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U.S. SECURITIES AND
EXCHANGE COMMISSION**sec news digest**

Issue 78-38

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NOTICE OF COMMISSION MEETINGS

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 - TUESDAY, FEBRUARY 28, 1978 - 8:30 A.M.

The subject matter of the February 28 closed meeting will be: Formal orders of investigation; Referral of investigative files to Federal, State or Self-Regulatory authorities; Chapter X proceeding; Institution of injunctive actions; Settlement of injunctive actions; Institution of administrative proceedings of an enforcement nature; Settlement of administrative proceedings of an enforcement nature; Freedom of Information Act appeal; Opinion; Other litigation matters.

OPEN MEETING - THURSDAY, MARCH 2, 1978 - 10 A.M.

The subject matter of the March 2 open meeting will be:

- (1) Proposed issuance of a release to solicit public comment on revised proposed Rule 17j-1 under 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.
- (2) Rule proposal submitted by the New York Stock Exchange, Inc. to offer two types of annual memberships which respectively, would permit a qualified broker-dealer to (a) maintain a physical presence on the New York Stock Exchange trading floor and obtain electronic or direct wire access to the floor or (b) obtain only electronic or direct wire access to the floor.
- (3) Proposed adoption of amendments to Rule 15c3-1, the Uniform Net Capital Rule, pertaining to certain trading strategies in listed options known as "straddles".
- (4) Issuance of a release soliciting comment on revised proposed standards for the registration of clearing agencies; issuance of a notice extending the existing registration of registered clearing agencies and notice of extension of time for the conclusion of proceedings with respect to clearing agencies.
- (5) Request for waiver, pursuant to Rule 6(e) of the Commission's Conduct Regulation, filed by the law firm of Fulbright and Jaworski, to allow the firm to continue to represent First National Bank of Chicago in connection with that entity's request for an exemption under the Investment Company Act, arising from the association with the firm of former Commission staff member, Jean Gleason.
- (6) Proposed transmittal of letters from the Office of the Chief Accountant to the Auditing Standards Executive Committee of the American Institute of Certified Public Accountants and to the Financial Accounting Standards Board relating to matters concerning "subject to" qualifications in auditors' reports and uncertainties.

(7) Proposed issuance of (a) an interpretative release regarding the classification by registrants of their businesses into industry segments and (b) proposed adoption of technical amendment to Regulation S-K to clarify when registrants may furnish line of business information in lieu of segment data.

(8) Proposed issuance of a release listing issues for consideration at and order of small business hearings and the proposed issuance of a release concerning simplified registration statement Form S-18.

CLOSED MEETING - THURSDAY, MARCH 2, 1978 - IMMEDIATELY FOLLOWING THE OPEN MEETING

The subject matter of the March 2 closed meeting will be: Settlement of administrative proceedings; Other litigation matters.

FOR FURTHER INFORMATION CONTACT: Myrna Siegel at (202) 755-1183 or John Sweeney at (202) 376-7077

COMMISSION ANNOUNCEMENTS

PUBLIC HEARINGS INTO THE ESTABLISHMENT OF A NATIONAL CLEARANCE AND SETTLEMENT SYSTEM EXTENDED

The Commission announced that the public hearings into the establishment of a national clearance and settlement system, announced in Release 34-14411 (January 25, 1978), have been extended. The hearings will commence on March 7, as announced, and testimony will be received from scheduled witnesses. Thereafter, the hearings will be adjourned and interested persons will be invited to submit supplemental data or prepare responsive testimony. The hearings will reconvene on April 18 for at least two days, and the proceedings will be held open to receive submissions through the end of April. For the convenience of interested persons, transcripts of the March session will be made available for public inspection upon request at Commission regional offices as well as at the Commission's Public Reference Room, 1100 L Street, N.W., Washington, D.C. (Rel. 34-14496)

