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JAN 16 1974

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a daily summary from the securities and exchange commission

Issue 74-10

(SEC Docket, Vol. 3, No. 11 - Jan 29)

January 15, 1974

CHAIRMAN GARRETT GIVES A PERSPECTIVE ON THE CONSOLIDATED TAPE

"Most characteristics of the consolidated tape are now well settled," Chairman Ray Garrett, Jr. told members of the National Association of Securities Dealers in an address given in Los Angeles today. As explained by Chairman Garrett, a Plan, developed by a working group formed of representatives of national securities exchanges and the NASD with SEC staff observers, would provide for a tape which will report all trades in stocks, regardless of whether they take place on an exchange or in the third market. The Plan was developed in response to the Commission's Rule 17a-15. The present NYSE and AMEX tapes cover only stocks listed on their respective exchanges and report only transactions that occur on the exchanges.

The proposed tape would be operated by the Securities Industry Automation Corporation presently owned by the New York and American Stock Exchanges. It would be governed by a Consolidated Tape Association which will have six participants--two each designated by the New York and American Exchanges, one by the Pacific, Midwest and PW exchanges and one by the NASD. Decisions of the Association would require the affirmative vote of at least five members.

"The Plan calls for the tape to be put into operation in two phases, beginning not more than 20 weeks after the Commission's approval of the Plan," Mr. Garrett said. Phase I will be an additional 20-week period of experimental, or shakedown, operation covering a limited number of stocks. Phase II will be the permanent operation," he continued. The consolidated tape is not expected to increase the costs of broker-dealers who now subscribe to either of the present NYSE or AMEX tapes, Mr. Garrett added.

Chairman Garrett pointed out that the question of "equal regulation" is still an open point. The NYSE has asserted that the consolidated tape should not go into operation until all participants have adopted uniform rules governing trading on their markets, he said. The Commission agrees "that equal regulation should precede the composite quote system and the full establishment of the central market system," Mr. Garrett said, "but we have not agreed that it should await this development." By equal regulation, the New York Stock Exchange means uniform rules relating to manipulation, proper use of exchange membership, short sales and responsibilities of market makers. The Exchange has invited the tape plan participants to form a working group which is holding its organization meeting this week. "We applaud this initiative by the NYSE because it will hasten the advent of the full central market, but we are not convinced that the consolidated tape must wait upon its final success," Mr. Garrett remarked.

In addition to the question of equal regulation, Mr. Garrett pointed out that there have been relatively minor disagreements with respect to the provisions for amending the Plan in the future, and the question of whether the tape should continue to report transactions in a stock in other markets whose trading has been suspended by the NYSE or the AMEX.

COMMISSION ANNOUNCEMENTS

COMMISSION ANNOUNCED CONCLUSIONS CONCERNING DISCRIMINATION RULEMAKING PETITION. The SEC yesterday made public its conclusions with regard to the petition submitted by the Office of Communication and Task Force on Women in Church and Society of the United Church of Christ, the Task Force on Women of the United Presbyterian Church, U.S.A., and the National Organization for Women. The petition asked that the Commission promulgate rules requiring national securities exchanges, national securities associations and registered broker-dealers to demonstrate affirmatively that they have not discriminated in their employment practices. In a letter to counsel for those requesting these rule changes, the Commission explained why it had decided not to promulgate the rules requested.

