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sec news digest

Issue 78-17

January 25, 1978

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.

The subject matter of the January 30 open meeting will be:

The Commission will meet with representatives of the Securities Industry Association to discuss current issues and developments of mutual concern.

CLOSED MEETING - TUESDAY, JANUARY 31, 1978 - 10 A.M.

The subject matter of the January 31 closed meeting will be: Referral of files to Federal, State or Self-Regulatory authorities; Formal orders of investigation; Institution of injunctive actions; Settlement of injunctive actions; Institution of administrative proceedings; Settlement of administrative proceedings; Freedom of Information Act Appeal; Regulatory matters arising from or bearing enforcement implications; Other litigation matters.

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

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

(1) Issuance of a release which contains questions and interpretive responses relating to the disclosure of management remuneration.

(2) Proposed transmittal of comments to the Office of Management and Budget ("OMB") expressing the views of the Commission on OMB's draft bill amending the Independent Offices Appropriations Act of 1952, which deals with fees charged by Federal agencies.

(3) Proposed transmittal of comments to Congressman John M. Murphy, Chairman of the House Committee of Merchant Marine and Fisheries expressing the views of the Commission on H.R. 9819, Shipping Act Amendments of 1977, a bill intended to remedy the problems of rebating and other such malpractices.

(4) Consideration of the extent to which Commission announcements are required to be included in the Federal Register and of suggestions for reducing the Commission's cost of such publications.

(5) Proposed rule change filed by the National Association of Securities Dealers, Inc. concerning fee and assessment schedule for fiscal year 1978.

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

The subject matter of the February 2 closed meeting will be: Regulatory matter arising from or bearing enforcement implications; Opinion; Other litigation matters.

FOR FURTHER INFORMATION CONTACT: Glynn L. Mays at (202) 755-1280 or Margaret Topps at (202) 376-8003

ADMINISTRATIVE PROCEEDINGS

ACCOUNTANT REINSTATED TO PRACTICE

Upon consideration of the application of Thomas R. Mathews, a certified public accountant, for reinstatement of his privilege of appearing and practicing before the Commission, the Commission determined that Mathews had complied with the conditions set forth in the order suspending him from practice and directed that he be reinstated. (Rel. 33-5898)

PROCEEDINGS INSTITUTED AGAINST J. NEWMAN & CO., OTHERS

The SEC announced that on January 17 the Commission instituted and simultaneously settled administrative proceedings against J. Newman & Co., Jeffrey Newman and Alan Applebaum alleging that they violated the antimanipulative provisions of Sections 9(a)(2), 10(a) and 10(b) of the Securities Exchange Act of 1934 and Rules 10a-1 and 10b-5 thereunder. The order for proceedings alleged that between October 5 and October 15, 1976, the respondents sold short 24,700 shares of CTC common stock which had the effect of capping and depressing its market price for the purpose of inducing others to sell their stock and causing the closing price on October 15, 1976 not to exceed \$15. In addition, the Commission alleged that the respondents did not inform their broker executing their sales that some of their sales were short sales. The Commission accepted the offers of settlement submitted by the respondents without admitting or denying any of the Commission's findings and ordered the censure of J. Newman & Co. and the suspension of Jeffrey Newman and Alan Applebaum from association with any national securities exchange, broker or dealer for thirty days.

In a separate but related proceeding brought by the American Stock Exchange, an Exchange Disciplinary Panel, at a hearing held on January 16, accepted a settlement entered into by the respondents providing for censures and 30-day suspensions to run concurrent with the Commission's. The Panel's determination is subject to review by the Exchange's Board of Governors in accordance with the Constitution of the Exchange. (Rel. 34-14384)

PROCEEDINGS INSTITUTED AGAINST ROBERT M. TOPOL

The SEC announced that on January 17 the Commission instituted and simultaneously settled administrative proceedings against Robert M. Topol alleging that he violated Section 17(a) of the Exchange Act and Rule 17a-3 thereunder. The order for proceedings alleged that during the period from April 1, 1975 through July 10, 1975 the respondent failed reasonably to supervise other persons subject to his supervision. The Commission accepted the offer of settlement submitted by the respondent without admitting or denying any of the Commission's findings and ordered the censure of Robert M. Topol. (Rel. 34-14385)

COMMISSION ANNOUNCEMENTS

NATIONAL CLEARANCE AND SETTLEMENT PUBLIC HEARINGS SCHEDULED

The Commission has announced the initiation of public hearings into the establishment of a national clearance and settlement system to consider why the conditions specified in the Commission's order, issued January 13, 1977, granting registration to National Securities Clearing Corporation pursuant to Section 17A of the Securities Exchange Act of 1934, have not been satisfied. The Commission intends to obtain data, views and arguments on the events which have taken place during the past year in the clearance and settlement area and the problems that are impeding the development of an efficient, competitive national system.

