



SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A Daily Summary of
S.E.C. Activities

Washington, D.C. 20549

(In ordering full text of Releases from SEC Publications Unit cite number)

(Issue No. 72-89)

FOR RELEASE May 10, 1972

COMMISSION ANNOUNCEMENTS

COMMISSION ISSUES RELEASE ON PAYMENT OF BROKERAGE BY INSTITUTIONAL MANAGERS. The Commission has noted that there are different views of the proper interpretation of that portion of the Commission's Policy Statement on the Future Structure of the Securities Markets, issued Feb. 2, 1972, relating to the selection of brokers and payment of competitively determined commissions by institutional managers. The question has been raised whether the views enumerated on pages 36 and 37 of the Policy Statement sanction disregard of an investment manager's obligation to seek the "best price and execution" of the portfolio transactions of an account it manages or indicates that the brokerage commissions paid on such transactions need not be taken into consideration in fulfilling this obligation.

The Commission does not sanction a disregard of either the obligation to seek best price and execution or of commission costs. It does sanction consideration of the quality and reliability of brokerage services, including the availability and value of research, in seeking and determining the best price and execution.

An adviser should have the flexibility to select a particular broker if the broker selected provides bona fide investment research or other services which he believes are valuable to the beneficiary's interest and if he believes the broker can properly execute the transaction. Similarly, the adviser should have discretion to pay a commission rate that will assure reliability and quality of service provided that it is reasonable.

Where the adviser is affiliated with or has a relationship with the brokerage firm executing the transaction, however, particular care must be exercised so that the adviser's fiduciary obligation to act solely in the interest of his beneficiary is satisfied. In such a case of self-dealing, the burden of justifying paying a commission rate in excess of the lowest rate available is particularly heavy.

The complete text of the Commission's release will be made available to those receiving "33, "34 and "40 Act releases, and is also available in the Commission's Publications Division. (Rel. 33-5250)

SEC AUTHORITY OVER SECURITIES PROCESSING AND OWNERSHIP TRANSFER VITAL, SAYSCASEY. Chairman William J. Casey today told a hearing of the Securities Subcommittee of the Senate Banking, Housing and Urban Affairs Committee that the Commission needed authority to oversee the entire system of securities processing and transfer of ownership to reduce the possibility of another paperwork crisis like that of recent years.

Mr. Casey spoke in support of legislation "The Securities Transactions Processing Act" which was introduced in March 1972. It would provide the Commission with the necessary authority to direct development of a nationwide securities processing system and to set performance standards for all major elements of the system.

Specifically, the legislation would clearly establish regulatory power of the Commission for clearance, settlement and stock depository operations and provide standard-setting authority over stock transfer agents.

Mr. Casey told the Committee: "The principal entities engaged in the processing of securities transactions to which our bill directs itself are depositories, clearing agencies, transfer agents and broker-dealers. Each performs an important function in the settlement and clearing process, and each was responsible to some degree for the inadequate systems which existed in 1967-1970 for the handling of securities transactions. Of equal concern is the fact that while each entity performs an important task in assembly line for securities processing, they nevertheless lack a coordinated approach to the handling of an investor's securities."

The Commission Chairman noted that competing systems of clearance had developed in the industry and that the future direction and function of stock depositories had to be established. He said the Commission at present has no authority over transfer agents, an area, he added, where the creation of minimum performance standards was vital.

"In short," he added "we are asking that our authority over clearing agencies and depositories be maintained, that our authority over broker-dealers with regard to processing of securities transactions be strengthened, and that our authority over transfer agents for minimum standards be established."

NEW RULES AND RULES PROPOSALS

ADOPT RULE RESPECTING PETTY CASH ACCOUNTS. Section 17(f) of the Act provides, in effect, that every registered management investment company shall place and maintain its securities and similar investments in the custody of (i) a bank or banks having the qualifications prescribed in Section 26(a) of the Act, or (ii) a member firm of a national securities exchange, subject to such rules and regulations as the Commission may prescribe, or (iii) the investment company, subject to rules, regulations and orders as the Commission may prescribe.

