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U.S. SECURITIES AND EXCHANGE COMMISSION

Issue 77-208

October 28, 1977

RULES AND RELATED MATTERS

PROPOSED RULES RE OIL AND GAS PRODUCERS DISCLOSURE STANDARDS

The Commission has proposed for public comment rules which provide for the disclosure in financial statements of certain operating and financial data relating to oil and gas producing activities. These disclosure standards supplement the financial accounting standards proposed by the Commission on August 31, 1977, in Release No. 33-5861. The rules proposed in both releases would apply (1) to filings with the Commission pursuant to the securities laws and (2) to reports to be filed with the Department of Energy pursuant to the Energy Policy and Conservation Act of 1975. This Act requires the Commission to assure the development of accounting practices for oil and gas producers by December 22, 1977. The proposed rules would accordingly be applicable to persons engaged in the production of oil and gas who will be required to file reports with the Department of Energy, including those who are not subject to the filing requirements under the securities laws. The Commission also discussed in the release recently raised questions concerning the relationship of the Commission's responsibilities under the Energy Policy and Conservation Act to projects of the Financial Accounting Standards Board and the Department of Energy involving financial reporting by oil and gas producers. Comments on the proposed rules must be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549, by November 25, 1977, and should refer to File No. S7-715. The Commission also extended the comment period for Release No. 33-5861 until that date. (Rel. 33-5877)

PROPOSED RULES RE REPLACEMENT COST DISCLOSURES - MINERAL RESOURCE ASSETS

The Commission has proposed for public comment rules which would require registrants engaged in oil and gas producing activities to disclose data based on the present value of future net revenues from estimated production of proved oil and gas reserves. The proposed disclosures, which would be effective for filings covering fiscal years ending on or after December 25, 1978, would supplement the disclosure of quantities of oil and gas reserves to provide information to investors on the differences between the historical costs associated with proved oil and gas reserves shown in the financial statements and the future net revenues to be derived from these reserves. In connection with this proposal, the Commission also proposed to rescind the existing requirement that certain registrants disclose replacement cost information about their mineral resource assets employed in oil and gas producing activities. Comments must be submitted in triplicate to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549 prior to March 31, 1978, and should refer to File No. S7-724. (Rel. 33-5878)

INTERPRETIVE GUIDELINES FOR DISCLOSURE OF CERTAIN REPLACEMENT COST DATA

The staff of the Commission in Staff Accounting Bulletin No. 18 issued interpretive guidelines for the disclosure of certain replacement cost data by registrants engaged in mining operations. Registrants subject to the replacement cost rule must disclose the required information for their mineral resource assets employed in mining operations beginning in financial statements covering fiscal years ending on or after December 25, 1977. The staff indicated that these disclosures should include (1) replacement cost data pertaining to buildings, machinery, and equipment used in mining operations and (2) the amount of costs incurred currently in the acquisition, exploration, and development of mineral properties accompanied by an explanation of the effects of incurring such costs on the financial statements and a generalized description of the impact of changing costs of such activities. (SAB-18)

NOTICE OF COMMISSION MEETINGS

CHANGES IN THE MEETING

The open meeting previously scheduled for Thursday, November 3, 1977, at 11 a.m., will be held instead at 10 a.m. The following additional item will be considered by the Commission at that time: Consideration of amendments proposed by the New York Stock Exchange, Inc. to Rule 405, its "Know Your Customer Rule". The proposals would generally alter the phrasing of the broker's or dealer's duty to know its customers.

