RULES AND RELATED MATTERS

PROPOSED RESCISSION OF RULE 45a-l

The Commission has issued a release soliciting comments on the desirability of rescinding Rule 45a-l promulgated by the Commission under the Investment Company Act of 1940, which provides for confidential treatment of certain information relating to mutual fund dealers. If Rule 45a-l were rescinded, the information contained in Item 66 of the annual report form for management investment companies requiring identification of the ten dealers selling the largest dollar amounts of the shares of a registered investment company would be available for public inspection. Comments should be sent in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, on or before August 20 and should refer to File No. 37-789. All comments received will be available for public inspection. (Rel. IC-10748)

FOR FURTHER INFORMATION CONTACT: Katherine A. Malfa at (202) 755-1613

ADMINISTRATIVE PROCEEDINGS

COMMISSION ISSUES OPINION AND ORDERS
IN THE MATTER OF TOUCHE ROSS & CO., OTHERS

On June 27 the Commission issued an Opinion and Order in the public professional disciplinary administrative proceeding instituted pursuant to Rule 2(e) of the Commission's Rules of Practice against Touche Ross & Co., a public accounting firm, Armin J. Frankel and Edwin Heft, former partners of that firm. Touche Ross, Frankel and Heft, without admitting or denying any of the statements or conclusions set forth therein, consented to the issuance of such Opinion and Order. The Commission stated in its Opinion and Order that these proceedings as they relate to Touche Ross are supplemental to prior proceedings which resulted in the issuance by consent of Accounting Series Release No. 153.

The Commission's Opinion focuses principally upon the conduct of Touche Ross, Frankel and Heft in connection with an audit of the financial statements of Giant Stores Corp. for the fiscal year ended January 29, 1972. The Commission in its Opinion and Order found that the examination of Giant Stores Corp. financial statements for fiscal year 1972 was not conducted in accordance with generally accepted auditing standards. Also, the Commission in its Opinion discusses Touche Ross' conduct in connection with the audit of Ampex Corporation's financial statements for fiscal year ended May 1, 1971.

The Commission in its Opinion and Order, censured the firm of Touche Ross and ordered that the Peer Review contemplated by a previous Commission Order, Accounting Series Release No. 153, of the manner in which Touche Ross conducts its audit practice with respect to public companies, be made in 1979. This examination will be carried out by a Committee whose members have been agreed upon by Touche Ross and the Commission. The nature and scope of the Committee's examination is outlined in a memorandum which is annexed to the Commission's Opinion and Order. The Commission also ordered Frankel, a former Touche Ross partner who was the partner-in-charge of the Giant Stores Corp. audit for fiscal year 1972, to comply with the terms of his offer of settlement not to engage in the practice of public accounting before the Commission for a period of five months commencing from June 27.

By separate Order dated June 27, the Commission dismissed the Rule 2(e) proceeding against the remaining respondent James M. Lynch, a former partner of Touche Ross. (Rel. 34-15978)
M. LOWELL HARMAN SANCTIONED

The Commission has accepted an Offer of Settlement submitted by M. Lowell Harman, a registered representative of E.F. Hutton & Company, Inc.'s Park Avenue, New York, New York office. The Commission had previously ordered public administrative proceedings based upon the staff's allegations, inter alia, that Harman wilfully violated and wilfully aided and abetted violations of the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 in connection with listed option transactions in certain customer accounts. (See Rel. 34-15537)

Based upon Harman's Offer of Settlement, in which Harman neither admitted nor denied those allegations made against him, the Commission found that Harman wilfully violated and wilfully aided and abetted violations of the antifraud provisions of the Securities Act and the Exchange Act. Harman agreed to the imposition of a bar from being associated with any broker, dealer, investment adviser, or investment company, provided that, after two years from the effective date of the Commission's Order, he may apply to the Commission to become associated with a broker, dealer, investment adviser or investment company in a non-supervisory and non-proprietary capacity, upon a showing of adequate supervision. (Rel. 34-15934)

COMMISSION ANNOUNCEMENTS

WEEKLY CALENDAR

The following is a schedule of speaking engagements, Congressional testimony, Commission hearings and other public events involving the Commission for the week of July 2, 1979. (Commission Meetings are announced separately in the News Digest.)

