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RULES AND RELATED MATTERS

U.S. SECURITIES AND
EXCHANGE COMMISSION

WITHDRAWAL OF AMENDMENTS TO FORMS S-5 AND S-6

The Commission has withdrawn proposed amendments to registration forms S-5 and S-6. The proposed amendments would have required that prospectuses for variable annuities contain illustrations based on hypothetical investment results.

FOR FURTHER INFORMATION, PLEASE CONTACT Laura A Boughan at (202) 755-0237.

ADMINISTRATIVE PROCEEDINGS

SANCTIONS IMPOSED AGAINST D&S FINANCIAL, INC., AND OTHERS

The Commission simultaneously entered an order instituting administrative proceedings and imposing remedial sanctions against D&S Financial Inc. (Registrant), a registered broker-dealer with its principal place of business in Pikesville, Maryland, Lee P. Der (Der), Registrant's president and director, David E. Karr, (Karr) previously a vice-president and director of Registrant, and Lee P. Der, Inc. (Der Inc.), a corporation associated with Registrant that is wholly owned by Der. The Commission has accepted an Offer of Settlement submitted by Registrant, Der, Karr and Der Inc. Based on the offer which neither admits nor denies the allegations, the Commission entered an order finding that Registrant, Der, Karr and Der Inc. violated the anti-fraud provisions of the Federal securities laws in connection with the offer and sale of interests in limited partnerships.

The Commission has suspended Registrant's registration as a broker-dealer for 30 days; Der is suspended from associating with any broker or dealer for a period of 30 days; Kar is suspended from associating with any broker or dealer for a period of 15 days; and Der Inc. was censured. Additionally, Registrant has undertaken to engage an independent qualified person to review all offerings in which Registrant participates for a period of two years. (Rel. 34-16022)

BEAR STEARNS CITED

The Commission has ordered the institution of public administrative proceedings under the Securities Exchange Act of 1934 against: Bear, Stearns & Co., a broker-dealer with principal offices in New York City, New York; Richard A. Graham, formerly a registered representative in Bear Stearns' San Francisco, California office; Philip A. Schaefer, a registered representative in Bear Stearns' San Francisco office; Michael E. Tennenbaum, a Bear Stearns general partner and formerly its senior registered options principal; and Larry H. Friend, formerly a Bear Stearns general partner and formerly in charge of Bear Stearns' San Francisco office.

The Order for Proceedings alleges that Bear Stearns, Graham, and Schaefer violated and aided and abetted violations of the antifraud provisions of the securities laws in connection with the solicitation and transaction of business, including listed options business, with public investors. The Order further alleges that Bear Stearns, Tennenbaum, and Friend failed reasonably to supervise persons subject to their supervision with a view to preventing such violations.

The Order for Proceedings alleges, among other things, that Bear Stearns and Graham, aided and abetted by Schaefer, by means of material misrepresentations and omissions concerning the risks and rewards of listed options trading, induced customers to grant discretionary trading power, and thereafter, effected transactions which were excessively frequent and speculative in light of the character of their customer accounts.

Simultaneously with the institution of the above proceedings, Bear Stearns has submitted an offer of settlement which has been accepted by the Commission. In its offer of settlement, Bear Stearns consented to the imposition of an Order which provided for the following: (1) findings that Bear Stearns committed the alleged violations and failure of supervision; (2) the suspension of Bear Stearns' San Francisco office for a period of twenty business days from all trading in securities options for any accounts for which an option suitability form has not been submitted to Bear Stearns prior to the date of the Order; and (3) the requirement that Bear Stearns institute and implement certain remedial procedures relating primarily to its customer options business. (See Release 34-16025).

With respect to the remaining respondents, a hearing will be scheduled by further order to take evidence on the staff's allegations and to afford them an opportunity to offer any defenses thereto, for the purpose of determining what remedial action, if any, should be ordered by the Commission. (Rel. 34-16024)

BEAR, STEARNS & COMPANY, OTHERS SANCTIONED

The Commission has instituted public administrative proceedings against Bear, Stearns & Co. (Bear Stearns) and Bruce R. Frederick (Frederick), a former registered representative in Bear Stearns' Chicago branch office, and has accepted offers of settlement from each wherein, without admitting or denying the allegations contained in the order for proceedings, (1) Frederick consented to findings that he wilfully violated the antifraud and churning provisions of the Federal securities laws in connection with the handling of two customer accounts over which he was vested with discretionary authority, and (2) Bear Stearns consented to findings that it failed to supervise Frederick with a view to preventing the foregoing violations.

In their offers of settlement: (1) Frederick consented to a bar from association with a broker or dealer with the right to apply to the Commission for permission to become associated with a broker or dealer after four years; and (2) Bear Stearns consented to (a) the imposition of a censure and (b) the entry of an order requiring it to institute and implement certain procedures. Bear Stearns also agreed to make restitution to the two customers involved in this matter. (Rel. 34-16023)

COMMISSION ANNOUNCEMENTS

R. MOSHE SIMON NAMED ASSOCIATE DIRECTOR OF THE OFFICE OF OPINIONS AND REVIEW

William S. Stern, Director of the Office of Opinions and Review, today announced the appointment of R. Moshe Simon as Associate Director. Mr. Simon joined the Commission's staff in August 1966 as an attorney with the Division of Corporate Regulation, and subsequently became an Assistant Director of that Division. In November 1973, he transferred to the Office of Opinions and Review as Special Counsel, and was appointed Assistant Director in February 1978.