"If we were to accept the view that some action by the Commission might be appropriate, there would remain the question of what action the Commission should take. In this context, it is important to note that existing federal laws already guarantee equal employment opportunities to all persons regardless of race, religion, color, sex or national origin, and an Equal Employment Opportunity Commission ("EEOC") has been established to administer those provisions. They are enforceable against all businesses engaged in interstate commerce with 15 or more employees. Thus, the securities exchanges, the NASD and firms that employ the overwhelming majority of persons employed by the brokerage industry are covered by these laws. While the jurisdiction of the EEOC in the area of employment discrimination is not exclusive and that agency has advised the Commission that it

welcomes participation by other federal agencies, we are not persuaded, in light of the information currently at our disposal, that any rule we might adopt should require more than adherence to the antidiscrimination strictures already inherent in federal law. But such rules, if we were to adopt them, would at best be duplicative of existing law. For these reasons, the Commission would prefer a clearer demonstration that voluntary action within the securities industry, as well as effective enforcement of existing law by duly authorized agencies, will not prove adequate to meet the ills your clients perceive before the Commission considers further what, if any, action should be taken or diverts its limited resources from other tasks."

"Although the Commission has not adopted the rules proposed, it firmly believes that all persons and firms in the securities industry should take appropriate action to assure that federal anti-discrimination statutes are obeyed and that discriminatory employment practices are eliminated. And we have today asked the securities industry self-regulatory organizations to keep us informed concerning the progress they and their member firms make in furtherance of this important national goal." (Rel. 34-10597)

AMERICAN STOCK EXCHANGE, INC. OPTION PLAN FILED PURSUANT TO RULE 9b-1. The Commission announced today that the American Stock Exchange ("Amex") has submitted to the Commission, pursuant to Rule 9b-1 under the Securities Exchange Act of 1934, its proposed plan for the listing and trading of options on the Exchange.

Under the terms of the plan which calls for the initiation of a pilot project, Amex intends initially to limit its operations to call options in respect of ten stocks, all of which would be listed on the New York Stock Exchange, and after experience is gained and the system capacity increases, other listed stocks would be added.

In general, Amex intends to apply trading and clearing principles and contract standardization methods substantially similar to those used by the Chicago Board Options Exchange, Inc. (CBOE). Amex has not yet determined whether it will have options on the same underlying securities as CBOE. (Rel. 34-10602)

DECISIONS IN ADMINISTRATIVE PROCEEDING

HOLLAND ANDREWS & PERRIER, INC., AND OFFICER BARRED. An order has been issued barring Holland Andrews & Perrier, Inc., a Canadian broker-dealer located in Quebec, Canada, and Alan Perrier, its vice-president, secretary and treasurer, from association with a broker or dealer provided that after a period of two years Perrier may reapply to become so associated in a non-supervisory capacity upon an appropriate showing that he will be adequately supervised.

The sanctions were based upon findings that from about September, 1971 to about June, 1972, the respondents sold and delivered shares of the common stock of Accurate Calculator Corp. when no registration statement covering the securities was filed as required by the securities laws. The respondents submitted an offer of settlement consenting to the findings and sanctions without admitting or denying the allegations contained in the order for proceedings. (Rel. 34-10590)

COURT ENFORCEMENT ACTIONS

INJUNCTION AND RESTITUTION SOUGHT AGAINST THE JEROBOAM WINES, LTD. The Seattle Regional Office announced the filing of a complaint on January 7 in the Federal District Court of Montana at Billings against the Jeroboam Wines, Ltd., a Delaware corporation, formerly the Vinery, Ltd., Grant C. Aadnesen, a Salt Lake City attorney, Albert H. Landry, Pacific Palisades, California and Arnold Scheeler of Billings.

The complaint alleged violations of the registration and antifraud provisions of the securities laws in the sale of the securities of a proposed Moroccan fishing company and of Jeroboam. The complaint also seeks restitution of investors' funds by the defendants. A hearing on the motion for preliminary injunction is scheduled for January 29 at Billings. (LR-6201)

ROBERT L. ARATA, OTHERS ENJOINED. The Forth Worth Regional Office announced that Federal District Court at Dallas, Texas on January 9 permanently enjoined, by consent, Robert L. Arata, individually and doing business as Arata & Company, Garland, Texas and James W. Trautwein, Dallas, Texas, from violations of the securities registration and anti-fraud provisions of the securities laws in the offer and sale of profit sharing agreements and investment contracts issued by Arata and Arata & Company. David H. Rosenberg was appointed as receiver for Robert L. Arata, individually and doing business as Arata & Company. (LR-6202)