Monday, July 2

* Public Hearings on Off-Board Trading Rules will be held beginning at 9:30 a.m. at the SEC Headquarters Building, 500 North Capitol St., Washington, D.C. (For the schedule of speakers, see the June 14 News Digest.)

CIVIL PROCEEDINGS

COMPLAINT NAMES UNITED TECHNOLOGIES CORPORATION

The Commission announced on June 25 the filing of a complaint in the U.S. District Court for the District of Columbia for injunctive, mandatory and other equitable relief against United Technologies Corporation (United) and its wholly-owned subsidiary, United Technologies Holding Corporation. The complaint alleges that United violated the tender offer and beneficial ownership reporting provisions of the Williams Act (Sections 13(d), 14(d) and 14(e) of the Securities Exchange Act of 1934) in connection with a 1978 tender offer for and $1.86 preferred stock of Carrier Corporation. The complaint seeks an Order that United correct its previous filings in connection with its tender offer for and acquisition of Carrier securities, that United be enjoined from future violations of the tender offer and beneficial ownership reporting provisions of the Williams Act and make whole any tendering Carrier shareholders injured by United's violative conduct. (SEC v. United Technologies Corporation, et al., U.S.D.C. D.C., Civil Action No. 79-1648). (LR-8793)

DAVID V. TOLLE ENJOINED

The Los Angeles Regional Office announced that on May 23 the Honorable Carl A. Muecke, Judge for the District Court for the District of Arizona, after a two-day hearing, issued an order of preliminary injunction against David V. Tolle of Phoenix, Arizona, president of Western Geothermal and Power Corporation (WGP) also of Phoenix. Tolle was enjoined from further violation of the registration and antifraud provisions. WGP was formed in 1974 after a merger with another company which had a class of publicly held common stock listed on the Intermountain Stock Exchange. Tolle launched an effort to revitalize WGP, issuing common stock for the purchase of mineral and geothermal properties. In its communications with its shareholders WGP misrepresented the value of these properties and the status of various business ventures it had entered into. WGP also failed to disclose that Tolle, as well as other directors of WGP, had secretly issued themselves large blocks of WGP common stock.

The Court, without enjoining WGP, ordered that an independent officer be appointed to WGP who will serve as a watchdog in an effort to ensure that future violations of the registration and fraud provisions do not recur.
On April 18, 1978 the Court permanently enjoined Robert Cornell of Phoenix from further violations of the registration and fraud provisions and Frank Bryan of Phoenix for registration violations. On July 12, 1978 William Campbell of Spokane, Washington was enjoined from further violations of the registration and antifraud provisions. All of these defendants consented to the Court's orders without admitting or denying the allegations in the Commission's complaint.

In the Conclusions of Law issued on May 23, 1978 the Court held that, in its injunctive actions, the Commission does not have to allege or prove scienter involving violations based upon Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

Also Judge Muecke permanently enjoined (by default) Colony Stock Transfer Corporation of Phoenix from further violations of the antifraud provisions. It was the transfer company for WGP. Colony is a registered transfer agent with the Commission. (S&F v. Western Geothermal and Power Corporation, et al., Dist. of Ariz., Civil Action No. 77-504-CAM). (LR-8794)

INVESTMENT COMPANY ACT RELEASES

EDIE MANAGEMENT SERVICES, INC.

An order has been issued on an application of Edie Management Services, Inc. and T. Rowe Price Associates, Inc., both registered investment advisers, and Rowe Price New Horizons Fund, Inc. (New Horizons), and Edie Special Growth Fund (Growth Fund), both open-end, diversified, management investment companies registered under the Investment Company Act of 1940, exempting New Horizons from the 75 per centum disinterested director requirement of Section 15(f)(1)(A) of the Act following the reorganization of Growth Fund with and into New Horizons. (Rel. IC-10746 - June 26)

DIFUND, INC.