INVESTMENT COMPANY ACT RELEASES

FUQUA INVESTMENT COMPANY

A notice has been issued giving interested persons until August 13 to request a hearing on an application of Fuqua Investment Company (FIC) and J.B. Fuqua, the sole shareholder of FIC (Applicants), for an order pursuant to Section 17(d) of the Act and Rule 17d-1 thereunder permitting Applicants to carry out the terms of an agreement settling litigation with S-G Securities, Inc., a registered closed-end, diversified, management investment company, affiliated with FIC and Fuqua by virtue of FIC's ownership of its common stock. (Rel. IC-10790 - July 20)

HOLDING COMPANY ACT RELEASES

SYSTEM FUELS, INC.

A notice has been issued giving interested persons until August 13 to request a hearing on a post-effective amendment filed by Arkansas Power & Light Company, Louisiana Power & Light Company, Mississippi Power & Light Company, and New Orleans Public Service, Inc. (collectively the operating companies), all public utility subsidiaries

of Middle South Utilities, Inc., together with System Fuels, Inc. (SFI), a jointly-owned nonutility subsidiary of the operating companies, regarding financing arrangements related to the purchase of fuel oil by SFI for use by the Operating Companies. (Rel. 35-21151 - July 19)

MISCELLANEOUS

HEWETT JOHNSON SWANSON & BARBEE

An order has been issued pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the provisions of Section 5 of the Act interests or participations in the Retirement Plan of Hewett Johnson Swanson & Barbee, a law firm organized as a partnership under the laws of the State of Texas. (Rel. 33-6091)

LORD, DAY & LORD

An order has been issued pursuant to Section 3(a)(2) of the Securities Act of 1933 exempting from the provisions of Section 5 of the Act interests or participations in the Retirement Plan for Attorneys of Lord, Day & Lord, a law firm organized as a partnership under the laws of the State of New York. (Rel. 33-6092)

SECURITIES ACT REGISTRATIONS

- (S-6) MUNICIPAL INVESTMENT TRUST FUND, TWENTY-FIRST NEW YORK SERIES, One Liberty Plaza, 165 Broadway, New York, N.Y. 10080 - an indefinite number of units of beneficial interest. Depositors: Merrill Lynch, Pierce, Fenner & Smith Inc., One Liberty Plaza, 165 Broadway, New York, N.Y. 10080, Bache Halsey Stuart Shields Inc. and Dean Witter Reynolds Inc. (File 2-65055 - July 19)
- (S-8) SCIENTIFIC-ATLANTA, INC., 3845 Pleasantdale Rd., Atlanta, Ga. 30340 (404) 449-2000 - 17,365 shares of common stock. (File 2-65056 - July 20)
- (S-8) ALEXANDER & ALEXANDER SERVICES INC., 1211 Avenue of the Americas, New York, N.Y. 10036 (301) 296-3300 - 767,658 shares of common stock. (File 2-65057 - July 20)
- (S-7) PULLMAN LEASING COMPANY, 200 South Michigan Ave., Chicago, Ill. 60604 (312) 322-7070 - \$40 million of equipment trust certificates, due August 1, 1999 (Series 7). Underwriter: The First Boston Corporation. The company is engaged in the leasing of freight cars. (File 2-65058 - July 20)
- (S-12) MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 30 West Broadway, New York, N.Y. 10015 - 100,000 American Depositary Receipts for shares of M.I.M. Holdings Limited. (File 2-65059 - July 20)
- (S-11) HOME SAVINGS AND LOAN ASSOCIATION, 3731 Wilshire Blvd., Los Angeles, Cal. 90010 (213) 385-1900 - 4,000 single mortgage pass-through certificates, fourth Series. (File 2-65060 - July 20)
- (S-6) AMERICAN INCOME TRUST, 4 to 10 YEAR TERM, SERIES 2, 215 North Main St., West Bend, Wis. 53095 - 4,500 units. Depositor: B. C. Ziegler and Company. (File 2-65061 - July 20)
- (S-16) AMERICAN FINANCIAL CORPORATION, One East Fourth St., Cincinnati, Ohio 45202 (513) 579-2121 - 508,504 shares of common stock. (File 2-65062 - July 20)
- (S-8) MIDWESTERN FIDELITY CORPORATION, 6040 Fidelity Dr., Milford, Ohio 45150 - 150,000 common shares. (File 2-65063 - July 20)
- (S-8) THE DUN & BRADSTREET CORPORATION, 299 Park Ave., New York, N.Y. 10017 (212) 593-6800 - 416,490 shares of common stock. (File 2-65064 - July 20)
- (S-6) THE MUNICIPAL BOND TRUST, MULTI-STATE PROGRAM, SERIES 3, 140 Broadway, New York, N.Y. 10005 - 18,300 units. Depositor: Paine, Webber, Jackson & Curtis Inc. (File 2-65065 - July 20)
- (S-14) GREAT AMERICAN INDUSTRIES, INC., 645 Fifth Ave., New York, N.Y. 10022 (212) 758-5230 - 120,400 shares of preferred stock, Series B. (File 2-65066 - July 20)
- (S-8) DORCHESTER GAS CORPORATION, 5735 Pineland Dr., Dallas, Tex. 75231 (214) 750-3500 - an indeterminate number of shares of common stock. (File 2-65068 - July 23)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

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NOTICE

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