

U.S. SECURITIES & EXCHANGE COMMISSION
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COURT ENFORCEMENT ACTIONS

MEXLETTER - MEXICAN BUSINESS AND INVESTMENT SERVICE;
EUGENE C. LATHAM ENJOINED

The SEC announced that on July 8 the U.S. District Court for the District of Columbia entered a judgment of permanent injunction against Mexletter-Mexican Business and Investment Service (Mexletter), a registered investment adviser with the Commission located in Mexico City, Mexico, and Eugene C. Latham, controlling shareholder and president of Mexletter, restraining and enjoining Mexletter and Latham from violations of the registration and antifraud provisions of the securities laws in the offer and sale of promissory notes, certificates of deposit, "financial bonds", "financial certificates" and other securities issues by certain Mexican investment banks (financieras). Mexletter and Latham consented to the entry of the judgment without admitting or denying the allegations in the Commission's complaint.

In a Consent and Undertaking filed with the Court, Mexletter and Latham acknowledged Mexletter's intent to withdraw as an investment adviser within 180 days. In addition to the entry of the judgment of permanent injunction against Mexletter and Latham, certain ancillary relief was undertaken and agreed to by Mexletter and Latham and ordered by the Court, including an undertaking to submit to the Commission, within 30 days, an acceptable plan for winding down Mexletter's business within 180 days; an agreement that Mexletter and Latham would not act as investment advisers or associated persons of investment advisers, except to wind down Mexletter's business; an agreement to submit to the Commission copies of all communications with customers and to retain counsel to determine compliance with the securities laws; an agreement that any future registration of Mexletter and Latham as investment advisers or associated persons of investment advisers would be subject to the prior approval of the Commission; an undertaking to keep required books and records, subject to the provisions of the plan for winding down Mexletter's business; an undertaking not to use the name "investment counsel" except where permitted under the Investment Advisers Act of 1940; and an agreement that, subject to Mexletter's winding down plan, Mexletter and Latham will not act as brokers or dealers without registering with the Commission. (SEC v. Mexletter - Mexican Business and Investment Service, et al., 76-1660 (D.D.C.)). (LR-8021)

RICHARD W. ARNESON, JR., OTHERS ENJOINED

The Commission announced that on June 30 an order of final judgment of permanent injunction was entered by U.S. District Court Judge Howard Turrentine against Richard W. Arneson, Jr., Dennis P. Hill, and A-H Properties, enjoining them from violating the antifraud provisions of the Exchange Act and from serving as an officer, director or control person of any public company for two years, and ordering them to comply with an agreement entered in the Bankruptcy Court involving, among other things, the return of monies and properties to USF. These defendants, who were charged with participating in a scheme to falsely inflate the earnings of U.S. Financial, Inc., in violation of the antifraud provisions of the securities laws, consented to the entry of the order without admitting or denying the allegations in the Commission's complaint. (SEC v. U.S. Financial, Inc., et al., S.D. Cal., Civil Action No. 74-92-T). (LR-8022)

REMAINING GENERAL REFRACTORIES DEFENDANTS ENJOINED

The Commission announced that on June 17 the U.S. District Court for the District of Columbia entered orders of permanent injunction against Hermann Mayer, Dan Mayer, Refrax Handels Anstalt, Magnesit Holding Company, A.G. and A.G. Fuer Magnesit Export (companies owned by Hermann Mayer) and Sanbil Handels Anstalt, enjoining them from violating the antifraud, reporting, proxy and stock ownership reporting provisions of the securities laws. The orders also direct the defendants to file a corrected report on Schedule 13D; enjoin them from acquiring additional General Refractories (GRX) securities for three years, from voting their GRX securities for three years, and from seeking or accepting representation on the GRX Board for three years, with certain exceptions; enjoin them from disposing of GRX shares for a period of 45 days; enjoin Sanbil from disposing of 10,000 GRX shares until it has filed the corrected report on Schedule 13D; and direct the defendants to notify the Commission of the identities of purchasers of their GRX stock in other than non-open market sales.