FOR FURTHER INFORMATION CONTACT: Robert J. Millstone at (202) 755-8777

INVESTMENT COMPANY ACT RELEASES

ARCS EQUITIES CORPORATION

An order has been issued on an application of Arcs Equities Corporation temporarily exempting it from certain provisions of the Act until the earlier of June 30, 1978, or such time as its status has been determined pursuant to its original application under Sections 3(b)(2) and 6(c) of the Act. (Rel. IC-10128 - Feb. 22)

MASSMUTUAL INCOME INVESTORS

A notice has been issued giving interested persons until March 17 to request a hearing on an application of MassMutual Income Investors, Inc. (Fund), a registered, closed-end, diversified investment company, and Massachusetts Mutual Life Insurance Company (Insurance Company), the Fund's investment adviser, for an order permitting the Insurance Company to purchase \$9 million and the Fund to purchase \$3 million at direct placement of a new issue of 8.5% senior notes of Mead Corporation. (Rel. IC-10129 - Feb. 22)

SENTRY FUND

A notice has been issued giving interested persons until March 20 to request a hearing on an application of Sentry Fund, Inc. (Fund) and Sentry Equity Services, Inc., the Fund's principal underwriter, to exempt the Fund and its principal underwriter from Section 22(d) of the Act to permit purchases of Fund shares from the proceeds of certain insurance contracts issued by Sentry Life Insurance Company and two of its subsidiaries. (Rel. IC-10130 - Feb. 22)

HOLDING COMPANY ACT RELEASES

GEORGIA POWER COMPANY

A notice has been issued giving interested persons until March 20 to request a hearing on a proposal of Georgia Power Company, subsidiary of The Southern Company, to enter into agreements with Bibb, Bartow, and Floyd Counties, Georgia for the financing of pollution control facilities through the sales of pollution control revenue bonds and industrial development revenue bonds by the Counties in an amount not to exceed \$30 million. As collateral, Georgia will issue series of its first mortgage bonds in the same amounts as the Counties' pollution control revenue bonds. Georgia also proposes to increase the amount of its first mortgage bonds which may be outstanding under its indenture from two billion to three billion dollars. (Rel. 35-20419 - Feb. 23)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Municipal Securities Rulemaking Board has filed a proposed rule change under Rule 19b-4 (SR-MSRB-78-5) to prohibit false and misleading advertising concerning municipal securities. Publication of the proposal is expected to be made in the Federal Register during the week of February 27. (Rel. 34-14498)

NOTICE OF EFFECTIVENESS OF A RULE CHANGE

Fee changes filed by Stock Clearing Corporation of Philadelphia pursuant to Rule 19b-4 (SR-SCCP-78-1) have become effective in accordance with Section 19(b)(3)(A) of the Securities Exchange Act of 1934. Publication of the proposal is expected to be made in the Federal Register during the week of February 27. (Rel. 34-14497)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Municipal Securities Rulemaking Board. The rule change (SR-MSRB-77-18) amends the provisions of MSRB rule G-3 relating to professional qualification requirements. (Rel. 34-14499)

MISCELLANEOUS

FORD INTERNATIONAL CAPITAL CORPORATION

An order has been issued granting the application of Ford International Capital Corporation (Applicant), a wholly-owned subsidiary of Ford Motor Company (Ford), pursuant to Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the reporting requirements of Section 13 of the Act. It appeared to the Commission that the granting of the requested exemption would not be inconsistent with the public interest in view of the fact that the debentures of Applicant, its only publicly held securities, are unconditionally guaranteed by Ford, which is subject to the reporting requirements of the Act. There has been no trading activity in the debentures on the New York Stock Exchange since they were listed for trading in 1968. (Rel. 34-14492)

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) NEW YORK STATE ELECTRIC & GAS CORPORATION, 4500 Vestal Parkway East, Binghamton, N.Y. 13902 (607) 729-2551 - 2,000,000 shares of common stock. Underwriters: Lehman Brothers Kuhn Loeb Inc., Merrill Lynch, Pierce, Fenner & Smith Inc. and Salomon Brothers. The company is engaged principally in the business of generating, purchasing transmitting and distributing electricity and gas. (File 2-60815 - Feb. 23)

