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RULES AND RELATED MATTERS

PARTIAL RESPONSE AND SOLICITATION OF COMMENTS RELATING TO REQUEST BY ARTHUR ANDERSEN & CO.

U.S. SECURITIES AND EXCHANGE COMMISSION

The Commission has requested public comment on certain issues pertaining to the establishment of accounting principles raised by Arthur Andersen & Co. in a "Request for Action by Commission With Respect to Certain Rules and Pronouncements Relating to Accounting Principles" filed with the Commission on June 15, 1976. At the same time, the Commission declined Andersen's request that it revoke the requirement that accountants give their opinion on the preferability of changes in accounting principles.

The questions on which specific comments were solicited are: (1) Should the Commission continue its policy of recognizing the pronouncements of the Financial Accounting Standards Board as providing a frame of reference for publicly held companies to satisfy their statutory disclosure obligations; (2) Should the Commission further define the phrase "substantial authoritative support"?; (3) Should the Commission further define the phrase "accounting principles and practices" used in Rule 2-02(c) of Regulation S-X?.

Comments should be addressed to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549 and should be referenced to File S7-647. Comments should be received by September 15, 1976. All comments will be available for public inspection. (Rel. 33-5729)

ADOPTION OF AMENDMENTS TO REGULATION S-X

The Commission adopted amendments to Regulation S-X Rule 3-16(s) relating to reporting disagreements with former accountants. (Rel. 33-5730)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

ORDER GRANTING BROKER-DEALER REGISTRATION AND IMPOSING REMEDIAL SANCTIONS

On December 24, 1975 OPI Investments, Inc. (OPI) filed an application for registration as a broker-dealer on Form BD. On April 21, 1976, the Commission issued an order for public proceedings to determine whether it is necessary and appropriate in the public interest and for the protection of investors, pursuant to Section 15(b) of the Exchange Act, to deny a broker-dealer registration to OPI and to impose remedial sanctions upon OPI and Thomas P. Hill (Hill). In these broker-dealer proceedings, OPI and Hill, president of OPI, without admitting or denying the allegations in the Commission's order have submitted offers of settlement which the Commission has accepted.

On the basis of the order for proceedings and the offers of settlement, it is found that OPI willfully violated and Hill has willfully aided and abetted violations of Section 15(b) of the Exchange Act and Rule 15b1-1 thereunder and that a person associated with OPI, Donald D. Coleman, prior to and subsequent to becoming so associated, was permanently enjoined by order, judgment and decree of a court of competent jurisdiction and has willfully violated provisions of the Securities Act and Exchange Act and the rules and regulations under such acts, as alleged in the order.

The Commission has determined that it is in the public interest to order: (1) that the registration of OPI as a broker-dealer become effective upon the condition that Donald D. Coleman not become associated with registrant except in his present capacity as 33 to 49 percent owner of O'Neal Productions, Inc., Registrant's parent, without prior Commission approval; (2) that OPI be suspended for a period of 45 days from acting as a registered broker-dealer, such suspension to commence on the date of this order; and (3) Thomas P. Hill is suspended from being associated with a broker-dealer or investment adviser for a period of 45 days, such suspension commencing on the date of this order. (Rel. 34-12639)

The Commission has entered an order barring Michael Dutzar from association with any broker, dealer, investment company, or investment adviser; provided that, after a period of one year from the effective date of the Commission's order, Dutzar may apply to the Commission for permission to become associated with a broker, dealer, investment company, or investment adviser in any capacity other than a supervisory or proprietary capacity; and further provided that, after a period of three years from the effective date of the Commission's order, Dutzar may apply to the Commission for permission to become associated with a broker, dealer, investment company, or investment adviser in any capacity.

The sanctions against Dutzar were based on findings that Dutzar: (1) was permanently enjoined on September 4, 1973 by the U.S. District Court for the District of New Jersey from aiding and abetting further violations of Section 15(c)(3) of the Exchange Act and Rule 15c3-1 thereunder; (2) wilfully aided and abetted violations of the net capital provisions of the securities laws; and (3) was an officer, director, and majority share holder of a registered broker-dealer on the date that a trustee was appointed for the liquidation of the broker-dealer pursuant to the Securities Investor Protection Act of 1970.

Without admitting or denying the charges against him, Dutzar consented to the above findings and remedial action. Dutzar has also undertaken to submit to the Commission certain documentation in connection with any application he may make to become associated with any broker, dealer, investment company, or investment adviser. (Rel. 34-12641)

ORDERS FOR PUBLIC PROCEEDINGS

STIFEL, NICOLAUS & CO., INC., OTHERS

Public proceedings under the Securities Exchange Act of 1934 have been ordered against Stifel, Nicolaus & Co., Inc., a St. Louis broker-dealer (the Registrant), Jerry W. Tharp, a former registered representative of the Registrant, and Frederic C. Boyce, the Registrant's compliance manager. The proceedings are based on staff allegations that the Registrant and Tharp violated the antifraud provisions of the securities laws and that the Registrant and Boyce failed reasonably to supervise Tharp with a view to preventing such alleged violations. A hearing will be scheduled by further order on the charges against the respondents. (Rel. 34-12667)