A notice has been issued giving interested persons until July 20 to request a hearing on an application of Difund, Inc., and Merrill Lynch Basic Value Fund, Inc. (Basic Value), both open-end, diversified, management investment companies registered under the Investment Company Act of 1940, and Merrill Lynch Asset Management, Inc. and Fund Asset Management, Inc., both registered investment advisers, for an order (1) exempting Basic Value from the 75 per centum disinterested director requirement of Section 15(f)(1)(A) of the Act following the reorganization of Difund with and into Basic Value and (2) exempting from Section 17(a) of the Act and permitting under Rule 17d-1 of the Act the proposed reorganization of Difund and Basic Value. (Rel. IC-10747 - June 27)

HOLDING COMPANY ACT RELEASES

THE CONNECTICUT LIGHT AND POWER COMPANY

A supplemental order has been issued approving a proposal of The Connecticut Light & Power Company (CL&P), subsidiary of Northeast Utilities, whereby CL&P will sell a portion of its joint ownership interest in Seabrook Unit Nos. 1 and 2, nuclear-fired electric generating facilities presently under construction in Seabrook, New Hampshire to Vermont Electric Cooperative, Inc. for an estimated aggregate consideration of $596,394. Jurisdiction has been reserved over CL&P's proposed sale of the remainder of its interest in Seabrook Unit Nos. 1 and 2 to three other New England electric companies. (Rel. 35-21118 - June 26)

MISCELLANEOUS

ORDERS GRANTING EXEMPTIONS PURSUANT TO SECTION 12(h)

Orders have been issued granting the applications of the following companies, under Section 12(h) of the Securities Exchange Act of 1934, for an exemption from the provisions of Sections 13 and 15(d) of the Act:

KOPPERS COMPANY, INC. (successor to Ivy Corporation) - The matter having been considered, it is found that the requested exemption is appropriate, in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. (Rel. 34-15952)

NEWS DIGEST, June 27, 1979
AIR CALIFORNIA (a wholly-owned subsidiary of Westgate-California Corp.) - The order also denies two requests for a hearing. It appeared to the Commission that granting the exemption would not be inconsistent with the public interest in view of the fact that none of the company's securities are held publicly and that granting a hearing to the requestors was not warranted because it would add nothing to the ultimate decision on the application. (Rel. 34-15953)

JENN-AIR CORPORATION - It appears to the Division that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-15954)

LEGGETT & PLATT INC. (on behalf of Leggett Wire Company, successor to Adcom Metals Company, Inc.) - The order was to exempt Leggett Wire Company from the provisions of the Act. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and no significant benefit will accrue to either investors or the public if the subject report is required to be filed. (Rel. 34-15955)

UNION CARBIDE INTERNATIONAL CAPITAL CORPORATION - The matter having been considered, it is found that the requested exemption is appropriate, in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. (Rel. 34-15957)

GREEN GIANT COMPANY - It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-15959)

FALCON SEABOARD INC. - It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-15960)

BERGSTROM PAPER COMPANY - Since, as the result of a merger with and into P.H. Glatfelter Company on January 30, 1979, the company has no securities owned by the public, it appeared to the Commission that granting the requested exemption would not be inconsistent with the public interest or the protection of investors. (Rel. 34-15962)

WJA REALTY (successor to World Jai-Alai, Inc.) - The order exempts World Jai-Alai, Inc. from the provisions of the Act. It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and no significant benefit will accrue to either investors or the public if the subject report is required to be filed. (Rel. 34-15963)

MERCURY GENERAL CORPORATION - It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and no significant benefit would accrue to either investors or the public if the company were required to file the subject reports. (Rel. 34-15965)

OLINKRAF'T, INC. - It appears to the Division that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-15966)

COSCO, INC. - It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors. (Rel. 34-15967)

AMIC CORPORATION - It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and that no significant benefit will accrue to either investors or the public if the company were required to file the subject reports. (File 34-15968)

GREAT SOUTHWEST CORPORATION - It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and no significant benefit will accrue to either investors or the public if the company is required to file the subject reports. (Rel. 34-15969)

MOULDINGS, INC. - It appears to the Commission that the requested exemption is not inconsistent with the public interest or the protection of investors, and no significant benefit will accrue to either investors or the public if the company is required to file the subject reports. (Rel. 34-15970)
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-2) BIO-RESPONSE, INC., 550 Ridgefield Rd., Wilton, Conn. 06897 - 1,200,000 units, 1,200,000 shares of common stock and 1,200,000 common stock purchase warrants. Underwriters: Sherwood Securities Corp. and Bond, Richman & Co., Inc. The company is engaged in medical research and development projects. (File 2-64851 - June 25)

