

sec news digest

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ADMINISTRATIVE PROCEEDINGS

NASD ACTION AGAINST VARIABLE INVESTMENT CORPORATION AND ROBERT L. KRAUSE AFFIRMED

The Commission has affirmed sanctions imposed by the NASD on Variable Investment Corporation, of Minneapolis, Minnesota, and Robert L. Krause, the firm's president. The NASD censured the firm and Krause, expelled the firm from membership in the Association, and suspended Krause for three years from association with any NASD member as a registered principal.

The Commission found, as had the NASD, that applicants failed to furnish the NASD with requested information and that Krause improperly withdrew funds from the firm after it ceased operations but had not repaid subordinated creditors. (Rel. 34-15154)

COURT ENFORCEMENT ACTIONS

GORMAN KING ENJOINED

The Denver Regional Office announced that on August 2 U.S. District Judge Paul Benson, Chief Judge of the U.S. District Court for the District of North Dakota, granted a preliminary injunction against Gorman King of Bismarck, North Dakota, preliminarily enjoining him from further violations of the antifraud and reporting provisions of the Securities Exchange Act of 1934. The complaint alleges that King, in addition to aiding and abetting David Johnson, Investment Brokerage Corporation, Lester Ladbury, Dairyman Publications, Inc. and Ellis Davidson, who without admitting or denying the allegations in the complaint consented to the entry of a final order of permanent injunction filed on July 17, engaged in conduct in violation of the tender offer and antifraud provisions of the securities laws. The order preliminarily enjoining King was entered after the court heard arguments on a Commission motion for a preliminary injunction. (SEC v. Security International Corporation, et al., Civil Action No. A77-3063). (LR-8513)

SAMUEL ARCH HARWELL AND PATRICK DENNIS SULLIVAN FOUND GUILTY

The Fort Worth Regional Office and the Houston Branch Office announced that Samuel Arch Harwell of Houston and Patrick Dennis Sullivan of Brea, California, were each found guilty by a federal district court in Houston on September 6 and September 12, respectively, of one count of a four count indictment charging wire fraud, mail fraud and conspiracy to commit wire fraud following acceptance of their plea of guilty. Harwell pled guilty to one count of mail fraud and Sullivan pled guilty to one count of wire fraud. The Court will impose sentence at a later date. (U.S. v. Samuel Arch Harwell and Patrick Dennis Sullivan, S.D. Tex., Criminal No. 78-H-78-87). (LR-8541)

MARVIN MAULTASCH AND RICHARD D. REDDOCK SENTENCED

The New York Regional Office announced that on July 24 Marvin Maultasch of Westbury, New York and Richard D. Reddock of Bellmore, New York were sentenced by the Honorable Marvin E. Frankel, U.S. District Court Judge for the Southern District of New York, to a one year period of probation and a fine of \$200 and \$2000 respectively. On June 9 a jury had convicted Maultasch and Reddock of testifying falsely under oath before the staff of the SEC in connection with an investigation into the business dealings of the Galaxy Fund, Inc., a diversified open-end investment company, Galaxy Management Corporation, the investment adviser to Galaxy Fund which was a wholly-owned subsidiary of the Galaxy Group, Inc. and S. J. Salmon and Co. Inc., a broker-dealer registered with the SEC. (U.S. v. Marvin Maultasch and Richard D. Reddock, U.S.D.C. S.D.N.Y., 78 Cr. 114). (LR-8542)

INVESTMENT COMPANY ACT RELEASES

ELFUN TRUSTS

An order has been issued on an application of Elfund Trusts, an open-end, diversified management investment company, organized as an employees' securities company, pursuant to Section 6(b) of the Investment Company Act of 1940 exempting Elfund from the shareholder voting provisions of Section 15(a) of the Act. (Rel. IC-10414 - Sept. 20)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

WITHDRAWALS GRANTED

Orders have been issued granting the applications requesting withdrawal of the common stock of the specified companies from listing and registration on the American Stock Exchange, Inc.: The Miller-Wohl Company, Inc. (par value \$.50) and WUI, Inc. (w/o par value). (Rel. 34-15178)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF EFFECTIVENESS OF PROPOSED RULE CHANGES

The following stock exchanges have filed proposed rule changes which have become effective under Section 19(b)(3)(A) of the Securities Exchange Act of 1934: The Boston Stock Exchange, Inc. (SR-BSE-78-9) to increase its annual membership dues from \$1000 to \$1200. (Rel. 34-15174) and The Midwest Stock Exchange, Inc. (SR-MSE-78-22) to clarify the timing of the implementation of a halt in trading of an options class in the event of a regulatory halt in the underlying security. (Rel. 34-15177)

Publication of the above proposals are expected to be made in the Federal Register during the week of September 25.