COURT ENFORCEMENT ACTIONS

JAMES R. WILLOUGHBY PLEADS GUILTY

The Denver Regional Office announced that on September 21 James R. Willoughby of Omaha, Nebraska entered a plea of guilty in the U.S. District Court for the District of Nebraska before the Honorable Robert V. Denney, U.S. District Judge, to one count of an indictment charging him with selling unregistered stock of Diversified Industries, Inc., also of Omaha, Nebraska. Both Eddie J. Robbins and Richard John Mathews have entered pleas of not guilty to the same indictment. No date has yet been set for trial. (U.S. v. Eddie J. Robbins, et al., U.S.D.C. Nebraska, Criminal Docket No. 77-0-55). (LR-8169)

COMPLAINT NAMES HOUSE OF ADLER, INC. AND JEROME I. EPSTEIN

The Denver Regional Office announced that on October 14 a complaint was filed in the U.S. District Court for the District of Colorado against the House of Adler, Inc. and Jerome I. Epstein, seeking to enjoin them from violating the antifraud and corporate reporting provisions of the Securities Exchange Act of 1934. The complaint alleges, in substance, that from on or about October 1, 1971 to February 1976, the defendants filed certain reports with the Commission under the Exchange Act which reports were false and misleading in certain respects and also violated Rule 10b-5. (SEC v. The House of Adler, Inc., et al., U.S.D.C., Colo., Civil Action No. 77-954). (LR-8170)

EDWARD GINSBERG ENJOINED

The Chicago Regional Office and the Cleveland Branch Office announced that on October 21 Judge William K. Thomas, U.S. District Court for the Northern District of Ohio, Eastern Division, signed an order of permanent injunction against Edward Ginsberg, a resident of Lyndhurst, Ohio, enjoining him from violations of the registration and antifraud provisions of the 1933 Act and the antifraud provisions of the 1934 Act in the offer and sale of securities, namely, investment contracts in the form of limited partnership interests. Mr. Ginsberg consented to the entry of the order of permanent injunction without admitting or denying the allegations of the Commission's complaint, which was filed on October 19, 1976. In connection with said consent decree of injunction, Ginsberg, without admitting or denying any allegations which might have been made in anticipated proceedings under Rule 2(e) of the Commission's Rules of Practice (17 CFR 201.2), agreed not to practice before the Commission for a period of four years, as that practice is defined under Rule 2(e), and further agreed to waive his right under Rule 2(e)(3) for the same four year period. (SEC v. Edward Ginsberg, et al., N.D. Ohio, Civil Action No. C-76-1116). (LR-8171)

INVESTMENT COMPANY ACT RELEASES

GROMAN MORTUARIES

An order has been issued exempting Groman Mortuaries, Inc., a California funeral service company, subject to several conditions, from all the provisions of the Investment Company Act of 1940 to permit the completion of installment sales of certain of its debentures and for so long as it has outstanding certain debentures which were sold on an installment basis. (Rel. IC-9974 - Oct. 26)

FLETCHER FUND

A notice has been issued giving interested persons until November 21 to request a hearing on an application of Fletcher Fund, Inc. and Comstock Fund, Inc., each registered under the Act as an open-end, diversified investment company, for an order exempting from the provisions of Section 17(a) of the Act, pursuant to Section 17(b) of the Act, the proposed merger of Fletcher into Comstock through the exchange of shares of Comstock, at net asset value, for the assets of Fletcher. (Rel. IC-9975 - Oct. 26)

STATE STREET INVESTMENT CORPORATION

A notice has been issued giving interested persons until November 21 to request a hearing on an application of State Street Investment Corporation (Fund), an open-end investment company, for an order exempting the Fund from Section 22(d) of the Act in connection with a proposed exchange of Fund shares at approximately net asset value for substantially all of the assets of Cook Holdings Inc., a personal holding company. (Rel. IC-9976 - Oct. 27)

HOLDING COMPANY ACT RELEASES

EASTERN UTILITIES ASSOCIATES

A notice has been issued giving interested persons until November 25 to request a hearing on an application and a plan of Eastern Utilities Associates, a registered holding company and three of its subsidiaries, providing for a reorganization of the EUA system. (Rel. 35-20230 - Oct. 26)

ARKANSAS POWER & LIGHT COMPANY

A supplemental order has been issued authorizing changes in the pricing terms of a certain credit agreement related to financing arrangements entered into in connection with the sale and leaseback of nuclear fuel and related facilities by Arkansas Power and Light Company. (Rel. 35-20231 - Oct. 27)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

