

# sec news digest

Issue 77-245

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December 21, 1977

## U.S. SECURITIES AND NOTICE OF COMMISSION MEETINGS EXCHANGE COMMISSION

Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or tape record Commission meetings must obtain permission in advance from the Secretary of the Commission.

### CLOSED MEETING - WEDNESDAY, DECEMBER 28, 1977 - 10 A.M.

The subject matter of the December 28 closed meeting will be: Referral of investigative files to Federal, State or Self-Regulatory authorities; Institution of injunctive actions; Institution of administrative proceedings; Settlement of administrative proceedings; Freedom of Information Act appeal; Other litigation matters.

### OPEN MEETING - THURSDAY, DECEMBER 29, 1977 - 10 A.M.

The subject matter of the December 29 open meeting will be:

- (1) Consideration of application by Francis C. Stefurak for permission to again become associated with a registered broker-dealer.
- (2) Consideration of application by John J. Reed for permission to again become associated with a registered broker-dealer.
- (3) Consideration of an application filed by Data Documents, Inc. for an order exempting the company from certain reporting requirements under the Securities Exchange Act of 1934.
- (4) Consideration of proposed rule change of the Municipal Securities Rulemaking Board which would specify the minimum scope and frequency of periodic compliance examinations of municipal securities brokers and municipal securities dealers.
- (5) Consideration of an advance proposed rulemaking statement requesting public comment with regard to the conditions under which mutual funds might be permitted to bear distribution expenses.
- (6) Request filed by Agvestments, Inc., a registered broker-dealer, for an exemption from the self-underwriting rule, Rule 15b10-9, under the Securities Exchange Act of 1934.
- (7) Consideration of soliciting public comment on revised proposed Rule 17j-1 of the Investment Company Act of 1940, which would, prohibit certain activities on the part of persons affiliated with registered investment companies or their investment advisers or principal underwriters.
- (8) Proposed Accounting Series Release containing minor clarifying or modifying amendments to recently adopted rules regarding disclosures of investment in marketable securities and other security investments.
- (9) Consideration of the appeal by Clifford W. Russell from the Freedom of Information Act Officer's denial of waiver of fees in his Freedom of Information Act request.

FOR FURTHER INFORMATION CONTACT: Sam Knight at (202) 376-7135 or Ted Bloch at (202) 376-7158.

## CHANGES IN THE MEETING

The following additional item will be considered by the Commission at the open meeting scheduled for Thursday, December 22, at 10 a.m.: Further consideration of Regulation S-K, a new, integrated disclosure regulation and amendments to certain disclosure forms and rules which would require registrants to (a) disclose revenue, profit and asset information relating to industry segments and geographic areas and (b) focus on the reported industry segments in describing their business operations.

The following item will not be considered by the Commission at the open meeting scheduled for Thursday, December 22, at 10 a.m.: Consideration of the extent to which Commission documents are required to be published in the Federal Register and suggestions for reducing the Commission's cost of such publications.

The following items will be considered by the Commission at a closed meeting immediately following the open meeting scheduled for Thursday, December 22, at 10 a.m.: Subpoena enforcement action; Freedom of Information Act appeal; Other litigation matters.

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## TRADING SUSPENSIONS

### TRADING SUSPENDED IN EAGLE CLOTHES, INC.

The SEC announced the single ten-day suspension of over-the-counter trading in the securities of Eagle Clothes, Inc., a New York corporation located in New York City, New York, for the period beginning on December 20 and terminating at midnight on December 29.

The Commission initiated the suspension of Eagle because it failed to file with the Commission both its annual report on Form 10-K for its fiscal year ended July 31, 1977 and its quarterly report on Form 10-Q for the quarter ended October 31, 1977 resulting in a lack of current and adequate public information concerning the company.

On November 1 Eagle filed a Petition for Arrangement under Chapter XI of the Federal Bankruptcy Act in the U.S. District Court for the Southern District of New York. (Rel. 34-14291)

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## COURT ENFORCEMENT ACTIONS

### LOUIS H. KAPP, JR. ENJOINED

The Chicago Regional Office announced that on December 9 an order of permanent injunction by consent was entered against Louis H. Kapp, Jr. by Judge Nicholas Bua of the U.S. District Court for the Northern District of Illinois. The defendant was enjoined from violations of the registration and antifraud provisions of the securities laws. The complaint alleges that the defendant and others engaged in interstate sales of unregistered fractional interests in oil and gas leases and employed false and misleading statements and omissions in connection with the offer and sale of such fractional interests. (SEC v. Louis H. Kapp, Jr., et al., N.D. Ill. 77C580). (LR-8220)

### LOUIS H. KAPP, JR. SENTENCED

The Chicago Regional Office announced that on December 6 Louis H. Kapp, Jr. plead guilty and was sentenced to five years probation for being in criminal contempt of an order of permanent injunction entered in 1970 (SEC v. Louis H. Kapp and Associates, Inc., et al., C-70-517). That 1970 order permanently enjoined the defendants from further violations of the registration and antifraud provisions of the securities laws. The application for an order to show cause alleged that the defendant, from 1974 to May, 1977, engaged in interstate sales of unregistered fractional interests in oil and gas wells and made misstatements and omissions of material facts in connection with the offer and sale of such interests. In addition to the sentence of five years probation, Judge Frank J. Battisti of the U.S. District Court for the Northern District of Ohio ordered the defendant to offer restitution to those investors who never received their fractional interests. (U.S. v. Louis H. Kapp, Jr., N.D. Ohio, CR-77-131). (LR-8219)