(S-7) GULF STATES UTILITIES COMPANY, P.O. Box 2951, Beaumont. Tex. 77704 (713) 838-6631 - 350,000 shares of dividend preferred stock, $100 par value. The company is engaged in the generation, purchase, transmission, distribution and sale of electric energy. (File 2-64854 - June 26)

(S-1) MID-AMERICA DRILLING & EXPLORATION, INC., 1177 Campbell Centre II, 8150 North Central Expressway, Dallas, Tex. 75206 - 15,000,000 shares of common stock. Underwriter: Blinder, Robinson & Co., Inc. The company owns a drilling rig. (File 2-64855 - June 26)

(S-8) TANDEM COMPUTERS INCORPORATED, 19333 Vallco Parkway, Cupertino, Cal. 95014 (408) 996-6000 - 400,000 shares of common stock. (File 2-64856 - June 26)

(S-16) LACLEDE GAS COMPANY, 720 Olive St., St. Louis, Mo. 63101 (314) 342-0500 - $20 million of first mortgage bonds, due July 15, 1999. The company is engaged in the purchase, transmission, distribution and sale of natural gas. (File 2-64857 - June 26)

(S-8) TRICO INDUSTRIES, INC., 15707 South Main St., Gardena, Cal. 90248 (213) 532-9400 - 700,000 shares of common stock. (File 2-64858 - June 26)

(S-8) EQUIMARK CORPORATION, Two Oliver Plaza, Pittsburgh, Pa. 15222 (412) 288-5000 - 100,000 shares of common stock. (File 2-64859 - June 26)

(S-8) HECK'S, INC., 1012 Kanawha Blvd., East, Charleston, W. Va. 25328 (304) 344-3581 - 164,500 shares of common stock. (File 2-64860 - June 16)


(S-7) CITICORP, 399 Park Ave., New York, N.Y. 10043 (212) 559-1000 - $1 million of notes. The company is a bank holding company. (File 2-64862 - June 26)

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within 10 days on Schedule 13D if after the acquisition of any equity securities of a public company their beneficial interest therein exceeds 5%. Persons eligible to use the short form (Form 13-G) may in lieu of filing a Schedule 13D file a Form 13-G within forty-five days after the end of the calendar year in which the person became subject to Section 13(d)(1). The following companies or individuals filed Schedule 13D’s during the period June 11 - 13, 1979. 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 sent forth for each beneficial ownership. *Amended Acquisition Reports.

<table>
<thead>
<tr>
<th>REPORTING COMPANY</th>
<th>ISSUER &amp; NUMBER OF SHARES</th>
<th>DATE FILED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesa Petroleum Co.</td>
<td>Equity Oil Co. (Salt Lake City, UT) Common Stock - 153,000 shs.</td>
<td>6-11-79</td>
</tr>
<tr>
<td>United California Bank Herman Chazen, Co-Conservators and Co-Trustees</td>
<td>General Health Services, Inc. (Culver City, CA) Common Stock - 858,531 shs. (41.3%)</td>
<td>6-11-79</td>
</tr>
</tbody>
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NEWS DIGEST, June 27, 1979
ACQUISITION REPORTS CONT.

TBK Partners, Ltd.
Viridian Investments, Ltd.

Greit Realty Trust (Warrington, PA)
Shs. of Beneficial Interest - 53,200
6-11-79

* John B. Callahan
Enrique Foster Gittes
John Heywood
George H. Heywood, Jr.,
Trustees

Heywood-Wakefield Co. (Gardner, MA)
Preferred Stock - 4,022 shs.
Common Stock - 32,975 shs. (61.3%)
6-11-79

Reliance Electric Company

Interface Mechanisms, Inc. (Lynnwood, WA)
Common Stock - 193,000 shs.
6-11-79

* Pan-Western Life Insurance Co.
First Equity Life Insurance Co. of Missouri
(Controled by Underwriters Investment Corp.)