Such judgments were entered by consent, without the defendants admitting or denying the allegations, and pursuant to a Stipulation of Settlement ordered by the Court on September 1, 1976 which provided, among other things, that the judgments against the so-called "Mayer defendants" and Sanbil would be entered following an investigation to be conducted by an Independent Special Counsel, appointed pursuant to the judgment against GRX, into various matters described in the complaint and the judgment against GRX and following the Commission's notification that it does not object to the proposed settlement of certain private derivative actions pending in the Eastern District of Pennsylvania, which settlement is to be based upon a proposed business transaction between GRX and Hermann Mayer. The Commission has notified Mayer that it does not object to the proposed settlement of the private law suits. (SEC v. General Refractories Company, et al., Civil Action No. 75-0809 (D.C.D.C.)). (LR-8023)

SCOTCH WHISKEY BROKER INDICTED IN RHODE ISLAND

The Boston Regional Office announced the indictment of Maurice A. Lundy, a broker-dealer in securities with offices in Providence, Rhode Island, for violations of the registration and antifraud provisions of the securities laws and the mail fraud statute, as well as conspiracy to violate those laws in the offer and sale of scotch whiskey warehouse receipts to residents of Rhode Island, Massachusetts and other states throughout the U.S. Lundy, in 1972, was the subject of civil litigation brought by the SEC in Rhode Island, in which the federal court in that jurisdiction ruled that scotch whiskey warehouse receipts were securities and subject to the securities laws (SEC v. M. A. Lundy Associates, et al., 362 F.Supp. 226). The multi-count indictment also named David R. Allard, vice-president in charge of marketing of Scotch Whiskey, Ltd., a Lundy affiliate in Providence, Rhode Island, as a co-conspirator and defendant in the foregoing violations. Lundy was also named as a defendant in a second multi-count indictment returned by the same Grand Jury. This indictment alleges violations of the registration and antifraud provisions of the securities laws, the mail fraud statute, and conspiracy to violate those laws in the offer and sale of various notes and financial obligations by the Lundy brokerage firm, M. A. Lundy Associates and two affiliates of that firm, Financial Associates, Inc., of Providence, Rhode Island, (now in receivership) and Kayhill Corporation, also of Providence. Also named as a defendant and co-conspirator was Kathryn A. Allard, an officer of Financial Associates, Inc. and Kayhill. (U.S. v. Maurice A. Lundy, et al., D.C. Rhode Island, CR-7764 and CR-7765). (LR-8024)

HOLDING COMPANY ACT RELEASES

LOUISIANA POWER & LIGHT COMPANY

An order has been issued correcting its previous order of June 24 releasing jurisdiction over the installment payment obligations 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. The Commission's order misstated the principal amount of pollution control revenue bonds sold by Ouachita Parish. (Rel. 35-20106 - July 8)

APPALACHIAN POWER COMPANY

A notice has been issued giving interested persons until August 2 to request a hearing on a proposal of Appalachian Power Company and six other subsidiaries of American Electric Power Company, Inc., regarding acquisition of evidences of indebtedness from certain residential gas utility customers pursuant to a Residential Insulation Financing Program. (Rel. 35-20108 - July 8)

TRUST INDENTURE ACT RELEASES

ATLANTIC RICHFIELD COMPANY AND ARCO PIPE LINE COMPANY

An order has been issued under the Trust Indenture Act of 1939 on an application of Atlantic Richfield Company and ARCO Pipe Line Company that the trusteeships of Morgan Guaranty Trust Company of New York under three indentures qualified under the Act, and a new indenture not to be so qualified, are not so likely to involve a material conflict of interest as to make it necessary to disqualify Morgan Guaranty Trust Company of New York from acting as trustee. (Rel. TI-475)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board (MSRB) has filed a proposed rule change under Rule 19b-4 (SR-MSRB-77-5) amending certain provisions of the MSRB's Rules G-8 and G-9, in particular subparagraphs G-8(a)(xi)(G) relating to authorization to effect transactions for corporate and other accounts, G-8(a)(xi)(K) relating to authorization to pledge or loan securities and G-9(b)(viii)(e). Publication of the proposal is expected to be made in the Federal Register during the week of July 11. (Rel. 34-13732)

