

# sec news digest

Issue 78-170

SEP 1 1978

August 31, 1978

## U.S. SECURITIES AND EXCHANGE COMMISSION

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### NOTICE OF COMMISSION MEETINGS

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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 obtain a tape recording of Commission meetings must obtain permission in advance from the Secretary of the Commission.

#### CLOSED MEETING - WEDNESDAY, SEPTEMBER 6, 1978 - 10 A.M.

The subject matter of the September 6 closed meeting will be: Access to investigative files by Federal, State or Self-Regulatory authorities; Chapter XI proceeding; Formal orders of investigation; Institution of injunctive actions; Regulatory matter bearing enforcement implications; Settlement of administrative proceedings of an enforcement nature; Settlement of injunctive action; Other litigation matters.

#### OPEN MEETING - THURSDAY, SEPTEMBER 7, 1978 - 10 A.M.

The subject matter of the September 7 open meeting will be:

(1) Consideration of an application for re-entry of Morris Cohen to become associated with a registered broker-dealer, as a registered representative, in a non-supervisory, non-proprietary capacity, with adequate supervision. FOR FURTHER INFORMATION CONTACT David P. Tennant at (202) 755-7096.

(2) Consideration of whether to issue a release concerning the fidelity bonding of registered management investment companies. FOR FURTHER INFORMATION CONTACT John M. Metzger at (202) 755-0233.

(3) Consideration of whether to issue two releases which would announce (a) the withdrawal of a proposed amendment to Rule 146 to prevent persons who receive compensation from the issuer from also serving as offeree representative, and request comment on a proposed amendment to prevent an agent of the issuer from serving as an offeree representative; and (b) the adoption of an amendment to Rule 146 relaxing the disclosure requirements for offerings not in excess of \$1,500,000. FOR FURTHER INFORMATION CONTACT Richard K. Wulff at (202) 755-1240.

(4) Consideration of proposals: (a) to raise the limit on the aggregate offering price of securities which may be sold pursuant to the Regulation A exemption from registration under Section 3(b) of the Securities Act to \$1.5 million and not require certified financial statements except from reporting companies; (b) to request public comment on whether the Regulation A ceiling should be raised to \$2.5 million, if so authorized by statute and, if so, whether certified financial statements should be required for offerings between \$1.5 million and \$2.5 million; and (c) to raise the ceiling on offerings pursuant to Rule 257 of Regulation A from \$50,000 to \$100,000. FOR FURTHER INFORMATION CONTACT J. Rowland Cook at (202) 755-4370.

(5) Consideration of proposed amendments to Form S-16 under the Securities Act expanding the availability of the form for primary offerings of securities by certain subsidiary issuers without requiring a guarantee by their parent companies, provided those issuers meet additional standards relating to (a) outstanding publicly-held securities, (b) earnings to fixed charges coverage ratios, and (c) dissemination of annual reports containing certified financial statements. FOR FURTHER INFORMATION CONTACT J. Rowland Cook at (202) 755-4370.

The subject matter of the September 7 closed meeting will be: Opinion; Administrative proceeding of an enforcement nature.

FOR FURTHER INFORMATION CONTACT Gary Matsko at (202) 755-1133

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## **COURT ENFORCEMENT ACTIONS**

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### **KATY INDUSTRIES, INC., TWO DIRECTORS ENJOINED**

The Chicago Regional Office announced that on August 30 the U.S. District Court for the Northern District of Illinois entered consent judgments enjoining Katy Industries, Inc., Wallace E. Carroll, the chairman of the Katy's board of directors, and Melvan M. Jacobs, a Katy director, from violating the periodic reporting, proxy solicitation, antifraud and foreign corrupt practices provisions of the securities laws. The judgments were entered by consent, with the defendants neither admitting nor denying the allegations in the complaint. The complaint alleged that, in connection with obtaining an oil production sharing contract in Indonesia: Katy employed a consultant who was a close friend of a high level Indonesian government official; Katy retained a representative of the official as an agent for Katy; Katy made payments of \$250,000 to a Cayman Island corporation owned by the consultant and the representative; Katy, Carroll and Jacobs knew or had reason to know that the government official and his representative would directly or indirectly share in the payments; from 1975 to July 28, 1978, Katy had an agreement to pay the Cayman Island corporation 13.33% of the annual profits from the oil contract. The Court's order also directed Katy to amend its filings and establish a Special Review Committee of outside directors to report to the board of directors which must act on the report. (SEC v. Katy Industries, Inc., et al., U.S.D.C., N.D. Ill., Civil Action No. 78c-3476). (LR-8519)

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## **SELF-REGULATORY ORGANIZATIONS**

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### **APPROVAL OF PROPOSED RULE CHANGES**

The Commission has approved proposed rule changes filed by the following stock exchanges: The Boston Stock Exchange, Inc. (SR-BSE-78-5) to amend Chapter II, Section 15 of the BSE Rules to incorporate into those rules the policy of semiannual confirmation of G.T.C. (good-til-cancelled) orders. (Rel. 34-15105) and The National Association of Securities Dealers, Inc. (SR-NASD-78-6) to assess a \$25 late filing fee against members who fail to submit written notification to the NASD of the termination of employment of a registered person within 30 calendar days of such termination. (Rel. 34-15106)