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-16) GEARHART-OWEN INDUSTRIES, INC., 1100 Everman Rd., P.O. Box 1936, Fort Worth, Tex. 76101 (817) 293-1300 - 500,000 shares of common stock. Underwriters: Prescott, Ball & Turben and Howard, Weil, Labouisse, Friedrichs Inc. The company is engaged in the business of performing wireline service operations. (File 2-62637 - Sept. 20)
- (S-16) THE CHARLES RIVER BREEDING LABORATORIES, INC., 251 Ballardvale St., Wilmington, Mass. 01887 (617) 658-6000 - 35,000 shares of common stock. The company is engaged in the large-scale production and sale of laboratory animals. (File 2-62639 - Sept. 20)
- (S-7) CPT CORPORATION, 1001 Second St. South, Hopkins, Minn. 55343 (612) 935-0381 - 330,000 shares of common shares. Underwriter: Dain, Kalman & Quail Inc. The company designs, manufactures and markets automatic text-editing word process s. (File 2-62641 - Sept. 20)
- (S-1) THE STONE OIL CORPORATION 1979 PROGRAM-I LTD., 3100 Fountain Square Plaza, Cincinnati, Ohio 45202 - 20,000 units of preformation limited partnership interest. (File 2-62642 - Sept. 21)
- (S-14) AMERICAN BRANDS, INC., 245 Park Ave., New York, N.Y. 10017 (212) 557-7000 - 7,614,459 shares of preferred stock and 7,614,459 shares of convertible preferred stock. (File 2-62643 - Sept. 21)
- (S-16) OHIO EDISON COMPANY, 76 South Main St., Akron, Ohio 44308 (216) 384-5100 - 1,000,000 shares of common stock. The company is an electric public utility. (File 2-62644 - Sept. 21)

(S-14) NORIN CORP., 12100 N.E. 16th Ave., North Miami, Fla. 33161 - 54,415 shares of common stock. (File 2-62645 - Sept. 21)

REGISTRATIONS EFFECTIVE

Sept. 18: Gray Drug Stores, Inc., 2-62497; Provident National Corp., 2-62439.

Sept. 19: Advanced Micro Devices, Inc., 2-62435; Bally Manufacturing Corp., 2-62399; Data Terminal Systems, Inc., 2-62447; The Dean Witter Reynolds Tax-Exempt Trust, Thirty-Seventh Series, 2-62109; The First Trust of Insured Municipal Bonds, Series 37, 2-62394; Ryster Co., 2-62251; Massachusetts Tax Exempt Unit Trust, Series 5, 2-62309; Nevada Power Co., 2-62509; Nuclear Metals, Inc., 2-62266 (90 days); Public Service Co. of Colorado, 2-62415; Sea Containers, Inc., 2-62440; The Seibels Bruce Group Inc., 2-62288; Sysco Corp., 2-62482; Thomas Nelson, Inc., 2-62392; Union Electric Co., 2-62348.

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.

ACQUISITIONS OF SECURITIES

Companies and individuals must report to the Commission within 10 days on Schedule 13D if after the acquisition of 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 August 28 - August 30, 1978. 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 set forth for each beneficial owner. *Amended Acquisition Reports.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
David B. Johnson	Security International Corp. (Fargo, ND) Common Stock - 118,032 shs. (21.5%) (An additional 50,000 shares will be acquired.)	8-28-78
Arthur W. Milam John H. Wilbur Walter C. Walden Dudley D. Allen	George Washington Corp. (Jacksonville, FL) Common Stock - 218,155 shs.	8-28-78
* Bridget B. Baird, Individually and as Trustee Brent D. Baird, Individually and as Trustee Anne S. Baird, Custodian and Trustee Aries Hill Corp., et al	Citizens Growth Properties (Rocky River, OH) Shares of Beneficial Interest - 187,200	8-28-78
* Raymond M. Veltman Elaine T. Veltman Transportation Resources, Inc. E/P Transport Data Co.	ContainerFreight Corp. (Long Beach, CA) Common Stock - 187,035 shs. (Included above are shares owned by their children.)	8-28-78
* Dorster, Inc. (Wholly-owned subsidiary of Genstar (Canada)	Flintkote Company (Stamford, CT) Common Stock - 1,347,000 shs. (20%)	8-28-78
* Pat M. Greenwood Ednanne S. Pitts Ruby Greenwood Sexton James Pat Jones, et al	Great Southern Corp. (Wilmington, DE) Common Stock - 1,514,520 shs. (30.79%)	8-28-78
* Lionel Lieberman	Nuclear Data, Inc. (Schaumburg, IL) Common Stock - 56,800 shs.	8-28-78

ACQUISITION REPORTS CONT.

