

sec news digest

Issue 78-55

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RULES AND RELATED MATTERS

COMMENT PERIOD EXTENDED AND REVISIONS MADE
TO PROPOSED DISCLOSURES OF VALUATION DATA ON
OIL AND GAS RESERVES

U.S. SECURITIES AND
EXCHANGE COMMISSION

The Commission has issued a release which revises the rules proposed originally in Release No. 33-5878 to require disclosure of information based on the present value of future net revenues from estimated production of proved oil and gas reserves and to rescind the existing requirements for certain registrants to disclose replacement cost information about their mineral resource assets employed in oil and gas producing activities. The revisions pertain principally to the presentation of the present value data proposed for disclosure. To provide registrants time to respond to the revised proposals and because of the relationship between this proceeding and the Commission's proceedings described in Release Nos. 33-5861, 33-5877, 33-5892, and 33-5905, relating to accounting practices for oil and gas producers, the Commission has extended the due date for comments on the proposed rules from March 31, 1978 to May 19, 1978, the final date for submissions relating to the proceedings on oil and gas accounting practices. (Rel. 33-5916)

FOR FURTHER INFORMATION CONTACT: Richard C. Adkerson at (202) 755-1671

ADMINISTRATIVE PROCEEDINGS

REGISTRATION OF INTERNATIONAL RESEARCH & MANAGEMENT CORP.
REVOKED; PRESIDENT BARRED

The Commission has revoked the investment adviser registration of International Research & Management Corp. (IRM) of Princeton, New Jersey, and barred IRM's president, Richard D. Braverman, from association with any investment adviser. In addition, the Commission excluded IRM and Braverman from serving or acting in various capacities with respect to a registered investment company.

IRM is investment adviser and sole underwriter of Hawaii-Pacific Growth Fund, Inc. (Fund), a registered investment company, and Braverman is Fund's president. The sanctions imposed were based on findings that respondents misappropriated more than \$26,000 belonging to Fund. The Commission also found that respondents concealed a prior suspension of IRM's broker-dealer registration by the State of New Jersey when IRM applied to the Commission for registration as an investment adviser. (Rel. IA-617)

FRANK S. MORAN, JR. SANCTIONED

The Commission has suspended Frank S. Moran, Jr., Farmington Hills, Michigan, from association with any broker, dealer, investment adviser or investment company, in any capacity, for a period of four months, effective at the opening of business on the second Monday after the date of the Commission's order. At the expiration of the suspension, Moran will be permitted to be associated with such entities in a non-supervisory and non-proprietary capacity, upon a showing that he will be adequately supervised.

The sanction is based on findings that Moran wilfully violated the antifraud provisions of the Securities Exchange Act. Without admitting or denying the allegations in the order for proceedings, Moran consented to the findings and sanction. (Rel. 34-14555)

WILLIS E. BURNSIDE & CO., INC. AND
WARREN K. SAYERS SANCTIONED

The Commission has simultaneously: (1) instituted administrative proceedings against Willis E. Burnside & Co., Inc. (Registrant), a registered New York City broker-dealer currently being liquidated pursuant to the Securities Investor Protection Act of 1970

(SIPA), and Warren K. Sayers, Registrant's president, a director, and shareholder; and (2) accepted offers of settlement from Registrant and Sayers by which Registrant's broker-dealer registration is revoked and Sayers is barred from being associated with any broker, dealer, investment company, investment adviser, or municipal securities dealer.

The order for proceedings alleged, and Registrant and Sayers consented to findings without admitting or denying the allegations, that: (1) Registrant wilfully violated, and Sayers wilfully aided and abetted the violations of, the net capital, bookkeeping, and supplemental reporting provisions of the Securities Exchange Act of 1934; (2) on December 23, 1977 a final judgment of permanent injunction by consent was issued by the U.S. District Court for the Southern District of New York enjoining Registrant from violating, and Sayers from aiding and abetting violations of, the above net capital, bookkeeping, and supplemental reporting provisions; and (3) on December 21, 1977, upon the consents of Registrant and Sayers, while Sayers was associated with Registrant in the capacities described above, a trustee was appointed pursuant to SIPA to liquidate Registrant.

Although the Commission's order revoked Registrant's broker-dealer registration, the order also provides that Registrant shall continue to be deemed a registered broker and dealer for the limited purpose of permitting the Securities Investor Protection Corp. trustee, or any successor to him, to engage in activities necessary and appropriate to the continuing liquidation of Registrant. (Rel. 34-14556)

GULF INVESTMENT BANKERS, INC.