DELISTING GRANTED

An order has been issued granting the application of the American Stock Exchange, Inc. to strike from listing and registration the common stock, \$5.00 par value, of Scrivner, Inc. (Rel. 34-14106)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Depository Trust Company (DTC) has filed a proposed rule change under Rule 19b-4 (SR-DTC-77-9) to establish Conditional Deliver Order (CDO) service which would reduce the number of fails-to-deliver within the Institutional Delivery (ID) system by enabling DTC's participants to borrow securities to complete all or most of their institutional deliveries on settlement day. Publication of the proposal is expected to be made in the Federal Register during the week of October 31. (Rel. 34-14107)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Philadelphia Stock Exchange, Inc. (SR-PHLX-77-12) which would raise the original listing fee for stocks and warrants from \$2,000 per issue to \$5,000 per issue. (Rel. 34-14104)

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-10) GUADALUPE EXPLORATION CORPORATION, 4131 North 24th St., P.O. Box 15327, Phoenix, Ariz. 85060 - \$4,480.50 of fractional interests. (File 2-60161 - Oct. 25)

(S-16) FALCON SEABOARD INC., 1900 Yorktown, Suite 315, Houston, Tex. 77056 - 300,000 shares of common stock. (File 2-60164 - Oct. 27)

(S-14) PACIFIC HOLDING CORPORATION, 10889 Wilshire Blvd., Los Angeles, Cal. 90024 - \$16 million of 9% subordinated debentures, due 1997. (File 2-60165 - Oct. 27)

REGISTRATIONS EFFECTIVE

Oct. 26: California Microwave, Inc., 2-59945; The Corporate Income Fund, Sixty-Third Monthly Payment Series, 2-59962; Eli Lilly & Co., 2-59798; Old Kent Financial Corp., 2-59799; Polychrome Corp., 2-60018; Storage Technology Corp., 2-60117; Tax Exempt Securities Trust, Series 15, 2-59755; Time, Inc., 2-60032.

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%. The following companies or individuals filed Schedule 13D's during the period October 11 - 17, 1977. 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.

<u>REPORTING COMPANY OR INDIVIDUAL</u>	<u>ISSUER & NUMBER OF SHARES</u>	<u>DATE FILED</u>
BankAmerica Corporation	Computer Sciences Corp. (El Segundo, CA) Common Stock - 770,178 shs.	10-11-77
Raymond H. Kraftson	Life of Pennsylvania Financial Corp. (Philadelphia, PA) Life Assurance Co. of Pennsylvania (Philadelphia, PA) Common Stock - 8,790 shs. Common Stock - 10,000 shs. on exercise of Options (Mr. Kraftson has been assigned Options by Marvin N. Demchick to purchase 149,910 shares of Common Stock of Life and 1,500 shares convertible Preferred Stock of Assurance.)	10-11-77
Manufacturers Hanover Pension & Profit Sharing Special Equity Fund	Cross Company (Fraser, MI) Common Stock - 90,000 shs.	10-11-77
Sun Life Insurance Company of America (Wholly-owned subsidiary of Kaufman & Broad Inc.)	Coastal States Corporation (Atlanta, GA) Common Stock - 3,800 shs. (Sun Life has entered into an Agreement, subject to approval, to purchase 249,452 shares of Common Stock from Atlantic American Corp.)	10-11-77
David J. Greene & Co.	Gable Industries, Inc. (Atlanta, GA) Common Stock - 154,700 shs.	10-11-77
David J. Greene & Co.	Dorr-Oliver Inc. (Stamford, CT) Common Stock - 166,350 shs.	10-11-77
David J. Greene & Co.	Sterndent Corp. (Mount Vernon, NY) Common Stock - 103,100 shs.	10-11-77
Cornelius C. Rose Associates, Inc. Marvin L. Olshan Neil Grundman Robert L. Frome, et al	HNC Mortgage and Realty Investors (East Westport, CT) Shares of Beneficial Interest - 183,571	10-11-77
Martin Holt Dorothy Bekins Floyd R. Bekins, Sr. Ida Bekins Hecker, et al	Bekins Company (Los Angeles, CA) Common Stock - 1,796,033 shs.	10-11-77
Sheriff Securities Corp.	U. S. Natural Resources, Inc. (Menlo Park, CA) Common Stock - 135,500 shs.	10-11-77

ACQUISITION REPORTS CONT.