* Lionel Lieberman Gregory E. V. Dodgson Robert McAndrews	Nuclear Data, Inc. (Schaumburg, IL) Common Stock - 90,300 shs.	8-28-78
* Joel Greenberg Charles Lubin Milton Salstone	Optical Radiation Corp. (Azusa, CA) Common Stock - 154,450 shs. (10.8%)	8-28-78
* Libco Corporation	Telco Marketing Services, Inc. (Chicago, IL) Common Stock - 568,556 shs. (68%)	8-28-78
PVM Company, L.P., David K. Brewster, General Partner	Bryn Mawr Camp Resorts, Inc. (Vero Beach, FL) Common Stock - 283,195 shs. (50.1%) (Above shares were acquired pursuant to the Tender Offer.)	8-29-78
Aaron J. Siegal, Individually and as Custodian	First Melville Bancorp, Inc. (New Bedford, MA) Common Stock - 13,377 shs. (Included above are shares owned by his wife and daughter.)	8-29-78
De Rance, Inc.	Guardian Packaging Corp. (Newark, CA) Common Stock - 44,062 shs.	8-29-78
Bennett S. LeBow	Trio Laboratories, Inc. (Plainview, NY) Common Stock - 333,333 shs. (16.9%) Common Stock - 11,770 shs. on exercise of an Option (Mr. LeBow holds proxies to vote 164,800 shs.)	8-29-78
* Allis-Chalmers Corp.	American Air Filter Co. Inc. (Louisville, KY) Common Stock - 900,500 shs. (21.9%)	8-29-78
* E. Peter Hoffman, Jr., Individually and as Custodian	Midland Mortgage Investors Trust (Oklahoma City, OK) Shares of Beneficial Interest - 350,400 (14.71%)	8-29-78
Texas International Airlines, Inc. (Controlled by Jet Capital Corp.)	National Airlines, Inc. (Miami, FL) Common Stock - 1,153,300 shs. (13.5%)	8-29-78
Abraham Zion	Trio Laboratories, Inc. (Plainview, NY) Common Stock - 333,334 shs. (16.9%)	8-30-78
* Victor L. Sayyah Sayyah Corporation Thomas Jefferson Life Insurance Co. of America, et al	Bankers Union Life Insurance Co. (Englewood, CO) Common Stock - 125,203 shs. (53%)	8-30-78
* Danco, Inc. (Controlled by Daco Industries, Inc.)	Contrian Corporation (Dallas, TX) Common Stock - 189,975 shs. (1,425 of above shares were acquired pursuant to the Tender Offer.)	8-30-78
* Dorster, Inc. (Wholly-owned subsidiary of Genstar (Canada))	Flintkote Company (Stamford, CT) Common Stock - 1,401,900 shs. (20.86%)	8-30-78
* Telco Marketing Services, Inc. Telvest, Inc. (Wholly-owned subsidiary of Telco) Libco Corporation	Hickory Furniture Co. (Hickory, NC) Common Stock - 257,900 shs. (21.5%)	8-30-78
* Alberta Gas Trunk Line Co. Ltd. (Canada)	Husky Oil Ltd. (Calgary, Alberta, Canada) Common Stock - 4,512,400 shs. (41%)	8-30-78

ACQUISITION REPORTS CONT.