International Mercantile Corp. (Jefferson City, MO)
Common Stock - 90,094 shs.
6-11-79

* Hartford National Bank & Trust Co., Trustee
Frank Chapman
Lewis A. Lapham
Frederick S. Leinbach, et al

North American Philips Corp. (NYC)
Common Stock - 5,092,533 shs.
Common Stock - 237,374 shs.
on conversion of Debentures
6-11-79

* Stanford N. Phelps

TRCQ (Jacksonville, FL)
Common Stock - 867,278.4 shs. (27.93%)
on conversion of Debentures
6-11-79

Robert S. Tutag, Individually and Voting Trustee

S. J. Tutag & Co. (Brooklyn, NY)
Common Stock - 310,895 shs.
Common Stock - 330,000 shs.
on exercise of Options
6-11-79

* Chris-Craft Industries, Inc.

Twentieth Century-Fox Film Corp. (Los Angeles, CA)
Common Stock - 1,011,500 shs. (13%)
Common Stock - 1,000 shs.
on conversion of Preferred Stock
6-11-79

* First City Trust Co. (Canada)
(Subsidiary of First City Financial Corp. Ltd. (Canada)

Wincorp Industries Inc. (Inglewood, CA)
Common Stock - 145,950 shs. (10.70%)
on conversion of Preferred Stock
6-11-79

* Bronson H. Fargo
Laurence K. Miller

Worcester Bancorp, Inc. (Worcester, MA)
Common Stock - 76,966 shs.
6-11-79

* John L. Muething, Trustee
Robert P. Fowler, Trustee
Carl H. Lindner, III, et al

American Financial Corp. (Cincinnati, OH)
Common Stock - 466,254 shs.
6-12-79

William S. Korff

Barnes Engineering Co. (Stamford, CT)
Common Stock - 86,991 shs.
(In addition, Mr. Korff has an option to
acquire 9,000 shs.)
6-12-79

Auto Vehicle Parts Co.

CIP Corp. (Cincinnati, OH)
Common Stock - 62,940 shs. (10.3%)
6-12-79

Shoshana S. Cardin
Jerome S. Cardin

Calvert Telecommunications Corp. (Baltimore, MD)
Common Stock - 313,000 shs.
6-12-79

* Wayland H. Cato, Jr.

Cato Corp. (Charlotte, NC)
Common Stock - 190,048 shs. (26.15%)
6-12-79

* Altair Corp.

Harvest Industries, Inc. (Wilmette, IL)
Common Stock - 680,700 shs. (57%)
6-12-79

* Warren E. Buffett
Blue Chip Stamps
Berkshire Hathaway Inc.
National Indemnity Co., et al

Pinkerton's Inc. (NYC)
Class B Stock - 607,936 shs. (32.8%)
6-12-79
ACQUISITION REPORTS CONT.

* Unicorp Financial Corp. (Canada)
  George S. Mann (Canada)
  San Francisco Real Estate Investors (San Francisco, CA)
  Shs. of Beneficial Interest - 114,500
  6-12-79

* Justin S. Colin, Individually and Custodian
  Abraham S. Kaplan, Trustee
  Evelyn Green Davis, Trustee
  S. William Green, Trustee, et al
  Starrett Housing Corp. (NYC)
  Common Stock - 1,160,770 shs. (35.6%)
  6-12-79

* NWF Company
  Security Management Corp.
  Victor Posner
  AFL Corp. (Great Neck, NY)
  Common Stock - 416,100 shs. (13.1%)
  6-13-79

* Salomon Brothers
  Continental Illinois Properties (Orange, CA)
  Shs. of Beneficial Interest - 340,300
  6-13-79

John Alden Life Insurance Co.
John Alden Insurance Co.
KCC Holdings, Inc.
(Wholly-owned subsidiary of Kaiser Cement Corp.)
Richard O. Rush
Philip D. Kaltenbacher, Individually and Co-Trustee

* Maurice F. Krug
  Maurice F. Krug Technology Inc. (Dayton, OH)
  Common Stock - 218,614 shs. (30.1%)
  Common Stock - 30,000 shs.
  on exercise of an Option
  (Included above are shares owned by his wife.)

  6-13-79
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. When you are ordering more than one, we prefer that the documents be listed in alphabetical order to expedite service. The reproduction cost is 10c per page plus postage ($3.50 minimum); 20c per page plus postage for expedited service ($5.00 minimum) and 30c per page plus postage for priority service ($5.00 minimum). Cost estimates are given or request. All other reference material is available in the SEC Docket.

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