- (S-6) THE FIRST TRUST OF INSURED MUNICIPAL BONDS, SERIES 32, 300 West Washington St., Chicago, Ill. 60606 - an indefinite number of units. Depositor: Wauterlek & Brown, Inc. (File 2-60816 - Feb. 23)
- (S-14) F & M NATIONAL CORPORATION, 38 Rouss Ave., Winchester, Va. 22601 (703) 667-4200 - 75,000 shares of common stock. (File 2-60817 - Feb. 23)
- (S-1) CONTINENTAL TRUST CORPORATION, 3520 New Hartford Pike, Owensboro, Ky. 42301 - 600,000 shares of common stock. The company is a new corporation formed for the purpose of organizing and financing a Kentucky life and health insurance company. (File 2-60818 - Feb. 23)
- (S-7) INDIANAPOLIS POWER & LIGHT COMPANY, 25 Monument Circle, P.O. Box 1595B, Indianapolis, Ind. 46206 (317) 635-6868 - 1,000,000 shares of common stock. Underwriters: Lehman Brothers Kuhn Loeb Inc., Merrill Lynch, Pierce, Fenner & Smith Inc. and Salomon Brothers. The company is engaged primarily in generating, transmitting, distributing and selling electric energy. (File 2-60819 - Feb. 23)
- (S-7) INEXCO OIL COMPANY, Suite 1900, 1100 Milam Bldg., Houston, Tex. 77002 - 49,000 shares of common stock. (File 2-60820 - Feb. 23)
- (S-8) OPTICAL COATING LABORATORY, INC., 2789 Giffen Ave., Santa Rosa, Cal. 95401 - 50,000 shares of common stock. The company is engaged primarily in the design, development, manufacture and marketing of multi-layer optical thin film coated products. (File 2-60821 - Feb. 23)
- (S-7) MERCHANTS NATIONAL CORPORATION, One Merchants Plaza, Indianapolis, Ind. 46204 (317) 267-7455 - \$20 million of investment notes, Series A. The corporation is a bank holding company. (File 2-60822 - Feb. 23)
- (S-7) BAY STATE GAS COMPANY, 120 Royal St., Canton, Mass. 02021 (617) 828-8650 - 250,000 shares of common stock. Underwriter: Merrill Lynch, Pierce, Fenner & Smith Inc. The company is a gas distribution utility. (File 2-60823 - Feb. 23)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary shares of East Driefontein Gold Mining Co. Ltd. (File 2-60824 - Feb. 17)

REGISTRATIONS EFFECTIVE

Feb. 17: DCL Inc., 2-60079.

Feb. 21: Bobbie Brooks, Inc., 2-60584; The Clorox Co., 2-60695; ENI Oil & Gas Properties Program--1978, 2-60609 (90 days); The Foxmoor Dallas Partners, Ltd., 2-60589 (90 days); Indiana & Michigan Electric Co., 2-60665; Precision Castparts Corp., 2-60640; Sentinel Group Funds, Inc., 2-60512 & 2-60511.

Feb. 22: American Tax Exempt Bond Trust, Series 25, 2-60604; Avco Financial Services, Inc., 2-60690; Houston Industries Inc., 2-60673 & 2-60677; International Clinical Laboratories Inc., 2-60606; J. Ray McDermott & Co., Inc., 2-60796; Lee Enterprises, Inc., 2-58393; Municipal Investment Trust Fund, Seventeenth Intermediate Term Series, 2-60323; Reliance Electric Co., 2-60698; San Diego Gas & Electric Co., 2-60700; Sentinel Group Funds, Inc., 2-60510.

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

Feb. 17: Cubic Corp., 2-32871, 2-37639, 2-40909, 2-48931 & 2-49973.

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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