

sec news digest

LIBRARY

Issue 76-136

(SEC Docket, Vol. 9, No. 20 - July 27)

July 14, 1976

RULES AND RELATED MATTERS

JUL 15 1976

NOTICE OF PROPOSED AMENDMENTS TO RULES 13a-11, 13a-13, 15d-11, AND 15d-13; TO FORMS 8-K, 10-Q, AND 10-K; AND TO SCHEDULE 14A OF REGULATION 14A U.S. SECURITIES AND EXCHANGE COMMISSION

The Commission has published for comment proposed amendments to the periodic disclosure forms, related rules, and disclosure schedule for proxies and information statements. The proposed amendments would, if adopted: (1) provide for more timely filing of reports on Form 8-K; (2) decrease the number of items of information required to be included in reports on Form 8-K by transferring certain items to the Form 10-Q; (3) revise certain of the items retained in the Form 8-K, as well as three of those transferred to the Form 10-Q; (4) add a new item to Form 8-K requiring disclosure of bankruptcy or receivership proceedings; (5) add two new items to Form 10-K to require disclosure of items previously required in reports on Form 8-K; and (6) revise Item 5 of Schedule 14A of Regulation 14A under the Exchange Act to conform to the proposed amendment to Item 1 of Form 8-K.

Interested persons are invited to submit their views and comments to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549, no later than September 15, 1976. Reference should be made to File No. S7-645. All comments received will be available for public inspection. (Rel. 34-12619)

DECISIONS IN ADMINISTRATIVE PROCEEDINGS

LAMBERT HIRSHEIMER SUSPENDED

The Commission has suspended Lambert Hirsheimer of Deerfield, Illinois, formerly a securities trader with Financial Programs, Inc., an investment adviser with offices at Denver, Colorado, from association with a broker, dealer, investment adviser and investment company for 60 calendar days, except that during 30 days of said suspension he may be associated with White, Weld and Company. Hirsheimer is to remit all his compensation from White, Weld and Company during the 60 day period to Financial Dynamics Fund, Inc.

The sanctions are based on findings that Hirsheimer violated certain provisions of the securities laws in transactions in securities identified in the Order for Proceedings. The Commission's action was taken pursuant to an offer of settlement of Hirsheimer in which Hirsheimer, without admitting or denying the charges against him, consented to the above findings and sanctions. (Rel. 34-12589)

COMMISSION ANNOUNCEMENTS

NEW APPOINTMENTS IN DIVISION OF MARKET REGULATION

Lee A. Pickard, Director of the Division of Market Regulation, announced the following new assignments and appointments, effective immediately, in connection with the continuing implementation of the Commission's program to facilitate the establishment of a national system for the prompt and accurate clearance and settlement of securities transactions.

Anthony C. J. Nuland, currently Assistant Director administering the functions of the Office of Securities Processing Regulation, is appointed Associate Director of that Office. Harry Melamed, currently Assistant Director-Transfer Agent Regulation, will assume responsibility for Clearing Agency Regulation, including the continuation of the Commission's programs for the registration of clearing agencies and the development of rules pertaining to clearing agencies. Harry F. Day, currently Chief, Branch of Exchange Regulation, Office of Self-Regulatory Oversight, is appointed Assistant

Director-Transfer Agent Regulation in the Office of Securities Processing Regulation to continue the Commission's programs for the registration and regulation of transfer agents. Jules Moskowitz, a staff attorney in the Office, is appointed Special Counsel in the Office's Branch of Transfer Agent Regulation and Hugh A. O'Boyle, also a staff attorney in the Office, is appointed Branch Chief in the Office's Branch of Clearing Agency Regulation.

Mr. Nuland has been with the Commission since October, 1973, when he joined the Division's Office of Broker-Dealer Financial Responsibility and Securities Transactions as a Special Counsel. He was appointed an Assistant Director in that Office in July, 1975, and continued as an Assistant Director when it became the Office of Securities Processing Regulation in September, 1975. Mr. Nuland is a graduate of Princeton University and the New York University School of Law; prior to joining the staff of the Commission he was in private practice in New York City.

