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U.S. SECURITIES AND EXCHANGE COMMISSION DECISIONS IN ADMINISTRATIVE PROCEEDINGS

J. KENT KINNIBURGH SANCTIONED

The Commission has suspended J. Kent Kinniburgh of Casper, Wyoming, formerly associated with United Securities Corporation, from association with any broker-dealer for a period of 90 days and thereafter has barred him from association with any broker-dealer in a supervisory capacity. After 18 months from the expiration of the three month suspension, Kinniburgh may apply to the Commission for permission to become associated with a broker-dealer in a supervisory capacity.

The sanctions were based on findings that Kinniburgh violated the registration and antifraud provisions of the securities laws in the public offering of shares of Chemex Corporation, a Wyoming corporation, pursuant to Regulation A. It was also found that Kinniburgh failed to reasonably supervise, with a view to preventing certain violations of the securities laws, a registered representative who was subject to Kinniburgh's supervision and who committed such violations. The sanctions imposed on Kinniburgh were based upon those violations without any finding as to wilfulness.

The Commission's action was taken pursuant to an offer of settlement submitted by the respondent who, without admitting or denying the allegations in the order for public proceedings, consented to the above findings and sanctions. (Rel. 34-13372)

ORDERS FOR PUBLIC PROCEEDINGS

DELTA SECURITIES OF LITTLE ROCK, INC.

Public administrative proceedings have been ordered under the Securities Exchange Act of 1934 against Delta Securities of Little Rock, Inc. and James T. Hunter, both of Little Rock, Arkansas, based on staff allegations of violations of the net capital and recordkeeping provisions of the Securities Exchange Act of 1934. A hearing will be scheduled by further order on the charges against the respondents. (Rel. 34-13404)

TRADING SUSPENSIONS

TRADING SUSPENSIONS OF FOUR COMPANIES TERMINATED

The SEC announced today that the suspension of exchange and over-the-counter trading will terminate at midnight (EST) on March 24 in the securities of Fay's Drug Company, Inc., a New York corporation located in Liverpool, N.Y.; Lawrys Foods, Inc., a California corporation located in Los Angeles, Cal.; Olympia Brewing Co., a Washington corporation located in Tumwater, Wash.; and Stange Company, a Delaware corporation located in Chicago, Illinois.

The Commission suspended trading for ten days in all securities of the above companies on March 15 because of unusual and unexplained activity in the securities of those companies. The Commission announced at that time that it had no information that would indicate that the fluctuations in the securities of these companies was the result of any internal corporate developments in any of the companies involved.

Previously, on March 14, the Commission instituted a civil injunctive action in the U.S. District Court for the Northern District of Illinois, Eastern Division against Swift Henke & Co., Inc. (Swift Henke), a registered broker-dealer firm located in Chicago, Illinois, for violations of the net capital provisions of the securities laws. Simultaneously, Swift Henke consented to the entry of a judgment of permanent injunction enjoining the firm from further violations of the net capital provisions and appointing a temporary receiver to collect and take charge of its assets. On March 15, upon application by the Securities Investor Protection Corporation (SIPC), the Court appointed a SIPC trustee for the liquidation of the business of the firm.

In announcing the termination of the trading suspensions today, the Commission reminded the broker-dealer community of its responsibilities to safeguard customers' interest and monitor trading practices by its representatives. Broker-dealers should be alert to undue concentrations of particular securities in the accounts of customers or the firm account, particularly where such concentrations are achieved through the use of credit. A large concentration of securities may serve in certain circumstances to reduce the liquidity of the market place, thereby potentially impairing a firm's ability to execute large sell orders for customers in the security.

The net capital provisions of the securities laws are designed to safeguard the interest of customers and enhance the effective operation of a broker-dealer. A broker-dealer must take adequate steps to assure that its sales practices do not impair the ability of the firm to comply with such provisions.

Broker-dealers should also be extremely cautious in dealing with Regulation T extensions of settlement dates. A broker-dealer has an obligation to ascertain whether a customer will be able to pay for purchases at the settlement date and must be concerned about the availability of liquid assets of customers to consummate purchases. This is especially true when a customer has a high concentration of securities of a particular issuer in a margin account, where a customer has a previous record of delinquent payment or when a particular salesman has experienced one or more delinquent payments or disavowals of executed trades. These factors take on increased importance when a broker-dealer has customers in large positions concentrated in a thinly traded security.

Broker-dealers should monitor and adhere to strict suitability guidelines and the "know your customer" rule in recommending purchases to customers. A broker-dealer must continually review new accounts and the firm's methods of obtaining customer's accounts including assurances that adequate information is obtained concerning the customer's finances. In addition, the hiring of new salesmen should not occur unless the firm can adequately service the business created and assure that the addition of new business will not jeopardize the firm's net capital position. The primary responsibility of assuring that a broker-dealer's operations complies with sound business practices and applicable rules and regulations rests with a firm's management.