The hearings will commence at 10:00 a.m., Tuesday, March 7, 1978, in Room 776 at the Headquarters Office of the Commission, 500 North Capitol Street, Washington, D.C. Interested persons who wish to appear at the hearings should notify Robert J. Millstone at (202) 755-8777 by Friday, February 24, 1978. Participants in the hearings who plan to make a prepared statement should submit 25 copies of their statement not later than four business days in advance of their scheduled appearance. Interested persons also are invited to submit written comments by March 15, 1978. Six copies of each comment letter should be submitted, addressed to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 and should refer to File No. 600-15. (Rel. 34-14411)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES GALAXY INVESTMENT ADVISORY SERVICE, INC., OTHERS

The Washington Regional Office and the Philadelphia Branch Office announced the filing of a civil injunctive action on December 29, 1977 in the U.S. District Court for the Eastern District of Pennsylvania, seeking permanent injunctions, an accounting and a freeze of assets against Galaxy Investment Advisory Service, Inc., a Texas corporation, and Main Line Investments, a Pennsylvania partnership; and seeking a temporary restraining order, preliminary and permanent injunctions, a freeze of assets, an accounting and the return of books and records against Don A. Long, of Downingtown, Pennsylvania.

The Commission's complaint alleges that the defendants violated and/or aided and abetted violations of the books and records and antifraud provisions of the securities laws by failing to maintain complete and accurate books and records and by engaging in a series of material, undisclosed and unauthorized transactions involving the use of investors' funds. The complaint further alleges that the defendants made misrepresentations and omissions to investors concerning the use of investor funds.

The defendants consented to the entry of an order of preliminary injunction and the requested ancillary relief without admitting or denying the allegations in the Commission's complaint.

On December 29, 1977, the Honorable Clarence C. Newcomer of the U.S. District Court for the Eastern District of Pennsylvania entered an order temporarily restraining the defendant Don A. Long from violating and/or aiding and abetting violations of the books and records and antifraud provisions of the securities laws and temporarily freezing his assets. (SEC v. Galaxy Investment Advisory Service, Inc., et al., U.S.D.C., E.D. Pa., Civil Action No. 77-4431). (LR-8264)

COMPLAINT NAMES UNILITH ENTERPRISES, INC., OTHERS

The Seattle Regional Office announced that on January 12 a complaint was filed in the District of Nevada against Unilith Enterprises, Inc. of Washington, Unilith Enterprises, Inc. of Nevada and William D. Wise of Reno, Nevada, president of both corporations, alleging violations of the registration and antifraud provisions of the securities laws in the sale of Unilith common stock. The defendants consented to the entry of a decree of permanent injunction against them and to the issuance of a disclosure statement to investors concerning the relationship between the corporations, their financial condition and patents. (SEC v. Unilith Enterprises, Inc. of Washington, et al., District of Nevada, Civil Action No. 78-0006). (LR-8265)

CARLOS CORREA ENJOINED

The New York Regional Office announced that on September 29, 1977, the Commission filed a complaint in the U.S. District Court for the Southern District of New York against Carlos Correa of Orangeburg, New York. The complaint which seeks injunctive and ancillary relief, charged Correa with violations of the antifraud provisions of the securities laws in his purchase and sale of common stock of Helme Products, Inc. at a time when he was in possession of material non-public information concerning Helme. The non-public information upon which Correa is alleged to have traded concerned a prospective tender offer for Helme stock at a price significantly higher than the prevailing market price.