The new Rule 17E-3 excepts from bank custodianship certain small amounts of free cash which may be maintained by registered investment companies in a petty cash account. The Rule would permit registered investment companies having bank custodians to maintain a petty cash account in an amount not to exceed \$500, upon resolution of its board of directors. The Rule would also require the account to be operated under the imprest system, that is, periodic reimbursements may be made to the account to replenish it, but the total amount in the account may never exceed its maximum authorized amount. (Rel. IC-7164)

OVER

DEKALB AGRICULTURE RESEARCH, INC., Sycamore Rd., DeKalb, Ill. 60115, filed a registration statement on May 5 seeking registration of 77,000 outstanding shares of Class B common stock, to be offered for public sale by the holders thereof. The offering is to be made (* at \$71.625 per share maximum) through underwriters headed by White, Weld & Co. Inc., 20 Broad St., and Smith Barney & Co. Inc., 1345 Avenue of the Americas, both of New York. The company is engaged in the development and producer of hybrid corn, sorghum, sorghum-sundgrass and forage wheat seeds and breeding stock for producing broiler chickens and hybrid egg-laying chickens. (File 2-44131)

MEDUSA CORPORATION, Lee Rd. & Monticello Blvd., Cleveland Hts., Ohio 44118, filed a registration statement on May 5 seeking registration of 32,479 outstanding shares of common stock, which may be offered for sale from time to time by the holders thereof at prices current at the time of sale (* \$45 per share maximum). (File 2-44132)

UNION COMMERCE CORPORATION, 21 DuPont Circle, N.W., Washington, D. C. 20036, filed a registration statement on May 5 seeking registration of 600,000 outstanding shares of common stock, to be offered for public sale by the holder thereof, UCB Investment Company. The offering is to be made (* at \$37 per share maximum) through underwriters headed by The First Boston Corp., 20 Exchange Pl., New York 10005. Union Commerce is a bank holding company, whose principal asset is 99% of the capital stock of The Union Commerce Bank. (File 2-44133)

AMAREX FUNDS OF DELAWARE, INC. (the general partner), 2000 Classen Blvd., Oklahoma City, Okla. 73106, filed a registration statement on May 5 seeking registration of \$15 million of partnership units in Amarex Drilling Program, Ltd.-72/73 (the Partnership), to be offered for public sale at \$1,000 per unit with a minimum subscription of five units. The offering is to be made by Laird Incorporated and selected NASD members. The Partnership will invest in a series of up to four Drilling Partnerships, which will engage in oil and gas exploration. (File 2-44134)

CROWNAMERICA, INC., P. O. Box 1127, Dalton, Ga. 30720, filed a registration statement on May 5 seeking registration of 300,000 shares of common stock, of which 100,000 are to be offered for public sale by the company and 200,000 (being outstanding shares) by the holders thereof. The offering is to be made (* at \$15 per share maximum) through underwriters headed by J. C. Bradford & Co. Inc., 170 Fourth Ave., North, Nashville, Tenn. 37219. The company is primarily engaged in the processing of synthetic yarns for carpet manufacturers and the knitting and finishing of single-knit fabrics for the automobile and home furnishing industries. Of the net proceeds of its stock sale, \$900,000 will be used to retire short-term debt incurred for equipment purchases and the balance for working capital and other corporate purposes. (File 2-44138)

HOSPITAL CORPORATION OF AMERICA, 242 25th Ave., North, Nashville, Tenn. 37203, filed a registration statement on May 5 seeking registration of up to 535,900 shares of common stock, which may be issued in connection with the company's proposed acquisitions of Rio Hondo Memorial Hospital, Inc., Circle Terrace, Incorporated and Plantation General Hospital and their affiliates entities. The recipients may offer such shares for sale from time to time at prices current at the time of sale (* \$50 per share maximum). The company is engaged in the operation of 40 hospitals. (File 2-44139)