The following companies or individuals filed Form 13G's during the period July 13 - August 25, 1978.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
F. M. Co.	First Michigan Bank Corp. (Zeeland, MI) Common Stock - 100,289 shs. (11.3%)	7-13-78
National Bank of Detroit	Federal Mogul Corp. (Southfield, MI) Common Stock - 735,180 shs. (12.9%)	7-18-78
Republic National Bank of Dallas Republic of Texas Corporation	Holly Corporation (Dallas, TX) Common Stock - 4,041,266 shs. (49.0921%)	7-24-78
Republic National Bank of Dallas Republic of Texas Corporation	Republic of Texas Corporation (Dallas, TX) Common Stock - 1,234,410 shs. (10.5298%)	7-24-78
Republic National Bank of Dallas Republic of Texas Corporation	Southland Financial Corp. (Dallas, TX) Common Stock - 1,756,489 shs. (13.9051%)	7-24-78
Berkshare Hathaway Inc.	Louisiana Land Offshore Exploration Co. (New Orleans, LA) Class B Common Stock - 465,120 shs. (23.67%) on conversion of Debentures	7-28-78
Citicorp	MCI Communications Corp. (Washington, DC) Common Stock - 1,092,103 shs. on exercise of Warrants	8-9-78
Continental Illinois Corp.	MCI Communications Corp. (Washington, DC) Common Stock - 1,092,400 shs. on exercise of Warrants	8-9-78
First Chicago Corporation	MCI Communications Corp. (Washington, DC) Common Stock - 2,000,496 shs. on exercise of Warrants	8-9-78
First National Boston Corp.	MCI Communications Corp. (Washington, DC) Common Stock - 1,092,697 shs. on exercise of Warrants	8-9-78
Manufacturers Hanover Corp.	MCI Communications Corp. (Washington, DC) Common Stock - 1,638,243 shs. on exercise of Warrants	8-9-78
TRW Stock Savings Plan	TRW Inc. (Cleveland, OH) Common Stock - 2,838,712 shs. (10.02%)	8-11-78
Loyal American Life Insurance Company	Barnett Mortgage Trust (Jacksonville, FL) Common Stock - 1,055,450 shs. on conversion of Debentures	8-14-78
J. P. Morgan & Co. Inc.	Carter Hawley Hale Stores, Inc. (Los Angeles, CA) \$2 Convertible Preferred Stock - 298,232 shs. (15.18%)	8-14-78
J. P. Morgan & Co. Inc.	Conwood Corp. (Memphis, TN) Common Stock - 469,435 shs. (15.87%)	8-14-78
J. P. Morgan & Co. Inc.	Cray Research (Minneapolis, MN) Common Stock - 166,100 shs. (10.19%)	8-14-78
J. P. Morgan & Co. Inc.	GCA Corp. (Bedford, MA) Common Stock - 201,200 shs. (11.1%)	8-14-78
Republic National Bank of Dallas Republic of Texas Corp.	General American Oil Company of Texas (Dallas, TX) Common Stock - 2,368,336 shs. (17.2142%)	8-14-78

ACQUISITION REPORTS CONT.

J. P. Morgan & Co. Inc.	La Quinta Motor Inns (San Antonio, TX) Common Stock - 188,100 shs. (10.42%)	8-14-78
Trust Company Bank	Oxford Industries, Inc. (Atlanta, GA) Common Stock - 1,206,321 shs. (42.3%)	8-23-78
Sears, Roebuck & Co.	Pinkerton's, Inc. (NYC) Class B Common Stock - 113,700 shs.	8-25-78
National Bank of Detroit	Winkelman Stores, Inc. (Detroit, MI) Common Stock - 167,777 shs. (10.9%)	8-25-78

Companies and individuals making a tender offer must have on file at the time the tender offer commences a Schedule 14D-1. The following companies or individuals filed Schedule 14D-'s during the period July 28 - August 25, 1978. *Amended Tender Offers.

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
Inter-City Gas Limited (Canada)	Canadian Hydrocarbons Limited (Winnipeg, Manitoba, Canada) Common Stock - All outstanding shares (Inter-City offers to exchange 1½ shares of its Common for each share of Canadian Hydrocarbons.)	7-28-78
Central-National Financial Corporation	Old Heritage Corporation (Lincoln, IL) Common Stock - All outstanding shares for cash at \$1.80 net per share	7-28-78
Fidelity Federal Savings and Loan Association	Mariners Financial Corporation (Santa Ana, CA) Capital Stock - All outstanding shares (Fidelity offers to exchange savings accounts in the Prin. Amt. of \$19.50 for each share of Mariners.)	7-31-78
VSI Corporation	Greer Hydraulics Inc. (Los Angeles, CA) Common Stock - All outstanding shares for cash at \$18.00 net per share	8-2-78
Norton Company	Chemplast, Inc. (Wayne, NJ) Common Stock - 270,000 shares for cash at \$9.375 net per share	8-4-78
Old Dominion-Expediter, Inc.	Expediter Systems, Inc. (Birmingham, AL) Common Stock - 448,100 shs. for cash at \$9.00 net per share - or - \$11.00 per share in installments (Old Dominion has entered into a purchase agreement to acquire an additional 385,800 shares.)	8-4-78
Grand Union Holdings, Inc. (Wholly-owned subsidiary of Cavenham Ltd. (U.K.))	Colonial Stores Incorporated (East Point, GA) Common Stock - All outstanding shares for cash at \$35.00 net per share (Grand Union presently owns 100 shares.)	8-8-78
ANC, Inc. (Wholly-owned subsidiary of Arcata National Corporation)	Keyes Fibre Company (Montvale, NJ) Common Stock - 1,200,000 shs. (37%) for cash at \$28.50 net per share	8-11-78
K. R. Richards S. T. Richards	Mid America Bancorporation, Inc. (Minneapolis, MN) Common Stock - 110,000 shs. for cash at \$10.00 net per share (Messrs. Richards presently own 250,510 shares 29.3%)	8-14-78



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