HOLDING COMPANY ACT RELEASES

NEW ENGLAND ELECTRIC SYSTEM. An order has been issued granting the Association of Massachusetts Consumers, Inc., leave to file out of time a petition for rehearing of the order entered October 31, 1973, (Rel. 35-18419) approving a plan of New England Electric System (NEES) for divestiture of Lawrence Gas Company, but denying the petition for rehearing. (Rel. 35-18254)

NORTHEAST UTILITIES. An order has been issued authorizing Northeast Utilities (NU), and its wholly-owned electric utility subsidiary companies, The Connecticut Light and Power Company (CL&P), The Hartford Electric Light Company (HELCO) and Western Massachusetts Electric Company (WMECO), to issue short-term notes to banks and commercial paper to dealers in commercial paper from time to time until March 31, 1975. The aggregate amount of all such short-term indebtedness will not exceed, for NU, CL&P, HELCO and WMECO respectively, \$150,000,000, \$168,000,000, \$72,000,000 and \$53,600,000. The proceeds so derived will be used, in part, by NU to provide funds to its subsidiaries, and by CL&P, HELCO and WMECO for 1974 construction expenditures. (Rel. 35-18255)

APPALACHIAN POWER COMPANY. A notice has been issued giving interested persons until February 12 to request a hearing on a proposal of Appalachian Power Company subsidiary of American Electric Power Company, Inc., to sell at competitive bidding \$50 million of first mortgage bonds and 200,000 shares of cumulative preferred stock. Appalachian will use the net proceeds to pay unsecured short-term indebtedness and for construction and other corporate purposes. (Rel. 35-18256)

ALLEGHENY POWER SYSTEM. A notice has been issued giving interested persons until February 8 to request a hearing on a proposal of Allegheny Power System, Inc. (APS), a registered holding company, to sell 2,500,000 shares of common stock at competitive bidding. The proceeds will be used to pay short-term bank loans, and commercial paper and for other corporate purposes. (Rel. 35-18257)

INVESTMENT COMPANY ACT RELEASES

GOLDMAN, SACHS & CO. A notice has been issued giving interested persons until February 8 to request a hearing on an application of Goldman, Sachs & Co. for an order exempting it, its co-representatives and co-underwriters from Section 30(f) of the Act with respect to transactions incident to the proposed distribution of shares of common stock of American General Option Investors, Inc., a registered closed-end investment company. (Rel. IC-8179)

TOWER CAPITAL FUND, INC. A notice has been issued giving interested persons until February 11 to request a hearing on a proposal of the Commission to declare that Tower Capital Fund, Inc., an open-end, non-diversified management investment company registered under the Act, has ceased to be an investment company. (Rel. IC-8180)

DUPONT WALSTON INCORPORATED. An order has been issued exempting DuPont Walston Incorporated, as representative of a group of underwriters proposing to underwrite a public offering of the shares of Charter Investment Company Incorporated, a closed-end, diversified management investment company registered under the Act, from the provisions of Section 30(f) which incorporate, among other things, the insider trading provisions of the Securities Exchange Act of 1934, insofar as such provisions might apply to any transactions by the underwriters incident to the public distribution of shares of the Company. (Rel. IC-8181)

SECURITIES ACT REGISTRATIONS FILED

(S-1) GRAY TOOL COMPANY, 7135 Ardmore, Houston, Tex. 77021 - 450,000 shares of Common Stock, 300,000 shares to be offered for sale by the company and 150,000 shares to be offered for sale by certain shareholders through underwriters headed by Rotan Mosle Inc., 2200 Bank of the Southwest Bldg., Houston, Tex. 77002 at a price not to exceed \$15 per share. The company manufactures and markets oil field equipment, principally wellhead assemblies for oil and gas wells and industrial products, principally high pressure pipe connections. (File 2-49950 - Dec. 28)

