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RULES AND RELATED MATTERS

COMMISSION ADOPTS SEGMENT REPORTING REQUIREMENT AND NEW, INTEGRATED DISCLOSURE REGULATION

The Commission announced today adoption of "industry segment" reporting requirements for registered corporations. At the same time, it announced it has adopted amendments to certain reporting forms which would begin implementation of a new, integrated disclosure regulation which should help streamline the disclosure system and result in more uniform information. Both steps partially implement certain recommendations made by the Advisory Committee on Corporate Disclosure.

The segment reporting amendments announced today are designed to coordinate information about industry and geographic segments which corporations report in registration statements, annual reports, proxy statements and other disclosure documents, with that contained in financial statements prepared in accordance with generally accepted accounting principles. The segment reporting requirements will become part of a new disclosure Regulation S-K. Eventually, Regulation S-K will form the underlying information base for each corporation required to make initial and periodic disclosures. This "continuous reporting" system should streamline preparation of disclosure documents, and assure uniform information for investors and other information users.

The amendments require registrants to describe their business by focusing on their industry segments and to present for a five year historical period revenue, profit and asset information relating to their industry segments and geographic areas. Although industry segment information is required for five years, registrants may substitute their previously reported line of business information in lieu of the segment data for fiscal years beginning before December 16, 1976. Geographic area and export sales data, however, is only required for fiscal years beginning after December 15, 1976.

Although these amendments are effective for documents which contain financial statements for fiscal years ending after March 31, 1978, the Commission strongly encourages registrants to comply with the amendments earlier to the extent practicable. Further, and notwithstanding the effective date, registrants should include in the description of their business the revenue and profit data with respect to industry segments presented in their financial statements for fiscal years beginning after December 15, 1976 in lieu of the required line of business data, to avoid inconsistency with the financial statements. (Rel. 33-5893, ASR-236)

FOR FURTHER INFORMATION CONTACT: Linda L. Griggs at (202) 755-1750 or Edward R. Cheramy at (202) 376-8020

ADOPTION OF RULE DELEGATING AUTHORITY WITH REGARD TO APPLICATIONS UNDER SECURITIES ACT SECTION 3(a)(2)

The Commission has announced the adoption of an amendment to its rules delegating authority to the Director of its Division of Investment Management. The new rule authorizes the Director to issue notices and orders under Section 3(a)(2) of the Securities Act of 1933 in connection with applications for exemption from the registration provisions of the Securities Act of interests or participations in certain stock bonus, pension, profit-sharing or annuity plans. Such authority is limited to applications which appear to present issues previously settled by the Commission, and which do not require in the public interest or the interest of investors that a hearing be held. (Rel. 33-5894)

FOR FURTHER INFORMATION CONTACT: Lawrence R. Bardfeld at (202) 376-8056

NOTICE OF COMMISSION MEETINGS

CHANGES IN THE MEETING

The Commission will consider the following additional items at the open meeting scheduled for Thursday, December 29, at 10 a.m.: (1) Consideration of a proposed amendment to Rule 19c-1 which expands the scope of off-board agency restrictions which an exchange is prohibited from imposing on its members; and (2) Consideration of proposed Rule 11Ac-1 under the Securities Exchange Act of 1934 which would require all national securities exchanges and third market makers to make available to quotation vendors all bids, offers and quotation sizes with respect to reported securities and that such quotations be "firm" in price and size subject to certain exceptions.

ADMINISTRATIVE PROCEEDINGS

NORMAN A. WEINER SANCTIONED

Public administrative proceedings have been issued pursuant to Rule 2(e) of the Commission's Rules of Practice against Norman A. Weiner, a certified public accountant in Philadelphia, Pennsylvania, to determine what, if any, remedial action should be taken against him based upon improper professional conduct in connection with the audit of a broker-dealer. Contemporaneously, the Commission accepted an offer of settlement from respondent in which, without admitting or denying the allegations in the order for proceedings and opinion pursuant to Rule 2(e) of the Commission's Rules of Practice Mr. Weiner consented to a bar from appearing or practicing before the Commission as an accountant in connection with filings by any registered broker-dealer, investment company or investment adviser. Further, Mr. Weiner has undertaken to have any of his work which may be filed with the Commission reviewed by another C.P.A. before such submission. Mr. Weiner also agreed to make every effort to have the C.P.A. firm of which he is a partner participate in a firm quality peer review program conducted by the American Institute of Certified Public Accountants (AICPA) commencing on or before December 31, 1977; and Mr. Weiner undertakes to participate in a program of continuing professional education consistent with the guidelines recommended by the AICPA for continuing education of certified public accountants. (Rel. 34-14249)