Public administrative proceedings have been instituted under Section 15(b) of the Securities Exchange Act of 1934 against Gulf Investment Bankers, Inc. (Registrant), Thomas D. Sullivan, president of Registrant, and William D. Lainhart, vice president of Registrant, all of Dallas, Texas, based on alleged violations of a prior Commission order which, in part, suspended Lainhart from association with Registrant for ninety days. Simultaneously with the entry of the proceedings, the Commission accepted an offer of settlement by the respondents whereby the respondents, without admitting or denying the allegations contained in the order, consented to the entry of the order suspending the registration of Registrant for seven days; and censuring Lainhart and Sullivan. In addition, Lainhart agreed to repay to Registrant certain advances and fees which Registrant had paid to him during the period of his prior suspension. (Rel. 34-14557)

KENNETH L. EATON AND JAMES J. DUNPHY SANCTIONED

An order has been entered suspending Kenneth L. Eaton from association with any broker or dealer, investment adviser, or investment company for twelve months, after which he is barred from association with a broker-dealer, investment adviser, or investment company in any capacity other than as a supervised employee in a non-supervisory and non-proprietary capacity. An order has also been entered suspending James J. Dunphy from association with any broker or dealer, investment adviser, or investment company for thirty days, after which he is barred from association with a broker or dealer, investment adviser, or investment company in any capacity other than as a supervised employee in a non-supervisory and non-proprietary capacity.

The sanctions were imposed on findings that Eaton and Dunphy wilfully violated the antifraud provisions of the Securities Exchange Act of 1934 and wilfully aided and abetted violations of the net capital and books and records provisions of the Exchange Act and the Rules promulgated thereunder. In addition, Eaton was found to have wilfully aided and abetted violation of the Exchange Act's Rules concerning broker-dealer applications and to have failed to supervise persons subject to his supervision. Such findings and order imposing remedial sanctions was made upon the consent of Eaton and Dunphy and offers of settlement wherein they neither admit nor deny the allegations contained in the Commission's order for proceedings. (Rel. 34-14558)

BATEMAN EICHLER, HILL RICHARDS, INC., OTHERS

The Commission announced the institution of administrative proceedings against Bateman Eichler, Hill Richards, Inc., L. Steven Smith, Willard G. DeGroot, Robert C. Hill and John D. McClure. The order instituting proceedings was based on the Division of Enforcement's allegations that, in connection with trading in the securities of Vernitron Corporation, Frigitronics, Inc. and Logicon, Inc., Bateman Eichler and Smith, aided and abetted by DeGroot, Hill and McClure, wilfully violated certain sections of the anti-manipulative and antifraud provisions of the Securities Exchange Act of 1934 and Rule 10b-5.

Simultaneously with the issuance of the order instituting proceedings, the Commission accepted offers of settlement submitted by Bateman Eichler, DeGroot, Hill and McClure and issued findings and order imposing remedial sanctions. The Commission found that

Bateman Eichler, Hill Richards, Inc., DeGroot, Hill and McClure violated those sections of the Exchange Act and rules thereunder as alleged by the Division of Enforcement.

Bateman Eichler's registration as a broker-dealer was suspended for one year but such sanction was suspended upon Bateman Eichler's fulfillment of certain conditions. Such conditions included the suspension of "block trading" activities for a six month period, the establishment of a Special Committee of individuals having no prior management role in Bateman Eichler to monitor compliance activities, the establishment of a one million dollar fund for claims, and the proviso that Bateman Eichler not be found by the Commission to have reasonably failed to supervise an employee subject to its supervision for a period of one year from the date of the order.

DeGroot, Hill and McClure were suspended for one year from employment with any broker-dealer, but the order provided that such suspension would not be imposed if DeGroot, Hill and McClure are suspended three months, receive no compensation from Bateman Eichler, Hill Richards for an additional three months, and if they are not found to have committed a violation of the Exchange Act for one year.

A date for a public hearing for the purpose of hearing evidence on the questions set forth in the Commission's order with respect to the remaining respondent will be fixed by further order. (Rel. 34-14578)

COMMISSION ANNOUNCEMENTS

COMMISSIONER KARMEL SPEAKS BEFORE THE SECURITIES INDUSTRY ASSOCIATION

Commissioner Karmel spoke before the Compliance and Legal Seminar, Sponsored by the Securities Industry Association in Sarasota, Florida on Monday, March 20, 1978. The title of her address was "The Resolution of Broker-dealer Conflicts of Interest in Market Executions."

