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# sec news digest

Issue 78-30

February 13, 1978

## ADMINISTRATIVE PROCEEDINGS

### HASKINS & SELLS, OTHERS, SUBJECT TO 2(e) PROCEEDING

The Commission announced that it has instituted an administrative proceeding, pursuant to Rule 2(e) of the Commission's Rules of Practice, against Haskins & Sells, a public accounting firm, and three of its partners: Eugene Cobaugh, Timothy FitzGerald and Billy R. Thomas. Simultaneously with the institution of the proceeding, the Commission accepted the offers of settlement of each of the respondents and issued an Opinion and Order.

The Opinion and Order is based upon deficiencies in the conduct of audits by Haskins & Sells of FISCO, Inc., Falstaff Brewing Corporation, Oceanography Mariculture Industries, Inc. and Ampeco Securities, Inc. Messrs. FitzGerald, Cobaugh and Thomas were, respectively, the partners of Haskins & Sells principally responsible for the audits of the latter three clients.

The Opinion and Order and the Offer of Settlement of Haskins & Sells provide that Haskins & Sells will establish a committee to render a report concerning the manner in which Haskins & Sells conducts its SEC audit practice; provide that Haskins & Sells' Philadelphia office will not accept SEC audit engagements for the period ending June 30, 1978; and provide that Haskins & Sells will conduct or sponsor a described research project.

As part of their offers of settlement, the individual respondents have made certain undertakings as to which the Commission has ordered their compliance. Timothy FitzGerald has undertaken that for a period of ninety days he will not be involved in audit engagements with clients whose financial statements are expected to be filed with the Commission and, for a period of one hundred eighty days thereafter, he will not be so engaged absent supervision. FitzGerald may, however, consult with partners and employees of Haskins & Sells during such period. Eugene Cobaugh has undertaken that, for a period of one hundred twenty days, he will not be involved in audit engagements of clients whose financial statements are expected to be filed with the Commission. Finally, Billy R. Thomas has undertaken that for a period of sixty days, he will not be involved in such audit engagements. (Rel. 34-14450)

## INVESTMENT COMPANY ACT RELEASES

### PROFESSIONAL INVESTMENT COMPANY

An order has been issued declaring that Professional Investment Company, Incorporated, has ceased to be an investment company. (Rel. IC-10115 - Feb. 9)

### SAFECO EQUITY FUND

A notice has been issued giving interested persons until March 6 to request a hearing on an application of SAFECO Equity Fund, Inc., SAFECO Growth Fund, Inc., SAFECO Income Fund, Inc., and SAFECO Special Bond Fund, Inc. (collectively, the Safeco Funds), all registered under the Investment Company Act of 1940 (Act) as open-end, diversified, management investment companies, and Dr. Charles E. Odegaard, for an order declaring that Dr. Odegaard shall not be deemed to be an interested persons, within the meaning of Section 2(a)(19) of the Act, of the Safeco Funds' investment adviser or principal underwriter solely by reason of his position as "Member" of the College Retirement Equities Fund (CREF), a fund which owns shares of SAFECO Corporation, or because of his ownership of a variable annuity issued by CREF. (Rel. IC-10116 - Feb. 9)

### HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY

A notice has been issued giving interested persons until March 7 to request a hearing on an application of Hartford Variable Annuity Life Insurance Company, a stock life

insurance company organized under the laws of Connecticut, Hartford Investment Services, Inc., a company organized under the laws of Connecticut to engage in the investment advisory business, and Hartford Equity Sales Company, Inc., a company organized under the laws of Connecticut and registered as a broker-dealer under the Securities Exchange Act of 1934, for an order pursuant to Section 9(c) of the Act for exemption from Section 9(a). (Rel. IC-10117 - Feb. 9)

## 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-6) THE CORPORATE INCOME FUND, TWENTY-THIRD INTERMEDIATE TERM SERIES (A UNIT INVESTMENT TRUST) - 25,000 of units. Depositors: Merrill Lynch, Pierce, Fenner & Smith, Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080; Dean Witter Reynolds Inc.; and Bache Halsey Stuart Shields Inc. (File 2-60746 - Feb. 9)
- (S-8) THE CLOROX COMPANY, 1221 Broadway, Oakland, Cal. 94612 - 200,000 shares of common stock (File 2-60749 - Feb. 10)
- (S-6) NATIONAL MUNICIPAL TRUST, TWENTY-FIFTH SERIES - 13,000 of units. Depositors: Thomson McKinnon Securities Inc., One New York Plaza, New York, N.Y. 10004 and Piper, Jaffray & Hopwood Inc. (File 2-60751 - Feb. 10)
- (S-6) THE DEAN WITTER REYNOLDS TAX-EXEMPT TRUST, THIRTY-FOURTH SERIES - 12,000 of units. Depositors: Dean Witter Reynolds Inc., 45 Montgomery St., San Francisco, Cal. 94106 and 130 Liberty St., New York, N.Y. 10006. (File 2-60752 - Feb. 10)
- (S-7) DUKE POWER COMPANY, 422 South Church St., Charlotte, N.C. 28242 - 5,500,000 shares of common stock. Underwriters: Morgan Stanley & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Dean Witter Reynolds Inc. (File 2-60753 - Feb. 10)
- (S-6) MUNICIPAL INVESTMENT TRUST FUND, EIGHTY-THIRD MONTHLY PAYMENT SERIES - 25,000 of units. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080. (File 2-60754 - Feb. 10)
- (S-7) BLACK HILLS POWER AND LIGHT COMPANY, 625 Ninth St., Rapid City, S.D. 57709 - 300,000 shares of common stock. Underwriter: Merrill Lynch, Pierce, Fenner & Smith Inc. (File 2-60755 - Feb. 10)
- (S-1) SOMERSET HILL PARTNERSHIP, LTD., 205 Columbia St., Seattle, Wash. 98104 - 1,500 limited partnership interests, to be offered for sale through Foster & Marshall Inc., 205 Columbia St., Seattle, Wash. 98104. (File 2-60756 - Feb. 10)