COURT ENFORCEMENT ACTIONS

WALTER WILSON CARTER, JR., OTHERS INDICTED

The Fort Worth Regional Office announced that on November 22 a 31-count indictment was returned by a federal grand jury at San Antonio, Texas, naming Walter Wilson Carter, Jr., Robert Temp and Alaine Carter Temp, all of San Antonio, and Richard Daniel Freeman, San Francisco, California. The 31-count indictment includes 18 counts of mail fraud and 13 counts of interstate transportation of property taken by fraud with a charge of aiding and abetting included in each count. The charges in the indictment are based upon the defendants' activities on behalf of Independent Drilling Corporation and Continental Pacific Corporation of San Antonio, and Diversified Monetary Systems, Inc., and Economic Control Corporation of San Francisco, in an alleged scheme involving the offer and sale of working interests in oil and gas leases and contracts for the workover of oil and gas wells purportedly existing on the leases in which interests were sold, the leases being located in several counties of South Texas. (U.S. v. Walter Wilson Carter, Jr., et al., W.D. Tex., Criminal No. 77-CR-238). (LR-8224)

AMERICAN CENTENNIAL CORPORATION AND LEONARD M. HURST ENJOINED

The Atlanta Regional Office announced that on November 29 the Federal District Court in Nashville, Tennessee issued an order of permanent injunction against American Centennial Corporation, a Florida insurance holding corporation, and on December 1 against Leonard M. Hurst of Knoxville, Tennessee formerly of Orlando, Florida. The orders enjoin them from further violations of the antifraud provisions of the securities laws in the offer and sale of common stock in American Centennial Corporation. The defendants consented to the requested relief without admitting or denying the allegations of the complaint. (SEC v. American Centennial Corporation, et al., M.D. Tennessee, Civil Action No. 77-3236 NA CV). (LR-8225)

**COMPLAINT NAMES WILLIS E. BURNSIDE & CO., INC.
AND ITS PRESIDENT**

The New York Regional Office announced that on November 22 a complaint was filed in the U.S. District Court for the Southern District of New York seeking a Temporary Restraining Order (TRO), preliminary and permanent injunctions, and the appointment of a temporary receiver, based upon allegations that Willis E. Burnside & Co., Inc. (Burnside), a New York registered broker-dealer, and Warren K. Sayers, its president, violated and aided and abetted violations of the net capital, bookkeeping, and supplemental reporting provisions of the securities laws.

On November 23 the Honorable Charles H. Tenney, U.S. District Judge, issued a TRO pursuant to the Commission's application. On November 25 Judge Tenney vacated the TRO, upon the defendants' motion, after the defendants had reported to the Court that they had deposited an amount of money in Burnside's bank account equal to the net capital deficiency alleged by the Commission in its application for the TRO.

A hearing commenced on November 29 on the Commission's application for a preliminary injunction and the appointment of a temporary receiver. The hearing resumed on December 2 and December 9 and was continued without date by Judge Tenney pending an available time period on Judge Tenney's calendar. (SEC v. Willis E. Burnside & Co., Inc., et al., S.D.N.Y. 1977, Civil Action No. 77-5686). (LR-8226)

HOLDING COMPANY ACT RELEASES

NORTHEAST UTILITIES

An order had been issued authorizing Northeast Utilities (Northeast), a registered holding company, and Northeast Nuclear Energy Company, subsidiary of Northeast, to engage in the financing of nuclear fuel cores and related transactions. (Rel. 35-20331 - Dec. 21)

PENNSYLVANIA ELECTRIC COMPANY

An order has been issued authorizing a proposal of Pennsylvania Electric Company (Penelec), subsidiary of General Public Utilities Corporation, and Nineveh Water Company, subsidiary of Penelec, that Nineveh issue and sell to Penelec and Penelec purchase from Nineveh notes in an amount not to exceed \$800,000. (Rel. 35-20333 - Dec. 22)

