

# sec news digest

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## COMMISSION ANNOUNCEMENTS

## U.S. SECURITIES AND EXCHANGE COMMISSION

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### LEGISLATION DELAYING FULL EFFECTIVENESS OF SECTION 11(a) SIGNED INTO LAW BY PRESIDENT

The Commission today announced that legislation delaying from May 1, 1978 to February 1, 1979 the full effectiveness of Section 11(a) of the Securities Exchange Act of 1934 has been signed into law by the President. The Commission also announced its intention to reexamine the application of Section 11(a) to national securities exchanges and their members during the nine-month delay period, and invited public comment on the actions it has taken to date under that Section. Finally, the Commission advised national securities exchanges and their members to undertake promptly whatever steps may be necessary to prepare for full compliance with Section 11(a) when it becomes fully effective on February 1, 1979. (Rel. 34-14795)

FOR FURTHER INFORMATION CONTACT: Richard A. Steinwurtzel, Esq., 202-755-7974 or Charles M. Horn, Esq., 202-755-8747.

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## NOTICE OF COMMISSION MEETINGS

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Following is a schedule of Commission meetings which will be conducted pursuant to provisions of the Government in the Sunshine Act. In general, the Commission expects to follow a schedule of holding closed meetings on Tuesdays, and open meetings on Thursday mornings. Meetings on Wednesday, and if necessary on Thursday afternoons, will be either open or closed according to the requirements of agenda items under consideration. The Commission will not normally meet on Mondays or Fridays.

Visitors are welcome at all open meetings, insofar as seating is available.

Meetings will be held in the Commission Meeting Room on the eighth floor of the Commission's headquarters building at 500 North Capitol Street, Washington, D.C. All visitors are required to sign in and obtain passes at the Reception Desk in the lobby. Persons wishing to photograph or obtain a tape recording of Commission meetings must obtain permission in advance from the Secretary of the Commission.

### CLOSED MEETING - WEDNESDAY, MAY 31, 1978 - 10 A.M.

The subject matter of the May 31 closed meeting will be: Referral of investigatory files to Federal, State, or Self-Regulatory authorities; Formal order of investigation; Freedom of Information Act appeals; Authorization of staff members to testify; Chapter X proceedings; Chapter XI proceedings; Institution of administrative proceeding of an enforcement nature; Institution of injunctive action; Other litigation matters.

### OPEN MEETING - THURSDAY, JUNE 1, 1978 - 10 A.M.

The subject matter of the June 1 open meeting will be:

(1) Consideration of a plan filed pursuant to provisions of the Public Utility Holding Company Act of 1935 by American Electric Power Company, a registered holding company, and Michigan Power Company, a subsidiary gas and electric utility company, proposing to redeem the preferred stock of Michigan Power Company.

(2) Consideration of a plan filed pursuant to provisions of the Public Utility Holding Company Act of 1935 by Lykes Bros., Inc. to comply with the divestiture order by the Commission, directing the company to dispose of its interest in the common stock of Peoples Gas System, Inc.

(3) Petition for review of the Division of Corporation Finance's denial of a request for an extension of time within which to file an annual report on Form 10-K for the fiscal year ended December 31, 1977 of Crown Corporation.

(4) Consideration of the transmittal of the Seventh Annual Report of the Securities Investor Protection Corporation to the President and Congress.

FOR FURTHER INFORMATION CONTACT: Jane Hiteman at (202) 755-1133

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## ADMINISTRATIVE PROCEEDINGS

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INDEPENDENT INVESTOR PUBLICATIONS, INC. AND  
JACK H. ORECK CITED

The Commission has imposed remedial sanctions upon Independent Investor Publications, Inc. (IIP) and Jack H. Oreck, both of Phoenix, Arizona, after acceptance of their Offer of Settlement. IIP is registered with the Commission as an investment adviser and Oreck is its president. IIP publishes a newsletter approximately 36 times per year.

The staff alleged that from January 1975 to the present, IIP wilfully violated and Oreck wilfully aided and abetted violations of Sections 204 and 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 and Rules 204-2(a)(2), (a)(4) and (a)(6) and 206(4)-1(a)(2) and 206(4)-1(a)(5) thereunder in that IIP's newsletter contained reports relating to securities transactions in two model accounts while failing to disclose that such accounts were in fact fictitious accounts, contained comparisons between performance of the two model accounts and the Dow Jones Industrial Averages without fully disclosing the basis for such comparison, and referred directly and indirectly to past specific recommendations which were profitable. The staff also alleged various violations of the books and records provisions. (Rel. IA-630)

JOHN E. HAWTREY

The Commission announced that John E. Hawtreay, an attorney, submitted an offer of settlement in connection with proceedings initiated by the Commission pursuant to Rule 2(e) of the Commission's Rules of Practice. By the terms of the settlement, which the Commission has determined to accept, John E. Hawtreay will be suspended from practice before the Commission pursuant to Rule 2(e)(1) of the Commission's Rules of Practice for a period of thirty days, and thereafter, he will resign from all further practice before the Commission. (Rel. 34-14760)

FIRST NATIONAL BANK OF CHICAGO BOND DEPARTMENT  
CENSURED

An order has been entered censuring the First National Bank of Chicago Bond Department and ordering it to mail to all customers (other than individuals) of its U.S. Government Bond Division a letter stating the nature of its conduct in this matter and its future policies prohibiting adjusted trading. The sanctions were imposed based upon findings that the First National Bank of Chicago Bond Department wilfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and that it failed to supervise its employees with a view to preventing such violations.