(S-1) GENERAL TELEPHONE COMPANY OF THE SOUTHEAST, 3632 Roxboro Road, Durham, N. C. 27704 - \$30 million of first mortgage bonds, Series W, due 7004 at competitive bidding. The Company provides communication services in exchange areas and surrounding territories in portions of seven states. (File 2-49956 - Dec. 28)

(S-7) MACY CREDIT CORP., c/o Macy's Roosevelt Field, Garden City, New York 11530 - \$50 million of debentures due 1982, to be offered for sale through underwriters headed by Lehman Brothers Incorporated, One William Street, New York, N. Y. 10004 and Goldman, Sachs & Co., 55 Broad, New York, N. Y. 10004. Macy purchases deferred payment accounts from its parent company, R. H. Macy & Co., Inc., a retail department store merchandising operation. (File 2-49957 - Dec. 28)

(S-14) AMERICAN MAIZE-PRODUCTS COMPANY, 250 Park Avenue, New York, N. Y. 10017 - \$19,027,610 of 8.4% convertible subordinated debentures due 1999. It is proposed to offer these debentures and cash in exchange for the outstanding common stock of Helme Products, Inc., New York, New York, at the rate of \$10 debentures plus \$11.50 in cash for each share of the Common Stock of Helme Products, Inc. (\$5 par). American Maize is a corn refiner and a manufacturer and distributor of cigars, coffee and candy. (File 2-49958 - Dec. 28)

(S-1) CANADIAN-AMERICAN RESOURCES FUND, INC., 2100 Continental National Bank Building, Fort Worth, Tex. 76102 - \$75 million of limited partnership interests in partnerships to be offered for sale in \$5,000 units through broker-dealers headed by Can-Am Securities, Inc., on a best efforts basis. Each partnership will engage in the drilling of oil and gas properties. Canadian-American Resources Fund, Inc., is the Managing General Partner. (File 2-49959 - Dec. 28)

(S-1) CONSOLIDATED INTERNATIONAL, INC., 2020 Corvair Ave., Columbus, Ohio 43216, - \$750,000 of sinking fund debentures, to be offered for sale in registered form only in denominations of \$1000 by The Ohio Company, 51 N. High Street, Columbus, Ohio 43215. The company is engaged in the purchase and sale at wholesale and retail of automotive replacement parts and consumer hard goods. (File 2-49960 - Dec. 28)

SECURITIES ACT REGISTRATIONS. Effective January 14: Applied Data Research, Inc., 2-49962; ADR's for Forsecor Minsep Limited, 2-49989 and 2-49997; Industrial National Corporation, 2-48647; Northwest Bancorporation, 2-49364; Effective January 15: Electronic Data Systems Corporation, 2-49985.

MISCELLANEOUS

TRADING SUSPENSIONS. The SEC has announced the suspension of exchange and over-the-counter trading in the securities of Stratton Group Ltd. and Koracorp Industries, and over-the-counter trading in the securities of Home-Stake Production Co. and Continental Vending Machines, Inc. for the further ten-day period January 15-24, inclusive.

FRUEHAUF CORPORATION. The SEC has issued a notice giving interested persons until January 24 to request a hearing on an application of Fruehauf Corporation, a Michigan corporation, under the Trust Indenture Act of 1939 declaring that the trusteeship of National Bank of Detroit under two indentures of Fruehauf is not so likely to involve a material conflict of interest as to make it necessary to disqualify National Bank of Detroit from acting as trustee. (TI-353)

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Copies of registration statements may be ordered from the Commission's Public Reference Section. All other referenced material is available in the issue of the SEC Docket indicated in parentheses below the News Digest Issue No. Both the News Digest (\$35.45 a year, first class mail; \$8.90 additional for foreign mailing) and the SEC Docket (\$21.35 a year, first class mail; \$5.35 additional for foreign mailing) are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.