On the same day, Federal District Judge Robert J. Ward entered a consent order of permanent injunction and ancillary relief against Correa. The order also requires Correa to disgorge \$16,767.49 plus interest, such monies having been gained as a result of the alleged violative transactions. (SEC v. Carlos Correa, 77 Civil Action No. 4769 RJW). (LR-8266 and LR-8267)

INVESTMENT COMPANY ACT RELEASES

DAVIDGE EARLY BIRD FUND

A notice has been issued giving interested persons until February 17 to request a hearing on an application of Davidge Early Bird Fund, declaring that it has ceased to be an investment company. (Rel. IC-10101 - Jan. 23)

HOLDING COMPANY ACT RELEASES

PUBLIC SERVICE COMPANY OF OKLAHOMA

A supplemental order has been issued authorizing a proposal of Public Service Company of Oklahoma, subsidiary of Central and South West Corporation, that it issue and sell up to an amount of \$70 million of project bonds in private placements. (Rel. 35-20393 - Jan. 24)

SOUTHWESTERN ELECTRIC POWER COMPANY

A notice has been issued giving interested persons until February 17 to request a hearing on a proposal of Southwestern Electric Power Company, subsidiary of Central and South West Corporation, to extend through December 31, 1978 its existing authorization to engage in fuel exploration and development programs. (Rel. 35-20394 - Jan. 24)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

WITHDRAWALS GRANTED

Orders have been issued granting the applications of the following companies to withdraw the specified securities from listing and registration on the following stock exchanges: Philadelphia Stock Exchange, Inc. - Iota Industries, Inc., common stock, \$1 par value; and 6% convertible subordinated debentures, due 1983. (Rel. 34-14402); Boston Stock Exchange, Inc. - National Hardgoods Distributors, Inc., common stock, \$.10 par value. (Rel. 34-14405); American Stock Exchange, Inc. - Gearhart-Owen Industries, Inc., common stock, \$.50 par value. (Rel. 34-14406) and Pertec Computer Corporation, common stock, \$.10 par value. (Rel. 34-14407)

SELF-REGULATORY ORGANIZATIONS

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved the following rule changes: Chicago Board Options Exchange, Inc. (SR-CBOE-77-18) which would require the exchange to submit to the vote of the membership the terms and conditions of future membership offerings; and would withdraw an offering of exchange memberships which commenced in April, 1977 as to those which were unsold as of August 29, 1977. (Rel. 34-14404) and Midwest Stock Exchange, Inc. (SR-MSE-77-38) to eliminate the MSE's policy requiring agreements for all discretionary accounts for which options are traded to be renewed annually in writing. (Rel. 34-14408)

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-8) XTRA CORPORATION, 2625 Concord Pike, Wilmington, Del. 19803 - 41,856 shares of common stock. The company is primarily an owner and lessor of intermodal transportation equipment. (File 2-60659 - Jan. 23)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, EIGHTY-SECOND MONTHLY PAYMENT SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - 25,000 units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080; Bache Halsey Stuart Shields Inc.; and Dean Witter Reynolds Inc. (File 2-60660 - Jan. 23)
- (S-8) MICRO MASK, INC., 695 Vaqueros Ave., Sunnyvale, Cal. 94086 - 50,000 shares of common stock. (File 2-60661 - Jan. 24)
- (S-16) WAVETEK, 9045 Balboa Ave., San Diego, Cal. 92123 (714) 279-2200 - 42,981 shares of common stock. (File 2-60662 - Jan. 24)

- (S-14) HARNISCHFEGER CORPORATION, 13400 Bishops Lane, Brookfield, Wis. 53005 (414) 671-4400 - 842,000 shares of common stock. (File 2-60664 - Jan. 24)
- (S-7) INDIANA & MICHIGAN ELECTRIC COMPANY, 2101 Spy Run Ave., Fort Wayne, Ind. 46801 (219) 422-3456 - \$100 million of first mortgage bonds, due 2008 and 1,600,000 shares of cumulative preferred stock, par value \$25. (File 2-60665 - Jan. 24)
- (S-6) CARDINAL CORPORATE INCOME TRUST, SERIES 102, 155 East Broad St., Columbus, Ohio 43215 - 5,000 units. Depositor: The Ohio Company. (File 2-60666 - Jan. 24)
- (S-8) THE TORO COMPANY, 8111 Lyndale Avenue South, Minneapolis, Minn. 55420 - 162,898 shares of common stock. (File 2-60667 - Jan. 24)

REGISTRATIONS EFFECTIVE

Jan. 20: Pacific Power & Light Co., 2-60582; Suburban Bancorporation, 2-60516.

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

Jan. 12: Gannett Co., Inc., 2-59228.

Jan. 20: Emerald City Records, Inc., 2-59647.

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
BIOLOGICAL PRESERVATION INC	1,2,6	07/12/77
DENTO MED INDUSTRIES INC	2,6	12/30/77

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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U.S. first class mail; \$18.75 elsewhere.

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