COMMISSION ANNOUNCEMENTS

TRANSFER AGENTS

The Commission delegated to the Directors of the Division of Market Regulation and the Office of Reports and Information Services authority for cancellations of, certain denials of applications for and withdrawals from, registration as a transfer agent. (Rel. 34-12659)

COURT ENFORCEMENT ACTIONS

COMPLAINT NAMES CHARLES W. SANDERS

The Denver and Seattle Regional Offices announced that on July 9 a complaint was filed against Charles W. Sanders of Dallas, Texas, in Justice Court, Yellowstone County, Montana, charging him with two counts of theft (felony) by deception in violation of Section 94-6-302(2) of the Revised Codes of Montana. The staff of the Commission furnished assistance to the County Attorney's Office, Yellowstone County, Billings, Montana, in connection with this matter. (State of Montana v. Charles W. Sanders, Yellowstone County). (LR-7504)

INVESTMENT COMPANY ACT RELEASES

THE FORE FUND

An order has been issued pursuant to Section 17(b) of the Act exempting from Section 17(a) of the Act a proposed merger of The Fore Fund, Inc., into The Partners Fund, Inc., both registered, open-end diversified management investment companies. (Rel. IC-9366 - July 27)

THE INCOME FUND OF AMERICA

An order has been issued on an application of The Income Fund of America, Inc. (IFA), and American Income Investments, Inc. (AMINC), both registered, open-end diversified management companies, permitting a proposed merger of AMINC into IFA. (Rel. IC-9367 - July 27)

AMERICAN SPECIAL FUND

A notice has been issued giving interested persons until August 20 to request a hearing on an application of American Special Fund, Inc. (AMSPC), and The Growth Fund of America, Inc. (GFA), both registered, open-end diversified management investment companies, for an order permitting a proposed merger of AMSPC into GFA. (Rel. IC-9368 - July 27)

FAULKNER, DAWKINS & SULLIVAN

An order has been issued exempting Faulkner, Dawkins & Sullivan and FDS Management Co. Inc. (collectively referred to as applicants) from the provisions of Section 9(a) of the Investment Company Act of 1940. On May 19 the Commission had ordered the issuance of a notice of an application filed by applicants pursuant to Section 9(c) of the Act for exemption from Section 9(a) of the Act, operative as a result of the injunction against Faulkner, Dawkins & Sullivan in SEC v. Bausch and Lomb, Inc., 73 Civ. 2458 (SDNY). No request for a hearing has been received and the Commission has not ordered a hearing. (Rel. IC-9370 - July 28)

STATE MUTUAL SECURITIES

An order has been issued on an application of State Mutual Securities, Inc. (Fund), a registered closed-end investment company, and State Mutual Life Assurance Company of America, the Fund's investment adviser, to amend an order issued pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder, permitting applicants to invest concurrently in each issue of securities purchased by the Fund in direct placement. (Rel. IC-9371 - July 28)

INVESTORS INCOME FUND

A notice has been issued giving interested persons until August 23 to request a hearing on an application of Investors Income Fund, Inc., registered under the Investment Company Act of 1940 as an open-end, diversified management company, for an order of the Commission pursuant to Section 8(f) of the 1940 Act declaring that the fund has ceased to be an investment company. (Rel. IC-9372 - July 28)

FFV ACCUMULATION PLAN

A notice has been issued giving interested persons until August 23 to request a hearing on an application of FFV Accumulation Plan, registered under the Investment Company Act of 1940 as a unit investment trust, for an order of the Commission pursuant to Section 8(f) of the Act declaring that the trust has ceased to be an investment company. (Rel. IC-9373 - July 28)

FIRST FUND OF VIRGINIA

A notice has been issued giving interested persons until August 23 to request a hearing on an application of First Fund of Virginia, Inc., registered under the Investment Company Act of 1940 as an open-end, diversified management company, for an order of the Commission pursuant to Section 8(f) of the Act declaring that the fund has ceased to be an investment company. (Rel. IC-9374 - July 28)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING SOUGHT

A notice has been issued giving interested persons until August 12 to request a hearing on an application of the Boston Stock Exchange for unlisted trading privileges in the security of Bankamerica Corporation. (Rel. 34-12668)

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Cincinnati Stock Exchange for unlisted trading privileges in the security of Bankamerica Corporation. (Rel. 34-12669)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF TERMINATION OF PROCEEDING TO CONSIDER DISAPPROVAL OF PROPOSED RULE CHANGE

The Commission has consented to a withdrawal of the proposed "Public Limit Order Protection Rule" (PLOPR) by the New York Stock Exchange, Inc. (SR-NYSE-76-5) and has terminated the proceeding to determine whether the proposed PLOPR should be disapproved. (Rel. 34-12664)

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 15¢ per page plus postage (\$2 minimum) and 30¢ per page plus postage for expedited handling (\$5 minimum). Cost estimates are given on request. All other referenced material is available in the SEC Docket.

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