MEDIA GENERAL, INC., 333 East Grace St., Richmond, Va. 23219, filed a registration statement on May 5 seeking registration of 211,318 outstanding shares of common stock, to be offered for public sale by the holders thereof. The offering is to be made (* at \$45 per share maximum) through underwriters headed by Dillon, Read & Co. Inc., 46 William St., New York 10005. The company through subsidiaries publishes newspapers, and markets newsprint paper which it produces from waste newspapers. (File 2-44140)

CONSUMERS POWER COMPANY, 212 W. Michigan Ave., Jackson, Mich. 49201, filed two registration statements on May 5 seeking registration of (a) \$70 million of first mortgage bonds, due 2002 and (b) 700,000 shares of cumulative preferred stock (\$100 par). The bonds are to be offered for public sale at competitive bidding and the stock through underwriters headed by Morgan Stanley & Co. Inc., 2 Wall St., New York 10005. Net proceeds of the offerings will be used to finance in part the company's construction program and to repay short-term borrowings made or to be made in connection with the construction program. Construction expenditures are estimated at \$393,668,800 for 1972 and \$2 billion for 1972 through 1976. (File 2-44135 and 2-44136, respectively)

PAN AMERICAN BANCSHARES, INC., 150 Southeast Third Ave., Miami, Fla. 33101, filed a registration statement on May 5 seeking registration of 490,103 shares of common stock. Of these shares, it is proposed to offer 40,103 in exchange for the 14,853 outstanding shares of the Citizens Bank and Trust Company in Sarasota at the rate of 2.70 shares for each Sarasota Bank share and the remaining 450,000 in exchange for all the outstanding capital stock of the Capital National Bank of Tampa, at the rate of .45 shares for each Tampa Bank share. Bancshares is a bank holding company with interests in eight Florida banks. (File 2-44141)

THE BOSTON COMPANY MORTGAGE INVESTORS (the Trust), One Boston Place, Boston, Mass. 02106, filed a registration statement on May 5 seeking registration of 1,000,000 shares of beneficial interest and \$20 million of convertible subordinated debentures, due 1992, to be offered for public sale in units, each consisting of 5 shares and \$100 of debentures. The offering is to be made at \$200 per unit through underwriters headed by Morgan Stanley & Co., 2 Wall St., and Estabrook & Co. Inc., 80 Pine St., both of New York. The Trust proposes to invest in a portfolio of mortgage and equity investments in income-producing real properties. The Boston Company Mortgage Advisers, Inc., a subsidiary of The Boston Company, Inc., is investment adviser. (File 2-44144)

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PITTSBURGH REALTY INVESTMENT TRUST (the Trust), Frick Building, Pittsburgh, Pa. 15219, filed a registration statement on May 5 seeking registration of 155,000 shares of beneficial interest, to be offered for public sale at \$13 per share. No underwriting is involved. The Trust proposes to invest in a diversity of real estate investments with primary emphasis on equity positions. Regional Sales, Inc. will act as investment adviser. (File 2-44147)

HUSKY OIL LTD., 815 Sixth St., S.W., Calgary, Alta. T2P 1YL Canada, filed a registration statement on May 5 seeking registration of 100,000 outstanding shares of common stock, to be offered for public sale from time to time by the holder thereof (Gene E. Roark, president) at prices current at the time of sale (* \$17.75 per share maximum). The company is an integrated oil and gas enterprise. (File 2-44154)

