authorizing Middle South Utilities, Inc. (MSE), a registered holding company, its subsidiaries, and Middle South Energy, Inc. (MSE), the system generation subsidiary, to increase authorized borrowings by MSE under a bank loan agreement to \$565 million and to amend and assign rights under various agreements between the MSU system companies which relate to the financing by MSE of the Grand Gulf Project. (Rel. 35-20090 - June 24)

An order has also been issued authorizing MSE, subsidiary of MSU, to issue and sell \$400 million of its intermediate term mortgage bonds. MSE will use the proceeds to finance construction on the Grand Gulf Project. (Rel. 35-20091 - June 24)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF AMENDED PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed an amended proposed rule change under Rule 19b-4 (SR-MSRB-76-12) which would codify uniform industry practices for the processing, clearance, and settlement of inter-dealer transactions in municipal securities. Publication of the proposal is expected to be made in the Federal Register during the week of June 27. (Rel. 34-13671)

NOTICE OF PROPOSED RULE CHANGE

The Chicago Board Options Exchange, Inc. (CBOE) has filed a proposed rule change under Rule 19b-4 (SR-CBOE-77-14) to permit the trading of equity securities on the floor of the CBOE. Publication of the proposal is expected to be made in the Federal Register during the week of June 27. (Rel. 34-13672)

The New York Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-NYSE-77-17) which provides the plan for the trading of standardized call options on the Exchange. Publication of the proposal is expected to be made in the Federal Register during the week of June 27. (Rel. 34-13674)

The Options Clearing Corporation (OCC) has filed a proposed rule change under Rule 19b-4 (SR-OCC-77-7) to implement a third-party pledge system for the deposit of underlying securities by writers of call options. In addition, the proposed rule change would establish a procedure for the allocation of a suspended clearing member's pending exercise assignments to covered short positions in the clearing member's accounts in cases where OCC is unable to determine the manner in which the assignments were allocated by the clearing member. Publication of the proposal is expected to be made in the Federal Register during the week of June 27. (Rel. 34-13680)

The OCC has also filed proposed rule changes under Rule 19b-4 (SR-OCC-77-8) to permit registered national securities associations to qualify as Participating Exchanges and to permit OCC's Participating Exchanges to select securities traded primarily in the over-the-counter (OTC) market, which have been designated as "OTC Margin Stocks," as underlying securities for options issued by OCC. Publication of the proposal is expected to be made in the Federal Register during the week of June 27. (Rel. 34-13683)

NOTICE OF EFFECTIVENESS OF A RULE CHANGE

A rule change filed by The Options Clearing Corporation (OCC) pursuant to Rule 19b-4 (SR-OCC-77-9) has become effective in accordance with Section 19(b)(3) of the Securities Exchange Act of 1934. The rule change amends OCC's clearing fee schedule by reducing the fee for transactions executed at prices of \$1.00 or more. Publication of the proposal is expected to be made in the Federal Register during the week of June 27. (Rel. 34-13684)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Chicago Board Options Exchange, Inc. (CBOE). The rule change (SR-CBOE-77-6) provides for the award of Board Broker appointments on the basis of competitive bidding, compensation of Board Brokers by the CBOE, and imposition of exchange fees upon members who utilize the services of Board Brokers. (Rel. 34-13673)

MISCELLANEOUS

SALOMON BROTHERS PROFIT SHARING PLAN

A notice has been issued giving interested persons until July 25 to request a hearing on an application of Salomon Brothers, for an order pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting interests in Salomon Brothers' profit sharing plan from the registration requirement of that Act. (Rel. 33-5839)

SECURITIES ACT REGISTRATIONS

(S-7) BAKER INTERNATIONAL CORPORATION

500 City Parkway West, Orange, Cal. 92668 - \$25 million of notes, due 1987, to be offered for sale by the company through underwriters led by Blyth Eastman Dillon & Co. Incorporated and Goldman, Sachs & Co. The company serves the petroleum and mining industries by manufacturing and marketing a wide range of products and services utilized in the extraction, recovery and processing of oil, gas and other minerals. (File 2-59350 - June 24)

(S-16) DATA CARD CORPORATION

7625 Parklawn Ave., Edina, Minn. 55435 - 40,000 shares of common stock, to be offered for sale by certain selling shareholders through Piper, Jaffray & Hopwood Inc. The company is engaged primarily in the design and manufacture of equipment used to emboss and encode credit, identification and other plastic cards. (File 2-59351 - June 24)

(S-7) THE DEXTER CORPORATION

One Elm St., Windsor Locks, Conn. 06096 - 450,000 shares of common stock, to be offered for selling shareholders through underwriters represented by Goldman, Sachs & Co., 55 Broad St., New York, N.Y. 10004. The Dexter Corporation formulates, manufactures, and markets specialty chemical materials, speciality fiber materials, and life science and pharmaceutical products. (File 2-59352 - June 24)

(S-7) WORLD AIRWAYS, INC.

Oakland International Airport, Oakland, Cal. 94614 - \$65 million of secured equipment certificates, due 1993, to be offered for sale through underwriters headed by White, Weld & Co. Inc., One Liberty Plaza, 91 Liberty St., New York, N.Y. 10006. The company is engaged principally in supplemental air transportation. (File 2-59356 - June 24)

STOCK PLANS FILED

The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Damson Oil Corp., New York, N.Y. (File 2-59301 - June 20) - 150,000 shares
Data Terminal Systems, Inc., Maynard, Mass. (File 2-59302 - June 20) - 50,000 shares
Cook United, Inc., Maple Heights, Ohio (File 2-59303 - June 20) - 644,218 shares
Sheller-Globe Corp., Toledo, Ohio (File 2-59304 - June 20) - 375,000 shares
Technicon Corp., Tarrytown, N.Y. (File 2-59310 - June 20) - 250,000 shares
American Medical Buildings, Inc., Milwaukee, Wis. (File 2-59312 - June 14) - 20,000 shares
Waters Associates, Inc., Milford, Mass. (File 2-59315 - June 20) - 135,000 shares

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.

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