SCHEDULE OF PARTICIPANTS IN HEARING ON OIL AND GAS ACCOUNTING PRACTICES

The Commission has ordered a public hearing in connection with its informal rulemaking proceedings initiated in Release Nos. 33-5861 and 33-5877, and subsequently described in Release Nos. 33-5892 and 33-5905. The hearing will commence in Washington, D.C. at Georgetown University Law Center, Moot Court Room, 600 New Jersey Avenue, N.W., on Wednesday, March 29, 1978, and will continue on each week day through Tuesday, April 4, 1978. The hearing will commence in Houston, Texas at the Albert Thomas Convention Center, Room 106, 612 Smith Street on Tuesday, April 11, 1978, and continue through Friday, April 14, 1978.

Because of the difficulty of estimating the length of time that discussions with individual participants in the hearing will take, the Commission has not scheduled specific times for participants. Rather, participants have been scheduled for morning or afternoon sessions. The morning sessions will begin at 9:00 a.m. and run until approximately 12:30 p.m., the afternoon sessions will begin at approximately 1:30 p.m. and continue until that day's participants have been heard. There will be no afternoon session on Friday, March 31.

Presented below are the schedules for the hearing to be conducted on March 29, 30, and 31. Schedules for the remaining days of the hearing will be published subsequently.

Wednesday morning, March 29:

Financial Accounting Foundation
Alva O. Way III, President

Financial Accounting Standards Board
Donald J. Kirk, Chairman

Natomas Company
Dorman L. Commons, President & Chief Executive Officer

International Paper Co.
J. Stanford Smith, Chairman and Chief Executive Officer

Railroad Commission of Texas
Rex H. White, Jr., Special Counsel

NICOR
Joseph M. Quigley, Financial Vice President

Wednesday afternoon, March 29:

Walter J. Mead
Robert Kaplan
Robert T. Johnson
Thornton L. o'Glove
Thomas Dyckman
Warren Dent and Daniel Collins

Thursday morning, March 30:

Husky Oil Company
James Nielson, President
Atlantic Richfield Company
S. A. Ratzlaff, Assistant Controller
Arthur Andersen & Co.
Randal B. McDonald and Philip Smith
Arthur Young & Co.
Stanley P. Porter
Merrill Lynch, Pierce, Fenner and Smith, Inc.
Josiah O. Low III
Salomon Brothers
Raymond Golden, Anthony Copp, and Ronald Freeman

Thursday afternoon, March 30:

A. A. Sommer, Jr.
Arthur D. Little, Inc.
Richard F. Messing, Vice President
Horace Brock and Barry King
The First Boston Corporation
Joseph S. Frelinghuysen, Jr., Vice President and Director
Edward B. Deakin
John Myers

Friday morning, March 31:

Price Waterhouse & Co.
Robert E. Field
R. L. Burns Corp.
Richard L. Burns, Chairman and Chief Executive Officer
Standard Oil Company (Indiana)
Victor H. Brown, Vice President and Controller
Terra Resources, Inc.
William L. Rader, Chairman; and J. P. Blair
Vice President-Corporate Development, Farmland Industries, Inc.
Great Basins Petroleum Company
Charles W. Hatten, President
Pioneer Corporation
K. Bert Watson, President and Chief Executive Officer
Coopers & Lybrand
William P. Tellini and Allan May, Jr.

INVESTMENT COMPANY ACT RELEASES

DREYFUS MONEY MARKET INSTRUMENTS

A notice has been issued giving interested persons until April 10 to request a hearing on an application of Dreyfus Money Market Instruments, Inc., for an order of exemption from Rule 22c-1 under the Act to permit Dreyfus to calculate its price per share to the nearest one cent of a dollar. An order granting the application on a temporary basis has been issued subject to certain additional conditions agreed to by Dreyfus. The order is to remain in effect pending final disposition of the application. (Rel. IC-10161 - Mar. 17)

HOLDING COMPANY ACT RELEASES

THE HARTFORD ELECTRIC LIGHT COMPANY

A notice has been issued giving interested persons until April 10 to request a hearing on a proposal of The Hartford Electric Light Company, subsidiary of Northeast Utilities, whereby Hartford Electric Light will issue and sell at competitive bidding up to \$40 million of first mortgage bonds. The proceeds of the sale will be used to retire outstanding short-term debt and to finance, in part, the company's construction program. (Rel. 35-20454 - Mar. 17)