Broker-dealers, shareholders and prospective purchasers should carefully consider the foregoing information along with all other currently available information and any information subsequently issued by the company. The Commission is continuing to investigate matters relating to transactions in the securities of the above companies. (Rel. 34-13402)

COURT ENFORCEMENT ACTIONS

WORLD RADIO MISSION, INC. FILES VOLUNTARY BANKRUPTCY

World Radio Mission, Inc. (WRM), filed a voluntary bankruptcy petition in the U.S. District Court in Concord, New Hampshire, on March 16. In a hearing the previous week on a renewed motion of the Commission for a receiver for WRM, its accountant had testified that as of December 31, 1976, it had an accumulated deficit from operations in excess of \$1.9 million and its outstanding indebtedness to investors exceeded \$4 million. (SEC v. World Radio Mission, Inc., Clinton D. White, C-76-11 U.S.D.C. New Hampshire). (LR-7837)

H. K. PORTER COMPANY, ENJOINED

The SEC announced the filing of a civil injunctive action in the U.S. District Court for the District of Columbia against H. K. Porter Company (Porter), a Delaware corporation with its principal executive offices in Pittsburgh, Pennsylvania, and the entry of a judgment of permanent injunction against Porter restraining and enjoining Porter from further violations of Sections 13(d) and 14(d)(1) of the Exchange Act, and Rules 13d-1, 13d-2 and 14d-1 thereunder. Porter consented to the entry of the judgment of permanent injunction without admitting or denying the allegations of the Commission's complaint.

The Commission alleged that Porter filed with the Commission false and misleading statements on Schedule 13D with respect to Porter's intentions in purchasing securities of Missouri Portland Cement Company (Missouri) and making a tender offer for Missouri common stock. The complaint alleged that certain of Porter's statements on Schedule 13D were false and misleading in stating that purchases of Missouri common stock were "for investment," when, in fact, such purchases were part of Porter's plan to make a tender offer for additional shares of Missouri and to acquire control of Missouri. The complaint also charged that Porter's statements on subsequent Schedule

13D's filed pursuant to a tender offer for Missouri shares falsely stated that Porter did not intend to seek representation on Missouri's Board of Directors or participate in the management of Missouri, when, in fact, Porter intended to do so. The complaint further charged that Porter engaged in activities designed to effectuate Porter's control of Missouri, without disclosing such activities in statements on Schedule 13D.

In addition to the entry of the judgment of permanent injunction against Porter, certain ancillary relief was ordered by the Court and undertaken by Porter, including an undertaking by Porter to implement and maintain procedures reasonably designed to prevent the recurrence of the activities alleged in the Commission's complaint, or similar activities, and to assure compliance with the tender offer provisions of the securities laws. (SEC v. H. K. Porter Company, U.S.D.C. D.C., Civil Action No. 77-0487). (LR-7841)

JOHN W. WELLER, JR., J.W. WELLER & CO., INC.,
OTHERS ENJOINED

The New York Regional Office announced that the Honorable Vincent P. Biunno of the U.S. District Court for the District of New Jersey signed final judgments of permanent injunction enjoining J.W. Weller & Co., Inc. (Weller & Co.), a New Jersey broker-dealer; John W. Weller, Jr. (Weller), of West Orange, New Jersey; Booker Brothers, Inc. (Booker Bros.), a Pennsylvania broker-dealer; and Fletcher Clement Booker (Booker) and J. Houston Day, Jr. (Day), both of Dallas, Pennsylvania from further violations of the antifraud provisions of the securities laws in the manipulation of the price of the common stock of TransJersey Bancorp. (TransJersey).

The aforementioned defendants consented to the entry of the final judgments of permanent injunction without admitting or denying the allegations in the Commission's complaint. In addition, Judge Biunno signed default judgments of permanent injunction enjoining U.S. Funding Corp. of Hasbrouck Heights, New Jersey and Arnold Daner of New City, New York, from further violations of the antifraud and periodic reporting provisions of the securities laws in the discounting of approximately \$1.7 million in bogus leases at TransJersey's wholly-owned subsidiary, the Bank of Bloomfield. (SEC v. TransJersey Bancorp., et al., D.N.J. Civil Action No. 76-2236). (LR-7842)

SWIFT, HENKE & CO., INC. ENJOINED
AND SIPC TRUSTEE APPOINTED

The Chicago Regional Office announced that on March 14 the Federal Court in Chicago entered an order, by consent, of preliminary injunction against Swift, Henke & Co., Inc., a Chicago broker-dealer, enjoining it from violations of the net capital rule and appointing a temporary receiver and restraining the company from disposing of its assets. On March 15 the Court entered an order, by consent, adjudicating that the firm's customers were in need of the protection of the Securities Investor Protection Act and appointing J. William Holland as trustee for the liquidation of the business of the firm. (SEC v. Swift, Henke & Co., Inc., U.S.D.C. N.D. IL, Civil Action No. 77-C-855). (LR-7843)