Shortly after graduating from Northwestern University School of Law, Mr. Melamed joined the staff of the Commission in 1968 as an attorney. In 1972, he was appointed a Special Counsel in the Division of Market Regulation, and, in 1973, he was named an Assistant Director in the Division's Office of Broker-Dealer Financial Responsibility and Securities Transactions. Mr. Melamed is a member of the Illinois Bar, a Certified Public Accountant, and a graduate of the University of Chicago Graduate School of Business.

Mr. Day joined the Commission's staff in 1970 as an attorney in the Division of Trading and Markets and was appointed Chief of the Branch of Exchange Regulation in 1972. He graduated from the University of North Carolina School of Law in 1966, and, prior to joining the Commission's staff, served on active duty in the United States Naval Reserve in the Office of the Judge Advocate General.

Mr. Moskowitz, a member of the Pennsylvania Bar, received his B.A. degree with Honors from Swarthmore College in 1966 and his J.D. degree from the University of Chicago in 1969. Prior to joining the Commission as a staff attorney in the Division of Enforcement in 1972, Mr. Moskowitz was a law clerk to a judge of the Philadelphia Court of Common Pleas and, thereafter, was engaged in private practice in Pennsylvania. Since June, 1975, Mr. Moskowitz has served in the Office of Securities Processing Regulation.

Mr. O'Boyle, a member of the Maryland Bar, received a B.A. degree from Ohio State University in 1960 and a J.D. degree with Honors from the University of Maryland in 1973, where he was a member of the Maryland Law Review. Prior to joining the Commission as a staff attorney in 1974, Mr. O'Boyle was a law clerk to Charles E. Orth, Jr., Chief Judge of the Court of Special Appeals of Maryland.

Mr. Pickard has also announced the appointment of Theodore W. Urban as Chief of the Branch of Exchange Regulation in the Office of Self-Regulatory Oversight. The work of the Branch of Exchange Regulation includes the oversight of national securities exchanges and their trading market rules and practices, the review of disciplinary sanctions and denials of access by national securities exchanges, the review of rules and practices of national securities exchanges for conformance with the new standards set forth in the Securities Acts Amendments of 1975, and the implementation of the Commission's regulatory programs for the registration and promulgation of standards regarding securities information processors. Mr. Urban has been an attorney on the Commission's staff in the Division of Market Regulation since his graduation in 1974 from the Catholic University School of Law, where he served as an Associate Editor of the Law Review. He received a B.S. degree in Electrical Engineering from Cornell University in 1971 and is a member of the Maryland Bar.

COURT ENFORCEMENT ACTIONS

JOHN M. KING, A. ROWLAND BOUCHER CONVICTED

The SEC announced that on July 1 John M. King and A. Rowland Boucher, former Chairman of the Board and President respectively, of King Resources Company of Denver, Colorado were convicted of four counts of a criminal indictment charging conspiracy, mail fraud wire fraud and securities fraud in U.S. District Court for the Southern District of New York, after a five-week jury trial presided over by the Honorable Marvin E. Frankel, U.S. District Judge. The convictions were the result of a scheme to violate the securities and antifraud laws in connection with the revaluation by The Fund of Funds Ltd. (FOF), an offshore mutual fund, of its interest in Canadian Arctic oil and natural gas permits. The indictment, which was returned on January 20, 1975, specifically charged that King and Boucher conspired to arrange fraudulent sales negotiations for a portion of FOF's 50% interest in 22.3 million net acres of oil and gas permits, held by King Resources for FOF, thereby causing an upward revaluation of them. As a result of the fraudulent sales which were not valid arms length transactions, FOF

wrote up the stated value of its Arctic investments by approximately \$100 million. Sentencing of King and Boucher has been set for August 19, 1976, in the U.S. District Court in Manhattan. (U.S. v. John M. King, et al., S.D.N.Y., No. 75 Cr. 70). (LR-7487)