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGE

The Pacific Stock Exchange Inc. has filed a proposed rule change which has become effective under Rule 19b-4 (SR-PSE-77-19) to amend its fee schedule for member option transactions on the Exchange. Publication of the proposal is expected to be made in the Federal Register during the week of July 11. (Rel. 34-13731)

The Midwest Stock Exchange, Inc. (MSE) has filed a proposed rule change under Rule 19b-4 (SR-MSE-77-21) to include in the MSE rules a job description for co-specialists. Publication of the proposal is expected to be made in the Federal Register during the week of July 11. (Rel. 34-13733)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

The Midwest Stock Exchange (MSE) has filed an application for unlisted trading privileges in the common or capital stock of 912 companies, which companies are the issuers of all such securities listed on the New York Stock Exchange that are currently not listed or admitted to unlisted trading privileges on the Midwest Stock Exchange; submissions or requests for hearing should be submitted on or before July 27. (Rel. 34-13739)

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-16) DIAMOND SHAMROCK CORP., 1100 Superior Ave., Cleveland, Ohio 44114 (216-694-5000) - 15,311 shares of common stock (File 2-59459 - July 8)
- (S-6) NUVEEN TAX-EXEMPT BOND FUND - MEDIUM SERIES 7, 209 South LaSalle St., Chicago, Ill. 60604 - 100,000 units. Depositor - John Nuveen & Co. Inc. (File 2-59461 - July 8)
- (S-8) HOUSTON NATURAL GAS CORP., 1200 Travis St., Houston, Tex. 77002 - 177,524 shares of common stock (File 2-59463 - July 11)
- (S-8) COMSHARE, INC., 3001 South State St., Ann Arbor, Mich. 48106 - 59,618 shares of common stock (File 2-59464 - July 11)
- (S-7) ILLINOIS POWER CO., 500 South 27th St., Decatur, Ill. 62525 (217-424-6600) - 1,000,000 shares of cumulative preferred stock (File 2-59465 - July 11)
- (S-1) JONES INTERCABLE, INC., 880 Continental National Bank Bldg., Englewood, Colo. 80110 - 12,000 preformation limited partnership interests (File 2-59460 - July 11)
- (S-8) THE VALERON CORP., 20800 Coolidge Highway, Oak Park, Mich. 48237 - 100,000 shares of common stock (File 2-59467 - July 11)
- (S-8) RCA CORP., 30 Rockefeller Plaza, New York, N.Y. 10020 - 750,000 shares of common stock (File 2-59468 - July 11)

- (S-6) THE MUNICIPAL BOND FUND, SERIES 41 - 12,000 units. Depositors - Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York, N.Y. 10005 and Hornblower, Weeks, Noyes & Trask Inc. (File 2-59469 - July 11)
- (S-1) NEFERTITI CO., 1501 Broadway, New York, N.Y. 10036 - 50 units of limited partnership interests (File 2-59470 - July 11)
- (S-8) IOWA ELECTRIC LIGHT AND POWER CO., ie: Tower, Cedar Rapids, Iowa 52401 - 30,000 shares of common stock (File 2-59471 - July 11)
- (S-7) IOWA ELECTRIC LIGHT AND POWER CO., ie: Tower, Cedar Rapids, Iowa 52401 - 300,000 shares of common stock (File 2-59472 - July 11)
- (S-16) MINNESOTA MINING AND MANUFACTURING CO., 3M Center, St. Paul, Minn. 55101 (612-733-1110) - 283,401 shares of common stock (File 2-59473 - July 11)

REGISTRATIONS EFFECTIVE

July 6: International Tobacco Wholesalers Alliance Limited USA, 2-58142
July 7: Advanced Micro Devices Inc., 2-59344; American Tax Exempt Bond Trust, Series 20, 2-59082; Burlington Northern Inc., 2-58997; Cavenham (USA) Inc., 2-59439; Dialysis Corp. of America, 2-56994; Ford Motor Credit Co., 2-59318; General Motors Acceptance Corp., 2-59329; International Dairy Queen Inc., 2-59103; Iowa Southern Utilities Co., 2-59185; Source Capital Inc., 2-58956; Suburban Propane Gas Corp., 2-58417; Thiokol Corp., 2-59069; Welltech Inc., 2-59134.
July 8: Central National Bancshares Inc., 2-58850; E F Hutton Corporate Income Fund, Tenth Series, 2-59175; I.M.S. International Inc., 2-59165; Ogilvy & Mather International Inc. 2-59288; United Guaranty Corp., 2-59354.