### REGISTRATIONS EFFECTIVE

Feb. 2: Merrill Lynch, Pierce, Fenner & Smith Inc., 2-60281; Southwest Stockholders Liquidating Trust, 2-60314.

Feb. 3: Archer-Daniels-Midland Company, 2-60445; County National Bancorporation, 2-60008; Essex Chemical Corp., 2-60657; Federated Money Market, Inc., 2-60423; Gulford Mills, Inc., 2-60644; Micro Mask, Inc., 2-60661; National Medical Enterprises, Inc., 2-60342; Quaker State 1978 Public Drilling Program, 2-60427 (90 days); Super Food Service, Inc., 2-60616; United Parcel Service of America, Inc., & Service Plants Corp., 2-60461.

Feb. 6: Prentice-Hall, Inc., 2-60515; Rexnord Inc., 2-60585; United Nuclear Corp., 2-59897.

Feb. 7: Municipal Investment Trust Fund, Eighty-First Monthly Payment Series, 2-60555.

Feb. 8: Energy Resources Corp., 2-60597; Franklin Tax Free Income Fund Inc., 2-60470; E.F. Hutton Tax Exempt Trust, National Series 36, 2-60571; Jet X Corp., 2-59863; Toro Co., 2-60667.

Feb. 9: Beneficial Corporation, 2-60651; Calplans Oil & Gas Program-1978, 2-60183; Central Hudson Gas & Electric Corp., 2-60496; Chilton Corp., 2-60501; Fischbach & Moore, Inc., 2-60519; General Motors Acceptance Corp., 2-60638; Hadson Ohio 1978 Oil & Gas Program, 2-60229; Howard Bros. Discount Stores, Inc., 2-60592; Insured Municipals Income Trust Series 20, 2-60624; The Kansas Power & Light Co., 2-60614; Midland Glass Company, Inc., 2-60639; Nuven Tax Exempt Bond Fund, Series 102, 2-60027; Public Service Company of Indiana, Inc., 2-60687.

Feb. 10: Dorothy Co., 2-56873 (90 days); Multiple Maturity Tax Exempt Bond Trust, 2-59870; Texas American Bancshares Inc., 2-60596; Timeplex Inc., 2-60618; Zions Utah Bancorporation, 2-60650.

#### REGISTRATIONS WITHDRAWN AND ABANDONED

Jan. 18: American Film Distribution Associates, 2-57956.  
 Feb. 6: Futures Trading Group, 2-55386 (Abandoned).  
 Feb. 10: Thomson Industries, Ltd., 2-60697.

**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
COASTAL STATES CORP	1	01/06/78
DC TRANSIT SYSTEM INC	2,13,14	12/01/77 *
EQUIPMENT CO OF AMERICA	5	12/29/77
FIRST FEDERAL SAVINGS & LOAN ASSOCIATION	3,5	11/01/77
HIGHLAND COAL & CHEMICAL CO	2,6	12/30/77
LIGGETT GROUP INC	3,5	12/01/77
METROPLEX REALTY TRUST	3,5,6	12/01/77
PAKCO COMPANIES INC	5,6	12/12/77
PRECISION POLYMERS INC	3,5	12/06/77
RANSBURG CORP	5	01/19/78
RAYMOND INTERNATIONAL INC	3,5	12/21/77
ROSSMOOR CONSTRUCTION CORP LAGUNA H	5	01/09/78
SCIENCE MANAGEMENT CORP	6	12/01/77
SECURA CORP	1	01/03/78
UNIVERSITY PATENTS INC	3,5	11/19/77
WITTER DEAN ORGANIZATION INC	2,6	01/03/78
AMENDMENTS TO REPORTS ON FORM 8-K		
WESTPORT CO	1	09/29/77

<sup>\*/</sup> 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:

- |   |   |
|---|---|
| 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  |   |

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