The Commission's action was taken pursuant to an offer of settlement, without admitting or denying the allegations, which consented to the findings and the sanction. (Rel. 34-14761)

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## TRADING SUSPENSIONS

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TRADING SUSPENDED IN ENVIRODYNE INDUSTRIES, INC.

The SEC announced the single ten-day suspension of exchange and over-the-counter trading in the securities of Envirodyne Industries, Inc., a Delaware corporation located in Chicago, Illinois, for the period beginning on May 23 and terminating at midnight (EDT) on June 1, 1978.

The Commission initiated the suspension because the company filed its annual report on Form 10-K for the fiscal year ended December 31, 1977, which did not contain the required audited financial statements and summary of operations and because the company has failed to file its quarterly report on Form 10-Q for the fiscal quarter ended March 31, 1978, resulting in the lack of adequate and accurate public information about the company's operations, financial condition and the recent material acquisition of the Wisconsin Steel Division of International Harvester Company. (Rel. 34-14793)

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## INVESTMENT COMPANY ACT RELEASES

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### PUTNAM DAILY DIVIDEND TRUST

An order has been issued on an application of Putnam Daily Dividend Trust declaring that Avery Rockefeller shall not be deemed to be an interested person of the Trust, its investment adviser or a possible principal underwriter by reason of his position as director of The Home Insurance Company and its wholly-owned subsidiary, Seaboard Surety Corporation, the parent and sister subsidiary respectively, of Home Capital Services, Inc., a registered broker-dealer. (Rel. IC-10251 - May 22)

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## HOLDING COMPANY ACT RELEASES

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### OHIO POWER COMPANY

An order has been issued authorizing a proposal of Ohio Power Company, subsidiary of American Electric Power Company, Inc., concerning the issuance by a municipal authority of up to \$35 million of pollution control bonds. (Rel. 35-20553 - May 23)

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## SECURITIES ACT REGISTRATIONS

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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-8) KAUFMAN & BROAD, INC., 10801 National Boulevard, Los Angeles, Cal. 90064 (213-475-6711) - 842,915 shares of common stock. (File 2-61695 - May 23)
- (S-2) THERMATRON, INC., 1410 High St., Denver, Colo. 80218 - 1,500,000 shares of common stock, 150,000 common stock purchase warrants and underlying common stock. Underwriter: American Western Securities, Inc., 360 S. Monroe St., Denver, Colo. 80209. The company designs, produces and sells microwave fluid heating systems. (File 2-61696 - May 23)
- (S-7) SERVICE MERCHANDISE COMPANY, INC., 2968 Foster Creighton Dr., P.O. Box 40787, Nashville, Tenn. 37204 (615-259-4214) - 935,000 shares of common stock. Underwriters: Smith Barney, Harris Upham & Co. Inc., 120 Broadway, New York, N.Y. 10005 and J. C. Bradford & Co. The company operates a general merchandise business. (File 2-61697 - May 23)
- (S-6) MUNICIPAL EXEMPT TRUST, NEW YORK EXEMPT SERIES 1 - 12,000 units. Depositor: Glickenhau & Co., 522 Fifth Ave., New York, N.Y. 10036. The trust is a unit investment trust. (File 2-61698 - May 23)
- (S-8) FOOTE, CONE & BELDING COMMUNICATIONS, INC., 401 North Michigan Ave., Chicago, Ill. 60611 (312-467-9200) - 125,000 shares of common stock. (File 2-61699 - May 23)
- In a separate S-8 registration statement the company seeks registration of 100,000 shares of common stock. (File 2-61700 - May 23)
- (S-14) ARDEN GROUP, INC., 5900 S. Eastern Ave., Commerce, Cal. 90040 (213-685-5220) - 165,807 shares of preferred stock, Series A, and 4,594,412 shares of common stock. (File 2-61701 - May 23)
- (S-8) LEVITZ FURNITURE CORPORATION, 1317 N.W. 167th St., Miami, Fla. 33169- 75,000 shares of common stock. (File 2-61702 - May 22)
- (S-8) MARSHALL & ILSLEY CORPORATION, 770 North Water St., Milwaukee, Wis. 53201 - 100,000 shares of common stock. (File 2-61703 - May 22)
- (S-8) INEXCO OIL COMPANY, Suite 1900, Milam Building, Houston, Tex. 77002 - 250,000 shares of common stock. (File 2-61704 - May 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 30c 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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