Sheriff Securities Corp.	Texstar Corp. (Grand Praire, TX) Common Stock - 184,400 shs.	10-11-77
Leonard Dalsemer (Bahamas)	HNC Mortgage and Realty Investors (Westport, CT) Shares of Beneficial Interests - 375,000 (16%)	10-11-77
Dr. Wolf Forster (Switzerland) Zelipo AG (Switzerland)	I. M. S. International, Inc. (NYC) Common Stock - 304,500 shs.	10-11-77
Jane L. Harkins George S. Harkins AnneMarie Coughlan Robert T. Coughlan	HNC Mortgage and Realty Investors (Westport, CT) Shares of Beneficial Interest - 189,961	10-11-77
Paine Webber Inc.	National Industries Inc. (Louisville, KY) Common Stock - 273,300 shs. on exercise of Warrants	10-11-77
* W. Oehler	Rom-Amer Pharmaceuticals, Ltd. (Las Vegas, NV) Common Stock - 100,000 shs.	10-11-77
* Nasser F. Ghanem	Rom-Amer Pharmaceuticals, Ltd. (Las Vegas, NV) Common Stock - 150,000 shs.	10-11-77
* Marvin N. Demchick	Life of Pennsylvania Financial Corp. (Phila, PA) Common Stock - 108,448 shs. Common Stock - 150,390 shs. on exercise of Options	10-11-77
	Life Assurance Co. of Pennsylvania (Phila, PA) Convertible Preferred Stock - 750 shs. Convertible Preferred Stock - 150,000 shs. on exercise of Options (Raymond H. Kraftson is his assignee.)	10-11-77
* Harold Lee Feikes	Rom-Amer Pharmaceuticals, Ltd. (Las Vegas, NV) Common Stock - 100,000 shs.	10-11-77
* William James Cavin, Jr.	Rom-Amer Pharmaceuticals, Ltd. (Las Vegas, NV) Common Stock - 100,000 shs.	10-11-77
* Charles E. Smith, D.D.S.	Lancer Pacific, Inc. (Calsbad, CA) Common Stock - 133,200 shs. (17.8%)	10-11-77
* LIBCO Corporation	Telco Marketing Services, Inc. (Chicago, IL) Common Stock - 494,782 shs. (59%)	10-11-77
* Goldman, Sachs & Co.	Sun Electric Corp. (Chicago, IL) 5% Convertible Debentures - \$1,305,000	10-11-77
* ADC Corp. Stannet Capital Corp. Standard Security Life Insurance Company of N.Y.	First Texas Financial Corp. (Dallas, TX) Common Stock - 200,000 shs. (12.8%)	10-11-77
* Lazard Freres & Co. Phillippe Meyer Michel David-Weill (France) Elaine David-Weill (France), et al	Financial Federation, Inc. (Los Angeles, CA) Common Stock - 365,469 shs.	10-11-77
* Douglas B. Fletcher, Individually and as Trustee	Angeles Corporation (Los Angeles, CA) Common Stock - 65,649 shs. (Also included above are shares owned by his immediate family.)	10-11-77
* American Investors Fund, Inc.	Tenneco Offshore Co., Inc. (Houston, TX) Common Stock - 315,200 shs.	10-11-77
* U. S. Recycling Corp. (Wholly-owned subsidiary of Unicana, N.V. (Netherland Antilles)	Ag-Met, Inc. (Hazelton, PA) Common Stock - 659,000 shs.	10-11-77

ACQUISITION REPORTS CONT.