SELF-REGULATORY ORGANIZATIONS

EXTENSION OF PERIOD FOR COMMISSION ACTION

The Commission has ordered an extension of fifty-five days from March 20 of the period within which the Commission shall act on a proposed rule change submitted by the New York Stock Exchange, Inc. (SR-NYSE-77-24) concerning the reallocation of specialty stocks. (Rel. 34-14577)

MISCELLANEOUS

THE MANHATTAN LIFE INSURANCE COMPANY

An order has been issued granting the application of The Manhattan Life Insurance Company for an exemption from the reporting requirements of Section 15(d) of the Securities Exchange Act of 1934. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-14581)

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-7) CENTRAL ILLINOIS LIGHT COMPANY, 300 Liberty St., Peoria, Ill. 61602 (309) 672-5271 - 130,000 shares of common stock. The company is engaged in the generation, distribution and sale of electric energy. (File 2-60969 - Mar. 17)
- (S-1) NORIN CORP., 12100 N.E. 16th Ave., North Miami, Fla. 33161 - \$25 million of subordinated sinking fund debentures, due 1998. Underwriter: The First Boston Corporation. The company is engaged in the processing, distribution and marketing of a variety of food and agricultural products. (File 2-60970 - Mar. 17)
- (S-7) COLUMBIA GENERAL CORPORATION, 12700 Park Central Dr., Dallas, Tex. 75251 (214) 387-2198 - \$5,000,000 of senior subordinated debentures, due 1993. Underwriter: Rauscher Pierce Securities Corporation. The company is engaged in the distribution of industrial supplies. (File 2-60976 - Mar. 20)

- (S-1) DENELCOR, INC., 3115 East 40th Ave., Denver, Colo. 80205 - 1,000,000 shares of common stock and 100,000 shares of common stock (underlying warrants). Underwriter: EJ Pittock & Co. Inc., Suite 405, 650 Seventeenth St., Denver, Colo. 80202 (303) 892-6110. The company's business can be broadly categorized into three areas: HEP systems, analog/hybrid computer systems and computer maintenance. (File 2-60977 - Mar. 20)
- (S-14) NORTHERN TELECOM LIMITED, 1600 Dorchester Blvd. West., Montreal, Quebec H3H 1R1 (514) 931-5711 - 3,159,113 common shares. (File 2-60978 - Mar. 20)
- (S-8) MERCK & CO., INC., P.O. Box 2000, Rahway, N.J. 07065 (201) 574-6531 - \$32,300,000 of participations and 425,000 shares of common stock. (File 2-60979 - Mar. 20)
- (S-8) THE MANHATTAN LIFE CORPORATION, 111 West 57th St., New York, N.Y. 10019 (212) 484-9300 - 54,000 shares of common stock. (File 2-60980 - Mar. 20)
- (S-6) THE DEAN WITTER REYNOLDS TAX-EXEMPT TRUST, THIRTY-FIFTH SERIES, 45 Montgomery St., San Francisco, Cal. 94106 - 10,000 units. Depositor: Dean Witter Reynolds Inc., 45 Montgomery St., San Francisco, Cal. 94106 and 130 Liberty St., New York, N.Y. 10006. (File 2-60981 - Mar. 20)
- (S-1) ASSOCIATED COMMUNICATIONS CORPORATION, Gateway Towers, Suite 200, Pittsburgh, Pa. 15222 - 2,663,072 shares of common stock. (File 2-60982 - Mar. 20)

REGISTRATIONS EFFECTIVE

Mar. 16: Black Hills Power & Light Co., 2-60755; Central Maine Power Co., 2-60786; Fuqua Industries Inc., 2-60689; Heights Finance Corp., 2-60699; Interstate Power Co., 2-60736; La Quinta Motor Inns, Inc., 2-60766; Montana-Dakota Utilities Co., 2-60784; National Municipal Trust Twenty-Fifth Series, 2-60751; Vance, Sanders Municipal Bond Fund, Ltd., 2-60210.

Mar. 17: Caterpillar Tractor Co., 2-60763 & 2-60847; Emerson Electric Co., 2-60745; First National Boston Corp., 2-60775; Reliance Electric Co., 2-60804 & 2-60805.

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.

REGISTRATIONS WITHDRAWN

Mar. 16: Michigan General Corp., 2-60430.

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 March 3-6, 1978. 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. *Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
* S. H. Scheuer, Individually and as Trustee Donald E. Peiser Leon Meyers Martin Bernstein, et al (Stockholder Group)	CLC of America Inc. (Chicago, IL) Common Stock - 973,865 shs.	3-3-78
* S. H. Scheuer, Individually and as Trustee Joseph W. Rose, Individually and as Trustee Carroll L. Shaughnessy, Indi- vidually and as Trustee, et al	CLC of America, Inc. (Chicago, IL) Common Stock - 1,286,142 shs.	3-3-78

ACQUISITION REPORTS CONT.