INVESTMENT COMPANY ACT RELEASES

WEEDEN CORPORATE BOND TRUST, SERIES 1 (AND SUBSEQUENT SERIES)

A notice has been issued giving interested persons until August 5 to request a hearing on an application of Weeden Corporate Bond Trust, Series 1 (and Subsequent Series), unit investment trusts, and its sponsor, Weeden & Co., for an order exempting the trusts from the initial net worth requirements of Section 14(a), from the limitations on the distributions of capital gains contained in Rule 19b-1, and exempting the secondary market operations of the sponsor from the pricing requirements of Rule 22c-1. (Rel. IC-9340 - July 12)

AMERICAN LIQUID TRUST

A notice has been issued giving interested persons until August 9 to request a hearing on an application of American Liquid Trust, a registered open-end management company, for an order exempting it from the limitations on the distributions of capital gains contained in Rule 19b-1 under the Act. (Rel. IC-9342 - July 13)

HOLDING COMPANY ACT RELEASES

OHIO EDISON COMPANY

An order has been issued authorizing Ohio Edison Company, a registered holding company and its subsidiary, Pennsylvania Power Company, to lease nuclear fuel assemblies. (Rel. 35-19612 - July 13)

LISTING, DELISTING AND UNLISTED TRADING ACTIONS

UNLISTED TRADING GRANTED

An order has been issued granting the application of the Midwest Stock Exchange, Inc. for unlisted trading privileges in the common stock of Sambo's Restaurants, Inc. (Rel. 34-12621)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

The Philadelphia Stock Exchange, Inc. (the PHLX) has filed a proposed rule change under Rule 19b-4 (SR-PHLX-76-15) to permit specialists and other members, while on the equity floor of the exchange, to trade in options covered by a prospectus issued by the Options Clearing Corporation, and to trade in the securities underlying such options. Publication of the proposal is expected to be made in the Federal Register during the week of July 12. (Rel. 34-12618)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Boston Stock Exchange (SR-BSE-76-9). The rule change provides for the regulation of short sales on the BSE. (Rel. 34-12617)

SECURITIES ACT REGISTRATIONS

REGISTRATIONS EFFECTIVE

July 7: Brock Exploration Corp., 2-56178.

July 8: Alexander & Alexander Services Inc., 2-56575; Applied Devices Corp., 2-55819; Avco Corp., 2-56212; Barnett Banks of Florida Inc., 2-56674; Bancal Tri-State Corp., 2-56559; The Deltona Corp., 2-56553; Documentation Inc., 2-56544; The Japan Development

REGISTRATIONS EFFECTIVE CONT.

Bank, 2-56636; M. Lowenstein & Sons Inc., 2-56552; May Petroleum Inc., 2-56785; Megadata Computer & Communications Corp., 2-56299; New York State Electric & Gas Corp., 2-56585; Northern Illinois Gas Co., 2-56616; Southwest Bancshares Inc., 2-56519; Technicon Corp., 2-56025; W. R. Grace & Co., 2-56393; WUI Inc., 2-56761.
July 9: A. E. Staley Manufacturing Co., 2-55611; Alaska Interstate Co., 2-56716 & 2-56717; The Dow Chemical Co., 2-56733; Eaton Credit Corp., 2-56189; Eaton Corp., 2-56188; Fingerhut Corp., 2-53990; Fluor Corp., 2-55737; Graphic Controls Corp., 2-56655; NCNB Corp., 2-56561; Ohio Edison Co., 2-56527; Oklahoma Gas & Electric Co., 2-56534; Omnimedical Services Inc., 2-56142; Pertec Computer Corp., 2-56784; Revlon Inc., 2-56632; Siboney Corp., 2-55120; Shaw-Barton Inc., 2-56155.

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.

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.

SEC NEWS DIGEST is published daily. Subscription rates: \$64.45/yr in U.S. first class mail; \$80.60 elsewhere.

SEC DOCKET is published weekly. Subscription rates: \$43.70/yr in U.S. first class mail, \$54.65 elsewhere. The News Digest and the Docket are for sale by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.