* Consolidated Electrical Distributors, Inc. Employees' Retirement Plan	Hughes Supply, Inc. (Orlando, FL) Common Stock - 150,000 shs.	10-11-77
* Joe F. Harrison, Jr.	Trans Services Corp. (Dallas, TX) Common Stock - 486,470 shs. (65%)	10-11-77
* BankAmerica Corporation	H. F. Ahmanson & Co. (Los Angeles, CA) Common Stock - 4,546,575 shs. (19.9%)	10-11-77
* BankAmerica Corporation	Carter Hawley Hale Stores, Inc. (Los Angeles, CA) Common Stock - 3,446,588 shs. (17.9%)	10-11-77
* BankAmerica Corporation	Kaiser Aluminum & Chemical Corp. (Oakland, CA) Common Stock - 2,283,969 shs. (11.6%)	10-11-77
* BankAmerica Corporation	VSI Corp. (Pasadena, CA) Common Stock - 228,911 shs.	10-11-77
* BankAmerica Corporation	Wadsworth Publishing Co. (Belmont, CA) Common Stock - 52,786 shs.	10-11-77
* Airco, Inc.	Unitek Corp. (Monrovia, CA) Common Stock - 265,753 shs.	10-11-77
* Wilmington Securities, Inc. Wilmington Investments, Inc.	Shakespeare Company (Columbia, SC) Common Stock - 807,900 shs. (33.3%)	10-11-77
* Ex-Cell-O Corporation	McCord Corporation (Detroit, MI) Common Stock - 447,966 shs.	10-11-77
* Alan J. Brown	Genisco Technology Corp. (Orange, CA) Common Stock - 89,400 shs.	10-11-77
* Daniel J. Terra	Hach Chemical Company (Ames, IA) Common Stock - 199,625 shs. (Included above are shares owned by his wife.)	10-11-77
* Helmerich & Payne, Inc.	American Garden Products, Inc. (Boston, MA) Common Stock - 93,100 shs.	10-11-77
* Amended Acquisition Report		

The following have made offers to acquire stock of companies listed below pursuant to tender offers as reported to the Commission on Schedule 13D:

<u>OFFER TO PURCHASE BY:</u>	<u>ISSUER & NUMBER OF SHARES TO BE PURCHASED</u>	<u>DATE FILED</u>
CN Corporation (Wholly-owned subsidiary of Congoleum Corporation)	Curtis Noll Corporation (Eastlake, OH) Common Stock - All outstanding shares for cash at \$25.00 net per share	10-11-77
MCA Enterprises, Inc. (Wholly-owned subsidiary of MCA Inc.)	Coca-Cola Bottling Co. of Los Angeles (Los Angeles, CA) Common Stock - All outstanding shares for cash at \$30.00 net per share \$2 Convertible Preferred Stock - All outstanding shares for cash at \$58.50 net per share (MCA presently owns 15,670 shares of Preferred Stock and 143,800 shares of Common Stock.)	10-11-77
Integon Corporation	Secura Corporation (Atlanta, GA) Common Stock - All outstanding shares (Integon will exchange 6/10th of a shares of its stock for each shares of Secura Common Stock.)	10-11-77
Trinity Oil Corporation	Trinity Drilling Fund (Tulsa, OK) Trinity Drilling Program II (Tulsa, OK) Common Stock - All outstanding shares (Trinity Oil is offering 800,000 of its shares in exchange for 1,382 Units of Trinity Drilling.)	10-14-77

ACQUISITION REPORTS CONT.

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|--|---|----------|
| * Humana Inc. | American Medicorp, Inc. (Bala Cynwyd, PA)
Common Stock - 7,040,000 shs.
(Offer is amended to decrease to \$9.33
from \$10 cash net and .3 of a share of
its new \$2.30 Preferred Stock for each
share of Common Stock for up to a maximum
of 7,040,000, increased from 6,769,500
shares (75%). | 10-14-77 |
| * Petro Lewis Corporation
Petro Lewis Oil Income Program/
1977-7
Petro Lewis Oil Income Program/
1977-8
Petro Lewis Oil Income Program/
1977-9 | Imperial-American Energy, Inc. (Denver, CO)
Common Stock - All outstanding shares
for cash at \$20.00 net per share
(The amended offer increased the price
from \$17.00 net per share.) | 10-17-77 |
| * Amended Tender Offer | | |

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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