* Monogram Industries, Inc.	Craig Corporation (Los Angeles, CA) Common Stock - 910,201 shs. (29.29%)	3-3-78
* Ted D. Nelson Daniel G. Montano Victoria G. Montano Dr. Paul Kouri, et al	Lincoln Mortgage Investors (Fullerton, CA) Shares of Beneficial Interest - 94,227	3-3-78
L. F. Rothschild, Unterberg, Towbin	Allied Artists Industries, Inc. (NYC) 8-3/4% Convertible Debentures - \$135,000	3-6-78
Morton H. Kinzler	Barnwell Industries, Inc. (Fairlawn, NJ) Common Stock - 124,904 shs.	3-6-78
Joseph E. Magaro	Barnwell Industries, Inc. (Fairlawn, NJ) Common Stock - 98,500 shs.	3-6-78
R. David Sudarsky	Barnwell Industries, Inc. (Fairlawn, NJ) Common Stock - 63,000 shs.	3-6-78
Ralph P. Richley	Comarco, Inc. (Orange, CA) Common Stock - 16,030 shs.	3-6-78
Irwin L. Jacobs	Gamble-Skogmo, Inc. (Minneapolis, MN) Common Stock - 221,500 shs.	3-6-78
Elmer A. Sticco William H. Burgess Michael R. Rossi, Jr. Jay H. Harris, et al	International Controls Corp. (Thomaston, CT) Common Stock - 164,000 shs.	3-6-78
United Insurance Company of America (Wholly-owned subsidiary of Teledyne, Inc. Teledyne, Inc., Parent	Textron, Inc. (Providence, RI) \$1.40 Preferred Stock - 267,100 shs.	3-6-78
Chris-Craft Industries, Inc.	Twentieth Century-Fox Film Corp. (Los Angeles, CA) Common Stock - 407,000 shs.	3-6-78
* Schultz Investments, Ltd.	Barnett-Winston Investment Trust (Jacksonville, FL) 8-1/4% Convertible Debentures - 8,577 (28.59%)	3-6-78
* Northern Telecom Ltd. (Canada)	Data 100 Corporation (Minnetonka, MN) Common Stock - 1,585,643 shs. (30.51%)	3-6-78
* Schultz Investments, Ltd.	Fraser Mortgage Investments (Cleveland, OH) Shares of Beneficial Interest - 72,850	3-6-78
* Donald K. Kelly, M.D.	HMO International (Los Angeles, CA) Common Stock - 102,343 shs. (13%) (Dr. Kelly has agreed to purchase 39,607 shares from CMNY Capital Co. and has received a proxy to vote these shares.)	3-6-78
* David M. Moll, M.D.	HMO International (Los Angeles, CA) Common Stock - 52,271 shs. (Dr. Moll also holds a proxy to vote 50,271 shares.)	3-6-78
* Transco Realty Trust	Hospital Mortgage Group (No. Miami, FL) Shares of Beneficial Interest - 183,300	3-6-78
* Julius W. Zajac	Inarco Corporation (Twinsburg, OH) Common Stock - 45,612 shs. Common Stock - 28,500 shs. on exercise of Options	3-6-78
* Central National Corporation Centro Corporation Sejak Corporation Gottesman-Central National Profit Sharing Plan Trust, et al	Investors Diversified Services Inc. (Minneapolis, MN) Class A Common Stock - 238,100 shs. Class A Common Stock - 4,149.5 shs. on conversion of Debentures	3-6-78

ACQUISITION REPORTS CONT.

* Protective Life Insurance Company	Investors Preferred Life Insurance Co. (Little Rock, AR) Common Stock - 2,832,713 shs. (68%)	3-6-78
* Lee Gray	Transco Realty Trust (Boston, MA) Shares of Beneficial Interest - 86,550 Shares of Beneficial Interest - 19,000 on exercise of Options	3-6-78
* BIS America Corporation (Wholly-owned subsidiary of BIS S.A. (France))	Wells Management Corporation (NYC) Common Stock - 645,449 shs. (97%)	3-6-78
* Lewis M. Schott Marcia W. Schott, Indi- vidually and as Trustee	White Shield Exploration Corp. (NYC) Common Stock - 127,450 shs. Common Stock - 150,905 shs. on exercise of Warrants and Options	3-6-78

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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