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 June 22 - 23, 1977. 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>
David A. Wolf Robert M. Blatt David A. Wolf Associates	First Fidelity Investment Trust (Kansas City, MO) Shares of Beneficial Interest - 46,565	6-22-77
Olof Muten	Aero Systems Engineering, Inc. (St. Paul, MN) Common Stock - 360,000 shs. (15%) (Above shares were acquired from Granges Nyby Aktiebolag (Sweden.)	6-22-77
Prudential Insurance Company of America	Intel Corp. (Santa Clara, CA) Common Stock - 533,000 shs.	6-22-77
* LIBCO Corp.	Telco Marketing Services Inc. (Chicago, IL) Common Stock - 464,782 shs. (5%)	6-22-77
* UIC Investments, Inc. United Insurance Company of America Trinity Universal Insurance Co. Argonaut Insurance Co., et al	Reichhold Chemicals, Inc. (White Plains, NY) Common Stock - 1,369,000 shs.	6-22-77
* Kapflor Corp. Metlyn Realty Corp. Jemkap, Inc. et al	Metrocare, Inc. (St. Petersburg, FL) Common Stock - 230,000 shs.	6-22-77

ACQUISITION REPORTS CONT.

* United Insurance Company of America Trinity Universal Insurance Co.	TRW Inc. (Cleveland, OH) \$4.40 Convertible Preferred Stock - 136,000 shs.	6-22-77
* United Insurance Company of America Trinity Universal Insurance Co. Argonaut Insurance Co. Argonaut-Midwest Insurance Co.	Rexnord Inc. (Milwaukee, WI) Common Stock - 464,800 shs.	6-22-77
* Trinity Universal Insurance Co.	Rexnord Inc. (Milwaukee, WI) \$2.36 Convertible Preferred Stock - 38,000 shs.	6-22-77
* United Insurance Company of America Trinity Universal Insurance Co. UIC Investments Inc. Argonaut Insurance Co., et al	Eltra Corp. (NYC) Common Stock - 906,800 shs.	6-22-77
* Trinity Universal Insurance Co. Argonaut Insurance Co. Argonaut-Midwest Insurance Co. Great Central Insurance Co.	Federal Paper Board Co., Inc. (Montvale, NJ) Common Stock - 412,700 shs.	6-22-77
* Carl R. Pohlad	MEI Corp. (Minneapolis, MN) Common Stock - 2,042,228 shs. (16,182 of above shares are owned by his wife and children.)	6-22-77
* United Insurance Company of America	H. J. Heinz Co. (Pittsburgh, PA) \$1.70 Preferred Stock - 118,000 shs.	6-22-77
* United Insurance Company of America Trinity Universal Insurance Co. UIC Investments, Inc. Argonaut Insurance Co.	GAF Corp. (NYC) Common Stock - 1,089,500 shs. Common Stock - 407,125 shs. on conversion of Preferred Stock	6-22-77
* Trinity Universal Insurance Co. UIC Investments, Inc. Argonaut Insurance Co. Great Central Insurance Co., et al	National Can Corp. (Chicago, IL) Common Stock - 1,226,900 shs. Common Stock - 55,800 shs. on conversion of Preferred Stock	6-22-77
* Trinity Universal Insurance Co. United Insurance Company of America	Walter Kidde & Co. Inc. (Clifton, NJ) \$4 Convertible Preference Stock - 92,700 shs.	6-22-77
* UIC Investments, Inc. United Insurance Company of America Argonaut Insurance Co. Trinity Universal Insurance Co.	Litton Industries, Inc. (Beverly Hills, CA) Common Stock - 7,614,927 shs. Common Stock - 70,868 shs. on conversion of Preferred Stock	6-22-77
* United Insurance Company of America Argonaut Insurance Co.	Gould, Inc. (Rolling Meadows, IL) \$1.35 Convertible Preferred Stock - 177,900 shs.	6-22-77
* Trinity Universal Insurance Co. United Insurance Company of America Great Central Insurance Co.	GAF Corp. (NYC) \$1.20 Convertible Preferred Stock - 375,700 shs.	6-22-77

ACQUISITION REPORTS CONT.