JERSEY CENTRAL POWER AND LIGHT COMPANY

An order has been issued approving a proposal of Jersey Central Power and Light Company, subsidiary of General Public Utilities Corporation, to sell 1.79 acres of land to an unaffiliated purchaser. (Rel. 35-20334 - Dec. 22)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGES

The following have filed proposed rule changes under Rule 19b-4: (1) The Intermountain Stock Exchange (SR-ISE-77-1) to conform those rules to sections of the Securities Acts Amendments of 1975 relating to the clearance and settlement of exchange transactions. (Rel. 34-14298); and (2) Pacific Securities Depository Trust Company (SR-PSD-77-3) to authorize the Board of Directors or stockholders to designate the location of PSDTC's annual meeting. (Rel. 34-14302)

Publication of the above proposals are expected to be made in the Federal Register during the week of December 26.

NOTICE OF EFFECTIVENESS OF A PROPOSED RULE CHANGE

The American Stock Exchange, Inc. has filed a proposed rule change under Rule 19b-4 (SR-Amex-77-30), which has become effective pursuant to Section 19(b)(3)(A) of the Securities Exchange Act of 1934, to revise the Exchange's original, supplemental and annual listing fees to help offset the increased costs of the Exchange's self-regulatory responsibilities and services to listed companies. Publication of the proposal is expected to be made in the Federal Register during the week of December 26. (Rel. 34-14299)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Pacific Stock Exchange Inc. The rule change (SR-PSE-77-32) amends Exchange Rule IX to reduce fees associated with the purchase, transfer and financing of exchange memberships. (Rel. 34-14300)

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) GELCO CORPORATION, One Gelco Dr., Edon Prairie, Minn. 55343 (612) 944-4500 - 805,971 common shares. The company is engaged in providing transportation and vehicle management services. (File 2-60529 - Dec. 22)
- (S-7) LIGGETT GROUP INC., 4100 Roxboro Rd., Durham, N.C. 27702 (919) 471-7511 - 500,000 shares of series cumulative preference stock. Underwriter: White, Weld & Co. Inc. The company is a diversified consumer products company. (File 2-60631 - Dec. 23)
- (S-11) PUBLIC STORAGE PROPERTIES IV, LTD., 94 South Los Robles Ave., Pasadena, Cal. 91101 - 40,000 units of limited partnership interests. Underwriter: Dean Witter & Co. Inc. The partnership has been formed to invest in real property. (File 2-60530 - Dec. 23)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 23 Wall St., New York, N.Y. 10015 - 100,000 American Depositary Receipts for ordinary shares of The Hongkong Land Company Limited. (File 2-60532 - Dec. 23)
- (S-8) SCIENTIFIC-ATLANTA, INC., 3845 Pleasantdale Rd., Atlanta, Ga. 30340 (404) 499-2000 - 51,415 shares of common stock. (File 2-60533 - Dec. 22)
- (S-8) UNICARE SERVICES INC., 105 West Michigan St., Milwaukee, Wis. 53203 (414) 273-2200 - 230,000 shares of common stock. (File 2-60535 - Dec. 23)
- (S-16) THE FOXBORO COMPANY, 38 Neponset Ave., Foxboro, Mass. 02035 (617) 543-8750 - 66,777 shares of common stock. (File 2-60536 - Dec. 22)
- (S-1) INTER-CITY GAS LIMITED, 1700-444 St. Mary Ave., Winnipeg, Manitoba, Canada R3C 3T7 - 3,657,000 shares of common stock. The company is involved in the exploration for and development of oil and natural gas, and the transmission and distribution of natural gas. (File 2-60539 - Dec. 23)
- (S-14) THE CLARKE CORPORATION, Box 179, South Pennsylvania Ave., Morrisville, Pa. 19067 (215) 736-0051 - 203,000 shares of common stock. (File 2-60540 - Dec. 23)
- (S-1) PRO-FAC COOPERATIVE, INC., One Lincoln First Sq., Rochester, N.Y. 14602 - 200,000 shares of common stock and 618 shares of preferred stock. The company is an agricultural cooperative corporation. (File 2-60541 - Dec. 23)
- (S-8) BAKER INTERNATIONAL CORPORATION, 500 City Parkway West, Orange, Cal. 92668 - 500,000 shares of common stock. (File 2-60542 - Dec. 23) and 100,000 shares of common stock. (File 2-60543 - Dec. 23)

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 50c 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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