GRANNING & TREECE FINANCIAL CORPORATION, 805 S. E. Hawthorne Blvd., Portland, Oreg. 97214, filed a registration statement on May 8 seeking registration of 430,000 shares of common stock, of which 200,000 are being offered for public sale by the company and 230,000 (being outstanding shares) by the holders thereof. The offering is to be made (*at \$15 per share maximum) through underwriters headed by Black & Company, Inc., American Bank Bldg., Portland, Oreg. 97205. The company is primarily engaged in furniture rental, commercial equipment leasing and financing, and consumer financial services. Net proceeds of its stock sale will be used for working capital and other corporate purposes. (File 2-44157)

CAYMAN EXPLORATION CORPORATION (General Partner), 608 Silver Spur Road, Palos Verdes Peninsula, Calif. 90274, filed a registration statement on May 8 seeking registration of \$5 million of limited partnership interests in 1972 Cayman Oil and Gas Drilling Program (the Partnership). The offering is to be made at \$2,500 per unit (with a required minimum purchase of two units) by Dynavest Plans, Inc., and selected NASD members. The partnership will engage in the exploration and development of oil and gas. (File 2-44159)

BOATMEN'S BANCSHARES, INC., 300 N. Broadway, St. Louis, Mo. 63102, filed a registration statement on May 8 seeking registration of 37,800 shares of common stock. It is proposed to offer these shares in exchange of all the outstanding shares of capital stock of the Bank of Troy, at the rate of 7.56 shares for each Bank share. Bancshares is a multi-bank holding company conducting a commercial and savings banking business, including safe deposit, trust and investment advisory services. (File 2-44160)

STOCK PLANS FILED. The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

Swank, Inc., Attleboro, Mass. (File 2-44108) - 100,000 shares
 Unarco Industries, Inc., Chicago, Ill. (File 2-44111) - 152,370 shares
 Granning & Treece Financial Corporation, Portland, Ore. (File 2-44112) - 74,086 shares
Mark Controls Corporation, Evanston, Ill. (File 2-44122) - 80,000 shares
National Steel Corporation, Pittsburgh, Pa. (File 2-44123) - 350,000 shares
Frontier Airlines, Inc., Denver, Colo. (File 2-44124) - 233,692 shares
Otis Elevator Co., New York (File 2-44129) - 400,000 shares
 General Development Corporation, Miami, Fla. (File 2-44137) - 250,000 shares
 Pennsylvania Life Company, Cleveland, Ohio (File 2-44142) - 75,000 shares
 Industrial National Corporation, Providence, R. I. (File 2-44143) - 450,000 shares
 Duke Power Company, Charlotte, N. C. (File 2-44145) - 1,131,819 shares
 J. C. Penney Company, Inc., New York, N.Y. (File 2-44146) - 12,500 shares
 Conrac Corporation, New York, N.Y. (File 2-44148) - 12,225 shares
 Textron Inc., Providence, R. I. (File 2-44149) - 2,500,000 shares
 The Anaconda Company, New York, N.Y. (File 2-44150) - 842,442 shares
 Howell Instruments, Inc., Fort Worth, Tex. (File 2-44151) - 100,000 shares
 Beloit Tool Corporation, Roscoe, Ill. (File 2-44152) - 21,000 shares
 Omni Spectra, Inc., Farmington, Mich. (File 2-44153) - 37,500 shares
 International Timesharing Corporation, Chaska, Minn. (File 2-44155) - 50,000 shares
 Rollins Burdick Hunter Co., Chicago, Ill. (File 2-44156) - 75,000 shares
 San Diego Gas & Electric Company, San Diego, Calif. (File 2-44158) - 150,000 shares

SECURITIES ACT REGISTRATIONS. Effective May 8. Baltimore Gas & Electric Co., 2-43870; Eagle Picher Industries, Inc., 2-43839; King Juices, Inc., 2-42423 (90 days); Westinghouse Electric Corp., 2-43823.

NOTE TO DEALERS. The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

*As estimated for purposes of computing the registration fee.

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ONLY the SEC News Digest is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402. All other referenced material must be ordered from the Securities and Exchange Commission Washington, D. C. 20549.