INVESTMENT COMPANY ACT RELEASES

CENTRAL STATES, SOUTHEAST AND SOUTHWEST
AREAS PENSION FUND

An order has been issued pursuant to Section 6(c) and 6(e) of the Act exempting the Central States, Southeast and Southwest Areas Pension Fund from, in whole or in part: (1) Sections 7, 8, 10(e), 13(a), 15(a), 15(c), 16, 17(a), 17(d), 17(g), 18, 21(a), 24(b), 30, 31 and 32 of the Act, effective September 10, 1976 until the earlier of March 31, or the final Internal Revenue Service administrative determination of its status under Internal Revenue Code Section 401, and (2) Sections 8 and 15(a), retroactively from April 1, 1976 until September 10, 1976. (Rel. IC-9687 - Mar. 22)

A notice has also been issued giving interested persons until April 11 to request a hearing on an application of the Central States, Southeast and Southwest Areas Pension Fund, for an order extending the termination date of its exemption from, in whole or in part, Sections 7, 8, 10(e), 17(a), 15(a), 15(c), 16, 17(a), 17(d), 17(g), 18, 21(a), 24(b), 30, 31 and 32 of the Act, until the earlier of April 30 or the final Internal Revenue Service administrative determination of its status under Internal Revenue Code Section 401. (Rel. IC-9690 - Mar. 22)

KANSAS VENTURE CAPITAL

A notice has been issued giving interested persons until April 18 to request a hearing on an application of Kansas Venture Capital, Inc. (KVC), a Kansas corporation which proposes to operate as a licensed small business investment company under the Small Business Investment Act of 1980. (Rel. IC-9700 - Mar. 22)

ness Investment Act of 1958, for an order pursuant to Section 6(c) of the Act exempting KVC from all provisions of the Act. (Rel. IC-9688 - Mar. 22)

SAN LUIS MINING COMPANY

An order has been issued on an application of San Luis Mining Company pursuant to Section 3(b)(2) declaring that the company is not an investment company. (Rel. IC-9689-Mar. 22)

THE COLUMBINE FUND

A notice has been issued giving interested persons until April 18 to request a hearing on an application of The Columbine Fund, Inc., for an order that it has ceased to be an investment company. (Rel. IC-9691 - Mar. 23)

THE TWENTY FIVE FUND

A notice has been issued giving interested persons until April 18 to request a hearing on an application of The Twenty Five Fund, Inc., for an order that it has ceased to be an investment company. (Rel. IC-9692 - Mar. 23)

HOLDING COMPANY ACT RELEASES

INDIANA & MICHIGAN ELECTRIC COMPANY

An order has been issued approving a proposal of Indiana & Michigan Electric Company, subsidiary of American Electric Power Company, Inc., whereby a new series of pollution control revenue bonds in the amount of \$30 million will be issued by the City of Lawrenceburg, Indiana pursuant to an agreement between Indiana & Michigan and the City. The proceeds of the sale will be used in the construction of pollution control facilities on one of Indiana & Michigan's generating facilities. (Rel. 35-19953 - Mar. 23)

PUBLIC SERVICE COMPANY OF OKLAHOMA

A notice has been issued giving interested persons until April 18 to request a hearing on a proposal of Public Service Company of Oklahoma, subsidiary of Central and South West Corporation, to modify the calculations used to determine earned surplus for purposes of common stock dividend limitations and to issue and sell up to \$50 million in first mortgage bonds at competitive bidding. (Rel. 35-19954 - Mar. 23)

SELF-REGULATORY ORGANIZATIONS

NOTICE OF PROPOSED RULE CHANGE

Bradford Securities Processing Services, Inc. has filed a proposed rule change pursuant to Rule 19b-4 (SR-BSPS-77-3) to expand its network of regional clearing facilities. Publication of the proposal is expected to be made in the Federal Register during the week of March 28. (Rel. 34-13400)

APPROVAL OF PROPOSED RULE CHANGE

The Commission has approved a proposed rule change filed by the Chicago Board Options Exchange, Incorporated. The rule change (SR-CBOE-76-24) would allow the option price to more accurately reflect the price change in the underlying issue. (Rel. 34-13398)

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 10¢ per page plus postage (7 days) (\$3.50 minimum); 20¢ per page plus postage for expedited service (4 days) (\$5.00 minimum) and 30¢ per page plus postage for priority service overnight (\$5.00 minimum). Cost estimates are given on request. All other reference material is available in the SEC Docket.

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