<p>* UIC Investments Inc. United Insurance Company of America Trinity Universal Insurance Co. Teledyne, Inc., et al</p>	<p>Walter Kidde & Co. Inc. (Clifton, NJ) Common Stock - 1,603,900 shs. Common Stock - 119,400 shs. on conversion of Preference Stock</p>	<p>6-22-77</p>
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* Amended Acquisitions

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>
Napco Industries Inc.	Mass Merchandisers, Inc. (Harrison, AR) Common Stock - All outstanding shares for cash at \$10.00 net per share (Napco presently owns 689,200 shares.)	6-13-77
Cherry Green Property Corp.	Knickerbocker Village, Inc. (NYC) Capital Stock - All outstanding shares for cash at \$2.15 net per share (Cherry Green presently owns 93,201 shares (64%))	6-15-77
Jason Empire Bravado, Inc. (Wholly-owned subsidiary of Carlson Companies, Inc.)	Jason/Empire, Inc. (Overland Park, KA) Common Stock - All outstanding shares for cash at \$9.00 net per share (Jason presently owns 567,831 shares.)	6-23-77

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
GEORGIA POWER CO	2,14	07/05/77 *
HUSKY OIL CO	5,6	06/01/77
IDS REALTY TRUST	5,6	07/01/77
INTERNATIONAL LEISURE HOSTS LTD (NEW)	13,14	04/01/77 *
IPCC HOSPITAL SUPPLY CORP	2,6	06/21/77
KAISER STEEL CORP	5	06/24/77
KNIGHT RIDDER NEWSPAPERS INC (FIA)	5	06/30/77
LITTLE MINT INC	11,13	06/77 *
LOUIS SHERRY INC	5	06/23/77
MARINERS FINANCIAL CORP	7	06/01/77
MASCO CORP	5	06/17/77
MEBCC INDUSTRIES INC	5	06/01/77
MENDON LEASING CORP	4,6	06/01/77
OLD HOME FOODS INC	1	05/01/77
ORCHARD MACHINERY CORP	5	06/01/77
OSHMANS SPORTING GOODS INC	5,6	06/24/77
PACIFIC GAS & ELECTRIC CO	5	06/01/77
PATRICK PETROLEUM CO 77 COMBINATION PROG	5	07/02/77

RECENT 8K FILINGS CONT.

PET BAZAAR INC	11	06/01/77 *
PIEDMONT NATURAL GAS CO INC	5	06/22/77
PINEHURST CORP	11	06/77 *
PIONEER INDUSTRIES INC	4,6	06/10/77
PRO FAC COOPERATIVE INC	5,6	06/23/77
ROAN CONSOLIDATED MINES LTD	NO ITEMS	06/20/77
ROGERS CORP	4	06/17/77
ROYALPAR INDUSTRIES INC	5	02/01/77
RSC INDUSTRIES INC	2,5	07/01/77
SHENANDOAH LIL CORP	5,6	06/21/77
SITKIN SMELTING & REFINING INC	5	06/03/77
STAGE INDUSTRIES INC	1	06/30/77
TELCO MARKETING SERVICES INC	5	06/22/77
TEXAS FIRST MORTGAGE REIT	5	06/29/77
TIA MAPIA INC	5	06/24/77
UNITED STATES RUBBER RECLAIMING CO INC	5	06/01/77
VENDO CO	5	06/01/77
VETCO INC	2,5	06/01/77
WILSON FREIGHT CO	5,14	06/29/77 *
AMENDMENTS TO REPORTS ON FORM 8-K		
CLARKE CORP	6	04/01/77
PALMETTO REAL ESTATE TRUST	1,2	12/31/76
POLARIS RESOURCES INC	4	06/01/77

* / 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:

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| <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 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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