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## **LISTING, DELISTING AND UNLISTED TRADING ACTIONS**

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### **LISTING ACTIONS**

Orders have been issued pursuant to Section 12(d) of the Securities Exchange Act of 1934 granting the applications of the following registrants to list the specified securities on the following stock exchanges: AMERICAN STOCK EXCHANGE, INC. - American Medical Buildings, Inc., common stock (effective as of 8/8/78); Conner Homes, Corp., common stock (effective as of 8/9/78); Petro Lewis, Corp., 12-1/4% subordinated debentures, due 1998; National Securities & Research, Corp., capital stock (both effective as of 8/14/78); Golden Nugget, Inc., common stock (effective as of 8/15/78); Clabir Corp., common stock (effective as of 8/16/78); Intermark, Inc., common stock (effective as of 8/18/78). NEW YORK STOCK EXCHANGE, INC. - Niagara Mohawk Power Corp., 8.35% first mortgage bonds, Series due August 1, 2007; Household Finance, Corp., 8-1/2% debentures, Series 5B due May 15, 1983; Georgia Power Co., first mortgage bonds, 9-5/8% series due May 1, 2008; General Motors Acceptance, Corp., 8-7/8% notes due July 15, 1985 (all effective as of 8/8/78); Allegheny Airlines, Inc., \$1.875 cumulative convertible senior preferred stock; Budget Capital, Corp., 11-7/8% senior subordinated sinking fund debentures, due 1998 (both effective as of 8/9/78); Republic of Finland, 8-3/4% external loan notes due 1983; New York Telephone Co., forty-year 8-7/8% debentures due June 15, 2018 (both effective as of 8/11/78); IU International, Corp., \$1.36 convertible preferred stock without par value; Duke Power Co., first & refunding mortgage bonds 9-3/8% series due 2008; Transamerica Financial, Corp., 9-1/4% notes due August 1, 1987; Kingdon of Sweden, 9-1/4% bonds due 1998 (all effective as of 8/15/78). PACIFIC STOCK EXCHANGE, INC. - IU International, Corp., \$1.36 convertible preferred stock without par value (effective as of 8/15/78).

The Commission has also announced that the common shares of Ingredient Technology Corp. have become listed on the New York Stock Exchange effective as of 8/21/78.

## 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-14) W. R. GRACE & CO., 1114 Avenue of the Americas, New York, N.Y. 10036 (212-764-5555) - 830,000 shares of common stock. (File 2-62474 - Aug. 29)
- (S-6) THE GOVERNMENT SECURITIES INCOME FUND SIXTH GNMA SERIES - 45,000 units. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080; Bache Halsey Stuart Shields Inc.; Dean Witter Reynolds Inc. (File 2-62475 - Aug. 29)
- (S-7) SIERRA PACIFIC POWER COMPANY, PO Box 10100 (100 East Moana Lane) Reno, Nev. 89510 (702-789-4011) - 1,000,000 shares of common stock. The company is a public utility. (File 2-62476 - Aug. 29)
- (S-8) TIME, INC., Time & Life Bldg., Rockefeller Center, New York, N.Y. 10020 - 21,000 shares of common stock. (File 2-62477 - Aug. 29)
- In a separate S-8 registration statement the company seeks registration of 227,695 shares of Series B \$1.575 cumulative convertible preferred shares. (File 2-62478 - Aug. 29)
- (S-8) G. HEILEMAN BREWING COMPANY, INC., 925 South Third St., La Crosse, Wis. 54601 - 15,000 shares of common stock. (File 2-62479 - Aug. 29)
- (S-14) GENERAL SIGNAL CORPORATION, High Ridge Park, Stamford, Conn. 06904 (203-357-8800) - 3,729,976 shares of common stock. (File 2-62480 - Aug. 29)
- (S-8) OAKBROOK CONSOLIDATED INC., 2000 Spring Rd., Oak Brook, Ill. 60521 - 100,000 shares of common stock. (File 2-62481 - Aug. 28)
- (S-7) SYSCO CORPORATION, 800 Capital National Bank Bldg., 1300 Main St., Houston, Tex. 77002 (713) 658-8311 - 550,000 shares of common stock. Underwriter: Goldman, Sachs & Co. The company is engaged in the wholesale distribution of foods and related products. (File 2-62482 - Aug. 30)
- (S-2) PURECYCLE CORPORATION, 1668 Valtec Lane, Boulder, Colo. 80301 - 2,250,000 shares of common stock. Underwriter: Hanifen, Imhoff & Samford, Inc. (File 2-62483 - Aug. 30)
- (S-8) SERVICE CORPORATION INTERNATIONAL, 1929 Allen Pkwy., Houston, Tex. 77019 (713) 522-5141 - \$1 million of interests. (File 2-62484 - Aug. 30)
- (S-16) DOMINION BANKSHARES CORPORATION, 213 South Jefferson St., Roanoke, Va. 24040 (703) 362-7000 - 250,000 shares of common stock. (File 2-62486 - Aug. 30)
- (S-14) NEW MANHATTAN FUND, INC., 127 John St., New York, N.Y. 10038 (212) 248-9500 - 25,000 shares of common stock. (File 2-62487 - Aug. 30)
- (S-7) GEORGIA POWER COMPANY, 270 Peachtree St., N.W., Atlanta, Ga. 30303 (404) 522-6060 - \$100 million of first mortgage bonds. The company is engaged in the generation and purchase of electric energy. (File 2-62488 - Aug. 30)
- (S-7) TEXAS GAS TRANSMISSION CORPORATION, 3800 Frederica St., Owensboro, Ky. 42301 (502) 926-8686 - 1,000,000 shares of common stock. Underwriter: Dillon Read & Co. Inc. The company, among other things, is engaged in the interstate transmission and sale of natural gas. (File 2-62489 - Aug. 30)



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