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## INVESTMENT COMPANY ACT RELEASES

### AETNA VARIABLE FUND

An order has been issued pursuant to Section 17(b) exempting a proposed merger of Aetna Fund, Inc. into Aetna Variable Fund, Inc., from the provisions of Section 17(a) of the Act. (Rel. IC-10065 - Dec. 16)

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## HOLDING COMPANY ACT RELEASES

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### PENNSYLVANIA POWER COMPANY

A supplemental order has been issued authorizing a proposal of Pennsylvania Power Company, subsidiary of Ohio Edison Company, that it issue its pollution control obligation aggregating up to \$10,600,000 related to the financing of pollution control facilities and granting an exemption from competitive bidding in connection therewith. (Rel. 35-20326 - Dec. 19)

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## SELF-REGULATORY ORGANIZATIONS

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### NOTICE OF PROPOSED RULE CHANGE

The American Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-Amex-77-35), designated as Commentary .01 to its existing Rule 909, providing for the imposition of trading restrictions on certain member transactions during the pendency of underwritten distributions of securities underlying call options traded on the Amex. Publication of the proposal is expected to be made in the Federal Register during the week of December 19. (Rel. 34-14286)

### APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by Pacific Stock Exchange Inc. The rule change (SR-PSE-77-33) would clarify that an Order Book Official may accept certain options orders from a person associated with a member. (Rel. 34-14290)

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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) CHILTON CORPORATION, 2819 North Fitzhugh, Dallas, Tex. 75221 - 40,000 shares of common stock. (File 2-60501 - Dec. 19)
- (S-8) ROLLINS, INC., 2170 Piedmont Rd. N.E., Atlanta, Ga. 30324 - 103,150 shares of common stock. The company is engaged in providing essential services for homes and business. (File 2-60502 - Dec. 20)
- (S-12) CITIBANK, N.A., 111 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary shares of Thiess Holdings Limited. (File 2-60503 - Dec. 19)
- (S-8) AMERICAN MEDICAL INTERNATIONAL, INC., 414 North Camden Dr., Beverly Hills, Cal. 90210 (213) 278-6200 - 400,000 shares of common stock. (File 2-60504 - Dec. 20)
- (S-16) VICTORIA STATION INCORPORATED, 150 Chestnut St., San Francisco, Cal. 94111 (415) 981-8649 - 80,000 shares of common stock. The company develops and operates full service restaurants. (File 2-60505 - Dec. 20)
- (S-14) HONEYWELL INC., Honeywell Plaza, Minneapolis, Minn. 55408 (612) 870-5200 - 880,798 shares of common stock. (File 2-60506 - Dec. 20)

### REGISTRATIONS EFFECTIVE

Dec. 15: Shearson Hayden Stone Inc., 2-60309; Unified Funds Inc., 2-59206.  
Dec. 16: Comdisco, Inc., 2-60318; Consolidated Edison Co. of New York, Inc., 2-60153; Cyclotron Corp., 2-60071; Federated Master Trust, 2-60111; The Gerber Scientific Instrument Co., 2-60154; INA Corp., 2-60325; International Minerals & Chemical Corp., 2-60439; Orbanco, Inc., 2-60142; Transway International Corp., 2-56343; Tucson Gas & Electric Co., 2-60360.  
Dec. 19: Canadian Superior Oil Ltd., 2-60077.

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
CARCLINA PIPELINE CO	5,6	11/30/77
DIAMCND M CO	5	11/29/77
FAIM INFCRMATION SERVICES INC	5	11/01/77
FALCCN SEABCARD INC	5	11/01/77
HOUSE OF WESTMORE INC	5,6	12/10/77
LAKWOOD HOSPITAL ASSOCIATION INC	5	12/01/77
NCC INDUSTRIES INC	4,5,6	12/01/77
OZARK AIRLINES INC	7,14	11/01/77 *
PEOPLES DRUG STORES INC	4,6	12/01/77
PRECISICA POLYMERS INC	3,5	11/01/77
REGAL BELoit CORP	5	11/01/77
SEEBURG INDUSTRIES INC	5,6	11/03/77
SIMPLEX DEVELOPMENT CORP	5	12/10/77
STIRLING HOMEX CORP	6	11/01/77
STRATEGIC MEDICAL RESEARCH CORP	1	12/01/77
STRATEGIC MEDICAL RESEARCH CORP	5	12/01/77
UNITED SECURITY HOLDING CO	2,5,6	11/77
WURLITZER CO	5,6	11/29/77
AMENDMENTS TO REPORTS ON FORM 8-K		
LAKEWCCD HOSPITAL ASSOCIATION INC	2	11/15/77

\*/ 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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|---|---|
| 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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